

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21

H.13

Introduced by Representatives Wood of Waterbury and Noyes of Wolcott

Referred to Committee on

Date:

Subject: Human services; Medicaid; home- and community-based service  
providers; designated and specialized service agencies

Statement of purpose of bill as introduced: This bill proposes to require the  
Secretary of Human Services to determine reasonable and adequate Medicaid  
payment rates for providers of home- and community-based services. It would  
direct the Secretary to adopt rules setting forth the methodology for those  
payment rates, as well as for the Medicaid payment rates for designated and  
specialized service agencies; the rules for all of these provider types would  
need to include a process for determining an annual inflationary adjustment  
and set forth a predictable timeline for redetermining the providers' base rates.

The bill would require the Secretary to redetermine the payment rates for  
home- and community-based service providers and for designated and  
specialized service agencies at least annually and report those rates, and the  
amounts necessary to fund them, to the General Assembly as part of the  
Agency of Human Services' budget presentation. The bill would also direct  
the Department of Vermont Health Access to conduct a rate study of the  
current Medicaid rates paid to providers of home- and community-based

1 services and to providers of substance use disorder treatment services and  
2 report the Department's findings and recommendations to the General  
3 Assembly and the Secretary of Human Services.

4 An act relating to Medicaid payment rates for home- and community-based  
5 service providers and designated and specialized service agencies

6 It is hereby enacted by the General Assembly of the State of Vermont:

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

8 § 900. DEFINITIONS

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

11 \* \* \*

12 (7) "Home- and community-based services" means long-term services  
13 and supports provided to older adults and adults with physical disabilities in a  
14 home or community setting other than a nursing home, including enhanced  
15 residential care services, pursuant to the Choices for Care component of  
16 Vermont's Global Commitment to Health Section 1115 Medicaid  
17 demonstration or a successor program. "Home- and community-based  
18 services" also includes non-Choices for Care home health and hospice  
19 services, adult day rehabilitation services, assistive community care services,  
20 and services for individuals with traumatic brain injury.

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

2       § 911. PAYMENT RATES FOR PROVIDERS OF HOME- AND  
3               COMMUNITY-BASED SERVICES

4               (a) The Secretary of Human Services shall determine payment rates for  
5       providers of home- and community-based services that are reasonable and  
6       adequate to achieve the required outcomes for the populations they serve.  
7       When determining these payment rates, the Secretary shall adjust the rate  
8       amounts to take into account factors that include:

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

11               (2) a cost adjustment factor to reflect changes in reasonable costs of  
12       goods to and services of providers of home- and community-based services,  
13       including those attributed to inflation and labor market dynamics.

14               (b) When determining reasonable and adequate rates of payment for  
15       providers of home- and community-based services, the Secretary may consider  
16       geographic differences in wages, benefits, housing, and real estate costs in  
17       each region of the State.

18               (c) The Secretary shall adopt rules setting forth the methodology for  
19       determining payment rates for providers of home- and community-based  
20       services in accordance with this section. The rules shall include a process for  
21       determining an annual inflationary rate adjustment, shall set forth a predictable

1 timeline for redetermination of base rates, and shall use Vermont labor market  
2 rates and Vermont costs of operation.

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

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

10 § 8914. RATES OF PAYMENTS TO DESIGNATED AND SPECIALIZED  
11 SERVICE AGENCIES

12 (a) The Secretary of Human Services shall ~~have sole responsibility for~~  
13 ~~establishing~~ determine the Departments of Health's, of Mental Health's, and of  
14 Disabilities, Aging, and Independent Living's rates of payments for designated  
15 and specialized service agencies that are reasonable and adequate to achieve  
16 the required outcomes for designated populations. When ~~establishing~~  
17 determining these rates of payment for designated and specialized service  
18 ~~agencies~~, the Secretary shall adjust ~~rates~~ the rate amounts to take into account  
19 factors that include:

20 (1) the reasonable cost of any governmental mandate that has been  
21 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 to and services of designated and specialized service agencies, including  
3 those attributed to inflation and labor market dynamics.

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

8           (c) The Secretary shall adopt rules setting forth the methodology for  
9 determining the payment rates for services provided by designated and  
10 specialized service agencies to individuals with mental conditions, individuals  
11 with substance use disorders, and individuals with developmental or  
12 intellectual disabilities in accordance with this section. The rules shall include  
13 a process for determining an annual inflationary rate adjustment, shall set forth  
14 a predictable timeline for redetermination of base rates, and shall use Vermont  
15 labor market rates and Vermont costs of operation.

16           (d) The Secretary shall redetermine the payment rates for designated and  
17 specialized service agencies in accordance with this section at least annually  
18 and shall report those rates, and the amounts necessary to fund them, to the  
19 House Committees on Appropriations, on Human Services, and on Health Care  
20 and the Senate Committees on Appropriations and on Health and Welfare  
21 annually as part of the Agency's budget presentation.

1       Sec. 4. HOME- AND COMMUNITY-BASED SERVICE PROVIDER  
2               RATE STUDY; REPORT

3               (a) The Department of Vermont Health Access, in collaboration with the  
4               Departments of Disabilities, Aging, and Independent Living, of Health, and of  
5               Mental Health, shall conduct a rate study of the Medicaid reimbursement rates  
6               paid to providers of home- and community-based services, as defined in  
7               33 V.S.A. § 900, and providers of substance use disorder treatment services,  
8               including their adequacy and the methodologies underlying the rates. As part  
9               of the rate study, the Department of Vermont Health Access shall:

10              (1) delineate a reasonable and predictable schedule for Medicaid rates  
11              and rate updates;

12              (2) identify ways to align Medicaid reimbursement methodologies and  
13              rates for providers of home- and community-based services with those of other  
14              payers, to the extent such other methodologies and rates exist; and

15              (3) determine ways to limit the number of methodological exceptions.

16              (b) On or before January 15, 2026, the Department of Vermont Health  
17              Access, in collaboration with the Departments of Disabilities, Aging, and  
18              Independent Living, of Health, and of Mental Health, shall report the results of  
19              the rate study conducted pursuant to this section and their findings and  
20              recommendations to the House Committees on Human Services and on

1     Appropriations, the Senate Committees on Health and Welfare and on  
2     Appropriations, and the Secretary of Human Services.

3     Sec. 5. EFFECTIVE DATE

4         This act shall take effect on passage, with the rules adopted by the Secretary  
5     of Human Services pursuant to Secs. 2 (33 V.S.A. § 911) and 3 (18 V.S.A.  
6     § 8914) taking effect on or before July 1, 2026.