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S.189

An act relating to establishing a process for reducing or eliminating hospital services

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 18 V.S.A. § 9402 is amended to read:

§ 9402. Definitions

As used in this chapter, unless otherwise indicated:

(1) "Commissioner" the Commissioner of Financial Regulation or the Commissioner's designee.

* * *

(15) "Health care spending estimate" means the spending estimate established in accordance with section 9383 of this title.

(16) "Service line" means a primary care, inpatient mental health, obstetric, or end-stage renal service.

~~(16)~~(17) "State Health Improvement Plan" means a plan developed under section 9405 of this title.

~~(17)~~(18) "Green Mountain Care Board" or "Board" means the Green Mountain Care Board established in chapter 220 of this title.

Sec. ~~1~~**2**. 18 V.S.A. § 9405d is added to read:

§ 9405d. HOSPITAL SERVICE REDUCTIONS; NOTICE REQUIRED

1 ~~(a) A hospital that proposes to intentionally reduce or eliminate any service~~
2 Before a governing body established under 42 CFR § 482.12 may resolve to
3 eliminate any service line, the hospital shall:

4 (1) Provide a notice of intent to the Agency of Human Services, the
5 Green Mountain Care Board, the Office of the Health Care Advocate, and the
6 members of the General Assembly who represent the hospital service area not
7 less than 60 days prior to the proposed reduction or elimination. The notice
8 shall explain the rationale for the proposed reduction or elimination and
9 describe how it is consistent with the Statewide Health Care Delivery Strategic
10 Plan, once established, and the hospital's most recent community health needs
11 assessment conducted pursuant to section 9405a of this title and 26 U.S.C.
12 § 501(r)(3).

13 (2) Post the notice of intent on the hospital's website beginning on or
14 before the day on which the notice is provided pursuant to subdivision (1) of
15 this subsection.

16 (3) Publish the notice in a newspaper of general circulation in the
17 hospital service area within 10 days after notice is provided pursuant to
18 subdivision (1) of this subsection.

19 (4) Conduct a public engagement process, including holding one or
20 more public hearings in the county in which the hospital is located and
21 soliciting and responding to public comments, regarding the proposed service

1 reduction or elimination. The public engagement process may begin prior to
2 providing the notice required by subdivision (1) of this subsection and shall
3 continue for not less than 30 days following the notice. The hospital shall
4 provide a summary of the community's response to the proposal, including the
5 public comments received, to the Agency of Human Services following the
6 conclusion of the public engagement process.

7 (b) The Agency of Human Services shall:

8 (1) analyze each proposed service reduction or elimination for
9 consistency with the Statewide Health Care Delivery Strategic Plan, once
10 established, ~~and the community health needs assessment; hospital~~
11 ~~transformation plans~~

12 (2) consider the community's response and the impact of the proposal
13 on access, ~~to necessary care and services in the hospital service area, health~~
14 ~~care costs, quality and safety, and other regional providers.; and~~

15 (3) provide ~~nonbinding recommendations regarding the analysis of the~~
16 ~~proposed reduction or elimination~~ to the hospital, the Green Mountain Care
17 Board, and the public.

18 (c) If a hospital elects to proceed with reducing or eliminating a service
19 after completing the process set forth in subsection (a) of this section, then
20 within five business days after making the decision to proceed, the hospital
21 shall notify the Agency of Human Services to inform the Agency's health care

1 system transformation efforts and future versions of the Strategic Plan and the
2 Green Mountain Care Board to enable the Board to review the impact on the
3 hospital's budget pursuant to subdivision 9456(e)(2) of this title.

4 Sec. 2-3. 18 V.S.A. § 9456 is amended to read:

5 § 9456. BUDGET REVIEW

6 * * *

7 (e)(1) The Board, in consultation with the Vermont Program for Quality in
8 Health Care, shall utilize mechanisms to measure hospital costs, quality, and
9 access and alignment with the Statewide Health Care Delivery Strategic Plan,
10 once established.

11 ~~(2)(A) Except as provided in subdivision (D) of this subdivision (e)(2), a~~
12 ~~hospital that proposes to reduce or eliminate any service in order to comply~~
13 ~~with a budget established under this section shall provide a notice of intent to~~
14 ~~the Board, the Agency of Human Services, the Office of the Health Care~~
15 ~~Advocate, and the members of the General Assembly who represent the~~
16 ~~hospital service area not less than 45 days prior to the proposed reduction or~~
17 ~~elimination.~~

18 ~~(B) The notice shall explain the rationale for the proposed reduction~~
19 ~~or elimination and describe how it is consistent with the Statewide Health Care~~
20 ~~Delivery Strategic Plan, once established, and the hospital's most recent~~

1 ~~community health needs assessment conducted pursuant to section 9405a of~~
2 ~~this title and 26 U.S.C. § 501(r)(3).~~

3 ~~(C) The Board may evaluate the proposed reduction or elimination for~~
4 ~~consistency with the Statewide Health Care Delivery Strategic Plan, once~~
5 ~~established and the community health needs assessment, and may modify the~~
6 ~~hospital's budget or take such additional actions as the Board deems~~
7 ~~appropriate to preserve access to necessary services.~~

8 ~~(D) A service that has been identified for reduction or elimination in~~
9 ~~connection with the transformation efforts undertaken by the Board and the~~
10 ~~Agency of Human Services pursuant to 2022 Acts and Resolves No. 167 does~~
11 ~~not need to comply with subdivisions (A)–(C) of this subdivision (e)(2).~~

12 Upon receipt of notification from a hospital pursuant to subsection
13 9405d(b) of this title that the hospital intends to reduce or eliminate a service
14 following its completion of the process set forth in subsection 9405d(a) of this
15 title, the Board shall review the impact of the reduction or elimination on the
16 hospital's approved budget. The Board may adjust the hospital's budget as
17 necessary to reflect the elimination or reduction, which may include directing
18 that any savings related to the reduction or elimination are returned to
19 Vermonters to address affordability concerns or to payers to be reflected in
20 health insurance premiums or are reinvested in primary care, prevention, and
21 other community-based services.

