

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 * * * Task Force 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. In
17 2020, a family of four earning more than \$105,000.00 per year that was
18 enrolled in a silver plan through the Vermont Health Benefit Exchange could
19 pay as much as \$44,000.00 per year for health care between health insurance
20 premiums and out-of-pocket costs. In some instances, an individual or family
21 may have health insurance but not be able to afford to receive necessary health

1 care services because of the out-of-pocket costs associated with their plan.

2 Others who lack coverage or who are underinsured and receive necessary
3 health care services find themselves saddled with substantial medical debt.

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

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

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

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

17 (7) The Biden Administration has indicated interest in using its
18 demonstration and waiver authorities to partner with states to pursue certain
19 reforms that cannot be accomplished through Congress. The Administration
20 has signaled that it may be open to working with interested states to test
21 strategies such as an expanded public option for health coverage.

1 Sec. 2. TASK FORCE ON AFFORDABLE, ACCESSIBLE HEALTH

2 CARE; REPORT

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

6 (b) Membership. The Task Force shall be composed of the following six
7 members:

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

10 and

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

13 (c) Powers and duties. The Task Force shall explore opportunities to make
14 health care, including prescription drugs, more affordable for Vermont
15 residents and employers, including identifying potential opportunities to
16 leverage federal flexibility and financing and to expand existing public health
17 care programs. The Task Force shall consider the following, keeping in mind
18 the principles for health care reform enacted in 2020 Acts and Resolves No. 48
19 and codified at 18 V.S.A. § 9371:

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) how Vermont’s current health care system is impacting Vermont
5 residents and businesses and their access to affordable health care;

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

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

11 (5) the findings and recommendations from previous studies and
12 analyses relating to the affordability of health care coverage in Vermont; and

13 (6) opportunities made available by the Biden Administration to expand
14 access to affordable health care through existing public health care programs or
15 through the creation of new or expanded public option programs, including the
16 potential for expanding Medicare to cover individuals between 50 and 64 years
17 of age and for expanding Vermont’s Dr. Dynasaur program to cover
18 individuals up to 26 years of age to align with the young adult coverage under
19 the Affordable Care Act.

1 (d) Public engagement. In order to gain a fuller understanding of the
2 impact of health care affordability issues on Vermont residents, the Task Force
3 shall:

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

9 (2) Beginning on or before September 15, 2021, hold public hearings to
10 hear from Vermont residents from around the State. Public hearings may be
11 held in person or by remote means. A summary of the findings from these
12 field hearings shall be included as an appendix to the Task Force report.

13 (e) Assistance. To the extent that applicable funds are appropriated in the
14 fiscal year 2022 budget, the Task Force, through the Office of Legislative
15 Operations, shall hire a consultant to provide technical and research assistance,
16 deliver actuarial analyses as needed, and support the work of the Task Force.
17 In addition, the Task Force shall have the administrative, technical, and legal
18 assistance of the Office of Legislative Operations, the Office of Legislative
19 Counsel, and the Joint Fiscal Office.

20 (f) Report. On or before January 15, 2022, the Task Force shall present to
21 the General Assembly its findings and recommendations regarding the most

1 cost-effective ways to expand access to affordable health care for Vermonters
2 without health insurance and those facing high health care costs and the
3 various options available to implement these recommendations.

4 (g) Meetings.

5 (1) The first meeting of the Task Force shall occur on or before August
6 15, 2021.

7 (2) The Task Force shall select House and Senate co-chairs from among
8 its members at its first meeting. The Co-Chairs shall alternate acting as Chair
9 at Task Force meetings.

10 (3) A majority of the Task Force membership shall constitute a quorum.

11 (4) The Task Force shall cease to exist on January 15, 2022.

12 (h) Compensation and reimbursement. For attendance at meetings during
13 adjournment of the General Assembly, the members of the Task Force shall be
14 entitled to per diem compensation and reimbursement of expenses pursuant to
15 2 V.S.A. § 23 for not more than eight meetings. These payments shall be made
16 from monies appropriated to the General Assembly.

17 * * * Accountable Care Organizations; Data Collection; * * *

18 Sec. 3. 18 V.S.A. § 9574 is added to read:

19 § 9574. DATA COLLECTION AND ANALYSIS

20 (a) An accountable care organization shall collect and analyze clinical data
21 regarding patients' age, health condition or conditions, health care services

1 received, and clinical outcomes in order to determine the quality of the care
2 provided to its attributed patients, implement targeted quality improvement
3 measures, and ensure proper care coordination and delivery across the
4 continuum of care.

5 (b) An accountable care organization shall provide the results of its quality
6 analyses pursuant to subsection (a) of this section to the Green Mountain
7 Board.

