

TO THE HONORABLE SENATE

The Committee on Health and Welfare to which was referred Senate Bill No. S. 53, entitled "An act relating to a universal, publicly financed primary care system"

respectfully reports that it has considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. UNIVERSAL PRIMARY CARE; INTENT

(a) It is the intent of the General Assembly to create and implement a program of universal, publicly financed primary care for all Vermont residents. The program should ensure that Vermonters have access to primary health care without facing financial barriers that might otherwise discourage them from seeking necessary care.

(b) The General Assembly continues to support the principles for health care reform enacted in 2011 Acts and Resolves No. 48, Sec. 1a, and plans to use universal primary care as a platform for a tiered approach to achieving universal health care coverage.

(c) In order to improve Vermonters' access to essential health care services, it is the intent of the General Assembly that universal access to primary care services should be available without cost-sharing.

Sec. 2. UNIVERSAL PRIMARY CARE; FINDINGS

The General Assembly finds that:

(1) Universal access to primary care will advance the health of Vermonters by addressing Vermonters' health care problems before they become more serious and more costly. A large volume of research from throughout the United States concludes that increased access to primary care enhances the overall quality of care and improves patient outcomes.

(2) Universal access to primary care will reduce systemwide health care spending. A study completed in accordance with 2016 Acts and Resolves No. 172, Sec. E.100.10 and submitted on November 23, 2016 found significant cost savings in a review of data from nonuniversal public and private primary care programs in the United States and around the world. One reason for these savings is that better access to primary care reduces the need for emergency room visits and hospital admissions.

(3) The best primary care program is one that provides primary care for all residents without point-of-service patient cost-sharing or insurance deductibles for primary care services. The study completed in accordance with 2016 Acts and Resolves No. 172, Sec. E.100.10 found that primary care cost-sharing in many locales decreased health care utilization and affected

individuals with low income disproportionately.

(4) A universal primary care program will build on and support existing health care reform efforts, such as the Blueprint for Health, the all-payer model, and accountable care organizations.

(5) A universal primary care program can be structured in such a way as to create model working conditions for primary care physicians, who are currently overburdened with paperwork and administrative duties, and who are reimbursed at rates disproportionately lower than those of other specialties.

(6) The costs of a universal primary care program for Vermont were estimated in a study ordered by the General Assembly in 2015 Acts and Resolves No. 54, Secs. 16–19 and submitted on December 16, 2015.

Sec. 3. UNIVERSAL PRIMARY CARE; DRAFT OPERATIONAL MODEL;
REPORT

(a)(1) The Green Mountain Care Board shall convene, facilitate, and supervise the participation of certified accountable care organizations, Bi-State Primary Care, and other interested stakeholders with applicable subject matter expertise to develop a draft operational model for a universal primary care program.

(2)(A) Using as its basis the primary care service categories and primary care specialty types described in 33 V.S.A. § 1852, the draft operational model shall address at least the following components:

(i) who would be eligible to receive publicly financed universal primary care services under the program;

(ii) who would deliver care under the program and in what settings;

(iii) how funding for the primary care services would move through the health care system; and

(iv) how to ensure maintenance of records demonstrating quality of care without increasing the administrative burden on primary care providers.

(B) In addition to the components described in subdivision (A) of this subdivision (2), the draft operational model may also include recommendations regarding the specific services that should be included in the universal primary care program and a methodology or benchmark for determining reimbursement rates to primary care providers.

(3) To the extent permitted under the All-Payer ACO Agreement with the Centers for Medicare and Medicaid Services and Vermont's Medicaid Section 1115 waiver, up to \$300,000.00 in expenses incurred by certified

accountable care organizations to develop the draft operational model described in this subsection may be funded through delivery system reform payments.

(4) The Senate Committee on Health and Welfare may meet up to five times following the adjournment of the General Assembly in 2018 to provide guidance and receive updates from the Green Mountain Care Board and participating stakeholders developing the draft operational model for universal primary care pursuant to this subsection.

