

1 H.583

2 Introduced by Representatives Black of Essex and Bluemle of Burlington

3 Referred to Committee on

4 Date:

5 Subject: Health; health care facilities; Attorney General; health care entity

6 transactions; corporate practice of medicine

7 Statement of purpose of bill as introduced: This bill proposes to prohibit  
8 certain financial transactions involving health care entities. It would also  
9 prohibit corporations from practicing medicine or otherwise interfering with  
10 health care providers' professional judgment and clinical decision making.

11 The bill would deem violations of these prohibitions to be violations of the  
12 Consumer Protection Act. The bill would also require public reporting on  
13 ownership and control of certain health care entities.

14 An act relating to health care financial transactions and clinical decision  
15 making

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

17 Sec. 1. 18 V.S.A. chapter 226 is added to read:

18 CHAPTER 226. TRANSACTION LIMITATIONS AND CLINICAL

19 DECISION MAKING

20 Subchapter 1. General Provisions

1     § 9521. DEFINITIONS

2         As used in this chapter:

3             (1) “Acquisition” means the direct or indirect purchase in any manner,  
4             including by lease, transfer, exchange, option, receipt of a conveyance,  
5             creation of a joint venture, or any other manner of purchase, such as by a  
6             health care system, private equity group, hedge fund, publicly traded company,  
7             real estate investment trust, management services organization, insurance  
8             company, or a subsidiary of any of these entities, of a material amount of the  
9             assets or operations of a health care entity.

10            (2) “Affiliate” means:

11                 (A) a person who directly, indirectly, or through one or more  
12                 intermediaries, controls, is controlled by, or is under common control or  
13                 ownership of another person;

14                 (B) a person whose business is operated under a lease, management,  
15                 or operating agreement by another entity, or a person substantially all of whose  
16                 property is operated under a management or operating agreement with that  
17                 other entity;

18                 (C) an entity that operates the business or substantially all of the  
19                 property of another entity under a lease, management, or operating agreement;  
20                 or

1           (D) any out-of-state operations or corporate affiliate of an affiliate, as  
2           defined in subdivision (A), (B), or (C) of this subdivision (2), including  
3           significant equity investors, health care real estate investment trusts, and  
4           management services organizations.

5           (3) “Change of control” means an arrangement in which any other  
6           person acquires direct or indirect control over the operations of a health care  
7           entity in whole or in substantial part. As used in this subdivision,  
8           “arrangement” includes any agreement, association, partnership, joint venture,  
9           management services agreement, professional services agreement, health care  
10           staffing company agreement, or other arrangement that results in a change of  
11           governance or control of a health care entity or a department, subdivision, or  
12           subsidiary of a health care entity.

13           (4) “Control,” including “controlling,” “controlled by,” and “under  
14           common control with,” means the direct or indirect power through ownership,  
15           contractual agreement, or otherwise, to:

16           (A) vote more than 10 percent of any class of voting shares of a  
17           health care entity; or

18           (B) direct the actions or policies of the specified entity.

19           (5) “Health care entity” means a health care provider, health care  
20           facility, provider organization, pharmacy benefit manager as defined in section

1 3602 of this title, or health insurer as defined in section 9402 of this title that  
2 offers a health insurance plan in this State.

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

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

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

9 (A) inpatient, outpatient, habilitative, rehabilitative, dental, palliative,  
10 therapeutic, supportive, nursing home, home health, mental health, and  
11 substance use disorder services provided by a health care entity;

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

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

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

17 (E) technology associated with providing the services and equipment  
18 set forth in subdivisions (A)–(D) of this subdivision (8), such as telehealth,  
19 electronic health records, software, claims processing, and utilization systems.

20 (9) “Health care staffing company” means a person engaged in the  
21 business of providing or procuring health care personnel for temporary

1 employment or contracting by a health care facility, but does not include an  
2 individual who independently provides the individual's own services on a  
3 temporary basis to health care facilities as an employee or contractor.

