

1 H.491

2 Introduced by Representatives Davis of Washington, Burke of Brattleboro,

3 Edwards of Brattleboro, Haas of Rochester and Zuckerman of

4 Burlington

5 Referred to Committee on

6 Date:

7 Subject: Health care; single-payer; preventive services

8 Statement of purpose: This bill proposes to create a single-payer health care  
9 system in Vermont to promote health, to prevent chronic health conditions, and  
10 to contain costs.

11 An act relating to a single-payer health care system

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

13 Sec. 1. 33 V.S.A. chapter 18 is added to read:

14 CHAPTER 18. ETHAN ALLEN HEALTH

15 § 1801. DEFINITIONS

16 In this chapter:

17 (1) “Board” means Ethan Allen Health board established in subchapter  
18 11 of chapter 221 of Title 18.

19 (2) “CHIP funds” means federal funds available under Title XXI of the  
20 Social Security Act.

1           (3) “Chronic care” means health services provided by a health care  
2 professional for an established clinical condition that is expected to last a year  
3 or more and that requires ongoing clinical management, attempting to restore  
4 the individual to highest function, minimize the negative effects of the  
5 condition, and prevent complications related to chronic conditions. Examples  
6 of chronic conditions include diabetes, hypertension, cardiovascular disease,  
7 cancer, asthma, pulmonary disease, substance abuse, mental illness, spinal cord  
8 injury, and hyperlipidemia.

9           (4) “Health care professional” means an individual licensed, registered,  
10 or certified in the state of Vermont to provide health services.

11           (5) “Health care provider” shall have the same meaning as “institutional  
12 provider” and “noninstitutional provider,” except that the term does not include  
13 health care professionals.

14           (6) “Health service” means any medically necessary treatment or  
15 procedure to maintain, diagnose, or treat an individual’s physical or mental  
16 condition, including services ordered by a health care professional and  
17 medically necessary services to assist in activities of daily living.

18           (7) “Hospital” shall have the same meaning as in section 1902 of Title  
19 18 and may include hospitals located out of state.

1           (8) “Institutional provider” means an inpatient hospital, nursing facility,  
2 residential care facility, and other health care facilities that provide overnight  
3 care.

4           (9) “Medicaid funds” means federal funds available under Title XIX of  
5 the Social Security Act or through a Medicaid waiver under Section 1115 or  
6 1915 of the Social Security Act.

7           (10) “Medically necessary” means a health service that is consistent  
8 with the individual’s diagnosis or condition, is recognized as the prevailing  
9 standard or current practice by the provider’s peer group, and is rendered to:

10           (A) treat an injury, illness, infection, or pain;

11           (B) treat a condition that could result in physical or mental disability;

12           (C) care for a mother and child through a maternity period;

13           (D) achieve a level of physical or mental function consistent with  
14 prevailing community standards for the diagnosis or condition; or

15           (E) provide preventive care.

16           (11) “Noninstitutional provider” means group practices, clinics,  
17 outpatient surgical centers, imaging centers, other health facilities that do not  
18 provide overnight care, and individual health care professionals.

19           (12) “Preventive care” means health services provided by health care  
20 professionals to identify and treat asymptomatic individuals who have  
21 developed risk factors or preclinical disease, but in whom the disease is not

1 clinically apparent, including immunizations and screening, counseling,  
2 treatment, and medication determined by scientific evidence to be effective in  
3 preventing or detecting a condition.

4 (13) "Primary care" means health services provided by health care  
5 professionals specifically trained for and skilled in first-contact and continuing  
6 care for individuals with signs, symptoms, or health concerns, not limited by  
7 problem origin, organ system, or diagnosis, and shall include prenatal care and  
8 the treatment of mental illness.

9 (14) "Vermont resident" means an individual domiciled in Vermont as  
10 evidenced by an intent to maintain a principal dwelling place in Vermont  
11 indefinitely and to return to Vermont if temporarily absent, coupled with an act  
12 or acts consistent with that intent.

13 § 1802. ELIGIBILITY

14 (a) All Vermont residents are eligible for Ethan Allen Health. The board  
15 shall establish standards for the verification of residency.

16 (b) The Ethan Allen Health board shall establish a procedure to enroll  
17 residents and provide each with identification that may be used by health care  
18 professionals and providers to confirm eligibility for services. The application  
19 for enrollment shall be no more than two pages.

