

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Health Care to which was referred House Bill No. 812
3 entitled “An act relating to consumer protections for accountable care
4 organizations” respectfully reports that it has considered the same and
5 recommends that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 * * * All-Payer Model * * *

8 Sec. 1. ALL-PAYER MODEL; MEDICARE AGREEMENT

9 The Green Mountain Care Board and the Agency of Administration shall
10 only enter into an agreement with the Centers for Medicare and Medicaid
11 Services to waive provisions under Title XVIII (Medicare) of the Social
12 Security Act if the agreement:

13 (1) is consistent with the principles of health care reform expressed in
14 18 V.S.A. § 9371, to the extent permitted under Section 1115A of the Social
15 Security Act and approved by the federal government;

16 (2) preserves the consumer protections set forth in Title XVIII of the
17 Social Security Act, including not reducing Medicare covered services, not
18 increasing Medicare patient cost sharing, and not altering Medicare appeals
19 processes;

20 (3) allows providers to choose whether to participate in accountable care
21 organizations, to the extent permitted under federal law;

- 1 (4) allows Medicare patients to choose their providers;
2 (5) includes outcome measures for population health; and
3 (6) continues to provide payments from Medicare directly to health care
4 providers or accountable care organizations without conversion, appropriation,
5 or aggregation by the State of Vermont.

6 Sec. 2. 18 V.S.A. chapter 227 is added to read:

7 CHAPTER 227. ALL-PAYER MODEL

8 § 9551. ALL-PAYER MODEL

9 In order to implement a value-based payment model allowing participating
10 health care providers to be paid by Medicaid, Medicare, and commercial
11 insurance using a common methodology that may include population-based
12 payments, the Green Mountain Care Board and Agency of Administration shall
13 ensure that the model:

14 (1) maintains consistency with the principles established in section 9371
15 of this title;

16 (2) continues to provide payments from Medicare directly to health care
17 providers or accountable care organizations without conversion, appropriation,
18 or aggregation by the State of Vermont;

19 (3) maximizes alignment between Medicare, Medicaid, and commercial
20 payers to the extent permitted under federal law and waivers from federal law,
21 including:

- 1 (A) what is included in the calculation of the total cost of care;
2 (B) attribution and payment mechanisms;
3 (C) patient protections;
4 (D) care management mechanisms; and
5 (E) provider reimbursement processes;
6 (4) strengthens and invests in primary care;
7 (5) incorporates social determinants of health;
8 (6) adheres to federal and State laws on parity of mental health and
9 substance abuse treatment, integrates mental health and substance abuse
10 treatment systems into the overall health care system, and does not manage
11 mental health or substance abuse care separately from other health care;
12 (7) includes a process for integration of community-based providers,
13 including home health agencies, mental health agencies, development
14 disability service providers, emergency medical service providers, and area
15 agencies on aging, and their funding streams, into a transformed, fully
16 integrated health care system;
17 (8) continues to prioritize the use, where appropriate, of existing local
18 and regional collaboratives of community health providers that develop
19 integrated health care initiatives to address regional needs and evaluate best
20 practices for replication and return on investment;

1 (9) pursues an integrated approach to data collection, analysis,
2 exchange, and reporting to simplify communication across providers and drive
3 quality improvement and access to care;

4 (10) allows providers to choose whether to participate in accountable
5 care organizations, to the extent permitted under federal law;

6 (11) evaluates access to care, quality of care, patient outcomes, and
7 social determinants of health;

8 (12) requires processes and protocols for shared decision making
9 between the patient and his or her health care providers that take into account a
10 patient’s unique needs, preferences, values, and priorities, including use of
11 decision support tools and shared decision-making methods with which the
12 patient may assess the merits of various treatment options in the context of his
13 or her values and convictions, and by providing patients access to their medical
14 records and to clinical knowledge so that they may make informed choices
15 about their care;

16 (13) supports coordination of patients’ care and care transitions through
17 the use of technology, with patient consent, such as sharing electronic
18 summary records across providers and using telemedicine, home
19 telemonitoring, and other enabling technologies; and

20 (14) ensures, in consultation with the Office of the Health Care
21 Advocate, that robust patient grievance and appeal protections are available.

