

Rep. Houghton – health care reform proposals addressing exigent needs

1 Sec. A. REGIONAL HEALTH CARE SPENDING REDUCTIONS; AGENCY OF
2 HUMAN SERVICES; REPORTS

3 (a) The Agency of Human Services shall organize the State into regions in which
4 collaboration and coordination among health care providers may increase efficiency and
5 affordability. The Agency shall coordinate efforts by hospitals in each region to identify at
6 least a 10 percent reduction in overall health care spending that can be achieved by the
7 hospital or hospitals in that region for hospital fiscal year 2026. The proposed reductions
8 shall not reduce access to essential services, including primary care, emergency
9 departments, mental health and substance use disorder treatment services, prenatal care,
10 and emergency medical services and transportation.

11 (b) The Agency of Human Services shall report the proposed reductions for each
12 region, including timing and accountability measures, to the Health Reform Oversight
13 Committee and the Joint Fiscal Committee on or before July 1, 2025. On or before the first
14 day of each month of hospital fiscal year 2026, beginning on October 1, 2025, the Agency
15 shall provide updates to the Health Reform Oversight Committee and the Joint Fiscal
16 Committee when the General Assembly is not in session, and to the House Committee on
17 Health Care and the Senate Committee on Health and Welfare when the General Assembly
18 is in session, regarding progress in implementing and achieving the regional health care
19 spending reductions identified pursuant to this section.

20 Sec. B. HEALTH CARE SYSTEM TRANSFORMATION; AGENCY OF HUMAN
21 SERVICES; REPORTS

1 (a) The Agency of Human Services shall identify specific outcome measures for
2 determining whether, when, and to what extent each of the following goals of its health
3 care system transformation efforts pursuant to 2022 Acts and Resolves No. 167 (Act 167)
4 has been met:

5 (1) reduce inefficiencies;

6 (2) lower costs;

7 (3) improve health outcomes;

8 (4) reduce health inequities; and

9 (5) increase access to essential services.

10 (b)(1) On or before July 1, 2025, the Agency of Human Services shall report to the
11 Health Reform Oversight Committee and the Joint Fiscal Committee:

12 (A) the specific outcome measures developed pursuant to subsection (a) of this
13 section, along with a timeline for accomplishing them;

14 (B) how the Agency will determine its progress in accomplishing the outcome
15 measures and achieving the transformation goals, including how it will determine the
16 amount of savings attributable to each inefficiency reduced and how it will evaluate
17 increases in access to essential services;

18 (C) the impact that each transformation decision made by an individual hospital
19 as part of the Act 167 transformation process has or will have on the State's health care
20 system;

21 (D) how the Agency is tracking and coordinating the transformation efforts of
22 individual hospitals to ensure that they complement the transformation efforts of other

1 hospitals and other health care providers and that they will contribute in a positive way to a
2 transformed health care system that meets the Act 167 goals; and

3 (E) the amount of State funds, and federal funds if applicable, that the Agency has
4 spent on Act 167 transformation efforts to date or has obligated for those purposes, and the
5 amount of unspent State funds appropriated for Act 167-related purposes that remain for
6 the Agency's 167 transformation efforts.

7 (2) On or before the first day of each month beginning on August 1, 2025, the
8 Agency shall provide the Health Reform Oversight Committee and the Joint Fiscal
9 Committee when the General Assembly is not in session, and to the House Committee on
10 Health Care and the Senate Committee on Health and Welfare when the General Assembly
11 is in session, with updates on each of the items set forth in subdivisions (1)(A)–(E) of this
12 subsection .

13 Sec. C. HEALTH CARE SYSTEM TRANSFORMATION; INCENTIVES;

14 TELEHEALTH

15 (a) To encourage hospitals to engage proactively, think expansively, and propose
16 transformation initiatives that will reduce costs to Vermont's health care system without
17 negatively affecting health care quality or jeopardizing access to necessary services, the
18 Agency of Human Services shall award grants to the hospitals that actively participate in
19 health care transformation efforts to assist them in building partnerships that will expand
20 Vermonters' access to health care services delivered using telehealth.

21 (b) Notwithstanding any provision of 32 V.S.A. § 10301 to the contrary, the sum of
22 \$2,000,000.00 is appropriated from the Health IT-Fund to the Agency of Human Services

1 in fiscal year 2026 for grants to hospitals to expand Vermonters’ access to telehealth
2 services, including for telehealth infrastructure development.

3 Sec. D. GREEN MOUNTAIN CARE BOARD; UDPATES TO FISCAL YEAR 2026

4 HOSPITAL BUDGET GUIDANCE

5 Notwithstanding any provision of 18 V.S.A. chapter 221, subchapter 7 or Green
6 Mountain Care Board rule to the contrary, in light of the significant financial vulnerabilities
7 affecting vital aspects of Vermont’s health care system, the Green Mountain Care Board
8 shall consider modifying and is authorized to modify its fiscal year 2026 hospital budget
9 guidance not later than May 31, 2025 in order to reduce one or more of the allowable
10 systemwide growth targets.