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MEMORANDUM

To: Representative Kitty Toll, Chair, House Committee on Appropriations
From: Representative Bill Lippert, Chair, House Committee on Health Care
Date: February 21, 2020
Subject: FY 2021 Budget Recommendations

The House Committee on Health Care (HHC) appreciates the opportunity to provide our recommendations on the Governor's FY 2021 budget proposals and to present our committee's budget priorities, as set forth below.

Department of Mental Health (DMH) budget proposals

Mobile Crisis Response Team Pilot

DMH proposal: Appropriate \$600,000 in one-time money for a mobile crisis response team pilot project for children and families in Rutland.

HHC recommendations:

- Appropriate \$100,000 in one-time money to provide bridge funding for the Psychiatric Urgent Care for Kids (PUCK) program in Bennington in order to allow the program to continue serving children in grades K–8. The program has been operating as a pilot with funding from OneCare Vermont; it has shown promising early results and has helped to keep children experiencing a mental health crisis in a supportive, therapeutic setting and out of the emergency department. The \$100,000 bridge funding would keep the PUCK program going while it seeks sustainable funding from OneCare or other sources.
- Appropriate \$500,000 in one-time money for a mobile crisis response team pilot project for children and families in Rutland, but direct DMH to explore using the existing, underfunded mobile crisis response team in Rutland as the base for its program by expanding that team's expertise and services for children and families, rather than creating a new, separate program.

Expand Zero Suicide statewide

DMH proposal: Appropriate \$400,000 to expand the Zero Suicide prevention strategy statewide.

HHC recommendations: HHC supports expanding the Zero Suicide prevention strategy, but we also need resources for other important priorities. We recommend dividing the requested \$400,000 as follows:

- Appropriate \$177,000 to DMH to expand the Zero Suicide prevention strategy, while directing DMH to fully integrate its efforts with OneCare Vermont's Zero Suicide initiatives
- Appropriate \$223,000 to Pathways Vermont to enable its peer-supported warmline to be staffed 24 hours per day, seven days per week

Expand Vermont's National Suicide Prevention Lifeline

DMH proposal: Appropriate \$125,000 to DMH to provide funding and required certification for three of Vermont's local crisis call centers – Pathways Vermont, Northwestern Counseling and Support Services (NCSS), and Vermont 211 – to enable the majority of National Suicide Prevention Lifeline calls from Vermonters to be answered by Vermonters.

HHC recommendation: Appropriate \$125,000 to DMH, but direct it to provide funding and required certification to Pathways Vermont and NCSS only. HHC does not feel that Vermont 211 should be answering National Suicide Prevention Lifeline calls.

Expand programs and supports for older Vermonters and veterans

DMH proposal: Appropriate \$50,000 to DMH to expands programs and supports for older Vermonters and veterans.

HHC recommendation: HHC supports this DMH proposal.

Department of Vermont Health Access (DVHA) budget proposals

HIV/AIDS medications

DVHA proposal: Allow DVHA to manage HIV- and AIDS-related medications in accordance with its Pharmacy Best Practices and Cost Control Program by establishing a preferred drug list (PDL) for these medications. Projected savings of \$1.2 million gross/\$554,412 General Fund. DVHA's proposed language is in Sec. E.307 of the Governor's proposed budget.

HHC recommendation: HHC supports DVHA's proposal but would like some language specifying, as DVHA testified in our committee that it intends to do, that DVHA will grandfather current and future Medicaid beneficiaries who are stabilized on a medication that is not on the PDL. HHC would also like to clean up some obsolete

language relating to prior authorization for medications to treat severe and persistent mental illness. HHC's proposed replacement language for Sec. E.307 is as follows:

Sec. E.307 33 V.S.A. § 1999 is amended to read:

§ 1999. CONSUMER PROTECTION RULES; PRIOR AUTHORIZATION

(a)(1) The Pharmacy Best Practices and Cost Control Program shall authorize pharmacy benefit coverage when a patient's health care provider prescribes a prescription drug not on the preferred drug list, or a prescription drug ~~which~~ that is not the list's preferred choice, if ~~either~~ any of the circumstances set forth in subdivision (2) or (3) of this subsection applies.

(2)(A) The Program shall authorize coverage under the same terms as coverage for preferred choice drugs if the prescriber determines, after consultation with the pharmacist, or with the participating health benefit plan if required by the terms of the plan, that one or more of the following circumstances apply:

(i) ~~the~~ The preferred choice has not been effective, or with reasonable certainty is not expected to be effective, in treating the patient's condition; ~~or~~

(ii) ~~the~~ The preferred choice causes or is reasonably expected to cause adverse or harmful reactions in the patient.

