Vermont Association of Hospitals and Health Systems

VAHHS Positions on S.126, Health Care Reform Bill

Sections 1-3 Reference-Based Pricing

Supported—Process to implement reference-based pricing: VAHHS is supportive of reference-based pricing process set out in S.126—it includes stakeholder participation, and we're hoping through this process to get to a place of lower prices while maintaining access to care.

- **Proposal:** Medicaid growth rate of at least one percent per year for more equitable payment and predictability
- **Proposal—Connection to premiums:** Pg. 7, line 19 VAHHS supports connecting policy choices to premiums to ensure affordability goals are achieved.

Section 4

Not supported—classification of employees: Pg. 9, line 1, § 9454(a)(7) We can't support the requirement of reporting the number of employees of the hospital whose duties are primarily administrative in nature and the number of employees who provide direct care.

- Definition of administrative could range from someone who works in nutrition services to an employee who sterilizes surgical instruments to a person who maintains our electronic medical records—all of these positions are vital to our hospitals. Spending time defining and counting is administrative burden.
- If the committee is concerned about administrative costs, the Green Mountain Care Board has hospital administrative cost information—classifying employees will add divisiveness to the hospital culture at a time when we need to work together to solve challenges at the state and federal level.

Not supported—Proposals to support community-based services: Pg. 9, line 8, § 9454(a)(9) VAHHS supports excluding investments, but does not support a separate proposal process—this adds to administrative burden and runs counter to CON reform.

Support—Maximizing hospital budget standardization: Pg. 9, line 17 § 9454(b) We support this section. The Green Mountain Care Board spent over $260,000 on Adaptive, which has the ability to standardize hospital financial data and reporting. The Green Mountain Care Board has used this approach in the past and should use this tool again—any further requirements for hospitals would add to administrative burden.

Section 5

Support—Exclude revenue derived from primary care, mental health care, and SUD treatment services Pg. 11, line 1 § 9456(b)(7). VAHHS is supportive of incentives for prioritized investments.

Not supported—Classification of employees: Pg. 12, line 17, § 9456(b)(17) VAHHS does not support the requirement of reporting the number of employees of the hospital whose duties are primarily administrative in nature and the number of employees who provide direct care.

- Definition of administrative could range from someone who works in nutrition services to an employee who sterilizes surgical instruments to a person who maintains our electronic medical

records—all of these positions are vital to our hospitals. Spending time defining and counting is administrative burden.

- If the committee is concerned about administrative costs, the Green Mountain Care Board has our administrative cost information—classifying employees will add divisiveness to the hospital culture at a time when we need to work together to solve challenges at the state and federal level.

Not Supported—Variable Payments Consistent with Principles of Health Care Reform: Pg. 13, line 18, § 9456(c)(8) We believe our variable payments already conform with the principles of health care reform, but if the GMCB makes a finding against variable payment, will they be usurping local board authority to change someone's salary? VAHHS proposes eliminating this provision.

Proposal—Reduction of Services: pg. 14, line 16, § 9456(e)(2) There could be factors out of the hospital's control with elimination or reduction of service lines, such as inability to fill a position. Also, with the Green Mountain Care Board making budget decisions in mid-September and hospital budgets going into place in October, the notice requirement should be shortened:

- 14-day instead of 90-day notice period
- (D) A service that **has been reduced or eliminated due to lack of staffing, other forces outside of hospital control,** or has been identified for reduction or elimination in connection with the transformation efforts

Proposal—Reduction of Services and Affordability: Similary to tracking the impact of reference-based pricing to affordability, there should be a connection between Act 167 hospital transformation and affordability:

- The Board, in collaboration with the Department of Financial Regulation, shall monitor services that are reduced or eliminated in connection with the transformation efforts undertaken by the Board and the Agency of Human Services pursuant to 2022 Acts and Resolves No. 167 to ensure decreases in health insurance premium growth. The Board shall post its findings regarding the alignment between transformation and premium growth decreases annually on its website.

Section 6

Proposal—Network Oversight: pg. 16, line 6, § 9458 The term "take appropriate action" for the network is vague, overbroad. The UVM Health Network agreement is in place, which is the functional equivalent of this section. We should learn from that process and update this oversight accordingly. In the meantime, the Board should make recommendations:

- (d) The Board may recommend ~~**or take appropriate action as necessary**~~…

Section 7

Proposal—Health Care Contracts: pg. 17, line 18, § 9418c Maintain confidentiality while allowing for submission of contracts to relevant regulatory authority:

- (c) The requirements of subdivision (b)(5) of this section do not prohibit a contracting entity from requiring a reasonable confidentiality agreement between the provider and the contracting entity regarding the terms of the proposed health care contract. Upon request, a

contracting entity shall provide an unredacted copy of an executed or proposed health care contract to the Department of Financial Regulation or the Green Mountain Care Board, or both. **Upon request, a provider shall provide an unredacted copy of an executed or proposed health care contract to the Green Mountain Care Board.**

Section 8

Support—Statewide Health Care Plan: A plan with specific, long-range targets provides greater predictability.

Section 9

Support—Health Care Delivery Advisory Committee: It is important that both insurers and providers have a shared understanding and a specific affordability goal to work towards, as opposed to affordability in insurer rate review guidance. This committee also provides the necessary "teeth" for primary care recommendations with primary care representation on the committee.

Section 10

Neutral—Claims Data Integration: Seamless interoperability will likely produce more administrative savings and better outcomes along with greater provider satisfaction.

Section 11

Proposal—Board Sharing Information with Other Agencies: pg. 27, line 3, § 9374 This provision is broad and comes with HIPAA compliance risk if certain information is shared with any agency. Adding "HIPAA covered entities" will ensure that information can be shared with AHS and DFR without compromising data privacy. Also eliminate the reference to the Public Records Act because the Public Records Act should apply regardless.

- (3) The Board may share any information, papers, or records it receives pursuant to a subpoena or notice to produce issued under this section with another State agency **that is a HIPAA covered entity** as appropriate to the work of that agency**. ~~, provided that the receiving agency agrees to maintain the confidentiality of any information, papers, or records that are exempt from public inspection and copying under the Public Records Act.~~**

Section 12

ACO Capabilities: Supportive

Section 13

AHS Report: Supportive

Section 14

GMCB Implementation Report: Supportive

Section 15

Health care system reform report: Supportive

Section 16

Reference-based pricing report: Supportive