

# Vermont Legislative Joint Fiscal Office

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## *FISCAL NOTE*

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### **S.53 An act relating to a universal, publicly financed primary care system**

#### ***As Passed the Senate (3/22/18)***

The purpose of S.53 is to establish the framework for a system of universal, publicly financed primary care in the Vermont.

S.53 as passed the Senate directed the Green Mountain Care Board (GMCB) to convene a group of interested stakeholders to develop a list of recommendations on the types of services that should constitute primary care, how to achieve universal coverage for all Vermonters, how to make coverage for primary care services affordable, and how to resolve coordination of benefit issues. This working group would submit its recommendations on or before January 15, 2019. If the GMCB determines universal coverage for primary care is feasible in Vermont and that the benefits outweigh the estimated costs, the GMCB in consultation with the Agency of Human Services (AHS) and other interested stakeholders will prepare a draft operational plan for universal primary care coverage of which a preliminary draft would be presented to the Health Reform Oversight (HROC) by October 15, 2019 and a final draft submitted to the legislature by January 15, 2020.

The bill included intent language stating that “it is the intent of the General Assembly to provide sufficient resources to the Green Mountain Care Board in fiscal years 2019 and 2020 to enable the Board to carry out the duties” set forth in this legislation. The bill did not include an appropriation.

According to the Green Mountain Care Board the Senate passed version of S.53 would cost \$410,000 (over two years) for contract expenses and \$90,000 to \$180,000 (per year) for one to two full time equivalents (FTEs) for a total estimated cost of \$590,000 to \$770,000 over a two year period.

	<b>Est. Contract Costs</b>	<b>Est. FTE Costs (Range)</b>	<b>Gross Total (Range)</b>	<b>State Total (Range)</b>
<b>FY 2019</b>	\$335,000	\$90,000 - \$180,000	\$425,000 - \$515,000	\$170,000 - \$206,000
<b>FY 2020</b>	\$75,000	\$90,000 - \$180,000	\$165,000 - \$255,000	\$66,000 - \$102,000
<b>TOTAL</b>			<b>\$590,000 - \$770,000</b>	<b>\$236,000 - \$308,000</b>

The estimated FY 2019 cost would range from **\$425,000 to \$515,000** (gross) of which the state's share would range from **\$170,000 to \$206,000**.<sup>1</sup> Estimated FY 2020 costs are estimated to range from \$165,000 to \$255,000 (gross) and \$66,000 to \$102,000 (state share). One to two positions might also need to be repurposed or created.

This fiscal note does not address any potential costs, offsets, or savings in out-years should the state move forward with a universal primary care system.

***As passed Senate Committee on Health & Welfare (3/14/18)***

S.53 as passed the Senate Committee on Health & Welfare (SHW) required the Green Mountain Care Board to convene, facilitate, and supervise a working group of stakeholders to develop a draft operational model for a universal primary care program. The bill would have also allowed the SHW committee to meet up to five times following the 2018 adjournment to provide guidance and receive updates from the working group. Legislative per diems would have been as much as \$5,475 assuming there were five meeting of which all five members attended. On 4/17/18, the GMCB released a draft estimate of the budgetary impact this version of the bill might have had on the GMCB, which ranged from \$740,000 to \$830,000 for contractual work and additional staff resources.

The bill also stated that to the extent permitted under the All-Payer ACO agreement with the Center for Medicare and Medicaid Services (CMS) and Vermont's Medicaid Section 1115 Waiver (Global Commitment), up to \$300,000 in expenses incurred by the accountable care organizations (ACOs) to develop a draft operation model described in the committee version of the bill could be funded through delivery system reform investment payments. This assumed that the Big Bill appropriates money for the delivery system reform investments related to implementation of the All Payer Model (APM) as proposed in the Governor's SFY'19 budget.<sup>2</sup> The bill also established a Universal Primary Care Fund in the State Treasury but did not raise any specific revenues.

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<sup>1</sup> The Green Mountain Care Board has the authority to billback for administrative expenses related to this project. The entities being "billed back" can in turn pass those costs on to consumers which puts upward pressure on insurance. The state share is 40%.

<sup>2</sup> The Governor's SFY'19 recommended budget includes \$2,625,000 (\$941,438 state) for delivery system reform payments. These are HIT fund dollars.