(iii)(I) The patient is new to the Program and has been stabilized on a prescription drug that is not on the preferred drug list or is not the list's preferred choice, or a current patient has been stabilized on a prescription drug that has been removed from preferred drug list or is no longer the list's preferred choice, and it is clinically indicated that the patient should remain stabilized on the drug in order to avoid an adverse clinical impact or outcome.

(II) The Drug Utilization Review Board and the Department of Vermont Health Access shall clinically evaluate newly introduced medications and therapeutic classes to determine their clinical appropriateness for continuation of coverage as set forth in subdivision (I) of this subdivision (iii).

* * *

~~(c) For HIV and AIDS related medications used by individuals with HIV or AIDS, the preferred drug list and any utilization review procedures shall not be more restrictive than the drug list and the application of the list used for the State of Vermont AIDS Medication Assistance Program. [Repealed.]~~

~~(d) The Agency may include prescription drugs prescribed for the treatment of severe and persistent mental illness, including schizophrenia, major depression, or bipolar disorder, in the prior authorization process after the Health Care Oversight Committee has reviewed the report as provided for in 2005 Acts and Resolves No. 71, Sec. 305(a)(2)(A). [Repealed.]~~

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Health Care Workforce Development

Training for emergency medical services personnel

HHC recommendation: HHC is still considering ways to provide additional funding for emergency medical services personnel training. It is our goal to find opportunities to do

so, along with a funding source that will not affect the General Fund. We will keep the House Committee on Appropriations apprised of our continued efforts in this area.

Nursing scholarships and/or nurse educator salary increases*

Governor's budget proposal: Provide \$1 million in tax incentives to individuals who graduate from a Vermont college or university with a nursing degree.

HHC recommendation: Appropriate \$1 million for scholarships for nursing students at all levels, with a preference for individuals attending Vermont institutions; consider appropriating funds directly to the institutions instead of through the Vermont Student Assistance Corporation (VSAC). Also consider using some of that \$1 million to increase nurse educator salaries to expand Vermont's capacity to train more nurses.

Scholarships for medical students pursuing primary care*

HHC recommendation: Appropriate \$370,000 in scholarships to cover a year of tuition at Vermont's academic medical center at the in-state level for up to 10 medical students, five in the third year of medical school and five in the fourth year of medical school, who commit to practicing primary care in Vermont for a specified period of time following their residency. HHC's proposed language is as follows:

Sec. X. 18 V.S.A. § 12 is added to read:

§ 12. MEDICAL STUDENTS; PRIMARY CARE

(a) The Department of Health, in collaboration with the Office of Primary Care and Area Health Education Centers Program at the University of Vermont College of Medicine (AHEC), shall establish a rural primary care physician scholarship program. The scholarships shall cover the medical school tuition for up to five third-year and up to five fourth-year medical students annually who commit to practicing primary care in a health professional shortage or medically underserved area of this State, as defined by the federal Health Resources and Services Administration. For each academic year of tuition covered by the scholarship, the recipient shall incur an obligation of two years of full-time service or four years of half-time service. Students receiving a scholarship for their third year of medical school shall be eligible to receive another scholarship for their fourth year of medical school.

(b) Approved specialties shall be all of the specialties recognized by the National Health Service Corps at the time of the scholarship award, which may include family medicine, internal medicine, pediatrics, obstetrics-gynecology, and psychiatry.

(c) A scholarship recipient who does not fulfill the commitment to practice primary care in accordance with the terms of the award shall be liable for repayment of the full amount of the scholarship, plus interest calculated in accordance with the formula determined by the National Health Service Corps for failure to complete a service obligation under that program.

* HHC has been made aware that Global Commitment investment funds may be available for nursing and physician scholarships in accordance with Global Commitment Investment No. 25 (Physician/Dentist Loan Repayment Program). HHC recommends exploring the potential for additional use of these funds to expand Vermont's nursing and

primary care workforce and supports modification of our proposals if needed to secure federal matching funds.

Permanent supportive housing

HHC recommendation: HHC supports expansion of Housing First, an evidence-based, permanent supportive housing program that has been successfully implemented in some locations in Vermont. Our priorities are:

- \$580,000 to expand Housing First to Rutland County
- \$390,000 to expand Housing First to Bennington County

Other budget language without fiscal impact

HHC is continuing to consider additional language that may be appropriate for inclusion in the budget bill but that will not have a fiscal impact. We look forward to following up with the House Committee on Appropriations with any such proposals next week.