

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Appropriations to which was referred Senate Bill No.
3 139 entitled “An act relating to pharmacy benefit managers and hospital
4 observation status” respectfully reports that it has considered the same and
5 recommends that the House propose to the Senate that the bill be amended as
6 follows:

7 First: By adding four new sections and reader assistance headings to be
8 Secs. 29a–29d to read as follows:

9 * * * Independent Analysis of Exchange Alternatives * * *

10 Sec. 29a. INDEPENDENT ANALYSIS; JOINT FISCAL OFFICE

11 (a) The Joint Fiscal Office shall conduct a preliminary, independent risk
12 analysis of the advantages and disadvantages, including the costs and the
13 quantitative and qualitative benefits, of alternative options for the Vermont
14 Health Benefit Exchange, including continuing the current State-based
15 marketplace known as Vermont Health Connect, transitioning to a federally
16 facilitated State-based marketplace, and other available options. The Chief of
17 Health Care Reform shall provide the Joint Fiscal Office with regular updates
18 on the Agency of Administration’s analysis of alternative options. The Joint
19 Fiscal Office may enter into contracts for assistance in performing some or all
20 of the analysis and shall provide the results of the analysis to the Joint Fiscal

1 Committee and the Health Reform Oversight Committee on or before
2 September 15, 2015.

3 (b) The sum of \$85,000.00 is appropriated from the General Fund to the
4 Joint Fiscal Office in fiscal year 2016 to conduct the analysis required by this
5 section.

6 * * * Exchange Reports * * *

7 Sec. 29b. VERMONT HEALTH CONNECT REPORTS

8 The Chief of Health Care Reform shall provide monthly reports to the
9 House Committee on Health Care, the Senate Committees on Health and
10 Welfare and on Finance, the Health Reform Oversight Committee, and the
11 Joint Fiscal Committee regarding:

12 (1) the schedule, cost, and scope status of the Vermont Health Connect
13 system's Release 1 and Release 2 development efforts, including whether any
14 critical path items did not meet their milestone dates and the corrective actions
15 being taken;

16 (2) an update on the status of current risks in Vermont Health Connect's
17 implementation;

18 (3) an update on the actions taken to address the recommendations in the
19 Auditor's report on Vermont Health Connect dated April 14, 2015 and any
20 other audits of Vermont Health Connect; and

1 (4) an update on the preliminary analysis of alternatives to Vermont
2 Health Connect.

3 Sec. 29c. INDEPENDENT REVIEW OF VERMONT HEALTH CONNECT

4 The Chief of Health Care Reform shall provide the Joint Fiscal Office with
5 the materials provided by the Independent Verification and Validation (IVV)
6 firms evaluating Vermont Health Connect. The reports shall be provided in a
7 manner that protects security and confidentiality as required by any
8 memoranda of understanding entered into by the Joint Fiscal Office and the
9 Executive Branch. For the period between July 1, 2015 and January 1, 2016,
10 the Joint Fiscal Office shall analyze the reports and shall provide information
11 regarding Vermont Health Connect information technology systems at least
12 once every two months to the House Committee on Health Care, the Senate
13 Committees on Health and Welfare and on Finance, the Health Reform
14 Oversight Committee, and the Joint Fiscal Committee.

15 * * * Alternatives to Vermont Health Connect * * *

16 Sec. 29d. VERMONT HEALTH CONNECT OUTCOMES;

17 ALTERNATIVES TO VERMONT HEALTH CONNECT

18 (a) The Agency of Administration shall explore all feasible alternatives to
19 Vermont Health Connect.

1 (b) The General Assembly expects Vermont Health Connect to achieve the
2 following milestones with respect to qualified health plans offered in the
3 individual market:

4 (1) On or before May 31, 2015, the vendor under contract with the State
5 to implement the Vermont Health Benefit Exchange shall deliver the
6 information technology release providing the “back end” of the technology
7 supporting changes in circumstances and changes in information to allow for a
8 significant reduction, as described in subdivision (5) of this subsection, in the
9 amount of time necessary for the State to process changes requested by
10 individuals and families enrolled in qualified health plans.

11 (2) On or before May 31, 2015, the State shall complete a contract to
12 ensure automated renewal functionality for qualified health plans offered to
13 individuals and families that has been reviewed and agreed to by the State, by
14 registered carriers offering qualified health plans, and by the chosen vendor.
15 The contract shall be sent to the Centers for Medicare and Medicaid Services
16 for its review by the same date.

17 (3) On or before August 1, 2015, Vermont Health Connect shall develop
18 a contingency plan for renewing qualified health plans offered to individuals
19 and families for calendar year 2016 and shall ensure that the registered carriers
20 offering these qualified health plans agree to the process.

1 (4) On or before October 1, 2015, the vendor under contract with the
2 State for automated renewal of qualified health plans offered to individuals and
3 families shall deliver the information technology release providing for the
4 automated renewal of those qualified health plans.

5 (5) On or before October 1, 2015, Vermont Health Connect customer
6 service representatives shall begin processing new requests for changes in
7 circumstances and for changes in information received in the first half of a
8 month in time to be reflected on the next invoice and shall begin processing
9 requests for changes received in the latter half of the month in time to be
10 reflected on one of the next two invoices.