20 (c)(1) The board shall establish by rule a process to allow health care  
21 professionals and providers to presume an individual is eligible based on the

1 information provided on a simplified form and to provide the individual  
2 immediately with a card for the program.

3 (2) After submission of the application, the board shall collect additional  
4 information necessary to determine the individual's eligibility if Medicaid or  
5 CHIP funds are available for that individual, but shall provide payment for any  
6 health services received by the individual at the time the application is  
7 submitted. Coverage for individuals ineligible for Medicaid shall be from the  
8 date of application. Coverage for individuals eligible for Medicaid shall be  
9 retroactive for three months.

10 (d) Vermont residents who are temporarily out of the state on a short-term  
11 basis and who intend to return and reside in Vermont shall remain eligible for  
12 Ethan Allen Health while out of Vermont.

13 (e) Nonresidents visiting Vermont shall be billed for all services received  
14 under Ethan Allen Health. The board may enter into intergovernmental  
15 arrangements or contracts with other states and countries to provide reciprocal  
16 coverage for temporary visitors.

17 (f) The board may extend eligibility to nonresidents employed in Vermont  
18 using a sliding scale premium.

19 (g) All persons who are eligible for retiree health benefits under an  
20 employer-employee contract shall remain eligible for those benefits; however,  
21 the individual may elect to receive benefits from Ethan Allen Health, provided

1 the contractually mandated payments for the retiree health benefits are made to  
2 the Ethan Allen Health fund. Retirees who elect to reside outside Vermont  
3 shall be eligible for benefits only under the terms and conditions of the  
4 retiree's employer-employee contract.

5 (h) An individual shall not be ineligible for Ethan Allen Health due to the  
6 default, underpayment, or late payment of any premium, tax, or other  
7 obligation imposed by this chapter or subchapter 11 of chapter 221 of Title 18.

8 § 1803. COVERED HEALTH SERVICES

9 (a) Any eligible individual may choose to receive health services under  
10 Ethan Allen Health from any licensed participating health care professional or  
11 provider.

12 (b) Ethan Allen Health shall offer the health services provided for in this  
13 subchapter, including primary care, preventive care, chronic care, acute  
14 episodic care, and hospital services, and subject to the limitations specified in  
15 this section. Covered health services include:

16 (1) inpatient and outpatient health services;

17 (2) inpatient and outpatient professional health services by licensed  
18 health care professionals;

19 (3) diagnostic imaging, laboratory services, and other diagnostic and  
20 evaluative services;

- 1           (4) medical equipment, appliances, and assistive technology, including
- 2           prosthetics, eyeglasses, and hearing aids and their repair;
- 3           (5) inpatient and outpatient rehabilitative care;
- 4           (6) emergency transportation;
- 5           (7) necessary transportation for health services for disabled and indigent
- 6           persons;
- 7           (8) language interpretation and translation for health care services,
- 8           including sign language and Braille or other services needed for individuals
- 9           with communication disabilities;
- 10          (9) child and adult immunizations and preventive care;
- 11          (10) health education;
- 12          (11) hospice care;
- 13          (12) home health care;
- 14          (13) prescription drugs;
- 15          (14) mental health services;
- 16          (15) dental care;
- 17          (16) podiatric care;
- 18          (17) chiropractic care;
- 19          (18) acupuncture;
- 20          (19) blood and blood products;
- 21          (20) emergency care services;

1           (21) vision care;

2           (22) adult day care;

3           (23) case management and coordination to ensure services necessary to  
4 enable a person to remain safely in the least restrictive setting;

5           (24) substance abuse treatment;

6           (25) care in a skilled nursing facility; and

7           (26) dialysis.

8           (c) The Ethan Allen Health board may expand benefits beyond the  
9 minimum benefits described in this section when expansion meets the intent of  
10 this chapter and when there are sufficient funds to cover the expansion.

