

1 TO THE HONORABLE SENATE:

2 The Committee on Health and Welfare to which was referred Senate Bill
3 No. 120 entitled “An act relating to the Joint Legislative Health Care
4 Affordability Study Committee” respectfully reports that it has considered the
5 same and recommends that the bill be amended by striking out all after the
6 enacting clause and inserting in lieu thereof the following:

7 * * * **Commission** on Affordable, Accessible Health Care * * *

8 Sec. 1. FINDINGS

9 The General Assembly finds that:

10 (1) The COVID-19 pandemic has caused significant job losses, with
11 women especially impacted, likely causing a significant negative impact on the
12 number of Vermonters without health insurance and placing greater financial
13 strains on those who are underinsured.

14 (2) Many Vermonters who have health insurance are still exposed to
15 high out-of-pocket costs through their plans’ co-payment, coinsurance, and
16 deductible requirements, in addition to ever-increasing premium rates.
17 Currently, a family of four earning more than \$105,000.00 per year who are
18 enrolled in a silver plan through the Vermont Health Benefit Exchange may
19 pay as much as \$44,000.00 per year for health care between their health
20 insurance premiums and out-of-pocket costs. In some instances, an individual
21 or family may have health insurance but not be able to afford to receive

1 necessary health care services because of the out-of-pocket costs associated
2 with their plan. Others who lack coverage or who are underinsured and
3 receive necessary health care services find themselves saddled with substantial
4 medical debt.

5 **(3) The ever-increasing cost of prescription drugs continues to**
6 **significantly increase the cost of health insurance and limit individuals'**
7 **ability to access care and treatment.**

8 (4) Employers across the State, including local municipalities and
9 school districts, small businesses, and community organizations, face
10 significant and persistent budget pressures due to the increasing cost of health
11 care coverage for their employees.

12 (5) Hundreds of Vermonters lack access to any health insurance
13 coverage due to their citizenship or immigration status, and many younger
14 adults cannot afford to purchase adequate health insurance coverage.

15 (6) Vermont is facing a significant shortage of health care providers,
16 especially primary care physicians and nursing professionals, in many areas of
17 the State.

18 (7) The Biden Administration has indicated interest in using its
19 demonstration and waiver authorities to partner with states to pursue certain
20 reforms that cannot be accomplished through Congress. The Administration

1 has signaled that it may be open to working with interested states to test
2 strategies such as an expanded public option for health coverage.

3 Sec. 2. **COMMISSION ON AFFORDABLE, ACCESSIBLE HEALTH**
4 **CARE**; REPORT

5 (a) Creation. There is created the Commission on Affordable, Accessible
6 Health Care to explore opportunities to make health care more affordable for
7 Vermont residents and employers.

8 (b) Membership. The Committee shall be composed of the following six
9 members:

10 (1) three current members of the House of Representatives, not all from
11 the same political party, who shall be appointed by the Speaker of the House;
12 and

13 (2) three current members of the Senate, not all from the same political
14 party, who shall be appointed by the Committee on Committees.

15 (c) Powers and duties. The Committee shall explore opportunities to make
16 health care, including prescription drugs, more affordable for Vermont
17 residents and employers, including identifying potential opportunities to
18 leverage federal flexibility and financing and to expand existing public health
19 care programs. The Committee shall consider the following:

1 (1) the long-term trends in out-of-pocket costs in Vermont in individual
2 and small group health insurance plans and in large group health insurance
3 plans;

4 (2) the efficacy of Vermont’s All Payer Accountable Care Organization
5 Model and the changes to the Model that would be necessary to make health
6 care more affordable for Vermonters or whether an alternative model may be
7 more effective **how alignment of Medicaid, Medicare, and private**
8 **insurance patient care management rules and guidelines affect access to**
9 **and affordability of care, including access to referrals for extended care,**
10 **counseling, and social services;**

11 (3) the extent to which Vermont’s uninsured rate may have increased
12 during the COVID-19 pandemic and the specific causes of any such increase;

13 (4) opportunities to decrease health care disparities, especially those
14 highlighted by the COVID-19 pandemic and those attributable to a lack of
15 access to affordable health care services;

16 **(5) the findings and recommendations from previous studies and**
17 **analyses relating to the affordability of health care coverage in Vermont;**
18 **and**

19 (6) opportunities made available by the Biden Administration to expand
20 access to affordable health care through existing public health care programs or
21 through the creation of new or expanded public option programs, including the

1 potential for expanding Medicare to cover individuals between 50 and 64 years
2 of age and for expanding Vermont’s Dr. Dynasaur program to cover
3 individuals up to 26 years of age to align with the young adult coverage under
4 the Affordable Care Act.

