

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Health Care to which was referred Senate Bill No. 252
3 entitled “An act relating to financing for Green Mountain Care” respectfully
4 reports that it has considered the same and recommends that the House propose
5 to the Senate that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 * * * Intent and Principles * * *

8 Sec. 1. LEGISLATIVE INTENT; FINDINGS; PURPOSE

9 **(a)(1) It is the intent of the General Assembly to continue moving**
10 **forward toward implementation of Green Mountain Care, a publicly**
11 **financed program of universal and unified health care.**

12 **(2) It is not the intent of the General Assembly to interfere in any**
13 **way with the benefits provided to Vermont residents under Medicare, the**
14 **Federal Employees Health Benefit Program, TRICARE, a retiree health**
15 **program, or any other health benefit program beyond the regulatory**
16 **authority of the State of Vermont.**

17 **(b) The General Assembly finds that:**

18 **(1) It has been three years since the passage of 2011 Acts and Resolves**
19 **No. 48 (Act 48), which established the Green Mountain Care Board,**
20 **authorized payment reform initiatives, and created the framework for the**
21 **Vermont Health Benefit Exchange and Green Mountain Care.**

1 (2) The Green Mountain Care Board **currently** regulates health
2 insurance rates, hospital budgets, and certificates of need. In 2013, the Green
3 Mountain Care Board’s hospital budget review limited hospital growth to 2.7
4 percent, the lowest annual growth rate in Vermont for at least the last 15 years.
5 The Green Mountain Care Board **also** issued four certificates of need and one
6 conceptual development phase certificate of need. It **also** issued 31 health
7 insurance rate decisions and reduced by approximately five percent the rates
8 proposed by insurers in the Vermont Health Benefit Exchange.

9 (3) **In 2013**, Vermont was awarded a three-year State Innovation Model
10 (SIM) grant of \$45 million to improve health and health care and **to** lower
11 costs for Vermont residents. The grant funds the creation of a sustainable
12 model of multi-payer payment and delivery reform, encouraging providers to
13 change the way they do business in order to deliver the right care at the right
14 time in the right setting. The State has created a 300-person public-private
15 stakeholder group to work collaboratively on creating **the right appropriate**
16 payment and delivery system models. Through this structure, care
17 management models are being coordinated across State agencies and health
18 care providers, including the Blueprint for Health, the Vermont Chronic Care
19 Initiative, and accountable care organizations.

20 (4) From the SIM grant funds, the State **has recently** awarded \$2.6
21 million in grants to health care providers for innovative pilot programs

1 improving care delivery or for creating the capacity and infrastructure for care
2 delivery reforms.

3 (5) Three accountable care organizations (ACOs) have formed in
4 Vermont: one led by hospitals, one led by federally qualified health centers,
5 and one led by independent physicians. The Green Mountain Care Board has
6 approved payment and quality measures for ACOs, which create substantial
7 uniformity across payers and will provide consistent measurements for health
8 care providers.

9 (6) The Vermont Health Benefit Exchange has completed its first open
10 enrollment period. Vermont has more people enrolled through its Exchange
11 per capita than are enrolled in any other state-based Exchange, but many
12 Vermonters experienced difficulties during the enrollment period and not all
13 aspects of Vermont's Exchange are fully functional.

14 (7) According to the 2013 Blueprint for Health Annual Report,
15 Vermont residents receiving care from a patient-centered medical home
16 and community health team had favorable outcomes over comparison
17 groups in reducing expenditures and reducing inpatient hospitalizations.
18 As of December 31, 2013, 121 primary care practices were participating in
19 the Blueprint for Health, serving approximately 514,385 Vermonters.

1 (8) The Agency of Human Services has adopted the modified adjusted
2 gross income standard under the Patient Protection and Affordable Care Act,
3 further streamlining the Medicaid application process.

4 (9) Vermonters currently spend over \$2.5 billion per year on private
5 funding of health care through health insurance premiums and out-of-pocket
6 expenses. Act 48 charts a course toward replacing that spending with a
7 publicly financed system.

8 (10) There is no legislatively determined time line in Act 48 for the
9 implementation of Green Mountain Care. A set of **five** triggers focusing on
10 decisions about financing, covered services, benefit design, **and the impacts of**
11 Green Mountain Care, **and receipt of a federal waiver** must be satisfied, **and**
12 **a federal waiver received**, before launching Green Mountain Care. In
13 addition, the Green Mountain Care Board must be satisfied that reimbursement
14 rates for providers will be sufficient to recruit and retain a strong health care
15 workforce to meet the needs of all Vermonters.