4 (10) "Licensee" means an individual licensed in this State as a physician  
5 pursuant to 26 V.S.A. chapter 23 or 33, as an advanced practice registered  
6 nurse pursuant to 26 V.S.A. chapter 28, or as a physician assistant pursuant to  
7 26 V.S.A. chapter 31 who is authorized to diagnose and treat in the applicable  
8 clinical setting.

9 (11) "Management services organization" means any organization or  
10 entity that contracts with a health care provider or provider organization to  
11 perform management or administrative services relating to, supporting, or  
12 facilitating the provision of health care services.

13 (12)(A) "Material change transaction" means any of the following,  
14 occurring during a single transaction or in a series of related transactions  
15 involving a health care entity within the State that has total assets, annual  
16 revenues, or anticipated annual revenues for new entities, of at least  
17 \$1,000,000.00, including both in-state and out-of-state assets and revenues:

18 (i) a corporate merger including one or more health care entities;

19 (ii) an acquisition of one or more health care entities, including  
20 insolvent health care entities;

1                   (iii) any affiliation, arrangement, or contract that results in a  
2                   change of control for a health care entity;

3                   (iv) the formation of a partnership, joint venture, accountable care  
4                   organization, parent organization, or management services organization for the  
5                   purpose of administering contracts with health insurers, third-party  
6                   administrators, pharmacy benefit managers, or health care providers;

7                   (v) a sale, purchase, lease, affiliation, or transfer of control of a  
8                   board of directors or governing body of a health care entity;

9                   (vi) a real estate sale or lease agreement involving a material  
10                  amount of assets of a health care entity; or

11                  (vii) the closure of a health care facility, or the closure,  
12                  discontinuance, or significant reduction of any essential health service  
13                  provided by a health care entity that is either a provider organization or health  
14                  care facility or any new contracts or clinical or contractual affiliations that will  
15                  eliminate or significantly reduce essential services.

16                  (B) “Material change transaction” does not include any of the  
17                  following:

18                  (i) a clinical affiliation of health care entities formed solely for the  
19                  purpose of collaborating on clinical trials;

20                  (ii) graduate medical education programs;

1                   (iii) the mere offer of employment to, or hiring of, an individual  
2                   health care provider; or

3                   (iv) situations in which the health care entity directly, or indirectly  
4                   through one or more intermediaries, already controls, is controlled by, or is  
5                   under common control with, all other parties to the transaction, such as a  
6                   corporate restructuring.

7                   (13) “Medical practice” means a corporate entity or partnership  
8                   organized for the purpose of practicing medicine and permitted to practice  
9                   medicine in this State, including partnerships, professional corporations,  
10                  limited liability companies, and limited liability partnerships.

11                  (14) “Noncompetition agreement” means a written agreement between a  
12                  licensee and another person in which the licensee agrees that the licensee,  
13                  either alone or as an employee, associate, or affiliate of a third person, will not  
14                  compete with the other person in providing products, processes, or services  
15                  that are similar to the other person’s products, processes, or services for a  
16                  period of time or within a specified geographic area after termination of  
17                  employment or termination of a contract under which the licensee supplied  
18                  goods to or performed services for the other person.

19                  (15) “Nondisclosure agreement” means a written agreement under the  
20                  terms of which a licensee must refrain from disclosing partially, fully, directly,  
21                  or indirectly to any person, other than another party to the written agreement or

1 to a person specified in the agreement as a third-party beneficiary of the  
2 agreement:

3 (A) a policy or practice that a party to the agreement required the  
4 licensee to use in patient care, other than individually identifiable health  
5 information that the licensee must not disclose under the Health Insurance  
6 Portability and Accountability Act of 1996, Pub. L. No. 104-191;

7 (B) a policy, practice, or other information about or associated with  
8 the licensee's employment, conditions of employment, or rate or amount of  
9 pay or other compensation; or

10 (C) any other information the licensee possesses or to which the  
11 licensee has access by reason of the licensee's employment by, or provision of  
12 services for or on behalf of, a party to the agreement, other than information  
13 that is subject to protection under applicable law as a trade secret of, or  
14 otherwise proprietary to, another party to the agreement or to a person  
15 specified in the agreement as a third-party beneficiary of the agreement.