11          (d) The following health services shall be excluded from coverage by  
12 Ethan Allen Health:

13           (1) health services determined to have no medical benefit by the board;

14           (2) surgery, dermatology, orthodontia, prescription drugs, and other  
15 procedures primarily for cosmetic purposes, unless required to correct a  
16 congenital defect, restore or correct a part of the body that has been altered as a  
17 result of injury, disease, or surgery, or determined to be medically necessary by  
18 a qualified, licensed health care professional or provider in Ethan Allen Health;

19           (3) private rooms in inpatient health facilities where appropriate  
20 nonprivate rooms are available, unless determined to be medically necessary

1 by a qualified, licensed health care professional participating in Ethan Allen  
2 Health; and

3 (4) services of a health care professional or provider that is not licensed  
4 or accredited by the state, except for covered health services provided to a  
5 Vermont resident who is temporarily out of the state or an out-of-state health  
6 care professional or provider with which the board contracts as a participating  
7 provider in Ethan Allen Health.

8 (e) No deductible, co-payment, coinsurance, or other cost-sharing shall be  
9 imposed with respect to covered health services.

10 § 1804. CARE COORDINATION; CHRONIC CARE MANAGEMENT

11 (a)(1) All individuals enrolled in Ethan Allen Health shall have a primary  
12 care provider that may include registered nurses, physician assistants, or other  
13 health care professionals who shall coordinate the care a patient receives. A  
14 specialist may serve as the care coordinator if the patient and the specialist  
15 agree to this arrangement, and if the specialist agrees to coordinate the  
16 patient's care.

17 (2) Referrals are not required for a patient to see a health care specialist.  
18 If a patient sees a specialist and does not have a care coordinator, the patient  
19 must choose a care coordinator. The board may assist with choosing a primary  
20 care provider to coordinate care.

1           (3) The board may establish or ensure the establishment of a  
2           computerized care coordinator registry to facilitate referrals to a health care  
3           professional.

4           (b) The board shall collaborate with the department of health to ensure that  
5           Ethan Allen Health participates in the Blueprint for Health.

6           § 1805. PAYMENTS TO HEALTH CARE PROFESSIONALS AND  
7           PROVIDERS

8           (a) All health care professionals and providers licensed to practice in  
9           Vermont may participate in Ethan Allen Health. All claims for health services  
10           rendered shall be made to the Ethan Allen Health board, and payments shall be  
11           disbursed from the Ethan Allen Health fund established in section 9487 of  
12           Title 18.

13           (b)(1) Payments for care provided by non-Vermont health care  
14           professionals and providers to Vermont residents and retirees shall be  
15           reimbursed at rates established by the Ethan Allen Health board.

16           (2) Coverage for emergency care obtained out of state shall be at  
17           prevailing local rates. The board may require that a resident be transported  
18           back to Vermont when prolonged treatment of an emergency condition is  
19           necessary and when that transport will not adversely affect a patient's care or  
20           condition in order to receive payment for health services.

1       (c) All participating health care professionals and providers shall comply  
2       with all federal laws and regulations governing referral fees and fee splitting,  
3       including United States Code, Title 42, sections 1320a-7b and 1395nn, whether  
4       reimbursed by federal funds or not.

5       (d) A fee schedule or financial incentive may not adversely affect the care a  
6       patient receives or the care a health care professional or provider recommends.

7       (e)(1) The Ethan Allen Health board shall establish and oversee a uniform  
8       fee schedule for noninstitutional providers.

9       (2) The board shall pay noninstitutional providers based on rates  
10       negotiated with providers. Rates may factor in geographic differences to  
11       address provider shortages.

12       (3) Consistent with the Blueprint for Health, the board shall examine the  
13       need for and methods of paying providers for care coordination for all patients,  
14       especially those with chronic illness and complex medical needs.

15       (4) Noninstitutional providers may request reimbursement of ancillary  
16       health services or social services that were previously funded by money now  
17       received and disbursed by the Ethan Allen Health fund.

18       (5) Noninstitutional providers shall be paid within 30 business days for  
19       claims filed following procedures established by the board.

20       (f) The board shall establish annual budgets for institutional providers.  
21       These budgets shall consist of an operating and a capital budget. An

1 institution's annual budget shall be negotiated to cover its anticipated services  
2 for the next year based on past performance and projected changes in prices  
3 and service levels, unless otherwise specified by law.

4 (g) The board shall periodically develop a capital investment plan that will  
5 serve as a guide in determining the annual budgets of institutional providers  
6 and in deciding whether to approve applications for expenditures requiring  
7 approval under the certificate of need process under subchapter 5 of this  
8 chapter.

