

1 **HAC amendment showing markup from HHS proposal**

2 TO THE HOUSE OF REPRESENTATIVES:

3 The Committee on Appropriations to which was referred House Bill No.  
4 153 entitled “An act relating to Medicaid reimbursement rates for home- and  
5 community-based service providers” respectfully reports that it has considered  
6 the same and recommends that the report of the Committee on Human Services  
7 be amended as follows:

8 First: By striking out Secs. 2, 33 V.S.A. § 911, and 3, 18 V.S.A. § 8914, in  
9 their entirety and inserting in lieu thereof new Secs. 2 and 3 to read as  
10 follows:

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

12 § 911. PAYMENT RATES FOR PROVIDERS OF HOME- AND  
13 COMMUNITY-BASED SERVICES

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

17 When **establishing determining these** payment rates **for home- and**  
18 **community-based service providers**, the Secretary shall adjust the rate  
19 amounts to take into account 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 providers of home- and community-based services,  
3           including those attributed to inflation and labor market dynamics.

4           (b) When **establishing determining reasonable and adequate** rates of  
5           payment for providers of home- and community-based services, the Secretary  
6           may consider geographic differences in wages, benefits, housing, and real  
7           estate costs in each region of the State.

8           (c) The Secretary shall adopt rules setting forth the methodology for  
9           **establishing determining** payment rates for providers of home- and  
10           community-based services in accordance with this section. The rules shall  
11           include a process for determining an annual inflationary rate adjustment, shall  
12           set forth a predictable timeline for redetermination of base rates, and shall use  
13           Vermont labor market rates and Vermont costs of operation.

14           **(d) The Secretary shall redetermine the payment rates for providers of**  
15           **home- and community-based services in accordance with this section at**  
16           **least annually and shall report those rates, and the amounts necessary to**  
17           **fund them, to the House Committees on Appropriations, on Human**  
18           **Services, and on Health Care and the Senate Committees on**  
19           **Appropriations and on Health and Welfare annually as part of the**  
20           **Agency's budget presentation.**

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

1 § 8914. RATES OF PAYMENTS TO DESIGNATED AND SPECIALIZED  
2 SERVICE AGENCIES

3 (a) The Secretary of Human Services shall **have sole responsibility for**  
4 **establishing determine** the Departments of Health's, of Mental Health's, and  
5 of Disabilities, Aging, and Independent Living's rates of payments for  
6 designated and specialized service agencies that are reasonable and adequate to  
7 achieve the required outcomes for designated populations. When **establishing**  
8 **determining these** rates of payment **for designated and specialized service**  
9 **agencies**, the Secretary shall adjust **rates the rate amounts** to take into  
10 account factors that include:

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

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

16 (b) When **establishing determining reasonable and adequate** rates of  
17 payment for designated and specialized service agencies, the Secretary may  
18 consider geographic differences in wages, benefits, housing, and real estate  
19 costs in each region of the State.

20 (c) The Secretary shall adopt rules setting forth the methodology for  
21 **establishing determining** the payment rates for services provided by

1 designated and specialized service agencies to individuals with mental  
2 conditions, individuals with substance use disorders, and individuals with  
3 developmental or intellectual disabilities in accordance with this section. The  
4 rules shall include a process for determining an annual inflationary rate  
5 adjustment, shall set forth a predictable timeline for redetermination of base  
6 rates, and shall use Vermont labor market rates and Vermont costs of  
7 operation.

8 **(d) The Secretary shall redetermine the payment rates for designated**  
9 **and specialized agencies in accordance with this section at least annually**  
10 **and shall report those rates, and the amounts necessary to fund them, to**  
11 **the House Committees on Appropriations, on Human Services, and on**  
12 **Health Care and the Senate Committees on Appropriations and on Health**  
13 **and Welfare annually as part of the Agency's budget presentation.**

14 Second: By striking out Sec. 5, effective date, in its entirety and inserting in  
15 lieu thereof a new Sec. 5 to read as follows:

16 Sec. 5. EFFECTIVE DATE

17 This act shall take effect on passage, with the rules adopted by the Secretary  
18 of Human Services pursuant to Secs. 2 (33 V.S.A. § 911) and 3 (18 V.S.A.  
19 § 8914) taking effect on **or before** July 1, 2022 **for rates effective beginning**  
20 **in fiscal year 2023.**

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

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\_\_\_\_\_

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Representative \_\_\_\_\_

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FOR THE COMMITTEE

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