16 (16) "Nondisparagement agreement" means a written agreement under  
17 which a licensee must refrain from making to a third party a statement about  
18 another party to the agreement or about another person specified in the  
19 agreement as a third-party beneficiary of the agreement, the effect of which  
20 causes or threatens to cause harm to the other party's or person's reputation,  
21 business relations, or other economic interests.



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

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

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

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

11           (18) “Private equity fund” means a publicly traded or nonpublicly traded  
12          company that collects capital investments from individuals or entities and  
13          purchases a direct or indirect ownership share or controlling interest of a health  
14          care entity.

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

1 services organizations, and any other organization that contracts with health  
2 insurers for payment for health care services.

3 (20) “Significant equity investor” means:

4 (A) any private equity fund with a direct or indirect ownership or  
5 investment interest in a health care facility;

6 (B) an investor, group of investors, or other entity with a direct or  
7 indirect possession of equity in the capital, stock, or profits totaling more than  
8 10 percent of a provider or provider organization; or

9 (C) any private equity fund, investor, group of investors, or other  
10 entity with a direct or indirect controlling interest in a health care entity or that  
11 operates the business or substantially all the property of a health care entity  
12 under a lease, management, or operating agreement.

13 Subchapter 2. Prohibited Transactions

14 § 9525. PROHIBITED TRANSACTIONS

15 (a) The following transactions are prohibited:

16 (1) a transaction that would give a party ownership of the core business  
17 operations of an essential community provider, as defined in 45 C.F.R.

18 § 156.235(c);

19 (2) a transaction that involves financing the acquisition of a health care  
20 entity through the use of debt that will become an obligation of one or more of  
21 the health care entities that are party to the transaction;

1           (3) a transaction that involves issuing dividends or other shareholder  
2           returns financed by debt that will become an obligation of one or more of the  
3           health care entities that are party to the transaction;

4           (4) a transaction that involves entering into any contract or other service  
5           or purchasing arrangement with an affiliated legal entity, except for a contract  
6           or arrangement to provide services or products, or both, that are necessary to  
7           accomplish the legitimate health care purposes of the relevant health care  
8           entity and the contract or arrangement provides for compensation or  
9           reimbursement that is consistent with the fair market value of the services  
10          rendered or products delivered; or

11          (5) a transaction that would result in one or more health care entities that  
12          does not accept, or that places limitations on, patients covered by Medicaid,  
13          original Medicare, or Medicare Advantage.

14          (b) Nothing in this section shall be construed to limit or alter any existing  
15          authority of the Attorney General or any other State agency to enforce any  
16          other law, including State or federal antitrust law, or to review transactions  
17          involving nonprofit entities.

18               Subchapter 3. Prohibition on Corporate Practice of Medicine

19               § 9531. CORPORATE PRACTICE OF MEDICINE PROHIBITED

20               (a) It is unlawful for an individual, corporation, partnership, or  
21               any other entity without a license under 26 V.S.A. chapter 23 or 33 to own a

1 medical practice, employ licensees, or otherwise engage in the practice of  
2 medicine.

3 (b) Notwithstanding subsection (a) of this section, an individual,  
4 corporation, partnership, or any other entity without a license under 26 V.S.A.  
5 chapter 23 or 33 that is permitted to employ licensees under section 9532 of  
6 this chapter shall not indirectly or directly interfere with, control, or otherwise  
7 direct the professional judgment or clinical decisions of a licensee.

8 § 9532. CORPORATE ENTITIES PERMITTED TO EMPLOY  
9 PHYSICIANS

10 (a) A medical practice organized for the purpose of practicing medicine  
11 may employ physicians and engage in the practice of medicine only if all of  
12 the following conditions are met:

13 (1) Licensees who are licensed in this State to practice medicine must  
14 hold the majority of each class of shares that are entitled to vote.