9 § 1806. ADMINISTRATION

10 (a) The board shall:

11 (1) develop and implement enrollment procedures for health care  
12 professionals and providers and persons eligible for the program and  
13 disseminate, to health care professionals and providers and to the public,  
14 information concerning the program and the persons eligible to receive  
15 benefits under the program;

16 (2) implement eligibility standards for Ethan Allen Health;

17 (3) establish an electronic claims and payments system for Ethan Allen  
18 Health;

19 (4) monitor the operation of Ethan Allen Health through consumer  
20 surveys and regular data collection and evaluation activities, including  
21 evaluations of the adequacy and quality of services furnished under the

1 program, the need for changes in the benefit package, the cost of each type of  
2 service, and the effectiveness of cost control measures under the program;

3 (5) establish a health care website that provides information to the  
4 public about Ethan Allen Health, including access information on providers  
5 and facilities, and that informs the public about state and regional health  
6 planning board meetings and activities;

7 (6) collaborate with public health agencies, schools, and community  
8 clinics; and

9 (7) in collaboration with the department of health, ensure that Ethan  
10 Allen Health policies and providers, including public health providers, support  
11 all Vermont residents in achieving and maintaining maximum physical and  
12 mental health function.

13 (b) Vermont residents shall not be billed by a health care provider any  
14 additional amount for health services covered by Ethan Allen Health.

15 (c) If the board is unable to administer federal funds pursuant to a waiver,  
16 Ethan Allen Health shall be the secondary payer with respect to any health  
17 service that may be covered in whole or in part by Title XVIII of the Social  
18 Security Act (Medicare) or by any other health benefit plan funded solely with  
19 federal funds, such as federal health benefit plans offered by the Veterans'  
20 Administration or to federal employees.

1        (d) An individual aggrieved by an adverse decision of the board or plan  
2        administrator may appeal to the human services board.

3        § 1807. SUBROGATION

4        (a) The board shall collect payment from collateral sources whenever  
5        health services provided to an individual are, or may be, covered services  
6        under a policy of insurance, or other collateral source available to that  
7        individual, or when the individual has a right of action for compensation  
8        permitted under law.

9        (b)(1) As used in this section, “collateral source” includes:

10        (A) health insurance policies and the medical components of  
11        automobile, homeowners, and other forms of insurance;

12        (B) medical components of worker’s compensation;

13        (C) pension plans;

14        (D) employer plans;

15        (E) employee benefit contracts;

16        (F) government benefit programs;

17        (G) a judgment for damages for personal injury; and

18        (H) any third party who is or may be liable to an individual for health  
19        care services or costs.

20        (2) Collateral source does not include:

21        (A) a contract or plan that is subject to federal preemption; or

1           (B) any governmental unit, agency, or service, to the extent that  
2           subrogation is prohibited by law. A nongovernmental entity described in  
3           subdivision (1) of this subsection is not excluded from the obligations imposed  
4           by this section by virtue of a contract or relationship with a government unit,  
5           agency, or service.

6           (c) When an individual who receives health services under Ethan Allen  
7           Health is entitled to coverage, reimbursement, indemnity, or other  
8           compensation from a collateral source, the individual shall notify the health  
9           care professional or provider and provide information identifying the collateral  
10           source, the nature and extent of coverage or entitlement, and other relevant  
11           information. The health care professional or provider shall forward this  
12           information to the board. The individual entitled to coverage, reimbursement,  
13           indemnity, or other compensation from a collateral source shall provide  
14           additional information as requested by the board.

15           (d) The Ethan Allen Health board shall seek reimbursement from the  
16           collateral source for health services provided to the individual and may  
17           institute appropriate action, including legal proceedings, to recover the  
18           reimbursement. Upon demand, the collateral source shall pay to the Ethan  
19           Allen Health fund the sums it would have paid or expended on behalf of the  
20           individual for the health services provided by Ethan Allen Health.

1       (e) In addition to any other right to recovery provided in this section, the  
2       board shall have the same right to recover the reasonable value of benefits  
3       from a collateral source as provided in Medicaid.

4       (f) If a collateral source is exempt from subrogation or the obligation to  
5       reimburse Ethan Allen Health, the board may require that an individual who is  
6       entitled to health services from the source first seek those services from that  
7       source before seeking payment for those services from Ethan Allen Health.

