
Budget

The House passed its FY24 Budget Bill ([H.494](#)) on a vote of 111-38. The House passed version of the budget appropriates over **\$8 billion and includes several health care related spending initiatives.** A number of key provisions are listed below (amounts listed in General Funds unless otherwise noted).

Base Initiatives:

- **(\$6.1 million) sunsetting of the home health agency provider tax burden.**
- **\$554,000 to DVHA to annualize the FY23 BAA increase to home health agencies reimbursement rate to 90% of Low Utilization Payment Adjustment (LUPA).**
- **\$2.2 million (gross) to the Department of Disabilities, Aging, and Independent Living (DAIL) for a 15% rate increase for direct Choices for Care services (such as personal care); provided at home by home health agencies.**
- **\$554,000 to DVHA to annualize the FY23 BAA increase to home health agencies reimbursement rate to 90% of the Medicare Low Utilization Payment Adjustment (LUPA) fee schedule.**
- **\$3 million (Global Commitment) to VDH for the Vermont Nursing Forgivable Loan Incentive Program.**
- **\$358,000 to increase enhanced residential care (ERC) rates by 4%.**
- **\$5.4 million to increase assistive community care services (ACCS) to 79% per rate study.**
- **\$742,000 to increase FQHCs by 4%**
- **\$304,000 to DVHA to annualize the FY23 Budget Adjustment Act (BAA) increase to Federally Qualified Health Centers (FQHCs).**
- **\$763,000 to increase rates for primary care to 110% of Medicare.**
- **\$1.65 million to increase rates for specialty care by 3.8%.**
- **\$1.36 million to increase rates for emergency medical services (EMS) to 100% of Medicare.**
- **\$2.3 million to DMH to increase rates for the designated mental health/specialized services agencies (DAs/SSAs) by 4%.**
- **\$4.9 million to DAIL DS to increase rates to DAs/SSAs by 4%.**

One-Time:

- \$10 million **to continue to address the emergent and exigent circumstances impacting health care providers following the COVID-19 pandemic.**
- \$170,000 to Agency of Human Services (AHS) for the three-year limited-service **health care workforce coordinator position.**
- \$3.8 million to the Vermont State Colleges to provide **critical occupation scholarships** (includes nursing, mental health counseling, and dental hygienists).
- \$1 million to Vermont Student Assistance Corporation (VSAC) to establish a Psychiatric Mental Health Nurse Practitioner Forgivable Loan Incentive Program.
- \$3 million to the DAs/SSAs for all staff loan forgiveness and tuition assistance.
- \$10.1 million to expand the Blueprint for Health Hub and Spoke program for services covered by the program including mental health and pediatric screenings.
- \$10.5 million for one-time caseload pressures due to the suspension of Medicaid eligibility redeterminations.
- \$790,500 to the Green Mountain Care Board (GMCB) for implementation of the Vermont Health Care Uniform Reporting and Evaluation System (VHCURES) database, implementation of new financial database solution, and the development of statutorily required Health Resources Allocation Plan (HRAP) tool.

The bill also includes the following language:

- Allows the Office of Attorney General (OAG) Medicaid Fraud and Residential Abuse Unit to retain one-half of the state share of any recoveries from Medicaid fraud settlements to be used to finance Medicaid Fraud and Residential Abuse Unit activities.
- Requires the Director of Health Care Reform to report on the amounts by which health insurers and Vermont Medicaid should increase the amount of the per person, per month payments they make to Blueprint for Health patient-centered medical homes to further the goal for access to primary care services.
- Requires DAIL and DVHA to report by December 15, 2023, on the budgetary impact of eliminating the minimum occupancy threshold in the nursing home rate setting process and reducing the minimum occupancy threshold to not more than 80% in the nursing home rate setting process.
- Compels AHS, in consultation with the GMCB, to engage in transformation planning with up to four hospitals, to reduce inefficiencies, lower costs, improve population health outcomes, reduce health inequities, and increase access to essential services while maintaining sufficient capacity for emergency management.
- Reduces funding from the American Rescue Plan Act (ARPA) for the COVID-19 Paid Leave Grant Program administered by the Department of Financial Regulation from \$15 million to \$5 million.

- Creates the Vermont Psychiatric Mental Health Nurse Practitioner Forgivable Loan Incentive Program to provide forgivable loans to students enrolled in a master’s program at an eligible school who commit to working as a psychiatric mental health nurse practitioner in this State and who meet the eligibility requirements.
- Increases the personal needs allowance for Medicaid beneficiaries who reside in a nursing home by 10% to the degree practicable effective January 1, 2023, but no later than January 1, 2024.

[H.484](#), a bill focused on workforce and economic development investments, **was folded into the budget, as passed by the House.** More details on key workforce provisions from H.484 included in the budget can be found in the [Workforce section](#).

Budget Adjustment Act

The Budget Adjustment Act (BAA), [H.145](#), became law without the Governor’s signature as Act 3 on March 20th.

