

1 TO THE HONORABLE SENATE:

2 The Committee on Finance 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 bill be  
5 amended by striking out all after the enacting clause and inserting in lieu  
6 thereof the following:

7 Sec. 1. LEGISLATIVE INTENT

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

1       Sec. 2. PRINCIPLES FOR HEALTH CARE FINANCING

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

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

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

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

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

17                   \* \* \* Vermont Health Benefit Exchange \* \* \*

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

19       § 1803. VERMONT HEALTH BENEFIT EXCHANGE

20                   \* \* \*

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

8 \* \* \*

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

14 \* \* \*

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

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

19 (2) To the extent permitted by the U.S. Department of Health and  
20 Human Services, a small employer or an employee of a small employer may  
21 purchase a health benefit plan through the Exchange website, through

1 navigators, by telephone, or directly from a health insurer under contract with  
2 the Vermont Health Benefit Exchange.

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

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

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

14 \* \* \* Green Mountain Care \* \* \*

15 Sec. 6. TREATMENT OF FEDERAL EMPLOYEES

16 The Health Care Reform Financing Plan submitted to the General Assembly  
17 by the Secretary of Administration and the Director of Health Care Reform on  
18 January 24, 2013 assumes that federal employees, including military, will not  
19 be integrated into Green Mountain Care.

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

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

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

13       Sec. 7a. SUPPLEMENTAL PLANS FOR TRICARE PARTICIPANTS

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

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

21       § 1825. HEALTH BENEFITS





1 (5) “Uncovered employee” means:

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

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

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

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

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

12 \* \* \*

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

14 (b) For any quarter in ~~fiscal years 2007 and 2008~~ calendar year 2014, the  
15 amount of the Health Care Fund contribution shall be ~~\$91.25~~ \$119.12 for each  
16 full-time equivalent employee in excess of ~~eight~~ four. For each ~~fiscal~~ calendar  
17 year after ~~fiscal year 2008~~, ~~the number of excluded full-time equivalent~~  
18 ~~employees shall be adjusted in accordance with subsection (a) of this section,~~  
19 ~~and~~ calendar year 2014, the amount of the Health Care Fund contribution shall  
20 be adjusted by a percentage equal to any percentage change in premiums for



1 the second lowest cost silver-level plan in the Vermont Health Benefit  
2 Exchange.

3 \* \* \* Reports \* \* \*

4 Sec. 14. CHRONIC CARE MANAGEMENT; BLUEPRINT; REPORT

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

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

16 The Department of Financial Regulation, in consultation with the Office of  
17 the Attorney General, shall identify the legal and financial considerations  
18 involved in the event that a private health insurer offering major medical  
19 insurance plans, whether for-profit or nonprofit, ceases doing business in this  
20 State, including appropriate disposition of the insurer's surplus funds. On or  
21 before July 15, 2014, the Department shall report its findings to the House

1 Committees on Commerce and on Ways and Means, the Senate Committee on  
2 Finance, and the Health Care Oversight Committee.

3 Sec. 16. BENCHMARK-EQUIVALENT HEALTH CARE COVERAGE

4 On or before October 1, 2014, the Secretary of Administration or designee  
5 shall provide the House Committee on Health Care, the Senate Committees on  
6 Health and Welfare and on Finance, and the Health Care Oversight Committee  
7 with a recommendation regarding whether it should be the policy of the State  
8 of Vermont that all Vermont residents should have health care coverage in  
9 effect prior to implementation of Green Mountain Care that is substantially  
10 equivalent to coverage available under the benchmark plan for the Vermont  
11 Health Benefit Exchange. If the Secretary or designee reports that  
12 substantially equivalent coverage for all Vermonters should be the policy of  
13 the State, the Secretary or designee shall propose ways to achieve this goal.

14 Sec. 17. TRANSITION PLAN FOR PUBLIC EMPLOYEES

15 The Secretary of Education and the Commissioner of Human Resources, in  
16 consultation with the Vermont State Employees' Association, the Vermont  
17 League of Cities and Towns, Vermont-NEA, AFT Vermont, and other  
18 interested stakeholders, shall develop a plan for transitioning public employees  
19 from their existing health insurance plans to Green Mountain Care or another  
20 common risk pool, with the goal that all State employees, municipal  
21 employees, public school employees, and other persons employed by the State

1 or an instrumentality of the State shall be enrolled in Green Mountain Care  
2 upon implementation, which is currently targeted for 2017, or in a common  
3 risk pool. The Secretary and Commissioner shall address the role of collective  
4 bargaining on the transition process and shall propose methods to mitigate the  
5 impact of the transition on employees' health care coverage and on their total  
6 compensation.

7 Sec. 18. FINANCIAL IMPACT OF HEALTH CARE REFORM  
8 INITIATIVES

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

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

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

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

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

1       (c) On or before December 1, 2014, the Secretary of Administration shall  
2       present his or her analysis to the General Assembly. On or before January 15,  
3       2015, the Joint Fiscal Office shall evaluate the analysis and indicate areas of  
4       agreement and disagreement with the data, assumptions, and results.

5       Sec. 19. PHARMACY BENEFIT MANAGEMENT

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

13       Sec. 20. INDEPENDENT PHYSICIAN PRACTICES; REPORT

14       On or before December 1, 2014, the Secretary of Administration or  
15       designee shall report to the House Committee on Health Care and the Senate  
16       Committees on Health and Welfare and on Finance regarding the policy of the  
17       State of Vermont with respect to independent physician practices, including  
18       whether the State wishes to encourage existing physician practices to remain  
19       independent and whether the State wishes to encourage new independent  
20       physician practices to open, and, if it is the policy of the State to encourage  
21       these independent physician practices, recommending ways to increase the

1 number of these practices in Vermont. The Secretary or designee shall also  
2 consider whether the State should prohibit health insurers from reimbursing  
3 physicians in independent practices at lower rates than those at which they  
4 reimburse physicians in hospital-owned practices for providing the same  
5 services.

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

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

20 \* \* \* Effective Date \* \* \*

21 Sec. 23. EFFECTIVE DATE

1        This act shall take effect on passage, except that the amendments in Sec. 12  
2        to 21 V.S.A. § 2002 shall apply beginning in the first quarter of fiscal year  
3        2015.

4

5

6

7

8

9

10

11

12        Committee vote: \_\_\_\_\_)

13

\_\_\_\_\_

14

Senator \_\_\_\_\_

15

FOR THE COMMITTEE