8       (g) To the extent permitted by federal law, the board shall have the same  
9       right of subrogation over contractual retiree health benefits provided by  
10       employers as other contracts, allowing Ethan Allen Health to recover the cost  
11       of health services provided to individuals covered by the retiree benefits,  
12       unless arrangements are made to transfer the revenues of the benefits directly  
13       to Ethan Allen Health.

14       Sec. 2. 18 V.S.A. chapter 221, subchapter 11 is added to read:

15               Subchapter 11. Administration of Ethan Allen Health

16       § 9481. ETHAN ALLEN HEALTH BOARD

17       (a) The Ethan Allen Health board is established to promote the delivery of  
18       high quality, coordinated health care services that enhance health; prevent  
19       illness, disease, and disability; slow the progression of chronic diseases; and  
20       improve personal health management. The board shall administer Ethan Allen  
21       Health. The board shall oversee:

1           (1) the Vermont program for quality in health care under section 9416 of  
2 this title;

3           (2) the Ethan Allen Health fund under section 9487 of this title;

4           (3) the health resource planning and information under subchapter 1 of  
5 this chapter;

6           (4) health facility planning under subchapter 5 of this chapter; and

7           (5) the hospital budget reviews under subchapter 6 of this chapter.

8           (b) The board shall consist of 15 members, including a representative  
9 selected by each of the five regional health planning boards under section 9485  
10 of this title. These five representatives shall select the following:

11           (1) two consumer members, one employer member, and one union  
12 member; and

13           (2) six providers that include one primary care physician, one registered  
14 nurse, one mental health provider, one dentist, one nursing home director, and  
15 one hospital director.

16           (c)(1) Board members shall serve a term of four years; however, the initial  
17 terms shall be staggered as follows: The initial term shall be three years for  
18 two representatives of the regional health boards, the consumer member, and  
19 two provider members. The initial term shall be two years for two  
20 representatives of the regional health boards, the employer member, and two

1 providers members. The initial term shall be one year for the remaining  
2 members.

3 (2) Board members shall set the board's compensation not to exceed the  
4 compensation of the public service board members. The board shall select the  
5 chair from its membership.

6 (d) In addition to the other duties established in this chapter, the board shall  
7 have the following general duties:

8 (1) ensure that all of the requirements of this subchapter and chapter 18  
9 of Title 33 are met;

10 (2) hire an executive officer for Ethan Allen Health to administer all  
11 aspects of the plan as directed by the board, and staff necessary to carry out the  
12 duties of the board;

13 (3) provide technical assistance to the regional boards established under  
14 section 9485 of this title;

15 (4) conduct necessary investigations and inquiries and require the  
16 submission of information, documents, and records the board considers  
17 necessary to carry out the purposes of this chapter;

18 (5) establish a process for the board to receive the concerns, opinions,  
19 ideas, and recommendations of the public regarding all aspects of Ethan Allen  
20 Health and the means of addressing those concerns;

1           (6) conduct other activities the board considers necessary to carry out  
2 the purposes of this chapter and chapter 18 of Title 33;

3           (7) collaborate with the agency of human services and the department of  
4 health;

5           (8) adopt rules as necessary to carry out the duties assigned under this  
6 chapter;

7           (9) establish conflict-of-interest standards prohibiting providers from  
8 any financial benefit from their medical decisions other than board  
9 reimbursement; and

10           (10) annually report on January 15 to the general assembly on the  
11 performance of Ethan Allen Health, fiscal conditions and need for payment  
12 adjustments, any needed changes in geographic boundaries of the health  
13 planning regions, recommendations for statutory changes, receipt of revenue  
14 from all sources, whether current year goals and priorities are met, future goals  
15 and priorities, major new technology or prescription drugs, and other  
16 circumstances that may affect the cost of health care.

17           (e)(1) In collaboration with the department of labor, the board shall create a  
18 program to provide support and retraining for workers dislocated by the  
19 creation of Ethan Allen Health.

1           (2) The board and the department shall ensure that workers who may be  
2 displaced because of the administrative efficiencies of Ethan Allen Health  
3 receive financial help and assistance in retraining and job placement.

4           (3) Because there is currently a serious shortage of providers in many  
5 health care professions, and because many potentially displaced health  
6 administrative workers already have training in some medical field, the  
7 dislocated worker support program shall initially emphasize retraining and  
8 placement into health-care-related positions to the extent possible.

