

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

2 ~~§ 900.~~ DEFINITIONS

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

12 ~~***~~

13 (1) ~~(7)~~ “Community-based services” means the following services provided
14 pursuant to Vermont’s Global Commitment to Health Section 1115 Medicaid
15 demonstration or a successor program:

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

1 (c) ~~(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 that is not a clinical residential
5 setting or a private nonmedical residential setting.

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

7 ~~§ 911.~~ PAYMENT RATES FOR PROVIDERS OF COMMUNITY-BASED
8 SERVICES

9 (a) The Secretary of Human Services shall ~~determine~~ assess payment rates for
10 providers of community-based services that are reasonable and adequate to
11 achieve the required outcomes for the populations they serve. When
12 ~~determining~~ assessing these payment rates, the Secretary:

13 (1) ~~For informational purposes~~ shall ~~adjust~~ ensure the ~~assessment rate amounts to~~
14 takes ~~s~~ 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 community-based services, including
19 those attributed to inflation and labor market dynamics; and

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

1 (b) The Secretary shall establish a methodology for assessing determining
2 payment rates for providers of community-based services in accordance with this
3 section. The methodology shall:

4 (1) provide a schedule for conducting studies of the Medicaid
5 reimbursement rates paid to the providers of community-based services,
6 including the rates' adequacy and their underlying methodologies, that
7 includes studying the rates paid to providers for each type of service at regular
8 intervals in accordance with Agency capacity at least once every five years;

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

10 (3) include a process for assessing determining an annual inflationary rate
11 adjustment;

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

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

~~16 (c) The Secretary shall establish a process by which a provider of~~
~~17 community-based services whose financial condition places it at imminent risk~~
~~18 of closure may seek extraordinary financial relief from the Agency.~~

19 (d) The Secretary shall review redetermine the payment rates for providers of
20 community-based services in accordance with this section at least annually and
21 shall report the results of those reviews those rates, and the amounts necessary to
22 fund them, to the House

1 Committees on Appropriations, on Human Services, and on Health Care and
2 the Senate Committees on Appropriations and on Health and Welfare annually
3 as part of the Agency's budget presentation.

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

5 ~~§ 8914. RATES OF PAYMENTS TO DESIGNATED AND SPECIALIZED~~

6 ~~SERVICE AGENCIES~~

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

12 ~~§ 911. When establishing rates of payment for designated and specialized~~
13 ~~service agencies, the Secretary shall adjust rates to take into account factors~~
14 ~~that include:~~

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

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

1 ~~(b) When establishing rates of payment for designated and specialized~~
2 ~~service agencies, the Secretary may consider geographic differences in wages,~~

benefits, housing, and real estate costs in each region of the State.

Sec. 4. PAYMENT RATES FOR PROVIDERS OF COMMUNITY-BASED
SERVICES; UPDATE ON IMPLEMENTATION; REPORT

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

Sec. 5. EFFECTIVE DATE

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