5 (d) Public engagement. In order to gain a fuller understanding of the
6 impact of health care affordability issues on Vermont residents, the Committee
7 shall:

8 (1) Solicit input from a wide range of stakeholders, including health care
9 providers; health care administrators; Vermonters who lack health insurance or
10 who have inadequate health coverage; employers; labor unions; members of
11 the New American and Black, Indigenous, and People of Color communities;
12 Vermonters with low income; and older Vermonters.

13 (2) Beginning on or before September 15, 2021, hold not less than eight
14 public hearings, each in a different Vermont county, to gather information
15 from stakeholders and other members of the public. Public hearings may be
16 held in person or by remote means. Each public hearing shall begin with a
17 panel discussion involving Committee members and local stakeholders
18 selected by the Committee and shall include an opportunity for public
19 testimony. A summary of the findings from these field hearings shall be
20 included as an appendix to the Committee’s report.

1 (e) Assistance. The Committee, through the Joint Fiscal Office, shall hire a
2 consultant to coordinate the Committee’s work. In addition, the Committee
3 shall have the administrative, technical, and legal assistance of the Office of
4 Legislative Operations, the Office of Legislative Counsel, and the Joint Fiscal
5 Office.

6 (f) Report. On or before January 15, 2022, the Committee shall present to
7 the General Assembly its findings and recommendations regarding the most
8 cost-effective ways to expand access to affordable health care for Vermonters
9 without health insurance and those facing high health care costs and the
10 various options available to implement these recommendations.

11 (g) Meetings.

12 (1) The first meeting of the Committee shall occur on or before July 1,
13 2021.

14 (2) The Committee shall select House and Senate co-chairs from among
15 its members at its first meeting. The Co-Chairs shall alternate acting as Chair
16 at Committee meetings.

17 (3) A majority of the Committee’s membership shall constitute a
18 quorum.

19 (4) The Committee shall cease to exist on January 15, 2022.

20 (h) Compensation and reimbursement. For attendance at meetings during
21 adjournment of the General Assembly, the members of the Committee shall be

1 entitled to per diem compensation and reimbursement of expenses pursuant to
2 2 V.S.A. § 23 for not more than 12 meetings. These payments shall be made
3 from monies appropriated to the General Assembly.

4 (i) Appropriation. The sum of \$175,000.00 is appropriated to the Joint
5 Fiscal Office from the General Fund in fiscal year 2022 for a consultant to
6 coordinate the activities of the Committee and to cover related costs of
7 actuarial analyses, research meetings, and the per diem compensation and
8 reimbursement of expenses for members of the Committee.

9 * * * Accountable Care Organizations; Data Collection;

10 Access to Records * * *

11 Sec. 3. 18 V.S.A. § 9574 is added to read: **(S.132, Sec. 5)**

12 § 9574. DATA COLLECTION AND ANALYSIS

13 (a) An accountable care organization shall collect and analyze clinical data
14 regarding patients' age, health condition or conditions, health care services
15 received, and clinical outcomes in order to determine the quality of the care
16 provided to its attributed patients, implement targeted quality improvement
17 measures, and ensure proper care coordination and delivery across the
18 continuum of care.

19 (b) An accountable care organization shall provide the results of its quality
20 analyses pursuant to subsection (a) of this section to the Green Mountain
21 Board ~~to enable the Board to determine the amounts of the ACO's value based~~

1 ~~payments to participating providers in accordance with subsection 9384(a) of~~
2 ~~this title and to calculate appropriate allocations of shared savings for~~
3 ~~distribution among participating providers in accordance with subsection~~
4 ~~9384(b) of this title.~~

5 Sec. 4. 18 V.S.A. § 9575 is added to read: **(S.132, Sec. 6)**

6 § 9575. ACCESS TO RECORDS

7 An accountable care organization certified pursuant to section 9382 of this
8 title shall make available to the Office of the Auditor of Accounts all records
9 of the accountable care organization, and any affiliated entity, that the Auditor,
10 in his or her discretion and upon his or her request, determines are needed to
11 enable the Office of the Auditor of Accounts to audit the accountable care
12 organization's financial statements, receipt and use of federal and State
13 monies, and performance as set forth in 32 V.S.A. § 163.

14 * * * Pharmacy Benefit Managers; 340B Entities * * * **(NEW)**

15 Sec. 5. 18 V.S.A. § 9473 is amended to read:

16 § 9473. PHARMACY BENEFIT MANAGERS; REQUIRED PRACTICES
17 WITH RESPECT TO PHARMACIES

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(d) A pharmacy benefit manager shall not:

(1) create any additional requirements or restrictions on a 340B entity on the basis of the entity’s direct or indirect participation in the 340B drug discount program;

(2) require a claim for a drug to include a modifier to indicate that the drug is a 340B drug unless the claim is for payment, directly or indirectly, by Medicaid; or

(3) restrict access to a pharmacy network or adjust reimbursement rates based on a pharmacy’s participation in a 340B contract pharmacy arrangement.