15 (2) Licensees who are licensed in this State to practice medicine must  
16 comprise a majority of the directors.

17 (3) All officers except the secretary and treasurer, if any, must be  
18 licensees who are licensed in this State to practice medicine. The same  
19 individual may hold any two or more offices.

1        (b) Notwithstanding any provision of subsection (a) of this section to the  
2        contrary, the following entities may employ physicians and engage in the  
3        practice of medicine:

4                (1) federally qualified health centers;

5                (2) rural health clinics;

6                (3) free and referral clinics;

7                (4) nonprofit hospitals;

8                (5) hospitals and other health care facilities owned or operated, or both,  
9        by the State;

10               (6) ambulatory surgical centers; and

11               (7) school-based health clinics, including student health centers at  
12        postsecondary schools.

13        § 9533. REGULATION OF CONTRACTS BETWEEN MEDICAL

14               PRACTICES AND MANAGEMENT SERVICES

15               ORGANIZATIONS

16               (a) Prohibition on straw ownership.

17               (1) Each licensee owner of a medical practice shall exhibit meaningful  
18        ownership of the medical practice.

19               (2) Meaningful ownership means that each licensee owner is duly  
20        licensed and present in this State and is substantially engaged in delivering  
21        medical care or managing the medical practice, or both.

1       (b) Prohibition on dual ownership or interests.

2           (1) Except as provided in subdivision (2) of this subsection, a  
3       shareholder, director, or officer of a medical practice shall not do any of the  
4       following:

5           (A) own or control shares in, serve as a director or officer of, be an  
6       employee of or an independent contractor with, or otherwise participate in  
7       managing both the medical practice and a management services organization  
8       with which the medical practice has a contract; or

9           (B) receive substantial compensation or remuneration from a  
10       management services organization in return for ownership or management of  
11       the medical practice.

12           (2) Subdivision (1) of this subsection shall not apply to the shareholders,  
13       directors, or officers of a medical practice if the medical practice owns a  
14       majority of the interest in the management services organization or separate  
15       legal entity.

16       (c) Prohibition on stock transfer restriction agreements.

17           (1) A medical practice shall not transfer or relinquish control over the  
18       sale, the restriction of the sale, or the encumbrance of the sale of the medical  
19       practice's shares or assets.

20           (2) A medical practice shall not transfer or relinquish control over the  
21       issuing of shares of stock in the medical practice, in a subsidiary of the medical

1 practice or an entity affiliated with the medical practice, or the paying of  
2 dividends.

3 (d) Prohibition on restrictive covenants.

4 (1) Noncompetition agreements.

5 (A) Except as provided in subdivision (B) of this subdivision (d)(1), a  
6 noncompetition agreement between a licensee and another person is void and  
7 unenforceable.

8 (B) Notwithstanding subdivision (A) of this subdivision (d)(1), a  
9 noncompetition agreement between a licensee and another person is valid and  
10 enforceable if the licensee is a shareholder or member of the other person or  
11 otherwise owns or controls an ownership or membership interest that is  
12 equivalent to 25 percent or more of the entire ownership or membership  
13 interest that exists in the other person.

14 (2) Nondisclosure and nondisparagement agreements.

15 (A) Except as provided in subdivision (B) of this subdivision (d)(2), a  
16 nondisclosure agreement or nondisparagement agreement between a licensee  
17 and a management services organization is void and unenforceable.

18 (B) Subdivision (A) of this subdivision (d)(2) shall not be deemed to  
19 limit or otherwise affect any cause of action that:

20 (i) a party to, or third-party beneficiary of, the agreement may  
21 have with respect to a statement of a licensee that constitutes libel, slander, a

1 tortious interference with contractual relations, or another tort for which the  
2 party has a cause of action against the licensee; and

3 (ii) does not depend upon or derive from a breach or violation of  
4 an agreement described in subdivision (1) of this subsection (d).

