

**Draft Statutory Language on RBP Cost-Savings Opportunity Report**  
**March 28, 2024**

The Joint Fiscal Office shall convene and help facilitate the deliberations of a Reference-Based Pricing (RBP) Task Force (hereafter, “Task Force”) composed of one representative from the Joint Fiscal Office, two representatives appointed by the Vermont State Employees Association, two representatives appointed by the Vermont-National Education Association, one representative appointed by the Vermont State Treasurer, and one representative appointed by the State of Vermont Human Resource Department.

The meetings of the Task Force will begin no later than August 1, 2024, and conclude no later than November 15, 2024.

The Task Force shall:

- 1) Select a qualified Medicare Repricing Vendor consistent with state guidelines and with technical support from the Joint Fiscal Office. All vendors that bid for the contract must demonstrate experience working with public-sector employers and public-sector unions and have extensive experience analyzing hospital claims and expenditures.
- 2) In collaboration with VHCURES, the Vermont Health Care Uniform Report and Evaluation System, ensure that the Medicare Repricing Vendor has comprehensive, timely, and cooperative access to all medical claims for inpatient and outpatient hospital services and supplies covered by, or similar to services or supplies covered by, the federal Medicare program, including those for pharmaceutical infusions and treatments performed at or by hospital medical personnel from 2018 through 2023, on behalf of:
  - (a) all Vermont state employees, active and retired, and their dependents who were enrolled in a health benefit plan offered by the State of Vermont and the Vermont State Employees’ Retirement System; and
  - (b) all educational employees, active and retired, and their dependents who were enrolled in a health benefit plan offered by the Vermont Education Health Initiative (VEHI) and the Vermont State Teachers’ Retirement System.
  - (c) VHCURES shall facilitate access via its All-Payer claims database to the hospital claims incurred by the covered lives subject to the repricing study by providing to the Medicare Repricing Vendor either (1) the unique Member I.D.s for the 2018-2023 claims in question or (2) by providing a new 2018-2023 extract of hospital claims in the aggregate specific to the subscriber populations insured by the State of Vermont and the Vermont Education Health Initiative.

- 3) In collaboration with the Medicare Repricing Vendor, conceptualize and assess the cost differentials and potential cost-savings of reference-based pricing methodologies benchmarked to Medicare rates for the State of Vermont and VEHI benefit plans; and
- 4) Develop, structure, and deliver by a date determined by the Task Force a “Reference-based Pricing (RBP) Cost-Savings Opportunity Excel File Report” (hereafter, “RBP Opportunity Report”) that will provide projected cost savings for hospital claims paid on behalf of Vermont state employees and educational employees health benefit plans. This information can be used to formulate recommendations on how the repricing research and findings can be used by the legislature, state regulators, the Vermont Department of Human Resources, and VEHI to model and implement reference-based pricing methodologies based on a multiple of Medicare rates for the payment of inpatient and outpatient hospital claims for state employees and school employees, active and retired, and their covered dependents.
- 5) The RBP Opportunity Report will be delivered to the legislature no later than December 15, 2024.