H.368

Introduced by Representative Rogers of Waterville

Referred to Committee on

Date:

Subject: Health; Green Mountain Care Board; hospitals; accountable care organizations; budget review

Statement of purpose of bill as introduced: This bill proposes to require hospitals and accountable care organizations, as part of their annual budget reviews, to disclose to the Green Mountain Care Board the same salary and other compensation information that must be disclosed to the Internal Revenue Service on Form 990. The bill would direct the Green Mountain Care Board to evaluate the reasonableness of the salaries and other compensation and would specify that the salary and other compensation information must be made available to the public upon request.

An act relating to hospital and accountable care organization salary information

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 18 V.S.A. § 9382(b)(1) is amended to read:

(b)(1) The Green Mountain Care Board shall adopt rules pursuant to 3 V.S.A. chapter 25 to establish standards and processes for reviewing,
modifying, and approving the budgets of ACOs with 10,000 or more attributed
lives in Vermont. To the extent permitted under federal law, the Board shall
ensure the rules anticipate and accommodate a range of ACO models and sizes,
balancing oversight with support for innovation. In its review, the Board shall
review and consider:

* * *

(D) the character, competence, fiscal responsibility, and soundness of
the ACO and its principals, including the reasonableness of the salary and
other compensation for the ACO’s officers, directors, key employees, and
other highly compensated employees based on the information submitted
pursuant to section 9574 of this title;

* * *

Sec. 2. 18 V.S.A. § 9454 is amended to read:

§ 9454. HOSPITALS; DUTIES

(a) Hospitals shall file the following information at the time and place and
in the manner established by the Board:

(1) a budget for the forthcoming fiscal year;

(2) financial information, including:

(A) costs of operation;

(B) revenues;

(C) assets;
(D) liabilities;

(E) fund balances;

(F) other income;

(G) rates;

(H) charges;

(I) units of services and

(J) wage and salary data, including all of the same salary and other compensation information for officers, directors, key employees, and other highly compensated employees that the hospital provided to the U.S. Internal Revenue Service on Form 990 and related attachments for the most recent tax year;

* * *

Sec. 3. 18 V.S.A. § 9456 is amended to read:

§ 9456. BUDGET REVIEW

(a) The Board shall conduct reviews of each hospital’s proposed budget based on the information provided pursuant to this subchapter and in accordance with a schedule established by the Board.

(b) In conjunction with budget reviews, the Board shall:

* * *
(10)(A) require each hospital to provide information on administrative costs, as defined by the Board, including specific information on the amounts spent on marketing and advertising costs, including all of the same salary and other compensation information for officers, directors, key employees, and other highly compensated employees that the hospital provided to the U.S. Internal Revenue Service on Form 990 and related attachments for the most recent tax year;

(B) evaluate the reasonableness of the salaries and other compensation for the hospital’s officers, directors, key employees, and other highly compensated employees in relation to regional averages for similarly situated individuals; and

* * *

Sec. 4. 18 V.S.A. § 9457 is amended to read:

§ 9457. INFORMATION AVAILABLE TO THE PUBLIC

(a)(1) Information required to be filed under this subchapter shall be made available to the public upon request in accordance with 1 V.S.A. chapter 5, subchapter 3 (Public Records Act), except that information that directly or indirectly identifies individual patients or health care practitioners shall be kept confidential.

(2) Notwithstanding subdivision (1) of this subsection, a health care practitioner’s salary and other compensation information disclosed pursuant to
subdivision 9454(a)(2)(J) of this title shall be made available to the public upon request.

* * *

Sec. 5. 18 V.S.A. § 9574 is added to read:

§ 9574. SALARY AND COMPENSATION INFORMATION; BUDGET REVIEW

(a) As part of its submission of financial information for the Green Mountain Care Board’s budget review in accordance with section 9382 of this title, an accountable care organization shall provide salary and other compensation information for its officers, directors, key employees, and other highly compensated employees for the previous calendar year to the same extent that the organization would have been required to provide the information to the U.S. Internal Revenue Service on Form 990 and related attachments for the most recent tax year if the organization was exempt from federal income tax under 26 U.S.C. § 501.

(b) The salary and other compensation information provided to the Green Mountain Care Board pursuant to subsection (a) of this section shall be made available to the public upon request.

Sec. 6. EFFECTIVE DATE

This act shall take effect on passage.