

1 TO THE HONORABLE SENATE:

2 The Committee on Health and Welfare to which was referred Senate Bill
3 No. 53 entitled “An act relating to a universal, publicly financed primary care
4 system” respectfully reports that it has considered the same and recommends
5 that the bill be amended by striking out all after the enacting clause and
6 inserting in lieu thereof the following:

7 Sec. 1. UNIVERSAL PRIMARY CARE; INTENT

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

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

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

20 Sec. 2. UNIVERSAL PRIMARY CARE; FINDINGS

21 The General Assembly finds that:

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

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

15 (3) The best primary care program is one that provides primary care for
16 all residents without point-of-service patient cost-sharing or insurance
17 deductibles for primary care services. The study completed in accordance with
18 2016 Acts and Resolves No. 172, Sec. E.100.10 found that primary care
19 cost-sharing in many locales decreased health care utilization and affected
20 individuals with low income disproportionately.

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

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

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

11 Sec. 3. REQUEST FOR PRELIMINARY PLANS OF OPERATION

12 (a)(1) The General Assembly requests that all stakeholders interested in the
13 creation and implementation of a universal primary care system for Vermont,
14 including health insurers, accountable care organizations, and federally
15 qualified health centers, prepare preliminary plans of operation for the
16 universal primary care system for consideration by the General Assembly. The
17 plans should include a description of the process by which the stakeholder
18 proposes that the system should be implemented and provide an estimate of the
19 per-member, per-month costs of providing primary care services to all
20 Vermont residents.

1 (2) To the extent required to avoid federal antitrust violations and in
2 order to develop feasible plans of operation capable of implementation for
3 purposes of achieving the legislative intent set forth in Sec. 1 of this act, the
4 Green Mountain Care Board shall facilitate and supervise the participation of
5 any stakeholders seeking to work collaboratively in the preparation of
6 preliminary plans of operation pursuant to this subsection.

7 (3) Participating stakeholders are requested to submit their proposed
8 plans on or before January 1, 2019 to the House Committee on Health Care,
9 the Senate Committees on Health and Welfare and on Finance, the Department
10 of Human Resources, and the Department of Vermont Health Access.

11 (4) All relevant State agencies shall provide timely responses to requests
12 for information from stakeholders developing plans of operation pursuant to
13 this subsection.

14 (5) The Senate Committee on Health and Welfare may meet up to five
15 times following the adjournment of the General Assembly in 2018 to provide
16 guidance and receive updates from stakeholders developing plans of operation
17 pursuant to this subsection.

18 (b) On or before July 1, 2019, the Departments of Human Resources and of
19 Vermont Health Access, as the administrative departments with expertise and
20 experience in the administration and oversight of health benefit programs in
21 this State, shall provide to the House Committee on Health Care and the Senate

1 Committees on Health and Welfare and on Finance their assessments of the
2 stakeholder plans, including their evaluations of the merits of each proposal
3 and their recommendations for implementation of the universal primary care
4 system.

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

10 Sec. 4. UNIVERSAL PRIMARY CARE; LEGAL ANALYSIS

11 The Green Mountain Care Board, in consultation with the Office of the
12 Attorney General and the Department of Financial Regulation, shall conduct a
13 legal analysis of any potential legal issues regarding implementation of a
14 universal primary care system in Vermont, including whether there are likely
15 any legal impediments due to federal preemption under the Employee
16 Retirement Income Security Act (ERISA) and whether the system could be
17 designed in a manner that would permit Vermont residents to continue to be
18 eligible under federal law to use a health savings account established in
19 conjunction with a high-deductible health plan. The Board shall submit its
20 legal analysis on or before January 1, 2019 to the House Committee on Health
21 Care and the Senate Committees on Health and Welfare and on Finance.

1 Sec. 5. IMPLEMENTATION TIMELINE; CONDITIONS

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

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

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

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

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

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

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

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

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

3 (4) there will be enough primary care providers in Vermont to satisfy
4 Vermonters' primary care needs;

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

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

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

10 (8) the program adheres to the principles of 2011 Acts and Resolves No.
11 48, Sec. 1a.

12 Sec. 6. EXCESS HOSPITAL REVENUE; REINVESTMENT

13 CONTRIBUTIONS

14 (a) Each hospital that generates revenue in excess of the budget approved
15 by the Green Mountain Care Board pursuant to 18 V.S.A. chapter 221,
16 subchapter 7, and the hospital's actual expenses for one or more of the hospital
17 fiscal years 2018, 2019, 2020, and 2021 shall remit a portion of the excess
18 revenue for the applicable hospital fiscal year to the Green Mountain Care
19 Board as provided in this section.

20 (b) On or before January 1 of each year from 2019 through 2022, the Green
21 Mountain Care Board shall certify the amount of excess revenue generated by

1 each hospital, if any, for the most recently closed hospital fiscal year and notify
2 the hospital in writing of the amount of its reinvestment contribution, which
3 shall be not less than 50 percent of the amount of the excess revenue. The
4 Board shall determine the amount of each hospital's reinvestment contribution
5 based on the amount of the hospital's excess revenue, the hospital's budget and
6 projected financial needs for the current fiscal year, the hospital's financial
7 condition, and such other factors as the Board deems appropriate, but shall not
8 include any amounts a hospital received from an accountable care organization
9 as a direct result of the hospital's participation in that accountable care
10 organization. If no hospital requests reconsideration of the amount of its
11 excess revenue or reinvestment contribution as described in subsection (e) of
12 this section, the contribution amount shall be considered final.

13 (c) Each hospital shall submit its reinvestment amount to the Board
14 according to a payment schedule adopted by the Board. Any hospital that fails
15 to make a payment to the Board on or before the date specified in the schedule
16 shall be assessed an administrative penalty of not more than \$5,000.00,
17 provided that the Board may waive this late payment penalty for good cause
18 shown by the hospital. The Board may also take into consideration any failure
19 to make a timely payment pursuant to this section in its review of a hospital's
20 future budgets.

1 (d) All payments from hospitals under this section, including late payment
2 penalties, shall be deposited into the Universal Primary Care Fund established
3 by 33 V.S.A. § 1953.

4 (e) A hospital may appeal the Board’s determination of its excess revenue
5 amount or reinvestment amount, or both, pursuant to 18 V.S.A. § 9381.

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

7 Subchapter 3. Universal Primary Care

8 § 1851. [Reserved for future use.]

9 § 1852. [Reserved for future use.]

10 § 1853. UNIVERSAL PRIMARY CARE FUND

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

14 (b) Into the Fund shall be deposited:

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

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

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

1 (4) all revenue from excess hospital revenue reinvestment contributions
2 remitted to the Green Mountain Care Board; and

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

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

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

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18 (Committee vote: _____)

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Senator _____

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FOR THE COMMITTEE