5 (e) Limitations on advertising. It is unlawful for a management services  
6 organization or other legal entity that is not the medical practice to advertise  
7 the medical practice's services under the name of the entity that is not the  
8 medical practice.

9 (f) Prohibition on relinquishing control of medical practice.

10 (1) A medical practice shall not, by means of a contract or other  
11 agreement or arrangement, by providing in the medical practice's articles of  
12 incorporation or bylaws, by forming a subsidiary or affiliated entity, or by  
13 other means, relinquish control over or otherwise transfer de facto control over  
14 any of the medical practice's administrative, business, or clinical operations  
15 that may affect clinical decision making or the nature or quality of medical  
16 care that the medical practice delivers.

17 (2) Conduct prohibited under subdivision (1) of this subsection  
18 includes relinquishing ultimate decision-making authority over:

19 (A) hiring or termination, setting work schedules and compensation,  
20 or otherwise specifying terms of employment of employees who are licensed to



1 practice medicine in this State or who are licensed in this State as a physician  
2 assistant or advanced practice registered nurse;

3 (B) the disbursement of revenue generated from physician fees and  
4 other revenue generated by physician services;

5 (C) collaboration and negotiation with hospitals and other health care  
6 facilities in which the licensees of the medical practice may deliver clinical  
7 care, including controlling licensee schedules as a means of discipline;

8 (D) setting staffing levels, or specifying the period of time that a  
9 licensee may spend with a patient, for any location that serves patients;

10 (E) making diagnostic coding decisions;

11 (F) setting clinical standards or policies;

12 (G) setting policies for patient, client, or customer billing and  
13 collection;

14 (H) setting the prices, rates, or amounts the medical practice charges  
15 for a licensee's services; or

16 (I) negotiating, executing, performing, enforcing, or terminating  
17 contracts with third-party payers or persons who are not employees of the  
18 medical practice.

19 (3) The conduct described in subdivision (2) of this subsection does not  
20 prohibit:

1           (A) collection of quality metrics as required by law or in accordance  
2           with an agreement to which the medical practice is a party; or

3           (B) setting criteria for reimbursement under a contract between the  
4           medical practice and an insurer or a payer or entity that otherwise reimburses  
5           the medical practice for providing medical care.

6           (4) A medical practice may relinquish or transfer control over the  
7           medical practice's administrative, business, or clinical operations that will not  
8           affect clinical decision making or the nature or quality of medical care that the  
9           medical practice delivers, provided that the medical practice executes a  
10          shareholder agreement exclusively between or among and for the benefit of a  
11          majority of shareholders who are physicians licensed in this State to practice  
12          medicine and the shareholder agreement.

13          § 9534. PROTECTIONS FOR EMPLOYED LICENSEES

14          (a) Application. The provisions set forth in this section apply to licensees  
15          who are employed by, or who provide health care services under contract with,  
16          an unlicensed person, corporation, or other entity under section 9532 of this  
17          chapter.

18          (b) Prohibition on restrictive covenants.

19                  (1) Noncompetition agreements. A noncompetition agreement between  
20          a licensee and an employer or other entity is void and unenforceable.

21                  (2) Nondisclosure and nondisparagement agreements.

1           (A) Except as provided in subdivision (B) of this subdivision (b)(2), a  
2           nondisclosure agreement or nondisparagement agreement between a licensee  
3           and an employer or other entity is void and unenforceable.

4           (B) Subdivision (A) of this subdivision (b)(2) shall not be deemed to  
5           limit or otherwise affect any cause of action that:

6                   (i) a party to, or third-party beneficiary of, the agreement may  
7                   have with respect to a statement of a licensee that constitutes libel, slander, a  
8                   tortious interference with contractual relations, or another tort for which the  
9                   party has a cause of action against the licensee; and

10                   (ii) does not depend upon or derive from a breach or violation of  
11                   an agreement described in subdivision (1) of this subsection (b).

