

S.139 - Section by section summary as passed by House

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

Sec. 21a. Green Mountain Care Board rate-setting authority

- Specifies that nothing about GMCB's rate-setting authority should be construed to reduce or limit covered services offered by Medicare or Medicaid

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. 28a. Preventable illnesses related to obesity

- Requires Health Reform Oversight to review data on expenditures and look at policy measures related to obesity in Vermont

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
 - advantages and disadvantages of allowing health care providers to continue setting their own rates for uninsured customers

Sec. 29a. Independent analysis of Exchange alternatives

- Directs Joint Fiscal Office (JFO) to conduct preliminary, independent risk analysis of advantages and disadvantages of alternative options for Exchange
- Chief of Health Care Reform must provide JFO with regular updates on Agency of Administration's analysis of alternatives
- JFO's report due by September 15, 2015
- \$85,000 appropriated to JFO for the analysis

Sec. 29b. Vermont Health Connect Reports

- Chief of Health Care Reform must provide monthly updates to committees of jurisdiction regarding:
 - schedule, cost, and scope status of Vermont Health Connect's (VHC) Release 1 and 2 development efforts
 - update on status of current risks in VHC implementation
 - update on actions taken to address Auditor's recommendations
 - update on preliminary analysis of alternatives to VHC

Sec. 29c. Independent review of Vermont Health Connect

- Chief of Health Care Reform must provide JFO with materials provided by Independent Verification and Validation firms evaluating VHC
- Between July 1, 2015 and January 1, 2016, JFO must analyze reports and provide information about VHC information technology systems at least every other month

Sec. 29d. Alternatives to Vermont Health Connect

- Directs Agency of Administration to explore all feasible alternatives to VHC
- Lists milestones that the General Assembly expects VHC to meet

- If VHC fails to meet one or more milestones, Agency of Administration must begin exploring with federal government a transition to a federally supported State-based marketplace (FSSBM) and report on status at next meetings of Joint Fiscal Committee (JFC) and Health Reform Oversight Committee (HROC)
- JFC may at any time direct Chief of Health Care Reform to prepare an analysis and potential implementation plan for transition from VHC to different model and present information about a transition
- By November 15, 2015, Chief of Health Care Reform must provide JFC and HROC with a recommendation regarding the future of Vermont's exchange, including a proposed 2016 timeline
 - If Chief recommends requesting federal approval to transition to FSSBM, JFC must decide whether to concur by December 1, 2015
 - If Chief recommends requesting federal approval to transition to FSSBM and JFC agrees, Chief and Commissioner of DVHA must request prior to December 31, 2015 that the federal government begin approval process, and by January 15, 2016, provide committees of jurisdiction with recommended statutory changes
 - If Chief does not recommend transition to FSSBM or JFC does not agree with recommendation to transition to FSSBM, Chief must submit information to committees of jurisdiction by January 15, 2016 regarding advantages and disadvantages of alternatives and the proposed statutory changes that would be needed

Secs. 30-30e; 31h. Cigarette tax

- Increases cigarette tax by \$0.10 per pack and other tobacco products by an equivalent amount on July 1, 2015; applies increase to floor stock on July 1, 2015
- Establishes tax on electronic cigarettes on July 1, 2015 at rate of 46% of wholesale price
- Increases cigarette tax by an additional \$0.23 per pack and other tobacco products by an equivalent amount on July 1, 2016; applies increase to floor stock on July 1, 2016

Secs. 30f-30g. Meals and rooms tax

- Imposes meals and rooms tax on food and beverage sold through vending machines

Sec. 30h. Sales tax on soft drinks and candy

- Imposes sales tax on soft drinks and candy

Sec. 30i. Nonresidential education property tax rate

- Sets nonresidential education property tax rate for fiscal year 2016 at \$1.515

Sec. 30j. Revenue from tax on electronic cigarettes

- Requires revenue from tax on electronic cigarettes in fiscal year 2016 to be reserved in the Tobacco Trust Fund

Secs. 31a. Displays of tobacco products and electronic cigarettes

- Tobacco products and electronic cigarettes can only be displayed or stored behind a sales counter in an area accessible only to sales personnel or in a locked container not located on a sales counter

Secs. 31b–31g. Prohibitions on use of electronic cigarettes

- Prohibits the use of electronic cigarettes anywhere lighted tobacco products are prohibited, including:
 - in any workplace
 - in common areas of indoor places of public access
 - hotels and motels, including hotel and motel rooms
 - designated smoke-free areas of land owned by or leased to the State
 - any area within 25 feet of State-owned buildings and offices
 - in a motor vehicle occupied by a child required to be restrained in federally approved child passenger restraining system
- Exceptions for so-called “vapor rooms”, Vermont Veterans’ Home, and private areas of owner-operated businesses with no employees

Sec. 32. Repeal

- Repeals presuit mediation provisions on July 1, 2018

Sec. 33. Effective dates