

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Appropriations to which was referred Senate Bill No.
3 190 entitled “An act relating to the Green Mountain Care Board, reference-
4 based pricing, and studying the creation of a Public Employee Health Benefit
5 Authority” respectfully reports that it has considered the same and
6 recommends that the report of the Committee on Health Care be amended as
7 follows:

8 First: By striking out Sec. 2, 18 V.S.A. chapter 221, subchapter 7, in its
9 entirety and inserting in lieu thereof a new Sec. 2 to read as follows:

10 Sec. 2. LIMITATIONS ON HOSPITAL REIMBURSEMENTS FOR
11 QUALIFIED HEALTH BENEFIT PLANS AND PLANS
12 COVERING SCHOOL EMPLOYEES FOR HOSPITAL FISCAL
13 YEAR 2027

14 (a) As used in this section:

15 (1) “Health benefit association” has the same meaning as in 24 V.S.A.
16 § 4947.

17 (2)(A) “Medicare adjusted base rate” means the standardized Medicare
18 payment amount for a hospital inpatient, outpatient, or professional service as
19 determined under the Medicare program, calculated prior to the application of
20 any hospital-specific, patient-specific, or policy-based payment adjustments
21 and reflecting only the core payment methodology used by the Centers for

1 Medicare and Medicaid Services to establish baseline payment levels, which
2 include adjustments for geographic factors such as wages.

3 (B) For items provided and services delivered at a critical access
4 hospital, the Medicare adjusted base rate shall be determined under the
5 applicable Medicare prospective payment system, using the Medicare payment
6 methodology that would apply if the hospital were not designated as a critical
7 access hospital.

8 (3) “Qualified health benefit plan” has the same meaning as in
9 33 V.S.A. § 1802.

10 (4) “Registered carrier” has the same meaning as in 33 V.S.A. § 1811.

11 (5) “School employee” has the same meaning as in 16 V.S.A. § 2101.

12 (b) Notwithstanding any provision of 18 V.S.A. § 9375(b)(1)(A) to the
13 contrary, for hospital fiscal year 2027, the Green Mountain Care Board may
14 order hospitals to reduce their commercial reimbursement rates for qualified
15 health benefit plans and for health benefit plans offered to school employees
16 by a health benefit association pursuant to 24 V.S.A. § 4947 based on a
17 percentage of the Medicare adjusted base rate determined by the Board for
18 each item provided and service delivered in Vermont to enrollees in these
19 plans.

20 (c)(1) A registered carrier or health benefit association shall not reimburse
21 or agree to reimburse a hospital more than the percentage of the Medicare

1 adjusted base rate specified by the Green Mountain Care Board pursuant to
2 subsection (b) of this section, if any, for the applicable hospital fiscal year for
3 any item provided or service delivered in Vermont to an enrollee in a qualified
4 health benefit plan or a health benefit plan offered to school employees by a
5 health benefit association.

6 (2) In the event that a registered carrier or health benefit association
7 reimburses a hospital for an item or service on a capitated or other non-fee-for-
8 service basis, the carrier or association shall ensure that its reimbursement
9 method is adjusted to account for the reimbursement limit set forth in
10 subdivision (1) of this subsection.

11 (d) A hospital or hospital provider that is reimbursed in accordance with
12 subsections (b) and (c) of this section shall not charge or collect from the
13 patient any additional amounts other than the cost-sharing amounts authorized
14 by the terms of the health benefit plan.

15 (e) To the extent that a hospital is required by the Board's budget order to
16 reduce its commercial reimbursement rates by amounts greater than the
17 reductions achieved pursuant to subsection (b) of this section, the hospital shall
18 reduce its commercial reimbursement rates that exceed 500 percent of the
19 Medicare adjusted base rate or, if the hospital does not have any commercial
20 reimbursement rates that exceed 500 percent of the Medicare adjusted base

1 rate, by reducing its commercial reimbursement rates that are the highest in
2 relation to the Medicare adjusted base rate.

3 (f)(1) In its reviews of premium rates in accordance with 8 V.S.A. § 4026,
4 the Green Mountain Care Board shall ensure that the limitations on
5 reimbursements established in this section are appropriately reflected in the
6 premium rates for qualified health benefit plans.

7 (2) In its review of premium rates in accordance with 8 V.S.A. § 4026
8 and 24 V.S.A. chapter 121, subchapter 6, the Department of Financial
9 Regulation shall ensure that the limitations on reimbursements established in
10 this section are appropriately reflected in the premium rates for health benefit
11 plans offered to school employees by a health benefit association.

12 Second: By striking out Sec. 3, 18 V.S.A. § 9407, in its entirety and
13 inserting in lieu thereof a new Sec. 3 to read as follows:

14 Sec. 3. [Deleted.]

15 Third: By adding a reader assistance heading and a new section to be Sec.
16 4a to read as follows:

17 * * * Section 1332 Waiver for Reinsurance Program * * *

18 Sec. 4a. REINSURANCE; AUTHORIZATION TO PURSUE SECTION

19 1332 WAIVER

20 The Department of Vermont Health Access, in consultation with the
21 Department of Financial Regulation, is authorized to submit a State Innovation

1 Waiver pursuant to Section 1332 of the Patient Protection and Affordable Care
2 Act of 2010, Pub. L. No. 111-148, as amended by the Health Care and
3 Education Reconciliation Act of 2010, Pub. L. No. 111-152, to establish a
4 program for reinsurance and seek federal pass-through funding of amounts
5 attributable to premium tax credits under 26 U.S.C. § 36B.

6 Fourth: By striking out Sec. 10, effective dates, and its reader assistance
7 heading in their entirety and inserting in lieu thereof a new Sec. 10 and reader
8 assistance heading to read as follows:

9 * * * Effective Date * * *

10 Sec. 10. EFFECTIVE DATE

11 This act shall take effect on passage.

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17 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE