

# VERMONT LEGAL AID, INC.

## OFFICE OF THE HEALTH CARE ADVOCATE

264 NORTH WINOOSKI AVE. - P.O. Box 1367  
BURLINGTON, VERMONT 05402  
(800) 917-7787 (VOICE AND TTY)  
FAX (802) 863-7152  
(802) 863-2316

### OFFICES:

BURLINGTON  
RUTLAND  
ST. JOHNSBURY

### OFFICES:

MONTPELIER  
SPRINGFIELD

### BILLBACK FOR THE HEALTH CARE ADVOCATE

#### SECTION 25 of H. 873

Senate Finance Committee

Trinka Kerr, Chief Health Care Advocate

April 5, 2016

#### HCA funding proposal for SFY 2017:

- The House appropriation for HCA funding is located in H.875 at Sec. E.100.3 (a), in the amount of \$1,457,406 for the state Agency of Administration contract with the HCA.
- Our current SFY 2016 funding comes from 7 sources funneled through three state agencies, but our contract is with the Agency of Administration.
- Funding sources for SFY 2016:
  - Federal Consumer Assistance Program grant (Department of Financial Regulation)
  - Federal Rate Review grant (Green Mountain Care Board)
  - Billback (GMCB)
  - DFR Core Grant
  - Vermont Health Connect (Department of Vermont Health Access)
  - Medicaid (DVHA)
  - Agency of Administration
- Two of those funding sources, totaling \$160,716, are federal Affordable Care Act grants that expire this year: the Consumer Assistance Program grant, and the Rate Review grant.
- The Governor did not fill the gap from the loss of federal funding. His budget recommendation was \$1,297,406, a cut of \$160,716 from our SFY 2016 funding amount of \$1,458,122.
- The House figured out a way to fill the gap and basically level funded the HCA by using billback.

#### The House solution:

- In the Governor's budget, the Green Mountain Care Board allocated \$350,00 in Global Commitment dollars to the HCA in place of the \$350,000 in billback used in SFY 2016 because the statutory authority for billback to go to the HCA expires June 30, 2016.

*The Office of the Health Care Advocate, previously named the Office of Health Care Ombudsman, is a special project of Vermont Legal Aid.*

- The House rewrote the billback statute to authorize its continued use for the HCA, and changed the formula for how hospitals and insurers are assessed for this funding purpose.
- The House increased the amount coming from the GMCB from \$350,000 to \$510,000 to fill the funding gap, but took the money from billback rather than Global Commitment.
- Billback requires a state contribution. The difference in General Fund from moving the GMCB funding back to billback and out of Global Commitment was a decrease to the state of \$1,780 for SFY 2017.

Billback funding for the HCA:

- See JFO handout by Nolan Langweil from March 29, 2016.
- H. 873 language:

\* \* \* Billback Authority for Office of Health Care Advocate \* \* \*

Sec. 25. 18 V.S.A. § 9607 is amended to read:

§ 9607. FUNDING; INTENT ALLOCATION OF EXPENSES

(a) The Office of the Health Care Advocate shall specify in its annual report filed pursuant to this chapter the sums expended by the Office in carrying out its duties, including identifying the specific amount expended for actuarial services.

(b)(1) Expenses incurred by the Office of the Health Care Advocate for services related to the Green Mountain Care Board's and Department of Financial Regulation's regulatory and supervisory duties shall be borne as follows:

(A) 31 percent by the State from State monies;

(B) 23 percent by the hospitals;

(C) 23 percent by nonprofit hospital and medical service corporations licensed under 8 V.S.A. chapter 123 or 125; and

(D) 23 percent by health insurance companies licensed under 8 V.S.A. chapter 101.

(2) Expenses under subdivision (1) of this subsection shall be billed to persons licensed under Title 8 based on premiums paid for health care coverage, which for the purposes of this section shall include major medical, comprehensive medical, hospital or surgical coverage, and comprehensive health care services plans, but shall not include long-term care or limited benefits, disability, credit or stop loss, or excess loss insurance coverage.

(3) The Green Mountain Care Board shall administer the billback authority created in this subsection on behalf of the Agency of Administration in support of the Agency's contract with the Office of the Health Care Advocate pursuant to section 9602 of this title to carry out the duties set forth in this chapter.

(c) It is the intent of the General Assembly that the Office of the Health Care Advocate shall maximize the amount of federal and grant funds available to support the activities of the Office.