

1 S.103

2 Introduced by Senator Pollina

3 Referred to Committee on

4 Date:

5 Subject: Health; health care reform; Green Mountain Care Board; universal
6 health care

7 Statement of purpose of bill as introduced: This bill proposes to increase
8 Exchange subsidies for individuals up to 400 percent of the federal poverty
9 level and to direct the Green Mountain Care Board to develop a proposal for
10 publicly financed, universal health care for implementation in 2018.

11 An act relating to increasing Exchange subsidies and to developing a
12 proposal for universal health care

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

14 Sec. 1. 33 V.S.A. § 1812(b) is amended to read:

15 (b)(1) An individual or family with income at or below ~~300~~ 400 percent of
16 the federal poverty guideline shall be eligible for cost-sharing assistance,
17 including a reduction in the out-of-pocket maximums established under
18 Section 1402 of the Affordable Care Act.

19 (2) The Department of Vermont Health Access shall establish
20 cost-sharing assistance on a sliding scale based on modified adjusted gross

1 income for the individuals and families described in subdivision (1) of this
2 subsection. Cost-sharing assistance shall be established as follows:

3 (A) for households with income at or below 150 percent of the
4 federal poverty level (FPL): 94 percent actuarial value; and

5 (B) for households with income above 150 percent FPL and at or
6 below ~~200~~ 400 percent FPL: 87 percent actuarial value;

7 ~~(C) for households with income above 200 percent FPL and at or~~
8 ~~below 250 percent FPL: 77 percent actuarial value;~~

9 ~~(D) for households with income above 250 percent FPL and at or~~
10 ~~below 300 percent FPL: 73 percent actuarial value.~~

11 (3) Cost-sharing assistance shall be available for the same qualified
12 health benefit plans for which federal cost-sharing assistance is available and
13 administered using the same methods as set forth in Section 1402 of the
14 Affordable Care Act.

15 Sec. 2. 32 V.S.A. § 5811(21) is amended to read:

16 (21) "Taxable income" means federal taxable income determined
17 without regard to 26 U.S.C. § 168(k) and:

18 (A) Increased by the following items of income (to the extent such
19 income is excluded from federal adjusted gross income):

20 (i) interest income from non-Vermont state and local obligations;

1 (ii) dividends or other distributions from any fund to the extent
2 they are attributable to non-Vermont state or local obligations; and

3 (iii) ~~the amount in excess of \$5,000.00 of State and local income~~
4 ~~taxes deducted from federal adjusted gross income for the taxable year, but in~~
5 ~~no case in an amount that will reduce total itemized deductions below the~~
6 ~~amount of itemized deductions actually taken against adjusted gross income~~
7 ~~that is in excess of two and one-half times~~ the standard deduction allowable to
8 the taxpayer; and

9 * * *

10 Sec. 3. GREEN MOUNTAIN CARE BOARD; UNIVERSAL HEALTH
11 CARE SYSTEM PROPOSAL

12 On or before January 15, 2017, the Green Mountain Care Board shall
13 deliver to the General Assembly and the Governor a proposal for a publicly
14 financed, universal health care system to be implemented for all Vermont
15 residents beginning in 2018. The proposal shall be designed to:

16 (1) Reduce health care costs and strengthen the Vermont economy. The
17 financing shall be sustainable and the system shall reduce administrative costs.
18 The system shall focus on cost-containment and delivery of high-quality health
19 care services, and it shall ensure that health care professionals will be
20 reimbursed at levels sufficient to allow Vermont to recruit and retain
21 high-quality health care professionals.

1 (2) Provide all Vermont residents with coverage with an overall
2 actuarial value of 94 percent, which shall include first-dollar coverage for
3 primary and preventive services and an 87 percent actuarial value for specialty
4 and hospital care. Medicaid and Dr. Dynasaur beneficiaries shall also receive
5 at least the benefits required under federal law as well as optional Medicaid
6 benefits at the discretion of the Board.

7 (3) Be phased in over time, beginning with coverage for primary and
8 specialty care, followed by hospital outpatient care and finally hospital
9 inpatient care, except that the Board may, in its discretion, choose to propose
10 implementation of the entire system at one time.

11 (4) Include public financing based on ability to pay. The proposal shall
12 create a special fund into which federal funds for health care will be deposited,
13 as well as revenue from a progressive payroll tax levied to finance primary and
14 specialty care. Hospital care shall be reimbursed based on global hospital
15 budgets to be financed primarily through progressive income and payroll taxes
16 and, if necessary, out-of-pocket payments from the highest income Vermont
17 residents. The payroll taxes shall be phased in over time in order to have the
18 least disruptive impact on employers.

1 (5) Provide coverage only to Vermont residents and not to residents of
2 other states who work in Vermont.

3 (6) Maintain provider taxes throughout the transition to the universal
4 health care system.

5 Sec. 4. PROGRESS REPORTS

6 Beginning on or before September 1, 2015, the Green Mountain Care Board
7 shall provide progress reports on the development of its proposal at least
8 quarterly to the House Committees on Appropriations, on Health Care, and on
9 Ways and Means and to the Senate Committees on Appropriations, on Health
10 and Welfare, and on Finance when the General Assembly is in session; to the
11 Health Reform Oversight Committee when the General Assembly is not in
12 session; to the Governor; and to the public.

13 Sec. 5. FEDERAL WAIVERS

14 On or before March 1, 2017, the Secretary of Administration or designee, in
15 consultation with the Green Mountain Care Board, shall apply for such waivers
16 from the U.S. Department of Health and Human Services as may be necessary
17 to implement the Green Mountain Care Board's proposal, including waivers
18 from Medicaid and Medicare and a waiver pursuant to Sec. 1332 of the Patient
19 Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the
20 Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152.

1 Sec. 6. EFFECTIVE DATES

2 (a) Sec. 1 shall take effect on January 1, 2016.

3 (b) Notwithstanding 1 V.S.A. § 214, Sec. 2 shall take effect retroactively
4 on January 1, 2015 and apply to tax year 2015 and after.

5 (c) The remainder of this act shall take effect on passage.