16 **(11) Act 48 required the Secretary of Administration to provide a**
17 **financing plan for Green Mountain Care by January 15, 2013. The**
18 **financing plan delivered on January 24, 2013 did not “recommend the**
19 **amounts and necessary mechanisms to finance Green Mountain Care and**
20 **any systems improvements needed to achieve a public-private universal**
21 **health care system,” or recommend solutions to cross-border issues, as**

1 **required by Sec. 9 of Act 48. The longer it takes the Secretary to produce**
2 **a complete financing plan, the longer it will be until Green Mountain Care**
3 **can be implemented.**

4 (c) In order to implement the next steps envisioned by Act 48 successfully,
5 it is appropriate to update the assumptions and cost estimates that formed the
6 basis for that act, evaluate the success of existing health care reform efforts,
7 and obtain information relating to key outstanding policy decisions. It is the
8 intent of the General Assembly to obtain a greater understanding of the impact
9 of health care reform efforts currently under way and to take steps toward
10 implementation of the universal and unified health system envisioned by
11 Act 48.

12 (d) Before making final decisions about the financing for Green Mountain
13 Care, the General Assembly must have accurate data on how Vermonters
14 currently pay for health care and how the new system will impact individual
15 decisions about accessing care.

16 (e) The General Assembly also must consider the benefits and risks of a
17 new health care system on Vermont's businesses when there are new public
18 financing mechanisms in place, when businesses no longer carry the burden of
19 providing health coverage, when employees no longer fear losing coverage
20 when they change jobs, and when business start-ups no longer have to consider
21 health coverage.

1 **(f) The General Assembly must ensure that Green Mountain Care does**
2 **not go forward if doing so is not cost-effective for the residents of Vermont**
3 **and for the State.**

4 **(g) The General Assembly must be satisfied that an appropriate plan of**
5 **operations action is in place in order to accomplish the financial and health**
6 **care operational transitions needed for successful implementation of Green**
7 **Mountain Care.**

8 Sec. 2. PRINCIPLES FOR HEALTH CARE FINANCING

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

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

12 **(2) All Vermont residents shall contribute to the financing for**
13 **Green Mountain Care.**

14 (3) Vermont residents shall finance Green Mountain Care through taxes
15 that are levied equitably, taking into account an individual's ability to pay and
16 the value of the health benefits provided. **The financing system shall**
17 **maximize opportunities to pay for health care using pre-tax funds.**

18 (4) As provided in 33 V.S.A. § 1827, Green Mountain Care shall be the
19 **secondary payer of last resort** for Vermont residents who continue to receive
20 health care through plans provided by an employer, by a federal health benefit
21 plan, by Medicare, by a foreign government, or as a retirement benefit.

1 (5) Vermont’s system for financing health care shall raise revenue
2 sufficient to provide medically necessary health care services to all enrolled
3 Vermont residents, including:

4 (A) ambulatory patient services;

5 (B) emergency services;

6 (C) hospitalization;

7 (D) maternity and newborn care;

8 (E) mental health and substance use disorder services, **including**

9 **behavioral health treatment;**

10 (F) prescription drugs;

11 (G) rehabilitative and habilitative services and devices;

12 (H) laboratory services;

13 (I) preventive and wellness services and chronic care

14 management; and

15 (J) pediatric services, **including oral and vision care.**

16 **(6) The ~~State shall develop~~ financing system for Green Mountain**
17 **Care shall include** an indexing mechanism ~~for Green Mountain Care~~

18 **financing** that adjusts the level of individuals’ and businesses’ financial

19 contributions to meet ~~population health~~ **the health care needs of Vermont**

20 **residents** and that ensures the sufficiency of funding in accordance with the

21 principle expressed in 18 V.S.A. § 9371(11).

1 * * * Vermont Health Benefit Exchange * * *

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

3 § 1803. VERMONT HEALTH BENEFIT EXCHANGE

4 * * *

5 (b)(1)(A) The Vermont Health Benefit Exchange shall provide qualified
6 individuals and qualified employers with qualified health benefit plans,
7 including the multistate plans required by the Affordable Care Act, with
8 effective dates beginning on or before January 1, 2014. The Vermont Health
9 Benefit Exchange may contract with qualified entities or enter into
10 intergovernmental agreements to facilitate the functions provided by the
11 Vermont Health Benefit Exchange.

12 * * *

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

18 * * *

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

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

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

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

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

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

1 **Sec. 6. OPTIONAL EXCHANGE COVERAGE FOR EMPLOYERS WITH**
2 **UP TO 100 EMPLOYEES**

3 (a)(1) As soon as permitted under federal law and notwithstanding any
4 provision of Vermont law to the contrary, prior to January 1, 2016, health
5 insurers may offer health insurance plans through or outside the Vermont
6 Health Benefit Exchange to employers that employed an average of at least 51
7 but not more than 100 employees on working days during the preceding
8 calendar year. Calculation of the number of employees shall not include a
9 part-time employee who works fewer than 30 hours per week or a seasonal
10 worker as defined in 26 U.S.C. § 4980H(c)(2)(B).