9           § 9482. FINANCIAL DUTIES; COST-CONTAINMENT

10           (a) The board shall have the following financial duties:

11           (1) propose and direct the collection of revenue, in collaboration with  
12 the department of taxes, which shall be sufficient to cover the current year's  
13 projected costs;

14           (2) approve statewide and regional budgets;

15           (3) establish payment rates for providers which may reflect regional  
16 differences to address provider shortages;

17           (4) monitor compliance with all budgets and payment rates and take  
18 action to achieve compliance to the extent authorized by law;

19           (5) pay claims for medical products or services as negotiated, and may  
20 issue requests for proposals for a contract to process claims submitted by  
21 individual nonprofit providers;

1           (6) negotiate fees, prices, and budgets;

2           (7) administer the Ethan Allen Health fund created under section 9487

3 of this title; and

4           (8) implement fraud prevention measures necessary to protect the  
5 operation of Ethan Allen Health.

6           (b) The board shall ensure appropriate cost containment by:

7           (1) in collaboration with the department of health, instituting aggressive  
8 public health measures, early intervention and preventive care, promotion of  
9 personal health improvement, and integrating the Blueprint for Health  
10 initiatives in Ethan Allen Health;

11           (2) making changes in the delivery of health care services and  
12 administration that improve efficiency and care quality, including determining  
13 the feasibility of establishing 24-hour walk-in clinics in every county or region;

14           (3) minimizing administrative costs;

15           (4) ensuring that the delivery system does not contain excess capacity;

16 and

17           (5) negotiating the lowest possible prices for prescription drugs, medical  
18 equipment, and medical services and participating in the pharmacy best  
19 practices and cost control program established in section 1998 of this title.

20           (c) If the board determines that there will be a revenue shortfall despite the  
21 cost control measures, the board shall implement measures to correct the

1 shortfall, including an increase in premiums. The board shall report to the  
2 general assembly on the causes of the shortfall, reasons for the failure of cost  
3 controls, and measures taken to correct the shortfall.

4 § 9483. CONFLICT OF INTEREST COMMITTEE

5 (a) The Ethan Allen Health board shall establish a conflict of interest  
6 committee to develop standards of practice for individuals or entities doing  
7 business with Ethan Allen Health, including board members, providers, and  
8 medical suppliers. The committee shall establish guidelines on the duty to  
9 disclose the existence of a financial interest and all material facts related to that  
10 financial interest to the committee.

11 (b) In considering the transaction or arrangement, if the committee  
12 determines a conflict of interest exists, the committee shall investigate  
13 alternatives to the proposed transaction or arrangement. After exercising due  
14 diligence, the committee shall determine whether Ethan Allen Health can  
15 obtain with reasonable efforts a more advantageous transaction or arrangement  
16 with a person or entity that would not give rise to a conflict of interest. If this  
17 is not reasonably possible under the circumstances, the committee shall make a  
18 recommendation to the board on whether the transaction or arrangement is in  
19 the best interest of the operation of Ethan Allen Health for the benefit of the  
20 plan, and whether the transaction is fair and reasonable. The committee shall

1 provide the board with all material information used to make the  
2 recommendation.

3 (c) After reviewing all relevant information, the board shall decide whether  
4 to approve the transaction or arrangement.

5 § 9484. HEALTH PLANNING REGIONS

6 By October 1, 2010, the commissioner of health shall designate one urban  
7 health planning region in Chittenden County and four health planning regions  
8 in all other areas of Vermont composed of geographically contiguous areas  
9 grouped on the basis of the following considerations:

10 (1) patterns of utilization of health care services;

11 (2) health care resources, including workforce resources;

12 (3) health needs of the population, including public health needs;

13 (4) geography;

14 (5) population and demographic characteristics; and

15 (6) such other considerations as the commissioner deems appropriate.

16 § 9485. REGIONAL HEALTH PLANNING BOARD

17 (a)(1) Each regional board shall consist of one elected member for each  
18 county in the region, except that the Chittenden region shall consist of three  
19 elected members from Chittenden County. A board member may designate a  
20 representative to act as a member of the board in the member's absence. Each  
21 board shall select the chair from among its membership.

1           (2) Board members shall serve for four-year terms; however, the initial  
2           terms shall be staggered as determined by the commissioner of health. The  
3           members may receive per diem compensation and reimbursement of expenses  
4           in accordance with section 1010 of Title 32.

