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H.583

An act relating to clinical decision making

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;

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

2           (D) durable medical equipment, diagnostic equipment, surgical

3 devices, and infusion equipment; and

4           (E) technology associated with providing the services and equipment

5 set forth in subdivisions (A)–(D) of this subdivision (3), such as telehealth,

6 electronic health records, software, claims processing, and utilization systems.

7           (4) “Health care staffing company” means a person engaged in the

8 business of providing or procuring health care personnel for temporary

9 employment or contracting by a health care facility, but does not include an

10 individual who independently provides the individual’s own services on a

11 temporary basis to health care facilities as an employee or contractor.

12           (5)(A) “Hedge fund” means a pool of funds managed by investors for

13 the purpose of earning a return on those funds, regardless of the strategies used

14 to manage the funds. Hedge funds include a pool of funds managed or

15 controlled by private limited partnerships.

16           (B) “Hedge fund” does not include:

17           (i) individuals or entities that contribute, or promise to contribute,

18 funds to a hedge fund but do not participate in the management of the hedge

19 fund or the fund’s assets or in any change of control of the hedge fund or the

20 fund’s assets; or

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

4                   (6) “Management services organization” means any organization or  
5 entity that contracts with a health care provider or provider organization to  
6 perform management or administrative services relating to, supporting, or  
7 facilitating the provision of health care services.

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

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

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

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

18                   (8)(A) “Private equity group” means an investor or group of investors  
19 who primarily engage in the raising or returning of capital and who invest,  
20 develop, dispose of, or purchase any equity interest in assets, either as a parent

1 company or through another entity the investor or investors completely or  
2 partially own or control.

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

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

17 (10) “Significant equity investor” means:

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

1           (B) an investor, group of investors, or other entity with a direct or  
2           indirect possession of equity in the capital, stock, or profits totaling more than  
3           10 percent of a health care provider or provider organization; or

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

10       § 9772. LIMITATIONS ON CONTROL OVER CLINICAL DECISION

11           MAKING BY PRIVATE EQUITY GROUP OR HEDGE FUND

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

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

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

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

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

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

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

11          or

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

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

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

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

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

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

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

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

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

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

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

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

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

1     § 9773. REPORTING OF OWNERSHIP AND CONTROL OF CERTAIN  
2             HEALTH CARE ENTITIES

3             (a) On or before July 1, 2026, each health care facility and each  
4             management services organization shall provide to the Green Mountain Care  
5             Board either:

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

9                 (b) of this section; or

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

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

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

1           (A) has an ownership or investment interest;

2           (B) has a controlling interest;

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

5           (D) is a significant equity investor;

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

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

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

11           (C) subsidiaries; and

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

14           (c) After July 1, 2026, a health care facility or management services  
15 organization shall report the information described in subsection (b) of this  
16 section any time that:

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

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

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

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

7                   (2) health care staffing companies;

8                   (3) federally qualified health centers; and

9                   (4) entities whose health care services delivered in Vermont are  
10           provided exclusively through telehealth, including services delivered using  
11           telemedicine and store-and-forward means, as those terms are defined in 8  
12           V.S.A. § 4098a, and all forms of remote patient monitoring.

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

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

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

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

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

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

1     § 9774. SHARING OF OWNERSHIP INFORMATION TO IMPROVE  
2             TRANSPARENCY

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

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

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

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

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

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

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

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

17       Sec. 2. EFFECTIVE DATE

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