

To: Chair Alyssa Black, Vermont House Human Services Committee

From: Eli Hawgood, Legislative Liaison for Health Care Reform and Health Information Exchange, Agency of Human Services

Re: Requested changes to S. 126

We are largely supportive of S. 126 and appreciate the role clarity and the direction of the bill. AHS, GMCB and HCA have had many conversations about the bill and have a general consensus on the overarching themes, overall roles and responsibilities, and the scope of work contained in the bill. AHS is looking forward to working with the committee on the bill and would like to see some modest modifications, explained below.

Medicaid rate setting

- AHS has been using reference-based pricing for Medicaid rates for 10 years with success
- Medicaid is moving to global budgets in 2026

AHS Request:

1. AHS is requesting that Section 3(e)(5) on page 8, line 12 explicitly state that it applies only to commercial payers or delete the paragraph entirely in order to avoid potential confusion regarding the Agency's authority over Medicaid. It is the Agency's understanding that the intent of the Senate is that item 5 only applies to commercial pricing because it is included in Sec. 3, which is only about commercial pricing.

Statewide Health Care Delivery Plan

- AHS is best positioned to coordinate the writing of the Statewide Health Care Delivery Plan. GMCB and the HCA have noted their support for AHS coordinating the Plan's construction.

AHS Requests:

2. AHS is requesting more precise language regarding GMCB and DFR's responsibilities in the Plan in order to ensure effective and efficient division of responsibilities. AHS Section 8(c) on page 21, line 3.

(c) The Green Mountain Care Board shall contribute data and expertise related to its regulatory duties and its efforts pursuant to 2022 Acts and Resolves No. 167. The Green Mountain Care Board shall author the sections of the plan related to health system finances, total cost of care, solvency of hospital systems, rate methodologies, and hospital global budgets. The Department of Financial Regulation should contribute to sections related to commercial payers and payer solvency. The Agency of Human Services shall contribute data and expertise related to its role as the State Medicaid agency, its work with community-based providers, and its efforts pursuant to 2022 Acts and Resolves No. 167.

3. AHS is requesting that the explicit mentions of VPQHC be removed. VPQHC appears twice in the bill without being given a specific role. We are concerned about this because they are already a subcontractor for the transformation work and may bid on work that comes out of the Statewide Health Care Delivery Plan. As such, it is a conflict of interest for them to supervise the transformation work or participate in drafting the Plan.
4. AHS is requesting that the word “advise” be used instead of the phrase “collaborate with” on page 22, line 6.

3) ~~collaborate with~~ advise the Green Mountain Care Board, the Agency of Human Services, the Department of Financial Regulation, and other interested stakeholders in the development and maintenance of the Statewide Health Care Delivery Plan developed pursuant to section 9403 of this title

The word "advise" provides more clarity about provider roles as part of the committee and is consistent with the body's charge.

Integration of Health Care Data

5. AHS requests using the word “consult” instead of “collaborate”. in Sec. 10 (page 24, line 10).

(a) The Agency of Human Services shall consult ~~collaborate~~ with the Health Information Exchange Steering Committee in the development of an integrated system of clinical and claims data in order to improve patient, provider, and payer access to relevant information and reduce administrative burdens on providers.

This aligns with the language in 18 V.S.A. § 9351 regarding the HIT Strategic Plan and best describes the functional relationship between AHS and the HIE Steering Committee.