

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Health Care to which was referred House Bill No. 498
3 entitled “An act relating to the Green Mountain Care Board’s duties and
4 reappointment processes” respectfully reports that it has considered the same
5 and recommends that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 * * * Report on Impact of Prescription Drug Costs on Premiums * * *

8 Sec. 1. 18 V.S.A. § 4636 is amended to read:

9 § 4636. IMPACT OF PRESCRIPTION DRUG COSTS ON HEALTH
10 INSURANCE PREMIUMS; REPORT

11 (a)(1) ~~Each~~ On or before April 1 of each year, each health insurer with
12 more than 1,000 covered lives in this State for major medical health insurance
13 shall report to the Green Mountain Care Board; for all covered prescription
14 drugs, including generic drugs, brand-name drugs, and specialty drugs,
15 provided in an outpatient setting or sold in a retail setting during the previous
16 calendar year:

17 * * *

18 (c) The Board shall publish the report required pursuant to subsection (b) of
19 this section on its website on or before ~~January~~ June 1 of each year.

1 * * * Green Mountain Care Board; Nomination and Appointment * * *

2 Sec. 2. 18 V.S.A. § 9374(b) is amended to read:

3 (b)(1) ~~The initial term of the Chair shall be seven years, and the term of~~
4 each member, including the Chair, shall be six years ~~thereafter.~~

5 (2) ~~The term of each member other than the Chair shall be six years,~~
6 ~~except that of the members first appointed, one each shall serve a term of three~~
7 ~~years, four years, five years, and six years. [Repealed.]~~

8 (3) ~~Subject to the nomination and appointment process, a~~ A member
9 may serve more than one term.

10 (A) A Chair who wishes to serve another term upon the expiration of
11 the Chair’s current term shall seek reappointment pursuant to subdivision
12 9391(b)(1) of this title.

13 (B) A member other than the Chair who wishes to serve another term
14 upon the expiration of the member’s current term may either be reappointed by
15 the Governor pursuant to subdivision 9391(b)(2)(A) of this title or shall seek
16 reappointment pursuant to subdivision 9391(b)(2)(B) of this title.

17 (4) Members of the Board may be removed only for cause. The Board
18 shall adopt rules pursuant to 3 V.S.A. chapter 25 to define the basis and
19 process for removal.

1 Sec. 3. 18 V.S.A. § 9390 is amended to read:

2 § 9390. GREEN MOUNTAIN CARE BOARD NOMINATING

3 COMMITTEE CREATED; COMPOSITION

4 * * *

5 (f) ~~The Board is authorized to use the staff and services of appropriate State~~
6 ~~agencies and departments as necessary to conduct investigations of applicants~~
7 The Committee shall have the administrative, technical, and legal assistance of
8 the Department of Human Resources.

9 Sec. 4. 18 V.S.A. § 9391 is amended to read:

10 § 9391. NOMINATION AND APPOINTMENT PROCESS

11 (a)(1) Whenever a vacancy occurs on the Green Mountain Care Board, or
12 when an incumbent ~~does not declare that he or she will be a candidate to~~
13 ~~succeed himself or herself~~ declares that the incumbent does not wish to serve
14 another term upon the expiration of the member's current term, the Green
15 Mountain Care Board Nominating Committee shall select for consideration by
16 the Committee, by majority vote, provided that a quorum is present, from the
17 applications for membership on the Green Mountain Care Board as many
18 candidates as it deems qualified for the position or positions to be filled. The
19 Committee shall base its determinations on the qualifications set forth in
20 section 9392 of this section.

1 ~~(b)(2)~~ The Committee shall submit to the Governor the names of the
2 persons it deems qualified to be appointed to fill the position or positions ~~and~~
3 ~~the name of any incumbent who declares that he or she wishes to be a~~
4 ~~candidate to succeed himself or herself.~~

5 (b)(1) If an incumbent Chair expresses interest in serving another term
6 upon the expiration of the Chair’s current term, the Committee shall submit to
7 the Governor the names of the persons it deems qualified to be appointed to fill
8 the position as set forth in subsection (a) of this section, which shall include the
9 name of the incumbent Chair.