11 (6) On or before October 1, 2015, registered carriers that offer qualified
12 health plans and wish to enroll individuals and families directly shall have
13 completed implementation of any necessary information technology upgrades.

14 (c) If Vermont Health Connect fails to meet one or more of the milestones
15 set forth in subsection (b) of this section, the Agency of Administration shall
16 begin exploring with the U.S. Department of Health and Human Services a
17 transition to a federally supported State-based marketplace (FSSBM). The
18 Chief of Health Care Reform shall report on the status of the exploration at the
19 next scheduled meetings of the Joint Fiscal Committee and the Health Reform
20 Oversight Committee.

1 (d) The Joint Fiscal Committee may at any time direct the Chief of Health
2 Care Reform to prepare an analysis and potential implementation plan
3 regarding a transition from Vermont Health Connect to a different model for
4 Vermont’s health benefit exchange, including an FSSBM, and to present
5 information about such a transition, including:

6 (1) the outcome of King v. Burwell, Docket No. 14-114 (U.S. Supreme
7 Court), relating to whether federal advance premium tax credits will be
8 available to reduce the cost of health insurance provided through a federally
9 facilitated exchange, and the likely impacts on Vermont individuals and
10 families if the State moves to an FSSBM or to another exchange model;

11 (2) whether it is feasible to offer State premium and cost-sharing
12 assistance to individuals and families purchasing qualified health plans through
13 an FSSBM or through another exchange model, how such assistance could be
14 implemented, whether federal financial participation would be available
15 through the Medicaid program, and applicable cost implications;

16 (3) how the Department of Financial Regulation’s and Green Mountain
17 Care Board’s regulatory authority over health insurers and qualified health
18 plans would be affected, including the timing of health insurance rate and form
19 review;

20 (4) any impacts on the State’s other health care reform efforts, including
21 the Blueprint for Health and payment reform initiatives;

1 (5) any available estimates of the costs attributable to a transition from a
2 State-based exchange to an FSSBM or to another exchange model; and

3 (6) whether any new developments have occurred that affect the
4 availability of additional alternatives that would be more beneficial to
5 Vermonters by minimizing negative effects on individuals and families
6 enrolling in qualified health plans, reducing the financial impacts of the
7 transition to an alternative model, lessening the administrative burden of the
8 transition on the registered carriers, and decreasing the potential impacts on the
9 State's health insurance regulatory framework.

10 (e) On or before November 15, 2015, the Chief of Health Care Reform
11 shall provide the Joint Fiscal Committee and Health Reform Oversight
12 Committee with a recommendation regarding the future of Vermont's health
13 benefit exchange, including a proposed timeline for 2016. The Chief's
14 recommendation shall include an analysis of whether the recommended course
15 of action would be likely to minimize any negative effects on individuals and
16 families enrolling in qualified health plans, the financial impacts of the
17 transition, the ability of the registered carriers to accomplish the transition, and
18 the potential impacts of the transition on the State's health insurance regulatory
19 framework.

20 (1)(A) If the Chief of Health Care Reform recommends requesting
21 approval from the U.S. Department of Health and Human Services to allow

1 Vermont to transition to an FSSBM, then on or before December 1, 2015, the
2 Joint Fiscal Committee shall determine whether to concur with the
3 recommendation. In determining whether to concur, the Joint Fiscal
4 Committee shall consider whether the transition to an FSSBM would be likely
5 to minimize any negative effects on individuals and families enrolling in
6 qualified health plans, the financial impacts of the transition, the ability of the
7 registered carriers to accomplish the transition, and the potential impacts of the
8 transition on the State’s health insurance regulatory framework. The Joint
9 Fiscal Committee shall also consider relevant input offered by legislative
10 committees of jurisdiction.

11 (B) If the Chief of Health Care Reform recommends requesting
12 approval from the U.S. Department of Health and Human Services to allow
13 Vermont to transition from a State-based exchange to an FSSBM and the Joint
14 Fiscal Committee concurs with that recommendation, the Chief of Health Care
15 Reform and the Commissioner of Vermont Health Access shall:

16 (i) prior to December 31, 2015, request that the U.S. Department
17 of Health and Human Services begin the approval process with the Department
18 of Vermont Health Access; and

19 (ii) on or before January 15, 2016, provide to the House
20 Committee on Health Care and the Senate Committees on Health and Welfare
21 and on Finance the recommended statutory changes necessary to align with

1 operating an FSSBM if approved by the U.S. Department of Health and
2 Human Services.

3 (2) If the Chief of Health Care Reform either does not recommend that
4 Vermont transition to an FSSBM or the Joint Fiscal Committee does not
5 concur with the Chief’s recommendation to transition to an FSSBM, the Chief
6 of Health Care Reform shall submit information to the House Committee on
7 Health Care and the Senate Committees on Health and Welfare and on Finance
8 on or before January 15, 2016 regarding the advantages and disadvantages of
9 alternative models and options for Vermont’s health benefit exchange and the
10 proposed statutory changes that would be necessary to accomplish them.

11 Second: In Sec. 33, effective dates, in subsection (a), following “29 (Green
12 Mountain Care Board; payment reform),” by inserting “29a–29d (Exchange
13 alternatives and reports),”

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18 (Committee vote: _____)

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Representative _____

FOR THE COMMITTEE