

1 S.252

2 Introduced by Senator Galbraith

3 Referred to Committee on Finance

4 Date: January 7, 2014

5 Subject: Health care; taxation; Green Mountain Care

6 Statement of purpose of bill as introduced: This bill proposes to develop a
7 financing mechanism for Green Mountain Care.

8 An act relating to financing for Green Mountain Care

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

10 ~~Sec. 1. 32 V.S.A. chapter 152 is added to read:~~

11 CHAPTER 152. HEALTH CARE TAXES

12 § 5981. PRINCIPLES FOR HEALTH CARE FINANCING

13 The General Assembly adopts the following principles to guide the
14 financing of health care in Vermont:

15 (1) All Vermont residents have the right to high-quality health care.

16 (2) All Vermont residents shall be eligible for Green Mountain Care.

17 Vermont residents enrolled in the Federal Employees Health Benefits Program
18 or TRICARE already participate in publicly financed, government-sponsored
19 health care programs and will continue to receive health care through these
20 programs. A Vermont resident eligible to participate in these publicly financed

1 ~~federal health care programs may choose to enroll in Green Mountain Care and~~
2 ~~contribute to its financing on a similar basis to other Vermont residents.~~

3 (3) Vermont residents shall finance Green Mountain Care through taxes
4 that are levied equitably, taking into account an individual's ability to pay and
5 the value of the health benefits provided.

6 (4) As provided in 33 V.S.A. § 1827, Green Mountain Care shall be the
7 secondary payer for Vermont residents who continue to receive health care
8 through plans provided by an employer, by another state, by a foreign
9 government, or as a retirement benefit. As long as it is financially beneficial to
10 the State of Vermont for these individuals to continue to be enrolled in these
11 health care plans, the State may pay premiums on behalf of the employee,
12 retiree, or beneficiary.

13 (5) Vermont's system for financing health care shall raise revenue
14 sufficient to provide medically necessary health care services to all enrolled
15 Vermont residents, including maternity and newborn care, pediatric care,
16 vision and dental care for children, surgery and hospital care, emergency care,
17 outpatient care, treatment for mental health conditions, and prescription drugs.

18 § 5982. DEFINITIONS

19 As used in this chapter:

1 ~~(1) "Employee" means every person for whom taxes are withheld under~~
2 ~~section 5841 of this title, except that the term shall include a federal employee~~
3 ~~only to the extent that his or her wages are from nonfederal sources.~~

4 ~~(2)(A) "Employer" means every person who is required under the laws~~
5 ~~of the United States to withhold federal income tax from payments that are also~~
6 ~~subject to Vermont income tax.~~

7 ~~(B) "Employer" does not mean the U.S. government.~~

8 ~~(3) "Federal employee" means any person employed by the~~
9 ~~U.S. government, retired from employment with the U.S. government, or an~~
10 ~~active or retired member of the U.S. Armed Forces.~~

11 ~~(4) "Self-employment income" shall have the same meaning as in the~~
12 ~~Internal Revenue Code, 26 U.S.C. § 1402(b).~~

13 ~~(5) "Total employee wages" means the total amount of payments subject~~
14 ~~to withholding under section 5841 of this title for each individual employee,~~
15 ~~plus the total amount of any self-employment income for that individual, but in~~
16 ~~no case shall total employee wages exceed the greater of \$113,700.00 or the~~
17 ~~contribution base calculated under Section 230 of the Social Security Act,~~
18 ~~codified at 42 U.S.C. § 430.~~

19 ~~(6) "Total employer wages" means the total amount of payments subject~~
20 ~~to withholding under section 5841 of this title for each employer subject to~~
21 ~~withholding requirements, minus any wages in excess of \$113,700.00 or the~~

1 ~~contribution base calculated under Section 230 of the Social Security Act,~~
2 ~~codified at 42 U.S.C. § 430, paid by the employer to any employee.~~

3 ~~(7) "Wages" shall have the same meaning as in the Internal Revenue~~
4 ~~Code, 26 U.S.C. § 3401(a).~~

5 § 5983. PAYROLL TAX

6 (a) A tax is imposed on any employer required to withhold taxes under
7 section 5841 of this title and on the self-employment income of every
8 individual in an amount equal to total employer wages multiplied by
9 11 percent.

