

Dear House Committee on Healthcare,
Our members wanted to offer this amendment language to you all as you consider S.252 today.
Let me know if you have any questions.
Thanks,
James Haslam

Healthcare Is a Human Right Campaign
Proposed Amendment to S.252
Public Contracting
April 8, 2014

The proposed contracting out of administrative services related to GMC, pursuant to 33 V.S.A. §1827(a). S.252 addresses this in so far as it sets a timetable for preparing, soliciting and awarding contracts. A timetable is a necessary but not sufficient measure for setting up a transparent and accountable framework for a public contracting task of this magnitude. Especially in light of the troubled roll-out of Vermont Health Connect, we propose additional safeguards to foster responsible public contracting that protects the public interest, improves transparency, measures cost effectiveness of outsourced services compared with in-house operations, and adds social value by improving the well-being of Vermont residents. When it comes to the administration of a public good, the state must hold itself and any contractors to the highest standards.

Responsible Public Contracting

Sec. 9

CONTRACT FOR ADMINISTRATION OF CERTAIN ELEMENTS OF GREEN MOUNTAIN CARE

(a) On or before February 1, 2015, the Agency of Human Services shall identify the elements of Green Mountain Care, such as claims administration and provider relations, for which the Agency plans to solicit bids for administration pursuant to 33 V.S.A. §1827(a). By the same date, the Agency shall also prepare a description of the job or jobs to be performed, design the bid qualifications, and develop the criteria by which bids will be evaluated, consistent with 33 V.S.A. §1827(a)(2). To improve transparency the Agency shall require each bidder to disclose their financial and other interests in Vermont and multi-state health systems reform.

(c) On or before December 15, 2015, the Agency of Human Services shall award one or more contracts to public or private entities for administration of elements of Green Mountain Care pursuant to 33 V.S.A. §1827(a), consistent with 33 V.S.A. §1827(a)(2).

Why? Act 48 requires the Administration to ensure that entities bidding for a contract regarding GMC administration “do not have a financial incentive to restrict individuals' access to health services.” This is an important provision that must be fully embedded in

any new directions given to the Agency. Additionally, transparency in the procurement process should be improved, especially with regard to bidders that have links to entities in other states.

33 V.S.A. § 1827 is amended to read:

(a) (4) When considering contract bids pursuant to this subsection, the Agency shall evaluate not only financial costs, but also the social value that may be created by a contract bidder through improvements to the social and economic well-being of state residents, consistent with the requirement of advancing dignity and equity in 32 V.S.A. §306a (a). These improvements should occur in addition to the specific benefits produced by the services rendered under the contract.

(b) On or before January 15, 2020, the Secretary of Administration or designee shall report to the General Assembly with an assessment of the cost effectiveness of contracting with an external entity for the supply of administrative services related to Green Mountain Care. The report shall include an analysis of administrative change options, including administration within the Department of Vermont Health Access.

Why? As the state considers outsourcing certain functions of GMC, financial costs must not be the only criterion in evaluating contract bids. Good practice exists elsewhere of using the contracting power of the state to ensure that contracts lead to better social and economic outcomes overall, beyond the specific value of the contracted services provided. For example, bidders can be evaluated based on whether they will protect of workers' rights, create of local jobs, improve community health, facilitate access to education and healthcare, or add other social value to the community and state they are located in. Specifically, Vermont statutes (taxation & finance) require the state to adopt policies that advance human dignity and equity, and to monitor progress in this regard. Contracts awarded by the state should be used to further this goal. Prioritizing the public interest and public well-being should be a key priority with regard to contracts that are, in effect, outsourcing the administration of a public good.

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