



Section 1: Reference-based pricing reporting and National Provider Identifier

REFERENCE-BASED PRICING REPORTING

S.190: Hospitals report their rates as a percentage of Medicare or other benchmark.

VAHHS Position: Having each hospital calculate their prices as a percentage of Medicare is administratively burdensome and can foster non-standardization. The Green Mountain Care Board, who is doing this work with funding from [Act 68](#), should provide the prices to hospitals and hospitals will post the prices to further transparency.

Proposed Language: (C) For provider contracts entered into on or after October 1, 2026, each hospital and health insurer the Green Mountain Care Board shall express the rates for all items and services as a percentage of Medicare or of another benchmark, if another benchmark is deemed appropriate by the Green Mountain Care Board.

NATIONAL PROVIDER IDENTIFIER FOR OFF-CAMPUS SERVICES

S.190: Hospitals must obtain a National Provider Identifier (NPI) for all “off-campus” services.

VAHHS Position: Hospitals obtaining an NPI for off-campus services is a new [federal law](#) with hospitals coming into compliance on January 1, 2028. If hospitals do not comply, they cannot bill Medicare for services provided in “off-campus” sites. CMS will propose rules around definitions and implementation. Vermont should align with the federal law as opposed to implementing state law that could conflict.

Proposed Language: Change Effective date is January 1, 2028.

Sections 2-5: Outsourcing of services

S.190: Outsourced services must be included in hospital revenue, rate-setting, and provider taxes. Hospitals shall be responsible for billing outsourced services to prevent surprise billing and hospital financial assistance policies must apply to outsourced services.

VAHHS Position: Many outsourced services provide quality care at lower cost and may be necessary to maintain access. During COVID, Brattleboro Memorial Hospital’s anesthesiology leader died suddenly and left the hospital [without services](#). The hospital needed to contract with an independent anesthesia group to provide vital services. We are concerned that hospitals will not have options to maintain critical services if independent providers are regulated as suggested in S.190.

Additionally, the legislature, AHS, and the Green Mountain Care Board have all encouraged hospitals to collaborate and share providers so that each hospital can maintain access in their communities without hiring 2-3 specialists. Under this proposal, if Hospital A contracts out its pathologist to Hospital B. Hospital A will receive the revenue from the pathology services and have to report it as part of its budget and Hospital B will not receive the revenue, but will also have to report it as part of its budget. This artificially inflates revenue and is a disincentive for hospitals to collaborate on providing services.

Finally, patients are protected from surprise billing under the [Federal No Surprises Act of 2020](#) and Vermont state law with [Act 137 of 2022](#).



For FY 2027, the Green Mountain Care Board should consult with hospitals and the organizations they contract with, study the impact of outsourced services to access, quality, and affordability, and make recommendations to the legislature.

Proposed Language: Remove sections 2-5. Replace with: **The Green Mountain Care Board shall require reporting on outsourced services for FY 2027 budgets. After consulting with hospitals and their contracted independent providers, and assessing the impact to access, quality, and affordability, the Green Mountain Care Board may make recommendations to the legislature by January 15, 2027.**

Section 10: Hospital Audits

S.190: The Chair of the Board may conduct investigations and examinations, including audits, of hospitals that are reasonably necessary or helpful to the Board.

VAHHS Position: It is unclear what problem this proposal is trying to solve. Hospitals undergo independent audits annually. The board already has the authority to examine the books, accounts, and papers of health care facilities and issue subpoenas under [18 V.S.A. § 9412](#). It also has the authority to name an independent observer to a hospital when the hospital deviates from its budget by 1% under [18 V.S.A. § 9456\(g\)\(2\)](#). The independent observer can act as an auditor because they have the power to monitor hospital operations, obtain information from the hospital, and report findings and recommendations to the board.

This proposal is vague and possibly expensive. “Helpful” is not a legal standard. Auditing without any sort of triggers or guidelines could also be expensive and intrusive, especially if there is both an auditor and an observer. VAHHS cannot support this proposal.

Proposed Language: Remove Section 10.