5           (b) Regional health planning boards shall have the following duties:

6           (1) recommend health standards, goals, priorities, and guidelines for the  
7           region to inform the statewide health resource allocation plan under section  
8           9405 of this title;

9           (2) prepare an operating and capital budget for the region to recommend  
10          to the Ethan Allen Health board;

11          (3) collaborate with local public health and social service agencies to  
12          educate consumers and providers on public health programs, goals, and the  
13          means of reaching those goals;

14          (4) hire a regional health planning director;

15          (5) collaborate with the department of health to implement public health  
16          and wellness initiatives; and

17          (6) ensure that all parts of the region have access to a 24-hour nurse  
18          hotline.

1        § 9486. OFFICE OF HEALTH QUALITY AND PLANNING

2            (a) The Ethan Allen Health board shall establish an office of health quality  
3            and planning to assess the quality, access, and funding adequacy of Ethan  
4            Allen Health.

5            (b) The office of health quality and planning shall make annual  
6            recommendations to the board on the overall direction of Ethan Allen Health  
7            on subjects including:

8                    (1) the overall effectiveness of Ethan Allen Health and the department  
9                    of health in addressing public health and wellness;

10                    (2) access to care;

11                    (3) quality improvement;

12                    (4) efficiency of administration;

13                    (5) adequacy of budget and funding;

14                    (6) appropriateness of payments for providers;

15                    (7) capital expenditure needs;

16                    (8) long-term care;

17                    (9) mental health and substance abuse services;

18                    (10) staffing levels and working conditions in health care facilities;

19                    (11) identification of number and mix of health care facilities and

20                    providers required to best meet the needs of Ethan Allen Health;

21                    (12) care for chronically ill patients;

1           (13) research needs; and

2           (14) integration of the Blueprint for Health into care delivery.

3           (c) The office shall also have the following duties:

4           (1) analyze shortages in the health care workforce required to meet the  
5 needs of the population and develop plans to meet those needs in collaboration  
6 with regional planners and educational institutions;

7           (2) coordinate with the department of health to ensure that Ethan Allen  
8 Health and public health programs are aligned and consistent;

9           (3) consider benefit additions to Ethan Allen Health and evaluate them  
10 based on evidence of clinical efficacy;

11           (3) establish a process and criteria by which providers may request  
12 authorization to provide services and treatments that are not included in Ethan  
13 Allen Health, including experimental treatments;

14           (4) evaluate proposals to increase the efficiency and effectiveness of the  
15 health care delivery system, and make recommendations to the board based on  
16 the cost-effectiveness of the proposals; and

17           (5) identify complementary and alternative modalities that have been  
18 shown to be safe and effective.

19           § 9487. ETHAN ALLEN HEALTH FUND

20           (a) The Ethan Allen Health fund is established in the state treasury for the  
21 purpose of financing health care coverage for beneficiaries of Ethan Allen

1 Health as established under chapter 18 of Title 33. Monies from this fund may  
2 be transferred to the Global Commitment fund for the purposes of establishing  
3 the federal Medicaid match for eligible individuals.

4 (b) Into the fund shall be deposited:

5 (1) all revenue designated to fund Ethan Allen Health;

6 (2) transfers or appropriations from the general fund, authorized by the  
7 general assembly; and

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

10 (c) The fund shall be administered pursuant to subchapter 5 of chapter 7 of  
11 Title 32, except that interest earned on the fund and any remaining balance  
12 shall be retained in the fund. The agency shall maintain records indicating the  
13 amount of money in the fund at any time.

14 (d) All monies received by or generated to the fund shall be used only for  
15 the administration and delivery of health care covered through the Green  
16 Mountain Care program administered by the agency under this subchapter.

17 Sec. 3. REVENUE AND BUDGET REPORT

18 (a) On or before January 15, 2011, the Ethan Allen Health board shall  
19 submit to the governor and the general assembly a report on revenue sources,  
20 including an income tax, progressive sliding-scale premiums, a business  
21 payroll tax, or a combination of these sources, and the amounts necessary to

1 finance Ethan Allen Health. The report shall include a proposed budget for  
2 Ethan Allen Health for fiscal year 2012.

