

1 TO THE HONORABLE SENATE:

2 The Committee on Health and Welfare to which was referred Senate Bill
3 No. 285 entitled “An act relating to expanding the Blueprint for Health and
4 access to home- and community-based services” respectfully reports that it has
5 considered the same and recommends that the bill be amended by striking out
6 all after the enacting clause and inserting in lieu thereof the following:

7 * * * Payment and Delivery System Reform * * *

8 Sec. 1. HOSPITAL **GLOBAL VALUE-BASED** PAYMENT DESIGN;
9 DATA COLLECTION AND ANALYSIS; APPROPRIATIONS;
10 REPORT

11 (a) The sum of \$1,400,000.00 is appropriated from the General Fund to the
12 Green Mountain Care Board in fiscal year 2023 to engage one or more
13 consultants to assist the Board to:

14 (1) develop a process, consistent with 18 V.S.A. § 9375(b)(1) and
15 including the meaningful participation of health care providers, payers, and
16 other stakeholders in all stages of the development, for establishing and
17 distributing value-based payments, including global payments, from all payers
18 to Vermont hospitals that will:

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

20 (B) provide hospitals with predictable, sustainable funding that is
21 aligned across multiple payers, consistent with the principles set forth in 18

1 V.S.A. § 9371, and sufficient to enable the hospitals to deliver high-quality,
2 affordable health care services to patients; and

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

5 (2) determine how best to incorporate value-based payments, including
6 hospital global payments, into the Board’s hospital budget review, accountable
7 care organization certification and budget review, and other regulatory
8 processes, including assessing the impacts of regulatory processes on the
9 financial sustainability of Vermont hospitals and identifying potential
10 opportunities to use regulatory processes to improve hospitals’ financial health;
11 and

12 (3) recommend a methodology for determining the allowable rate of
13 growth in Vermont hospital budgets, which may include the use of national
14 and regional indicators of growth in the health care economy and other
15 appropriate benchmarks, such as the Hospital Producer Price Index, Medical
16 Consumer Price Index, bond-rating metrics, and labor cost indicators.

17 (b)(1) On or before November 1, 2022, the Green Mountain Care Board
18 shall provide an update on its use of the funds appropriated in this section to
19 the Health Reform Oversight Committee.

20 (2) On or before January 15, 2023, the Green Mountain Care Board
21 shall report on its use of the funds appropriated in this section to the House

1 Committee on Health Care and the Senate Committees on Health and Welfare
2 and on Finance.

3 Sec. 2. HEALTH CARE DELIVERY SYSTEM TRANSFORMATION;
4 COMMUNITY ENGAGEMENT; APPROPRIATIONS; REPORT

5 (a) The sum of \$2,500,000.00 is appropriated from the General Fund to the
6 Green Mountain Care Board in fiscal year 2023 to engage one or more
7 consultants with expertise in community engagement, preferably with
8 experience in working with a diverse, rural population, and one or more
9 consultants with expertise in health system design to assist the Board, in
10 consultation with the Director of Health Care Reform in the Agency of Human
11 Services, to build on successful health care delivery **system** reform efforts by:

12 (1) facilitating a patient-focused, community-inclusive plan for
13 Vermont’s health care delivery system to reduce inefficiencies, lower costs,
14 improve population health outcomes, and increase access to essential services,
15 including both providing the analytics to support delivery system
16 transformation and leading the broad-based community engagement process;
17 and

18 (2) providing support and technical assistance to hospitals and
19 communities to facilitate planning for delivery system reform and
20 transformation initiatives.

21 (b) The community engagement process shall:

1 (1) include hearing from and sharing information, trends, and insights
2 with communities about the current state of the health care providers in their
3 hospital service area, unmet health care needs in their community, and
4 opportunities to address those needs; and

5 (2) provide opportunities at all stages of the process for meaningful
6 participation by employers; consumers; health care professionals and health
7 care providers, including those providing primary care services; Vermonters
8 who have direct experience with all aspects of Vermont’s health care system;
9 and Vermonters who are diverse with respect to race, income, age, and
10 disability status.

11 (c) The Green Mountain Care Board shall use a portion of the funds
12 appropriated in subsection (a) of this section to contract with a current or
13 recently retired primary care provider to assist the Board in assessing and
14 strengthening the role of primary care in its regulatory processes and to inform
15 the Board’s efforts in payment reform and delivery system transformation from
16 a primary care perspective.

17 (d)(1) On or before November 1, 2022, the Green Mountain Care Board
18 shall provide an update on its use of the funds appropriated in this section to
19 the Health Reform Oversight Committee.

