

No. 133. An act relating to clinical decision making.

(H.583)

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 18 V.S.A. chapter 233 is added to read:

CHAPTER 233. CLINICAL DECISION MAKING

§ 9771. DEFINITIONS

As used in this chapter:

(1) “Health care facility” has the same meaning as in section 9432 of this title.

(2) “Health care provider” has the same meaning as in section 9402 of this title.

(3) “Health care services” has the same meaning as in section 9481 of this title and includes all of the following:

(A) inpatient; outpatient; habilitative; rehabilitative; dental; palliative, including hospice; therapeutic; supportive; nursing home; home health; mental health; and substance use disorder services, provided by a health care facility;

(B) pharmacy services, including drugs, devices, and medical supplies;

(C) performance of functions to refer, arrange, and coordinate care;

(D) durable medical equipment, diagnostic equipment, surgical devices, and infusion equipment; and

(E) technology associated with providing the services and equipment set forth in subdivisions (A)–(D) of this subdivision (3), such as telehealth, electronic health records, software, claims processing, and utilization systems.

(4) “Health care staffing company” means a person engaged in the business of providing or procuring health care personnel for temporary employment or contracting by a health care facility, but does not include an individual who independently provides the individual’s own services on a temporary basis to health care facilities as an employee or contractor.

(5)(A) “Hedge fund” means a pool of funds managed by investors for the purpose of earning a return on those funds, regardless of the strategies used to manage the funds. Hedge funds include a pool of funds managed or controlled by private limited partnerships.

(B) “Hedge fund” does not include:

(i) individuals or entities that contribute, or promise to contribute, funds to a hedge fund but do not participate in the management of the hedge fund or the fund’s assets or in any change of control of the hedge fund or the fund’s assets; or

(ii) entities that solely provide or manage debt financing secured in whole or in part by the assets of a health care facility, including banks, credit unions, commercial real estate lenders, bond underwriters, and trustees.

(6) “Management services organization” means any organization or entity that contracts with a health care provider or provider organization to

perform management or administrative services relating to, supporting, or facilitating the provision of health care services.

(7) “Ownership or investment interest” means any of the following:

(A) direct or indirect possession of equity in the capital, stock, or profits totaling more than five percent of an entity;

(B) interest held by an investor or group of investors who engage in the raising or returning of capital and who invest, develop, or dispose of specified assets; or

(C) interest held by a pool of funds by investors, including a pool of funds managed or controlled by private limited partnerships, if those investors or the management of that pool or private limited partnership employs investment strategies of any kind to earn a return on that pool of funds.

(8)(A) “Private equity group” means an investor or group of investors who primarily engage in the raising or returning of capital and who invest, develop, dispose of, or purchase any equity interest in assets, either as a parent company or through another entity the investor or investors completely or partially own or control.

(B) “Private equity group” does not include individuals or entities that contribute, or promise to contribute, funds to the private equity group but otherwise do not participate in the management of the private equity group or the group’s assets, or in any change in control of the private equity group or the group’s assets.

(9) “Provider organization” means any corporation, partnership, business trust, association, or organized group of persons that is in the business of health care delivery or management, whether incorporated or not, that represents one or more health care providers in contracting with health insurers for payment for health care services. The term includes physician organizations, physician-hospital organizations, independent practice associations, provider networks, accountable care organizations, management services organizations, and any other organization that contracts with health insurers for payment for health care services.

(10) “Significant equity investor” means:

(A) any private equity group with a direct or indirect ownership or investment interest in a health care facility or management services organization;

(B) an investor, group of investors, or other entity with a direct or indirect possession of equity in the capital, stock, or profits totaling more than 10 percent of a health care provider or provider organization; or

(C) any private equity group, investor, group of investors, or other entity with a direct or indirect controlling interest in a health care facility or management services organization or that operates the business or substantially all the real or personal property, or both, of a health care facility or management services organization under a lease, management, or operating agreement.

§ 9772. LIMITATIONS ON CONTROL OVER CLINICAL DECISION

MAKING BY PRIVATE EQUITY GROUP OR HEDGE FUND

(a) The purpose of this section is to ensure that clinical decision making and treatment decisions are exclusively in the hands of health care providers and to safeguard against nonlicensed individuals or entities, such as private equity groups and hedge funds, exerting influence or control over health care delivery.