11 (2) Health insurers may make Exchange plans available to an employer
12 described in subdivision (1) of this subsection if the employer:

13 (A) has its principal place of business in this State and elects to
14 provide coverage for its eligible employees through the Vermont Health
15 Benefit Exchange, regardless of where an employee resides; or

16 (B) elects to provide coverage through the Vermont Health Benefit
17 Exchange for all of its eligible employees who are principally employed in this
18 State.

19 (3) Beginning on January 1, 2016, health insurers may only offer health
20 insurance plans to the employers described in this subsection through the

1 Vermont Health Benefit Exchange in accordance with 33 V.S.A. chapter 18,
2 subchapter 1.

3 (b)(1) As soon as permitted under federal law and notwithstanding any
4 provision of Vermont law to the contrary, prior to January 1, 2016, employers
5 may purchase health insurance plans through or outside the Vermont Health
6 Benefit Exchange if they employed an average of at least 51 but not more than
7 100 employees on working days during the calendar year. Calculation of the
8 number of employees shall not include a part-time employee who works fewer
9 than 30 hours per week or a seasonal worker as defined in 26 U.S.C.
10 § 4980H(c)(2)(B).

11 (2) An employer of the size described in subdivision (1) of this
12 subsection may purchase coverage for its employees through the Vermont
13 Health Benefit Exchange if the employer:

14 (A) has its principal place of business in this State and elects to
15 provide coverage for its eligible employees through the Vermont Health
16 Benefit Exchange, regardless of where an employee resides; or

17 (B) elects to provide coverage through the Vermont Health Benefit
18 Exchange for all of its eligible employees who are principally employed in this
19 State.

1 (3) determining whether and to what extent to impose cost-sharing
2 requirements in Green Mountain Care; and

3 (4) making the determinations required for Green Mountain Care
4 implementation pursuant to 33 V.S.A. § 1822(a)(5).

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

6 § 1825. HEALTH BENEFITS

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

13 (2) It is the intent of the General Assembly that Green Mountain Care
14 provide a level of coverage that includes benefits that are actuarially equivalent
15 to at least 87 percent of the full actuarial value of the covered health services.

16 (3) The Green Mountain Care Board shall consider whether to impose
17 cost-sharing requirements; if so, whether to make the cost-sharing
18 requirements income-sensitized; and the impact of any cost-sharing
19 requirements on an individual's ability to access care. The Board shall
20 consider waiving any cost-sharing requirement for evidence-based primary and
21 preventive care; for palliative care; and for chronic care for individuals

1 participating in chronic care management and, where circumstances warrant,
2 for individuals with chronic conditions who are not participating in a chronic
3 care management program.

4 (4)(A) The Green Mountain Care Board established in 18 V.S.A.
5 chapter 220 shall consider whether to include dental, vision, and hearing
6 benefits in the Green Mountain Care benefit package.

7 (B) The Green Mountain Care Board shall consider whether to
8 include long-term care benefits in the Green Mountain Care benefit package.

9 (5) Green Mountain Care shall not limit coverage of preexisting
10 conditions.

11 (6) The Green Mountain Care ~~board~~ Board shall approve the benefit
12 package and present it to the General Assembly as part of its recommendations
13 for the Green Mountain Care budget.

14 (b)(1)(A) For individuals eligible for Medicaid or CHIP, the benefit
15 package shall include the benefits required by federal law, as well as any
16 additional benefits provided as part of the Green Mountain Care benefit
17 package.

18 (B) Upon implementation of Green Mountain Care, the benefit
19 package for individuals eligible for Medicaid or CHIP shall also include any
20 optional Medicaid benefits pursuant to 42 U.S.C. § 1396d or services covered
21 under the State plan for CHIP as provided in 42 U.S.C. § 1397cc for which

1 these individuals are eligible on January 1, 2014. Beginning with the second
2 year of Green Mountain Care and going forward, the Green Mountain Care
3 Board may, consistent with federal law, modify these optional benefits, as long
4 as at all times the benefit package for these individuals contains at least the
5 benefits described in subdivision (A) of this subdivision (b)(1).

6 (2) For children eligible for benefits paid for with Medicaid funds, the
7 benefit package shall include early and periodic screening, diagnosis, and
8 treatment services as defined under federal law.

9 (3) For individuals eligible for Medicare, the benefit package shall
10 include the benefits provided to these individuals under federal law, as well as
11 any additional benefits provided as part of the Green Mountain Care benefit
12 package.

13 Sec. 9. 33 V.S.A. § 1827 is amended to read:

14 § 1827. ADMINISTRATION; ENROLLMENT

15 (a)(1) The Agency shall, under an open bidding process, solicit bids from
16 and award contracts to public or private entities for administration of certain
17 elements of Green Mountain Care, such as claims administration and provider
18 relations.

