

H.481 - An act relating to supporting health care initiatives and establishing payroll and sugar-sweetened beverage taxes

Section by section summary of bill AS INTRODUCED

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Secs. 1 and 2. Exchange cost-sharing subsidies

- Increases Exchange cost-sharing subsidies to an 87% actuarial value for individuals between 200% and 300% of the federal poverty level
- Appropriates \$4,181,760.00 (State) for the increase

Secs. 3 and 4. Cost shift/price differential

- Appropriates \$29,250,000.00 (gross) to increase Medicaid reimbursement rates
 - \$8,750,000.00 (gross) for primary care providers beginning July 1, 2015
 - “Reasonable” rate increases to Dartmouth Hitchcock beginning January 1, 2016
 - Balance allocated between hospital outpatient and professional services rate increases beginning January 1, 2016
- Green Mountain Care Board (GMCB) must account for the impact of these investments on the cost shift through regulatory authority over hospital budgets and health insurer rates and include assessment of the impacts in its annual report
- Health insurers must adjust reimbursement rates and premiums to account for reductions in the cost shift

Sec. 5. Rate increases for other Medicaid providers

- Appropriates \$5,670,447.00 (gross) to increase reimbursement rates for non-medical providers under contract with departments in the Agency of Human Services beginning January 1, 2016
- Appropriates \$1.25 million (gross) to increase reimbursement rates to home health agencies beginning January 1, 2016
- Directs Department of Vermont Health Access (DVHA) to provide prospective payments to home health agencies and add a quality component

Sec. 6. Blueprint for Health increases

- Appropriates \$4,508,911.00 (gross) to increase payments to patient-centered medical homes, increase payments to community health teams, and rebalance community health teams
 - Increases payments to community health teams by \$541,078.00 (gross) beginning January 1, 2016
 - Adjusts payments for community health teams to reflect revised patient attribution and market share. Beginning January 1, 2016, DVHA must increase payments by up to \$467,833.00
 - Increases payments to patient-centered medical homes by \$3.5 million beginning January 1, 2016
- Requires Blueprint to beginning including family-centered approaches and adverse childhood experience screenings

Sec. 7. 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. 8. 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 separate provision showing the aggregate sum to be appropriated to the HCA from all State sources

Sec. 9. 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

Sec. 10. All-payer waiver, rate-setting

- Appropriates \$3,477,526.00 (gross) to the GMCB
 - \$801,830.49 is for position and operating expenses related to GMCB's provider rate-setting authority
 - \$2,143,195.44 is for expenses related to all-payer waiver and provider rate-setting
 - \$300,000.00 is for expenses related to reducing Medicaid cost shift
 - \$172,500.00 is for analysis of public utility model for health care reimbursement
 - \$60,000.00 is for oversight of VITL's budget and activities

Sec. 11. Health homes

- Appropriates \$2.5 million for health homes beginning January 1, 2016

Sec. 12. 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 GMCB to annually review and approve VITL's budget and its core activities associated with public funding

Sec. 13. Public utility model

- Directs GMCB to initiate inquiry by January 1, 2016 into whether public good would be served by regulating health care reimbursement as a public utility
- Report due February 1, 2017

Sec. 14. 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. 15. Referral registry

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

Sec. 16. Task Force on Universal Coverage

- Creates a Task Force on Universal Coverage to develop a proposal for achieving universal health care coverage in Vermont
- Proposal due December 1, 2015

Secs. 17–21. 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. 22. 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 will be budget neutral or of minimal fiscal impact in FY 2016
- Report due December 1, 2015

Secs. 23–24. Excise tax on sugar-sweetened beverages

- Imposes an excise tax on distributors of \$0.02 per ounce on sugar-sweetened beverages, syrup, and powder sold in Vermont
- Requires amount of the tax to be added to the retail price of the beverage, syrup, or powder
- Several exemptions, including unsweetened coffee or tea, infant formula, bottled water, 100% fruit juice, and maple syrup
- Requires Health Department to develop criteria and components for an evaluation to assess the impact of the tax on consumption of sugar-sweetened beverages

Sec. 25. Health care payroll tax

- Imposes a payroll tax on employers of 0.3% of wages
- Requires employers to provide the cost of employer-sponsored insurance on their W-2 forms

Sec. 26. State Health Care Resources Fund

- Allocates the revenue from the sugar-sweetened beverage tax and payroll tax to the State Health Care Resources Fund

Sec. 27. Department of Taxes

- Appropriates \$4,113,000.00 to the State Health Care Resources Fund for implementation and ongoing administration of the payroll and sugar-sweetened beverage taxes

Sec. 28. State liability as employer

- Appropriates \$832,858.00 to the Agency of Administration to pay the State's payroll tax liability as an employer

Sec. 29. Repeals

- Repeals the 2017 sunset of the portion of the claims tax directed to health information technology
- Repeals employer assessment beginning in 2016

Sec. 30. Effective dates