10 (b) A tax is imposed on any employee for whom taxes are withheld under
11 section 5841 of this title and on the self-employment income of every
12 individual in the amount equal to total employee wages multiplied by two
13 percent, except as otherwise provided in section 5984 of this chapter.

14 § 5984. OPT-IN TO PAYROLL TAX

15 A tax is imposed on any federal employee that elects to seek coverage under
16 Green Mountain Care in an amount equal to total employee wages multiplied
17 by 13 percent.

18 § 5985. PAYMENT

19 (a) Each employer shall prepare and submit to the Department a quarterly
20 return and payment on or before the 25th day of the calendar month succeeding
21 the quarter ending on the last day of March, June, September, and December.

1 ~~The return requirements and procedures shall be established by the~~
2 ~~Commissioner and shall show the amount of total employer wages paid for~~
3 ~~employment during the preceding quarter and other information the~~
4 ~~Commissioner may require. The tax under this chapter shall be paid each~~
5 ~~quarter to the Department at the same time the report is submitted. The taxes~~
6 ~~shall be deposited in the Green Mountain Care Fund established under~~
7 ~~33 V.S.A. § 1829.~~

8 ~~(b) Each employee shall prepare and submit to the Department an annual~~
9 ~~return according to procedures established by the Commissioner showing the~~
10 ~~amount of total employee wages received for employment during the~~
11 ~~preceding year and other information the Commissioner may require. The tax~~
12 ~~shall be paid each year to the Department at the same time the return is~~
13 ~~submitted and deposited in the Green Mountain Care Fund established under~~
14 ~~33 V.S.A. § 1829.~~

15 ~~§ 5986. ENFORCEMENT~~

16 ~~(a) The employer payroll tax imposed under subsection 5983(a) of this title~~
17 ~~shall be enforced and collected as if it were an amount required to be withheld~~
18 ~~and remitted to the State under subchapter 4 of chapter 151 of this title.~~

19 ~~(b) The employee payroll tax under subsection 5983(b) of this title shall be~~
20 ~~enforced and collected as if it were a personal income tax under section 5822~~
21 ~~of this title.~~

1 ~~Sec. 2. 32 V.S.A. §§ 5987 and 5988 are added to read:~~

2 § 5987. DEFINITION

3 As used in this chapter, “non-wage income” means, for any taxable year,
4 the total amount of income considered taxable income in the State of Vermont
5 under section 5822 of this title, minus any amounts subject to the tax in
6 subsection 5983(b) of this title, but in no case shall non-wage income exceed
7 the greater of \$113,700.00 or the contribution base calculated under Section
8 230 of the Social Security Act, codified at 42 U.S.C. § 430.

9 § 5988. NON-WAGE INCOME TAX

10 (a) A tax is imposed on each taxpayer subject to the tax under section 5822
11 of this title, except that the tax shall be imposed on a federal employee only in
12 the event that he or she has elected to seek coverage under section 5984 of this
13 chapter. The non-wage income tax shall be equal to the amount of non-wage
14 income for each taxpayer, multiplied by 10 percent. The non-wage income tax
15 shall have the same return, payment, and enforcement requirements as the
16 personal income tax under section 5822 of this title.

17 (b) Each taxpayer subject to the tax imposed under subsection (a) of this
18 section is entitled to claim a credit against his or her non-wage income tax in
19 an amount equal to five times the tax imposed in subsection 5983(b) of this
20 title for the same tax year. In the case of individuals filing a joint return, the
21 credit against non-wage income tax shall be calculated based on the combined

1 ~~amount of tax imposed in subsection 5983(b) of this title on the filing unit for~~
2 ~~the same tax year.~~

3 Sec. 3. 32 V.S.A. § 5811(21) is amended to read:

4 (21) "Taxable income" means federal taxable income determined
5 without regard to ~~Section 168(k) of the Internal Revenue Code~~ 26 U.S.C.
6 § 168(k) and:

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

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

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

12 (iii) ~~the amount in excess of \$5,000.00 of state and local income~~
13 ~~taxes deducted from federal adjusted gross income for the taxable year, but in~~
14 ~~no case in an amount that will reduce total itemized deductions below the~~
15 ~~standard deduction allowable to the taxpayer; and~~ the amount of total itemized
16 deductions in excess of the standard deduction allowable to the taxpayer;

