



STATE OF VERMONT
SENATE

MEMORANDUM

To: Senate Committee on Appropriations
From: Senate Committee on Health and Welfare *BC*
Date: April 23, 2015
Subject: Recommendations on Governor's FY16 budget

As requested, the Senate Committee on Health and Welfare (Committee) has reviewed provisions of the proposed FY16 budget. The Committee thanks the Senate Committee on Appropriations for the opportunity to comment on these provisions. Due to the limitations imposed by this year's budget, the Committee recognizes that some services must be cut. However, the Committee believes that upstream interventions are most effective and consequently recommends that services to children and for health care be prioritized. It further believes that if more revenue were available, these challenging decisions could be averted. The Committee makes the following comments and recommendations:

Health Care

First, the Committee recommends increasing Medicaid reimbursement rates by 2.5% for providers participating in programs operated by the Blueprint for Health and the Division of Alcohol and Drug Abuse Programs, as well as services offered by providers at the designated and home health agencies for the purpose of ensuring parity. Second, it recommends improving access to dental care through increased provider reimbursement rates. Third, the Committee recommends increasing access to health care through loan repayment for providers in rural areas of the State under the Area Health Education Centers (AHEC) Program. It next supports the proposed \$40,000.00 appropriation discussed by the House Committee on Health Care to ensure that the Health Care Advocate continues to have the resources necessary to conduct its duties. Fifth, the Committee supports the following language to develop a financing plan for a publicly financed, universal health care system:

Sec. X. UNIVERSAL HEALTH CARE SYSTEM; FINANCING PLAN

(a) The Green Mountain Care Board, in consultation with the Director of Health Care Reform in the Agency of Administration, shall develop a financing plan for a publicly financed, universal

health care system based on the principles set forth in 2011 Acts and Resolves No. 48. The system shall be financed in a manner that is sufficient, fair, predictable, transparent, sustainable, and equitable, as set forth in 18 V.S.A. § 9371(11). In developing the financing plan, the Board shall consider at least the following public financing proposals:

(1) Alternative Financing Concepts 10 and 11 from the appendices to the report entitled “Green Mountain Care: A Comprehensive Model for Building Vermont’s Universal Health Care System,” submitted to the General Assembly by the Governor on December 30, 2014;

(2) the Equitable Financing Plan for Vermont’s Universal Health Care System, written by the Health Care is a Human Right Campaign in February 2015 and set forth in H.475 of the 2015 legislative session, An act relating to establishing the financing mechanisms for Green Mountain Care; and

(3) an incremental approach to financing for universal health care starting with primary care, as outlined in H.207 of the 2015 legislative session, An act relating to establishing the framework for publicly financed primary care.

(b) The Board shall deliver its financing plan to the General Assembly and the Governor on or before December 1, 2015.

(c) Up to \$200,000.00 is appropriated from the General Fund to the Green Mountain Care Board in fiscal year 2016 for contracts related to development of the financing plan; provided, however, that the appropriation shall be reduced by the amount of any external funds received by the Board for this purpose.

And finally the Committee recommends the passage of the following language pertaining to primary care:

*** * * Universal Primary Care * * ***

Sec. V. PURPOSE

The purpose of Secs. V through Z of this act is to establish the administrative framework and reduce financial barriers as preliminary steps to the implementation of the principles set forth in 2011 Acts and Resolves No. 48 to enable Vermonters to receive necessary health care and examine the cost of providing primary care to all Vermonters without deductibles, coinsurance, or co-payments or, if necessary, with limited cost-sharing.

Sec. W. FINDINGS

The General Assembly finds that:

(1) Research has shown that universal access to primary care enhances the quality of care, improves patient outcomes, and reduces overall health care spending.

(2) Universal access to primary care will advance the health of Vermonters by preventing disease and by reducing the need for emergency room visits and hospital admissions.

(3) Vermonters face financial barriers to accessing primary care because of the widespread cost-sharing requirements, including deductibles, coinsurance, and co-payments.

(4) The cost of providing universal primary care to Vermonters should be estimated to determine whether universal primary care should be the first step in implementing the principles and intent set forth in 2011 Acts and Resolves No. 48, Secs. 1 and 1a.

Sec. X. DEFINITION OF PRIMARY CARE

As used in Secs. V through Z of this act, “primary care” means health services provided by health care professionals who are specifically trained for and skilled in first-contact and continuing care for individuals with signs, symptoms, or health concerns, not limited by problem

origin, organ system, or diagnosis, and includes pediatrics, internal and family medicine, gynecology, primary mental health services, and other health services commonly provided at federally qualified health centers. Primary care does not include dental services.

Sec. Y. COST ESTIMATES FOR UNIVERSAL PRIMARY CARE

(a) On or before October 15, 2015, the Joint Fiscal Office, in consultation with the Green Mountain Care Board and the Secretary of Administration or designee, shall provide to the Joint Fiscal Committee, the Health Reform Oversight Committee, the House Committees on Appropriations, on Health Care, and on Ways and Means, and the Senate Committees on Appropriations, on Health and Welfare, and on Finance an estimate of the costs of providing primary care to all Vermont residents, with and without cost-sharing by the patient, beginning on January 1, 2017.

(b) The report shall include an estimate of the cost of primary care to those Vermonters who access it if a universal primary care plan is not implemented, and the sources of funding for that care, including employer-sponsored and individual private insurance, Medicaid, Medicare, and other government-sponsored programs, and patient cost-sharing such as deductibles, coinsurance, and co-payments.

