



VERMONT LEGISLATIVE Joint Fiscal Office

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Fiscal Note

May 20, 2025

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S.126 – An act relating to health care payment and delivery system reform

As Recommended by the House Committee on Appropriations^{1,i}

Bill Summary

The bill proposes to enact certain health care payment and delivery system reforms to achieve transformation of and structural changes to Vermont's health care system. The bill as passed by the Senate did not contain any appropriations. The appropriations were part of the fiscal year 2026 "Big Bill" (H.493 – An act relating to making appropriations for the support of government). The bill as recommended by the House Committee on Appropriations would appropriate \$4.2 million to the Agency of Human Services (AHS) and \$1.2 million to the Green Mountain Care Board (GMCB) to carry out the requirements envisioned in the bill. The bill would also:

- Direct the Green Mountain Care Board (GMCB) to implement reference-based pricing for hospitals;
- Allow GMCB to implement reference-based pricing for services delivered outside a hospital;
- Allow GMCB to review and evaluate the structure of a hospital network, investigate the financial operations of a hospital network, and recommend corrective actions it deems necessary;
- Require AHS, in collaboration with GMCB, the Department of Financial Regulation (DFR), the Vermont Program for Quality in Health Care (VPQHC), the Office of the Health Care Advocate (HCA), the Health Care Delivery Advisory Committee (created in the bill), the Comprehensive Primary Health Care Steering Committee (also created in the bill), and other interested stakeholders to lead development of an integrated Statewide Health Care Delivery Plan;
- Create the Health Care Delivery Advisory Committee and the Comprehensive Primary Health Care Steering Committee;
- Require AHS in collaboration with the Health Information Exchange Steering Committee to evaluate the potential for developing an integrated statewide system of clinical and claims data;
- Require AHS to facilitate collaboration and coordination among health care providers to encourage cooperation in developing rapid responses to the urgent financial pressures facing the health care system while reducing hospital spending for fiscal year 2026 by not less than 2.5%; and

¹ The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.

Fiscal Impact

The bill as recommended by the House Committee on Appropriations would appropriate \$5.4 million as followed:

	GF	HIT Fund	Bill back	TOTAL
TOTAL APPROPRIATIONS - Sec. 18	\$2,955,000	\$2,150,000	\$307,500	\$5,412,500
Agency of Human Services (AHS) - Year One (half of stated need by AHS)				
Feasibility analysis and transformation plan development with hospitals, designated agencies, primary care organizations, and other community-based providers (Sec. 8)	\$2,000,000			\$2,000,000
Development of quality and access measures, targets, and monitoring strategies for the Statewide Health Care Delivery Strategic Plan (Sec. 8)	\$100,000			\$100,000
To support the development of alternative payment models (Secs. 2 and 3)	\$100,000			\$100,000
Grants to hospitals for collaborative efforts to reduce hospital costs (Sec. 11a and 11c) and to expand access to health care services		\$2,000,000		\$2,000,000
TOTAL TO AHS	\$2,200,000	\$2,000,000		\$4,200,000

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

Green Mountain Care Board (GMCB)				
Positions (3 classified)	\$205,000		\$307,500	\$512,500
◦ Director, Reference-Based Pricing				
◦ Project Manager, Reference-Based Pricing				
◦ Operations, Procurement, Contractual Oversight				
Contracts	\$500,000			\$500,000
Vermont Program for Quality in Health Care (VPQHC) Contract	\$50,000			\$50,000
Standardization of electronic hospital budget data submissions (Sec. 4)		\$150,000		\$150,000
TOTAL TO GMCB	\$755,000	\$150,000	\$307,500	\$1,212,500

TOTAL APPROPRIATIONS	\$2,955,000	\$2,150,000	\$307,500	\$5,412,500
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The bill also establishes a 19-member Health Care Delivery Advisory Committee and a 16-member Comprehensive Primary Health Care Steering Committee. However, the bill explicitly excludes members of these committees from receiving per diem compensation and reimbursements. Therefore, no appropriations would be needed to support the work of the committees established in the bill.

Appendix: Resources

- Green Mountain Care Board – 2024 Reference-Based Pricing and Data Analysis Report, in accordance with Act 113 of 2024, Sec. E.345.2. <https://gmcboard.vermont.gov/Reference-Base-Pricing>
- Vermont State Auditor – Strategies to Control the Rising Costs of State Employee Health Care: Investigative Report 21-07 (2021). <https://auditor.vermont.gov/sites/auditor/files/documents/20211110%20%20State%20Employee%20Health%20Care%20Price%20Variation%20Report.pdf>

ⁱ The bill as introduced is available here:

<https://legislature.vermont.gov/Documents/2026/Docs/BILLS/S-0126/S-0126%20As%20Introduced.pdf>

The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number search on the JFO page.