20 (2) On or before January 15, 2023, the Green Mountain Care Board
21 shall report on its use of the funds appropriated in this section to the House

1 Committee on Health Care and the Senate Committees on Health and Welfare
2 and on Finance.

3 **(e)(1) On or before January 15, 2024, the Director of Health Care**
4 **Reform in the Agency of Administration shall report to the House**
5 **Committees on Health Care, on Human Services, and on Appropriations**
6 **and the Senate Committees on Health and Welfare, on Finance, and on**
7 **Appropriations the amount of State funding that would be necessary for**
8 **Vermont’s community-based health care and social service providers to**
9 **effectively implement the plan developed pursuant to subsection (a) of this**
10 **section as it relates to community providers and to provide the**
11 **appropriate level of services to consumers.**

12 **(2) For purposes of this section, “community-based health care and**
13 **social service providers” includes federally qualified health centers,**
14 **designated and specialized service agencies, home health agencies, area**
15 **agencies on aging, adult day providers, residential care homes, nursing**
16 **homes, providers of services addressing homelessness, and community**
17 **action agencies.**

18 **Sec. 3. DEVELOPMENT OF PROPOSAL FOR SUBSEQUENT**

19 **ALL-PAYER MODEL AGREEMENT; APPROPRIATION**

20 **(a)(1) The Director of Health Care Reform in the Agency of Human**
21 **Services, in collaboration with the Green Mountain Care Board, shall**

1 **design and develop a proposal for a subsequent agreement with the**
2 **Centers for Medicare and Medicaid Innovation to secure Medicare’s**
3 **continued participation in multi-payer alternative payment models in**
4 **Vermont. The proposal shall be informed by the community- and**
5 **provider-inclusive process set forth in Sec. 2 of this act and designed to**
6 **reduce inefficiencies, lower costs, improve population health outcomes,**
7 **and increase access to essential services.**

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

14 **(3)(A) The alternative payment models to be explored shall include,**
15 **at a minimum:**

- 16 **(i) global payments for hospitals;**
17 **(ii) geographically or regionally based global budgets for**
18 **health care services;**
19 **(iii) existing federal value-based payment models; and**
20 **(iv) broader total cost of care and risk-sharing models to**
21 **address patient migration patterns across systems of care.**

- 1 **(B) The alternative payment models shall:**
- 2 **(i) include appropriate mechanisms to convert fee-for-service**
- 3 **reimbursements to predictable payments for multiple provider types,**
- 4 **including those described in subdivision (2) of this subsection (a):**
- 5 **(ii) include a process to ensure reasonable and adequate rates**
- 6 **of payment and a reasonable and predictable schedule for rate updates;**
- 7 **and**
- 8 **(iii) meaningfully impact health equity and address inequities**
- 9 **in terms of access, quality, and health outcomes.**
- 10 **(b) To support the design and development of a proposed agreement**
- 11 **with the Centers for Medicare and Medicaid Innovation for Medicare’s**
- 12 **participation in multi-payer initiatives, which may include engaging**
- 13 **consulting and analytic support, the following sums are appropriated**
- 14 **from the General Fund in fiscal year 2023:**
- 15 **(1) \$550,000.00 to the Agency of Human Services; and**
- 16 **(2) \$550,000.00 to the Green Mountain Care Board.**

17 Sec. 4. HEALTH INFORMATION EXCHANGE STEERING

18 COMMITTEE; DATA STRATEGY

19 (a) The Health Information Exchange (HIE) Steering Committee shall

20 continue its work to create one health record for each person that integrates

21 data types to include health care claims data; clinical, mental health, and

1 substance use disorder services data; and social determinants of health data. In
2 furtherance of these goals, the HIE Steering Committee shall include a data
3 integration strategy in its 2023 HIE Strategic Plan to merge and consolidate
4 claims data in the Vermont Health Care Uniform Reporting and Evaluation
5 System (VHCURES) with the clinical data in the HIE.

6 (b) The sum of \$500,000.00 is appropriated from the General Fund to the
7 Agency of Human Services in fiscal year 2023 to support the work of the
8 Agency and the Department of Vermont Health Access as set forth in
9 subsection (a) of this section.

10 Sec. 5. 18 V.S.A. § 9410 is amended to read:

11 § 9410. HEALTH CARE DATABASE

12 (a)(1) The Board shall establish and maintain a unified health care database
13 to enable the Board to carry out its duties under this chapter, chapter 220 of
14 this title, and Title 8, including:

15 (A) determining the capacity and distribution of existing resources;

16 (B) identifying health care needs and informing health care policy;

17 (C) evaluating the effectiveness of intervention programs on

18 improving patient outcomes;

19 (D) comparing costs between various treatment settings and

20 approaches;

1 (E) providing information to consumers and purchasers of health
2 care; and

3 (F) improving the quality and affordability of patient health care and
4 health care coverage.

5 (2) [Repealed.]

6 (b) The database shall contain unique patient and provider identifiers and a
7 uniform coding system; and shall reflect all health care utilization, costs, and
8 resources in this State; and health care utilization and costs for services
9 provided to Vermont residents in another state.