The bill:

- **Increases skilled home health reimbursement rates to 90 percent of the Medicare Low Utilization Payment Adjustments (LUPA) rate effective retroactively to February 15, 2023.**
- Increases the Federally Qualified Health Centers (FQHC) Prospective Payment System (PPS) rates by \$92,488 state funds (\$586,286 gross).
- Includes \$1.085 million in additional one-time funds to help pay for skilled nursing facilities high acuity contract anticipated to start July 2023.
- Provides \$568,000 in approved carry-forward in DAIL’s budget for Support and Services at Home program (SASH).
- Appropriates \$2.1 million in one-time funds to ensure Adult Day Providers can remain open for the rest of the fiscal year.
- Provides \$7.2 million for the Accountable Care Organization (ACO) as part of its yearly reconciliation with the Department of Vermont Health Access (DVHA).
- Provides funding for anticipated extraordinary financial relief for nursing homes for the current fiscal year as well as the costs already covered by AHS throughout the current fiscal year to support increased costs for nursing home medical director grants and contract staffing.

The BAA also contains an increase in workforce retention grants for home health agencies, from \$2,000 per full-time equivalent employee (FTE) to \$3,000 per FTE.

Following a first round of funding, with an appropriation of \$45,000,000 total, **the BAA contains an additional \$15,000,000 to be reserved for a second round of funding** pending identification of a set of additional health care and social service provider employers with a demonstrated need for the recruitment and retention incentive grant funding, as recommended by the

Agency of Human Services and accepted by the General Assembly, or by the Joint Fiscal Committee if the General Assembly is not in session.

Compliance

S.9, the bill that would extend the State Auditor’s authority to examine the books and records of any contractor providing services to the State, has been passed by the Senate and referred to the House Government Operations and Military Affairs.

If passed, S.9 will subject any private entity that contracts with the State of Vermont to a direct audit by the State Auditor. Currently, the Auditor has the authority to audit the performance of state contracts by auditing the governmental entity overseeing the contract.

A coalition of health care provider organizations, including VNAs of Vermont, submitted [a letter to the Senate Committee on Government Operations](#) raising concerns over the broad authority of the bill and potential risk to confidential, HIPAA-protected patient health records.

The House passed H.171, which is intended to modernize the adult protective services statute. It is a substantial re-write of the statute. The bill has been referred to the Senate Committee on Health and Welfare.

A coalition of health care provider organizations including the VNAs of Vermont, the Vermont Health Care Association, the Vermont Association of Hospitals and Health Systems, the Vermont Medical Society, the Vermont Association of Adult Days, and the American Nurses Association raised several objections to the draft. **A coalition of health care provider organizations** including the VNAs of Vermont, the Vermont Health Care Association, the Vermont Association of Hospitals and Health Systems, the Vermont Medical Society, the Vermont Association of Adult Days, and the American Nurses Association **raised several objections to the draft.**

Provider organizations were able to reach agreement with the Department of Disabilities, Aging, and Independent Living (DAIL), on several critical components of the bill that were agreed to by the committee. However, **an outstanding area of disagreement centers around the definition of “abuse,”** which includes any negligent medical treatment that places the life, health, or welfare of a vulnerable adult in jeopardy, or is likely to result in impairment of the health of a vulnerable adult. **This definition is broader than the current legal definition of abuse, which does not include negligent conduct.** This would require a mandatory report for medical errors, one-time mistakes such as a medication error, and other examples.

Provider organizations have made it clear to the House Human Services Committee and DAIL that they will continue to pursue a solution in the Senate.

H.414 authorizes the Agency of Human Services (AHS) to establish an unused drug repository program for the collection and distribution of unused drugs in Vermont to improve access to

critical medications for those experiencing economic hardship, reduce healthcare system costs, and reduce drug waste. The bill gives AHS the authority to adopt rules to administer the program. A coalition of health care provider associations supports the bill. At the coalition's request the committee agreed to language that provides liability protections for hospitals or other health care facilities, long term care facilities, health care providers, drug manufacturers, wholesalers, reverse distributor pharmacies, third-party logistic providers.

Workforce

The House-passed budget includes many of the health care workforce initiatives from [H.484](#), a bill **focused on workforce and economic development investments**. Key provisions include:

- \$1,000,000 for Psychiatric Mental Health Nurse Practitioners forgivable loans
- \$3.8 million to the Vermont State Colleges to provide critical occupation scholarships
- \$3,000,000 for the Vermont Nursing Forgivable Loan Incentive Program
- \$170,000 to the Agency of Human Services to provide one additional year of funding for three-year limited-service Health Care Workforce Coordinator position created in the Agency of Human Services.
- \$3,000,000 to the Agency of Human Services for Designated and Specialized Service Agencies

The Budget Adjustment Act (BAA), [H.145](#) (enacted as Act 3) **also contained an increase in workforce retention grants for home health agencies, from \$2,000 per full-time equivalent employee (FTE) to \$3,000 per FTE**. Additional details can be found in the [BAA section](#).