19 (2) The Agency shall ensure that entities awarded contracts pursuant to
20 this subsection do not have a financial incentive to restrict individuals' access
21 to health services. **To ensure transparency, the Agency shall require each**

1 **bidder to disclose its financial and other interests in Vermont and in**
2 **multistate health systems reform.** The Agency may establish performance
3 measures that provide incentives for contractors to provide timely, accurate,
4 transparent, and courteous services to individuals enrolled in Green Mountain
5 Care and to health care professionals.

6 (3) When considering contract bids pursuant to this subsection, the
7 Agency shall:

8 (A) ~~consider~~ Consider the interests of the State relating to the
9 economy, the location of the entity, and the need to maintain and create jobs in
10 Vermont. The ~~agency~~ Agency may utilize an econometric model to evaluate
11 the net costs of each contract bid.

12 **(B) Evaluate not only financial costs but the social value that may**
13 **be created by each contract bid, taking into account improvements to the**
14 **social and economic well-being of State residents that may occur in**
15 **addition to the specific benefits produced by the services rendered under**
16 **the contract.**

17 * * *

18 (e) The Agency shall seek permission from the Centers for Medicare and
19 Medicaid Services to be the administrator for the Medicare program in
20 Vermont. If the Agency is unsuccessful in obtaining such permission, Green
21 Mountain Care shall be the **secondary** payer **of last resort** with respect to any

1 health service that may be covered in whole or in part by Title XVIII of the
2 Social Security Act (Medicare).

3 (f) Green Mountain Care shall be the ~~secondary~~ payer of last resort with
4 respect to any health service that may be covered in whole or in part by any
5 other health benefit plan, including private health insurance, retiree health
6 benefits, or federal health benefit plans offered by ~~the Veterans'~~
7 ~~Administration, by~~ the military, or to federal employees.

8 * * *

9 Sec. 10. CONCEPTUAL WAIVER APPLICATION

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

17 * * * Employer Assessment * * *

18 Sec. 11. 21 V.S.A. § 2003(b) is amended to read:

19 (b) For any quarter in ~~fiscal years 2007 and 2008~~ calendar year 2014, the
20 amount of the Health Care Fund contribution shall be ~~\$91.25~~ \$119.12 for each
21 full-time equivalent employee in excess of ~~eight~~ four. For each ~~fiscal~~ calendar

1 year after ~~fiscal year 2008, the number of excluded full-time equivalent~~
2 ~~employees shall be adjusted in accordance with subsection (a) of this section,~~
3 ~~and calendar year 2014,~~ the amount of the Health Care Fund contribution shall
4 be adjusted by a percentage equal to any percentage change in premiums for
5 the second lowest cost silver-level plan in the Vermont Health Benefit
6 Exchange.

7 * * * Green Mountain Care Board * * *

8 Sec. 12. 18 V.S.A. § 9375(b) is amended to read:

9 (b) The Board shall have the following duties:

10 * * *

11 (4) Review the Health Resource Allocation Plan created in chapter 221
12 of this title, ~~conduct~~ **including conducting** regular assessments of the range
13 ~~and depth of health needs among the State's population and develop~~
14 **developing** a plan for allocating resources over a reasonable period of time to
15 **meet those needs.**

16 * * *

17 Sec. 13. 18 V.S.A. § 9375(d) is amended to read:

18 (d) Annually on or before January 15, the Board shall submit a report of its
19 activities for the preceding calendar year to the House Committee on Health
20 Care ~~and~~, the Senate Committee on Health and Welfare, and the Joint Fiscal
21 Committee.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

* * *

Sec. 14. 2000 Acts and Resolves No. 152, Sec. 117b, as amended by 2013 Acts and Resolves No. 79, Sec, 42, is further amended to read:

Sec. 117b. MEDICAID COST SHIFT REPORTING

* * *

(b) Notwithstanding 2 V.S.A. § 20(d), annually on or before ~~December~~ January 15, the ~~chair~~ Chair of the Green Mountain Care Board, the Commissioner of Vermont Health Access, and each acute care hospital shall file with the Joint Fiscal Committee, the House Committee on Health Care, and the Senate Committee on Health and Welfare, in the manner required by the Joint Fiscal Committee, such information as is necessary to carry out the purposes of this section. Such information shall pertain to the provider delivery system to the extent it is available. The Green Mountain Care Board may satisfy its obligations under this section by including the information required by this section in the annual report required by 18 V.S.A. § 9375(d).