(5) All relevant State agencies shall provide timely responses to requests for information from the Green Mountain Care Board and participating stakeholders developing the draft operational model for universal primary care pursuant to this subsection.

(6) The Green Mountain Care Board and participating stakeholders shall submit the draft operational model for universal primary care on or before January 1, 2019 to the House Committee on Health Care, the Senate Committees on Health and Welfare and on Finance, the Department of Human Resources, and the Department of Vermont Health Access.

(b) On or before July 1, 2019, the Departments of Human Resources and of Vermont Health Access, as the administrative departments with expertise and experience in the administration and oversight of health benefit programs in this State, shall provide to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance their assessments of the draft operational model plan for universal primary care and their recommendations with respect to implementation of the universal primary care program.

(c) On or before July 1, 2019, the Department of Financial Regulation shall provide to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance its recommendations for appropriate mechanisms for the State to employ to obtain reinsurance and to guarantee the solvency of the universal primary care program.

Sec. 4. UNIVERSAL PRIMARY CARE; LEGAL ANALYSIS; REPORT

The Office of the Attorney General, in consultation with the Green Mountain Care Board and the Department of Financial Regulation, shall conduct a legal analysis of any potential legal issues regarding implementation of a universal primary care program in Vermont, including whether there are likely any legal impediments due to federal preemption under the Employee Retirement Income Security Act (ERISA) and whether the program could be designed in a manner that would permit Vermont residents to continue to be eligible under federal law to use a health savings account established in conjunction with a high-deductible health plan. The Office shall submit its

legal analysis on or before January 1, 2019 to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance.

Sec. 5. UNIVERSAL PRIMARY CARE; SCOPE OF SERVICES AND PROVIDERS; REPORT

(a) The Green Mountain Care Board shall convene a working group of interested stakeholders with applicable subject matter expertise to develop:

(1) recommendations for the specific services and providers that should be included in the universal primary care program, including the scope of the mental health and substance use disorder services, and suggested modifications to 18 V.S.A. § 1852(a)(1) and (2);

(2) methods to resolve coordination of benefits issues in the universal primary care program; and

(3) recommendations for strategies to address other issues associated with the development and implementation of the universal primary care program.

(b) On or before October 1, 2018, the Green Mountain Care Board shall provide the working group's recommendations to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance.

Sec. 6. IMPLEMENTATION TIMELINE; CONDITIONS

(a) In addition to the plans, assessments, and analyses required by Secs. 3, 4, and 5 of this act, the General Assembly adopts the following implementation timeline for the universal primary care program:

(1) submission by the Agency of Human Services of a final implementation plan for universal primary care on or before January 1, 2020;

(2) enactment by the General Assembly of the funding mechanism or mechanisms during the 2020 legislative session;

(3) application by the Agency of Human Services to the U.S. Department of Health and Human Services for all necessary waivers and approvals for universal primary care on or before January 1, 2021; and

(4) coverage of publicly financed primary care services for Vermont residents under the universal primary care program beginning on or before January 1, 2022.

(b) Implementation of the universal primary care program shall occur only if the following conditions are met:

(1) the program will not increase the administrative burden on primary care providers;

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(2) the program will provide reimbursement amounts for primary care services that are sufficient to attract an adequate number of primary care providers to participate;

(3) the program has appropriate financing in place to support the covered services while ensuring the continued solvency of the program;

(4) the program will include coverage for basic mental health care;

(5) the program will not include coverage for dental care services;

(6) the program will provide clear information to health care providers and consumers regarding which services are covered and which services are not covered under the universal primary care program; and

(7) the program adheres to the principles of 2011 Acts and Resolves No. 48, Sec. 1a.

Sec. 7. 33 V.S.A. chapter 18, subchapter 3 is added to read:

Subchapter 3. Universal Primary Care

§ 1851. DEFINITIONS

As used in this section:

(1) "Health care facility" shall have the same meaning as in 18 V.S.A. § 9402.

(2) "Health care provider" means a person, partnership, or corporation, including a health care facility, that is licensed, certified, or otherwise authorized by law to provide professional health care services in this State to an individual during that individual's medical care, treatment, or confinement.

