

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 Now is the right time for the General Assembly to revisit the provisions of
13 Act 48. In order to implement successfully the reforms envisioned by that act,
14 it is appropriate to update the assumptions and cost estimates that formed the
15 basis for Act 48 and evaluate the success of existing health care reform efforts.
16 It is the intent of the General Assembly to obtain a greater understanding of the
17 impact of health care reform efforts currently under way and to take steps
18 toward implementation of the universal and unified health system envisioned
19 by Act 48.

1 * * * Vermont Health Benefit Exchange * * *

2 Sec. 2. 33 V.S.A. § 1803 is amended to read:

3 § 1803. VERMONT HEALTH BENEFIT EXCHANGE

4 * * *

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

12 * * *

13 (4) The Vermont Health Benefit Exchange shall permit qualified
14 employers to purchase qualified health benefit plans through the Exchange or
15 directly from a health insurer.

16 * * *

17 Sec. 3. 33 V.S.A. § 1811(b) is amended to read:

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

1 Sec. 6. CONTRACT FOR ADMINISTRATION OF CERTAIN ELEMENTS
2 OF GREEN MOUNTAIN CARE

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

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

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

15 Sec. 7. CONCEPTUAL WAIVER APPLICATION

16 On or before October 1, 2014, the Secretary of Administration or designee
17 shall submit to the Secretary of the U.S. Department of Health and Human
18 Services a conceptual waiver application expressing the intent of the State of
19 Vermont to pursue a Waiver for State Innovation pursuant to Sec. 1332 of the
20 Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended

1 by the Health Care and Education Reconciliation Act of 2010, Pub. L. No.
2 111-152, and the State's interest in commencing the application process.

3 * * * Employer Assessment * * *

4 Sec. 8. 21 V.S.A. § 2001 is amended to read:

5 § 2001. PURPOSE

6 For the purpose of more equitably distributing the costs of health care to
7 uninsured residents of this ~~state~~ State, an employers' health care fund
8 contribution is established to provide a fair and reasonable method for sharing
9 health care costs with employers who do not offer their employees health care
10 coverage and employers whose offer of unaffordable insurance results in their
11 employees enrolling in Medicaid.

12 Sec. 9. 21 V.S.A. § 2002 is amended to read:

13 § 2002. DEFINITIONS

14 As used in this chapter:

15 * * *

16 (5) "Uncovered employee" means:

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

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

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

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

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

7 * * *

8 Sec. 10. EMPLOYER NOTIFICATIONS; DEPARTMENT OF LABOR

9 The Department of Labor shall create one form on which employers may
10 report all required information to the Department, including information
11 regarding the employer health care fund contribution and unemployment
12 insurance.

13 * * * Reports * * *

14 Sec. 11. CHRONIC CARE MANAGEMENT; BLUEPRINT; REPORT

15 On or before October 1, 2014, the Secretary of Administration or designee
16 shall report to the House Committees on Health Care and on Human Services,
17 the Senate Committees on Health and Welfare and on Finance, and the Health
18 Care Oversight Committee regarding the efficacy of the chronic care
19 management initiatives currently in effect in Vermont, including
20 recommendations about whether and to what extent to increase payments to
21 health care providers and community health teams for their participation in the

1 Blueprint for Health and whether to expand the Blueprint to include additional
2 chronic conditions such as obesity and mental conditions.

3 Sec. 12. HEALTH INSURER RESERVES; LEGAL CONSIDERATIONS;
4 REPORT

5 The Department of Financial Regulation, in consultation with the Office of
6 the Attorney General, shall identify the legal and financial considerations
7 involved in the event that a health insurer, whether for-profit or nonprofit,
8 ceases doing business in this State, including appropriate disposition of the
9 insurer's reserves. On or before July 15, 2014, the Department shall report its
10 findings and recommendations to the House Committees on Health Care and
11 on Commerce, the Senate Committees on Health and Welfare and on Finance,
12 and the Health Care Oversight Committee.

13 Sec. 13. BENCHMARK-EQUIVALENT HEALTH CARE COVERAGE

14 On or before October 1, 2014, the Secretary of Administration or designee
15 shall provide the House Committee on Health Care, the Senate Committees on
16 Health and Welfare and on Finance, and the Health Care Oversight Committee
17 with a recommendation regarding whether it should be the policy of the State
18 of Vermont that all Vermont residents should have health care coverage in
19 effect prior to implementation of Green Mountain Care that is substantially
20 equivalent to coverage available under the benchmark plan for the Vermont
21 Health Benefit Exchange. If the Secretary or designee reports that

1 substantially equivalent coverage for all Vermonters should be the policy of
2 the State, the Secretary or designee shall propose ways to achieve this goal.

