

estimates shall be provided at the same times for the current fiscal year. Within 10 days of receipt of such estimates, the board shall determine an official state revenue estimate for deposit in the respective funds for the years covered by the estimates. For the purpose of revising an official revenue estimate only, a majority of the legislative members of the emergency board may convene a meeting of the board. The ~~health access trust fund estimate~~ secretary shall include estimated caseloads and estimated per member per month expenditures for the current and next succeeding fiscal years for each population category eligible for state health care assistance programs supported by the fund.

Sixth: In Sec. 18, on pages 29–30, by striking subsection (a) in its entirety and inserting in lieu thereof a new subsection (a) to read:

(a) The agency of administration shall report to the general assembly no later than January 15, 2009 on any changes to catamount health needed to increase enrollment to achieve a 98 percent rate of insured Vermonters. The agency shall consider whether mandating participation in public health care programs and health insurance coverage is necessary to increase enrollment or whether mandating that those who choose not to have health insurance coverage should be required to pay some of the health care costs. The report shall include recommendations, a discussion of the considerations, and information and data supporting the recommendations. The department of banking, insurance, securities, and health care administration shall complete the survey of insurance status in time sufficient for the data to be used in the secretary's recommendations.

Seventh: In Sec. 18, on page 30, by striking subsection (b) in its entirety and inserting a new subsection (b) to read:

(b) No later than January 15, 2009, the agency of administration shall report to the general assembly on:

(1) the percentage of uninsured Vermonters and the number of insured Vermonters by coverage type;

(2) an analysis of the trends of catamount health costs and trends in the revenue sources for catamount health;

(3) the feasibility of allowing individuals who are not uninsured and employers to buy into catamount health at full premium cost;

(4) the number of individuals enrolled in catamount health who are eligible for employer-sponsored insurance and the per-member per-month costs of these individuals;

(5) the number of individuals enrolled in any chronic care management program which complies with the requirements in chapter 13 of Title 18, including those covered by private insurance; and

(6) the feasibility of removing or capping the premium increases for enrollment outside the initial enrollment period.

Eighth: In Sec. 22, on pages 31–32, by striking subsection (a) in its entirety and inserting in lieu thereof a new subsection (a) to read:

(a) This act shall take effect upon passage, except as follows:

(1) Secs. 8 (Medicaid reimbursement), 12 (cost shift review), 17a (catamount fund transfers) and 17d (tobacco litigation fund) shall take effect July 1, 2006.

(2) Secs. 10 (VHAP premiums) and 11 (Dr. Dynasaur premiums) shall take effect July 1, 2007.

(3) Sec. 17b (cigarette tax rate increase) shall apply to taxable cigarettes on and after July 1, 2006. Amendments to the provisions of 32 V.S.A. § 7771 in H.843 (An Act Relating to Miscellaneous Tax Policy Amendments), if enacted, shall not be repealed or amended by this act; except that the tax rates in Secs. 17b and 17c of this act shall take effect and supersede any provisions in H.843 affecting the rate of the cigarette tax.

(4) Those provisions of Sec. 14, adding 33 V.S.A. § 2027, establishing the catamount fund, and Sec. 17e, amending 33 V.S.A. § 1901d, relating to the state health care resources fund, shall be effective on June 30, 2006.

Rep. Larson of Burlington, for the committee on Appropriations, recommended the bill ought to pass when amended as recommended by the committee on Ways and Means.

The bill, having appeared on the Calendar one day for notice, was taken up and read the second time.

Pending the question, Shall the House amend the bill as recommended by the committees on Ways and Means and Appropriations?

Recess

At eleven o'clock and thirty minutes in the forenoon, the Speaker declared a recess until twelve o'clock and thirty minutes in the afternoon.

At twelve o'clock and fifty minutes in the afternoon, the Speaker called the House to order.

Consideration Resumed; Bill Amended and Third Reading Ordered

H. 861

Consideration resumed on House bill, entitled

An act relating to health care affordability for Vermonters;

Pending the question, Shall the House amend the bill as recommended by the committees on Ways and Means and Appropriations? **Rep. Flory of Pittsford** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House amend the bill as recommended by the committees on Ways and Means and Appropriations? was decided in the affirmative. Yeas, 82. Nays, 61.

Those who voted in the affirmative are:

Ancel of Calais	Haas of Rochester	Milkey of Brattleboro
Aswad of Burlington	Head of S. Burlington	Miller of Shaftsbury
Atkins of Winooski	Heath of Westford	Minter of Waterbury
Audette of S. Burlington	Hosford of Waitsfield	Mook of Bennington
Bohi of Hartford	Howard of Rutland City	Nease of Johnson
Botzow of Pownal	Howrigan of Fairfield	Nitka of Ludlow
Brooks of Montpelier	Hunt of Essex	Nuovo of Middlebury
Chen of Mendon	Hutchinson of Randolph	Obuchowski of Rockingham
Clarkson of Woodstock	Jerman of Essex	Orr of Charlotte
Condon of Colchester	Jewett of Ripton	Partridge of Windham
Copeland-Hanzas of Bradford	Johnson of South Hero	Pellett of Chester
Cross of Winooski	Keenan of St. Albans City	Peterson of Williston
Darrow of Dummerston	Keogh of Burlington	Pillsbury of Brattleboro
Deen of Westminster	Kitzmiller of Montpelier	Potter of Clarendon
Donovan of Burlington	Klein of East Montpelier	Pugh of S. Burlington
Dostis of Waterbury	Kupersmith of S. Burlington	Randall of Troy
Dowland of Holland	Larson of Burlington	Reese of Pomfret
Edwards of Brattleboro	Leriche of Hardwick	Rodgers of Glover
Emmons of Springfield	Lippert of Hinesburg	Rusten of Halifax
Evans of Essex	Lorber of Burlington	Seibert of Norwich
Fallar of Tinmouth	Maier of Middlebury	Severance of Colchester
Fisher of Lincoln	Malcolm of Pawlet	Shand of Weathersfield
Frank of Underhill	Marek of Newfane	Sharpe of Bristol
French of Randolph	Martin of Wolcott	Smith of Morristown
Gervais of Enosburg	Masland of Thetford	Sweeney of Windsor
Grad of Moretown	McCullough of Williston	Tracy of Burlington
Green of Berlin	McFaun of Barre Town	Trombley of Grand Isle
	McLaughlin of Royalton	

Those who voted in the negative are:

Acinapura of Brandon	Allaire of Rutland City	Baker of West Rutland
Adams of Hartland	Allard of St. Albans Town	Bartlett of Dover

Bostic of St. Johnsbury	Kainen of Hartford	Niquette of Colchester
Branagan of Georgia	Kennedy of Chelsea	O'Donnell of Vernon
Brennan of Colchester	Kilmartin of Newport City	Otterman of Topsham
Canfield of Fair Haven	Koch of Barre Town	Parent of St. Albans City
Clark of St. Johnsbury	Komline of Dorset	Peaslee of Guildhall
Clark of Vergennes	Krawczyk of Bennington	Perry of Richford
Corcoran of Bennington	Larocque of Barnet	Shaw of Derby
Dates of Shelburne	Larrabee of Danville	Smith of New Haven
DePoy of Rutland City	LaVoie of Swanton	Sunderland of Rutland Town
Donaghy of Poultney	Lawrence of Lyndon	Turner of Milton
Donahue of Northfield	Livingston of Manchester	Valliere of Barre City
Endres of Milton	Louras of Rutland City	Westman of Cambridge
Errecart of Shelburne	Marcotte of Coventry	Winters of Swanton
Flory of Pittsford	Marron of Stowe	Winters of Williamstown
Helm of Castleton	McAllister of Highgate	Wright of Burlington
Houston of Ferrisburgh	Miller of Elmore	Young of Orwell
Hube of Londonderry	Morley of Barton	Zuckerman of Burlington
Hudson of Lyndon	Morrissey of Bennington	
Johnson of Canaan	Myers of Essex	

Those members absent with leave of the House and not voting are:

Barnard of Richmond	Kiss of Burlington	Molloy of Arlington
Dunsmore of Georgia	Martin of Springfield	Monti of Barre City

Rep. Koch of Barre Town explained his vote as follows:

"Madam Speaker:

If Catamount Health is worthy of enactment – and it may be – it is worthy of "sufficient...and sustainable" funding, as stated in Sec. 1 of this bill. This amendment proposes funding that is neither sufficient nor sustainable. One funding source begins to decline as soon as it is enacted (the tobacco tax); one source is uncertain after 2010 (the global commitment); and one source completely dries up after ten years (the strategic settlement funds). We are creating a permanent program with temporary funds."

Rep. Louras of Rutland City explained his vote as follows:

"Madam Speaker:

One of the key guiding principles of the underlying bill is that: the financing of health care in Vermont must be sufficient and sustainable. Admittedly, by all, its funding sources are neither."

Rep. McFaun of Barre Town explained his vote as follows:

"Madam Speaker:

Although tobacco monies may not be sustainable beyond the year 2010, we don't know for sure what the level of sustainability will be. Since there is an

in-depth monitoring and reporting process established by this bill under the direction of the Secretary of Administration concerning the progress of all health care reform initiatives, including catamount health, and because the reports from that process come directly to this General Assembly yearly beginning in January 07, I feel comfortable we will be able to act in an appropriate manner based on the information we are getting yearly to deal with any problems that may arise in funding that relate to all health care reform programs.

I voted yes to get us started on the road of health care reform, because, to do nothing will only continue for another year the huge problem we have with the escalating costs of health care and add more people to the ranks of the uninsured."

Rep. Morrissey of Bennington explained her vote as follows:

"Madam Speaker:

To fund a major expansion of state provided health care with a regressive tax that ultimately will undermine sustainable funding for the Catamount Health Plan is totally irresponsible."

Rep. Nuovo of Middlebury explained her vote as follows:

"Madam Speaker:

I recognize that health care reform may need financing beyond the cigarette tax in the future. A good way to start though is the new tobacco settlement and the increased tobacco tax rather than shifting costs of \$40 - \$50 million to our employers. This later cost could also diminish as employers reduce and end their coverage.

However, the cigarette tax, by making important investments would reduce the number of smokers and the cost of smoking illnesses."

Rep. Pugh of South Burlington explained her vote as follows:

"Madam Speaker:

The research is clear. Every single state that has significantly raised its cigarette tax rate has enjoyed substantial increases to state revenues, despite the fact that cigarette tax increases reduce state smoking levels. In sharp contrast, those states that have failed to increase their cigarette taxes have experienced gradual tobacco tax revenue declines caused by ongoing reductions in state smoking levels. Simply said, raising the cigarette tax makes good fiscal sense and good health care sense."

Rep. Shaw of Derby explained his vote as follows:

"Madam Speaker:

A carton of cigarettes in Vermont are costing the smokers \$45.00 per carton, while across the line in Canada many are purchasing them for \$20.00. 2002 cigarette sales were 57 million packs, while 2005 Vermont only sold 39.7 million packs. New Hampshire cigarette sales in 2002 were 165.7 million packs, and 180.1 million packs in 2005. We are losing revenue on cigarette taxes to both New Hampshire and Canada and hurting our local businesses."

Rep. Winters of Williamstown explained his vote as follows:

"Madam Speaker:

We have a state-run health care program called Medicaid. Over the years this program has continuously been expanded and made more generous. The result is a projected short-fall in funding of 212 million dollars in the year 2010 – that credit card is "maxed-out" – Today we start down a different, but parallel path. We take a different credit card but I believe the result will be the same."

Rep. Wright of Burlington explained his vote as follows:

"Madam Speaker:

Catamount Health will be funded by sources that are not sustainable over time in order to cover 1/3 of the uninsured. At the same time we potentially put our most vulnerable seniors at risk in the future and lose the very important scholarship program. The benefits are outweighed by the risks. We must spend the time this year to find a better way."

Pending the question, Shall the bill be read the third time? **Rep. Otterman of Topsham** demanded the Yeas and Nays, which demand was sustained by the Constitutional number.

Pending the call of the roll, **Rep. Wright of Burlington** moved to recommit the bill to the committee on Health Care.

Pending the question, Shall the House recommit the bill to the committee on Health Care? **Rep. Partridge of Windham** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House recommit the bill to the committee on Health Care? was decided in the negative. Yeas, 53. Nays, 86.

Those who voted in the affirmative are:

Acinapura of Brandon
Adams of Hartland
Allaire of Rutland City

Baker of West Rutland
Bartlett of Dover
Bostic of St. Johnsbury

Branagan of Georgia
Canfield of Fair Haven
Clark of St. Johnsbury

Clark of Vergennes	Kilmartin of Newport City	Morrissey of Bennington
Dates of Shelburne	Koch of Barre Town	Myers of Essex
DePoy of Rutland City	Komline of Dorset	Niquette of Colchester
Donaghy of Poultney	Krawczyk of Bennington	O'Donnell of Vernon
Donahue of Northfield	Larocque of Barnet	Parent of St. Albans City
Dowland of Holland	Larrabee of Danville	Peaslee of Guildhall
Endres of Milton	LaVoie of Swanton	Smith of New Haven
Errecart of Shelburne	Lawrence of Lyndon	Sunderland of Rutland Town
Flory of Pittsford	Livingston of Manchester	Turner of Milton
Helm of Castleton	Louras of Rutland City	Valliere of Barre City
Houston of Ferrisburgh	Marcotte of Coventry	Winters of Swanton
Hube of Londonderry	Marron of Stowe	Winters of Williamstown
Hudson of Lyndon	McAllister of Highgate	Wright of Burlington
Johnson of Canaan	Miller of Elmore	Young of Orwell
Kennedy of Chelsea	Morley of Barton	

Those who voted in the negative are:

Ancel of Calais	Head of S. Burlington	Miller of Shaftsbury
Aswad of Burlington	Heath of Westford	Minter of Waterbury
Atkins of Winooski	Hosford of Waitsfield	Mook of Bennington
Audette of S. Burlington	Howard of Rutland City	Nease of Johnson
Bohi of Hartford	Howrigan of Fairfield	Nitka of Ludlow
Botzow of Pownal	Hunt of Essex	Nuovo of Middlebury
Brooks of Montpelier	Hutchinson of Randolph	Obuchowski of Rockingham
Chen of Mendon	Jerman of Essex	Orr of Charlotte
Clarkson of Woodstock	Jewett of Ripton	Otterman of Topsham
Condon of Colchester	Johnson of South Hero	Partridge of Windham
Copeland-Hanzas of Bradford	Kainen of Hartford	Pellett of Chester
Corcoran of Bennington	Keenan of St. Albans City	Perry of Richford
Cross of Winooski	Keogh of Burlington	Peterson of Williston
Darrow of Dummerston	Kitzmiller of Montpelier	Pillsbury of Brattleboro
Deen of Westminster	Klein of East Montpelier	Potter of Clarendon
Donovan of Burlington	Kupersmith of S. Burlington	Pugh of S. Burlington
Dostis of Waterbury	Larson of Burlington	Randall of Troy
Edwards of Brattleboro	Leriche of Hardwick	Reese of Pomfret
Emmons of Springfield	Lippert of Hinesburg	Rodgers of Glover
Evans of Essex	Lorber of Burlington	Rusten of Halifax
Fallar of Timmouth	Maier of Middlebury	Seibert of Norwich
Fisher of Lincoln	Malcolm of Pawlet	Shand of Weathersfield
Frank of Underhill	Marek of Newfane	Sharpe of Bristol
French of Randolph	Martin of Wolcott	Smith of Morristown
Gervais of Enosburg	Masland of Thetford	Sweaney of Windsor
Grad of Moretown	McCullough of Williston	Tracy of Burlington
Green of Berlin	McFaun of Barre Town	Trombley of Grand Isle
Haas of Rochester	McLaughlin of Royalton	Westman of Cambridge
	Milkey of Brattleboro	Zuckerman of Burlington

Those members absent with leave of the House and not voting are:

Allard of St. Albans Town	Barnard of Richmond	Brennan of Colchester
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Dunsmore of Georgia
Kiss of Burlington
Martin of Springfield

Molloy of Arlington
Monti of Barre City
Severance of Colchester

Shaw of Derby

Rep. Morrissey of Bennington explained her vote as follows:

"Madam Speaker:

At a cost of over \$800,000 to the Vermont taxpayer, we should certainly have the information to go home to our constituents to explain this new comprehensive health care plan that they will be ultimately paying for. That is why I voted yes, so that maybe we will be able to obtain that very important information."