(3) "Health service" means any treatment or procedure delivered by a health care professional to maintain an individual's physical or mental health or to diagnose or treat an individual's physical or mental condition or intellectual disability, including services ordered by a health care professional, chronic care management, preventive care, wellness services, and medically necessary services to assist in activities of daily living.

(4) "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. Primary care does not include dental services.

(5) "Vermont resident" means an individual domiciled in Vermont as evidenced by an intent to maintain a principal dwelling place in Vermont indefinitely and to return to Vermont if temporarily absent, coupled with an act or acts consistent with that intent. The Secretary of Human Services shall

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establish specific criteria for demonstrating residency.

§ 1852. UNIVERSAL PRIMARY CARE

(a) It is the intent of the General Assembly that all Vermont residents should receive publicly financed primary care services.

(1) The following service categories should be included in a universal primary care program when provided by a health care provider in one of the primary care specialty types described in subdivision (2) of this subsection:

- (A) new or established patient office or other outpatient visit;
- (B) initial new or established patient preventive medicine evaluation;
- (C) other preventive services;
- (D) patient office consultation;
- (E) administration of vaccine;
- (F) prolonged patient service or office or other outpatient service;
- (G) prolonged physician service;
- (H) initial or subsequent nursing facility visit;
- (I) other nursing facility service;
- (J) new or established patient home visit;
- (K) new or established patient assisted living visit;
- (L) other home or assisted living facility service;
- (M) alcohol, smoking, or substance use disorder screening or counseling;
- (N) all-inclusive clinic visit at a federally qualified health center or rural health clinic; and
- (O) mental health.

(2) Services provided by a licensed health care provider in one of the following primary care specialty types should be included in universal primary care when providing services in one of the primary care service categories described in subdivision (1) of this subsection:

- (A) family medicine physician;
- (B) registered nurse;
- (C) internal medicine physician;
- (D) pediatrician;
- (E) physician assistant or advanced practice registered nurse;

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- (F) psychiatrist;
 - (G) obstetrician/gynecologist;
 - (H) naturopathic physician;
 - (I) geriatrician;
 - (J) registered nurse certified in psychiatric or mental health nursing;
 - (K) social worker;
 - (L) psychologist;
 - (M) clinical mental health counselor; and
 - (N) alcohol and drug abuse counselor.

(b) For Vermont residents covered under Medicare, Medicare should continue to be the primary payer for primary care services, but the State of Vermont should cover any co-payment or deductible amounts required from a Medicare beneficiary for primary care services.

§ 1853. UNIVERSAL PRIMARY CARE FUND

(a) The Universal Primary Care Fund is established in the State Treasury as a special fund to be the single source to finance primary care for Vermont residents.

(b) Into the Fund shall be deposited:

(1) transfers or appropriations from the General Fund, authorized by the General Assembly;

(2) revenue from any taxes established for the purpose of funding universal primary care in Vermont;

(3) if authorized by waivers from federal law, federal funds from Medicaid and from subsidies associated with the Vermont Health Benefit Exchange established in subchapter 1 of this chapter; and

(4) the proceeds from grants, donations, contributions, taxes, and any other sources of revenue as may be provided by statute or by rule.

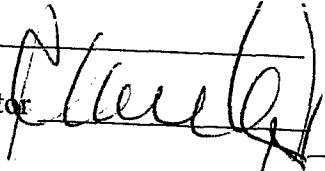
(c) The Fund shall be administered pursuant to 32 V.S.A. chapter 7, subchapter 5, except that interest earned on the Fund and any remaining balance shall be retained in the Fund. The Agency of Human Services shall maintain records indicating the amount of money in the Fund at any time.

(d) All monies received by or generated to the Fund shall be used only for payments to health care providers for primary care health services delivered to Vermont residents and to cover any co-payment or deductible amounts required from Medicare beneficiaries for primary care services.

Sec. ⁸ EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

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Senator Ayer
FOR THE COMMITTEE