May 1, 2026

To: Senate Health and Welfare Committee

Re: H. 583 – An Act Relating to Clinical Decision Making

Thank you for offering the Vermont Health Care Association (VHCA) an opportunity to explain the current reporting and regulatory requirements for nursing homes that meet, and exceed, the requirements outlined in H. 583. Because nursing homes are currently under a stricter regulatory system than what is provided for in H. 583, and because the information gathered through these structures is available to entities such as the Green Mountain Care Board should they find it necessary to review, we support the nursing home reporting exemption included by the House.

VHCA notes that significant changes have been made at both the state and federal levels in the last two years to address concerns regarding ownership structures, transfers of ownership, and overall transparency. This recent history provides us with experience in the work required to create clear, fair guidelines for collecting information that is critical to ensuring the stability of the health care system without generating unnecessary burdens for providers, discouraging desirable investment, or risking critical breaches in confidentiality. Significant resources have gone into this shift within our sector. We agree with our colleagues at other provider organizations and the testimony of the Green Mountain Care Board that the reporting system described by H. 583 will take time to design and implement.

Below is a brief review of recent statutory and regulatory updates that pertain to topics discussed within the H. 583 overview.

> In 2025, the Agency of Human Services introduced extensive changes to transfer of ownership rules in Vermont, the current iteration is linked here. The updates include requirements for disclosures covering all ownership interests, potential ownership interests, current and potential contracting relationships, past relationships, overview of the organizational structure, and all contracts and draft agreements including, but not limited to: A. Any purchase and sales agreement; B. Any leases or sub-leases; C. Any administrative services agreement or other management agreement; and D. Any transactions with related parties.
>
> Documents provided as part of transfer of ownership are available as public records. Additionally, the Vermont Long-Term Care Ombudsman's program is invited to be a party to the application review, receive all materials, and provide comments.

In addition to disclosures when applying for transfer of ownership, Vermont requires updates to the Division of Licensing and Protection following any material change. The Division of Rate Setting reviews audited financial reports annually, has regulatory limits on payments outside normal operations, and may also review contracts. This system provides ongoing regulatory review and control related to ownership. Deeper analysis is performed at any point when a nursing home experiences financial distress, as described in the next section.

Financial details are available to interested parties both through Medicare cost reporting and through Public Records Access requests. They are also analyzed in public reporting on the Medicaid program, examples are provided in the next section.

At the federal level, CMS has implemented extensive ownership transparency requirements since 2024, which include public disclosure of ownership, related parties, and management control interests. These are provided at enrollment in Medicare, with any material change, and as part of standard revalidation cycles. The information is published as part of each nursing home's online Medicare profile and as downloadable detailed files at this page.

An important aspect of the current reporting by nursing homes is that it exists within a comprehensive regulatory structure both at the federal level and within the Vermont Agency of Human Services. The information reported is used in conjunction with other regulatory levers to improve quality in nursing homes. This context is the second reason why VHCA supported the nursing home exemption in H. 583. The reporting and review avenues within that bill were not tied to this underlying framework, but instead more closely paralleled the regulatory structure for hospitals. Examples of complementary regulatory oversight for nursing homes include:

Nursing facilities undergo regular (annual) unannounced surveyor review based on an extensive 900+ page manual of requirements and a collection of critical element pathways, all outlined here, plus state level regulations, and additionally must self-report any failures of quality for regulatory inspection. On top of those guidelines, the state must nominate a minimum of 6 facilities (20% of our providers) quarterly for enhanced survey review. These regular inspections are in addition to any complaint investigations. These steps help ensure care quality regardless of ownership structure.

Some elements of regulatory review are designed to catch any systems problems related to management decisions. For example, CMS collects and publishes the payroll data of every nursing home, which tracks detailed coverage of each staffing position providing resident care in every pay period of every quarter, found here. This complements Vermont state level requirements regarding staffing minimums. The OIG engages in a

process of reviewing and updating the guidelines for these submissions. The most recent nursing hours submission guidance update was implemented in 2025.

Similarly, in late 2024, CMS began conducting inspections to ensure compliance around updated guidance for how facilities must determine staffing requirements. This system requires both individual care plan assessments for each resident, performed by clinicians, and also a facility-wide assessment, to be completed by nursing home leadership, direct care providers, and residents, as outlined here. VHCA believes that the corporate practice of medicine language contained in H. 583 complements these types of existing regulatory frameworks by ensuring clinical decisions remain free of non-clinical influence.

As noted in the previous section, Vermont has mechanisms in place to review the situations when nursing home providers face financial instability that threatens their continued operations. One mechanism is Extraordinary Financial Relief (EFR). In 2025, the Vermont legislature requested a state analysis of EFR in the years following COVID-19. The state's reports are found here and here. The state found that funding requests were driven by financial instability in small and non-profit nursing homes, attributed largely to workforce shortages and the costs of maintaining adequate staffing coverage during those shortages. DAIL is currently engaged in a strategic planning process to restabilize these providers at a systems level.

VHCA is working with relevant stakeholders to implement the recent changes outlined in these comments and chart a pathway to a strong nursing home sector in Vermont. We reach out regularly to the Long-Term Care Ombudsman, the Division of Licensing and Protection, the Division of Rate Setting, Department of Disabilities, Aging and Independent Living, and CMS regional offices to understand progress and we value our working relationship with these groups. We endorse the perspective presented by the Green Mountain Care Board that time is needed for stakeholder engagement to build a system for the reporting outlined by H. 583.

The Vermont Health Care Association supports the limitations on control over clinical decision making (Section 9772) in H. 583 as a reasonable complement to current regulations. We are neutral on the rest of the bill.

Sincerely,
Helen Labun
Executive Director, Vermont Health Care Association