Thereupon, the Clerk proceeded to call the roll and the recurring question, Shall the bill be read the third time? was decided in the affirmative. Yeas, 81. Nays, 56.

Those who voted in the affirmative are:

Ancel of Calais
Atkins of Winooski
Audette of S. Burlington
Bohi of Hartford
Botzow of Pownal
Brooks of Montpelier
Chen of Mendon
Clarkson of Woodstock
Condon of Colchester
Copeland-Hanzas of
Bradford
Cross of Winooski
Darrow of Dummerston
Deen of Westminster
Donovan of Burlington
Dostis of Waterbury
Dowland of Holland
Edwards of Brattleboro
Emmons of Springfield
Evans of Essex
Fallar of Tinmouth
Fisher of Lincoln
Frank of Underhill
French of Randolph
Gervais of Enosburg
Grad of Moretown
Green of Berlin
Haas of Rochester

Head of S. Burlington
Heath of Westford
Hosford of Waitsfield
Howard of Rutland City
Howrigan of Fairfield
Hunt of Essex
Hutchinson of Randolph
Jerman of Essex
Jewett of Ripton
Johnson of South Hero
Kainen of Hartford
Keenan of St. Albans City
Keogh of Burlington
Kitzmiller of Montpelier
Klein of East Montpelier
Kupersmith of S. Burlington
Larson of Burlington
Leriche of Hardwick
Lippert of Hinesburg
Lorber of Burlington
Maier of Middlebury
Malcolm of Pawlet
Marek of Newfane
Martin of Wolcott
Masland of Thetford
McCullough of Williston
McFaun of Barre Town
McLaughlin of Royalton

Milkey of Brattleboro
Miller of Shaftsbury
Minter of Waterbury
Mook of Bennington
Nease of Johnson
Nitka of Ludlow
Nuovo of Middlebury
Obuchowski of Rockingham
Orr of Charlotte
Partridge of Windham
Pellett of Chester
Perry of Richford
Peterson of Williston
Pillsbury of Brattleboro
Potter of Clarendon
Pugh of S. Burlington
Randall of Troy
Reese of Pomfret
Rusten of Halifax
Seibert of Norwich
Shand of Weathersfield
Sharpe of Bristol
Smith of Morristown
Sweaney of Windsor
Tracy of Burlington
Trombley of Grand Isle

Those who voted in the negative are:

Acinapura of Brandon	Helm of Castleton	Miller of Elmore
Adams of Hartland	Houston of Ferrisburgh	Morley of Barton
Allaire of Rutland City	Hube of Londonderry	Morrissey of Bennington
Baker of West Rutland	Hudson of Lyndon	Myers of Essex
Bartlett of Dover	Johnson of Canaan	Niquette of Colchester
Bostic of St. Johnsbury	Kennedy of Chelsea	O'Donnell of Vernon
Branagan of Georgia	Kilmartin of Newport City	Otterman of Topsham
Brennan of Colchester	Koch of Barre Town	Peaslee of Guildhall
Canfield of Fair Haven	Komline of Dorset	Smith of New Haven
Clark of St. Johnsbury	Krawczyk of Bennington	Sunderland of Rutland Town
Clark of Vergennes	Larocque of Barnet	Turner of Milton
Corcoran of Bennington	Larrabee of Danville	Valliere of Barre City
Dates of Shelburne	LaVoie of Swanton	Westman of Cambridge
DePoy of Rutland City	Lawrence of Lyndon	Winters of Swanton
Donaghy of Poultney	Livingston of Manchester	Winters of Williamstown
Donahue of Northfield	Louras of Rutland City	Wright of Burlington
Endres of Milton	Marcotte of Coventry	Young of Orwell
Errecart of Shelburne	Marron of Stowe	Zuckerman of Burlington
Flory of Pittsford	McAllister of Highgate	

Those members absent with leave of the House and not voting are:

Allard of St. Albans Town	Kiss of Burlington	Parent of St. Albans City
Aswad of Burlington	Martin of Springfield	Rodgers of Glover
Barnard of Richmond	Molloy of Arlington	Severance of Colchester
Dunsmore of Georgia	Monti of Barre City	Shaw of Derby

Rep. Allaire of Rutland City explained his vote as follows:

"Madam Speaker:

The House Ways and Means committee was presented with one option for funding H. 861. This proposal is an extremely aggressive expansion of our government sponsored and taxpayer funded Health Care program for the uninsured. It is funded with an declining source of revenue, is unsustainable, and uses money which was designated to lower the Medicaid deficit going forward. Another unsustainable government run program.

This legislature seems to have an insatiable appetite to create new programs, raise Vermonters taxes, and tell us they'll re-evaluate the program at intervals down the road where no doubt they'll need new money.

Once you begin a program like this, you'll never be able to stop it.

The goal of the bill is commendable. The Ways and Means of paying for it is unsustainable."

Rep. Branagan of Georgia explained her vote as follows:

"Madam Speaker:

I vote against this bill because it is fiscally unsustainable. We need to provide a set of basic services for all Vermonters, a safety net of health benefits our citizens can expect to receive regardless of ability to pay. If this bill is passed into law, we will shortly be looking for a long-term broad-based tax to fund it."

Rep. Darrow of Dummerston explained his vote as follows:

"Madam Speaker:

This bill does not create a government run health care system. As a society we decided long ago that health care is an essential service and a public good that should be available to everyone just like electric and phone service. And just like those utilities, the health care industry has a long history of state and federal rules, regulations, programs, preexemptions, cost shifting and subsidies. The present health care system is the result of a long public/private evolution. This bill is a long overdue improvement, it is not a government-run health care system."

Rep. Donovan of Burlington explained her vote as follows:

"Madam Speaker:

I voted yes on H.861 because of its positive impact on our Medicaid program. First, it utilizes the Global Commitment waiver without jeopardizing the waiver's sustainability. Second, it reduces the Medicaid deficit by over 20 million dollars. Third, the inclusion of Medicaid recipients with chronic illnesses in the Chronic Illness Prevention and Management Program is an investment that will reduce the cost of their care, and therefore further contribute to the long-term sustainability of Medicaid."

Rep. Head of S. Burlington explained her vote as follows:

"Madam Speaker:

We cannot afford to continue a health care system focused on costly acute care. I vote "yes" for preventive and coordinated care. "Yes" for the right care at the right time, saving millions over the long term."

Rep. Koch of Barre Town explained his vote as follows:

"Madam Speaker:

I cannot support this bill in its present form. However, I hope that amendments to be offered tomorrow will be approved, so that I will be able to vote yes on final passage."

Rep. McCullough of Williston explained his vote as follows:

"Madam Speaker:

I support, quality, affordable, accessible health care for all Vermonters. Some have vilified H. 861 as too generous, costly and therefore doomed to failure.

For me, failure to provide quality, affordable, accessible health care would no doubt, prove to be the most costly failure this legislature could produce."

Rep. Otterman of Topsham explained his vote as follows:

"Madam Speaker:

Twenty-five percent of Vermont's population is eligible for Medicaid compared to only nine percent of the people across the Connecticut River in New Hampshire. Part of this difference results from the transfer of assets from elderly parents to their adult children. This leaves Mom and Dad dependent on the state for support. Some Vermont lawyers promote these transitions calling them estate or Medicaid planning. Our state government does not seem to know how many of these gifts are being made or the amount of assets involved. Until we are able to understand and control our present Medicaid program, it is unwise to embark on a new and costly health care system."

Rep. Shand of Weathersfield explained his vote as follows:

"Madam Speaker:

Your committee on Health Care heard from over 800 Vermonters. It considered 8 different reform plans, including 8 full days of testimony about the administration's proposal, from the administration.

I am comfortable that the committee followed proper process."

Rep. Zuckerman of Burlington explained his vote as follows:

"Madam Speaker:

I am a representative of the demographic that is most impacted by this bill, and I would probably benefit from it. However, I believe the system is broken and voters are looking for more substantial change where everyone pays based on ability to pay and everyone is covered."

**Rules Suspended to Introduce Bill;
Rules Suspended to Take up Bill for Immediate Consideration;
Bill Read Second time and Third Reading Ordered;
Rules Suspended and Bill Placed on all Remaining Stages of Passage;
Bill Read Third Time and Passed;
Rules Suspended; Bill was Ordered Messaged to the Senate Forthwith**

H. 873

Upon motion of **Rep. Flory of Pittsford** the rules were suspended to permit the introduction of House bill, entitled

An act relating to procedural protections for Vermonters eligible for Medicare part D and VPHARM;

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Flory of Pittsford**, the rules were suspended and the bill was taken up for immediate consideration.

Thereupon, the bill was read the second time, and third reading ordered.

On motion of **Rep. Flory of Pittsford**, the rules were suspended and the bill placed on all remaining stages of passage. The bill was read the third time and passed and, on motion of **Rep. Flory of Pittsford** the rules were suspended and the bill was ordered messaged to the Senate forthwith.

Bill Amended; Third Reading Ordered

H. 701

Rep. Howard of Rutland City spoke for the committee on Transportation.

Rep. Hutchinson of Randolph, for the committee on Government Operations, to which had been referred House bill, entitled

An act relating to ancient roads to be known as identified corridors;

Reported in favor of its passage when amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 19 V.S.A. § 302 is amended to read:

§ 302. CLASSIFICATION OF TOWN HIGHWAYS

(a) For the purposes of this section and receiving state aid, all town highways shall be categorized into one or another of the following classes:

(1) Class 1 town highways are those town highways which form the extension of a state highway route and which carry a state highway route number. The agency shall determine which highways are to be class 1 highways.

(2) Class 2 town highways are those town highways selected as the most important highways in each town. As far as practicable they shall be selected with the purposes of securing trunk lines of improved highways from town to town and to places which by their nature have more than normal amount of traffic. The selectmen, with the approval of the agency, shall determine which highways are to be class 2 highways.

(3) Class 3 town highways:

(A) Class 3 town highways are all traveled town highways other than class 1 or 2 highways. The selectmen, after conference with a representative of the agency shall determine which highways are class 3 town highways.

(B) The minimum standards for class 3 highways are a highway negotiable under normal conditions all seasons of the year by a standard manufactured pleasure car. This would include but not be limited to sufficient surface and base, adequate drainage, and sufficient width capable to provide winter maintenance, except that based on safety considerations for the traveling public and municipal employees, the selectboard shall, by rule adopted under 24 V.S.A. chapter 59, and after following the process for providing notice and hearing in section 709 of this title, have authority to determine whether a class 3 highway, or section of highway, should be plowed and made negotiable during the winter. However, a property owner aggrieved by a decision of the selectboard may appeal to the transportation board pursuant to subdivision 5(d)(8) of this title.

(C) A highway not meeting these standards may be reclassified as a provisional class 3 highway if within five years of the determination, it will meet all class 3 highway standards.

(4) Class 4 town highways are all ~~other~~ town highways that are not class 1, 2, or 3 town highways or unidentified corridors. The ~~selectmen~~ selectboard shall determine which highways are class 4 town highways.

(5) Trails shall not be considered highways and the town shall not be responsible for any maintenance including culverts and bridges.

(6) Unidentified corridors.

(A) Unidentified corridors are town highways that:

(i) have been laid out as highways by proper authority through the process provided by law at the time they were created or by dedication and acceptance; and

(ii) do not, as of July 1, 2008, appear on the town highway map prepared pursuant to section 305 of this title; and

(iii) are not otherwise clearly observable by physical evidence of their use as a highway or trail; and

(iv) are not legal trails.

(B) If the conditions in subdivisions (A)(i) and (A)(ii) of this subdivision (6) are met, the legislative body of a municipality or its appointee may, after providing 14 days' advance written notice to the owners of the land upon which the unidentified corridor is located, enter private property to determine whether clearly observable physical evidence exists.

(C) Unidentified corridors shall be open to use by the public, but only in the same manner as they were used during the 10 years prior to January 1, 2006.

(D) A municipality shall not be responsible for maintenance of an unidentified corridor.

(E) Neither the municipality nor any person owning a legal interest in land through which an unidentified corridor may pass or abut shall have a duty of care to persons using the corridor.

(F) An unidentified corridor shall not be deemed to be a subdivision with respect to zoning, tax, and septic issues.

(G) After July 1, 2012, an unidentified corridor shall be discontinued, and the right-of-way shall belong to the owner of the adjoining land. If the right-of-way is located between the lands of two different owners, it shall be returned to the lots to which it originally belonged, if they can be determined; if not, it shall be equally divided between the owners of the lands on each side.

(7) Reclassification of unidentified corridors. On or by July 1, 2012 and pursuant to subchapter 2 of chapter 7 of this title, an unidentified corridor may be reclassified as a class 1, 2, 3, or 4 highway or as a trail.

(b) The agency may require any municipality which fails to comply with the class 3 provisional commitments to return all state aid generated by the section or sections of highways involved.

Sec. 2. 19 V.S.A. § 305 is amended to read:

§ 305. MEASUREMENT AND INSPECTION

(a) After reasonable notice to the selectboard, a representative of the agency may measure and inspect the class 1, 2, and 3 town highways in each town to verify the accuracy of the records on file with the agency. Upon request, the selectboard or their designee shall be permitted to accompany the representative of the agency during the measurement and inspection. The

agency shall notify the town when any highway, or portion of a highway, does not meet the standards for its assigned class. If the town fails, within one year, to restore the highway or portion of the highway to the accepted standard, or to reclassify, or to discontinue, or develop an acceptable schedule for restoring to the accepted standards, the agency for purposes of apportionment under section 306 of this title shall deduct the affected mileage from that assigned to the town for the particular class of the road in question.

(b) Annually, on or before February 10, the selectboard shall file with the town clerk a sworn statement of the description and measurements of all class 1, 2, ~~and 3, and 4~~ town highways, and trails then in existence, including any special designation such as a throughway or scenic highway. When class 1, 2, ~~or 3, or 4~~ town highways, trails, or unidentified corridors are accepted, discontinued, or reclassified, a copy of the proceedings shall be filed in the town clerk's office and a copy shall be forwarded to the agency. All class 1, 2, 3, and 4 town highways and trails shall appear on the town highway maps by July 1, 2012.