* * *

Sec. 15. 2013 Acts and Resolves No. 79, Sec. 5b is amended to read:

Sec. 5b. STANDARDIZED HEALTH INSURANCE CLAIMS AND EDITS

(a)(1) As part of moving away from fee-for-service and toward other models of payment for health care services in Vermont, the Green Mountain Care Board, in consultation with the Department of Vermont Health Access, health care

1 providers, health insurers, and other interested stakeholders, shall develop a
2 complete set of standardized edits and payment rules based on Medicare or on
3 another set of standardized edits and payment rules appropriate for use in
4 Vermont. The Board and the Department shall adopt by rule the standards and
5 payment rules that health care providers, health insurers, Medicaid, and other
6 payers shall use beginning on ~~January 1, 2015~~ and that ~~Medicaid shall use~~
7 ~~beginning on~~ January 1, 2017.

8 * * *

9 * * * Pharmacy Benefit Managers * * *

10 Sec. 16. 18 V.S.A. § 9472 is amended to read:

11 § 9472. PHARMACY BENEFIT MANAGERS; REQUIRED PRACTICES
12 WITH RESPECT TO HEALTH INSURERS

13 * * *

14 (d) At least annually, a pharmacy benefit manager that provides pharmacy
15 benefit management for a health plan shall disclose to the health insurer, the
16 Department of Financial Regulation, and the Green Mountain Care Board the
17 aggregate amount the pharmacy benefit manager retained on all claims charged
18 to the health insurer for prescriptions filled during the preceding calendar year
19 in excess of the amount the pharmacy benefit manager reimbursed pharmacies.

1 (e) Compliance with the requirements of this section is required for
2 pharmacy benefit managers entering into contracts with a health insurer in this
3 state State for pharmacy benefit management in this state State.

4 Sec. 17. 18 V.S.A. § 9473 is redesignated to read:

5 § ~~9473~~ 9474. ENFORCEMENT

6 Sec. 18. 18 V.S.A. § 9473 is added to read:

7 § 9473. PHARMACY BENEFIT MANAGERS; REQUIRED PRACTICES
8 WITH RESPECT TO PHARMACIES

9 (a) Within 14 **calendar** days following receipt of a pharmacy claim, a
10 pharmacy benefit manager or other entity paying pharmacy claims shall do one
11 of the following:

12 (1) Pay or reimburse the claim.

13 (2) Notify the pharmacy in writing that the claim is contested or denied.

14 The notice shall include specific reasons supporting the contest or denial and a
15 description of any additional information required for the pharmacy benefit
16 manager or other payer to determine liability for the claim.

17 (b) A pharmacy benefit manager **or other entity paying pharmacy claims**
18 shall:

19 (1) make available, in a format that is readily accessible and

20 understandable by a pharmacist, a list of the drugs subject to maximum

1 allowable cost, the actual maximum allowable cost for each drug, and the
2 source used to determine the maximum allowable cost; and

3 (2) update the maximum allowable cost list at least once every seven
4 **calendar days.**

5 (c) A pharmacy benefit manager or other **payer entity paying pharmacy**
6 **claims shall not:**

7 (1) impose a higher co-payment for a prescription drug than the
8 co-payment applicable to the type of drug purchased under the insured's health
9 plan;

10 **(2) impose a higher co-payment for a prescription drug than the**
11 **maximum allowable cost for the drug; or**

12 (3) require a pharmacy to pass **through** any portion of the insured's
13 co-payment **through** to the pharmacy benefit manager or other payer.

14 Sec. 19. 9 V.S.A. § 2466a is amended to read:

15 § 2466a. CONSUMER PROTECTIONS; PRESCRIPTION DRUGS

16 (a) A violation of 18 V.S.A. § 4631 shall be considered a prohibited
17 practice under section 2453 of this title.

18 (b) As provided in 18 V.S.A. § ~~9473~~ 9474, a violation of 18 V.S.A. § 9472
19 or ~~9473~~ shall be considered a prohibited practice under section 2453 of this
20 title.

21 * * *

*** * * Adverse Childhood Experiences * * ***

Sec. 20. FINDINGS AND PURPOSE

(a) It is the belief of the General Assembly that controlling health care costs requires consideration of population health, particularly Adverse Childhood Experiences (ACEs).

(b) The ACE Questionnaire contains ten categories of questions for adults pertaining to abuse, neglect, and family dysfunction during childhood. It is used to measure an adult’s exposure to traumatic stressors in childhood. Based on a respondent’s answers to the Questionnaire, an ACE Score is calculated, which is the total number of ACE categories reported as experienced by a respondent.

(c) In a 1998 article entitled “Relationship of Childhood Abuse and Household Dysfunction to Many of the Leading Causes of Death in Adults” published in the American Journal of Preventive Medicine, evidence was cited of a “strong graded relationship between the breadth of exposure to abuse or household dysfunction during childhood and multiple risk factors for several of the leading causes of death in adults.”

(d) The greater the number of ACEs experienced by a respondent, the greater the risk for the following health conditions and behaviors: alcoholism and alcohol abuse, chronic obstructive pulmonary disease, depression, obesity, illicit drug use, ischemic heart disease, liver disease, intimate partner violence,

1 multiple sexual partners, sexually transmitted diseases, smoking, suicide
2 attempts, and unintended pregnancies.

