

S.126, An act relating to health care payment and delivery system reform
Side-by-side comparison as passed by Senate and House

Section	Senate version	House version	Notes
Sec. 1. Purpose; goals	<ul style="list-style-type: none"> Purpose of act is to promote transformation of Vermont's health care system Four goals 	<ul style="list-style-type: none"> Purpose of act is to achieve transformation of and structural changes to Vermont's health care system Five goals; four build on Senate goals 	
Sec. 2. GMCB duties 18 V.S.A. § 9375	<ul style="list-style-type: none"> Adds GMCB duty to implement reference-based pricing by 2027 Adds GMCB duty to establish global hospital budgets for one or more hospitals beginning by hospital fiscal year 2028 and for all hospitals by hospital fiscal year 2030 	<ul style="list-style-type: none"> Adds GMCB duty to implement reference-based pricing by HFY 2027 No similar provision re global hospital budgets 	
Sec. 3. Reference-based pricing 18 V.S.A. § 9376	<ul style="list-style-type: none"> GMCB to establish reference-based prices (RBP) for health insurers to pay to hospitals Based on percentage of Medicare Starts ASAP but not later than HFY 2027 No balance billing AHS can set RBP for non-hospital services No similar provision re annual GMCB review 	<ul style="list-style-type: none"> GMCB to establish reference-based prices (RBP) that hospitals must accept as payment in full Based on a percentage of Medicare or another benchmark Starts ASAP but not later than HFY 2027 No balance billing GMCB can set RBP for non-hospital services GMCB to review annually as part of hospital budget review 	
Sec. 3a. Definitions; hospital budget review subchapter 18 V.S.A. § 9451	No Sec. 3a, but same definition of "hospital network" is in Sec. 6	Definition of "hospital network" applicable to entire hospital budget review subchapter	Same language, different location

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Sec. 4. Hospital duties for budget review 18 V.S.A. § 9454	<ul style="list-style-type: none"> Hospitals must file information about their employees and proposals for ways they can support other providers Maximize budget data standardization 	<ul style="list-style-type: none"> No similar provisions re hospitals filing information about employees or supporting other providers Maximize budget data standardization 	
Sec. 5. GMCB hospital budget review 18 V.S.A. § 9456	<ul style="list-style-type: none"> GMCB must: <ul style="list-style-type: none"> Consider Statewide Health Care Delivery Plan Review hospital network as it relates to a member hospital Exclude certain care from net patient revenue/total cost of care targets Consider salaries for leadership Consider staffing ratios Budgets must: <ul style="list-style-type: none"> Be consistent with Plan Reflect reference-based prices Include variable payment/incentive plans GMCB must establish global hospital budgets beginning by HFY 2028 Reverse CON; at least 90 days' notice 	<ul style="list-style-type: none"> GMCB must: <ul style="list-style-type: none"> Consider Statewide Health Care Delivery Plan Review hospital network as it relates to a member hospital No similar provision excluding certain care from NPR/TCOC Consider salaries for leadership Consider staffing ratios Budgets must: <ul style="list-style-type: none"> Be consistent with Plan Reflect reference-based prices Include variable payment/incentive plans No similar global hospital budget provisions Reverse CON; at least 45 days' notice 	
Sec. 6. Hospital networks 18 V.S.A. § 9458	<ul style="list-style-type: none"> Definition of “hospital network” GMCB can review structure of hospital network, investigate financial operations, and recommend or take appropriate actions as necessary 	<ul style="list-style-type: none"> No definition – moved to Sec. 3a GMCB can review structure of hospital network, investigate financial operations, and recommend actions as necessary 	House version removes GMCB authority to take action to change network
Sec. 7. Health care contracts 18 V.S.A. § 9418c	<ul style="list-style-type: none"> Strikes existing language regarding confidentiality agreements Requires copy of health care contract to DFR or the GMCB upon request 	<ul style="list-style-type: none"> Maintains existing language regarding confidentiality agreements Requires copy of health care contract to DFR or the GMCB upon request 	

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Sec. 8. Statewide Health Care Delivery [Strategic] Plan 18 V.S.A. § 9403	<ul style="list-style-type: none"> AHS to lead development of Plan with stakeholders List of Plan requirements <ul style="list-style-type: none"> Many differences from House version First Plan due by January 15, 2029 AHS to update Plan every three years 	<ul style="list-style-type: none"> AHS to lead development of Strategic Plan with stakeholders, including Primary Care Steering Committee List of Plan requirements <ul style="list-style-type: none"> Many differences from Senate version First Plan due by January 15, 2027 AHS to update Plan every two years 	
Sec. 9. Health Care Delivery Advisory Committee 18 V.S.A. § 9403a	<ul style="list-style-type: none"> Creates 14-member Advisory Committee No similar provision re per diems and expense reimbursement 	<ul style="list-style-type: none"> Creates 19-member Advisory Committee Members do not receive per diems or expense reimbursement 	
Sec. 9a. Comprehensive Primary Health Care Steering Committee 18 V.S.A. § 9407	No similar provisions	<ul style="list-style-type: none"> Creates 16-member Comprehensive Primary Health Care Steering Committee 	
Sec. 10. Integration of health care data [18 V.S.A. § 9353]	<ul style="list-style-type: none"> AHS to collaborate with Health Information Exchange Steering Committee to develop and implement integrated system of clinical and claims data Annual updates to General Assembly 	<ul style="list-style-type: none"> AHS to collaborate with Health Information Exchange Steering Committee to look at creating integrated system of clinical and claims data Findings and recommendations due to General Assembly by January 15, 2026 AHS cannot implement integrated system without legislative approval 	
Sec. 11. GMCB authority to share information 18 V.S.A. § 9374	<ul style="list-style-type: none"> GMCB can share subpoenaed materials with another State agency 	<ul style="list-style-type: none"> GMCB can share subpoenaed materials with AHS and DFR 	
Sec. 11a. Health care spending reductions; AHS; reports	No similar provisions	<ul style="list-style-type: none"> AHS to facilitate providers finding 2.5% reduction in hospital spending for FY26 AHS to report approved reductions to HROC/JFC by July 1, 2025 	