(c) The agency shall not accept any change in mileage until the records required to be filed in the town clerk's office by this section are received by the agency. A request by a municipality to the agency for a change in mileage shall include a description of the affected highway or trail, a copy of any surveys of the affected highway or trail, minutes of meetings at which the legislative body took action with respect to the changes, and a current town highway map with the requested deletions and additions sketched on it. A survey shall not be required for class 4 town highways that are legally established prior to February 10, 2006. All records filed with the agency are subject to verification in accordance with subsection (a) of this section.

(d) The selectboard of any town who are aggrieved by a finding of the agency concerning the measurement, description or classification of a town highway may appeal to the transportation board by filing a notice of appeal with the executive secretary of the transportation board.

(e) ~~Upon request, the~~ The agency shall provide each town with a map of all of the highways in that town together with the mileage of each class 1, 2, and 3 highway and such other information as the agency deems appropriate.

(f) Notwithstanding the provisions of subchapter 7 of chapter 7 of Title 19, on or before July 1, 2008, a municipality's legislative body may vote to discontinue all town highways not included as such on the sworn certificate of the description and measurement of town highways filed with the town clerk pursuant to subsection (b) of this section on February 10 of that year. For the

purposes of this section, a town highway shall be deemed to be included on the sworn certificate of the description and measurement of town highways if:

(1) a petition has been filed with the legislative body by persons who are either voters or landowners, and whose number is at least five percent of the voters, in a municipality, desiring to include that town highway on the sworn certificate of the description and measurement of town highways, prior to the vote taken under this subsection (f); or

(2) the legislative body has voted at an annual or special meeting duly warned for the purpose to include that town highway on the sworn certificate of the description and measurement of town highways, prior to the vote taken under this subsection (f).

(g)(1) Prior to a vote to discontinue town highways provided in subsection (f) of this section, the legislative body shall hold a public informational hearing on the question by posting warnings at least 30 days prior to the hearing in at least two public places within the municipality and in the town clerk's office. The notice shall include the most recently available map of all town highways prepared by the agency of transportation pursuant to subsection (e) of this section. At least 30 days prior to the hearing, the legislative body shall also deliver the warning and map together with proof of receipt or mail by certified mail, return receipt requested, to each of the following:

(A) The chair of any municipal planning commission in the municipality;

(B) The chair of the legislative body of each abutting municipality;

(C) The executive director of the regional planning commission of the area in which the municipality is located; and

(D) The commissioner of forests, parks and recreation.

(2) The hearing shall be held within the 10 days preceding the meeting at which the highways will be discontinued.

(h) The legislative body may designate a specific highway or portion thereof proposed to be discontinued as a trail, in which case the right-of-way shall be continued at the width provided for in section 702 of this title. A designation of a highway or portion thereof as a trail under the provisions of this section shall be in writing setting forth a complete description of the highway or portion thereof so designated. For all highways not designated as a trail and discontinued pursuant to this section, title to the rights-of-way shall belong to the owners of the abutting lands. If the right-of-way is located between the lands of two different owners, it shall be returned to the lots to which it originally belonged, if they can be determined; if not, it shall be

equally divided between the owners of the lands on each side. The legislative body shall return a report of its actions to the town clerk's office and the agency of transportation.

(i) A vote pursuant to subsection (f) of this section may be disapproved by a vote of a majority of the qualified voters of the municipality voting on the question at an annual or special meeting duly warned for the purpose pursuant to a petition that is:

(1) signed by not less than five percent of the qualified voters of the municipality; and

(2) presented to the legislative body or the clerk of the municipality within 44 days following the vote taken pursuant to subsection (f) of this section.

(j) When a petition is submitted in accordance with subsection (i) of this section, the legislative body shall call a special meeting within 60 days from the date of receipt of the petition, or include an article in the warning for the next annual meeting of the municipality if the annual meeting falls within the 60-day period, to determine whether the voters will disapprove the ordinance or rule.

(k) No fewer than two copies of a notice that the legislative body has voted to discontinue all town highways not included as such on the sworn certificate of the description and measurement of town highways shall be posted at each polling place during the hours of voting, and copies thereof shall be made available to voters at the polls upon request.

(l) If a petition for an annual or a special meeting is duly submitted in accordance with this section to determine whether the vote of the legislative body to discontinue all town highways not included as such on the sworn certificate of the description and measurement of town highways shall be disapproved by the voters of the municipality, the discontinuance shall take effect on the conclusion of the meeting or at such later date as is specified in the discontinuance unless a majority of the qualified voters voting on the question at the meeting vote to disapprove the discontinuance, in which event it shall not take effect.

Sec. 3. 19 V.S.A. § 708(a) is amended to read:

(a) Persons who are either voters or landowners, and whose number is at least five percent of the voters, in a town, desiring to have a highway laid out, altered, reclassified, or discontinued, may apply by petition in writing to the selectmen selectboard for that purpose. A person who is a landowner in a town, desiring to have an unidentified corridor which passes through or abuts

his or her land discontinued or altered, may apply in writing to the selectboard for that purpose. The ~~selectmen~~ selectboard may also initiate these proceedings on ~~their~~ its own motion.

Sec. 4. 19 V.S.A. § 717 is amended to read:

§ 717. EVIDENCE OF HIGHWAY COMPLETION OR
DISCONTINUANCE

(a) The lack of a certificate of completion of a highway shall not alone constitute conclusive evidence that a highway is not public.

(b) A town or county highway that has not been kept passable for use by the general public for motorized travel at the expense of the municipality for a period of 30 or more consecutive years following a final determination to discontinue the highway shall be presumed to have been effectively discontinued. This presumption of discontinuance may be rebutted by evidence that manifests a clear intent by the municipality or county and the public to consider or use the way as a highway. The presumption of discontinuance shall not be rebutted by evidence that shows isolated acts of maintenance, unless other evidence exists that shows a clear intent by the municipality or county to consider or use the highway as if it were a public right-of-way.

(c) A person whose sole means of access to a parcel of land or portion thereof owned by that person is by way of a town highway or unidentified corridor that is subsequently discontinued shall retain a private right-of-way over the former town highway or unidentified corridor for any necessary access to the parcel of land or portion thereof and maintenance of his or her right-of-way.

Sec. 5. 19 V.S.A. § 740 is amended to read:

§ 740. PETITION

(a) When a person owning or interested in lands through which a highway is laid out, altered, or resurveyed by selectboard members, objects to the necessity of taking the land, or is dissatisfied with the laying out, altering or resurveying of the highway, or with the compensation for damages, he or she may appeal, ~~in the manner provided for state agencies subject to the Administrative Procedure Act (3 V.S.A. chapter 25)~~ accordance with Rule 74 of the Vermont Rules of Civil Procedure, to the superior court in the same county, or in either county when the highway or bridge is in two counties. Any number of aggrieved persons may join in the appeal. The appeal shall be filed within 30 days after the order of the selectboard members on the highway is recorded. If the appeal is taken from the appraisal of damages only, the

selectboard members may proceed with the work as though no appeal had been taken. Each of the appellants shall be entitled to a trial by jury on the question of damages.

(b) The words "necessity" and "damages" as used in this section shall have the same definition as set forth in chapter 5 of this title.

Sec. 6. 19 V.S.A. § 771 is amended to read:

§ 771. PROCEDURE

(a) ~~The selectmen~~ legislative body of a municipality may discontinue a town highway or bridge wholly within the town after following the procedures of sections 708-711 of this title. ~~The selectmen of two or more towns may discontinue a highway continuing into each of the towns by individually following the same procedure. The public hearing may be jointly held if the selectmen agree. If the decision is not the same in all towns involved, the superior court shall be petitioned to resolve the issue. If two or more counties are involved then the petition can be presented to the court in the county having the greatest share of mileage involved. The commissioners appointed to discontinue a highway or bridge shall be disinterested landowners who are not those appointed to lay out the highway or bridge. A decree or order made by the commissioners under the provisions of this section may be reviewed by the superior court under the same conditions and the same proceedings as are provided for the laying out of highways. The authority of the legislative body under this subsection shall extend to any town highway, regardless of whether the highway was originally laid out by the town, the former county court, the supreme court, a committee of the general assembly, a turnpike company, or was established in any other manner now or formerly authorized by law.~~

(b) Notwithstanding subsection (a) of this section, the legislative body shall not discontinue a class 1 or class 2 town highway without the prior approval of the secretary of transportation.

(c) Notwithstanding subsection (a) of this section, the legislative body shall not discontinue a class 3 or class 4 town highway extending into an adjacent municipality without notifying the legislative body of the adjacent municipality. If the legislative body of the adjacent town is aggrieved by a decision of the legislative body of the municipality in which the highway is located, it may appeal to the transportation board pursuant to subdivision 5(d)(8) of this title.

Sec. 7. REPEAL

19 V.S.A. §§ 773 (county highways) and 774 (highways ordered by the general assembly) are repealed.

Sec. 8. 19 V.S.A. § 5(d)(8) is amended to read:

(d) The board shall:

* * *

(8) hear and determine disputes involving the decision of a selectboard under subdivision 302(a)(3)(B) or subsection 310(a) of this title not to plow and make negotiable a class 2 or 3 town highway or section of a highway during the winter or involving discontinuances of class 3 or 4 town highways extending into adjacent towns under the provisions of subsection 771(c) of this title; and

Sec. 9. 24 V.S.A. § 4306 is amended to read:

§ 4306. MUNICIPAL AND REGIONAL PLANNING FUND

* * *

(b) Disbursement to regional planning commissions shall be according to a formula to be adopted by rule under chapter 25 of Title 3 by the department for the assistance of the regional planning commissions. The rules shall give due consideration to the region's progress in adopting a regional plan. Disbursement to municipalities shall be through a competitive program administered by the department providing the opportunity for any eligible municipality or municipalities to compete regardless of size, provided that to receive funds, a municipality:

(1) Shall be confirmed under section 4350 of this title; or

(2)(A) Shall use the funds for the purpose of developing a municipal plan to be submitted for approval by the regional planning commission, as required for municipal confirmation under section 4350 of this title; and

(B) Shall have voted at an annual or special meeting to provide local funds for municipal and regional planning purposes; or

(3) That lacks a municipal plan shall use the funds exclusively to research and map town highways, trails, and unidentified corridors under subdivisions 302(a)(6) and (7) of Title 19.

* * *

(d) The department of housing and community affairs shall establish priorities to govern \$100,000.00 in disbursements to municipalities from the fund. Priorities shall include municipal mapping of town highways, trails, and unidentified corridors under subdivisions 302(a)(6) and (7) of Title 19.

Sec. 10. Sec. 253 of No. 71 of the Acts of 2005 is amended to read:

Sec. 253. APPROPRIATIONS; PROPERTY TRANSFER TAX

(a) This act contains the following amounts appropriated from special funds that receive revenue from the property transfer tax. Expenditures from these appropriations shall not exceed available revenues:

(1) Notwithstanding Sec. 273 of No. 122 of the Acts of the 2003 Adj. Sess (2004), the sum of \$288,000 is appropriated from the property valuation and review administration special fund to the department of taxes for administration of the use tax reimbursement program. Notwithstanding 32 V.S.A. § 9610(c), amounts above \$288,000 from the property transfer tax that are deposited into the property valuation and review administration special fund shall be transferred into the general fund.

(2) The sum of \$13,171,180 is appropriated from the Vermont housing and conservation trust fund to the Vermont housing and conservation trust board. Notwithstanding 10 V.S.A. § 312, amounts above \$13,171,180 from the property transfer tax that are deposited into the Vermont housing and conservation trust fund shall be transferred into the general fund.

(3) The sum of ~~\$3,939,566~~ \$4,039,566 is appropriated from the municipal and regional planning fund. Notwithstanding 24 V.S.A. § 4306(a), amounts above ~~\$3,939,566~~ \$4,039,566 from the property transfer tax that are deposited into the municipal and regional planning fund shall be transferred into the general fund. The ~~\$3,939,566~~ \$4,039,566 shall be allocated as follows:

(A) The sum of \$2,757,696 for disbursement to regional planning commissions in a manner consistent with 24 V.S.A. § 4306(b);

(B) The sum of ~~\$787,913~~ \$887,913 for ~~disbursement grants~~ to municipalities shall be disbursed in a manner consistent with 24 V.S.A. § 4306(b), and priority for four years may be given to municipalities for the purpose of mapping town highways;

(C) The sum of \$393,957 to the Vermont center for geographic information.

* * *

Sec. 11. TRANSITIONAL PROVISIONS

To ensure that all of its class 1, 2, 3, and 4 town highways and trails appear on the town highway map by July 1, 2012, a municipality shall submit its requested changes with supporting documentation to the agency of transportation by March 15, 2011. On or before September 1, 2011, the agency of transportation shall provide each municipality which has requested

changes with a proof copy of the proposed new town highway map. On or before December 31, 2011, a municipality shall notify the agency of transportation of any apparent errors or omissions in the proof copy of the proposed new town highway map.

Sec. 12. REPORTS; AGENCY OF TRANSPORTATION; COURT
ADMINISTRATOR

(a) The agency of transportation shall file a report with the general assembly annually on February 15, which:

(1) evaluates the effectiveness of this act;

(2) recommends additional measures necessary to meet the goals of this act;

(3) identifies which municipalities have mapped all of their town highways and trails; and

(4) identifies which municipalities availed themselves of the provisions of 19 V.S.A. § 305(g), relating to mass discontinuances of unidentified corridors.

(b) The court administrator shall file a report with the general assembly annually on January 1 which describes the number of cases pending and outcomes of any final resolution of litigation involving unidentified corridors.

(c) The department of housing and community affairs shall file a report with the general assembly annually on January 1 of:

(1) the number of applicants for disbursements from the municipal and regional planning fund;

(2) the number of towns that have received disbursements from the fund; and

(3) the amount of each disbursement.

Sec. 13. SUNSET

24 V.S.A. § 4306(b)(3) (disbursements from municipal and regional planning fund for the researching and mapping of town highways, trails, and unidentified corridors); and (d) (priorities for disbursements from the municipal regional and planning fund); and Sec. 12 of this act (agency reports) are repealed on July 2, 2012.

Sec. 14. EFFECTIVE DATE

This section and Sec. 10 of this act shall take effect from passage and the remainder shall take effect July 1, 2006.

and that upon passage the title of the bill be amended to read: "AN ACT RELATING TO UNIDENTIFIED CORRIDORS"

Rep. Helm of Castleton, for the committee on Appropriations, recommended that the bill ought to pass when amended as recommended by the committee on Government Operations, and when further amended as follows:

First: In Sec. 9, 24 V.S.A. § 4306, by striking subsection (d) in its entirety

Second: By striking Sec. 10 in its entirety and inserting in lieu thereof a new Sec. 10 to read as follows:

Sec. 10. APPROPRIATIONS; PROPERTY TRANSFER TAX

(a) The amount of \$100,000 in transportation funds is transferred from the department of buildings and general services in fiscal year 2007 to the municipal and regional planning fund to be used exclusively for grants to municipalities to research and map town highways, trails, and unidentified corridors under subdivisions 302(a)(6) and (7) of title 19.