12           (c) Prohibition on directing licensee's professional judgment or clinical  
13           decisions. Conduct prohibited under subsection 9531(b) of this chapter  
14           includes controlling, either directly or indirectly, through discipline,  
15           punishment, threats, adverse employment actions, coercion, retaliation,  
16           excessive pressure, or otherwise, any one or more of the following:

17                   (1) the period of time a licensee may spend with a patient, including the  
18                   time permitted for a licensee to triage patients in the emergency department or  
19                   evaluate admitted patients;

20                   (2) the period of time within which a licensee must discharge a patient;

1           (3) the clinical status of a patient, including whether the patient should  
2           be admitted to inpatient status, whether the patient should be kept in  
3           observation status, whether the patient should receive palliative care, and  
4           whether and where the patient should be referred upon discharge, such as a  
5           skilled nursing facility;

6           (4) the diagnoses, diagnostic terminology, or codes that are entered into  
7           the medical record by the licensee;

8           (5) the range of clinical orders available to licensees, including by  
9           configuring the medical record to prohibit or significantly limit the options  
10          available to the licensee; or

11          (6) any other action specified by rule to constitute impermissible  
12          interference or control over the clinical judgment and decision making of a  
13          licensee.

14          Subchapter 4. Transparency in Ownership and Control of Health Care Entities

15          § 9541. REPORTING OF OWNERSHIP AND CONTROL OF HEALTH

16                 CARE ENTITIES

17                 (a) Except as otherwise provided in subsection (b) of this section, each  
18                 health care entity shall report to the Attorney General and the Green Mountain  
19                 Care Board at least once every two years and upon the consummation of a  
20                 material change transaction involving the entity, in a form and manner required  
21                 by the Green Mountain Care Board, the following information:

- 1           (1) the health care entity's legal name;  
2           (2) the health care entity's business address;  
3           (3) the locations of the health care entity's operations;  
4           (4) the health care entity's business identification numbers, as  
5 applicable, including:  
6           (A) taxpayer identification number (TIN);  
7           (B) national provider identifier (NPI);  
8           (C) employer identification number (EIN);  
9           (D) Centers for Medicare and Medicaid Services certification number  
10 (CCN);  
11           (E) National Association of Insurance Commissioners (NAIC)  
12 identification number;  
13           (F) a personal identification number associated with a license issued  
14 by the Department of Financial Regulation; and  
15           (G) a pharmacy benefit manager identification number associated  
16 with a license issued to a pharmacy benefit manager in this State;  
17           (5) the name and contact information of a representative of the health  
18 care entity;  
19           (6) the name, business address, and business identification numbers  
20 listed in subdivision (4) of this subsection for each person who, with respect to  
21 the relevant health care entity;

1           (A) has an ownership or investment interest;

2           (B) has a controlling interest;

3           (C) is a management services organization; or

4           (D) is a significant equity investor;

5           (7) a current organizational chart showing the business structure of the  
6 health care entity, including:

7           (A) any entity listed in subdivision (6) of this subsection (a);

8           (B) affiliates, including entities that control or are under common  
9 control as the health care entity; and

10          (C) subsidiaries;

11          (8) for a health care entity that is a provider organization or a health care  
12 facility:

13          (A) the affiliated health care providers identified by name, license  
14 type, specialty, NPI, and other applicable identification number listed in  
15 subdivision (4) of this subsection (a); the address of each health care provider's  
16 principal practice location; and whether the health care provider is employed or  
17 contracted by the entity; and

18          (B) the name and address of affiliated health care facilities by license  
19 number, license type, and capacity;

20          (9) the names; NPI, if applicable; and compensation of:

1           (A) the members of the health care entity's governing board, board of  
2           directors, or similar governance body;

3           (B) any entity that is owned or controlled by, affiliated with, or under  
4           common control as the health care entity; and

5           (C) any entity listed in subdivision (6) of this subsection (a); and

6           (10) comprehensive financial reports of the health care entity and any  
7           ownership and control entities, including audited financial statements, cost  
8           reports, annual costs, annual receipts, realized capital gains and losses,  
9           accumulated surplus, and accumulated reserves.

