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H.207

Introduced by Representatives Dakin of Chester, Berry of Manchester,  
Bissonnette of Winooski, Clarkson of Woodstock, Donahue of  
Northfield, Haas of Rochester, Huntley of Cavendish,  
Kitzmiller of Montpelier, Krowinski of Burlington, Patt of  
Worcester, Sullivan of Burlington, Till of Jericho, Troiano of  
Stannard, and Woodward of Johnson

Referred to Committee on

Date:

Subject: Health; health care reform; primary care

Statement of purpose of bill as introduced: This bill proposes to establish the  
framework for universal, publicly financed primary health care for all  
Vermonters beginning in 2017.

An act relating to establishing the framework for publicly financed primary  
care

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

Sec. 1. PURPOSE

It is the purpose of this act to establish the framework for a system of  
universal, publicly financed primary care. The system will ensure that all

1 Vermonters have access to primary health care without facing financial  
2 barriers that would discourage them from seeking necessary care.

3 Sec. 2. FINDINGS

4 The General Assembly finds that:

5 (1) Although some aspects of 2011 Acts and Resolves No. 48 have not  
6 yet been implemented, the principles enumerated in that act are still valid.

7 (2) Although financing a comprehensive package of universal health  
8 care would have required a major shift from insurance premiums and  
9 out-of-pocket payments, financing for primary care can be accomplished by a  
10 far more modest proposal to be determined by the General Assembly.

11 (3) Universal access to primary care will advance the health of  
12 Vermonters by preventing disease and by reducing the need for emergency  
13 room visits and hospital admissions.

14 (4) Under a system that provides primary care for all Vermonters with  
15 no cost-sharing, Vermonters will no longer face a financial barrier in accessing  
16 primary care.

17 (5) Research has shown that universal access to primary care enhances  
18 the quality of care, improves patient outcomes, and reduces overall health care  
19 spending.

1           (6) Universal primary care will support existing health care reform  
2           efforts, such as the Blueprint for Health, and current efforts to increase the  
3           Medicaid reimbursement rate.

4           (7) Universal primary care can be structured in such a way as to create  
5           model working conditions for primary care physicians, who are currently  
6           overburdened with paperwork and administrative duties and experiencing  
7           declining reimbursement for services.

8           Sec. 3. 33 V.S.A. chapter 18, subchapter 3 is added to read:

9                           Subchapter 3. Universal Primary Care

10           § 1851. DEFINITIONS

11           As used in this section:

12           (1) “Health care facility” shall have the same meaning as in 18 V.S.A.  
13           § 9402.

14           (2) “Health care provider” means a person, partnership, or corporation,  
15           including a health care facility, that is licensed, certified, or otherwise  
16           authorized by law to provide professional health care services in this State to  
17           an individual during that individual’s medical care, treatment, or confinement.

18           (3) “Health service” means any treatment or procedure delivered by a  
19           health care professional to maintain an individual’s physical or mental health  
20           or to diagnose or treat an individual’s physical or mental condition or  
21           intellectual disability, including services ordered by a health care professional,

1 chronic care management, preventive care, wellness services, and medically  
2 necessary services to assist in activities of daily living.

3 (4) "Primary care" means health services provided by health care  
4 professionals who are specifically trained for and skilled in first-contact and  
5 continuing care for individuals with signs, symptoms, or health concerns, not  
6 limited by problem origin, organ system, or diagnosis, and includes pediatrics,  
7 internal and family medicine, gynecology, primary mental health services, and  
8 other health care services commonly provided at federally qualified health  
9 centers. Primary care does not include dental services.

10 (5) "Vermont resident" means an individual domiciled in Vermont as  
11 evidenced by an intent to maintain a principal dwelling place in Vermont  
12 indefinitely and to return to Vermont if temporarily absent, coupled with an act  
13 or acts consistent with that intent. The Secretary of Human Services shall  
14 establish specific criteria for demonstrating residency.

15 § 1852. UNIVERSAL PRIMARY CARE

16 (a) All Vermont residents shall receive primary care services financed by  
17 the State of Vermont.

18 (b) For Vermont residents covered under Medicare, Medicare shall  
19 continue to be the primary payer for primary care services, but the State of  
20 Vermont shall cover any co-payment or deductible amounts required from a  
21 Medicare beneficiary for primary care services.

1     § 1853. UNIVERSAL PRIMARY CARE FUND

2           (a) The Universal Primary Care Fund is established in the State Treasury as  
3     a special fund to be the single source to finance primary care for Vermont  
4     residents.

5           (b) Into the Fund shall be deposited:

6           (1) transfers or appropriations from the General Fund, authorized by the  
7     General Assembly;

8           (2) revenue from any taxes established for the purpose of funding  
9     universal primary care in Vermont;

10          (3) if authorized by waivers from federal law, federal funds from  
11     Medicaid and from subsidies associated with the Vermont Health Benefit  
12     Exchange established in subchapter 1 of this chapter; and

13          (4) the proceeds from grants, donations, contributions, taxes, and any  
14     other sources of revenue as may be provided by statute or by rule.

15          (c) The Fund shall be administered pursuant to 32 V.S.A. chapter 7,  
16     subchapter 5, except that interest earned on the Fund and any remaining  
17     balance shall be retained in the Fund. The Agency of Human Services shall  
18     maintain records indicating the amount of money in the Fund at any time.