(b) At the close of FY 2006, any property transfer tax revenues above \$46,400,000, not to exceed \$400,000, shall be deposited into the municipal and regional planning fund to be used exclusively for grants to municipalities to research and map town highways, trails, and unidentified corridors under subdivisions 302(a)(6) and (7) of title 19.

The bill, having appeared on the Calendar one day for notice, was taken up, read the second time, the recommendation of amended offered by the committee on Appropriations agreed to and the recommendation of amendment on Government Operations, as amended, was agreed to and third reading ordered.

Message from the Senate No. 33

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that the Senate has on its part passed Senate bills of the following titles:

S. 51. An act relating to disability retirement benefits for state employees.

S. 188. An act relating to financial literacy and asset building of low income Vermonters.

S. 194. An act relating to sealing juvenile records relating to a delinquent act.

S. 218. An act relating to motor vehicle retail installment sales contracts.

In the passage of which the concurrence of the House is requested.

The Senate has considered a bill originating in the House of the following title:

H. 665. An act relating to promoting gourmet food and beverage products by permitting tastings of alcoholic beverages at Vermont food and wine events.

And has passed the same in concurrence.

Message from Governor

A message was received from His Excellency, the Governor, by Mr. Neale Lunderville, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House that on the second day of March, 2006, he approved and signed bills originating in the House of the following titles:

H. 627 An act relating to the special environmental revolving fund;

H. 851 An act relating to extending VPARM coverage for individuals eligible for Medicare Part D.

Action on Bill Postponed

H. 766

House bill, entitled

An act relating to real estate transfer pursuant to strict foreclosure not voidable as fraudulent conveyance;

Was taken up and pending the reading of the report of the committee on Commerce, on motion of **Rep. Keenan of St. Albans City**, action on the bill was postponed until the next legislative day.

Third Reading; Bill Passed

H. 480

House bill, entitled

An act relating to precursor drugs of methamphetamine;

Was taken up, read the third time and passed.

Senate Proposal of Amendment Concurred in**H. 579**

The Senate proposes to the House to amend House bill, entitled

An act relating to Vermont service medals;

By striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 20 V.S.A. § 1545 is amended to read:

§ 1545. VERMONT DISTINGUISHED SERVICE MEDALS

(a) The governor may present in the name of the state of Vermont a distinguished service medal, ~~of appropriate design, and a separate ribbon that may be worn in place of the medal,~~ lapel button, and certificate to an individual who was a resident of Vermont at the time of entry into military service, and, or the individual's spouse, child, parent, sibling, or grandchild if the individual is deceased, provided the individual meets all the following eligibility criteria:

(1) Served in a combat theater of operations during a war or emergency as a member of the federal active-duty military, as evidenced by copies of the person's honorable discharge and severance papers, DD Form 214 or, for World War II veterans, WD Form 53; or service during any period of war prior to April 6, 1916; foreign service during World War I or World War II; or receipt of federal decorations showing combat related service since January 1, 1947.

(2) Died in a combat theater of operations during a war or emergency, as evidenced by copies of the individual's DD Form 1300; or Received an honorable discharge from the federal active-duty military, or died before separating from the federal active-duty military, or was declared missing in action by the United States Department of Defense; or is currently a member in good standing in the federal active-duty military with more than four years of service.

(3) Was officially listed as a prisoner of war or missing in action by the United States Department of Defense while serving in a combat theater of operations during a war or emergency a resident of Vermont at the time of entry into military service, or was mobilized to federal active duty while a member of the Vermont National Guard or other reserve unit located in Vermont, regardless of the resident's home of record.

(b) The service medal for a deceased individual or an individual who has been listed as a prisoner of war or missing in action shall be issued to the

~~individual's parent, spouse, sibling or other relative who submits all the required forms and documentation on behalf of that individual.~~

(e) The distinguished service medal shall conform to MIL-DTL-3943 and the state specification sheets; the ribbon shall conform to MIL-DTL-11589 as to quality and construction; and the lapel button shall conform to MIL-DTL-11484. The state specification sheets and original model shall be kept by the secretary of state.

~~(d)(c)~~ Application for a distinguished service medal may be made ~~by a qualified individual under this section, or by the individual's parent, spouse, sibling or other relative,~~ to the office of veterans' affairs ~~of the office of the adjutant general.~~ The office of veterans' affairs shall also design, cast, and procure the distinguished service medals, and maintain and verify records and documents pertaining to the medals and awards. Approved applicants may choose to receive the medal by mail or in a ceremony with the governor or a representative of the governor.

Sec. 2. 20 V.S.A. § 1546 is amended to read:

§ 1546. VERMONT VETERANS' MEDAL

~~(a) Each living individual who was a resident of Vermont at the time of entry into military service and was honorably discharged or transferred to a reserve status in the armed forces of the United States, and served an entire two-year tour of active duty unless discharged for the convenience of the government shall be eligible to receive the Vermont veterans' medal, upon written request to the Vermont office of veterans' affairs, accompanied by a copy of the individual's DD Form 214 or WD Form 53, and any additional supporting information documenting residency if the DD Form 214 does not indicate a Vermont address as the individual's home of record. The office of veterans' affairs may present in the name of the state of Vermont a veterans' medal, ribbon, lapel button, and certificate to an individual or the individual's spouse, child, parent, sibling, or grandchild if the individual is deceased and the individual meets all the following eligibility criteria:~~

(1) Completed a minimum two-year tour of federal active military duty, unless discharged for the convenience of the government, and received an honorable discharge, died before separating from the federal active-duty military, or was declared missing in action by the United States Department of Defense; or the individual is currently on federal active military duty and in good standing with more than four years of service.

(2) Was a resident of Vermont at the time of entry into military service, or was mobilized to federal active duty while a member of the Vermont

National Guard or other reserve unit located in Vermont, regardless of the individual's home of record.

~~(b) The Vermont veterans' medal shall be awarded for honorable service in the active military service of the United States, including any member of the Vermont National Guard or the ready reserves who was mobilized for active federal service during a time of conflict. The Vermont veterans' medal may be awarded regardless of length of service if the member dies while on active duty, becomes a prisoner of war, or is listed as missing in action.~~

~~(e) The Vermont veterans' medal shall conform to MIL-DTL-3943 and the state specification sheets, and shall be as follows: the obverse shall be a relief replica of the coat of arms of the state of Vermont, and shall have the words "Vermont National Defense" in a circular style with "1777" at the bottom and centered. The existing great seal of the secretary of state Vermont shall be the model for the reverse side. The ribbon shall conform to MIL-DTL-11589 as to quality and construction, and shall consist of the four primary colors of the Vermont coat of arms: green, blue, yellow, and red. The lapel button shall conform to MIL-DTL-11484. The state specification sheets and original model shall be kept by the secretary of state.~~

~~(d)(c) Application for a Vermont veterans' distinguished service medal may be made by a qualified individual under this section, or by the individual's parent, spouse, sibling or other relative, to the office of veterans' affairs of the office of the adjutant general. The office of veterans' affairs shall also procure and cast the medal according to the design prescribed by subsection (e) of this section, and maintain and verify records and documents pertaining to the medals and awards veterans' medal will be made to the office of veterans' affairs. The office of veterans' affairs shall also design, cast, and procure the veterans' medals and maintain and verify records and documents pertaining to the medals. Approved applicants may choose to receive the medal by mail or in a ceremony with a representative of the state of Vermont.~~

Sec. 3. 20 V.S.A. § 1547(a) is amended to read:

(a) The governor, or the governor's designee, at an appropriate time and place, shall present the Vermont patriot's medal and accompanying certificate to the family of a Vermont resident member or nonresident member of the Vermont national guard or other reserve unit located in Vermont, who is killed in action while serving in the armed forces after February 28, 1961.

Sec. 4. EFFECTIVE DATE

This act shall take effect upon passage.

Which proposal of amendment was considered and concurred in.

Action on Bill Postponed

H. 248

House bill, entitled

An act relating to registration of lobbyist;

Was taken up and pending the question, Shall the House concur in the Senate proposal of amendment? on motion of **Rep. Dates of Shelburne**, action on the bill was postponed until the next legislative day.

Adjournment

At seven o'clock and thirty minutes in the evening, on motion of **Rep. Sunderland of Rutland Town**, the House adjourned until tomorrow at nine o'clock in the forenoon.

FRIDAY, MARCH 3, 2006

Rep. Carolyn Partridge in Chair.

At nine o'clock in the forenoon the Speaker called the House to order.

Devotional Exercises

Devotional exercises were conducted by the Speaker .

Memorial Service

The Speaker placed before the House the following name of a member of past sessions of the Vermont General Assembly who had passed away recently:

Louis Lavin of Barre Town Sessions: 1955, 1957, 1959 & 1961

Thereupon, the members of the House rose for a moment of prayer in memory of the deceased member. The Clerk was thereupon directed to send a copy of the House Journal to the bereaved family.

Bill Referred to Committee on Ways and Means

H. 872

House bill, entitled

An act relating to pass-through of a portion of the federal credit for energy-efficient homes;

Appearing on the Calendar, affecting the revenue of the state, under the rule, was referred to the committee on Ways and Means.

Bills Referred to Committee on Appropriations

House bills of the following titles, appearing on the Calendar, carrying appropriations, under the rule, were referred to the committee on Appropriations:

H. 708

House bill, entitled

An act relating to providing that junkyards shall be regulated by the secretary of natural resources instead of the agency of transportation;

H. 791

House bill, entitled

An act relating to allocation of funds from the solid waste management assistance account of the waste management assistance fund to the environmental contingency fund;

H. 869

House bill, entitled

An act relating to state's transportation program.

Committee Bill Introduced

H. 874

By the committee on Judiciary,

An act relating to sentencing for first and second degree murder;

Which was read the first time and, under the rule, placed on the Calendar for notice tomorrow.

House Bill Introduced

H. 875

Rep. Rusten of Halifax introduced a bill, entitled

An act relating to approval of amendments to the charter of the village of Jacksonville;

Which was read the first time and referred to the committee on Government Operations.

Committee Bill Introduced**H. 876**

By the committee on Fish, Wildlife and Water Resources,

An act relating to management of exposure to mercury;

Which was read the first time and, under the rule, placed on the Calendar for notice tomorrow.

Senate Bills Referred

Senate bills of the following titles were severally taken up, read the first time and referred as follows:

S. 51

Senate bill, entitled

An act relating to disability retirement benefits for state employees;

To the committee on Government Operations.

S. 188

Senate bill, entitled

An act relating to financial literacy and asset building of low income Vermonters;

To the committee on Human Services.

S. 194

Senate bill, entitled

An act relating to sealing juvenile records relating to a delinquent act;

To the committee on Judiciary.

S. 218

Senate bill, entitled

An act relating to motor vehicle retail installment sales contracts;

To the committee on Commerce.

Joint Resolution Referred to Committee**J.R.H. 63**

Reps. Chen of Mendon, Clarkson of Woodstock, Fallar of Tinmouth, Hosford of Waitsfield, Hube of Londonderry, Johnson of South Hero, Komline of Dorset, Marron of Stowe, Nitka of Ludlow, O'Donnell of Vernon, Orr of

Charlotte, Peterson of Williston, Pugh of S. Burlington, Reese of Pomfret, Rusten of Halifax and Shand of Weathersfield offered a joint resolution, entitled

Joint resolution relating to the integrity of the education and general funds;

Whereas, in 2005, over 150 municipal legislative bodies, including both selectboards and city councils, adopted the Grafton Resolution opposing any use of the education fund that is outside Act 60's original intent to "make payments to school districts and supervisory unions for the support of education," and

Whereas, since its inception in 1919, the teachers' retirement fund has been funded by the state from general revenue and, historically, it has been underfunded, and

Whereas, the idea of drawing on the state education fund to help support the retirement system is contrary to long-established practice and to the original intent incorporated into Act 60 that the newly established education fund was created for the purpose of supporting local school systems, and

Whereas, a new percent of purchase and use tax revenue was created as part of Act 60 to support education via the education fund, and

Whereas, when Act 68 was enacted, another one percent of the purchase and use tax was allocated to support education and directed to the education fund, and simultaneously, \$11.1 million of gasoline tax that had been assigned to the education fund under Act 60 was returned to the transportation fund, and

Whereas, it is possible to imagine that the education fund might be considered as one source for meeting federal matching requirements, and

Whereas, the appropriation of money from the education fund for purposes other than local education operational expenses could result in individual communities increasing local education property tax rates, and

Whereas, these examples of the legislature appropriating dollars from funds that had been designed for other specific purposes sends a worrisome message to those concerned with protecting the education fund's integrity, now therefore be it

Resolved by the Senate and House of Representatives:

That the General Assembly opposes any use of the state education fund for purposes that are outside Act 60's original intent, and be it further

Resolved: That existing general fund obligations should not be transferred to the education fund, and be it further

Resolved: That the current level of periodic general fund transfers to the education fund should not be reduced, and be it further

Resolved: That the secretary of state be directed to send a copy of this resolution to Governor James Douglas; Steven Jeffrey, the executive director of the Vermont League of Cities and Towns; and John Nelson, the executive director of the Vermont School Boards Association.

Which was read and, in the Speaker's discretion, treated as a bill and referred to the committee on Appropriations.

Joint Resolution Adopted in Concurrence

J.R.S. 58

Joint resolution, entitled

Joint resolution providing for a Joint Assembly to vote on the retention of two Superior Judges;

Was taken up read and adopted in concurrence.

**Bill Amended; Third Reading Ordered;
Rules Suspended; Bill Placed on all Remaining Stages of Passage;
Bill Read the Third Time and Passed**

H. 766

Rep. Marcotte of Coventry, for the committee on Commerce, to which had been referred House bill, entitled

An act relating to real estate transfer pursuant to strict foreclosure not voidable as fraudulent conveyance;

Reported in favor of its passage when amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 9 V.S.A. § 2292(e) is amended to read:

(e) A transfer is not voidable under subdivision ~~(a)(2) of section 2288~~ 2288(a)(2) or section 2289 of this title if the transfer results from:

(1) termination of a lease upon default by the debtor when the termination is pursuant to the lease and applicable law; ~~or~~

(2) enforcement of a security interest in compliance with Article 9 of Title 9A; or

(3) foreclosure of a mortgage in compliance with subchapter 6 of chapter 163 of Title 12.

Sec. 2. 12 V.S.A. § 4524 is amended to read:

§ 4524. SUPPLEMENTAL JUDGMENT JOINING PARTIES; RECORDING

At any time, without further notice or service on the purchaser, or mortgage or lien holder, lienholder whose interest in the property being foreclosed first arose after the filing of the complaint in the town clerk's office, and upon filing certified copies of the deed, mortgage, or attachment with the clerk of the court by the plaintiff in the foreclosure action, any superior judge may sign a supplemental judgment specifically naming that party. Reference to the deed, mortgage, or lien and the supplemental judgment may be filed in the town clerk's office for record, and it shall have the same force and effect as though that person had been made a party defendant in the original action.

