

1 S.1

2 Introduced by Senators Vyhovsky, Gulick, Watson and White

3 Referred to Committee on

4 Date:

5 Subject: Health; Medicaid; eligibility

6 Statement of purpose of bill as introduced: This bill proposes to provide  
7 Medicaid-equivalent coverage to all Vermonters by age bands over time,  
8 regardless of household income. It would direct the Agency of Human  
9 Services to seek approval for federal financial participation in the expanded  
10 coverage, with the State paying the full amount if the federal government does  
11 not approve the request. The bill would direct the Agency of Human Services  
12 and others to develop cost estimates for the Medicaid-equivalent coverage and  
13 a detailed implementation plan. The bill would also require the Department of  
14 Taxes to report on potential payroll tax design options to support the State's  
15 financial obligation in providing the Medicaid-equivalent coverage, both with  
16 and without the federal funding.

17 An act relating to providing Medicaid-equivalent coverage to all  
18 Vermonters

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

2 Sec. 1. 33 V.S.A. chapter 18, subchapter 3 is added to read:

3 Subchapter 3. Medicaid-Equivalent Coverage

4 § 1851. MEDICAID-EQUIVALENT COVERAGE FOR ALL VERMONT

5 RESIDENTS

6 The Agency of Human Services shall provide hospital, medical, dental, and  
7 prescription drug coverage equivalent to coverage in the Vermont Medicaid  
8 state plan to all Vermont residents, regardless of their household income, as  
9 follows:

10 (1) to individuals up to 26 years of age, for coverage beginning in 2029;

11 (2) to individuals who are not less than 55 years of age and not more  
12 than the age of eligibility for the federal Medicare program, for coverage  
13 beginning in 2030;

14 (3) to individuals who are not less than 45 years of age and not more  
15 than 54 years of age, for coverage beginning in 2031;

16 (4) to individuals who are not less than 35 years of age and not more  
17 than 44 years of age, for coverage beginning in 2032; and

18 (5) to individuals who are not less than 26 years of age and not more  
19 than 34 years of age, for coverage beginning in 2033, at which time all

20 Vermont residents shall be eligible for coverage.

1       Sec. 2. GLOBAL COMMITMENT WAIVER AMENDMENT

2           (a) On or before September 1, 2025, the Secretary of Human Services shall  
3       request approval from the Centers for Medicare and Medicaid Services to  
4       amend Vermont's Global Commitment to Health Section 1115 Demonstration  
5       Waiver to make all Vermont residents eligible for hospital, medical, dental,  
6       and prescription drug coverage equivalent to coverage in the Vermont  
7       Medicaid state plan, regardless of income, as set forth in 33 V.S.A. § 1851.

8           (b) In the event that the Centers for Medicare and Medicaid Services does  
9       not approve Vermont's request for federal financial participation in providing  
10       Medicaid-equivalent coverage to all Vermonters, regardless of income, the  
11       coverage shall be funded with State-only dollars.

12       Sec. 3. AGENCY OF HUMAN SERVICES; COST ESTIMATES;  
13           IMPLEMENTATION PLAN; REPORT

14           (a) The Agency of Human Services, in consultation with the Green  
15       Mountain Care Board and the Department of Financial Regulation, shall:

16           (1) estimate the costs of providing hospital, medical, dental, and  
17       prescription drug coverage equivalent to coverage in the Vermont Medicaid  
18       state plan to all Vermont residents as set forth in 33 V.S.A. § 1851, including  
19       the amount of State funds that would be required to support the program  
20       through full implementation in 2033 both with and without federal Medicaid  
21       dollars;

1           (2) estimate the potential cost offsets in the health care system and  
2           elsewhere in the economy as a result of all Vermont residents having access to  
3           Medicaid-equivalent coverage; and

4           (3) develop and propose a detailed implementation plan for providing  
5           Medicaid-equivalent coverage to all Vermont residents, beginning with  
6           individuals up to 26 years of age in 2029 and continuing through full  
7           implementation in 2033.

8           (b) On or before January 15, 2026, the Agency of Human Services shall  
9           provide its cost and cost-offset estimates and implementation plan to the House  
10           Committees on Health Care, on Appropriations, and on Ways and Means and  
11           the Senate Committees on Health and Welfare, on Appropriations, and on  
12           Finance.

13           Sec. 4. DEPARTMENT OF TAXES; PAYROLL TAX OPTIONS; REPORT

14           On or before January 15, 2027, the Department of Taxes, in consultation  
15           with the Agency of Human Services, shall provide to the House Committees  
16           on Health Care and on Ways and Means and the Senate Committees on Health  
17           and Welfare and on Finance options for structuring a payroll tax to generate  
18           the revenue necessary to support the State portion of the Medicaid and CHIP  
19           expansion established in Sec. 1 of this act, both with and without federal  
20           Medicaid dollars, based on the Agency's cost estimates developed pursuant to  
21           Sec. 3 of this act and any subsequent additional fiscal analysis. The

1 Department's report shall set forth at least three payroll tax options and shall  
2 include the Department's recommendation for which option is the most  
3 administratively feasible for employers, employees, and the State.

4 Sec. 5. EFFECTIVE DATES

5 (a) Sec. 1 (33 V.S.A. § 1851; Medicaid-equivalent coverage for all  
6 Vermont residents) shall take effect on January 1, 2029.

7 (b) The remainder of this act shall take effect on passage.