17 * * *

18 Sec. 4. 33 V.S.A. § 1822 is amended to read:

19 § 1822. IMPLEMENTATION; WAIVER

20 (a) Green Mountain Care shall be implemented ~~90 days following the last~~
21 ~~to occur of~~ only after the occurrence of all of the events described in this

1 ~~subsection. If the last event is completed prior to July 1 in the year of its~~
2 ~~occurrence, Green Mountain Care shall be implemented on the first January 1~~
3 ~~following the completion. If the last event is completed on or after July 1 in~~
4 ~~the year of its occurrence, Green Mountain Care shall be implemented on the~~
5 ~~second January 1 following the completion. The required events shall be:~~

6 * * *

7 Sec. 5. 33 V.S.A. § 1824 is amended to read:

8 § 1824. ELIGIBILITY

9 (a)(1) Upon implementation, all Vermont residents shall be eligible for
10 Green Mountain Care, ~~regardless of whether an employer offers health~~
11 ~~insurance for which they are eligible except as otherwise provided in~~
12 ~~subsections (f) and (g) of this section. The Agency shall establish standards by~~
13 ~~rule for proof and verification of residency.~~

14 * * *

15 (f)(1) Federal employees shall not be eligible for Green Mountain Care if
16 they are eligible for health coverage through the federal government, except as
17 provided in subdivision (2) of this subsection. As used in this section, "federal
18 employee" means a person employed by the U.S. government who is eligible
19 for the Federal Employees Health Benefits Program (FEHBP), a person retired
20 from employment with the U.S. government who is eligible for the FEHBP, or

1 ~~an active or retired member of the U.S. Armed Forces who is eligible for a~~
2 TRICARE plan.

3 (2) A federal employee who would otherwise be ineligible for Green
4 Mountain Care may choose to participate in the program by enrolling in Green
5 Mountain Care and paying the opt-in to payroll tax for federal employees
6 established in 32 U.S.A. § 5984.

7 (g) An individual who is not a federal employee but who is eligible for an
8 employer-sponsored health benefit plan or a retiree health benefit plan may
9 choose Green Mountain Care or the employer's or retiree plan as his or her
10 primary coverage.

11 (1) If the individual chooses Green Mountain Care for primary coverage,
12 he or she shall enroll in the program according to the procedure established by
13 the Secretary of Human Services pursuant to this subchapter.

14 (2) If the individual chooses to remain on the employer's or retiree plan,
15 the Agency of Human Services shall pay the individual's share of the premium
16 for the employer-sponsored or retiree health benefit plan, unless it would be
17 more cost-effective to the State for Green Mountain Care to provide the
18 individual's primary coverage. In conducting its analysis of cost-effectiveness,
19 the Agency shall factor in the cost of providing any additional benefits
20 included in the Green Mountain Care benefit package, as well as Green
21 Mountain Care's status as secondary payer for services covered in whole or in

1 ~~part by other health benefit plans pursuant to section 1827 of this title. The~~

2 Agency shall not consider the medical history, medical conditions, or claims

3 history of any individual for whom cost-effectiveness is being evaluated.

4 (A) If an individual remains on his or her employer's or retiree plan,

5 the Agency shall pay from the Green Mountain Care Fund the employee's or

6 retiree's share of the premium on behalf of that individual unless the Agency

7 determines that doing so is not cost-effective for the State. Green Mountain

8 Care shall provide any additional benefits included in the Green Mountain Care

9 benefit package that would not otherwise be available to individuals

10 participating in the employer-sponsored or retiree health benefit plan and shall

11 serve as secondary payer for any benefits covered in whole or in part by the

12 employer's or retiree plan.

13 (B) If the Agency determines that Green Mountain Care can provide

14 health services to the individual in a manner that is more cost-effective to the

15 State than making the premium payment, providing additional benefits, and

16 serving as secondary payer through Green Mountain Care, the Agency shall

17 not make the premium payment described in subdivision (A) of this

18 subdivision (2).

19 Sec. 6. 33 V.S.A. § 1827(f) is amended to read:

20 (f) Green Mountain Care shall be the secondary payer with respect to any

21 health service that may be covered in whole or in part by any other health

1 ~~benefit plan, including private health insurance, or retiree health benefits, or~~
2 ~~federal health benefit plans offered by the Veterans' Administration, by the~~
3 ~~military, or to federal employees.~~

4 Sec. 7. 33 V.S.A. § 1829 is amended to read:

5 § 1829. GREEN MOUNTAIN CARE FUND

6 (a) The Green Mountain Care Fund is established in the State Treasury as a
7 special fund to be the single source to finance health care coverage for Green
8 Mountain Care.