3 (e) ACEs are implicated in the ten leading causes of death in the United
4 States and with an ACE score of six or higher, an individual has a 20-year
5 reduction in life expectancy.

6 (f) An individual with an ACE score of two is twice as likely to experience
7 rheumatic disease. An individual with an ACE score of four has a
8 three-to-four-times higher risk of depression; is five times more likely to
9 become an alcoholic; is eight times more likely to experience sexual assault;
10 and is up to ten times more likely to attempt suicide. An individual with an
11 ACE score of six or higher is 2.6 times more likely to experience chronic
12 obstructive pulmonary disease; is three times more likely to experience lung
13 cancer; and is 46 times more likely to abuse intravenous drugs. An individual
14 with an ACE score of seven or higher is 31 times more likely to attempt
15 suicide.

16 (g) Physical, psychological, and emotional trauma during childhood may
17 result in damage to multiple brain structures and functions.

18 (h) ACEs are common in Vermont. In 2011, the Vermont Department of
19 Health reported that 58 percent of Vermont adults experienced at least one
20 adverse event during their childhood, and that 14 percent of Vermont adults

1 have experienced four or more adverse events during their childhood.

2 Seventeen percent of Vermont women have four or more ACEs.

3 (i) The impact of ACEs is felt across all socioeconomic boundaries.

4 (j) The earlier in life an intervention occurs for an individual with ACEs,
5 the more likely that intervention is to be successful.

6 (k) ACEs can be prevented where a multigenerational approach is
7 employed to interrupt the cycle of ACEs within a family, including both
8 prevention and treatment throughout an individual's lifespan.

9 (l) It is the belief of the General Assembly that people who have
10 experienced adverse childhood experiences can be resilient and can succeed in
11 leading happy, healthy lives.

12 **Sec. 21. VERMONT FAMILY BASED APPROACH PILOT**

13 **(a) The Agency of Human Services, through the Integrated Family**
14 **Services initiative, within available Agency resources and in partnership**
15 **with the Vermont Center for Children, Youth, and Families at the**
16 **University of Vermont, shall implement the Vermont Family Based**
17 **Approach in one pilot region. Through the Vermont Family Based**
18 **Approach, wellness services, prevention, intervention, and, where**
19 **indicated, treatment services shall be provided to families throughout the**
20 **pilot region in partnership with other human service and health care**

1 **programs. The pilot shall be fully implemented by January 1, 2015 to the**
2 **extent resources are available to support the implementation.**

3 **(b)(1) In the pilot region, the Agency of Human Services, community**
4 **partner organizations, schools, and the Vermont Center for Children,**
5 **Youth, and Families shall identify individuals interested in being trained**
6 **as Family Wellness Coaches and Family Focused Coaches.**

7 **(2) Each Family Wellness Coach and Family Focused Coach shall:**

8 **(A) complete the training program provided by the Vermont**
9 **Family Based Approach;**

10 **(B) conduct outreach activities for the pilot region; and**

11 **(C) serve as a resource for family physicians within the pilot**
12 **region.**

13 Sec. 22. REPORT; BLUEPRINT FOR HEALTH

14 **On or before December 15, 2014, the Director of the Blueprint for Health**
15 **shall submit a report to the House Committee on Health Care and to the Senate**
16 **Committee on Health and Welfare containing recommendations as to how**
17 **screening for adverse childhood experiences and trauma-informed care may be**
18 **incorporated into Blueprint for Health medical practices and community health**
19 **teams, including any proposed evaluation measures and approaches, funding**
20 **constraints, and opportunities.**

1 Sec. 23. RECOMMENDATION; UNIVERSITY OF VERMONT'S
2 COLLEGE OF MEDICINE AND SCHOOL OF NURSING
3 CURRICULUM

4 The General Assembly recommends to the University of Vermont's College
5 of Medicine and School of Nursing that they consider adding or expanding
6 information to their curricula about the Adverse Childhood Experience Study
7 and the impact of adverse childhood experiences on lifelong health.

8 Sec. 24. TRAUMA-INFORMED EDUCATIONAL MATERIALS

9 (a) On or before January 1, 2015, the Vermont Board of Medical Practice,
10 in collaboration with the Vermont Medical Society Education and Research
11 Foundation, shall develop educational materials pertaining to the Adverse
12 Childhood Experience Study, including available resources and
13 evidence-based interventions for physicians, physician assistants, and
14 advanced practice registered nurses.

15 (b) On or before July 1, 2016, the Vermont Board of Medical Practice and
16 the Office of Professional Regulation shall disseminate the materials prepared
17 pursuant to subsection (a) of this section to all physicians licensed pursuant to
18 26 V.S.A. chapters 23 and 33, naturopathic physicians licensed pursuant to
19 26 V.S.A. chapter 81, physician assistants licensed pursuant to 26 V.S.A.
20 chapter 31, and advanced practice registered nurses licensed pursuant to
21 26 V.S.A. chapter 28, subchapter 3.