(b) A private equity group or hedge fund involved in any manner with a health care facility doing business in this State, including as an investor in a health care facility or as an investor or owner of the assets of a health care facility, shall not do any of the following with respect to the health care facility:

(1) interfere with the judgment of health care providers in making health care decisions, including any of the following:

(A) determining which diagnostic tests are appropriate for a particular condition;

(B) determining the need for referrals to or consultation with another health care provider;

(C) determining the patient's care plan, including the treatment options available to the patient; and

(D) determining how many patients a health care provider shall see in any given period of time or how many hours a health care provider shall work;
or

(2) exercise control over, or be delegated the power to do, any of the following:

(A) setting clinical standards or policies, including clinical staffing levels;

(B) controlling or otherwise determining the content of patient medical records;

(C) hiring or firing health care providers, clinical staff, or medical assistants, or any combination of these, based in whole or in part on clinical competency or proficiency;

(D) setting the parameters under which a health care provider or health care facility shall enter into contractual relationships with third-party payers;

(E) setting the prices, rates, or amounts the health care facility charges for a health care provider's services;

(F) setting the clinical competency or proficiency parameters under which a health care provider shall enter into contractual relationships with other health care providers for the delivery of health care services;

(G) making decisions regarding the coding and billing of diagnoses and procedures for patient care services; and

(H) selecting or approving the selection of medical equipment and medical supplies for the health care facility.

(c) A private equity group or hedge fund, or an entity controlled directly in whole or in part by a private equity group or hedge fund, shall not enter into an agreement or arrangement with a health care facility doing business in this State if the agreement or arrangement would enable the person to interfere with the ability of health care providers to make health care decisions, as set forth in subdivision (b)(1) of this section, or to exercise control over or be delegated the powers set forth in subdivision (b)(2) of this section.

(d)(1) The organizational form of a health care facility as a sole proprietorship, partnership, foundation, or corporate entity of any kind shall not affect the applicability of this section.

(2) Nothing in this section shall be construed to prohibit an unlicensed individual or entity from providing nonclinical management, administrative, or business services to; assisting; or consulting with a health care facility doing business in this State with respect to the decisions and activities described in subdivision (b)(2) of this section, provided that a licensed health care provider retains the ultimate responsibility for or approval of those decisions and activities and the services provided do not constitute an exercise of de facto control over the administrative, business, or clinical operations of a health care facility in a manner that affects a health care provider's clinical decision

making or the nature or quality of the health care services that the health care facility delivers.

(e) A health care provider who is aggrieved by the actions of a private equity group or hedge fund, or an entity controlled directly in whole or in part by a private equity group or hedge fund, in violation of this section may bring an action in Superior Court for appropriate equitable relief, actual damages, reasonable costs, and attorney's fees.

§ 9773. REPORTING OF OWNERSHIP AND CONTROL OF CERTAIN
HEALTH CARE ENTITIES

(a) On or before March 1, 2027, each health care facility and each management services organization shall provide to the Green Mountain Care Board either:

(1) for a health care facility or management services organization in which one or more private equity groups or hedge funds held an ownership or investment interest as of June 1, 2026, the information required by subsection (b) of this section; or

(2) for a health care facility or management services organization in which no private equity group or hedge fund held an ownership or investment interest as of June 1, 2026, an attestation that the health care facility or management services organization currently has no private equity or hedge fund ownership or investment.

(b) Each health care facility or management services organization in which one or more private equity groups or hedge funds holds an ownership or investment interest as of June 1, 2026, shall report the following information to the Green Mountain Care Board, in a form and manner required by the Board:

(1) the name, business address, and business identification numbers for each person that, with respect to the relevant health care facility or management services organization:

(A) has an ownership or investment interest;

(B) has a controlling interest;

(C) for health care facilities only, is a management services organization; or

(D) is a significant equity investor;

(2) a current organizational chart showing the business structure of the health care facility or management services organization, including:

(A) any entity listed in subdivision (1) of this subsection (b);

(B) affiliates, including entities that control or are under common control as the health care facility or management services organization; and

(C) subsidiaries; and

(3) the health care facility's or management services organization's most recent fiscal year's profit and loss statement and balance sheet.

