

Senate proposal of amendment to House proposal of amendment

S. 285

An act relating to health care reform initiatives, data collection, and access to home- and community-based services

The Senate concurs in the House proposal of amendment with the following proposals of amendment thereto:

By striking out Secs. 1–3 and their reader assistance headings in their entirety and inserting in lieu thereof new Secs. 1–3 and reader assistance headings to read as follows:

* * * Payment and Delivery System Reform; Appropriations * * *

Sec. 1. DEVELOPMENT OF PROPOSAL FOR SUBSEQUENT ALL-PAYER MODEL AGREEMENT

(a)(1) The Director of Health Care Reform in the Agency of Human Services, in collaboration with the Green Mountain Care Board, shall develop a proposal for a subsequent agreement with the Center for Medicare and Medicaid Innovation to secure Medicare’s sustained participation in multi-payer alternative payment models in Vermont. In developing the proposal, the Director shall consider:

(A) total cost of care targets;

(B) global payment models;

(C) strategies and investments to strengthen access to:

(i) primary care;

(ii) home- and community-based services;

(iii) subacute services;

(iv) long-term care services; and

(v) mental health and substance use disorder treatment services;

(D) strategies and investments to address health inequities and social determinants of health; and

(E) the role, if any, of accountable care organizations in Vermont’s multi-payer alternative payment models going forward.

(2)(A) The development of the proposal shall include consideration of alternative payment and delivery system approaches for hospital services and community-based providers such as primary care providers, mental health providers, substance use disorder treatment providers, skilled nursing facilities, home health agencies, and providers of long-term services and supports.

(B) The alternative payment models to be explored shall include, at a minimum:

(i) value-based payments for hospitals, including global payments, that take into consideration the sustainability of Vermont's hospitals and the State's rural nature, as set forth in subdivision (b)(1) of this section;

(ii) statewide, regional, and hospital-based global budgets for health care services, or a combination of these;

(iii) existing federal value-based payment models; and

(iv) broader total cost of care and risk-sharing models to address patient migration patterns across systems of care.

(C) The proposal shall:

(i) include appropriate mechanisms to convert fee-for-service reimbursements to predictable payments for multiple provider types, including those described in subdivision (A) of this subdivision (2);

(ii) include a process to ensure reasonable and adequate rates of payment and a reasonable and predictable schedule for rate updates;

(iii) meaningfully impact health equity and address inequities in terms of access, quality, and health outcomes; and

(iv) support equal access to appropriate mental health care that meets standards of quality, access, and affordability equivalent to other components of health care as part of an integrated, holistic system of care.

(3)(A) The Director of Health Care Reform, in collaboration with the Green Mountain Care Board, shall ensure that the process for developing the proposal includes opportunities for meaningful participation by the full continuum of health care and social service providers, payers, participants in the health care system, and other interested stakeholders in all stages of the proposal's development.

(B) The Director shall provide a simple and straightforward process to enable interested stakeholders to provide input easily.

(C) To promote engagement with diverse stakeholders and ensure the prioritization of health equity, the process may utilize existing local and regional forums, including those supported by the Agency of Human Services.

(b) As set forth in subdivision (a)(2)(B)(i) of this section and notwithstanding any provision of 18 V.S.A. § 9375(b)(1) to the contrary, the Green Mountain Care Board shall:

(1) in collaboration with the Agency of Human Services and using the stakeholder process described in subsection (a) of this section, build on

successful health care delivery system reform efforts by developing value-based payments, including global payments, from all payers to Vermont hospitals or accountable care organizations, or both, that will:

(A) help move the hospitals away from a fee-for-service model;

(B) provide hospitals with predictable, sustainable funding that is aligned across multiple payers, consistent with the principles set forth in 18 V.S.A. § 9371, and sufficient to enable the hospitals to deliver high-quality, affordable health care services to patients;

(C) take into consideration the necessary costs and operating expenses of providing services and not be based solely on historical charges; and

(D) take into consideration Vermont's rural nature, including that many areas of the State are remote and sparsely populated;

