TO THE HONORABLE SENATE:

The Committee on Finance to which was referred House Bill No. 912 entitled "An act relating to the health care regulatory duties of the Green Mountain Care Board" respectfully reports that it has considered the same and recommends that the Senate propose to the House that the bill as amended by the Committee on Health and Welfare be further amended as follows:

First: In Sec. 4, 18 V.S.A. § 9405, in subsection (b), by striking out subdivision (1) in its entirety and inserting in lieu thereof a new subdivision (1) to read as follows:

(1) ~~The Plan shall include~~ In developing the Plan, the Board shall:

(A) ~~A statement of principles reflecting the policies~~ consider the principles in section 9371 of this title, as well as the purposes enumerated in sections 9401 and 9431 of this ~~chapter to be used in allocating resources and in establishing priorities for health services.~~ title;

~~(B) Identification of the current supply and distribution of hospital, nursing home, and other inpatient services; home health and mental health services; treatment and prevention services for alcohol and other drug abuse; emergency care; ambulatory care services, including primary care resources, federally qualified health centers, and free clinics; major medical equipment; and health screening and early intervention services.~~

~~(C) Consistent with the principles set forth in subdivision (A) of this subdivision (1), recommendations for the appropriate supply and distribution of resources, programs, and services identified in subdivision (B) of this subdivision (1), options for implementing such recommendations and mechanisms which will encourage the appropriate integration of these services on a local or regional basis. To arrive at such recommendations, the Green Mountain Care Board shall consider at least the following factors:~~

~~(i) the values and goals reflected in the State Health Plan;~~

~~(ii) the needs of the population on a statewide basis;~~

~~(iii) the needs of particular geographic areas of the State, as identified in the State Health Plan;~~

~~(iv) the needs of uninsured and underinsured populations;~~

~~(v) the use of Vermont facilities by out-of-state residents;~~

~~(vi) the use of out-of-state facilities by Vermont residents;~~

~~(vii) the needs of populations with special health care needs;~~

~~(viii) the desirability of providing high quality services in an economical and efficient manner, including the appropriate use of midlevel practitioners;~~

~~(ix) the cost impact of these resource requirements on health care expenditures;~~

~~(x) the overall quality and use of health care services as reported by the Vermont Program for Quality in Health Care and the Vermont Ethics Network;~~

~~(xi) the overall quality and cost of services as reported in the annual hospital community reports;~~

~~(xii) individual hospital four-year capital budget projections; and~~

~~(xiii) the four-year projection of health care expenditures prepared by the Board~~

(B) identify priorities using information from:

(i) the State Health Improvement Plan;

(ii) the community health needs assessments required by section 9405a of this title;

(iii) available health care workforce information;

(iv) materials provided to the Board through its other regulatory processes, including hospital budget review, oversight of accountable care organizations, issuance and denial of certificates of need, and health insurance rate review; and

(v) the public input process set forth in this section;

(C) use existing data sources to identify and analyze the gaps between the supply of health resources and the health needs of Vermont

residents and to identify utilization trends to determine areas of underutilization and overutilization; and

(D) consider the cost impacts of fulfilling any gaps between the supply of health resources and the health needs of Vermont residents.

Second: By striking out Sec. 11, 32 V.S.A. § 307(d), in its entirety and inserting in lieu thereof the following:

Sec. 11. [Deleted.]

Third: By inserting a reader assistance heading and a new section to be Sec. 13a to read as follows:

* * * Accountable Care Organizations; Fair and Equitable Payment Amounts * * *

Sec. 11. 18 V.S.A. § 9382 is amended to read:

§ 9382. OVERSIGHT OF ACCOUNTABLE CARE ORGANIZATIONS

(a) In order to be eligible to receive payments from Medicaid or commercial insurance through any payment reform program or initiative, including an all-payer model, each accountable care organization shall obtain and maintain certification from the Green Mountain Care Board. The Board shall adopt rules pursuant to 3 V.S.A. chapter 25 to establish standards and processes for certifying accountable care organizations. To the extent permitted under federal law, the Board shall ensure these rules anticipate and accommodate a range of ACO models and sizes, balancing oversight with

support for innovation. In order to certify an ACO to operate in this State, the Board shall ensure that the following criteria are met:

* * *

(3) The ACO has established appropriate mechanisms to receive and distribute payments to its participating health care providers in a fair and equitable manner, and any payment differential based on whether a provider is affiliated with a hospital or health care facility or practices independently is disclosed and factually justified.

* * *

(Committee vote: _____)

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Senator _____

FOR THE COMMITTEE