Sec. 3. 12 V.S.A. § 4528 is amended to read:

§ 4528. DECREE FORECLOSING EQUITY OF REDEMPTION; WRIT OF POSSESSION

(a) If a decree is made foreclosing the right of redemption, the time of redemption shall be established by the court before which the foreclosure is proceeding and shall not be less than three business days nor more than six months from the date of the decree unless a shorter time is ordered. The court shall fix the period of redemption taking into consideration whether there is substantial value in the property in excess of the mortgage debt and debt owed to junior lienholders, any assessed but unpaid property taxes, the condition of the property, the mortgagor's efforts and capacity to preserve its value, and any other equities.

(b) If the premises are not redeemed agreeably to the decree, the clerk of the court ~~may~~ shall issue a writ of possession at the plaintiff's request. Such writ shall have the same force and effect and be executed in the same manner as similar writs issued after judgment by a court of law in ejectment proceedings. Where the premises are occupied by a residential tenant, the writ shall be served on the tenant, and no sooner than 30 days after the writ is served, the plaintiff shall be placed in possession of the property without further proceedings. No decree of strict foreclosure shall be issued absent a finding by the court based on competent evidence presented by the party seeking such decree that there is no substantial value in the property in excess of the mortgage debt found by the court to be due to the plaintiff, plus assessed but unpaid property taxes due on the property.

(c) For the purposes of this section, "value" is defined as fair market value less all reasonable expenses that would be incurred in selling the property.

Sec. 4. 12 V.S.A. § 4530 is amended to read:

§ 4530. REDEMPTION IF COPY NOT RECORDED

(a) ~~Such foreclosure~~ The expiration of the right of redemption under the decree shall not transfer the title to such lands as against ~~foreclose the interest of subsequent purchasers, mortgagees, or attaching creditors whose interest in the property being foreclosed first arose after the filing of the complaint for foreclosure in the land records as provided in section 4523 of this chapter, unless such copy of record or such decree or copy thereof is thus left for record the plaintiff complies with section 4529 of this title or records in the land records a certified copy of the judgment, or is afterwards and prior to the acquiring of any interest in or lien on the lands by a purchaser, mortgagee, or attaching creditor, left for record in like manner. If not thus left for record, such lands shall be subject to redemption by subsequent purchasers, mortgagees or attaching creditors, as though the time of redemption had not expired.~~

(b) If the certified copy of the judgment is not recorded within the time period specified in section 4529 of this chapter or prior to the acquisition of an interest in the lands being foreclosed, upon motion by a plaintiff or a party intervening in the action to assert a right of redemption as a result of the late recording of the certified copy of the judgment, the court before which the foreclosure is proceeding may establish a right of redemption for the party asserting a right under this subsection. No party whose right to redeem has expired under the terms of the judgment shall be granted an additional right to redeem, nor shall any previously expired right of redemption be reinstated in a proceeding under this section.

Sec. 5. 12 V.S.A. § 4531 is amended to read:

§ 4531. STRICT FORECLOSURE EXCEPTION

(a) All liens and mortgages affecting real property may, on the written motion of any party to any suit for foreclosure of such liens or mortgages, or at the discretion of the court before which the foreclosure proceedings are pending, be foreclosed by a judicial foreclosure sale, even if the mortgage does not contain a sale provision instead of a strict foreclosure.

(b) In an action for foreclosure, if a lien or interest in such realty is held by any person or federal agency which may not be foreclosed by strict foreclosure pursuant to federal law, a decree may be entered providing for such period of redemption as the court may determine, and providing for a sale of the mortgaged premises at the conclusion of such period if said premises are not redeemed, and for the time, manner, and notice of sale, if required, and the application of the proceeds therefrom.

The bill, having appeared on the Calendar one day for notice, was taken up and read the second time.

Pending the question, Shall the House amend the bill as recommended by the committee on Commerce? **Rep. Kainen of Hartford** moved to amend the report of the committee on Commerce as follows:

In Sec. 3 by striking 12 V.S.A. § 4528(a) and inserting a new subsection (a) to read as follows:

(a) If a decree is made foreclosing the right of redemption, the time of redemption shall be six months from the date of the decree unless a shorter time is ordered. The court shall fix the period of redemption taking into consideration whether there is value in the property in excess of the mortgage debt and debt owed to junior lienholders, any assessed but unpaid property taxes, the condition of the property, and any other equities.

Which was agreed to.

Thereupon, the recommendation of amendment offered by the committee on Commerce, as amended, was agreed to and third reading ordered.

On motion of **Rep. Young of Orwell**, the rules were suspended and the bill placed on all remaining stages of passage. The bill was read the third time and passed.

Senate Proposal of Amendment Concurred in

H. 248

The Senate proposed to the House to amend House bill, entitled

An act relating to registration of lobbyists;

By striking all after the enacting clause and inserting in lieu thereof the following

Sec. 1. 2 V.S.A. § 261 is amended to read:

§ 261. DEFINITIONS

As used in this chapter,

* * *

(4) "Employer" means any person, other than a lobbying firm, who engages the services of a lobbyist for compensation for the purpose of lobbying. A lobbyist who employs another lobbyist shall be required to register and report both as an employer and a lobbyist.

* * *

(6)(A) "Gift" means ~~political contributions, contributions or tickets to political fundraising events and anything of value, tangible or intangible, that is bestowed for less than adequate consideration including travel expenses such as travel fare, room and board and other expenses associated with such travel and including meals and alcoholic beverages whether given as part of a general or open invitation or not.~~ "Gift" does not include anything given between immediate family members;

(i) a political contribution;

(ii) anything of value, tangible or intangible, that is bestowed for less than adequate consideration, including travel expenses such as travel fare, room and board, and other expenses associated with travel;

(iii) a meal or alcoholic beverage;

(iv) a ticket, fee, or expenses for, or to, any sporting, recreational, or entertainment events;

(v) a speaking fee or honorarium, except actual and reasonable travel expenses;

(vi) a loan made on terms more favorable than those made generally available to the public in the normal course of business.

(B) "Gift" does not mean:

(i) anything given between immediate family members;

(ii) printed educational material such as books, reports, pamphlets, or periodicals;

(iii) a gift which is not used and which, within 30 days after receipt, is returned to the donor or for which the donor is reimbursed for its fair market value; and

(iv) a devise or inheritance.

* * *

(10) "Lobbyist" means ~~a person who engages in lobbying for compensation of more than \$500.00 or expends more than \$500.00 lobbying in any calendar year~~ a person who receives or is entitled to receive, either by employment or contract, \$500.00 or more in monetary or in-kind compensation in any calendar year for engaging in lobbying, either personally or through his or her agents, or a person who expends more than \$500.00 on lobbying in any calendar year.

* * *

(12) "Lobbying firm" means a sole proprietorship, partnership, corporation, limited liability corporation, or unincorporated association which receives or is entitled to receive \$500.00 or more in monetary or in-kind compensation for engaging in lobbying, either personally or through its agents, in any calendar year.

(13) "Immediate family" means a person's spouse or civil union partner, parent, sibling, child, or in-law, including a parent, sibling, or child of a spouse or civil union partner.

Sec. 2. 2 V.S.A. § 262(2) is amended to read:

(2) a duly-elected or appointed official or employee of the United States, the state of Vermont, or of any instrumentality, agency, or governmental subdivision of the foregoing, when acting solely in connection with matters relating to the person's office or public duties. However, if one of the foregoing individuals or entities contracts with a lobbyist, that person or entity, as well as that lobbyist, shall comply with the provisions of this chapter;

Sec. 3. 2 V.S.A. § 263 is amended to read:

§ 263. REGISTRATION OF LOBBYISTS AND EMPLOYERS; FEES

(a) On forms provided by the secretary of state, every lobbyist shall register with the secretary of state before, or within 48 hours of, commencing lobbying activities. A lobbyist shall file a separate registration statement for each of the lobbyist's employers. Each lobbying firm shall submit a list of the names of each lobbyist who is a partner, owner, officer, employee, or agent of the lobbying firm. Each lobbying firm shall file a supplemental list within 48 hours of any changes that have occurred.

* * *

(d) A registration statement filed by an employer shall be signed by the employer and shall contain the following information:

* * *

(5) The name and mailing address of each lobbyist ~~employed~~ engaged by the employer and date of employment or contract for the biennium.

* * *

Sec. 4. 2 V.S.A. § 264 is amended to read:

§ 264. REPORTS OF EXPENDITURES

(a) Every employer and every lobbyist registered or required to be registered under this chapter shall file disclosure reports with the secretary of state as follows:

(1) on or before ~~March~~ April 25, for the preceding period beginning on January 1 and ending with the month of ~~February~~ March;

* * *

(b) An employer shall disclose for the period of the report the following information:

(1) ~~a~~ A total of all lobbying expenditures, ~~to the nearest \$200.00,~~ made by the employer; in each of the following categories:

(A) advertising, including television, radio, print, and electronic media;

(B) expenses incurred for telemarketing, polling, or similar activities if the activities are intended, designed, or calculated, directly or indirectly, to influence legislative or administrative action. The report shall specify the amount, the person to whom the amount was paid, and a brief description of the activity;

(C) contractual agreements in excess of \$100.00 per year or direct business relationships that are in existence or were entered into within the previous 12 months between the employer and:

(i) a legislator or administrator;

(ii) a legislator's or administrator's spouse or civil union partner;

or

(iii) a legislator's or administrator's dependent household member;

(D) the total amount of any other lobbying expenditures.

(2) ~~the~~ The total amount of compensation, ~~to the nearest \$200.00, paid to lobbyists for lobbying, provided the report need not identify the lobbyists to whom compensation was paid and it.~~ The employer shall report the name and address of each lobbyist to which the employer pays compensation. It shall be sufficient to include a prorated amount based on the value of the time devoted to lobbying where compensation is to be included for a person lobbyist whose activities under this chapter are incidental to regular employment; and or other responsibilities to the employer.

(3) ~~an~~ An itemized list of every gift, ~~whether or not made in connection with lobbying, the value of which is greater than \$5.00, made by or on behalf~~

of the employer to or at the request of one or more legislators or administrative officials, and with respect to each such gift, the date made, the nature of the gift, the value of the gift, the identity of any legislators or administrative officials who requested the gift, and the identity of any recipients of the gift the value of which is greater than \$15.00, made by or on behalf of the employer to or at the request of one or more legislators or administrative officials or a member of a legislator's or administrative official's immediate family. With respect to each gift, the employer shall report the date the gift was made, the nature of the gift, the value of the gift, the identity of any legislators or administrative officials who requested the gift, and the identity of any recipients of the gift. Monetary gifts, other than political contributions, shall be prohibited.

(c) A lobbyist shall disclose for the period of the report the following information:

(1) a total of all lobbying expenditures, to the nearest \$200.00, made by the lobbyist; and in each of the following categories:

(A) advertising, including television, radio, print, and electronic media;

(B) expenses incurred for telemarketing, polling, or similar activities if the activities are intended, designed, or calculated, directly or indirectly, to influence legislative or administrative action. The report shall specify the amount, the person to whom the amount was paid, and a brief description of the activity;

(C) contractual agreements in excess of \$100.00 per year or direct business relationships that are in existence or were entered into within the previous 12 months between the employer and:

(i) a legislator or administrator;

(ii) a legislator's or administrator's spouse or civil union partner;

or

(iii) a legislator's or administrator's dependent household member;

(D) the total amount of any other lobbying expenditures.

(2) an itemized list of every gift, whether or not made in connection with lobbying, the value of which is greater than \$5.00, made by or on behalf of a lobbyist to or at the request of one or more legislators or administrative officials, and with respect to each gift, the date made, the nature of the gift, the value of the gift, the identity of any legislators or administrative officials who

~~requested the gift and the identity of any recipients of the gift, except gifts reported by an employer~~ The total amount of compensation paid to a lobbyist for lobbying, including the name and address of each registered employer who engaged the services of the lobbyist reporting. It shall be sufficient to include a prorated amount based on the value of the time devoted to lobbying where compensation is to be included for a lobbyist whose activities under this chapter are incidental to other responsibilities to the employer.

(3) An itemized list of every gift, the value of which is greater than \$15.00, made by or on behalf of a lobbyist to or at the request of one or more legislators or administrative officials or a member of the legislator's or administrative official's immediate family. With respect to each gift, the lobbyist shall report the date the gift was made, the nature of the gift, the value of the gift, the identity of any legislators or administrative officials who requested the gift, and the identity of any recipients of the gift. Monetary gifts, other than political contributions, shall be prohibited.

* * *

(f) If an unsolicited gift is given to a legislator or administrative official by a lobbyist or employer and the recipient does not use it and returns it to the donor within 30 days or the donor is reimbursed for its fair market value, it shall not be considered a "gift" and shall not be required to be reported as such by the donor to the secretary of state. If the item has already been reported as a gift, the lobbyist or employer shall file an amended report with the secretary of state.

(g) Within 15 days after the date disclosure reports are to be filed under this section, the secretary shall file a compilation of the disclosure reports with the legislative council. ~~Compilations of disclosure reports received during the legislative session shall be published in the calendars of the house and senate.~~

(g)(h) Disclosure reports shall be made on forms published by the secretary of state and shall be signed by the employer or lobbyist. The secretary of state shall mail those forms to registered employers and lobbyists not later than 30 days before ~~the end of each reporting period~~ each filing deadline.

(h)(i) A ~~person~~ lobbyist or employer who fails to file a disclosure report on time shall pay a late reporting fee of \$25.00 plus \$10.00 for each day the disclosure report is late, not to exceed \$175.00.

(h)(j) A gift from a member of an interest group to, or for the benefit of, a legislator or administrative official, which is made in connection with lobbying as defined in 2-V.S.A. § subdivision 261(9)(D) of this title, shall be deemed to be made on behalf of the employer or lobbyist who sponsored the activity and shall be reported and itemized.

Sec. 5. 2 V.S.A. § 267a is amended to read:

§ 267a. INVESTIGATIONS

The attorney general ~~may~~ shall investigate, ~~as the attorney general finds necessary, to determine whether a person has violated this chapter on his or her own initiative or in response to a complaint filed in writing with the attorney general, whether a violation of this chapter has occurred.~~ The attorney general may administer oaths, require filing of a statement under oath, take evidence and require the production, by subpoena or otherwise, of financial records, books, papers, correspondence and other documents and records the attorney general considers to be relevant and material to the investigation. The attorney general shall make a determination of each complaint filed and, at the time of resolution of a complaint which is found to have merit, shall post on the website of the office of the attorney general a brief summary of the complaint and resolution.

Sec. 6. 2 V.S.A. § 268(b)(3) is amended to read:

(3) order reimbursement from any ~~person who caused governmental expenditures for the enforcement of the provisions~~ lobbyist or employer found to be in violation of this chapter;

Sec. 7. REPEAL

2 V.S.A. § 264a (tax on expenditures of lobbyists) is repealed.

Sec. 8. EFFECTIVE DATE

This act shall take effect on January 1, 2007.

Which proposal of amendment was considered and concurred in.

Bill Amended, Read Third Time and Passed

H. 701

House bill, entitled

An act relating to ancient roads to be known as identified corridors;

Was taken up and pending third reading of the bill, **Rep. Young of Orwell** moved to amend the bill as follows:

In Sec. 1 by adding 19 V.S.A. § 302(a)(6)(H) to read as follows:

(H) An unidentified corridor shall not create a subdivision with respect to zoning, tax, and septic issues. If the unidentified corridor is reclassified as a class 1, 2, 3, or 4 highway or as a trail, the then highway or trail shall be

recognized as any other highway or trail for the purpose of creating a subdivision with respect to zoning, tax, and septic issues.