9 (b) Into the Fund shall be deposited:

10 (1) transfers or appropriations from the General Fund, authorized by the
11 General Assembly;

12 (2) if authorized by a waiver from federal law, federal funds for
13 Medicaid, Medicare, and the Vermont Health Benefit Exchange established in
14 chapter 18, subchapter 1 of this title; and

15 (3) 7.7 percent of the income taxes levied pursuant to 32 V.S.A.
16 chapter 151; and

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

19 (c) The Fund shall be administered pursuant to 32 V.S.A. chapter 7,
20 subchapter 5, except that interest earned on the Fund and any remaining

1 ~~balance shall be retained in the Fund. The Agency shall maintain records~~

2 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 for:

4 (1) the administration and delivery of health services covered by Green
5 Mountain Care as provided in this subchapter; ~~and~~

6 (2) expenses related to the duties and operation of the Green Mountain
7 Care Board pursuant to 18 V.S.A. chapter 220; and

8 (3) the payment of premiums pursuant to subsection 1824(g) of this title.

9 Sec. 8. 32 V.S.A. § 435(b)(5) is amended to read:

10 (5) ~~Individual~~ 92.3 percent of the income taxes levied pursuant to
11 chapter 151 of this title;

12 Sec. 9. EFFECTIVE DATES

13 (a) Secs. 4 (Green Mountain Care implementation), 5 (eligibility), 6
14 (secondary payer), and this section shall take effect on passage.

15 (b) Secs. 2 (non-wage income tax), 3 (itemized deductions), 7 (Green
16 Mountain Care Fund), and 8 (General Fund) shall take effect on the date Green
17 Mountain Care is implemented pursuant to 33 V.S.A. § 1822(a).

18 (c) Sec. 1 (payroll tax) shall take effect on the first day of the last quarter of
19 the calendar year preceding implementation of Green Mountain Care pursuant
20 to 33 V.S.A. § 1822(a).

Sec. 1. LEGISLATIVE INTENT

It has been three years since the passage of 2011 Acts and Resolves No. 48 (Act 48). Several health care reform initiatives have been implemented or are preparing to launch, the Patient Protection and Affordable Care Act has been in effect for four years, and the Vermont Health Benefit Exchange is operational. In order to successfully implement the reforms envisioned by that act, it is appropriate to update the assumptions and cost estimates that formed the basis for Act 48, evaluate the success of existing health care reform efforts, and obtain information relating to key outstanding policy decisions. It is the intent of the General Assembly to obtain a greater understanding of the impact of health care reform efforts currently under way and to take steps toward implementation of the universal and unified health system envisioned by Act 48.

Sec. 2. PRINCIPLES FOR HEALTH CARE FINANCING

The General Assembly adopts the following principles to guide the financing of health care in Vermont:

(1) All Vermont residents have the right to high-quality health care.

(2) Vermont residents shall finance Green Mountain Care through taxes that are levied equitably, taking into account an individual's ability to pay and the value of the health benefits provided.

(3) As provided in 33 V.S.A. § 1827, Green Mountain Care shall be the secondary payer for Vermont residents who continue to receive health care through plans provided by an employer, by another state, by a foreign government, or as a retirement benefit.

(4) Vermont's system for financing health care shall raise revenue sufficient to provide medically necessary health care services to all enrolled Vermont residents, including maternity and newborn care, pediatric care, vision and dental care for children, surgery and hospital care, emergency care, outpatient care, treatment for mental health conditions, and prescription drugs.

* * * Vermont Health Benefit Exchange * * *

Sec. 3. 33 V.S.A. § 1803 is amended to read:

§ 1803. VERMONT HEALTH BENEFIT EXCHANGE

* * *

(b)(1)(A) The Vermont Health Benefit Exchange shall provide qualified individuals and qualified employers with qualified health benefit plans, including the multistate plans required by the Affordable Care Act, with effective dates beginning on or before January 1, 2014. The Vermont Health Benefit Exchange may contract with qualified entities or enter into

intergovernmental agreements to facilitate the functions provided by the Vermont Health Benefit Exchange.

