

1 H.357

2 Introduced by Representatives Noyes of Wolcott and Wood of Waterbury

3 Referred to Committee on

4 Date:

5 Subject: Human services; Medicaid; home- and community-based service  
6 providers

7 Statement of purpose of bill as introduced: This bill proposes to establish an  
8 annual inflation factor to be applied to the Medicaid rates for providers of  
9 home- and community-based service providers. It would also direct the  
10 Department of Vermont Health Access and the Department of Disabilities,  
11 Aging, and Independent Living to study the Medicaid reimbursement rates  
12 paid to home- and community-based service providers, their adequacy, and the  
13 methodologies underlying the rates.

14 An act relating to Medicaid reimbursement rates for home- and community-  
15 based service providers

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

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

18 § 900. DEFINITIONS

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

1 \* \* \*

2 (7) “Home- and community-based services” means long-term services  
3 and supports received in a home or community setting other than a nursing  
4 home pursuant to the Choices for Care component of Vermont’s Global  
5 Commitment to Health Section 1115 Medicaid demonstration or a successor  
6 program and includes home health and hospice services, assistive community  
7 care services, and enhanced residential care services.

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

9 § 911. INFLATION FACTOR FOR HOME- AND COMMUNITY-BASED  
10 SERVICES; PAYMENT RATES

11 (a) The Director shall establish by rule procedures for determining an  
12 annual inflation factor to be applied to the Medicaid rates for providers of  
13 home- and community-based services authorized by the Department of  
14 Vermont Health Access or the Department of Disabilities, Aging, and  
15 Independent Living, or both.

16 (b) The Division, in collaboration with the Department of Disabilities,  
17 Aging, and Independent Living, shall calculate the inflation factor for home-  
18 and community-based services annually according to the procedure adopted by  
19 rule and shall report it to the Departments of Disabilities, Aging, and  
20 Independent Living and of Vermont Health Access for application to home-

1 and community-based provider Medicaid reimbursement rates beginning on  
2 July 1.

3 (c) Determination of Medicaid reimbursement rates for each fiscal year  
4 shall be based on application of the inflation factor to the sum of:

5 (1) the prior fiscal year's payment rates; plus

6 (2) any additional payment amounts available to providers of home- and  
7 community-based services as a result of policies enacted by the General  
8 Assembly that apply to the fiscal year for which the rates are being calculated.

9 Sec. 3. HOME- AND COMMUNITY-BASED SERVICE PROVIDER

10 RATE STUDY; REPORT

11 (a) The Departments of Vermont Health Access and of Disabilities, Aging,  
12 and Independent Living shall conduct a rate study of the Medicaid  
13 reimbursement rates paid to providers of home- and community-based  
14 services, their adequacy, and the methodologies underlying those rates. The  
15 Departments shall:

16 (1) establish a predictable schedule for Medicaid rates and rate updates;

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

20 (3) identify to what extent new State-mandated employer contributions,  
21 such as those required by new paid family leave, child care, or minimum wage

1 laws, will offset rate increases and how to incorporate new State-mandated  
2 employer contributions into the reimbursement methodology in a way that  
3 does not diminish rate increases and rate adequacy;

4 (4) limit the number of methodological exceptions; and

5 (5) communicate the proposed changes to providers of home- and  
6 community-based services prior to implementing any proposed changes.

7 (b) On or before January 15, 2024, the Departments of Vermont Health  
8 Access and of Disabilities, Aging, and Independent Living shall report to the  
9 House Committees on Human Services and on Appropriations and the Senate  
10 Committees on Health and Welfare and on Appropriations with the results of  
11 the rate study conducted pursuant to this section.

12 Sec. 4. EFFECTIVE DATE

13 This act shall take effect on passage, provided that the inflation factor in  
14 Sec. 2 shall apply to home- and community-based service provider rates  
15 beginning on July 1, 2023.