VERMONT LEGAL AID

Office of the Health Care Advocate
264 North Winooski Ave., Burlington VT 05401
Toll Free Hotline: 800-917-7787
www.vtlawhelp.org/health Fax: 802-863-7152

HCA Testimony on SHW Committee Bill

- **Sec.1: § 9375. DUTIES**
  Support with Recommended Changes
  - The HCA does not support global budgets based on current pricing levels and with current pricing variation
  - Clarify that global budgets shall not to be implemented until referenced based pricing (RBP) brings all hospital prices to at or below 60th percentile of commercial price nationally as identified by RAND and federal government has a payment reform model that could accommodate global budgets (i.e., provides Medicare payments)
  - It will take time for RBP to reduce high prices/outliers. Establishing a global budget at current pricing levels will bake in unsustainable costs.
  - If RBP is done via a pilot with one or several hospitals, it must incorporate all facility services, it cannot be simply a subset. Otherwise, hospitals could simply raise prices on services that are not subject to RBP, thus defeating the purpose of RBP.

- **Sec. 2: § 9376. PAYMENT AMOUNTS; METHODS**
  Support with Recommended Changes
  - Clarify that we are doing *provider* not payer rate setting and do not limit provisions simply to Vermont residents. Limiting ourselves to just regulating payers will not address our health care financing and affordability crisis
  - Sec 2 (e)(1) Add "consult with HCA and experts who have implemented RBP at the state level." There is no need to reinvent the wheel with respect to RBP. The Board shall start RBP by building on policies and procedures that have both been successfully implemented in other states (i.e., Montana, Oregon), use that as a template, and then modify the template to account for Vermont's unique factors (rurality, focus on primary care and population health, etc.

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- **Sec 3: § 9454. HOSPITALS; DUTIES**
  Support with Recommended Changes
  - Clarify what is meant by "uniform system of accounts"? We need hospital compliance with uniform *reporting* to reduce the risk of regulatory decisions being based on non-comparable, incomplete, and/or inaccurate data

- **Sec. 4: § 9456. BUDGET REVIEW**
  Support with Recommended Changes
  - Sec. 4, (a)(7) on page 9**:** Cut – we need hospitals to focus on treating patients. The state should be leading and funding community health efforts. The state needs to move away from asking hospitals to invest in community health endeavors given the financial challenges hospitals are facing
  - Recommended additional language (a)(18): "As a part of the state health care delivery plan, hospitals are required to base variable pay (bonuses) on factors aligned with goals identified in the plan – including but not limited to patient affordability and access."

- **Sec. 5: § 9458. HOSPITAL NETWORK FINANCIAL OPERATIONS**
  Support with Recommended Changes
  - Require the Board to conduct an evaluation of whether a health network is serving the public good, and if not, take corrective actions under its hospital budget review and enforcement authority

- **Sec. 6 & Sec. 7: 18 V.S.A. § 9403 & 18 V.S.A. § 9403a**
  Support with Recommended Changes
  - Select either GMCB or AHS to lead. Joint leadership in this type of work can lead to inefficiency and lack of directional clarity
  - Add HCA and community members to consult on health care delivery plan
  - Remove "targets" and establish binding and enforceable requirements
  - Add Vermont Household Health Insurance Survey, NASHP Cost Tool, and RAND price transparency to explicit data sources

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- **Sec. 8: 18 V.S.A. § 9353**
  Support with Recommended Changes
  - Recommend claims data integration be permissive rather than mandatory depending on linkage of clinical efficacy and patient safety
  - Maintain "best practices" from privacy and security line

- **Sec. 9**
  Do Not Support
  - What OneCare did with data analytics/EMR is not worth expending already limited taxpayer dollars to try and replicate or retain given well-founded concerns about its relative lack of value to providers and policymakers

- **Sec. 10**
  Support

- **Sec. 11**:
  Support