

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 Act
19 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) All Vermont residents shall be eligible for Green Mountain Care.

6 Vermont residents enrolled in the Federal Employees Health Benefits Program
7 or TRICARE already participate in publicly financed, government-sponsored
8 health care programs and will continue to receive health care through these
9 programs. A Vermont resident eligible to participate in these publicly financed
10 federal health care programs may choose to enroll in Green Mountain Care and
11 contribute to its financing on a similar basis to other Vermont residents.

12 (3) Vermont residents shall finance Green Mountain Care through taxes
13 that are levied equitably, taking into account an individual's ability to pay and
14 the value of the health benefits provided.

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

19 (5) Vermont's system for financing health care shall raise revenue
20 sufficient to provide medically necessary health care services to all enrolled
21 Vermont residents, including maternity and newborn care, pediatric care,

1 vision and dental care for children, surgery and hospital care, emergency care,
2 outpatient care, treatment for mental health conditions, and prescription drugs.

3 * * * Vermont Health Benefit Exchange * * *

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

5 § 1803. VERMONT HEALTH BENEFIT EXCHANGE

6 * * *

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

14 * * *

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

20 * * *

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 * * * Green Mountain Care * * *

2 Sec. 6. TREATMENT OF FEDERAL EMPLOYEES

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

7 Sec. 7. 33 V.S.A. § 1824 is amended to read:

8 § 1824. ELIGIBILITY

9 (a)(1) ~~Upon~~ Except as otherwise provided in subsection (f) of this section,
10 upon implementation, all Vermont residents shall be eligible for Green
11 Mountain Care, regardless of whether an employer offers health insurance for
12 which they are eligible. The Agency shall establish standards by rule for proof
13 and verification of residency.

14 * * *

15 (f)(1) Federal employees shall not be eligible for Green Mountain Care. As
16 used in this subsection, “federal employee” means a person employed by the
17 U.S. government who is eligible for the Federal Employees Health Benefits
18 Program (FEHBP), a person retired from employment with the
19 U.S. government who is eligible for the FEHBP, or an active or retired
20 member of the U.S. Armed Forces who is eligible for a TRICARE plan.

1 (2) An federal employee who would not otherwise be eligible for Green
2 Mountain Care pursuant to subdivision (1) of this subsection may become
3 eligible by choosing to contribute financially to the program in an amount to be
4 determined annually by the Green Mountain Care Board.

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 consist of the benefits available in the benchmark plan for the
12 Vermont Health Benefit Exchange.

13 * * *

14 Sec. 9. CONTRACT FOR ADMINISTRATION OF CERTAIN ELEMENTS
15 OF GREEN MOUNTAIN CARE

16 (a) On or before February 1, 2015, the Agency of Human Services shall
17 identify the elements of Green Mountain Care, such as claims administration
18 and provider relations, for which the Agency plans to solicit bids for
19 administration pursuant to 33 V.S.A. § 1827(a). By the same date, the Agency
20 shall also prepare a description of the job or jobs to be performed, design the
21 bid qualifications, and develop the criteria by which bids will be evaluated.

1 (b) On or before July 1, 2015, the Agency of Human Services shall solicit
2 bids for administration of the elements of Green Mountain Care identified
3 pursuant to subsection (a) of this section.

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

7 Sec. 10. CONCEPTUAL WAIVER APPLICATION

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

15 * * * Employer Assessment * * *

16 Sec. 11. 21 V.S.A. § 2001 is amended to read:

17 § 2001. PURPOSE

18 For the purpose of more equitably distributing the costs of health care to
19 uninsured residents of this ~~state~~ State, an employers' health care fund
20 contribution is established to provide a fair and reasonable method for sharing
21 health care costs with employers who do not offer their employees health care

1 coverage and employers who offer insurance but whose employees enroll in
2 Medicaid.

3 Sec. 12. 21 V.S.A. § 2002 is amended to read:

4 § 2002. DEFINITIONS

5 As used in this chapter:

6 * * *

7 (5) “Uncovered employee” means:

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

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

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

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

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

18 * * *

19 Sec. 13. EMPLOYER NOTIFICATIONS; DEPARTMENT OF LABOR

20 The Department of Labor shall create one form on which employers may
21 report all required information to the Department, including information

1 regarding the employer health care fund contribution and unemployment
2 insurance.

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 health insurer, whether for-profit or nonprofit,
19 ceases doing business in this State, including appropriate disposition of the
20 insurer's surplus funds. On or before July 15, 2014, the Department shall
21 report its findings and recommendations to the House Committees on

1 Commerce and on Ways and Means, the Senate Committee on Finance, and
2 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, with the
20 goal that all State employees, municipal employees, public school employees,
21 and other persons employed by the State or an instrumentality of the State shall

1 be enrolled in Green Mountain Care no later than January 1, 2020. The
2 Secretary and Commissioner shall address the role of collective bargaining on
3 the transition process and shall propose methods to mitigate the impact of the
4 transition on employees' health care coverage and on their total compensation.

5 Sec. 18. FINANCIAL IMPACT OF HEALTH CARE REFORM

6 INITIATIVES

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

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

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

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

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

20 (c) On or before December 1, 2014, the Secretary of Administration shall
21 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. 19. PHARMACY BENEFIT MANAGEMENT

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

11 Sec. 20. INDEPENDENT PHYSICIAN PRACTICES; REPORT

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

1 physicians in independent practices at lower rates than those at which they
2 reimburse physicians in hospital-owned practices for providing the same
3 services.

4 * * * Oversight of Green Mountain Care Implementation * * *

5 Sec. 21. OVERSIGHT OF GREEN MOUNTAIN CARE

6 IMPLEMENTATION

7 The Agency of Human Services shall enter into a contract with an
8 independent, nonpartisan project management entity to provide oversight of
9 the implementation of Green Mountain Care.

10 * * * Effective Date * * *

11 Sec. 22. EFFECTIVE DATE

12 This act shall take effect on passage, except that the amendments in Sec. 12
13 to 21 V.S.A. § 2002 shall apply beginning in the first quarter of fiscal year
14 2015.

15

16 Committee vote: _____)

17

18

Senator _____

19

FOR THE COMMITTEE