10 * * *

11 (e) ~~Records or information protected by the provisions of the physician-~~
12 ~~patient privilege under 12 V.S.A. § 1612(a), or otherwise required by law to be~~
13 ~~held confidential, shall be filed in a manner that does not disclose the identity~~
14 ~~of the protected person. [Repealed.]~~

15 (f) The Board shall adopt a confidentiality code to ensure that information
16 obtained under this section is handled in an ethical manner.

17 * * *

18 (h)(1) All health insurers shall electronically provide to the Board in
19 accordance with standards and procedures adopted by the Board by rule:

20 (A) their health insurance claims data, provided that the Board may
21 exempt from all or a portion of the filing requirements of this subsection data

1 reflecting utilization and costs for services provided in this State to residents of
2 other states;

3 (B) cross-matched claims data on requested members, subscribers, or
4 policyholders; and

5 (C) member, subscriber, or policyholder information necessary to
6 determine ~~third party~~ third-party liability for benefits provided.

7 (2) The collection, storage, and release of health care data and statistical
8 information that are subject to the federal requirements of the Health Insurance
9 Portability and Accountability Act (HIPAA) shall be governed exclusively by
10 the regulations adopted thereunder in 45 C.F.R. Parts 160 and 164.

11 * * *

12 (3)(A) The Board shall collaborate with the Agency of Human Services
13 and participants in the Agency’s initiatives in the development of a
14 comprehensive health care information system. The collaboration is intended
15 to address the formulation of a description of the data sets that will be included
16 in the comprehensive health care information system, the criteria and
17 procedures for the development of limited-use data sets, the criteria and
18 procedures to ensure that HIPAA compliant limited-use data sets are
19 accessible, and a proposed time frame for the creation of a comprehensive
20 health care information system.

1 **primary care services to Vermonters and to sustain access to primary care**
2 **services in Vermont.** Such increases shall be reflected in health insurers' plan
3 year 2024 rate filings if the increases cannot be implemented in a rate-neutral
4 manner. The Agency shall also provide an estimate of the State funding that
5 would be needed to support the increase for Medicaid, both with and without
6 federal financial participation.

7 * * * Options for Extending Moderate Needs Supports * * *

8 Sec. 8. OPTIONS FOR EXTENDING MODERATE NEEDS SUPPORTS;
9 WORKING GROUP; GLOBAL COMMITMENT WAIVER;
10 REPORT

11 (a) The Department of Disabilities, Aging, and Independent Living shall
12 convene a working group comprising representatives of older Vermonters,
13 home- and community-based service providers, the Office of the Long-Term
14 Care Ombudsman, the Agency of Human Services, and other interested
15 stakeholders to consider extending access to long-term home- and community-
16 based services and supports to a broader cohort of Vermonters who would
17 benefit from them, and their family caregivers, including:

18 (1) the types of services, such as those addressing activities of daily
19 living, falls prevention, social isolation, medication management, and case
20 management that many older Vermonters need but for which many older

1 Vermonters may not be financially eligible or that are not covered under many
2 standard health insurance plans;

3 (2) the most promising opportunities to extend supports to additional
4 Vermonters, such as expanding the use of flexible funding options that enable
5 beneficiaries and their families to manage their own services and caregivers
6 within a defined budget and allowing case management to be provided to
7 beneficiaries who do not require other services;

8 (3) how to set clinical and financial eligibility criteria for the extended
9 supports, including ways to avoid requiring applicants to spend down their
10 assets in order to qualify;

11 (4) how to fund the extended supports, including identifying the options
12 with the greatest potential for federal financial participation;

13 (5) how to proactively identify Vermonters across all payers who have
14 the greatest need for extended supports;

15 (6) how best to support family caregivers, such as through training,
16 respite, home modifications, payments for services, and other methods; and

17 (7) the feasibility of extending access to long-term home- and
18 community-based services and supports and the impact on existing services.

19 **(b) The working group shall also make recommendations regarding**
20 **changes to service delivery for persons who are dually eligible for**

1 **Medicaid and Medicare in order to improve care, expand options, and**
2 **reduce unnecessary cost shifting and duplication.**

3 (c) The Department shall collaborate with others in the Agency of Human
4 Services as needed in order to incorporate the working group’s
5 recommendations **on extending access to long-term home- and community-**
6 **based services and supports** into the Agency’s proposals to and negotiations
7 with the Centers for Medicare and Medicaid Services for the iteration of
8 Vermont’s Global Commitment to Health Section 1115 demonstration that will
9 take effect following the expiration of the demonstration currently under
10 negotiation.

11 (d) On or before January 15, 2023, the Department shall report to the
12 House Committees on Human Services, on Health Care, and on Appropriations
13 and the Senate Committees on Health and Welfare and on Appropriations
14 regarding the working group’s findings and recommendations, including **its**
15 **recommendations regarding service delivery for dually eligible**
16 **individuals, and** an estimate of any funding that would be needed to
17 implement **those the working group’s** recommendations.

18 * * * Summaries of Green Mountain Care Board Reports * * *

19 Sec. 9. 18 V.S.A. § 9375 is amended to read:

20 § 9375. DUTIES

21 * * *