The Senate passed [S.36](#), which proposes to permit a law enforcement officer to arrest a person without a warrant if the officer has probable cause to believe the person (1) assaulted or threatened a health care worker at a health care facility (the definition of which includes a home health agency) or (2) engaged in disorderly conduct that interfered with the provision of medically necessary health care services in a health care facility. The bill is aimed at allowing law enforcement to aid hospital emergency department staff when faced with violence. Mental health agencies have raised concerns about using law enforcement in this way.

After passage by the Senate, S.36 was referred to the House Committee on Judiciary.

[S.56](#) provides full reimbursement for childcare for those making up to 185 percent of the federal poverty limit (FPL), up from 150 percent. The program would then reimburse on a sliding scale up to 600 percent of the FPL (about \$180,000 for a family of four.) The bill also includes \$7.3 million in grants distributed by the Department of Children and Families to retain childcare workers.

Employer Obligations

The House and Senate have passed separate versions of a new paid family and medical insurance program. Both are mandatory and funded by a payroll tax. The Senate version was tacked onto the Senate childcare bill. The Senate is less generous and less expensive. It covers only parental leave. Both bills are opposed by the Scott Administration which has proposed a voluntary program. This issue will be the subject of extensive debate for the rest of the session. Further details on both bills:

- [H.66](#) would be funded by a .55% payroll tax shared equally between the employer and the employee. The bill provides for 12 weeks of leave at 90% of wage replacement with a \$1,135 per week maximum. Payroll taxes would begin on July 1, 2025.
- [S.56](#) would be funded by a .42% payroll tax; the employer portion would be .315%. The maximum weekly benefit would be \$600. Payroll taxes would begin on July 1, 2024.

[H.55](#) makes changes to **Vermont's unemployment insurance program**. It requires all employers to participate in the unemployment insurance program, including small non-profits. It clarifies the definition of "child" and adds a definition of spouse to include domestic and civil union partners.

[H.121](#) would create **new data privacy protections** for Vermonters. The goal of the committee of jurisdiction is for the bill to pass the full House this session to allow consideration by the Senate in the 2024 session. The VNAs of Vermont will work with other health care trade groups to ensure that the bill does not create conflicting requirements with existing obligations.

[H.291](#) **creates the Cybersecurity Advisory Council to review and approve the cybersecurity standards for "critical infrastructure domains," including health care.** It tasks the Green Mountain Care Board with developing standards for hospitals and other health care providers.

[S.102](#) was introduced with **expansive provisions that would have ended at-will employment** in Vermont, and created new severance pay requirements, restricted electronic monitoring, and much more. **The substantially more limited bill now does the following:**

- The **"captive audience"** provisions prevent an employer from penalizing an employee who does not participate in discussion on issues perceived as political. The provision is aimed at preventing employers from discussing the impacts of unionization with employees.
- The **"card check"** provisions allow unionizing to move forward by petition without an official election when only 50 percent plus one employee indicate interest.

End-of-Life/Advance Directives

[H.190](#) has passed the House. The bill, if fully passed and enacted in law, **will eliminate the requirement that a patient who is terminally ill must be a Vermont resident** to be prescribed medication in accordance with Vermont's patient choice at end-of-life laws.

This very focused bill removes the residency requirement language of [18 V.S.A. § 5281](#) and provider documentation of residency requirements of [18 V.S.A § 5283](#). Following passage by the House the bill has been referred to the Senate Committee on Health and Welfare.

[H.469](#) would **permanently allow remote signatures, affirmations, and explanations for advance directives**. This flexibility exists under the temporary [COVID flexibilities bill](#) that was recently extended by the legislature but will expire on March 31, 2024. The House Human Services Committee has not yet taken up the bill this session but is expected to do so.

COVID-19 Flexibilities

[H.411](#), a bill that **extends the COVID-19 health care regulatory flexibilities**, has been passed by the House and Senate and signed by the Governor into law. A coalition of health care provider associations facilitated by the VNAs of Vermont strongly supported the passage of the bill before current regulatory flexibilities expired on March 31.

Some of the key flexibilities in the bill include:

- Allowing the Agency of Human Services (AHS) to **permit variances from health care and human service provider rules**, which will allow for continuation of operations with reduced workforce and flexible staffing arrangements.
- Allowing for **more rapid licensure of health care professionals, and corresponding enrollment with health insurers**, necessary for quickly filling vacant positions.
- Continuing **temporary telehealth registration** until permanent rulemaking is complete by the Office of Professional Regulation and the Board of Medical Practice with a 90-day transition period from temporary registration to a license to continue to provide patients access to out of state telehealth providers.
- Continuing **remote witnessing of Advance Directives** until permanent provisions are put in place.