10          (b) The following health care entities are exempt from the reporting  
11          requirements set forth in subsection (a) of this section:

12           (1) a health care entity that is an independent provider organization,  
13           without any ownership or control entities, consisting of two or fewer  
14           physicians; provided, however, that if such health care entity experiences a  
15           material change transaction under subchapter 2 of this chapter, the health care  
16           entity is subject to reporting under subsection (a) of this section upon the  
17           consummation of the transaction; and

18           (2) a health care provider or provider organization that is owned or  
19           controlled by another health care entity, if the health care provider organization  
20           is shown in the organizational chart submitted under subdivision (a)(7) of this  
21           section and the controlling health care entity reports all the information

1 required under subsection (a) of this section on behalf of the controlled or  
2 owned entity; provided, however, that health care facilities are not subject to  
3 this exemption.

4 § 9542. SHARING OF OWNERSHIP INFORMATION TO IMPROVE  
5 TRANSPARENCY

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

11 (b) On or before February 1, 2027, and every two years thereafter, the  
12 Green Mountain Care Board shall post on its website a report with respect to  
13 the previous two-year period, including:

14 (1) the number of health care entities reporting for such year,  
15 disaggregated by the business structure of each specified entity;

16 (2) the names, addresses, business structure of any entities with an  
17 ownership or controlling interest in each health care entity;

18 (3) any change in ownership or control for each health care entity;

19 (4) any change in the tax identification number of a health care entity;

20 (5) as applicable, the name, address, tax identification number, and  
21 business structure of other affiliates under common control, subsidiaries, and



1 management services entities as the health care entity, including the business  
2 type and the tax identification number of each; and

3 (6) an analysis of trends in horizontal and vertical consolidation,  
4 disaggregated by business structure and provider type.

5 (c) The Green Mountain Care Board may share information reported under  
6 this subchapter with the Attorney General, the Secretary of State, other State  
7 agencies, and other State officials to reduce or avoid duplication in reporting  
8 requirements or to facilitate oversight or enforcement pursuant to the Vermont  
9 law, or both, and any tax identification numbers that are individual Social  
10 Security numbers may be shared with the Attorney General, other State  
11 agencies, and other State officials who agree to maintain the confidentiality of  
12 such information. The Board may, in consultation with the relevant State  
13 agencies, merge similar reporting requirements where appropriate.

14 Subchapter 5. Enforcement of Chapter  
15 § 9547. ENFORCEMENT OF CHAPTER

16 (a) A violation of this chapter shall be deemed a violation of the Consumer  
17 Protection Act, 9 V.S.A. chapter 63. The Attorney General shall have the  
18 same authority as provided in 9 V.S.A. chapter 63, subchapter 1.

19 (b) Notwithstanding any provision of 9 V.S.A. § 2458 to the contrary:  
20 (1) for a violation of section 9531, 9532, or 9534 of this chapter, the  
21 civil penalty imposed shall be not more than \$10,000.00 per violation; and

1           (2) for a violation of section 9525 or 9533 of this chapter, the civil  
2           penalty imposed shall be not less than \$100,000.00 per violation.

3           (c) Penalties collected pursuant to this section shall be deposited in the  
4           Transaction Oversight and Clinical Decision-Making Fund established  
5           pursuant to section 9548 of this chapter.

6           § 9548. TRANSACTION OVERSIGHT AND CLINICAL DECISION-  
7           MAKING FUND

8           There is established the Transaction Oversight and Clinical Decision-  
9           Making Fund as a special fund pursuant to 32 V.S.A. chapter 7, subchapter 5,  
10          for the purpose of providing a financial means for the Office of the Attorney  
11          General to administer its duties under this chapter, including hiring outside  
12          experts and investigators as needed. The Fund shall consist of the penalty  
13          sums collected pursuant to section 9547 of this chapter.

14          Sec. 2. EFFECTIVE DATE

15          This act shall take effect on July 1, 2026.