* * * State Health Improvement Plan * * *

Sec. 6. 18 V.S.A. § 9405(a) is amended to read: **(S.132, Sec. 15)**

(a) The ~~Secretary of Human Services or designee~~ Commissioner of Health, in consultation with the Chair of the Green Mountain Care Board and health care professionals and after receipt of public comment, shall adopt a State Health Improvement Plan that sets forth the health goals and values for the State. The ~~Secretary~~ Commissioner may amend the Plan as the ~~Secretary~~ Commissioner deems necessary and appropriate. The Plan shall include health promotion, health protection, nutrition, and disease prevention priorities for the State; identify available human resources as well as human resources needed for achieving the State’s health goals and the planning required to meet those

1 needs; identify gaps in ensuring equal access to appropriate mental health care
2 that meets standards of quality, access, and affordability equivalent to other
3 components of health care as part of an integrated, holistic system of care; and
4 identify geographic parts of the State needing investments of additional
5 resources in order to improve the health of the population. Copies of the Plan
6 shall be submitted to members of the Senate Committee on Health and Welfare
7 and the House Committee on Health Care.

8 Sec. 7. STATE HEALTH IMPROVEMENT PLAN; REPORT **(NEW)**

9 On or before January 15, 2022, the Commissioner of Health shall submit
10 copies of the current State Health Improvement Plan, along with any updates to
11 the Plan and a timeline for adoption of a new State Health Improvement Plan,
12 to the House Committees on Health Care and on Human Services and the
13 Senate Committee on Health and Welfare.

14 * * * Additional Reports * * *

15 Sec. 8. GREEN MOUNTAIN CARE BOARD; HEALTH INSURANCE;

16 ADMINISTRATIVE EXPENSES; REPORT **(S.132, Sec. 16)**

17 On or before January 15, 2022, the Green Mountain Care Board shall
18 provide to the House Committee on Health Care and the Senate Committees on
19 Health and Welfare and on Finance an analysis of the increases in health
20 insurers' administrative expenses over the most recent five-year period for

1 which information is available and a comparison of those increases with
2 increases in the Consumer Price Index.

3 Sec. 9. ACCOUNTABLE CARE ORGANIZATIONS; CARE
4 COORDINATION; REPORT **(S.132, Sec. 18)**

5 On or before January 15, 2022, each accountable care organization certified
6 pursuant to 18 V.S.A. § 9382 shall provide to the House Committee on Health
7 Care and the Senate Committee on Health and Welfare a description of the
8 accountable care organization’s initiatives to connect primary care practices
9 with social service providers, including the specific individuals or position
10 titles responsible for carrying out these care coordination efforts.

11 Sec. 10. PRIMARY CARE VISITS; COST-SHARING; REPORTS **(S.132,**
12 **Sec. 19)**

13 (a) On or before January 15, 2022, the Department of Vermont Health
14 Access, in consultation with the Department of Financial Regulation, health
15 insurers, and other interested stakeholders, shall provide to the House
16 Committee on Health Care and the Senate Committees on Health and Welfare
17 and on Finance an analysis of the likely impacts on qualified health plans,
18 patients, providers, health insurance premiums, and population health of
19 requiring individual and small group health insurance plans to provide each
20 insured with at least two primary care visits per year with no cost-sharing
21 requirements.

1 (b) On or before January 15, 2022, the Green Mountain Care Board, in
2 consultation with the Departments of Financial Regulation and of Human
3 Resources, health insurers, and other interested stakeholders, shall provide to
4 the House Committee on Health Care and the Senate Committees on Health
5 and Welfare and on Finance an analysis of the likely impacts on patients,
6 providers, health insurance premiums, and population health of requiring large
7 group health insurance plans, including the plans offered to State employees
8 and to school employees, to provide each insured with at least two primary
9 care visits per year with no cost-sharing requirements.

*** Effective Date ***

11 Sec. 11. EFFECTIVE DATE

12 This act shall take effect on passage, **except that Sec. 5 (18 V.S.A. § 9473;**
13 **pharmacy benefit managers; 340B entities) shall take effect on January 1,**
14 **2022 and apply to all contracts entered into or renewed on or after that**
15 **date between a pharmacy benefit manager and a pharmacy.**

16 and that after passage the title of the bill be amended to read: “An act relating
17 to **[new title reflecting bill contents]**”

18 (Committee vote: _____)

19 _____

20 Senator _____

21 FOR THE COMMITTEE