

1 S.88

2 Introduced by Senators White, McCormack, and Pollina

3 Referred to Committee on

4 Date:

5 Subject: Health; health care reform; primary care

6 Statement of purpose of bill as introduced: This bill proposes to establish the
7 framework for universal, publicly financed primary health care for all
8 Vermonters beginning in 2017.

9 An act relating to establishing the framework for publicly financed primary
10 care

11 It is hereby enacted by the General Assembly of the State of Vermont:

12 Sec. 1. PURPOSE

13 It is the purpose of this act to establish the framework for a system of
14 universal, publicly financed primary care. The system will ensure that all
15 Vermonters have access to primary health care without facing financial
16 barriers that would discourage them from seeking necessary care.

17 Sec. 2. FINDINGS

18 The General Assembly finds that:

19 (1) Although some aspects of 2011 Acts and Resolves No. 48 have not
20 yet been implemented, the principles enumerated in that act are still valid.

1 (2) Although financing a comprehensive package of universal health
2 care would have required a major shift from insurance premiums and
3 out-of-pocket payments, financing for primary care can be accomplished by
4 a far more modest proposal to be determined by the General Assembly.

5 (3) Universal access to primary care will advance the health of
6 Vermonters by preventing disease and by reducing the need for emergency
7 room visits and hospital admissions.

8 (4) Under a system that provides primary care for all Vermonters with
9 no cost-sharing, Vermonters will no longer face a financial barrier in accessing
10 primary care.

11 (5) Research has shown that universal access to primary care enhances
12 the quality of care, improves patient outcomes, and reduces overall health
13 care spending.

14 (6) Universal primary care will support existing health care reform
15 efforts, such as the Blueprint for Health, and current efforts to increase the
16 Medicaid reimbursement rate.

17 (7) Universal primary care can be structured in such a way as to create
18 model working conditions for primary care physicians, who are currently
19 overburdened with paperwork and administrative duties and experiencing
20 declining reimbursement for services.

1 Sec. 3. 33 V.S.A. chapter 18, subchapter 3 is added to read:

2 Subchapter 3. Universal Primary Care

3 § 1851. DEFINITIONS

4 As used in this section:

5 (1) “Health care facility” shall have the same meaning as in
6 18 V.S.A. § 9402.

7 (2) “Health care provider” means a person, partnership, or corporation,
8 including a health care facility, that is licensed, certified, or otherwise
9 authorized by law to provide professional health care services in this State to
10 an individual during that individual’s medical care, treatment, or confinement.

11 (3) “Health service” means any treatment or procedure delivered by a
12 health care professional to maintain an individual’s physical or mental health
13 or to diagnose or treat an individual’s physical or mental condition or
14 intellectual disability, including services ordered by a health care professional,
15 chronic care management, preventive care, wellness services, and medically
16 necessary services to assist in activities of daily living.

17 (4) “Primary care” means health services provided by health care
18 professionals who are specifically trained for and skilled in first-contact and
19 continuing care for individuals with signs, symptoms, or health concerns, not
20 limited by problem origin, organ system, or diagnosis, and includes pediatrics,
21 internal and family medicine, gynecology, and other health care services

1 commonly provided at federally qualified health centers. Primary care does
2 not include dental services and includes mental health services only when
3 provided in a primary care setting.

4 (5) “Vermont resident” means an individual domiciled in Vermont as
5 evidenced by an intent to maintain a principal dwelling place in Vermont
6 indefinitely and to return to Vermont if temporarily absent, coupled with an act
7 or acts consistent with that intent. The Secretary of Human Services shall
8 establish specific criteria for demonstrating residency.

9 § 1852. UNIVERSAL PRIMARY CARE

10 (a) All Vermont residents shall receive primary care services financed by
11 the State of Vermont.

12 (b) For Vermont residents covered under Medicare, Medicare shall
13 continue to be the primary payer for primary care services, but the State of
14 Vermont shall cover any co-payment or deductible amounts required from a
15 Medicare beneficiary for primary care services.

16 § 1853. UNIVERSAL PRIMARY CARE FUND

17 (a) The Universal Primary Care Fund is established in the State Treasury as
18 a special fund to be the single source to finance primary care for Vermont
19 residents.

1 (b) Into the Fund shall be deposited:

2 (1) transfers or appropriations from the General Fund, authorized by the
3 General Assembly;

4 (2) revenue from any taxes established for the purpose of funding
5 universal primary care in Vermont;

6 (3) if authorized by waivers from federal law, federal funds from
7 Medicaid and from subsidies associated with the Vermont Health Benefit
8 Exchange established in subchapter 1 of this chapter; and

9 (4) the proceeds from grants, donations, contributions, taxes, and any
10 other sources of revenue as may be provided by statute or by rule.

11 (c) The Fund shall be administered pursuant to 32 V.S.A. chapter 7,
12 subchapter 5, except that interest earned on the Fund and any remaining
13 balance shall be retained in the Fund. The Agency of Human Services shall
14 maintain records indicating the amount of money in the Fund at any time.