Which was agreed to. Thereupon, the bill was read the third time and passed.

**Favorable Report; Third Reading Ordered;
Rules Suspended; Bill Placed on all Remaining Stages of Passage;
Bill Read the Third Time and Passed; Rules Suspended;
Bill Ordered Messaged to the Senate Forthwith**

S. 311

Rep. Hunt of Essex, for the committee on Appropriations, to which had been referred House bill, entitled

An act relating to an appropriation to continue Vermont National Guard family support and counseling services;

Reported in favor of its passage. The bill, having appeared on the Calendar one day for notice, was taken up, read the second time and third reading ordered.

On motion of **Rep. Sunderland of Rutland Town**, the rules were suspended and the bill placed on all remaining stages of passage. The bill was read the third time and passed in concurrence and, on motion of **Rep. Sunderland of Rutland Town** the rules were suspended and the bill was ordered messaged to the Senate forthwith.

Bill Amended; Third Reading Ordered

H. 630

Rep. Jerman of Essex, for the committee on Education, to which had been referred House bill, entitled

An act relating to teaching about signs of and responses to depression and risk of suicide in public schools;

Reported in favor of its passage when amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS

(a) The general assembly finds that:

(1) Depression leading to serious health consequences and risk of suicide is a common problem in Vermont and nationally.

(2) Harassment and bullying are leading contributors to lowered

self-esteem and high-risk behavior.

(3) The findings of the annual Vermont youth risk behavior survey and the annual safe and healthy schools report from the Vermont department of education contain information and statistics that are compelling indicators of the need for suicide prevention education.

(b) Therefore, the general assembly concludes that teaching about signs of and appropriate responses to depression and risk of suicide is critical to promoting a safe and healthy school environment for all children.

Sec. 2. 16 V.S.A. § 131 is amended to read:

§ 131. DEFINITIONS

For the purposes of this subchapter:

“Comprehensive health education” means a systematic and extensive elementary and secondary educational program designed to provide a variety of learning experiences based upon knowledge of the human organism as it functions within its environment. The term includes, but is not limited to, a study of:

* * *

(5) Family health and mental health, including instruction which promotes the development of responsible personal behavior involving decision making about sexual activity including abstinence; skills which strengthen existing family ties involving communication, cooperation, and interaction between parents and students; and instruction to aid in the establishment of strong family life in the future, thereby contributing to the enrichment of the community; and which promotes an understanding of depression and the signs of suicide risk in a family member or fellow student that includes how to respond appropriately and seek help and provides an awareness of the available school and community resources such as the local suicide crisis hotline;

* * *

The bill, having appeared on the Calendar one day for notice, was taken up, read the second time, report of the committee on Education agreed to and third reading ordered.

Favorable Report; Third Reading Ordered

H. 710

Rep. Kilmartin of Newport City, for the committee on Education, to which had been referred House bill, entitled

An act relating to organization of supervisory districts;

Reported in favor of its passage. The bill, having appeared on the Calendar one day for notice, was taken up, read the second time and third reading ordered.

Favorable Report; Third Reading Ordered

H. 717

Rep. Houston of Ferrisburgh, for the committee on Commerce, to which had been referred House bill, entitled

An act relating to direct sellers and unemployment insurance;

Reported in favor of its passage. The bill, having appeared on the Calendar one day for notice, was taken up, read the second time and third reading ordered.

Bill Amended, Consideration Interrupted by Recess

H. 861

House bill, entitled

An act relating to health care affordability for Vermonters;

Was taken up and pending third reading of the bill, **Rep. Parent of St. Albans City** moved to amend the bill as follows:

*** * * Chronic Care Infrastructure and Prevention * * ***

Sec. 1. BLUEPRINT FOR HEALTH

(a) The general assembly endorses the "blueprint for health" prevention and chronic care management initiative as a foundation which it intends to strengthen by broadening its scope and coordinating the initiative with other public and private chronic care coordination and management programs.

(b) The charge and strategic plan for the blueprint for health are codified as chapter 13 of Title 18.

(c) The department of health shall revise the current strategic plan for the blueprint for health and provide the revised plan to the commission on health care reform, the health access oversight committee, the house committee on health care, and the senate committee on health and welfare no later than October 1, 2006. The revised strategic plan shall provide that a model for the patient registry under the blueprint for health is fully designed no later than January 1, 2007.

Sec. 2. 18 V.S.A. chapter 13 is added to read:

CHAPTER 13. CHRONIC CARE INFRASTRUCTURE
AND PREVENTION

§ 701. DEFINITIONS

For the purposes of this chapter:

(1) "Blueprint for health" means the state's chronic care infrastructure, disease prevention, and case management program.

(2) "Chronic care" means health services provided by a health care professional for an established disease that is expected to last a year or more and that requires ongoing clinical management attempting to restore the individual to highest function, minimize the negative effects of the disease, and prevent disease-related complications. Examples of chronic disease include diabetes, hypertension, cardiovascular disease, cancer, asthma, pulmonary disease, substance abuse, mental illness, and hyperlipidemia.

(3) "Chronic care management" means a system of coordinated health care interventions and communications for individuals with chronic disease, including significant patient self-care efforts, systemic supports for the physician and patient relationship, and a plan of care emphasizing prevention of complications utilizing evidence-based practice guidelines, patient empowerment strategies, and evaluation of clinical, humanistic, and economic outcomes on an ongoing basis with the goal of improving overall health.

(4) "Health care professional" means an individual, partnership, corporation, facility, or institution licensed or certified or authorized by law to provide professional health care services.

(5) "Health risk assessment" means screening by a health care professional for the purpose of assessing an individual's health, including tests or physical exams and a survey or other tool used to gather information about an individual's health, medical history, and health risk factors during a health screening.

(6) "Patient registry" means the electronic database developed under the blueprint for health.

§ 702. BLUEPRINT FOR HEALTH; STRATEGIC PLAN

(a) In coordination with the secretary of administration under section 2222a of Title 3, the commissioner of health shall be responsible for the development and implementation of the blueprint for health, including the five-year strategic plan.

(b) The commissioner shall establish an executive committee to advise the commissioner on creating and implementing a strategic plan for the development of the statewide system of chronic care as described under this section. The executive committee shall engage a broad range of health care professionals who provide services under section 2024 of Title 33, health insurance plans, professional organizations, community and nonprofit groups, consumers, businesses, school districts, and state and local government in developing and implementing a five-year strategic plan.

(c)(1) The strategic plan shall include:

(A) a description of the Vermont blueprint for health chronic care model, which includes general, standard elements established in section 703 of this title to be used uniformly statewide by private insurers, third party administrators, and public programs;

(B) a description of prevention programs and how these programs are integrated into communities and with chronic care management;

(C) a plan to develop and implement reimbursement systems aligned with the goal of managing the care for individuals with or at risk for chronic disease in order to improve outcomes and the quality of care;

(D) the involvement of public and private groups, health care professionals, insurers, third party administrators, associations, and firms to facilitate and assure the sustainability of a new system of care;

(E) alignment of any information technology needs with other health care information technology initiatives;

(F) the use and development of outcome measures and reporting requirements, aligned with existing outcome measures within the agency of human services, to assess and evaluate the system of care;

(G) target timelines for inclusion of specific chronic diseases to be included in the chronic care infrastructure and for statewide implementation of the blueprint for health; and

(H) a strategy for ensuring statewide participation no later than January 1, 2009, in the chronic care management plan, including common outcome measures, best practices and protocols, data reporting requirements, payment methodologies, and other standards.

(2) The strategic plan shall be reviewed biennially and amended as necessary to reflect changes in priorities. Amendments to the plan shall be reported to the general assembly in the report established under subsection (d) of this section.

(d)(1) The commissioner of health shall report quarterly on the status of implementation of the Vermont blueprint for health to the house committee on health care, the senate committee on health and welfare, and the health access oversight committee. The quarterly report shall include the number of participating insurers, health care professionals, and patients, the progress for achieving statewide participation in the chronic care management plan, including the measures established under subsection (c) of this section, the expenditures and savings for the period, and other information as requested by the committees. At least annually, the commissioner shall report the results of health care professional and patient satisfaction surveys. The surveys shall be developed in collaboration with the executive committee established under subdivision (b) of this section.

(2) If statewide participation is not achieved by January 1, 2009, the commissioner shall recommend to the general assembly statutory changes to create alternative measures to ensure statewide participation by health insurers, third party administrators, and health care professionals.

§ 703. CHRONIC DISEASE PREVENTION AND CARE MANAGEMENT; REQUEST FOR PROPOSALS

(a)(1) The secretary of administration or designee shall issue a request for proposals no later than January 1, 2007 for health services for individuals with chronic disease who are enrolled in Medicaid, and the Vermont health access plan, or Dr. Dynasaur.

(2) With the goal of including all individuals, the secretary may initially target the chronic care management program to certain groups of individuals to ensure successful implementation and quality of services and to maximize cost savings. Individuals with chronic disease who are enrolled in catamount health shall be included in the chronic care management program upon enrollment. In the request for proposals, the secretary may provide a time period for implementing chronic care management to individuals currently enrolled in Medicaid, the Vermont health access plan, or Dr. Dynasaur in order to allow sufficient time for health care professionals and the entity administering the proposal to identify and enroll these individuals.

(3) The secretary or designee shall apply for a waiver or other approval from the Centers for Medicare and Medicaid Services to include individuals who are dually eligible for Medicare and Medicaid.

(b) The secretary shall include in the request for proposal a broad range of chronic diseases for chronic care management.

(c) The request for proposals shall stipulate that responses include:

(1) a method involving the health care professional in identifying eligible patients, including the use of the patient registry, an enrollment process which provides incentives and strategies for maximum patient participation, and a standard statewide health risk assessment for each individual;

(2) the process for coordinating care among health care professionals;

(3) the methods of increasing communication among health care professionals and patients, including patient education, self-management, and follow-up plans;

(4) the educational, wellness, and clinical management protocols and tools used by the care management organization, including management guideline materials for health care professionals to assist in patient-specific recommendations;

(5) process and outcome measures to provide performance feedback for health care professionals and information on the quality of care, including patient satisfaction and health status outcomes;

(6) payment methodologies which create financial incentives and rewards for health care professionals to improve disease management and the quality of care, including case management fees or pay for performance; and

(7) payment to the care management organization which would guarantee net savings to the state or put the care management organization's fee at risk if the management is not successful in reducing costs to the state.

(d) The secretary shall review the request for proposals with the commission on health care reform prior to issuance. The issuance of the requests for proposals is conditioned on the approval of the commission in order to ensure that the request meets the intent of this section and section 702 of this title.

(e) The secretary shall ensure that the responses to the requests for proposals, including future requests, shall comply with the Vermont blueprint for health.

Sec. 3. CHRONIC DISEASE PREVENTION AND CARE
MANAGEMENT; AGENCY OF HUMAN SERVICES;
IMPLEMENTATION PLAN

(a) No later than January 1, 2007, the agency of human services shall develop an implementation plan for chronic disease prevention and care management which at minimum meets the criteria and requirements of chapter 13 of Title 18. The agency's implementation plan shall be revised periodically to reflect changes to the chronic care infrastructure, disease prevention, and

management strategic plan. In addition to the chronic care management provided under section 703 of Title 18, the agency may provide additional care coordination services to appropriate individuals as specified in its strategic plan. The agency shall ensure that Medicaid, Medicaid waiver programs, and Dr. Dynasaur change the payment methodologies in order to comply with the recommendation of the strategic plan and the request for proposals developed under chapter 13 of Title 18. The agency shall analyze and include a recommendation as to any waivers or waiver modifications needed to implement a chronic care management program.

(b) The agency shall require recertification or reapplication for Medicaid, the Vermont health access plan, and Dr. Dynasaur only once a year.

Sec. 4. CHRONIC DISEASE PREVENTION AND CARE MANAGEMENT;
STATE EMPLOYEES

The commissioner of human resources shall include in any request for proposals for the administration of the state employees health benefit plans a request for a description of any chronic care management program provided by the entity and how the program aligns with the Vermont blueprint for health developed under section 702 of Title 18. The commissioner shall also work with the secretary of administration or designee, and the Vermont state employees' association on how and when to align the state employees' health benefit plan with the goals and statewide standards developed by the Vermont blueprint for health in section 702 of Title 18.

*** The Consumer Health Care Options, Choice and Empowerment
Act or "CHOICE"***

Sec. 5. 8 V.S.A. chapter 107 subchapter 9 is added to read:

Subchapter 9. Consumer Health Care Options, Improvement,
Choice, and Empowerment Act

§ 4100n. DEFINITIONS

For the purposes of this subchapter:

(1) "Commissioner" means the commissioner of banking, insurance, securities, and health care administration.

(2) "Out-of-state insurer" means a company offering health insurance policies that is domiciled in another state of the United States.

§ 4100o. OUT-OF-STATE INSURERS

An insurer may not offer a health insurance policy to a resident of the state of Vermont unless it is issued a "certification of insurer" by the commissioner. The certification shall assure that the following qualifications have been met:

(1) The out-of-state insurer holds a valid certificate of authority to market individual health insurance in the state of its domicile.

(2) Any policy for individual health insurance offered for sale in Vermont by an out-of-state insurer domiciled in another state of the United States complies with the applicable individual health insurance laws in the state of its domicile, and the policy is actively marketed in that state.

(3) The insurance policy offered to Vermont residents is currently being actively marketed in the state of the out-of-state insurer's domicile.

(4) The out-of-state insurer maintains minimum capital and surplus requirements and maintains reserves as required by the commissioner.

(5) The out-of-state insurer meets the commissioner's requirements of reporting plan information with respect to individual health plans offered for sale in Vermont and discloses to prospective enrollees how the health plans differ from individual health plans offered by domestic insurers in a format approved by the commissioner. Health plan policies and applications for coverage must contain the following disclosure statement or a substantially similar statement:

"This policy is issued by an out-of-state insurer and is governed by the laws and regulations of the State of (out-of-state insurer's state of domicile). This policy may not be subject to all the insurance laws and rules of the State of Vermont, including coverage of certain health care services or benefits mandated by Vermont law. Before purchasing this policy, you should carefully review the terms and conditions of coverage under this policy, including any exclusions or limitations of coverage."

(6) Grievance procedures. The out-of-state insurer meets the requirements of the state of Vermont grievance procedures with respect to health plans offered for sale in this state.

(7) Unfair (insurance) trade practices. Vermont's provisions apply to the out-of-state insurer.

(8) Premium taxes. The out-of-state insurer is subject to applicable premium taxes imposed on insurers marketing individual health insurance in Vermont.

(9) The out-of-state insurer participates in an insurance insolvency guaranty association to which a Vermont insurer that markets individual health insurance is required to belong in accordance with this title. An insurance producer may not act as an agent of an out-of-state insurer certified to market individual health insurance pursuant to this bill, unless the producer holds a valid producer license from the state domicile of the out-of-state insurer.

