

## **Draft outline of 2025 Senate Health & Welfare health care reform committee bill**

### **Part 1. Statewide Health Care Delivery Plan**

- Directs Green Mountain Care Board (GMCB) and Agency of Human Services (AHS), in collaboration with interested stakeholders, to develop an integrated Statewide Health Care Delivery Plan that builds on data from the Health Resource Allocation Plan, Act 167 transformation planning, and related data to ensure access to high-quality, cost-effective acute care, chronic care, primary care, and hospital-based, independent, and community-based services across Vermont
  - The plan will include ensuring that mental health services, substance use disorder services, emergency medical services, non-emergency medical services, and non-medical services and supports are available in each region of the State
  - The plan will build on data from GMCB, Department of Health (VDH), Vermont health care providers, and other relevant data sources
  - The plan will identify:
    - Gaps in access to care, as well as circumstances in which service closures or consolidations may result in improvements in quality, access, and affordability, when considering the current and future needs of Vermonters
    - Opportunities to reduce administrative burdens, such as contracting complexity, payment term complexity, quality reporting requirements
    - Federal, State, and other barriers to achieving the plan's goals and, to the extent feasible, how those barriers can be alleviated
- Requires Vermont hospitals to submit hospital strategic plans aligned with the Statewide Health Care Delivery Plan
  - [Either specify minimum plan requirements or direct GMCB to establish the minimum requirements]
  - Directs GMCB to review and approve hospital strategic plans for alignment with the Statewide Health Care Delivery Plan
  - Directs GMCB hospital budget review to include consideration of a hospital's alignment with its strategic plan
- Requires AHS to monitor other State agencies' for alignment with the Statewide Health Care Delivery Plan

### **Part 2. Health system evaluation to support improvement and development of Statewide Health Care Delivery Plan**

- Directs GMCB and AHS to jointly establish advisory committee to oversee evaluation of current health system performance and development of Statewide Health Care Delivery Plan
- Directs GMCB to solicit input from the advisory committee to design an evaluation approach for GMCB implementation that will continuously monitor current performance in all sectors of health care delivery to identify opportunities to improve access to care, clinical quality, and population health while reducing, to the extent possible, the total cost of care
- Requires GMCB and AHS to ensure that the evaluation, planning process, and implementation of related programs are timely, transparent, and open to feedback from interested stakeholders, including the public

### **Part 3. Integration of clinical and cost data for clinical improvement, regulation, health system evaluation, and policy development**

- Directs Vermont Information Technology Leaders (VITL) to lead all payers and health care providers in the technical development of a system of clinical and claims data in order to improve patient, provider, and payer access to relevant information and reduce administrative burden.
- Process will:
  - Follow VITL's established standards
  - Utilize and follow HIE steering committee plan, to the extent practicable
  - Determine steps necessary for interoperability between providers
  - Establish a timeline for setup and access
  - Identify resources needed to complete data linkages for clinical and research usage
  - Develop a system that ensures rapid access for patients, providers, and payers
- Identifies for future planning interoperability for emergency medical services (EMS) providers and including a linkage between VDH and the USDA's Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- Directs VITL to share data with State agencies and health care providers as needed to support the goals of the Statewide Health Care Delivery Plan

### **Part 4. Hospital budgets and payment reform**

#### **Reference-based pricing**

- Requires reference-based pricing for hospital prices in the commercial market at a percentage of Medicare prices to be determined by GMCB in order to move hospitals from current pricing structure to site-neutral approach while allowing for price differentiations based on demographics, population health in a hospital service region and/or a particular hospital's role in the health care system
- Requires GMCB, in collaboration with the Blueprint for Health and other State agencies when appropriate, to implement reference-based pricing to increase or decrease rates for non-hospital services as appropriate to align with the Statewide Health Care Delivery Plan
- Directs GMCB to solicit input from payers on ways to approach reference-based pricing in effort to achieve all-payer alignment on reference-based pricing design and implementation

#### **Total cost of care**

- Directs GMCB to establish total cost of care statewide spending targets, recommend growth rates that would bring hospital and total health care spending to at or below national growth rates of GDP, and adjust as needed to bring Vermont total health care spending back in line with or better than the U.S. average
- Directs GMCB to establish targets for primary care and preventative care spend, including mental health spending, that are aligned with the Statewide Health Care Delivery Plan and the total cost of care statewide spending target

**Global hospital budgets**

- Directs GMCB to establish budgets for Vermont hospitals that are consistent with the total cost of care targets established by GMCB
  - To the extent federal requirements affect Medicare or Medicaid Services, GMCB must collaborate with AHS to ensure compliance
- Directs GMCB to establish standards for global hospital budgets and start implementation by 2027, beginning with the five largest Vermont hospitals
  - Build on reference-based pricing implemented for commercial insurers
  - GMCB may hire a contractor to support development and implementation
  - Requires all Vermont hospitals to have a global hospital budget by 2029
- Requires GMCB to establish outcome measurements to ensure that hospital costs are appropriate and quality and access are maintained or improved

**GMCB regulatory duties**

- Directs GMCB to propose revised timelines for its annual health insurance rate reviews and hospital budget reviews to improve coordination
- Starting in 2026:
  - GMCB must ensure hospitals implement their budget orders in a manner that is consistent with their approved hospital strategic plans
  - GMCB, in collaboration with the Department of Financial Regulation (DFR), must require that any decrease in hospital services result in decreased insurance premiums
  - Any proposed discontinuance or closure of a hospital service will require application to GMCB, which will review through reverse certificate of need process to be developed by legislation and by GMCB and will include evaluating the proposal for consistency with Act 167 transformation efforts and the Statewide Health Care Delivery Plan
  - GMCB will require hospitals to include in their budget filings and for audit purposes ratios of executive and other administrative salaries to clinical and other staff salaries
- Requires hospitals to transition to uniform system of accounts so GMCB can directly compare hospital expenses
- Directs GMCB to contract with a single, independent auditor, to be paid for by the hospitals, to conduct an audit of all Vermont hospitals in order to increase transparency about hospital costs and expenditures; ensure hospitals are using the same criteria to identify administrative, clinical, and other costs; and quantify spending that does not relate to patient care
  - Contract will be for three years, with rebid required every three years

**Payments for clinical services**

- Directs GMCB to collaborate with interested stakeholders to develop payment models aligned with the Statewide Health Care Delivery Plan and Act 48 principles of health care reform
- Requires hospitals to submit improvement plans for GMCB approval; GMCB to review for alignment with Statewide Health Care Delivery Plan and consult clinical advisory board

**Part 5. Resources**

- Creates five new positions at GMCB in fiscal year 2026, another five new positions in fiscal year 2027, and another five new positions in fiscal year 2028
- Appropriates \$\_\_\_\_\_ in additional funds to GMCB in fiscal year 2026 for positions, contracts, other needs