

---

This act summary is provided for the convenience of the public and members of the General Assembly. It is intended to provide a general summary of the act and may not be exhaustive. It has been prepared by the staff of the Office of Legislative Counsel without input from members of the General Assembly. It is not intended to aid in the interpretation of legislation or to serve as a source of legislative intent.

---

**Act No. 68 (S.126). An act relating to health care payment and delivery system reform**

**Subjects: Health; health care reform; Green Mountain Care Board; Agency of Human Services; hospitals; health information technology; Statewide Health Care Delivery Strategic Plan; reference-based pricing; global hospital budgets**

This act requires the Green Mountain Care Board (GMCB) to establish, as soon as practicable but not later than hospital fiscal year 2027, reference-based prices that represent the maximum amounts that Vermont hospitals can accept as payment in full for items and services delivered in Vermont. It allows the GMCB, in consultation with the Agency of Human Services (AHS) and others, to implement reference-based pricing for services delivered outside a hospital, such as primary care services. The act also requires the GMCB to establish global hospital budgets, if resources are available, for one or more non-critical access hospitals by hospital fiscal year 2027 and for all Vermont hospitals by hospital fiscal year 2030. It requires hospitals to submit budget information as directed by the GMCB in order to create greater hospital budget data standardization and enable the GMCB to compare hospitals' expenses. It establishes additional considerations and requirements for the GMCB to undertake in its hospital budget reviews. The act requires that a hospital that proposes to reduce or eliminate a service in order to comply with its budget order provide notice of intent to the GMCB, AHS, the Office of the Health Care Advocate, and legislators who represent the hospital service area at least 45 days in advance and it allows the GMCB to modify the hospital's budget or take other appropriate action to preserve access to necessary services. The act gives the GMCB authority to oversee hospital networks that derive 50 percent or more of their operating revenue from Vermont hospitals and to recommend any action the GMCB deems necessary to correct aspects of a network or its financial operations that are inconsistent with the principles for health care reform or with the Statewide Health Care Delivery Strategic Plan, once established. The act also requires contracting entities and health care providers to provide an unredacted copy of an executed or proposed health care contract to the Department of Financial Regulation (DFR) or the GMCB upon request.

The act directs AHS, in collaboration with stakeholders, to lead the development of an integrated Statewide Health Care Delivery Strategic Plan that defines a shared vision for improving access, quality, efficiency, and affordability of health care services in Vermont and identifies relevant resources, opportunities, deficiencies, barriers, and strategies. The Plan is due to the General Assembly by January 15, 2028, and AHS must update it every three years, with the first updated Plan due by December 1, 2030. The act creates the 18-member Health Care Delivery Advisory Committee to establish affordability benchmarks, evaluate and monitor the performance of Vermont's health care system and its impacts on population health outcomes, collaborate with stakeholders on the Statewide Health Care Delivery Strategic Plan, consider recommendations for the primary care steering committee, advise the GMCB on monitoring the performance of the health care

delivery system, and provide coordinated and consensus recommendations to the General Assembly on issues related to health care delivery, including primary care, and population health. The act also creates the 16-member Vermont Steering Committee for Comprehensive Primary Health Care to inform the work of State government as it relates to primary care.

The act directs AHS to collaborate with the Health Information Exchange Steering Committee to develop the Unified Health Data Space and specifies elements of the development process, including determining whether to integrate clinical and claims data and, if so, how to protect proprietary information; integration cannot begin before January 1, 2027, and only if a majority of the Steering Committee votes to do move forward. A report on the integration of clinical and claims data is due to the General Assembly by January 15, 2026, and annual updates on development and implementation of Unified Health Data Space are due beginning on January 15, 2027. The act also authorizes the GMCB to share any materials it receives pursuant to a subpoena with AHS or DFR as appropriate to AHS's or DFR's work, as long as AHS and DFR agree to maintain the confidentiality of anything that is exempt from public inspection and copying under the Public Records Act.

The act directs AHS to facilitate collaboration and coordination among health care providers to respond to urgent financial pressures and identify opportunities to increase efficiency, improve quality, reduce prescription drug spending, and increase access to essential services while reducing hospital spending by not less than 2.5 percent for hospital fiscal year 2026. By July 1, 2025, AHS must report the proposed reductions it has approved to the General Assembly and must provide additional monthly updates from October 1, 2025, through September 30, 2026. The act also directs AHS to identify specific outcome measures for determining whether, when, and to what extent AHS has met the health care system transformation goals set forth in 2022 Acts and Resolves No. 167, and to report those measures and related information to the General Assembly each month from August 1, 2025, through January 1, 2027. The act appropriates \$2 million to AHS for incentive grants to hospitals to encourage them to actively participate in transformation efforts, including reducing hospital costs and expanding access through telehealth, and requires AHS to report to the General Assembly by December 1, 2025, regarding how much of that funding had been obligated and disbursed as of November 15, 2025. The act also requires DFR to provide a plan to the General Assembly by November 1, 2025, for preserving the sustainability of domestic health insurers in Vermont. And it directs AHS to report to the General Assembly by December 1, 2025, on opportunities to retain useful capabilities developed by or on behalf of an accountable care organization and funded in whole or in part by public dollars.

The act requires the GMCB to report to the General Assembly on its implementation of this act by February 15, 2026, and requires the GMCB's annual report to include updates on reference-based pricing and global hospital budgets and their effects on health care access, quality, and cost beginning with the 2027 report. The act requires AHS to provide an update to the General Assembly by February 15 annually on the status of the Statewide Health Care Delivery Strategic Plan, the activities of the Health Care Delivery Advisory Committee, and effects of the Plan, the Advisory Committee, and other AHS efforts on health care access, quality, and cost. The act creates three new positions at the

GMCB in fiscal year 2026, two of which are related to reference-based pricing and one that is focused on operations, procurement, and contracting. In addition to the \$2 million appropriated to AHS for hospital incentive grants, the act appropriates an additional \$2.2 million to AHS for its transformation work, creation of the Statewide Health Care Delivery Strategic Plan, and development of alternative payment models, and it appropriates \$1,212,500.00 to the GMCB for the three new positions and for contracts and the standardization of electronic hospital budget data submissions.

Multiple effective dates, beginning on June 12, 2025