§ 4100p. VERMONT INSURERS

Notwithstanding any other provision of this title, except as expressly provided, a domestic insurer may offer for sale in this state an individual health plan duly authorized for sale in another state by a parent or subsidiary of the domestic insurer if:

(1) The parent or subsidiary of the Vermont insurer holds a valid certificate of authority to market individual health insurance in the state of its domicile.

(2) Any policy, contract or certificate of individual health insurance offered for sale in this state by a Vermont insurer complies with the applicable individual health insurance laws in the state or country of domicile of the parent or subsidiary, and the policy is actively marketed in that state.

(3) The Vermont insurer meets the requirements for reporting plan information with respect to individual health plans offered for sale in this state and discloses to prospective enrollees how the individual health plans of the parent or subsidiary differ from individual health plans offered by domestic insurers in a format approved by the commissioner within 90 days of the effective date of this section. Health plan policies and applications for coverage must contain the following disclosure statement or a substantially similar statement:

"This policy is issued by a Vermont Insurer but is governed by the laws and rules of the State of (state of domicile of parent or subsidiary of domestic), which is the state of domicile of the parent or subsidiary of the domestic insurer or health maintenance organization. This policy might not be subject to all the insurance laws and rules of the State of Vermont, including coverage of certain health care services or benefits mandated by Vermont law. Before purchasing this policy, you should carefully review the terms and conditions of coverage under this policy, including any exclusions or limitations of coverage."

(4) The Vermont insurer meets the requirements for grievance procedures with respect to health plans offered for sale in this state.

Sec. 6. EFFECTIVE DATE AND APPLICABILITY

(a) This act shall apply to out-of-state insurers and Vermont insurers notwithstanding any other provision of law to the contrary in Title 8 of the Vermont Statutes or otherwise, except where it expressly so provides.

(b) This act shall take effect July 1, 2006. The commissioner's requirements of reporting plan information with respect to individual health plans offered for sale in Vermont and disclosure to prospective enrollees on differences from individual health plans offered by domestic insurers shall be prepared and approved by the commissioner within 90 days of the effective date of this act.

Pending the question, Shall the House amend the bill as recommended by Rep. Parent of St. Albans City? **Rep. Tracy of Burlington** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House amend the bill as recommended by Rep. Parent of St. Albans City? was decided in the negative. Yeas, 52. Nays, 85.

Those who voted in the affirmative are:

Acinapura of Brandon	Houston of Ferrisburgh	Morrissey of Bennington
Adams of Hartland	Howrigan of Fairfield	Myers of Essex
Allaire of Rutland City	Hube of Londonderry	Niquette of Colchester
Allard of St. Albans Town	Hudson of Lyndon	O'Donnell of Vernon
Bartlett of Dover	Johnson of Canaan	Otterman of Topsham
Bostic of St. Johnsbury	Kainen of Hartford	Parent of St. Albans City
Branagan of Georgia	Kennedy of Chelsea	Peaslee of Guildhall
Canfield of Fair Haven	Kilmartin of Newport City	Shaw of Derby
Clark of Vergennes	Krawczyk of Bennington	Smith of New Haven
Dates of Shelburne	Larocque of Barnet	Sunderland of Rutland Town
DePoy of Rutland City	Larrabee of Danville	Turner of Milton
Donaghy of Poultney	Lawrence of Lyndon	Valliere of Barre City
Donahue of Northfield	Livingston of Manchester	Westman of Cambridge
Dowland of Holland	Marcotte of Coventry	Winters of Swanton
Dunsmore of Georgia	Marron of Stowe	Winters of Williamstown
Endres of Milton	McAllister of Highgate	Wright of Burlington
Errecart of Shelburne	Miller of Elmore	
Helm of Castleton	Morley of Barton	

Those who voted in the negative are:

Ancel of Calais	Chen of Mendon	Donovan of Burlington
Aswad of Burlington	Clarkson of Woodstock	Dostis of Waterbury
Atkins of Winooski	Condon of Colchester	Edwards of Brattleboro
Audette of S. Burlington	Copeland-Hanzas of	Emmons of Springfield
Baker of West Rutland	Bradford	Evans of Essex
Bohi of Hartford	Corcoran of Bennington	Fallar of Tinmouth
Botzow of Pownal	Cross of Winooski	Fisher of Lincoln
Brennan of Colchester	Darrow of Dummerston	Frank of Underhill
Brooks of Montpelier	Deen of Westminster	French of Randolph

Gervais of Enosburg	Leriche of Hardwick	Orr of Charlotte
Grad of Moretown	Lippert of Hinesburg	Partridge of Windham
Green of Berlin	Lorber of Burlington	Pellett of Chester
Haas of Rochester	Louras of Rutland City	Perry of Richford
Head of S. Burlington	Maier of Middlebury	Peterson of Williston
Heath of Westford	Marek of Newfane	Pillsbury of Brattleboro
Hosford of Waitsfield	Martin of Wolcott	Potter of Clarendon
Howard of Rutland City	Masland of Thetford	Pugh of S. Burlington
Hunt of Essex	McCullough of Williston	Randall of Troy
Hutchinson of Randolph	McFaun of Barre Town	Reese of Pomfret
Jerman of Essex	McLaughlin of Royalton	Rusten of Halifax
Jewett of Ripton	Milkey of Brattleboro	Seibert of Norwich
Johnson of South Hero	Miller of Shaftsbury	Shand of Weathersfield
Keenan of St. Albans City	Minter of Waterbury	Sharpe of Bristol
Keogh of Burlington	Molloy of Arlington	Smith of Morristown
Kiss of Burlington	Mook of Bennington	Sweaney of Windsor
Kitzmiller of Montpelier	Nease of Johnson	Tracy of Burlington
Klein of East Montpelier	Nitka of Ludlow	Trombley of Grand Isle
Kupersmith of S. Burlington	Nuovo of Middlebury	Zuckerman of Burlington
Larson of Burlington	Obuchowski of Rockingham	

Those members absent with leave of the House and not voting are:

Barnard of Richmond	Komline of Dorset	Monti of Barre City
Clark of St. Johnsbury	LaVoie of Swanton	Rodgers of Glover
Flory of Pittsford	Malcolm of Pawlet	Severance of Colchester
Koch of Barre Town	Martin of Springfield	Young of Orwell

Pending third reading of the bill, **Rep. O'Donnell of Vernon** moved to amend the bill as follows:

In Sec. 14, by adding § 2028 to read:

§ 2028. PREMIUM ASSISTANCE PROGRAM

(a) As used in this section:

(1) "Approved employer-sponsored insurance plan" means a health insurance plan offered to an eligible individual or to his or her dependent, which when combined with the assistance offered under the program established by this section satisfies the criteria adopted by the office for a comprehensive, affordable health insurance plan that includes appropriate coverage of chronic care. The office shall consult with the department of banking, insurance, securities, and health care administration in developing criteria under this subdivision. An approved employer-sponsored health insurance plan shall conform to the standards established for secretary-approved coverage under the Global Commitment waiver.

(2) "Eligible individual" means an individual who:

(A)(i) Is enrolled in VHAP on January 1, 2007, and the individual or his or her dependents have access to an approved employer-sponsored insurance plan;

(ii) Applies for enrollment in Medicaid on and after January 1, 2007, and the individual or his or her dependents have access to an approved employer-sponsored insurance plan; or

(iii) Applies for enrollment in the premium assistance program on and after January 1, 2007, has household income greater than 150 percent of the federal poverty level, and has household income equal to or less than 300 percent of the federal poverty level, and the individual or his or her dependents have access to an approved employer-sponsored insurance plan; and

(I) Has been a resident of this state for at least 12 months immediately preceding the individual's application for assistance;

(II) Is not eligible for any other state or federal public health insurance program; and

(III) Has not been insured under a private market health insurance plan that provides major medical coverage during the 12 months prior to the application. The office may adopt rules permitting the waiver of the provisions of this subdivision because of unusual or mitigating circumstances, including but not limited to the loss of employer-sponsored coverage, the loss of coverage by an institution of higher education, and the very low income of the individual.

(3) "Global Commitment waiver" means the Medicaid Global Commitment to Health Demonstration waiver entered into between the agency of human services and the federal Centers for Medicare and Medicaid Services.

(4) "Office" means the office of Vermont health access.

(5) "VHAP" means the program that extends publicly sponsored coverage to low income, uninsured adults, previously under the Vermont health access plan, subsequently replaced by the Global Commitment waiver. VHAP includes coverage for adults with household income up to 150 percent of the federal poverty level as well as parent-caretaker coverage for individuals with household income between 150 percent and 185 percent of the federal poverty level.

(b) The office shall request federal approval for the premium assistance program authorized by this section and shall adopt such rules as are necessary to carry out the purposes of this section.

(c) For eligible individuals under subdivision (a)(2)(A)(i) of this section, the premium assistance program shall offer financial assistance to enable eligible individuals to participate in an approved employer-sponsored insurance plan. The rules of the premium assistance program with respect to eligible individuals under subdivision (a)(2)(A)(i) of this section shall include the following:

(1) A subsidy of premiums or cost-sharing amounts based on the household income of the eligible individual, with greater amounts of financial assistance provided to eligible individuals with lower household income and lesser amounts of assistance provided to eligible individuals with higher household income.

(2) A requirement that eligible individuals under subdivision (a)(2)(A)(i) of this section enroll in an approved employer-sponsored insurance plan as a condition of continued public assistance under this section or under any other benefit program offered or administered by the office.

(3) Standards to ensure that eligible individuals under subdivision (a)(2)(A)(i) of this section on an annual basis are obligated to make out-of-pocket expenditures for premiums and cost-sharing amounts which are substantially equivalent to or less than their premium and cost-sharing obligations under VHAP.

(4) Standards to ensure that eligible individuals under subdivision (a)(2)(A)(i) of this section have health insurance coverage of services which meet a minimum level of coverage as specified by the office. The office may offer supplemental benefit coverage to such individuals.

(d) For eligible individuals under subdivision (a)(2)(A)(ii) of this section, the premium assistance program shall offer financial assistance to enable eligible individuals to participate in an approved employer-sponsored insurance plan offered to the individual. The rules of the premium assistance program with respect to eligible individuals under subdivision (a)(2)(A)(ii) of this section shall include the following:

(1) A subsidy of premiums or cost-sharing amounts based on the household income of the eligible individual, with greater amounts of financial assistance provided to eligible individuals with lower household income and lesser amounts of assistance provided to individuals with higher household income.

(2) A requirement that eligible individuals under subdivision (a)(2)(A)(ii) of this section enroll in an approved employer-sponsored insurance plan as a condition of continued public assistance under this section or under any other benefit program offered or administered by the office.

(3) The office may offer supplemental benefit coverage to such individuals.

(e) For eligible individuals under subdivision (a)(2)(A)(iii) of this section, the premium assistance program shall offer financial assistance to enable eligible individuals to participate in an approved employer-sponsored insurance plan offered to the individual. The rules of the premium assistance program with respect to eligible individuals under subdivision (a)(2)(A)(iii) of this section shall include a subsidy of premiums or cost-sharing amounts based on the household income of the eligible individual, with greater amounts of financial assistance provided to eligible individuals with lower household income and lesser amounts of assistance provided to eligible individuals with higher household income.

(f) Except as provided by this section, eligible individuals may be offered assistance as otherwise provided in this subchapter under catamount health.

(g) In the event that the office determines that appropriations for the premium assistance program for eligible individuals under subdivision (a)(2)(A)(iii) of this section are insufficient to meet the projected costs of enrolling new program participants, the office may suspend or terminate new enrollment for such eligible participants in the program or restrict enrollment to lower income eligible individuals.

(f) With the approval of the joint fiscal committee and upon a demonstration by the office that expansion of the premium assistance program will result in financial savings to the Medicaid program without adversely affecting access to affordable health insurance and to quality health care for the affected individuals, the office may require additional categories of individuals who would otherwise be eligible for enrollment in Medicaid, the State Children's Health Insurance Program ("SCHIP"), or VHAP but who have access to an approved employer-sponsored insurance plan to participate in the premium assistance program as a condition of public financial assistance.

Pending the question, Shall the House amend the bill as recommended by Rep. O'Donnell of Vernon? **Rep. Sunderland of Rutland Town** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House amend the bill as recommended by Rep. O'Donnell of Vernon? was decided in the negative. Yeas, 55. Nays, 82.

Those who voted in the affirmative are:

Acinapura of Brandon
 Adams of Hartland
 Allaire of Rutland City
 Allard of St. Albans Town
 Baker of West Rutland
 Bartlett of Dover
 Bostic of St. Johnsbury
 Branagan of Georgia
 Brennan of Colchester
 Canfield of Fair Haven
 Clark of Vergennes
 Dates of Shelburne
 DePoy of Rutland City
 Donaghy of Poultney
 Donahue of Northfield
 Dowland of Holland
 Dunsmore of Georgia
 Endres of Milton
 Errecart of Shelburne

Helm of Castleton
 Houston of Ferrisburgh
 Howrigan of Fairfield
 Hube of Londonderry
 Hudson of Lyndon
 Johnson of Canaan
 Kainen of Hartford
 Kennedy of Chelsea
 Kilmartin of Newport City
 Koch of Barre Town
 Krawczyk of Bennington
 Larocque of Barnet
 Larrabee of Danville
 Lawrence of Lyndon
 Livingston of Manchester
 Marcotte of Coventry
 Marron of Stowe
 McAllister of Highgate
 Miller of Elmore

Morley of Barton
 Morrissey of Bennington
 Myers of Essex
 Niquette of Colchester
 O'Donnell of Vernon
 Parent of St. Albans City
 Peaslee of Guildhall
 Shaw of Derby
 Smith of New Haven
 Sunderland of Rutland Town
 Turner of Milton
 Valliere of Barre City
 Westman of Cambridge
 Winters of Swanton
 Winters of Williamstown
 Wright of Burlington
 Young of Orwell

Those who voted in the negative are:

Ancl of Calais
 Atkins of Winooski
 Bohi of Hartford
 Botzow of Pownal
 Brooks of Montpelier
 Chen of Mendon
 Clarkson of Woodstock
 Condon of Colchester
 Copeland-Hanzas of
 Bradford
 Corcoran of Bennington
 Cross of Winooski
 Darrow of Dummerston
 Deen of Westminster
 Donovan of Burlington
 Dostis of Waterbury
 Edwards of Brattleboro
 Emmons of Springfield
 Evans of Essex
 Fallar of Tinmouth
 Fisher of Lincoln
 Frank of Underhill
 French of Randolph
 Gervais of Enosburg
 Grad of Moretown
 Green of Berlin
 Haas of Rochester

Head of S. Burlington
 Heath of Westford
 Hosford of Waitsfield
 Howard of Rutland City
 Hunt of Essex
 Hutchinson of Randolph
 Jerman of Essex
 Jewett of Ripton
 Johnson of South Hero
 Keenan of St. Albans City
 Keogh of Burlington
 Kiss of Burlington
 Kitzmiller of Montpelier
 Klein of East Montpelier
 Kupersmith of S. Burlington
 Larson of Burlington
 Leriche of Hardwick
 Lippert of Hinesburg
 Lorber of Burlington
 Louras of Rutland City
 Maier of Middlebury
 Marek of Newfane
 Martin of Wolcott
 Masland of Thetford
 McCullough of Williston
 McFaun of Barre Town
 McLaughlin of Royalton

Milkey of Brattleboro
 Miller of Shaftsbury
 Minter of Waterbury
 Molloy of Arlington
 Mook of Bennington
 Nease of Johnson
 Nitka of Ludlow
 Nuovo of Middlebury
 Obuchowski of Rockingham
 Orr of Charlotte
 Otterman of Topsham
 Partridge of Windham
 Pellett of Chester
 Perry of Richford
 Peterson of Williston
 Pillsbury of Brattleboro
 Potter of Clarendon
 Pugh of S. Burlington
 Randall of Troy
 Reese of Pomfret
 Rusten of Halifax
 Seibert of Norwich
 Shand of Weathersfield
 Sharpe of Bristol
 Smith of Morristown
 Sweaney of Windsor
 Tracy of Burlington

Trombley of Grand Isle

Zuckerman of Burlington

Those members absent with leave of the House and not voting are:

Aswad of Burlington

Flory of Pittsford

Martin of Springfield

Audette of S. Burlington

Komline of Dorset

Monti of Barre City

Barnard of Richmond

LaVoie of Swanton

Rodgers of Glover

Clark of St. Johnsbury

Malcolm of Pawlet

Severance of Colchester

Pending third reading of the bill, **Rep. Marcotte of Coventry** moved to amend the bill as follows:

In Sec. 17c by striking "July 25" wherever it appears and inserting in lieu thereof "August 25"

Which was agreed to.