* * *

(4) To the extent permitted by the U.S. Department of Health and Human Services, the Vermont Health Benefit Exchange shall permit qualified employers to purchase qualified health benefit plans through the Exchange website, through navigators, by telephone, or directly from a health insurer under contract with the Vermont Health Benefit Exchange.

* * *

Sec. 4. 33 V.S.A. § 1811(b) is amended to read:

(b)(1) No person may provide a health benefit plan to an individual ~~or small employer~~ unless the plan is offered through the Vermont Health Benefit Exchange and complies with the provisions of this subchapter.

(2) To the extent permitted by the U.S. Department of Health and Human Services, a small employer or an employee of a small employer may purchase a health benefit plan through the Exchange website, through navigators, by telephone, or directly from a health insurer under contract with the Vermont Health Benefit Exchange.

(3) No person may provide a health benefit plan to an individual or small employer unless the plan complies with the provisions of this subchapter.

Sec. 5. PURCHASE OF SMALL GROUP PLANS DIRECTLY FROM CARRIERS

To the extent permitted by the U.S. Department of Health and Human Services and notwithstanding any provision of State law to the contrary, the Department of Vermont Health Access shall permit employers purchasing qualified health benefit plans on the Vermont Health Benefit Exchange to purchase the plans through the Exchange website, through navigators, by telephone, or directly from a health insurer under contract with the Vermont Health Benefit Exchange.

* * * *Green Mountain Care* * * *

Sec. 6. TREATMENT OF FEDERAL EMPLOYEES

The Health Care Reform Financing Plan submitted to the General Assembly by the Secretary of Administration and the Director of Health Care Reform on January 24, 2013 assumed that federal employees, including military, will not be integrated into Green Mountain Care for their primary coverage.

Sec. 7. 33 V.S.A. § 1824(f) is added to read:

(f)(1) Federal employees who participate in the Federal Employees Health Benefits Program (FEHBP) or TRICARE shall be deemed, by virtue of their participation in those plans, to be covered by Green Mountain Care. The Green Mountain Care benefit package for federal employees shall be the benefit package of their respective FEHBP or TRICARE plan. The premiums paid by federal employees for the FEHBP or TRICARE shall be deemed to be their share of contributions to the financing for Green Mountain Care.

(2) As used in this subsection, "federal employee" means a person employed by the U.S. government who is eligible for the FEHBP, a person retired from employment with the U.S. government who is eligible for the FEHBP, or an active or retired member of the U.S. Armed Forces who is eligible for a TRICARE plan.

Sec. 7a. SUPPLEMENTAL PLANS FOR TRICARE PARTICIPANTS

In the event that the Agency of Human Services identifies significant gaps between the coverage available to federal employees participating in TRICARE and the coverage available in Green Mountain Care, the Agency shall propose to the General Assembly a supplemental benefit plan for TRICARE participants and a mechanism for TRICARE participants to pay for the cost of the plan.

Sec. 8. 33 V.S.A. § 1825 is amended to read:

§ 1825. HEALTH BENEFITS

(a)(1) The benefits for Green Mountain Care shall include primary care, preventive care, chronic care, acute episodic care, and hospital services and shall include at least the same covered services as those included in the benefit package in effect for the lowest cost Catamount Health plan offered on January 1, 2011 consist of the benefits available in the benchmark plan for the Vermont Health Benefit Exchange.

* * *

Sec. 9. CONTRACT FOR ADMINISTRATION OF CERTAIN ELEMENTS OF GREEN MOUNTAIN CARE

(a) On or before February 1, 2015, the Agency of Human Services shall identify the elements of Green Mountain Care, such as claims administration and provider relations, for which the Agency plans to solicit bids for administration pursuant to 33 V.S.A. § 1827(a). By the same date, the Agency shall also prepare a description of the job or jobs to be performed, design the bid qualifications, and develop the criteria by which bids will be evaluated.

(b) On or before July 1, 2015, the Agency of Human Services shall solicit bids for administration of the elements of Green Mountain Care identified pursuant to subsection (a) of this section.

(c) On or before December 15, 2015, the Agency of Human Services shall award one or more contracts to public or private entities for administration of elements of Green Mountain Care pursuant to 33 V.S.A. § 1827(a).

Sec. 10. CONCEPTUAL WAIVER APPLICATION

On or before October 1, 2014, the Secretary of Administration or designee shall submit to the federal Center for Consumer Information and Insurance Oversight a conceptual waiver application expressing the intent of the State of Vermont to pursue a Waiver for State Innovation pursuant to Sec. 1332 of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, and the State's interest in commencing the application process.