1 including an all-payer model, each accountable care organization with 10,000
2 or more attributed lives in Vermont shall obtain and maintain certification from
3 the Green Mountain Care Board. The Board shall adopt rules pursuant to 3
4 V.S.A. chapter 25 to establish standards and processes for certifying
5 accountable care organizations, which may include consideration of acceptance
6 of accreditation by the National Committee for Quality Assurance or another
7 national accreditation organization for any of the criteria set forth in this
8 section. In order to certify an ACO to operate in this State, the Board shall
9 ensure that the following criteria are met:

10 (1) the ACO's governance, leadership, and management structure is
11 transparent, reasonably and equitably represents the ACO's participating
12 providers and its patients, and includes a consumer advisory board and other
13 processes for inviting and considering consumer input;

14 (2) the ACO has established appropriate mechanisms to provide,
15 manage, and coordinate high-quality health care services for its patients,
16 including incorporating the Blueprint for Health, coordinating services for
17 complex high-need patients, and providing access to health care providers who
18 are not participants in the ACO;

19 (3) the ACO has established appropriate mechanisms to receive and
20 distribute payments to its participating health care providers;

1 (4) the ACO has established appropriate mechanisms and criteria for
2 accepting health care providers to participate in the ACO that prevent
3 unreasonable discrimination and are related to the needs of the ACO and the
4 patient population served;

5 (5) the ACO has established mechanisms to promote evidence-based
6 health care, patient engagement, coordination of care, use of electronic health
7 records, and other enabling technologies to promote integrated, efficient, and
8 effective health care services;

9 (6) the ACO has the capacity for meaningful participation in health
10 information exchanges;

11 (7) the ACO has performance standards and measures to evaluate the
12 quality and utilization of care delivered by its participating health care
13 providers;

14 (8) the ACO does not place any restrictions on the information its
15 participating health care providers may provide to patients about their health or
16 decisions regarding their health;

17 (9) the ACO's participating health care providers engage their patients
18 in shared decision making to ensure their awareness and understanding of their
19 treatment options and the related risks and benefits of each;

20 (10) the ACO has an accessible mechanism for explaining how ACOs
21 work; provides contact information for the Office of the Health Care Advocate;

1 maintains a consumer telephone line for complaints and grievances from
2 attributed patients; responds and makes best efforts to resolve complaints and
3 grievance from attributed patients, including providing assistance in
4 identifying appropriate rights under a patient’s health plan; and share
5 deidentified complaint and grievance information with the Office of the Health
6 Care Advocate at least twice annually;

7 (11) the ACO collaborates with providers not included in its financial
8 model, including home- and community-based providers and dental health
9 providers;

10 (12) the ACO does not interfere with patients’ choice of their own
11 health care providers under their health plan, regardless of whether a provider
12 is participating in the ACO; does not reduce covered services; and does not
13 increase patient cost sharing;

14 (13) meetings of the ACO’s governing body include a public session
15 which all business that is not confidential or proprietary is conducted and
16 members of the public are provided an opportunity to comment; and

17 (14) the impact of the ACO’s establishment and operation does not
18 diminish access to any health care service for the population and area it serves.

19 (b)(1) The Green Mountain Care Board shall adopt rules pursuant to 3
20 V.S.A. chapter 25 to establish standards and processes for reviewing.

1 modifying, and approving ACO budgets. In its review, the Board shall review
2 and consider:

3 (A) information regarding utilization of the health care services
4 delivered by health care providers participating in with the ACO;

5 (B) the goals and recommendations of the health resource allocation
6 plan created in chapter 221 of this title;

7 (C) the expenditure analysis for the previous year and the proposed
8 expenditure analysis for the year under review;

9 (D) the character, competence, fiscal responsibility, and soundness of
10 the ACO and its principals;

11 (E) any reports from professional review organizations;

12 (F) the ACO's efforts to prevent duplication of high-quality services
13 being provided efficiently and effectively by existing community-based
14 providers in the same geographic area;

15 (G) the extent to which the ACO provides incentives for systemic
16 health care investments to strengthen primary care, including strategies for
17 recruiting additional primary care providers, providing resources to expand
18 capacity in existing primary care practices, and reducing the administrative
19 burden of reporting requirements for providers while balancing the need to
20 have sufficient measures to evaluate adequately the quality of and access to
21 care;

1 (H) the extent to which the ACO provides incentives for systemic
2 health care investments in social determinants of health, such as developing
3 support capacities that prevent hospital admissions and readmissions, reduce
4 length of hospital stays, improve population health outcomes, and improve the
5 solvency of and address the financial risk to community-based providers that
6 are participating providers of an accountable care organization;

7 (I) public comment on all aspects of the ACO’s costs and use and on
8 the ACO’s proposed budget;

9 (J) information gathered from meetings with the ACO to review and
10 discuss its proposed budget for the forthcoming fiscal year;

11 (K) information on the ACO’s administrative costs, as defined by the
12 Board; and

13 (L) the effect, if any, of Medicaid reimbursement rates on the rates
14 for other payers.