(c) Departments and agencies of State government and the Green Mountain Care Board shall provide such data to the Joint Fiscal Office as needed to permit the Joint Fiscal Office to perform the estimates and analysis required by this section. If necessary, the Joint Fiscal Office may enter into confidentiality agreements with departments, agencies, and the Board to ensure that confidential information provided to the Office is not further disclosed.

Sec. Z. APPROPRIATION

Up to \$200,000.00 is appropriated from the General Fund to the Joint Fiscal Office in fiscal year 2016 to be used for assistance in the calculation of the cost estimates required in Sec. Y of this act; provided, however, that the appropriation shall be reduced by the amount of any external funds received by the Office to carry out the estimates and analysis required by Sec. Y.

Funding for Health Care

The Committee has identified two potential revenue sources to fund health care initiatives and the public financing study described above. It first recommends use of \$500,000.00 of the \$2.5 million in the Enterprise Fund toward these goals. Second, the Committee recommends a one-year spending moratorium on public vehicles, with the exception of public safety vehicles. The following language could be used to articulate the second funding proposal:

Sec. X. MORATORIUM ON NEW VEHICLE PURCHASES; APPROPRIATION

(a) Notwithstanding any provision of law to the contrary, in fiscal year 2016 the Department of Buildings and General Services shall not purchase any new motor vehicle other than a new vehicle that, in the discretion of the Commissioner of Buildings and General Services, is necessary to ensure public safety.

(b) Of the amounts appropriated to the Department of Buildings and General Services in fiscal year 2016, the Commissioner shall transfer an amount equal to the value of the savings achieved by the moratorium in subsection (a) of this section to the Secretary of Administration for the purposes set forth in Sec. Y of this act.

Services to Children

The Committee first recommends that before the Department for Children and Families (DCF) implements a waitlist for the Child Care Financial Assistance Program, it receive legislative approval to do so. Second, it disagrees with the House proposal to cap enhanced child care subsidies in the Reach Ahead program. Third, the Committee recommends that the General Assembly support child care referral services and maintain children's mental health services. Fourth, the Committee recommends that the House's proposal to add 33 V.S.A. § 1103(c)(9) regarding the calculation of Reach Up benefits be repealed on July 1, 2017. Fifth, the

Committee recommends that the Senate Committee on Appropriations continue to investigate funding for the Strengthening Families Demonstration Pilot. Finally, the Committee supports passage of the Blue Ribbon Commission on Cost and Financing Options for High Quality Affordable Child Care.

Disabilities, Aging, and Independent Living

The Committee recommends that the Department for Disabilities, Aging, and Independent Living (DAIL) maintain services that keep elderly and disabled individuals in their homes rather than receiving costly institutional care. This recommendation applies to LIHEAP assistance, as well as other related services. Second, the Committee recommends that the General Assembly allow DAIL to move savings to Choices for Care's moderate needs group for adult day services. It also recommends that the General Assembly request a joint report from DAIL, DCF, and the Department for Vermont Health Access (DVHA) on how to eliminate delays in eligibility determinations for the Choices for Care program. Third, it recommends that the General Assembly establish the Long-Term Care Task Force that was originally part of S.139 (an act relating to pharmacy benefit managers and hospital observation status). And last, the Committee recommends that the Commissioners of Health and of DAIL, the Attorney General's Office of Medicaid Fraud and Residential Abuse Unit, the Office of the Long Term Care Ombudsman, and one representative each of the hospitals and nursing homes jointly investigate the feasibility of establishing a Vulnerable Adult Fatality Review Team to bring about systemic change, help prevent future untimely deaths, and report their findings to the General Assembly on or before January 15, 2016.

Housing Assistance

The Committee first acknowledges that the funding available for the Low Income Weatherization Program has decreased, and recommends that opportunities to continue the Low Income Weatherization Program at its current level be explored. It further recommends that the Office of Economic Opportunity be directed to work with Buildings and General Services and Efficiency Vermont to develop contracts for heat pumps in affordable housing and for Vermonters with low income. Third, the Committee recommends that the General Assembly level fund housing grants (including mental health housing vouchers), subsidies, and family support as detailed in the Governor's recommended budget, as well as level fund the Vermont Housing & Conservation Board. Fourth, the Committee supports restoration of the \$204,750.00 that the Agency of Human Services cut in direct service, service coordination, and flex funds to help Vermonters maintain their housing and prevent them from cycling into homelessness. Last, it recommends that the Pathways Program for individuals with psychiatric disabilities be maintained through funding within the Departments of Corrections and of Mental Health.

Other

In addition to the recommendations above, the Committee would like to see the passage of the Substance Abuse Advisory Council pursuant to the report of the Committee on S.42 (an act relating to the substance abuse system of care), as well as the restoration of the Health Care Oversight Committee. The Committee also recommends that the purview of the Health Reform

Oversight Committee (HROC) be expanded and that two additional members be added to the Committee. The following language can be used to expand HROC's charge:

Sec. X. 2 V.S.A. § 692(b) is amended to read:

(b)(1) When the General Assembly is adjourned during fiscal year 2015, the Commissioner of Vermont Health Access shall provide monthly updates regarding Vermont Health Benefit Exchange operations, enrollment data, coverage status, customer support, and Exchange website functionality.

(2) When the General Assembly is adjourned during fiscal year 2016, the Committee shall review existing expenditures on the treatment of preventable illnesses related to obesity, including costs borne by the private sector, and shall survey existing and proposed policy measures to reduce the incidence of obesity in Vermont.