3 (b) In preparing the report, the Ethan Allen Health board shall:

4 (1) determine the aggregate costs of providing health services in Ethan  
5 Allen Health;

6 (2) develop an equitable, affordable, and progressive sliding-scale  
7 premium structure, including unearned income as part of the premium  
8 determination for Vermont residents, that is based on a family's ability to pay;

9 (3) develop a payroll tax structure and percentage for businesses that,  
10 together with other funding sources, will generate adequate revenue to finance  
11 Ethan Allen Health;

12 (4) develop an equitable and affordable income tax structure and  
13 percentage that, together with other funding sources, will generate adequate  
14 revenue to finance Ethan Allen Health;

15 (5) in consultation with the department of taxes, propose an efficient  
16 means of collecting the new revenue sources; and

17 (6) coordinate with existing, ongoing funding sources from federal and  
18 state programs.

19 Sec. 4. FEDERAL WAIVERS

20 (a) The secretary of human services shall seek all necessary waivers,  
21 exemptions, agreements, or legislation so that all current federal payments to

1 the state for health services or public health programs are paid directly into the  
2 Ethan Allen Health fund. Ethan Allen Health shall assume responsibility for  
3 all benefits and services previously paid for by the federal government with  
4 those funds. In obtaining the waivers, exemptions, agreements, or legislation,  
5 the secretary shall seek from the federal government a contribution for health  
6 care services in Vermont that reflects: medical inflation, the state gross  
7 domestic product, the size and age of the population, the number of residents  
8 living below the poverty level, and the number of Medicare- and VA-eligible  
9 individuals, and does not decrease in relation to the federal contribution to  
10 other states as a result of the waivers, exemptions, agreements, or savings from  
11 implementation of Ethan Allen Health.

12 (b)(1) The board shall pursue all reasonable means to secure a repeal or a  
13 waiver of any provision of federal law that preempts any provision of this  
14 chapter. The secretary of human services shall provide all necessary  
15 assistance.

16 (2) In the event that a repeal or a waiver of law cannot be secured, the  
17 board shall propose legislative language, consistent with federal law, in an  
18 effort to best fulfill the purposes of this chapter.

19 Sec. 5. CONSOLIDATION OF HEALTH CARE ADMINISTRATION

20 No later than January 15, 2011, the Ethan Allen Health board shall submit a  
21 proposal to the general assembly on consolidating the administration of health

1 care, including coverage for health services, public health, licensing of health  
2 care professionals or providers, and health planning. The purpose of the  
3 proposal shall be to ensure the efficient and cost-effective administration of  
4 health care and to avoid redundancies between existing agencies and the board.  
5 The proposal shall include a recommendation for the transfer of existing  
6 duties, programs, and personnel from the agency of human services and the  
7 division of health care administration to the board.

8 Sec. 6. PRIVATE INSURANCE

9 (a) After October 1, 2011, private insurance companies shall be prohibited  
10 from selling health insurance policies in Vermont that cover services already  
11 covered by Ethan Allen Health.

12 (b) An individual may elect to maintain supplemental health insurance if  
13 the individual so chooses, provided that after October 1, 2011, the  
14 supplemental insurance covers only services that are not already covered by  
15 Ethan Allen Health.

16 Sec. 7. 17 V.S.A. § 2103(10) is amended to read:

17 (10) "County officer" means judge of probate, assistant judge of the  
18 superior court, state's attorney, sheriff, high bailiff, member of a regional  
19 health planning board, and justice of the peace.

1       Sec. 8. Sec. 50 of No. 160 of the Acts of the 1991 Adj. Sess. (1992) is  
2       amended to read:

3       Sec. 50. EFFECTIVE DATE

4       Secs. 46, 47, 48, and 49, amending chapter 215 of Title 12 to provide for  
5       mandatory arbitration in medical malpractice cases and admission of practice  
6       guidelines, shall take effect on ~~the effective date of a universal access health~~  
7       ~~care system enacted by the general assembly~~ July 1, 2010.

8       Sec. 9. REPEAL

9       Section 9403 of Title 18 (division of health care administration) is repealed  
10      on June 30, 2011.

11      Sec. 10. EFFECTIVE DATES

12      This act shall take effect on July 1, 2010, except that:

13      (1) Sec. 1 (Ethan Allen Health) shall be implemented on October 1,  
14      2011; and

15      (2) The department of health shall designate the health planning regions  
16      created in Sec. 2 of this act no later than October 1, 2010, and the regional  
17      boards created in Sec. 2 shall be established no later than January 1, 2011.