

**S.139 - Section by section summary of House Health Care Amendment**

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

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**Secs. 1-2. Pharmacy benefit managers**

- Requires pharmacy benefit managers (PBMs) to:
  - make available to pharmacists the actual maximum allowable cost (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
  - respond in writing to an appealing pharmacy within 10 calendar days, provided pharmacy must file appeal within 10 calendar days from date its claim for reimbursement was adjudicated

**Secs. 3-4a. Notice of hospital observation status**

- Requires hospitals to provide oral and written notices to Medicare beneficiaries 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 Medicare coverage for hospital services and nursing home stays
  - whom they may contact for more information
- Requests that interested stakeholders consider the appropriate notice of hospital observation status for patients with commercial insurance
  - Report due by January 15, 2016

**Sec. 5. 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. 6. 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. 7-8. Exchange cost-sharing subsidies**

- Increases Exchange cost-sharing subsidies to an 83% actuarial value for individuals between 200% and 250% FPL and to a 79% actuarial value for individuals between 250% and 300% FPL
- Appropriates \$761,308 (State) for base spending for cost-sharing subsidies
- Appropriates \$2 million (State) for increased subsidies beginning January 1, 2016

**Sec. 9. Increase for Medicaid primary care providers**

- Appropriates \$7 million (gross) to increase Medicaid reimbursement rates for primary care providers

**Sec. 10. Blueprint for Health increases**

- Appropriates \$4,085,826 (gross) to increase payments to patient-centered medical homes and community health teams participating in the Blueprint for Health
- Requires Blueprint to begin including family-centered approaches and adverse childhood experience screenings

**Sec. 11. Area Health Education Centers (AHEC)**

- Appropriates \$700,000.00 (gross) to AHEC for repayment of educational loans for health care providers and health care educators

**Sec. 12. All-payer waiver, rate-setting**

- Appropriates \$862,767 (gross) to the GMCB
  - \$502,767 is for positions and operating expenses related to GMCB's provider rate-setting authority, the all-payer model, and Medicaid cost shift
  - \$300,000 is for contracts and third-party services related to provider rate-setting, the all-payer model, and Medicaid cost shift
  - \$60,000.00 is for oversight of VITL's budget and activities

**Sec. 13. Green Mountain Care Board positions**

- Adds three positions to the GMCB

**Sec. 14. Office of the Health Care Advocate**

- Appropriates \$40,000.00 (State) for the Office of the Health Care Advocate (HCA)
- Expresses legislative intent that Governor's budget proposals include a line item showing the aggregate sum to be appropriated to the HCA from all State sources

**Sec. 15. Consumer information and price transparency**

- Directs GMCB to evaluate potential models for providing consumers with information and cost and quality of health care services
- Requires GMCB to report findings and proposal by October 1, 2015

**Secs. 16–20. Universal Primary Care**

- Introduces concept of universal primary care for all Vermonters
- Directs Joint Fiscal Office to estimate costs of providing universal primary care to all Vermont residents, with and without cost-sharing, beginning in 2017
  - Estimate due October 15, 2015
- Appropriates up to \$200,000.00 to Joint Fiscal Office for the estimates

**Sec. 21. Green Mountain Care Board duties**

- Requires GMCB to review and approve the criteria for health care providers and facilities to create or maintain connectivity to health information exchange

- Requires GACB to annually review and approve VITL's budget and its core activities associated with public funding

**Sec. 22. Vermont Information Technology Leaders (VITL)**

- Specifies makeup of VITL's Board of Directors, including one member of General Assembly
- Allows Department of Information and Innovation to review VITL's technology

**Sec. 23. Referral registry**

- Directs Department of Health and Division of Alcohol and Drug Abuse Programs to develop a registry of mental health and addiction services providers in Vermont

**Sec. 24. Ambulance reimbursement**

- Requires DVHA to evaluate the way it calculates ambulance and emergency medical services reimbursements in Medicaid to determine the basis for the current reimbursement amounts and rationale
- DVHA must consider adjustments to change the methodology if they will be budget neutral or of minimal fiscal impact in FY 2016
- Report due December 1, 2015

**Secs. 25-26. Direct enrollment in Exchange plans**

- Allows individuals to purchase Exchange plans directly from the health insurers beginning with 2016 open enrollment

**Sec. 27. Presuit mediation in medical malpractice claims**

- Reenacts subchapter on presuit mediation, which expired on February 1, 2015, until July 1, 2018
- Allows potential plaintiffs to serve on potential defendants in medical malpractice cases a request to participate in presuit mediation before filing the lawsuit
- Request would name all known potential defendants, contain a brief statement of the facts the plaintiff believes are grounds for relief, and include a certificate of merit
- Sets forth process for potential defendants to accept or reject the request for presuit mediation
- If mediation is unsuccessful, plaintiff can bring the medical malpractice lawsuit
- Presuit mediation is confidential

**Sec. 28. Blueprint for Health**

- Requires 2016 Blueprint for Health annual report to include an analysis of the value-added benefits and return on investment to Medicaid of the new funds appropriated in the fiscal year 2016 budget
- Requires Blueprint to explore and report to General Assembly by January 15, 2016 on potential wellness incentives

**Sec. 29. Payment reform and differential payments to providers**

- In implementing an all-payer model and provider rate-setting, directs the Green Mountain Care Board to consider:
  - benefits of prioritizing and expediting payment reform in primary care that shifts away from fee-for-service
  - impact of hospital acquisitions of independent physicians on health system costs
  - effects of different reimbursements for different types of providers for the same services billed under the same codes

**Secs. 30-31. Cigarette tax**

- Increases cigarette tax by \$0.25 per pack on July 1, 2015
- Applies increase to floor stock on July 1, 2015

**Sec. 32. Repeal**

- Repeals presuit mediation provisions on July 1, 2018

**Sec. 33. Effective dates**