1 Sec. 25. REPORT; DEPARTMENT OF HEALTH; GREEN MOUNTAIN
2 CARE BOARD

3 (a) On or before November 1, 2014, the Department of Health shall submit
4 a written report to the Green Mountain Care Board containing:

5 (1) recommendations for incorporating education, treatment,
6 and prevention of adverse childhood experiences into Vermont's medical
7 practices and the Department of Health's programs;

8 (2) recommendations on the availability of appropriate screening tools
9 and evidence-based interventions for individuals throughout their lives,
10 including expectant parents; and

11 (3) recommendations on additional security protections that may be used
12 for information related to a patient's adverse childhood experiences.

13 (b) The Green Mountain Care Board shall review the report submitted
14 pursuant to subsection (a) of this section and attach comments to the report
15 regarding the report's implications on population health and health care costs.

16 On or before January 1, 2015, the Board shall submit the report with its
17 comments to the Senate Committees on Education and on Health and Welfare
18 and to the House Committees on Education, on Health Care, and on Human
19 Services.

1 (B) addressing cross-border financing issues; and

2 (C) for individuals covered by another health benefit plan, the
3 potential for using financing tiers based on the level of benefits provided
4 by Green Mountain Care;

5 (3) details on integrating coverage for individuals for whom Green
6 Mountain Care will be the payer of last resort pursuant to 33 V.S.A.
7 § 1827(e) and (f), including individuals covered by the Federal Employees
8 Health Benefit Program, TRICARE, Medicare, retiree health benefits, or
9 an employer health plan;

10 (4) a thorough economic analysis of the impact of changing from a
11 health care system financed through premiums to one financed with
12 broad-based taxes, taking into account the effect on wages and job growth
13 and the impact on various wage levels;

14 (5) recommendations for addressing cross-border health care
15 delivery issues;

16 (6) establishing provider reimbursement rates in Green Mountain Care;

17 (7) developing estimates of administrative savings to health care

18 providers and payers from Green Mountain Care; and

19 (8) information regarding Vermont’s efforts to obtain a Waiver for

20 State Innovation pursuant to Section 1332 of the Patient Protection and

21 Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care

1 **and Education Reconciliation Act of 2010, Pub. L. No. 111-152, including**
2 **submission of a conceptual waiver application as required by Sec. 10 of**
3 **this act.**

4 Sec. 27. CHRONIC CARE MANAGEMENT; BLUEPRINT; REPORT

5 On or before October 1, 2014, the Secretary of Administration or designee
6 shall ~~report provide~~ to the House Committees on Health Care and on Human
7 Services, the Senate Committees on Health and Welfare and on Finance, and
8 the Health Care Oversight Committee regarding the efficacy of the chronic
9 care management initiatives currently in effect in Vermont, including
10 recommendations about whether and to what extent to increase payments
11 a proposal for modifications of the payment structure to health care
12 providers and community health teams for their participation in the Blueprint
13 for Health; and whether to expand the Blueprint to include additional services
14 or chronic conditions such as obesity, mental conditions, and oral health; and
15 recommendations to strengthen and sustain advanced practice primary
16 care.

17 Sec. 28. HEALTH INSURER SURPLUS; LEGAL CONSIDERATIONS;
18 REPORT

19 The Department of Financial Regulation, in consultation with the Office of
20 the Attorney General, shall identify the legal and financial considerations
21 involved in the event that a private health insurer offering major medical

1 insurance plans, whether for-profit or nonprofit, ceases doing business in this
2 State, including appropriate disposition of the insurer's surplus funds. On or
3 before July 15, 2014, the Department shall report its findings to the House
4 Committees on **Health Care, on Commerce, and on Ways and Means, the**
5 Senate Committees on **Health and Welfare and on Finance, and the **Health****
6 **Care Oversight Committee.**

7 Sec. 29. TRANSITION PLAN FOR **PUBLIC UNION EMPLOYEES**

8 The ~~Secretary of Education and the Commissioner~~ **Commissioners of**
9 **Labor and** of Human Resources, in consultation with the Vermont State
10 Employees' Association, the Vermont League of Cities and Towns,
11 Vermont-NEA, Vermont School Boards Association, ~~AFT Vermont a~~
12 **coalition of labor organizations active in Vermont,** and other interested
13 stakeholders, shall develop a plan for transitioning ~~public all union~~ employees
14 **with collectively bargained health benefits** from their existing health
15 insurance plans to Green Mountain Care, with the goal that all **State**
16 **employees, municipal employees, public school employees, and other**
17 **persons employed by the State or an instrumentality of the State union**
18 **employees** shall be enrolled in Green Mountain Care upon implementation,
19 which is currently targeted for 2017. The ~~Secretary and Commissioner~~
20 **Commissioners** shall address the role of collective bargaining on the transition

1 process and shall propose methods to mitigate the impact of the transition on
2 employees' health care coverage and on their total compensation.