** * * Employer Assessment * * **

Sec. 11. 21 V.S.A. § 2001 is amended to read:

§ 2001. PURPOSE

For the purpose of more equitably distributing the costs of health care to uninsured residents of this ~~state~~ State, an employers' health care fund contribution is established to provide a fair and reasonable method for sharing health care costs with employers who do not offer their employees health care coverage and employers who offer insurance but whose employees enroll in Medicaid.

Sec. 12. 21 V.S.A. § 2002 is amended to read:

§ 2002. DEFINITIONS

As used in this chapter:

** * **

(5) "Uncovered employee" means:

(A) an employee of an employer who does not offer to pay any part of the cost of health care coverage for its employees;

(B) an employee who is not eligible for health care coverage offered by an employer to any other employees; or

(C) an employee who is offered and is eligible for coverage by the employer but elects not to accept the coverage and either:

(i) has no other health care coverage under either Medicare or a private or public health plan; or

(ii) *has purchased health insurance coverage as an individual through the Vermont Health Benefit Exchange.*

* * *

Sec. 13. 21 V.S.A. § 2003(b) is amended to read:

(b) For any quarter in ~~fiscal years 2007 and 2008~~ calendar year 2014, the amount of the Health Care Fund contribution shall be ~~\$ 91.25~~ \$119.12 for each full-time equivalent employee in excess of ~~eight~~ four. For each ~~fiscal calendar year after fiscal year 2008~~, ~~the number of excluded full-time equivalent employees shall be adjusted in accordance with subsection (a) of this section~~, and calendar year 2014, the amount of the Health Care Fund contribution shall be adjusted by a percentage equal to any percentage change in premiums for the second lowest cost silver-level plan in the Vermont Health Benefit Exchange.

* * * Reports * * *

Sec. 14. CHRONIC CARE MANAGEMENT; BLUEPRINT; REPORT

On or before October 1, 2014, the Secretary of Administration or designee shall report to the House Committees on Health Care and on Human Services, the Senate Committees on Health and Welfare and on Finance, and the Health Care Oversight Committee regarding the efficacy of the chronic care management initiatives currently in effect in Vermont, including recommendations about whether and to what extent to increase payments to health care providers and community health teams for their participation in the Blueprint for Health and whether to expand the Blueprint to include additional chronic conditions such as obesity, mental conditions, and oral health.

Sec. 15. HEALTH INSURER SURPLUS; LEGAL CONSIDERATIONS; REPORT

The Department of Financial Regulation, in consultation with the Office of the Attorney General, shall identify the legal and financial considerations involved in the event that a private health insurer offering major medical insurance plans, whether for-profit or nonprofit, ceases doing business in this State, including appropriate disposition of the insurer's surplus funds. On or before July 15, 2014, the Department shall report its findings to the House Committees on Commerce and on Ways and Means, the Senate Committee on Finance, and the Health Care Oversight Committee.

Sec. 16. BENCHMARK-EQUIVALENT HEALTH CARE COVERAGE

On or before October 1, 2014, the Secretary of Administration or designee shall provide the House Committee on Health Care, the Senate Committees on

Health and Welfare and on Finance, and the Health Care Oversight Committee with a recommendation regarding whether it should be the policy of the State of Vermont that all Vermont residents should have health care coverage in effect prior to implementation of Green Mountain Care that is substantially equivalent to coverage available under the benchmark plan for the Vermont Health Benefit Exchange. If the Secretary or designee reports that substantially equivalent coverage for all Vermonters should be the policy of the State, the Secretary or designee shall propose ways to achieve this goal.

Sec. 17. TRANSITION PLAN FOR PUBLIC EMPLOYEES

The Secretary of Education and the Commissioner of Human Resources, in consultation with the Vermont State Employees' Association, the Vermont League of Cities and Towns, Vermont-NEA, Vermont School Boards Association, AFT Vermont, and other interested stakeholders, shall develop a plan for transitioning public employees from their existing health insurance plans to Green Mountain Care or another common risk pool, with the goal that all State employees, municipal employees, public school employees, and other persons employed by the State or an instrumentality of the State shall be enrolled in Green Mountain Care upon implementation, which is currently targeted for 2017, or in a common risk pool. The Secretary and Commissioner shall address the role of collective bargaining on the transition process and shall propose methods to mitigate the impact of the transition on employees' health care coverage and on their total compensation.

