

Senator Ginny Lyons

Below is a short summary of recent legislation signed into law, federal issues coming up in 2026 and what looms ahead for 2027 and beyond. In 2025 we continued innovative actions to improve healthcare affordability, access, and quality, to further the long-term sustainability of Vermont's healthcare system, including:

2025:

- [Act 68 \(S.126\)](#) directing AHS to report to the Legislature on its transformation work and to reduce hospital spending by not less than 2.5% for fiscal year 2026 and requiring GMCB to begin reference-based pricing in 2027. Hospital global budgets are to begin in 2028. The law requires the development of a statewide health care plan. AHS hospital transformation, identification of regional state gaps for primary care, SUD, MH, LTC, transportation, and related needs will inform the plan. Primary care is highlighted in the law as is integrated HER (Electronic Health Records).
- [DFR Order](#) requiring insurers to adopt stronger cost control measures in their hospital contracts beginning in 2026 and allowing for the appointment of a liaison to help ensure BCBSVT's compliance with DFR's order. This is the result of your health and welfare committee identifying a lack of transparency in insurer – provider contracts at every level. The Chair of SHW met weekly with GMCB, DFR, JFC, and HHC.
- [Act 49 \(H.482\)](#) providing GMCB authority to immediately reduce certain hospital prices in the event of an acute and immediate threat to a domestic insurer's solvency. This is the result of the Chair's weekly meetings with GMCB, DFR, HHC, and JFC to fine tune legislation that began in the House.
- [Act 55 \(H.266\)](#) protecting Vermonters from excessive markups by hospitals on drugs administered by hospitals. Act 55 capped hospital-administered drug prices at 120% of the national Average Sales Price. This begins in Jan. 2026 and contributed significantly to lower health insurance premiums in connection with this year's BCBSVT and MVP fillings at the Board. The bill was a suggestion by the Health Care Advocate to House and Senate Committees.

This year's hospital rate requests highlight the urgent need to continue Vermont's healthcare transformation work, including the initiatives launched through Act 167 of 2022, which led to the Oliver Wyman report identifying necessary transformation to sustain our health system. In addition, Act 51 of 2023 tasked AHS with leading hospital transformation to reduce inefficiencies, lower costs, improve population health outcomes, reduce health inequalities, and increase access to essential services while maintaining sufficient capacity for emergency management. These efforts remain critical to building a system that is more affordable, sustainable, and responsive to the needs of Vermonters, while supporting long-term financial stability. Hospitals, insurers, policymakers, community leaders, and the public are encouraged to remain active partners in shaping a healthcare system that is resilient, transparent, and accessible.