

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 assumed that federal employees, including military, will not
19 be integrated into Green Mountain Care for their primary coverage.

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

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

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

14 Sec. 7a. SUPPLEMENTAL PLANS FOR TRICARE PARTICIPANTS

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

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

2 § 2002. DEFINITIONS

3 As used in this chapter:

4 * * *

5 (5) “Uncovered employee” means:

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

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

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

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

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

16 * * *

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

18 (b) For any quarter in ~~fiscal years 2007 and 2008~~ calendar year 2014, the
19 amount of the Health Care Fund contribution shall be ~~\$91.25~~ \$119.12 for each
20 full-time equivalent employee in excess of ~~eight~~ four. For each ~~fiscal~~ calendar
21 year after ~~fiscal year 2008~~, ~~the number of excluded full-time equivalent~~

1 ~~employees shall be adjusted in accordance with subsection (a) of this section,~~
2 ~~and calendar year 2014,~~ the amount of the Health Care Fund contribution shall
3 be adjusted by a percentage equal to any percentage change in premiums for
4 the second lowest cost silver-level plan in the Vermont Health Benefit
5 Exchange.

6 * * * Reports * * *

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

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

17 Sec. 15. HEALTH INSURER SURPLUS; LEGAL CONSIDERATIONS;
18 REPORT

19 The Department of Financial Regulation, in consultation with the Office of
20 the Attorney General, shall identify the legal and financial considerations
21 involved in the event that a private health insurer offering major medical

1 insurance plans, whether for-profit or nonprofit, ceases doing business in this
2 State, including appropriate disposition of the insurer's surplus funds. On or
3 before July 15, 2014, the Department shall report its findings to the House
4 Committees on Commerce and on Ways and Means, the Senate Committee on
5 Finance, and the Health Care Oversight Committee.

6 Sec. 16. BENCHMARK-EQUIVALENT HEALTH CARE COVERAGE

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

17 Sec. 17. TRANSITION PLAN FOR PUBLIC EMPLOYEES

18 The Secretary of Education and the Commissioner of Human Resources, in
19 consultation with the Vermont State Employees' Association, the Vermont
20 League of Cities and Towns, Vermont-NEA, AFT Vermont, and other
21 interested stakeholders, shall develop a plan for transitioning public employees

1 from their existing health insurance plans to Green Mountain Care or another
2 common risk pool, with the goal that all State employees, municipal
3 employees, public school employees, and other persons employed by the State
4 or an instrumentality of the State shall be enrolled in Green Mountain Care
5 upon implementation, which is currently targeted for 2017, or in a common
6 risk pool. The Secretary and Commissioner shall address the role of collective
7 bargaining on the transition process and shall propose methods to mitigate the
8 impact of the transition on employees' health care coverage and on their total
9 compensation.

10 Sec. 18. FINANCIAL IMPACT OF HEALTH CARE REFORM

11 INITIATIVES

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

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

17 (2) the distribution of health care spending by individuals, businesses,
18 and municipalities, including comparing the distribution of spending by
19 individuals by income class with the distribution of other taxes; and

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

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

5 (c) On or before December 1, 2014, the Secretary of Administration shall
6 present his or her analysis to the General Assembly. On or before January 15,
7 2015, the Joint Fiscal Office shall evaluate the analysis and indicate areas of
8 agreement and disagreement with the data, assumptions, and results.

9 Sec. 19. PHARMACY BENEFIT MANAGEMENT

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

17 Sec. 20. INDEPENDENT PHYSICIAN PRACTICES; REPORT

18 On or before December 1, 2014, the Secretary of Administration or
19 designee shall report to the House Committee on Health Care and the Senate
20 Committees on Health and Welfare and on Finance regarding the policy of the
21 State of Vermont with respect to independent physician practices, including

1 whether the State wishes to encourage existing physician practices to remain
2 independent and whether the State wishes to encourage new independent
3 physician practices to open, and, if it is the policy of the State to encourage
4 these independent physician practices, recommending ways to increase the
5 number of these practices in Vermont. The Secretary or designee shall also
6 consider whether the State should prohibit health insurers from reimbursing
7 physicians in independent practices at lower rates than those at which they
8 reimburse physicians in hospital-owned practices for providing the same
9 services.

10 Sec. 21. HEALTH INFORMATION TECHNOLOGY AND
11 INTELLECTUAL PROPERTY; REPORT

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

1 revenues to the State from protecting intellectual property assets or licensing
2 protected interests to third parties.

3 * * * Effective Date * * *

4 Sec. 22. EFFECTIVE DATE

5 This act shall take effect on passage, except that the amendments in Sec. 12
6 to 21 V.S.A. § 2002 shall apply beginning in the first quarter of fiscal year
7 2015.

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16 Committee vote: _____)

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Senator _____

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FOR THE COMMITTEE