10 (2) If an incumbent member other than the Chair expresses interest in
11 serving another term upon the expiration of the member’s current term, the
12 Governor may either:

13 (A) reappoint the member for another term; or

14 (B) request that the Committee submit to the Governor the names of
15 the persons it deems qualified to be appointed to fill the position as set forth in
16 subsection (a) of this section, which shall include the name of the incumbent.

17 (c) The Governor shall make an appointment to the Green Mountain Care
18 Board from the list of qualified candidates submitted pursuant to subsection (a)
19 or (b) of this section, as applicable, unless reappointing an incumbent member
20 in accordance with subdivision (b)(2)(A) of this section. The appointment All

1 appointments shall be subject to the consent of the Senate. The names of
2 candidates submitted and not selected shall remain confidential.

3 (d) All proceedings of the Committee, including the names of candidates
4 considered by the Committee and information about any candidate submitted
5 by any source, shall be confidential.

6 * * * Green Mountain Care Board Billback * * *

7 Sec. 5. 18 V.S.A. § 9374(h) is amended to read:

8 (h)(1) ~~The Board may assess and collect from each regulated entity the~~
9 ~~actual costs incurred by the Board, including staff time and contracts for~~
10 ~~professional services, in carrying out its regulatory duties for health insurance~~
11 ~~rate review under 8 V.S.A. § 4062; hospital budget review under chapter 221,~~
12 ~~subchapter 7 of this title; and accountable care organization certification and~~
13 ~~budget review under section 9382 of this title. The Board may also assess and~~
14 ~~collect from general hospitals licensed under chapter 43 of this title expenses~~
15 ~~incurred by the Commissioner of Health in administering hospital community~~
16 ~~reports under section 9405b of this title. [Repealed.]~~

17 (2)(A) ~~In addition to the assessment and collection of actual costs~~
18 ~~pursuant to subdivision (1) of this subsection and except Except as otherwise~~
19 ~~provided in subdivisions (2)(C) and subdivision (3) of this subsection and in~~
20 ~~section 9441 of this title, all other expenses of the Board shall be borne as~~
21 follows:

1 (i) 40 percent by the State from State monies;

2 (ii) 30 percent by the hospitals;

3 (iii) 24 percent by nonprofit hospital and medical service

4 corporations licensed under 8 V.S.A. chapter 123 or 125, health insurance

5 companies licensed under 8 V.S.A. chapter 101, and health maintenance

6 organizations licensed under 8 V.S.A. chapter 139; and

7 (iv) six percent by accountable care organizations certified under
8 section 9382 of this title.

9 (B) Expenses under subdivision (A)(iii) of this subdivision (2) shall
10 be allocated to persons licensed under Title 8 based on premiums paid for
11 health care coverage, which for the purposes of this subdivision (2) shall
12 include major medical, comprehensive medical, hospital or surgical coverage,
13 and comprehensive health care services plans, but shall not include long-term
14 care, limited benefits, disability, credit or stop loss, or excess loss insurance
15 coverage.

16 ~~(C) Expenses incurred by the Board for regulatory duties associated~~
17 ~~with certificates of need shall be assessed pursuant to the provisions of section~~
18 ~~9441 of this title and not in accordance with the formula set forth in~~
19 ~~subdivision (A) of this subdivision (2).~~

20 (3) The Board may determine the scope of the incurred expenses to be
21 allocated pursuant to the formula set forth in subdivision (2) of this subsection

