

**FY26 BAA language – outpatient hospital-administered drugs exemption**

Sec. A. 18 V.S.A. § 9407 is amended to read:

§ 9407. OUTPATIENT PRESCRIPTION DRUGS; LIMITATIONS ON HOSPITAL  
CHARGES

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(d) This section shall not apply to:

(1) an independent hospital that is designated as a critical access hospital and that is not affiliated with another hospital or hospital network based in or outside of Vermont; and

(2) a non-critical access hospital that is participating in the Rural Community Hospital Demonstration program through the Centers for Medicare and Medicaid Services.

Sec. B. IMPLEMENTATION; ADJUSTMENT OF HOSPITAL BUDGETS

(a) A non-critical access hospital participating in the Rural Community Hospital Demonstration program through the Centers for Medicare and Medicaid Services may submit claims to a health insurer for reimbursement of prescription drugs administered in an outpatient or office setting on and after the effective date of this act in amounts that exceed the limits set forth in 18 V.S.A. § 9407(a).

(b) The Green Mountain Care Board may adjust the budget for a hospital that is authorized to exceed the limits set forth in 18 V.S.A. § 9407(a) to reflect the exemption enacted in Sec. A of this act.

Sec. C. EFFECTIVE DATE

Secs. A and B and this section shall take effect on passage.