

AMENDMENTS TO S.245 PROPOSED BY HEALTHFIRST

1 An act relating to hospital costs and disclosure of health care provider
2 affiliations

3 It is hereby enacted by the General Assembly of the State of Vermont:

4 Sec. 1. 18 V.S.A. chapter 221, subchapter 11 is added to read:

5 Subchapter 11. Affiliation with Hospitals and Hospital Systems

6 § 9481. DEFINITIONS

7 As used in this subchapter:

8 (1) “Affiliation” means a relationship between ~~two~~ one or more health
9 care providers, ~~including and a hospitals and or hospital systems,~~ in which one
10 or more health care providers are employed by a hospital or hospital system
11 or under a professional services agreement that permits a hospital or
12 hospital system to bill on behalf of ~~controls or is controlled by~~ another health
13 care provider.

14 (2) “Group practice” means the practice of medicine by a group of
15 physicians who share their premises and other resources.

16 (3) “Health care provider” shall have the same meaning as in
17 section 9432 of this title.

18 (4) “Hospital” means a general hospital licensed under chapter 43 of this
19 title.

20 (5) “Hospital system” means a network of health care facilities owned
21 by or otherwise affiliated with a hospital.

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1 § 9482. NOTICE OF AFFILIATION WITH HOSPITAL OR HOSPITAL
2 SYSTEM

3 (a) It is essential that the Attorney General and the Green Mountain Care
4 Board be informed of affiliations between **hospitals or hospital systems and**
5 health care providers in order to allow the Attorney General to monitor for
6 potentially anticompetitive practices and to assist the Board in ensuring that
7 high quality health care is delivered in a cost-effective manner. Parties shall
8 notify the Attorney General and the Green Mountain Care Board in writing at
9 least 30 days prior to the effective date of a transaction that will result in an
10 affiliation between:

11 (1) one or more ~~independent physicians~~ **health care providers** and a
12 hospital or hospital system;

13 (2) a group practice and a hospital or hospital system; or

14 ~~(3) one hospital or hospital system and another hospital or hospital~~
15 ~~system.~~

16 (b) The written notice required by this section shall include:

17 (1) the identities of all parties involved;

18 (2) a description of the nature of the proposed relationship among the
19 parties;

20 (3) the name or names of the business entities that will provide health
21 care services after the affiliation takes effect;

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1 (4) the address of each location at which health care services will be
2 provided after the affiliation takes effect;

3 (5) a description of the health care services to be provided at each
4 location; and

5 (6) the primary service area to be served by each location.

6 § 9483. ANNUAL REPORTING OF AFFILIATIONS

7 As part of its annual budget review pursuant to subchapter 7 of this chapter,
8 each hospital shall report to the Green Mountain Care Board ~~its~~ affiliations
9 with **health care providers that occurred during the reporting year** ~~any~~
10 ~~other hospital or hospital system, whether located within or outside this State.~~

11 For each affiliation, the report shall include:

12 (1) the name and address of each party to the affiliation;

13 (2) a description of the nature of the relationship among the parties;

14 (3) the name of each business entity that provides health care services as
15 part of the affiliation, including the address of each location at which health
16 care services are provided;

17 (4) a description of the health care services provided at each
18 location; and

19 (5) the primary service area served by each location.

20 § 9484. NOTICE TO PATIENTS OF NEW AFFILIATION

21 If a transaction results in a new affiliation between one or more ~~independent~~
22 ~~physicians~~ **health care providers** ~~or a group practice~~ and a hospital or hospital

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1 system, the ~~physician or practice~~ **the hospital or hospital system** shall provide
2 written notice of the new affiliation to each patient served by ~~the physician the~~
3 **health care provider** or practice within the previous three-year period. The
4 notice shall be provided by first class mail within 30 days following the
5 effective date of the transaction and shall include the following information:

6 (1) a statement that the ~~physician~~ **health care provider** or group
7 practice is now affiliated with a hospital or hospital system;

8 (2) the purchasing hospital or hospital system's name, business address,
9 and telephone number;

10 (3) a statement indicating whether a newly hospital-affiliated ~~physician~~
11 **health care provider** or practice bills, or is likely to bill, a facility fee that may
12 be in addition to, and separate from, the provider's professional fees;

13 (4) an estimate of any increase to the professional fees resulting from
14 the transaction that will likely be billed to the patient;

15 (5) a statement that the patient's actual financial liability will depend on
16 the health care services provided to the patient;

17 (6) an explanation of whether the patient may incur greater financial
18 liability than if the ~~physician~~ **health care provider** or group practice were not
19 affiliated with the hospital or hospital system; and

20 (7) the estimated changes in fees that the facility may bill or an example
21 of the average fees it bills for its most common services.

22 § 9485. REFERRALS TO AFFILIATED PROVIDERS

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1 (g) The Board may request, and a hospital shall provide, information
2 determined by the Board to be necessary to determine whether the hospital is
3 operating within a budget established under this section. For purposes of this
4 subsection, subsection (h) of this section, and subdivision ~~9454(a)(7)~~
5 9454(a)(8) of this title, the Board's authority shall extend to an affiliated
6 corporation or other person in the control of or controlled by the hospital to the
7 extent that such authority is necessary to carry out the purposes of this
8 subsection, subsection (h) of this section, or subdivision ~~9454(a)(7)~~ 9454(a)(8)
9 of this title. As used in this subsection, a rebuttable presumption of "control"
10 is created if the entity, hospital, or other person, directly or indirectly, owns,
11 controls, holds with the power to vote, or holds proxies representing 20 percent
12 or more of the voting securities or membership interest or other governing
13 interest of the hospital or other controlled entity.

14 Sec. 4. REVIEW OF HEALTH CARE PROVIDER AFFILIATIONS

15 The Director of Health Care Reform in the Agency of Administration shall
16 review all new affiliations between ~~independent physicians~~ **health care**
17 **provider** or group practices and hospitals and hospital systems during calendar
18 years 2012–2016 to determine whether ~~physician acquisition~~ **health care**
19 **provider affiliations** by a hospital or hospital system increases the amount
20 patients pay for outpatient health care services. On or before January 15, 2017,
21 the Director shall report his or her findings to the House Committee on Health
22 Care and the Senate Committees on Health and Welfare and on Finance.