To:	**Senate Health & Welfare Committee**
From:	**Jessa Barnard, Executive Director**
Date:	**February 19, 2026**
RE:	**S. 190, An act relating to the Green Mountain Care Board**

Sections 2-5 Outsourcing of Services

Background: S. 190 defines "outsourcing" as an arrangement in which a hospital contracts with an external entity that assumes sole control of direct clinical care offered within the hospital facility. This is a broad definition that could include many services offered by local, independent medical specialists. Rather than encouraging hospitals to cooperate and contract with cost effective, independent providers, the current language specifying billing practices, charges and more could make it nearly impossible for independent providers to provide services to hospitals. VMS believes that before more regulation is imposed on such relationships, the GMCB needs a better understanding of the scope of the issue and which provider types and relationships could be impacted.

VMS Recommends - Adopting the language proposed by VAHHS –
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.

Sections 6-8: Repeal of Health Care Professional Bargaining Group

Background: In the 1990s, the Vermont legislature enacted a framework for a universal access healthcare system that included global budgets and expenditure targets designed to regulate health care expenditures in sectors such as hospitals, physicians, home health, and pharmacy. The legislature recognized the need to establish a process to enable health care professionals to discuss the health care budgets and expenditure targets with state government, while ensuring that the discussions did not violate federal antitrust law. As part of the health care reform in the 1990s, the general assembly enacted a law that expressly authorizes provider bargaining groups to negotiate with the state agencies that regulate healthcare, Medicaid and workers' compensation.

The Physician Policy Council (PPC) was organized by the Vermont Medical Society in 1994 to act as a "provider bargaining group," for Vermont physicians under this law, and was certified by the state. Other health care professionals such as dentists also organized provider bargaining groups at that time. The PPC is expressly authorized by Vermont law to negotiate with state government agencies such as the Department of Vermont Health Access, the Agency of Human Services, Green Mountain Care Board, and the Department of Labor.

Originally the PPC developed positions for VMS during the health care reform debate in the early 1990s and prepared to negotiate with the state on a unified global health care budget and expenditure analysis in the event a universal health care system achieved passage. Because

implementation of a universal access health care system was not achieved, subsequently the PPC worked on health care regulation and reimbursement issues for physicians within the context of the current delivery system. For example, in 1996 the group met to discuss with BCBSVT its plans to create a Vermont Health Plan and in 2000 to address issues of adequacy and fairness of reimbursement in the state Medicaid program.

Statute and rule outline the requirements to apply and be approved as a Provider Bargaining Group by the Green Mountain Care Board. The PPC most recently applied and was approved by the GMCB in 2025.

VMS met with the GMCB twice to discuss the proposal in S. 190 to eliminate Health Care Provider Bargaining Groups. GMCB staff expressed to VMS that their primary concern was not subjecting referenced based pricing to bargaining with Provider Bargaining Groups. VMS is amenable to a specific carveout for reference based pricing, understanding this is a new area of regulating that will have rulemaking and significant stakeholder input. However, VMS is not supportive nor has heard compelling reasons to eliminate all GMCB work from Provider Bargaining – as global budgets and rates were in fact a key reason for creating them.

VMS Recommends - Replace Sections 6-8 with:
18 V.S.A. § 9409 is amended to read:

§ 9409. HEALTH CARE PROVIDER BARGAINING GROUPS
(a) The Green Mountain Care Board may approve the creation of one or more health care provider bargaining groups, consisting of health care providers who choose to participate. A bargaining group is authorized to negotiate on behalf of all participating providers with the Secretary of Administration, the Secretary of Human Services, the Green Mountain Care Board, or the Commissioner of Labor with respect to any matter in this chapter; chapter 13, 219, 220, or 222 of this title; 21 V.S.A. chapter 9; and 33 V.S.A. chapters 18 and 19 with respect to provider regulation, provider reimbursement, administrative simplification, information technology, workforce planning, or quality of health care.
(b) The Green Mountain Care Board shall adopt by rule criteria for forming and approving bargaining groups and criteria and procedures for negotiations authorized by this section.
(c) The rules relating to negotiations shall include a nonbinding arbitration process to assist in the resolution of disputes. Nothing in this section shall be construed to limit the authority of the Secretary of Administration, the Secretary of Human Services, the Green Mountain Care Board, or the Commissioner of Labor to reject the recommendation or decision of the arbiter.
(d) Notwithstanding anything to the contrary in this section, the Green Mountain Care Board shall not be required to negotiate with a provider bargaining group or to engage in a nonbinding arbitration process regarding the Board's duties with respect to its establishment of reference-based prices in accordance with 18 V.S.A. §§ 9375(b)(1)(A), (b)(5) or 18 V.S.A. § 9376.