Sec. 18. FINANCIAL IMPACT OF HEALTH CARE REFORM INITIATIVES

(a) The Secretary of Administration or designee shall consult with the Joint Fiscal Office in developing and selecting data, assumptions, analytic models, and other work related to the following:

(1) the cost of Green Mountain Care, the universal and unified health care system established in 33 V.S.A. chapter 18, subchapter 2;

(2) the distribution of health care spending by individuals, businesses, and municipalities, including comparing the distribution of spending by individuals by income class with the distribution of other taxes; and

(3) the costs of and savings from current health care reform initiatives.

(b) The Secretary or designee and the Joint Fiscal Committee shall explore ways to collaborate on the estimates required pursuant to subsection (a) of this section and may contract jointly, to the extent feasible, in order to utilize the same analytic models, data, or other resources.

(c) On or before December 1, 2014, the Secretary of Administration shall present his or her analysis to the General Assembly. On or before January 15,

2015, the Joint Fiscal Office shall evaluate the analysis and indicate areas of agreement and disagreement with the data, assumptions, and results.

Sec. 19. PHARMACY BENEFIT MANAGEMENT

On or before October 1, 2014, the Secretary of Administration or designee shall report to the House Committee on Health Care, the Senate Committees on Health and Welfare and on Finance, and the Health Care Oversight Committee regarding the feasibility and benefits to the State of Vermont of the State acting as its own pharmacy benefit manager for the State employees' health benefit plan, Vermont's Medicaid program, Green Mountain Care, and any other health care plan financed or administered in whole or in part by the State.

Sec. 20. INDEPENDENT PHYSICIAN PRACTICES; REPORT

On or before December 1, 2014, the Secretary of Administration or designee shall report to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance regarding the policy of the State of Vermont with respect to independent physician practices, including whether the State wishes to encourage existing physician practices to remain independent and whether the State wishes to encourage new independent physician practices to open, and, if it is the policy of the State to encourage these independent physician practices, recommending ways to increase the number of these practices in Vermont. The Secretary or designee shall also consider whether the State should prohibit health insurers from reimbursing physicians in independent practices at lower rates than those at which they reimburse physicians in hospital-owned practices for providing the same services.

Sec. 21. HEALTH INFORMATION TECHNOLOGY AND INTELLECTUAL PROPERTY; REPORT

On or before October 1, 2014, the Office of the Attorney General, in consultation with the Vermont Information Technology Leaders, shall report to the House Committees on Health Care, on Commerce and Economic Development, and on Ways and Means and the Senate Committees on Health and Welfare, on Economic Development, Housing and General Affairs, and on Finance regarding the need for intellectual property protection with respect to Vermont's Health Information Exchange and other health information technology initiatives, including the potential for receiving patent, copyright, or trademark protection for health information technology functions, the estimated costs of obtaining intellectual property protection, and projected revenues to the State from protecting intellectual property assets or licensing protected interests to third parties.

Sec. 22. MEDICARE INTEGRATION; REPORT

On or before December 1, 2014, the Secretary of Administration or designee shall report to the House Committees on Health Care and on Ways and Means and the Senate Committees on Health and Welfare and on Finance regarding the options available to the State of Vermont with respect to the potential integration and coordination of Medicare with Green Mountain Care. The report shall include assessments of possible financing and coverage options for Vermont's Medicare population within Green Mountain Care and the potential continuation of Medicare supplemental insurance and Medicare Advantage plans.

** * * Health Care Workforce Symposium * * **

~~Sec. 22~~ *Sec. 23. HEALTH CARE WORKFORCE SYMPOSIUM*

On or before November 15, 2014, the Secretary of Administration or designee, in collaboration with the Vermont Medical Society and the Vermont Association of Hospitals and Health Systems, shall organize and conduct a symposium to address the impacts of moving toward universal health care coverage on Vermont's health care workforce and on its projected workforce needs.

** * * Effective Date * * **

~~Sec. 22~~ ~~Sec. 23~~ *Sec. 24. EFFECTIVE DATE*

This act shall take effect on passage, except that the amendments in Sec. 12 to 21 V.S.A. § 2002 shall apply beginning in the first quarter of fiscal year 2015.