

1 TO THE HONORABLE SENATE:

2 The Committee on Health and Welfare to which was referred House Bill  
3 No. 13 entitled “An act relating to Medicaid payment rates for home- and  
4 community-based service providers” respectfully reports that it has considered  
5 the same and recommends that the Senate propose to the House that the bill be  
6 amended by striking out all after the enacting clause and inserting in lieu  
7 thereof the following:

8 Sec. 1. 33 V.S.A. § 900 is amended to read:

9 § 900. DEFINITIONS

10 ~~Unless otherwise required by the context, the words and phrases in this~~  
11 ~~chapter shall be defined as follows~~ As used in this chapter:

12 \* \* \*

13 (7) “Home and Community-based services” means the following  
14 services provided pursuant to Vermont’s Global Commitment to Health  
15 Section 1115 Medicaid demonstration or a successor program:

16 (A) long-term services and supports provided to older adults and  
17 adults with disabilities in a home or community setting other than a nursing  
18 home, including enhanced residential care services;

19 (B) home health and hospice services, adult day rehabilitation  
20 services, and assistive community care services; and

1           (C) short- and long-term services and supports provided to  
2           individuals with mental conditions, individuals with substance use disorders,  
3           individuals with developmental or intellectual disabilities, and individuals with  
4           a brain injury, in a home or community setting for which the Medicaid rates  
5           are not otherwise established pursuant to statute or rule **that is not a clinical**  
6           **residential setting or a private nonmedical residential setting.**

7           Sec. 2. 33 V.S.A. § 911 is added to read:

8           § 911. PAYMENT RATES FOR PROVIDERS OF **HOME AND**  
9           COMMUNITY-BASED SERVICES

10          (a) The Secretary of Human Services shall determine payment rates for  
11          providers of **home and** community-based services that are reasonable and  
12          adequate to achieve the required outcomes for the populations they serve.

13          When determining these payment rates, the Secretary:

14               **(1)** shall adjust the rate amounts to take into account factors that include:

15               **(A)** the reasonable cost of any governmental mandate that has been  
16               enacted, adopted, or imposed by any State or federal authority; and

17               **(B)** a cost adjustment factor to reflect changes in reasonable costs of  
18               goods to and services of providers of **home and** community-based services,  
19               including those attributed to inflation and labor market dynamics; **and**

20               **(b) When determining reasonable and adequate rates of payment for**  
21               **providers of home and community based services, the Secretary**

1           **(2)** may consider geographic differences in wages, benefits, housing,  
2 and real estate costs in each region of the State.

3           **(b)** The Secretary shall establish a methodology for determining payment  
4 rates for providers of **home-and** community-based services in accordance with  
5 this section. The methodology shall:

6                   (1) provide a schedule for conducting studies of the Medicaid  
7 reimbursement rates paid to the providers of **home-and** community-based  
8 services, including the rates' adequacy and their underlying methodologies,  
9 that includes studying the rates paid to providers for each type of service at  
10 least once every five years;

11                   (2) set forth a predictable timeline for redetermination of base rates;

12                   (3) include a process for determining an annual inflationary rate  
13 adjustment;

14                   (4) to the extent permitted by the Centers for Medicare and Medicaid  
15 Services, take into account the financial needs of providers whose  
16 reimbursements may be negatively affected by client absences; and

17                   (5) use Vermont labor market rates and Vermont costs of operation.

18           **(c)** The Secretary shall establish a process by which a provider of  
19 **community-based services** whose financial condition places it at imminent  
20 risk of closure may seek extraordinary financial relief from the Agency.

1        (d) The Secretary shall redetermine the payment rates for providers of  
2        home and community-based services in accordance with this section at least  
3        annually and shall report those rates, and the amounts necessary to fund them,  
4        to the House Committees on Appropriations, on Human Services, and on  
5        Health Care and the Senate Committees on Appropriations and on Health and  
6        Welfare annually as part of the Agency’s budget presentation.

7        Sec. 3. 18 V.S.A. § 8914 is amended to read:

8        § 8914. RATES OF PAYMENTS TO DESIGNATED AND SPECIALIZED  
9    SERVICE AGENCIES

10        ~~(a) The Secretary of Human Services shall have sole responsibility for~~  
11        ~~establishing~~ determine the Departments of Health’s, of Mental Health’s, and of  
12        Disabilities, Aging, and Independent Living’s rates of payments for designated  
13        and specialized service agencies ~~that are reasonable and adequate to achieve~~  
14        ~~the required outcomes for designated populations~~ in accordance with 33 V.S.A.

15        § 911. When establishing rates of payment for designated and specialized  
16        service agencies, the Secretary shall adjust rates to take into account factors  
17        that include:

18    ~~(1) the reasonable cost of any governmental mandate that has been~~  
19        ~~enacted, adopted, or imposed by any State or federal authority; and~~

1           ~~(2) a cost adjustment factor to reflect changes in reasonable costs of~~  
2 ~~goods and services of designated and specialized service agencies, including~~  
3 ~~those attributed to inflation and labor market dynamics.~~

4           ~~(b) When establishing rates of payment for designated and specialized~~  
5 ~~service agencies, the Secretary may consider geographic differences in wages,~~  
6 ~~benefits, housing, and real estate costs in each region of the State.~~

7       Sec. 4. PAYMENT RATES FOR PROVIDERS OF HOME AND  
8           COMMUNITY-BASED SERVICES; UPDATE ON  
9           IMPLEMENTATION; REPORT

10       On or before January 15, 2026, the Agency of Human Services shall report  
11 to the House Committees on Human Services and on Health Care and the  
12 Senate Committee on Health and Welfare with an update on the Agency’s  
13 implementation of 33 V.S.A. § 911, as added by Sec. 2 of this act, including  
14 the Agency’s proposed schedule for Medicaid rate studies and the  
15 methodology the Agency developed for determining payment rates for  
16 providers of home and community-based services.

17       Sec. 5. EFFECTIVE DATE

18       This act shall take effect on passage.  
19 and that after passage the title of the bill be amended to read: “An act relating  
20 to Medicaid payment rates for community-based service providers”

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(Committee vote: \_\_\_\_\_)

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Senator \_\_\_\_\_

FOR THE COMMITTEE