1 if, in the Board’s discretion, the expenses to be allocated are in the best
2 interests of the regulated entities and of the State. Instead of the allocations set
3 forth in subdivisions (2)(A)(ii) through (2)(A)(iv) of this subsection, the Board
4 may assess and collect from each regulated entity up to 60 percent of the actual
5 costs incurred by the Board, including staff time and contracts for professional
6 services, in carrying out its regulatory duties for health insurance rate review
7 under 8 V.S.A. § 4062; hospital budget review under chapter 221, subchapter 7
8 of this title; and accountable care organization certification and budget review
9 under section 9382 of this title. The Board may also assess and collect from
10 general hospitals licensed under chapter 43 of this title expenses incurred by
11 the Commissioner of Health in administering hospital community reports
12 under section 9405b of this title.

13 * * *

14 * * * Expenditure Analysis * * *

15 Sec. 6. 18 V.S.A. § 9383(c) is amended to read:

16 (c) Annually on or before ~~January 15~~ April 30, the Board shall submit the
17 expenditure analysis and the estimate of future health care spending to the
18 House Committees on Appropriations, on Health Care, and on Human Services
19 and the Senate Committees on Appropriations, on Health and Welfare, and on
20 Finance.

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

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

* * *

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

(A) their health insurance claims data, provided that the Board may exempt from all or a portion of the filing requirements of this subsection data reflecting utilization and costs for services provided in this State to residents of other states;

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

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

(2) The collection, storage, and release of health care data and statistical information that are subject to the federal requirements of the Health Insurance

1 Portability and Accountability Act (HIPAA) shall be governed exclusively by
2 the regulations adopted thereunder in 45 C.F.R. Parts 160 and 164.

3 * * *

4 (3)(A) The Board shall collaborate with the Agency of Human Services
5 and participants in the Agency’s initiatives in the development of a
6 comprehensive health care information system. The collaboration is intended
7 to address the formulation of a description of the data sets that will be included
8 in the comprehensive health care information system, the criteria and
9 procedures for the development of limited-use data sets, the criteria and
10 procedures to ensure that HIPAA compliant limited-use data sets are
11 accessible, and a proposed time frame for the creation of a comprehensive
12 health care information system.

13 (B) To the extent allowed by HIPAA, the data shall be available as a
14 resource for insurers, employers, providers, purchasers of health care, and
15 State agencies to continuously review health care utilization, expenditures, and
16 performance in Vermont. In presenting data for public access, comparative
17 considerations shall be made regarding geography, demographics, general
18 economic factors, and institutional size.

19 (C) Consistent with the dictates of HIPAA, and subject to such terms
20 and conditions as the Board may prescribe by rule, the Vermont Program for
21 Quality in Health Care shall have access to the unified health care database for

1 use in improving the quality of health care services in Vermont. In using the
2 database, the Vermont Program for Quality in Health Care shall agree to abide
3 by the rules and procedures established by the Board for access to the data.
4 The Board’s rules may limit access to the database to limited-use sets of data
5 as necessary to carry out the purposes of this section.

6 (D) Notwithstanding HIPAA or any other provision of law, the
7 comprehensive health care information system shall not publicly disclose any
8 data that contain direct personal identifiers. For the purposes of this section,
9 “direct personal identifiers” include information relating to an individual that
10 contains primary or obvious identifiers, such as the individual’s name, street
11 address, e-mail address, telephone number, and Social Security number.

12 * * *

13 * * * Conditional Approval of Hospital Budgets * * *

14 Sec. 8. 18 V.S.A. § 9456(d) is amended to read:

15 (d)(1) Annually, the Board shall establish a budget for each hospital on or
16 before September 15, subject to such conditions as the Board may impose that
17 are consistent with subsections (b) and (c) of this section and in furtherance of
18 the purposes of this subchapter, followed by a written decision by October 1.

19 Each hospital shall operate within the budget established under this section and
20 comply with the conditions imposed by the Board.

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* * * Effective Date * * *

Sec. 9. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

(Committee vote: _____)

Representative _____

FOR THE COMMITTEE