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		<ul style="list-style-type: none"> Monthly updates beginning Oct. 1, 2025 	
Sec. 11b. Health care system transformation; AHS; report	No similar provisions	<ul style="list-style-type: none"> AHS to identify outcome measures for hospital transformation goals AHS to report to HROC/JFC by July 1, 2025 Monthly updates beginning Aug. 1, 2025 	
Sec. 11c. Health care system transformation; incentives; telehealth	No similar provisions	<ul style="list-style-type: none"> AHS to award incentive grants to hospitals for transformation \$2 million from HIT Fund (in Sec. 18) AHS to report to HROC/JFC by Nov. 15, 2025 	
Sec. 11d. DFR; domestic health insurer sustainability; report	No similar provisions	<ul style="list-style-type: none"> DFR to provide a plan to HROC by Nov. 1, 2025, for preserving sustainability of domestic health insurers (BCBSVT) 	
Sec. 12. Retaining ACO capabilities; report	<ul style="list-style-type: none"> AHS to explore opportunities to retain useful capabilities developed by or for ACO with public funds AHS to report to HROC by November 1, 2025 	Same language in House version	House version updates section heading
Sec. 13. AHS implementation report	<ul style="list-style-type: none"> AHS to update HROC by November 15, 2025, on its implementation of the act 	Section deleted in House version	House version has AHS reporting throughout 2025
Sec. 14. GMCB implementation report	<ul style="list-style-type: none"> GMCB to report by Feb. 15, 2026, on its implementation of the act, including status of reference-based pricing and global hospital budgets, and effects on Vermonters and the health care system 	<ul style="list-style-type: none"> GMCB to report by Feb. 15, 2026, on its implementation of this act, including status of reference-based pricing and effects on access, quality, and cost GMCB also must report on the potential future use of global hospital budgets 	
Sec. 15. AHS annual updates	<ul style="list-style-type: none"> AHS to report by February 15 annually on status of its efforts on the Plan, health 	<ul style="list-style-type: none"> AHS to report by February 15 annually on status of its efforts on the Plan, 	

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	care data integration, and hospital transformation activities, and effects on Vermonters and the health care system	including an evaluation framework; on the Advisory Committee's activities; and effects on access, quality, and cost	
Sec. 16. GMCB annual updates	<ul style="list-style-type: none"> Adds to GMCB annual report an update on status of reference-based pricing, development of global hospital budgets, and effects on Vermonters and the health care system 	<ul style="list-style-type: none"> Adds to GMCB annual report an update on status of reference-based pricing, considerations about future use of global hospital budgets, and effects on access, quality, and cost 	
Positions (HAC Sec. 17)	No similar provisions, but funding for 3 new positions for S.126 was included in H.493 as passed by Senate and as enacted	<ul style="list-style-type: none"> Creates three new positions at GMCB: 2 for reference-based pricing and 1 for operations, procurement, and contracting 	SH&W version created 5 new positions at GMCB: 2 for RBP, 2 for global hospital budgets, 1 staff attorney, and 2 at AHS
Appropriations (HAC) Sec. 18	No similar provisions, but funding for SH&W version included in H.493 as passed by Senate	<ul style="list-style-type: none"> \$2.2 million GF to AHS \$2 million HIT Fund to AHS \$1,062,500 to GMCB (some is billback) \$150,000 HIT Fund to GMCB 	For comparison of funding for House and Senate version, see attached chart; funding for House version in H.493 as enacted
Effective dates (Senate Sec. 17; HAC Sec. 19)	<ul style="list-style-type: none"> Act takes effect on passage 	<ul style="list-style-type: none"> Secs. 16, 17, 18 take effect July 1, 2026 Remaining sections effective on passage 	Need to fix date for appropriations and positions sections

Comparison of S.126
As Passed Senate vs. House Proposal of Amendment

	As Passed the Senate	House Proposal of Amendment	House difference from Senate		
Agency of Human Services (AHS) - Year One (half of stated need by AHS)			General Fund	HIT Fund	Billback
Transformation work	\$2,250,000	\$2,000,000	(\$250,000)		
Development of quality and access measures, targets, and monitoring strategies for a statewide population health plan (Sec. 8)	\$125,000	\$100,000	(\$25,000)		
Development of alternative payment models (Secs 2 & 3)	\$125,000	\$100,000	(\$25,000)		
Grants to hospitals for collaborative efforts to reduce hospital costs (HIT Fund)	-----	\$2,000,000		\$2,000,000	
TOTAL TO AHS	\$2,500,000	\$4,200,000	(\$300,000)	\$2,000,000	\$0

Note: AHS estimates the total need is \$5 million. The chart above reflects one-year of funding.

Green Mountain Care Board (GMCB)			General Fund	HIT Fund	HIT Fund
Positions (3 classified)	\$512,500	\$512,500	(\$307,500)		\$307,500
Contracts	\$500,000	\$500,000			
Vermont Program for Quality in Health Care Contract	-----	\$50,000	\$50,000		
Standardization of electronic hospital budget data submissions (HIT Fund)	\$150,000	\$150,000			
TOTAL to GMCB	\$1,162,500	\$1,212,500	(\$257,500)	\$0	\$307,500
TOTAL APPROPRIATIONS	\$3,662,500	\$5,412,500	(\$557,500)	\$2,000,000	\$307,500

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