15 (d) All monies received by or generated to the Fund shall be used only for
16 payments to health care providers for primary care health services delivered to
17 Vermont residents. Payments to providers shall be made on a capitated basis
18 based on the number of eligible patients each primary care provider sees and
19 shall be established, monitored, and overseen by the Green Mountain Care
20 Board in accordance with section 1854 of this title. For Medicare

1 beneficiaries, the Fund shall cover any co-payment or deductible amounts
2 required from a Medicare beneficiary for primary care services.

3 § 1854. PAYMENTS TO PROVIDERS

4 (a) The Green Mountain Care Board shall establish, monitor, and oversee
5 payments to health care providers for providing primary care health services to
6 Vermont residents pursuant to this subchapter.

7 (b) For non-Medicare patients, payments to health care providers shall be
8 on a capitated basis based on the number of eligible patients each provider
9 typically sees in a year. The Board shall adjust the rates annually in
10 accordance with inflation and changing demographics and to address special
11 circumstances.

12 (c) For patients covered by Medicare, Medicare shall continue to be the
13 primary payer for the patients' primary care services, but the State shall cover
14 any co-payment or deductible amounts required from a Medicare beneficiary
15 for primary care services.

16 Sec. 4. 8 V.S.A. § 4062(a) is amended to read:

17 (a)(1) No policy of health insurance or certificate under a policy filed by an
18 insurer offering health insurance as defined in subdivision 3301(a)(2) of this
19 title, a nonprofit hospital or medical service corporation, health maintenance
20 organization, or a managed care organization and not exempted by subdivision
21 3368(a)(4) of this title shall be delivered or issued for delivery in this State, nor

1 shall any endorsement, rider, or application which becomes a part of any such
2 policy be used, until a copy of the form and of the rules for the classification of
3 risks has been filed with the Department of Financial Regulation and a copy of
4 the premium rates has been filed with the Green Mountain Care Board; and the
5 Green Mountain Care Board has issued a decision approving, modifying, or
6 disapproving the proposed rate.

7 * * *

8 (3) The Board shall determine whether a rate is affordable, promotes
9 quality care, promotes access to health care, protects insurer solvency, and is
10 not unjust, unfair, inequitable, misleading, or contrary to the laws of this State.
11 In making this determination, the Board shall consider the analysis and opinion
12 provided by the Department of Financial Regulation pursuant to subdivision
13 (2)(B) of this subsection. The Board shall also consider the impact of the
14 universal primary care program established in 33 V.S.A. chapter 18,
15 subchapter 3 on the cost of health insurance.

16 Sec. 5. WAIVER; EXCHANGE SUBSIDIES

17 On or before October 1, 2015, the Secretary of Administration or designee
18 shall begin negotiations with the U.S. Department of Health and Human
19 Services for a waiver under the Patient Protection and Affordable Care Act,
20 Pub. L. No. 111-148, as amended by the Health Care and Education
21 Reconciliation Act of 2010, Pub. L. No. 111-152, that would allow the State to

1 fund in part the universal, publicly financed primary care proposal established
2 in this act using federal funds that otherwise would have supported primary
3 care for eligible Vermonters in health insurance plans offered through the
4 Vermont Health Benefit Exchange. The Secretary or designee shall also
5 explore the need for a Medicaid waiver amendment to allow the State to
6 include Medicaid funds in the Universal Primary Care Fund for the purpose of
7 making capitated payments to physicians for primary care services provided to
8 Medicaid beneficiaries.

9 Sec. 6. COST ESTIMATES AND REVENUE PROPOSALS

10 (a) The Joint Fiscal Office shall study the cost of providing the universal,
11 publicly financed primary care program described in this act and shall develop
12 proposed tax financing mechanisms to raise the necessary amount of revenue.
13 The tax proposals shall be designed to take effect on or before January 1, 2017.

14 (b) On or before October 1, 2015, the Joint Fiscal Office shall report to the
15 Joint Fiscal Committee and to the House Committees on Appropriations, on
16 Health Care, and on Ways and Means and the Senate Committees on
17 Appropriations, on Health and Welfare, and on Finance on the estimated cost
18 of the universal, publicly financed primary care program and shall propose
19 three tax financing mechanisms, at least one of which shall be solely a
20 payroll tax.

1 Sec. 7. OFFICE OF LEGISLATIVE COUNCIL

2 On or before December 1, 2015, the Office of Legislative Council shall
3 provide to the House Committees on Appropriations, on Health Care, and on
4 Ways and Means and the Senate Committees on Appropriations, on Health and
5 Welfare, and on Finance draft legislation necessary to accomplish the purposes
6 of this act, including:

7 (1) language enacting one or more of the tax financing mechanisms
8 developed by the Joint Fiscal Office pursuant to Sec. 6 of this act; and

9 (2) an appropriation to occur early in fiscal year 2017 to ensure that
10 funds will be available to pay health care providers for primary care services
11 delivered on and after January 1, 2017.

12 Sec. 8. EFFECTIVE DATES

13 (a) Secs. 3 (universal primary care) and 4 (insurance rate review) shall take
14 effect on January 1, 2017.

15 (b) The remaining sections shall take effect on passage.