15 (2) The Office of the Health Care Advocate shall have the right to
16 intervene in any ACO budget review under this subsection. As an intervenor,
17 the Office of the Health Care Advocate shall receive copies of all materials in
18 the record and may:

19 (A) ask questions of any participant in the Board’s ACO budget
20 review;

21 (B) submit written comments for the Board’s consideration; and

1 (C) provide testimony in any hearing held in connection with the
2 Board’s ACO budget review.

3 (c) The Board’s rules shall include requirements for submission of
4 information and data by ACOs and their participating providers as needed to
5 evaluate an ACO’s success. They may also establish standards as appropriate
6 to promote an ACO’s ability to participate in applicable federal programs for
7 ACOs.

8 (d) All information required to be filed by an ACO pursuant to this section
9 or to rules adopted pursuant to this section shall be made available to the
10 public upon request, provided that individual patients or health care providers
11 shall not be directly or indirectly identifiable.

12 (e) To the extent required to avoid federal antitrust violations, the Board
13 shall supervise the participation of health care professionals, health care
14 facilities, and other persons operating or participating in an accountable care
15 organization. The Board shall ensure that its certification and oversight
16 processes constitute sufficient State supervision over these entities to comply
17 with federal antitrust provisions and shall refer to the Attorney General for
18 appropriate action the activities of any individual or entity that the Board
19 determines, after notice and an opportunity to be heard, may be in violation of
20 State or federal antitrust laws without a countervailing benefit of improving

1 patient care, improving access to health care, increasing efficiency, or reducing
2 costs by modifying payment methods.

3 * * * Rulemaking * * *

4 Sec. 6. GREEN MOUNTAIN CARE BOARD; RULEMAKING

5 On or before January 1, 2018, the Green Mountain Care Board shall adopt
6 rules governing the oversight of accountable care organizations pursuant to
7 18 V.S.A. § 9382. On or before January 15, 2017, the Board shall provide an
8 update on its rulemaking process and its vision for implementing the rules to
9 the House Committee on Health Care and the Senate Committees on Health
10 and Welfare and on Finance.

11 Sec. 7. DENIAL OF SERVICE; RULEMAKING

12 The Department of Financial Regulation and the Department of Vermont
13 Health Access shall ensure that their rules protect against wrongful denial of
14 services under an insured's or Medicaid beneficiary's health benefit plan for an
15 insured or Medicaid beneficiary attributed to an accountable care organization.
16 The Departments may amend their rules as necessary to ensure that the
17 grievance and appeals processes in Medicaid and commercial health benefit
18 plans are appropriate to an accountable care organization structure.

* * * Implementation Provisions * * *

Sec. 8. TRANSITION; IMPLEMENTATION

(a) Prior to January 1, 2018, if the Green Mountain Care Board and the Agency of Administration pursue development and implementation of an all-payer model, they shall develop and implement the model in a manner that works toward meeting the criteria established in 18 V.S.A. § 9551. Through its authority over payment reform pilot projects under 18 V.S.A. § 9377, the Board shall also oversee the development and operation of accountable care organizations in order to encourage them to achieve compliance with the criteria established in 18 V.S.A. § 9382(a) and to establish budgets that reflect the criteria set forth in 18 V.S.A. § 9382(b).

(b) On or before January 1, 2018, the Board shall begin certifying accountable care organizations that meet the criteria established in 18 V.S.A. § 9382(a) and shall only approve accountable care organization budgets after review and consideration of the criteria set forth in 18 V.S.A. § 9382(b). If the Green Mountain Care Board and the Agency of Administration pursue development and implementation of an all-payer model, then on and after January 1, 2018 they shall implement the all-payer model in accordance with 18 V.S.A. § 9551.

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

* * * Effective Date * * *

Sec. 9. EFFECTIVE DATES

(a) Secs. 1 (Medicare waiver), 6–7 (rulemaking), and 8 (transition; implementation) and this section shall take effect on passage.

(b) Secs. 2 (all-payer model) and 3–5 (ACOs) shall take effect on January 1, 2018.

and that after passage the title of the bill be amended to read: “An act relating to implementing an all-payer model and oversight of accountable care organizations”

(Committee vote: _____)

Representative _____

FOR THE COMMITTEE