3 Sec. 30. FINANCIAL IMPACT OF HEALTH CARE REFORM

4 INITIATIVES

5 (a) The Secretary of Administration or designee shall consult with the Joint
6 Fiscal Office in ~~identifying~~ **collecting** data and developing methodologies,
7 assumptions, analytic models, and other factors related to the following:

8 (1) the distribution of current health care spending by individuals,
9 businesses, and municipalities, including comparing the distribution of
10 spending by individuals by income class with the distribution of other taxes;

11 (2) the costs of and savings from current health care reform
12 initiatives; and

13 (3) updated cost estimates for Green Mountain Care, the universal and
14 unified health care system established in 33 V.S.A. chapter 18, subchapter 2.

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

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

1 2015, the Joint Fiscal Office shall evaluate the analysis and indicate areas of
2 agreement and disagreement with the data, assumptions, and results.

3 Sec. 31. INDEPENDENT PHYSICIAN PRACTICES; REPORT

4 On or before December 1, 2014, the Secretary of Administration or
5 designee, in consultation with the Vermont Medical Society, shall report to the
6 House Committee on Health Care and the Senate Committees on Health and
7 Welfare and on Finance regarding the financial viability of independent
8 physician practices in this State. The Secretary or designee shall also consider
9 whether the State should prohibit health insurers from reimbursing physicians
10 in independent practices at lower rates than those at which they reimburse
11 physicians in hospital-owned practices for providing the same services.

12 Sec. 32. INCREASING MEDICAID RATES; REPORT

13 On or before January 15, 2015, the Secretary of Administration or designee,
14 **in consultation with the Green Mountain Care Board,** shall report to the
15 House Committees on Health Care and on Ways and Means and the Senate
16 Committees on Health and Welfare and on Finance regarding the impact of
17 increasing Medicaid reimbursement rates to providers to match Medicare rates.

18 The issues to be addressed in the report shall include:

19 (1) the amount of State funds needed to effect the increase;

20 (2) the level of a payroll tax that would be necessary to generate the
21 revenue needed for the increase;

1 (3) the projected impact of the increase on health insurance
2 premiums; and

3 (4) to the extent that premium reductions would likely result in a
4 decrease in the aggregate amount of federal premium tax credits for which
5 Vermont residents would be eligible, whether there are specific timing
6 considerations for the increase as it relates to Vermont’s application for a
7 Waiver for State Innovation pursuant to Section 1332 of the Patient Protection
8 and Affordable Care Act.

9 **Sec. 33. INTEGRATION OF WORKERS’ COMPENSATION WITH**

10 **GREEN MOUNTAIN CARE; REPORT**

11 **On or before December 1, 2014, the Secretary of Administration or**
12 **designee shall provide the General Assembly with a detailed plan to**
13 **integrate workers’ compensation health benefits into Green Mountain**
14 **Care, including projecting the likely savings to Vermont businesses as a**
15 **result of the integration and estimating any increased costs to the health**
16 **care system.**

17 * * * Health Care Workforce Symposium * * *

18 **Sec. 34. HEALTH CARE WORKFORCE SYMPOSIUM**

19 On or before November 15, 2014, the Secretary of Administration or
20 designee, in collaboration with the Vermont Medical Society and the Vermont
21 Association of Hospitals and Health Systems, shall organize and conduct a

1 symposium to address the impacts of moving toward universal health care
2 coverage on Vermont's health care workforce and on its projected workforce
3 needs.

4 * * * Repeal * * *

5 Sec. 35. REPEAL

6 3 V.S.A. § 635a (legislators and session-only legislative employees eligible
7 to purchase State Employees Health Benefit Plan at full cost) is repealed.

8 * * * Effective Dates * * *

9 Sec. 36. EFFECTIVE DATES

10 This act shall take effect on passage, except that:

11 (1) Notwithstanding 1 V.S.A. § 214, Sec. 35 (repeal of legislator
12 eligibility to purchase State Employees Health Benefit Plan) shall take effect
13 on passage and shall apply retroactively to January 1, 2014, except that
14 members and session-only employees of the General Assembly who were
15 enrolled in the State Employees Health Benefit Plan on January 1, 2014 may
16 continue to receive coverage under the plan through the remainder of the 2014
17 plan year; and

18 (2) Sec. 18 (18 V.S.A. § 9473; pharmacy benefit managers) shall take
19 effect on July 1, 2014 and shall apply to contracts entered into or renewed
20 on or after that date.

21

1
2
3
4
5
6
7

(Committee vote: _____)

Representative _____

FOR THE COMMITTEE