(2) determine how best to incorporate value-based payments, including global payments to hospitals or accountable care organizations, or both, into the Board's hospital budget review, accountable care organization certification and budget review, and other regulatory processes, including assessing the impacts of regulatory processes on the financial sustainability of Vermont hospitals and identifying potential opportunities to use regulatory processes to improve hospitals' financial health;

(3) recommend a methodology for determining the allowable rate of growth in Vermont hospital budgets, which may include the use of national and regional indicators of growth in the health care economy and other appropriate benchmarks, such as the Hospital Producer Price Index, Medical Consumer Price Index, bond-rating metrics, and labor cost indicators, as well as other metrics that incorporate differentials as appropriate to reflect the unique needs of hospitals in highly rural and sparsely populated areas of the State; and

(4) consider the appropriate role of global budgets for Vermont hospitals.

(c)(1) On or before January 15, 2023, the Director of Health Care Reform and the Green Mountain Care Board shall each report on their activities pursuant to this section to the House Committees on Health Care and on Human Services and the Senate Committees on Health and Welfare and on Finance.

(2) On or before March 15, 2023, the Director of Health Care Reform shall provide an update to the House Committees on Health Care and on Human Services and the Senate Committees on Health and Welfare and on Finance regarding the Agency's stakeholder engagement process pursuant to subdivision (a)(3) of this section.

Sec. 2. HOSPITAL SYSTEM TRANSFORMATION;
ENGAGEMENT PROCESS; REPORT

(a) The Green Mountain Care Board, in collaboration with the Director of Health Care Reform in the Agency of Human Services, shall develop and conduct a data-informed, patient-focused, community-inclusive engagement process for Vermont's hospitals to reduce inefficiencies, lower costs, improve population health outcomes, reduce health inequities, and increase access to essential services while maintaining sufficient capacity for emergency management.

(b) The engagement process shall include:

(1) coordination with the stakeholder engagement process to be conducted by the Director of Health Care Reform as set forth in Sec. 1(a)(3) of this act;

(2) hearing from and sharing data, information, trends, and insights with communities about the current and future states of the hospital delivery system, unmet health care needs as identified through the community health needs assessment, and opportunities and resources necessary to address those needs;

(3) providing opportunities for meaningful participation in all stages of the engagement process by employers; consumers; health care professionals and health care providers, including those providing primary care services; Vermonters who have direct experience with all aspects of Vermont's health care system; and Vermonters who are diverse with respect to race, income, age, and disability status;

(4) providing the data, information, and analysis necessary to support the engagement process, including information and trends relating to the current and future states of the health care delivery system in each hospital service area, the effects of the hospitals in neighboring states on the health care services delivered in Vermont, the potential impacts of hospital system transformation on Vermont's nonhospital health care and social service providers, the workforce challenges in the health care and human services systems, and the impacts of the pandemic;

(5) establishing ways to assess the impact of any changes to hospital services on nonhospital providers, including on workforce recruitment and retention; and

(6) determining the amount of resources that will be needed to support hospitals in implementing the transformation initiatives developed as a result of the engagement process.

(c) On or before January 15, 2023, the Green Mountain Care Board shall provide an update on the community engagement process established in this

section to the House Committees on Health Care and on Human Services and the Senate Committees on Health and Welfare and on Finance.

Sec. 3. PAYMENT AND DELIVERY SYSTEM REFORM;
APPROPRIATIONS

(a) The sum of \$900,000.00 is appropriated from the General Fund to the Agency of Human Services in fiscal year 2023 to support the work of the Director of Health Care Reform as set forth in Secs. 1 and 2 of this act, including hiring consultants as needed to assist the Director in carrying out the provisions of those sections.

(b) The sum of \$4,100,000.00 is appropriated from the General Fund to the Green Mountain Care Board in fiscal year 2023 to support the work of the Board as set forth in Secs. 1 and 2 of this act, including hiring consultants as needed to assist the Board in carrying out the provisions of those sections.