8 * * * Pharmacy Benefit Managers; 340B Entities * * *

9 Sec. 4. 18 V.S.A. § 9473 is amended to read:

10 § 9473. PHARMACY BENEFIT MANAGERS; REQUIRED PRACTICES
11 WITH RESPECT TO PHARMACIES

12 * * *

13 (d) A pharmacy benefit manager shall not:

14 (1) ~~create any additional requirements or restrictions on a 340B entity on~~
15 ~~the basis of the entity's direct or indirect participation in the 340B Drug~~

16 ~~Pricing Program;~~

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

20 ~~(2) restrict access to a pharmacy network or adjust reimbursement rates~~
21 ~~based on a pharmacy's participation in a 340B contract pharmacy arrangement.~~

1 Sec. 5. REPEAL (NEW)

2 18 V.S.A. § 9473(d) (pharmacy benefit managers; 340B entities) is repealed
3 on January 1, 2023.

4 Sec. 6. DEPARTMENT OF FINANCIAL REGULATION; 340B DRUG
5 PRICING PROGRAM; REPORT (NEW)

6 On or before January 15, 2022, the Department of Financial Regulation, in
7 consultation with the Office of the Attorney General, shall report to the House
8 Committee on Health Care and the Senate Committees on Health and Welfare
9 and on Finance regarding national activity affecting participation in the 340B
10 Drug Pricing Program, including:

11 (1) recent changes to the manner in which prescription drug
12 manufacturers pay rebates to pharmacy benefit managers for prescriptions
13 filled through 340B pharmacies;

14 (2) the potential impacts of these changes on Vermont stakeholders,
15 including individual Vermonters; and

16 (3) possible State responses to prescription drug manufacturer and
17 pharmacy benefit manager actions related to participation in the 340B Drug
18 Pricing Program.

19 * * * State Health Improvement Plan * * *

20 Sec. 7. 18 V.S.A. § 9405(a) is amended to read:

1 (a) The ~~Secretary of Human Services or designee~~ Commissioner of Health,
2 in consultation with the Chair of the Green Mountain Care Board and health
3 care professionals and after receipt of public comment, shall adopt a State
4 Health Improvement Plan that sets forth the health goals and values for the
5 State. The ~~Secretary~~ Commissioner may amend the Plan as the ~~Secretary~~
6 Commissioner deems necessary and appropriate. The Plan shall include health
7 promotion, health protection, nutrition, and disease prevention priorities for the
8 State; identify available human resources as well as human resources needed
9 for achieving the State’s health goals and the planning required to meet those
10 needs; identify gaps in ensuring equal access to appropriate mental health care
11 that meets standards of quality, access, and affordability equivalent to other
12 components of health care as part of an integrated, holistic system of care; and
13 identify geographic parts of the State needing investments of additional
14 resources in order to improve the health of the population. Copies of the Plan
15 shall be submitted to members of the Senate Committee on Health and Welfare
16 and the House Committee on Health Care.

17 Sec. 8. STATE HEALTH IMPROVEMENT PLAN; REPORT

18 On or before January 15, 2022, the Commissioner of Health shall submit
19 copies of the current State Health Improvement Plan, along with any updates to
20 the Plan and a timeline for adoption of a new State Health Improvement Plan,

1 to the House Committees on Health Care and on Human Services and the
2 Senate Committee on Health and Welfare.

3 * * * Additional Reports * * *

4 Sec. 9. GREEN MOUNTAIN CARE BOARD; HEALTH INSURANCE;
5 ADMINISTRATIVE EXPENSES; REPORT

6 On or before January 15, 2022, the Green Mountain Care Board shall
7 provide to the House Committee on Health Care and the Senate Committees on
8 Health and Welfare and on Finance an analysis of the increases in health
9 insurers' administrative expenses over the most recent five-year period for
10 which information is available and a comparison of those increases with
11 increases in the Consumer Price Index.

12 Sec. 10 ACCOUNTABLE CARE ORGANIZATIONS; CARE
13 COORDINATION; REPORT

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

20 Sec. 11. PRIMARY CARE VISITS; COST-SHARING; REPORTS

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

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

19 * * * Effective Dates * * *

20 Sec. 12. EFFECTIVE DATES

1 This act shall take effect on passage, except that Sec. 4 (18 V.S.A. § 9473;
2 pharmacy benefit managers; 340B entities) shall take effect on July 1, 2021
3 and apply to all contracts entered into or renewed on or after that date between
4 a pharmacy benefit manager and a pharmacy.

5 and that after passage the title of the bill be amended to read: “An act relating
6 to the Task Force on Affordable, Accessible Health Care and other health care
7 provisions”

8

9

10

11 (Committee vote: _____)

12

13

Senator _____

14

FOR THE COMMITTEE