19          (d) All monies received by or generated to the Fund shall be used only for  
20     payments to health care providers for primary care health services delivered to  
21     Vermont residents. Payments to providers shall be made on a capitated basis

1 based on the number of eligible patients each primary care provider sees and  
2 shall be established, monitored, and overseen by the Green Mountain Care  
3 Board in accordance with section 1854 of this title. For Medicare  
4 beneficiaries, the Fund shall cover any co-payment or deductible amounts  
5 required from a Medicare beneficiary for primary care services.

6 § 1854. PAYMENTS TO PROVIDERS

7 (a) The Green Mountain Care Board shall establish, monitor, and oversee  
8 payments to health care providers for providing primary care health services to  
9 Vermont residents pursuant to this subchapter.

10 (b) For non-Medicare patients, payments to health care providers shall be  
11 on a capitated basis based on the number of eligible patients each provider  
12 typically sees in a year. The Board shall adjust the rates annually in  
13 accordance with inflation and changing demographics and to address special  
14 circumstances.

15 (c) For patients covered by Medicare, Medicare shall continue to be the  
16 primary payer for the patients' primary care services, but the State shall cover  
17 any co-payment or deductible amounts required from a Medicare beneficiary  
18 for primary care services.

19 Sec. 4. 8 V.S.A. § 4062(a) is amended to read:

20 (a)(1) No policy of health insurance or certificate under a policy filed by an  
21 insurer offering health insurance as defined in subdivision 3301(a)(2) of this

1 title, a nonprofit hospital or medical service corporation, health maintenance  
2 organization, or a managed care organization and not exempted by subdivision  
3 3368(a)(4) of this title shall be delivered or issued for delivery in this State, nor  
4 shall any endorsement, rider, or application which becomes a part of any such  
5 policy be used, until a copy of the form and of the rules for the classification of  
6 risks has been filed with the Department of Financial Regulation and a copy of  
7 the premium rates has been filed with the Green Mountain Care Board; and the  
8 Green Mountain Care Board has issued a decision approving, modifying, or  
9 disapproving the proposed rate.

10 \* \* \*

11 (3) The Board shall determine whether a rate is affordable, promotes  
12 quality care, promotes access to health care, protects insurer solvency, and is  
13 not unjust, unfair, inequitable, misleading, or contrary to the laws of this State.  
14 In making this determination, the Board shall consider the analysis and opinion  
15 provided by the Department of Financial Regulation pursuant to subdivision  
16 (2)(B) of this subsection. The Board shall also consider the impact of the  
17 universal primary care program established in 33 V.S.A. chapter 18,  
18 subchapter 3 on the cost of health insurance.

19 Sec. 5. WAIVER; EXCHANGE SUBSIDIES

20 On or before October 1, 2015, the Secretary of Administration or designee  
21 shall begin negotiations with the U.S. Department of Health and Human

1 Services for a waiver under the Patient Protection and Affordable Care Act,  
2 Pub. L. No. 111-148, as amended by the Health Care and Education  
3 Reconciliation Act of 2010, Pub. L. No. 111-152, that would allow the State to  
4 fund in part the universal, publicly financed primary care proposal established  
5 in this act using federal funds that otherwise would have supported primary  
6 care for eligible Vermonters in health insurance plans offered through the  
7 Vermont Health Benefit Exchange. The Secretary or designee shall also  
8 explore the need for a Medicaid waiver amendment to allow the State to  
9 include Medicaid funds in the Universal Primary Care Fund for the purpose of  
10 making capitated payments to physicians for primary care services provided to  
11 Medicaid beneficiaries.

12 Sec. 6. COST ESTIMATES AND REVENUE PROPOSALS

13 (a) The Joint Fiscal Office shall study the cost of providing the universal,  
14 publicly financed primary care program described in this act and shall develop  
15 proposed tax financing mechanisms to raise the necessary amount of revenue.

16 The tax proposals shall be designed to take effect on or before January 1, 2017.

17 (b) On or before October 1, 2015, the Joint Fiscal Office shall report to the  
18 Joint Fiscal Committee and to the House Committees on Appropriations, on  
19 Health Care, and on Ways and Means and the Senate Committees on  
20 Appropriations, on Health and Welfare, and on Finance on the estimated cost  
21 of the universal, publicly financed primary care program and shall propose



1 three tax financing mechanisms, at least one of which shall be solely a  
2 payroll tax.

3 Sec. 7. OFFICE OF LEGISLATIVE COUNCIL

4 On or before December 1, 2015, the Office of Legislative Council shall  
5 provide to the House Committees on Appropriations, on Health Care, and on  
6 Ways and Means and the Senate Committees on Appropriations, on Health and  
7 Welfare, and on Finance draft legislation necessary to accomplish the purposes  
8 of this act, including:

9 (1) language enacting one or more of the tax financing mechanisms  
10 developed by the Joint Fiscal Office pursuant to Sec. 6 of this act; and

11 (2) an appropriation to occur early in fiscal year 2017 to ensure that  
12 funds will be available to pay health care providers for primary care services  
13 delivered on and after January 1, 2017.

14 Sec. 8. EFFECTIVE DATES

15 (a) Secs. 3 (universal primary care) and 4 (insurance rate review) shall take  
16 effect on January 1, 2017.

17 (b) The remaining sections shall take effect on passage.