

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Health Care to which was referred House Bill No. 583
3 entitled “An act relating to health care financial transactions and clinical
4 decision making” respectfully reports that it has considered the same and
5 recommends that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 Sec. 1. 18 V.S.A. chapter 233 is added to read:

8 CHAPTER 233. CLINICAL DECISION MAKING

9 § 9771. DEFINITIONS

10 As used in this chapter:

11 (1) “Health care facility” has the same meaning as in section 9432 of
12 this title.

13 (2) “Health care provider” has the same meaning as in section 9402 of
14 this title.

15 (3) “Health care services” has the same meaning as in section 9481 of
16 this title and includes all of the following:

17 (A) inpatient; outpatient; habilitative; rehabilitative; dental;
18 palliative, including hospice; therapeutic; supportive; nursing home; home
19 health; mental health; and substance use disorder services, provided by a health
20 care facility;

1 (B) pharmacy services, including drugs, devices, and medical
2 supplies;

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

4 (D) durable medical equipment, diagnostic equipment, surgical
5 devices, and infusion equipment; and

6 (E) technology associated with providing the services and equipment
7 set forth in subdivisions (A)–(D) of this subdivision (3), such as telehealth,
8 electronic health records, software, claims processing, and utilization systems.

9 (4) “Health care staffing company” means a person engaged in the
10 business of providing or procuring health care personnel for temporary
11 employment or contracting by a health care facility, but does not include an
12 individual who independently provides the individual’s own services on a
13 temporary basis to health care facilities as an employee or contractor.

14 (5)(A) “Hedge fund” means a pool of funds managed by investors for
15 the purpose of earning a return on those funds, regardless of the strategies used
16 to manage the funds. Hedge funds include a pool of funds managed or
17 controlled by private limited partnerships.

18 (B) “Hedge fund” does not include:

19 (i) individuals or entities that contribute, or promise to contribute,
20 funds to a hedge fund but do not participate in the management of the hedge

1 fund or the fund’s assets or in any change of control of the hedge fund or the
2 fund’s assets; or

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

6 (6) “Licensee” means an individual licensed in this State as a physician
7 pursuant to 26 V.S.A. chapter 23 or 33, as an advanced practice registered
8 nurse pursuant to 26 V.S.A. chapter 28, or as a physician assistant pursuant to
9 26 V.S.A. chapter 31 who is authorized to diagnose and treat in the applicable
10 clinical setting.

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

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

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

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

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

5 (9)(A) “Private equity group” means an investor or group of investors
6 who primarily engage in the raising or returning of capital and who invest,
7 develop, dispose of, or purchase any equity interest in assets, either as a parent
8 company or through another entity the investor or investors completely or
9 partially own or control.

10 (B) “Private equity group” does not include individuals or entities
11 that contribute, or promise to contribute, funds to the private equity group but
12 otherwise do not participate in the management of the private equity group or
13 the group’s assets, or in any change in control of the private equity group or
14 the group’s assets.

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

1 services organizations, and any other organization that contracts with health
2 insurers for payment for health care services.

3 (11) “Significant equity investor” means:

4 (A) any private equity group with a direct or indirect ownership or
5 investment interest in a health care facility or management services
6 organization;

7 (B) an investor, group of investors, or other entity with a direct or
8 indirect possession of equity in the capital, stock, or profits totaling more than
9 10 percent of a health care provider or provider organization; or

10 (C) any private equity group, investor, group of investors, or other
11 entity with a direct or indirect controlling interest in a health care facility or
12 management services organization or that operates the business or substantially
13 all the real or personal property, or both, of a health care facility or
14 management services organization under a lease, management, or operating
15 agreement.

16 § 9772. LIMITATIONS ON CONTROL OVER CLINICAL DECISION

17 MAKING BY PRIVATE EQUITY GROUP OR HEDGE FUND

18 (a) The purpose of this section is to ensure that clinical decision making
19 and treatment decisions are exclusively in the hands of health care providers
20 and to safeguard against nonlicensed individuals or entities, such as private

1 equity groups and hedge funds, exerting influence or control over health care
2 delivery.

3 (b) A private equity group or hedge fund involved in any manner with a
4 health care facility doing business in this State, including as an investor in a
5 health care facility or as an investor or owner of the assets of a health care
6 facility, shall not do any of the following with respect to the health care
7 facility:

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

10 (A) determining which diagnostic tests are appropriate for a
11 particular condition;

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

14 (C) determining the patient’s care plan, including the treatment
15 options available to the patient; and

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

18 or

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

1 (A) setting clinical standards or policies, including clinical staffing
2 levels;

3 (B) controlling or otherwise determining the content of patient
4 medical records;

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

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

11 (E) setting the prices, rates, or amounts the health care facility
12 charges for a licensee's **health care provider's** services;

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

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

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

20 (c) A private equity group or hedge fund, or an entity controlled directly in
21 whole or in part by a private equity group or hedge fund, shall not enter into an

1 agreement or arrangement with a health care facility doing business in this
2 State if the agreement or arrangement would enable the person to interfere with
3 the ability of health care providers to make health care decisions, as set forth in
4 subdivision (b)(1) of this section, or to exercise control over or be delegated
5 the powers set forth in subdivision (b)(2) of this section.

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

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

20 (e) A health care provider who is aggrieved by the actions of a private
21 equity group or hedge fund, or an entity controlled directly in whole or in part

1 by a private equity group or hedge fund, in violation of this section may bring
2 an action in Superior Court for appropriate equitable relief, **actual damages**,
3 reasonable costs, and attorney’s fees.

4 § 9773. REPORTING OF OWNERSHIP AND CONTROL OF **CERTAIN**
5 HEALTH CARE ENTITIES

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

9 (1) for a health care facility or management services organization in
10 which one or more private equity groups or hedge funds held an ownership or
11 investment interest as of June 1, 2026, the information required by subsection
12 (b) of this section; or

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

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

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

4 (A) has an ownership or investment interest;

5 (B) has a controlling interest;

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

8 (D) is a significant equity investor;

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

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

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

14 (C) subsidiaries; and

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

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

20 (1) a private equity group or hedge fund takes on an ownership or
21 investment interest in the health care facility or management services

1 organization that had not previously been reported to the Green Mountain Care
2 Board in accordance with subsection (b) of this section; or

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

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

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

9 (2) health care staffing companies;

10 (3) federally qualified health centers; and

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

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

18 (1) any individual health care provider’s taxpayer ID that is also the
19 individual’s Social Security number, and any nonbusiness telephone number,
20 email address, physical address, or mailing address of any individual health

1 care provider, shall be exempt from public inspection and copying under the
2 Public Records Act and shall be kept confidential; and

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

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

14 (2) A health care facility or management services organization that
15 ~~knowingly misrepresents information~~ **makes a material misrepresentation** in
16 a report required under this section is liable to the State for a civil penalty of
17 **not more than** \$25,000.00 for each ~~instance of knowingly misrepresented~~
18 ~~information~~ **material misrepresentation** included in the report.

19 (3) The Attorney General may maintain an action in Superior Court to
20 collect the penalties imposed in this subsection and to seek appropriate
21 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 the 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.

19 and that after passage the title of the bill be amended to read: “An act relating
20 to clinical decision making”

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(Committee vote: _____)

Representative _____

FOR THE COMMITTEE