3 Sec. 14. TRANSITION PLAN FOR PUBLIC EMPLOYEES

4 The Secretary of Education and the Commissioner of Human Resources, in
5 consultation with the Vermont State Employees' Association, the Vermont
6 League of Cities and Towns, Vermont-NEA, AFT Vermont, and other
7 interested stakeholders, shall develop a plan for transitioning public employees
8 from their existing health insurance plans to Green Mountain Care, with the
9 goal that all State employees, municipal employees, public school employees,
10 and other persons employed by the State or an instrumentality of the State shall
11 be enrolled in Green Mountain Care by January 1, 2020. The Secretary and
12 Commissioner shall address the role of collective bargaining on the transition
13 process and shall propose methods to mitigate the impact of the transition on
14 employees' health care coverage and on their total compensation.

15 Sec. 15. FINANCIAL IMPACT OF HEALTH CARE REFORM

16 INITIATIVES

17 (a) The Secretary of Administration or designee shall collaborate with the
18 Joint Fiscal Office to develop consensus estimates of the trajectory of projected
19 costs and savings to be realized in the health care system over the next five
20 years as the result of the implementation or ongoing operation of each of the
21 following:

- 1 (1) accountable care organizations;
- 2 (2) pharmacy benefit management reform;
- 3 (3) the Blueprint for Health;
- 4 (4) health care payment reform;
- 5 (5) health care delivery reform;
- 6 (6) hospital budget review;
- 7 (7) health information technology; and
- 8 (8) any other health care reform initiative identified by the Secretary or
9 designee and the Joint Fiscal Office as a significant driver of costs or savings
10 in Vermont’s health care system.

11 (b) On or before January 15, 2015, the Secretary or designee and the Joint
12 Fiscal Office shall present their consensus estimates to the House Committees
13 on Health Care, on Appropriations, and on Ways and Means and the Senate
14 Committees on Health and Welfare, on Appropriations, and on Finance.

15 Sec. 16. PHARMACY BENEFIT MANAGEMENT

16 On or before October 1, 2014, the Secretary of Administration or designee
17 shall report to the House Committee on Health Care, the Senate Committees on
18 Health and Welfare and on Finance, and the Health Care Oversight Committee
19 regarding the feasibility and benefits to the State of Vermont of the State acting
20 as its own pharmacy benefit manager for the State employees’ health benefit

1 plan, Vermont's Medicaid program, Green Mountain Care, and any other
2 health care plan financed or administered in whole or in part by the State.

3 Sec. 17. INDEPENDENT PHYSICIAN PRACTICES; REPORT

4 On or before December 1, 2014, the Secretary of Administration or
5 designee shall report to the House Committee on Health Care and the Senate
6 Committees on Health and Welfare and on Finance regarding the policy of the
7 State of Vermont with respect to independent physician practices, including
8 whether the State wishes to encourage existing physician practices to remain
9 independent and whether the State wishes to encourage new independent
10 physician practices to open, and, if it is the policy of the State to encourage
11 these independent physician practices, recommending ways to increase the
12 number of these practices in Vermont. The Secretary or designee shall also
13 consider whether the State should prohibit health insurers from reimbursing
14 physicians in independent practices at lower rates than those at which they
15 reimburse physicians in hospital-owned practices for providing the same
16 services.

17 * * * Legislative Oversight * * *

18 Sec. 18. OVERSIGHT DURING 2014 LEGISLATIVE INTERIM

19 The Joint Fiscal Committee and the Health Care Oversight Committee shall
20 meet no fewer than four times in 2014 when the General Assembly is not in
21 session in order to receive updates from and provide feedback to the Secretary

1 of Administration or designee regarding the implementation of and costs
2 associated with implementation of Green Mountain Care. The Committees
3 may meet together or separately and may also conduct business at these
4 meetings unrelated to the implementation of Green Mountain Care.

5 * * * Effective Date * * *

6 Sec. 19. EFFECTIVE DATE

7 This act shall take effect on passage, except that the amendments in Sec. 9
8 to 21 V.S.A. § 2002 shall apply beginning in the first quarter of fiscal year
9 2015.

10

11

12 (Committee vote: _____)

13

14

Senator _____

15

FOR THE COMMITTEE