

Section by section summary of S.139 – An act relating to pharmacy benefit managers, hospital observation status, and chemicals of high concern to children - *As Introduced*

Prepared by Jennifer Carbee, Legislative Counsel, Office of Legislative Council

March 19, 2015

Secs. 1-2. Pharmacy benefit managers

- Requires pharmacy benefit managers (PBMs) to:
 - make available to pharmacists a list of the drugs subject to maximum allowable cost (MAC), the actual MAC for each drug, and the source used to determine the MAC
 - update the MAC list at least every 7 calendar days
 - have a reasonable appeals process to contest a MAC

Secs. 3-4. Notice of hospital observation status

- Requires hospitals to provide notice to people placed in observation status
- Notice must tell people:
 - that they are on observation status and not admitted as an inpatient
 - that observation status may affect their health coverage for hospital services and nursing home stays
 - whom they may contact for more information

Sec. 5. Prospective payment for home health services

- Requires Department of Vermont Health Access (DVHA) to start using prospective payments for Medicaid home health services by January 1, 2016

Sec. 6. Health Care Oversight Committee

- Reestablishes the Health Care Oversight Committee, which expired on December 31, 2014

Sec. 7. Mental Health Oversight Committee

- Reestablishes the Mental Health Oversight Committee, which expired on December 31, 2014

Sec. 8. Long-Term Care Evaluation Task Force

- Creates a Long-Term Care Evaluation Task Force to assess and catalogue in-home, long-term care programs operated or funded by the State
- Report due January 15, 2016

Sec. 9. Vermont Health Care Innovation Project updates

- Requires the Vermont Health Care Innovation Project to provide updates at least quarterly on Project implementation and use of federal State Innovation Model (SIM) grant funds

Sec. 10. Reducing duplication of services; report

- Directs Agency of Human Services (AHS) to evaluate the services offered by each entity licensed, administered, or funded by the State to provide home- and

community-based long-term care services or providing services to people with developmental disabilities, mental health needs, or substance use disorder

- AHS must identify gaps in services and overlapping or duplicative services
- Report due January 15, 2016

Secs. 11-12. Chemicals of high concern to children

- Amends standard for the Commissioner of Health's recommendations of chemicals for review by the Chemicals of High Concern to Children Working Group. The Commissioner's recommendation shall be based on human health risk, exposure pathways and impact, instead of the "degree" of risk, pathway or exposure.
- Amends Commissioner's authority to add a chemical to the list of chemicals of high concern to children. Currently, the Commissioner's addition of a chemical must be "based on the weight of credible, scientific evidence." Under the amendment, it must be based on "credible, scientific evidence," not the weight of it all.
- Allows the Commissioner to adopt a rule regulating the sale or distribution of a chemical of high concern to children after consultation with the Working Group, rather than upon the recommendation of the Working Group
- Allows the Commissioner to adopt a rule, after consulting the Working Group, if the Commissioner determines that:
 - there is potential for exposure of children to a chemical of high concern
 - one or more safer alternatives are available
- Eliminates Commissioner's authority to adopt a rule based on the probability that exposure could cause or contribute to an adverse health impact
- In determining whether children will be exposed to a chemical of high concern in a children's product, adds a requirement that the Commissioner review credible information regarding the amounts of the chemical contained in the children's product but eliminates requirements that the Commissioner review information regarding:
 - the type or occurrence of exposures to the relevant chemical
 - the household and workplace presence of the children's product
 - the potential and frequency of exposure of children to the chemical

Sec. 13. Appropriation

- Appropriates \$1.25 million to DVHA to increase Medicaid reimbursement rates for home health agencies and implement prospective payments

Sec. 14. Effective dates