

1 H.666

2 Introduced by Representatives Pearson of Burlington, Komline of Dorset,

3 Poirier of Barre City and Till of Jericho

4 Referred to Committee on

5 Date:

6 Subject: Health; Medicaid; claims assessment; provider rates; rate review

7 Statement of purpose: This bill proposes to increase the health insurer claims  
8 assessment in order to increase Medicaid reimbursement rates and reduce the  
9 cost shift. The bill would require the department of banking, insurance,  
10 securities, and health care administration to ensure that health insurance  
11 premiums reflect corresponding reductions in the cost shift.

12 An act relating to reducing the cost shift

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

14 Sec. 1. 8 V.S.A. § 4089l(a)(1) is amended to read:

15 (a)(1) Beginning October 1, 2011 and annually thereafter, each health  
16 insurer shall pay an assessment into the state health care resources fund  
17 established in 33 V.S.A. § 1901d in the amount of ~~0.80 of one~~ 3.8 percent of  
18 all health insurance claims paid by the health insurer for its Vermont members  
19 in the previous fiscal year ending June 30. The annual fee shall be paid in  
20 installments on November 1, January 1, April 1, and June 1.

1 Sec. 2. 33 V.S.A. § 1901d is amended to read:

2 § 1901d. STATE HEALTH CARE RESOURCES FUND

3 (a) The state health care resources fund is established in the treasury as a  
4 special fund to be a source of financing health care coverage for beneficiaries  
5 of the state health care assistance programs under the Global Commitment to  
6 health waiver approved by the Centers for Medicare and Medicaid Services  
7 under Section 1115 of the Social Security Act.

8 (b) Into the fund shall be deposited:

9 (1) all revenue from the tobacco products tax and 85.5 percent of the  
10 revenue from the cigarette tax levied pursuant to 32 V.S.A. chapter 205 of  
11 ~~Title 32~~;

12 (2) revenue from health care provider assessments pursuant to  
13 subchapter 2 of chapter 19 of this title; ~~and~~

14 (3) all revenue from health insurer claims assessments pursuant to  
15 8 V.S.A. § 4089I; and

16 (4) the proceeds from grants, donations, contributions, taxes, and any  
17 other sources of revenue as may be provided by statute, rule, or act of the  
18 general assembly.

19 (c) The fund shall be administered pursuant to 32 V.S.A. chapter 7,  
20 subchapter 5 of ~~chapter 7 of Title 32~~, except that interest earned on the fund

1 and any remaining balance shall be retained in the fund. The agency shall  
2 maintain records indicating the amount of money in the fund at any time.

3 (d) All monies received by or generated to the fund shall be used only as  
4 allowed by appropriation of the general assembly for the administration and  
5 delivery of health care covered through state health care assistance programs  
6 administered by the agency under the Global Commitment for Health  
7 Medicaid Section 1115 waiver.

8 (e) Of the revenue deposited into the fund from the health insurer claims  
9 assessment pursuant to subdivision (b)(3) of this section, the department shall  
10 apply at least 80 percent of such revenue and any federal matching funds  
11 attributable to such revenue to maximizing the amount paid to health care  
12 providers, to the extent permitted by state and federal law, for services  
13 delivered to beneficiaries of the state health care assistance programs.

14 Sec. 3. 8 V.S.A. § 4062(a)(2) is amended to read:

15 (2) The commissioner shall review policies and rates to determine  
16 whether a policy or rate is affordable, promotes quality care, promotes access  
17 to health care, reflects reductions in the cost shift as a result of increases to  
18 Medicaid provider rates from revenue generated by the health insurer claims  
19 assessment pursuant to section 40891 of this title, and is not unjust, unfair,  
20 inequitable, misleading, or contrary to the laws of this state. The  
21 commissioner shall notify in writing the insurer which has filed any such form,

1 premium rate, or rule if it contains any provision which does not meet the  
2 standards expressed in this section. In such notice, the commissioner shall  
3 state that a hearing will be granted within 20 days upon written request of the  
4 insurer.

5 Sec. 4. EFFECTIVE DATE

6 This act shall take effect on July 1, 2012.