(c) After March 1, 2027, a health care facility or management services organization shall report the information described in subsection (b) of this section any time that:

(1) a private equity group or hedge fund takes on an ownership or investment interest in the health care facility or management services organization that had not previously been reported to the Green Mountain Care Board in accordance with subsection (b) of this section; or

(2) there is a modification to a private equity group's or hedge fund's existing ownership or investment interest in the health care facility or management services organization.

(d) The Green Mountain Care Board shall collaborate with relevant stakeholders to develop the processes for reporting data pursuant to this section and the Agency of Human Services shall provide relevant, necessary data to the Board.

(e) The following entities are exempt from the reporting requirements set forth in this section:

(1) nursing homes, as defined in 33 V.S.A. § 7102;

(2) health care staffing companies;

(3) federally qualified health centers; and

(4) entities whose health care services delivered in Vermont are provided exclusively through telehealth, including services delivered using

telemedicine and store-and-forward means, as those terms are defined in 8 V.S.A. § 4098a, and all forms of remote patient monitoring.

(f) Information provided pursuant to this section shall be public information and shall not be considered confidential, proprietary, or a trade secret, except that:

(1) any individual health care provider's taxpayer ID that is also the individual's Social Security number, and any nonbusiness telephone number, email address, physical address, or mailing address of any individual health care provider, shall be exempt from public inspection and copying under the Public Records Act and shall be kept confidential; and

(2) all profit and loss statements and balance sheets submitted pursuant to subdivision (b)(3) of this section shall be exempt from public inspection and copying under the Public Records Act and shall be kept confidential, except that the Board shall provide copies of these materials, or the information contained in them, to the Office of the Health Care Advocate, which shall not further disclose this confidential information.

(g)(1) A health care facility or management services organization that knowingly fails to report the information required by this section is liable to the State for a civil penalty of not more than \$50.00 for each day, not to exceed a total of \$10,000.00 for each year, that it fails to report the required information.

(2) A health care facility or management services organization that makes a material misrepresentation in a report required under this section is liable to the State for a civil penalty of not more than \$25,000.00 for each material misrepresentation included in the report.

(3) The Attorney General may maintain an action in Superior Court to collect the penalties imposed in this subsection and to seek appropriate injunctive relief.

§ 9774. SHARING OF OWNERSHIP INFORMATION TO IMPROVE
TRANSPARENCY

(a) On or before July 1, 2027, and every two years thereafter, the Green Mountain Care Board shall post on its website a report regarding the information provided to the Board pursuant to section 9773 of this chapter during the previous two-year period, including:

(1) the number of health care facilities and management services organizations reporting for such year, disaggregated by the business structure of each specified entity;

(2) the names, addresses, and business structure of any entities with an ownership or controlling interest in each health care facility or management services organization;

(3) any change in ownership or control for each health care facility or management services organization;

(4) any change in the tax identification number of a health care facility or management services organization; and

(5) as applicable, the name, address, tax identification number, and business structure of other affiliates under common control, subsidiaries, and management services entities as the health care facility or management services organization, including the business type and the tax identification number of each.

(b) Information provided pursuant to this section shall be public information and shall not be considered confidential, proprietary, or a trade secret; provided, however, that any individual health care provider's taxpayer ID that is also the individual's Social Security number shall be exempt from public inspection and copying under the Public Records Act and shall be kept confidential.

(c) The Green Mountain Care Board may share information reported under this chapter with the Attorney General, the Secretary of State, other State agencies, and other State officials to reduce or avoid duplication in reporting requirements or to facilitate oversight or enforcement pursuant to Vermont law, or both, and any tax identification numbers that are individual Social Security numbers and other confidential information may be shared with the Attorney General, other State agencies, and other State officials who agree to maintain the confidentiality of such information. The Board may, in

consultation with the relevant State agencies, merge similar reporting requirements where appropriate.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

Date Governor signed bill: June 15, 2026