Pending third reading of the bill, **Rep. Donahue of Northfield** moved to amend the bill as follows:

First: By striking Secs. 1 through 22 and inserting in lieu thereof the following:

Sec. 1. HEALTH CARE REFORM PRINCIPLES

The general assembly adopts the following guidelines, modeled after the Coalition 21 principles, as a framework for reforming health care in Vermont:

(1) It is the policy of the state of Vermont to ensure universal access to and coverage for essential health care services for all Vermonters.

(2) Health care coverage needs to be comprehensive and continuous.

(3) Vermont's health delivery system must model continuous improvement of health care quality and safety.

(4) The financing of health care in Vermont must be sufficient, equitable, fair, and sustainable.

(5) Built-in accountability for quality, cost, access, and participation must be the hallmark of Vermont's health care system.

(6) Vermonters must be engaged, to the best of their ability, to pursue healthy lifestyles, to focus on preventive care and wellness efforts, and to make informed use of all health care services throughout their lives.

Sec. 2. LEGISLATIVE PURPOSE AND INTENT

(a) It is the intent of the general assembly that all Vermonters receive affordable and appropriate health care at the appropriate time and that health care costs be contained over time. The general assembly finds that effective

first steps to achieving this purpose are the prevention and management of chronic disease and coverage of the uninsured through catamount health, a self-insured, comprehensive benefit plan with sliding-scale premiums. The general assembly finds that chronic care management is one tool to contain health care costs and ensure that Vermont's health care system becomes sustainable.

(b) It is also the intent of the general assembly to ensure that any reduction in the "cost shift" is returned to consumers by slowing the rate of growth in insurance premiums. The cost shift results when the costs of health services are inadequately paid for by public health care programs and when individuals are unable to pay for services. Raising Medicaid payment rates and reducing the number of uninsured will reduce the cost shift.

Sec. 3. 3 V.S.A. § 2222a is added to read:

§ 2222a. HEALTH CARE SYSTEM REFORM; QUALITY AND AFFORDABILITY

(a) The secretary of administration, working in collaboration with the general assembly, shall be responsible for the coordination of health care system reform among executive branch agencies, departments, and offices.

(b) The secretary shall ensure that those executive branch agencies, departments, and offices responsible for the development, improvement, and implementation of Vermont's health care system reform do so in a timely manner.

(c) Vermont's health care system reform initiatives include:

(1) The state's chronic care infrastructure, disease prevention, and management program contained in the "blueprint for health" established by chapter 13 of Title 18, the goal of which is to achieve a unified, comprehensive, statewide system of care that improves the lives of Vermonters with or at risk for chronic disease.

(2) The Vermont health information technology project.

(3) The multi-payer data collection project.

(4) The common claims administration project.

(5) The consumer price and quality information system.

(6) The public health promotion programs of the department of health and the department of disabilities, aging, and independent living.

(7) Medicaid, the Vermont health access plan, Dr. Dynasaur, VPharm, and Vermont Rx, established in chapter 19 of Title 33, which contain programs to provide health care coverage to elderly, disabled, and low to middle income Vermonters.

(d) The secretary shall report to the commission on health care reform, the health access oversight committee, the house committee on health care, the senate committee on health and welfare, and the governor on or before December 1, 2006 with a five-year strategic plan for implementing Vermont's health care system reform initiatives, together with any administrative or legislative recommendations. Annually, beginning January 15, 2007, the secretary shall report to the general assembly on the progress of the reform initiatives.

(e) The secretary of administration or designee shall provide information and testimony on the activities included in this section to any legislative committee upon request and during adjournment to the health access oversight committee and the commission on health care reform.

* * * Chronic Care Infrastructure and Prevention * * *

Sec. 4. BLUEPRINT FOR HEALTH

(a) The general assembly endorses the "blueprint for health" prevention and chronic care management initiative as a foundation which it intends to strengthen by broadening its scope and coordinating the initiative with other public and private chronic care coordination and management programs.

(b) The charge and strategic plan for the blueprint for health are codified as chapter 13 of Title 18.

(c) The department of health shall revise the current strategic plan for the blueprint for health and provide the revised plan to the commission on health care reform, the health access oversight committee, the house committee on health care, and the senate committee on health and welfare no later than October 1, 2006. The revised strategic plan shall provide that a model for the patient registry under the blueprint for health is fully designed no later than January 1, 2007.

Sec. 5. 18 V.S.A. chapter 13 is added to read:

CHAPTER 13. CHRONIC CARE INFRASTRUCTURE AND PREVENTION

§ 701. DEFINITIONS

For the purposes of this chapter:

(1) "Blueprint for health" means the state's chronic care infrastructure, disease prevention, and case management program.

(2) "Chronic care" means health services provided by a health care professional for an established disease that is expected to last a year or more and that requires ongoing clinical management attempting to restore the individual to highest function, minimize the negative effects of the disease, and prevent disease-related complications. Examples of chronic disease include diabetes, hypertension, cardiovascular disease, cancer, asthma, pulmonary disease, substance abuse, mental illness, and hyperlipidemia.

(3) "Chronic care management" means a system of coordinated health care interventions and communications for individuals with chronic disease, including significant patient self-care efforts, systemic supports for the physician and patient relationship, and a plan of care emphasizing prevention of complications utilizing evidence-based practice guidelines, patient empowerment strategies, and evaluation of clinical, humanistic, and economic outcomes on an ongoing basis with the goal of improving overall health.

(4) "Health care professional" means an individual, partnership, corporation, facility, or institution licensed or certified or authorized by law to provide professional health care services.

(5) "Health risk assessment" means screening by a health care professional for the purpose of assessing an individual's health, including tests or physical exams and a survey or other tool used to gather information about an individual's health, medical history, and health risk factors during a health screening.

(6) "Patient registry" means the electronic database developed under the blueprint for health.

§ 702. BLUEPRINT FOR HEALTH; STRATEGIC PLAN

(a) In coordination with the secretary of administration under section 2222a of Title 3, the commissioner of health shall be responsible for the development and implementation of the blueprint for health, including the five-year strategic plan.

(b) The commissioner shall establish an executive committee to advise the commissioner on creating and implementing a strategic plan for the development of the statewide system of chronic care as described under this section. The executive committee shall engage a broad range of health care professionals who provide services under section 2024 of Title 33, health insurance plans, professional organizations, community and nonprofit groups.

consumers, businesses, school districts, and state and local government in developing and implementing a five-year strategic plan.

(c)(1) The strategic plan shall include:

(A) a description of the Vermont blueprint for health chronic care model, which includes general, standard elements established in section 703 of this title to be used uniformly statewide by private insurers, third party administrators, and public programs;

(B) a description of prevention programs and how these programs are integrated into communities and with chronic care management;

(C) a plan to develop and implement reimbursement systems aligned with the goal of managing the care for individuals with or at risk for chronic disease in order to improve outcomes and the quality of care;

(D) the involvement of public and private groups, health care professionals, insurers, third party administrators, associations, and firms to facilitate and assure the sustainability of a new system of care;

(E) alignment of any information technology needs with other health care information technology initiatives;

(F) the use and development of outcome measures and reporting requirements, aligned with existing outcome measures within the agency of human services, to assess and evaluate the system of care;

(G) target timelines for inclusion of specific chronic diseases to be included in the chronic care infrastructure and for statewide implementation of the blueprint for health; and

(H) a strategy for ensuring statewide participation no later than January 1, 2009, in the chronic care management plan, including common outcome measures, best practices and protocols, data reporting requirements, payment methodologies, and other standards.

(2) The strategic plan shall be reviewed biennially and amended as necessary to reflect changes in priorities. Amendments to the plan shall be reported to the general assembly in the report established under subsection (d) of this section.

(d)(1) The commissioner of health shall report quarterly on the status of implementation of the Vermont blueprint for health to the house committee on health care, the senate committee on health and welfare, and the health access oversight committee. The quarterly report shall include the number of participating insurers, health care professionals, and patients, the progress for achieving statewide participation in the chronic care management plan,

including the measures established under subsection (c) of this section, the expenditures and savings for the period, and other information as requested by the committees. At least annually, the commissioner shall report the results of health care professional and patient satisfaction surveys. The surveys shall be developed in collaboration with the executive committee established under subdivision (b) of this section.

(2) If statewide participation is not achieved by January 1, 2009, the commissioner shall recommend to the general assembly statutory changes to create alternative measures to ensure statewide participation by health insurers, third party administrators, and health care professionals.

§ 703. CHRONIC DISEASE PREVENTION AND CARE
MANAGEMENT; CATAMOUNT HEALTH; REQUEST FOR
PROPOSALS

(a)(1) The secretary of administration or designee shall issue a request for proposals no later than January 1, 2007 for health services for individuals with chronic disease who are enrolled in Medicaid, the Vermont health access plan, or Dr. Dynasaur.

(2) With the goal of including all individuals, the secretary may initially target the chronic care management program to certain groups of individuals to ensure successful implementation and quality of services and to maximize cost savings. Individuals with chronic disease who are enrolled in catamount health shall be included in the chronic care management program upon enrollment. In the request for proposals, the secretary may provide a time period for implementing chronic care management to individuals currently enrolled in Medicaid, the Vermont health access plan, or Dr. Dynasaur in order to allow sufficient time for health care professionals and the entity administering the proposal to identify and enroll these individuals.

(3) The secretary or designee shall apply for a waiver or other approval from the Centers for Medicare and Medicaid Services to include individuals who are dually eligible for Medicare and Medicaid.

(b) The secretary shall include in the request for proposal a broad range of chronic diseases for chronic care management.

(c) The request for proposals shall stipulate that responses include:

(1) a method involving the health care professional in identifying eligible patients, including the use of the patient registry, an enrollment process which provides incentives and strategies for maximum patient participation, and a standard statewide health risk assessment for each individual;

(2) the process for coordinating care among health care professionals;

(3) the methods of increasing communication among health care professionals and patients, including patient education, self-management, and follow-up plans;

(4) the educational, wellness, and clinical management protocols and tools used by the care management organization, including management guideline materials for health care professionals to assist in patient-specific recommendations;

(5) process and outcome measures to provide performance feedback for health care professionals and information on the quality of care, including patient satisfaction and health status outcomes;

(6) payment methodologies which create financial incentives and rewards for health care professionals to improve disease management and the quality of care, including case management fees or pay for performance; and

(7) payment to the care management organization which would guarantee net savings to the state or put the care management organization's fee at risk if the management is not successful in reducing costs to the state.

(d) The secretary shall review the request for proposals with the commission on health care reform prior to issuance. The issuance of the requests for proposals is conditioned on the approval of the commission in order to ensure that the request meets the intent of this section and section 702 of this title.

(e) The secretary shall ensure that the responses to the requests for proposals, including future requests, shall comply with the Vermont blueprint for health.

Sec. 6. CHRONIC DISEASE PREVENTION AND CARE
MANAGEMENT; AGENCY OF HUMAN SERVICES;
IMPLEMENTATION PLAN

(a) No later than January 1, 2007, the agency of human services shall develop an implementation plan for chronic disease prevention and care management which at minimum meets the criteria and requirements of chapter 13 of Title 18. The agency's implementation plan shall be revised periodically to reflect changes to the chronic care infrastructure, disease prevention, and management strategic plan. In addition to the chronic care management provided under section 703 of Title 18, the agency may provide additional care coordination services to appropriate individuals as specified in its strategic plan. The agency shall ensure that Medicaid, Medicaid waiver programs, and Dr. Dynasaur change the payment methodologies in order to comply with the

recommendation of the strategic plan and the request for proposals developed under chapter 13 of Title 18. The agency shall analyze and include a recommendation as to any waivers or waiver modifications needed to implement a chronic care management program.

(b) The agency shall require recertification or reapplication for Medicaid, the Vermont health access plan, and Dr. Dynasaur only once a year.

Sec. 7. CHRONIC DISEASE PREVENTION AND CARE MANAGEMENT; STATE EMPLOYEES

The commissioner of human resources shall include in any request for proposals for the administration of the state employees health benefit plans a request for a description of any chronic care management program provided by the entity and how the program aligns with the Vermont blueprint for health developed under section 702 of Title 18. The commissioner shall also work with the secretary of administration or designee, and the Vermont state employees' association on how and when to align the state employees' health benefit plan with the goals and statewide standards developed by the Vermont blueprint for health in section 702 of Title 18.

* * * Medicaid Reimbursement * * *

Sec. 8. MEDICAID REIMBURSEMENT

(a) For fiscal year 2007, the office of Vermont health access shall increase Medicaid reimbursement for evaluation and management procedure codes to enhance payment for primary care services under Medicaid and the Vermont health access plan to a level equivalent to rates in the Medicare program. Starting in fiscal year 2008, the office shall also align Medicaid rates to reflect the changes in reimbursement for the chronic disease prevention and care management program provided for in chapter 13 of Title 18.

(b) In fiscal years subsequent to 2007, Medicaid reimbursement increases to health care professionals and hospitals under Medicaid, the Vermont health access plan, and Dr. Dynasaur should be tied to the standards developed under the chronic disease prevention and care management program established in section 702 of Title 18, quality or performance measures. Prior to implementation, these standards shall be approved by the general assembly through the appropriations process.

Sec. 9. HOSPITAL SERVICE AREA PILOT PROJECTS

(a) The office of Vermont health access, in consultation with the department of health, shall issue requests for proposals for community pilot projects in two separate hospital service areas. The goal of the project shall be

to increase integration and collaboration among health care professionals and community partners to coordinate the delivery of quality health care services in an efficient manner for implementation of the blueprint for health and catamount health.

(b) The responses shall include:

(1) a comprehensive evaluation process that would establish test measures to monitor improvements and changes in access, clinical outcomes, quality, and cost-containment;

(2) parameters for evaluating sharing the financial risk and any savings;
and

(3) developing payment methodologies which include cost containment and realignment of incentives.

(c) The office shall negotiate with the applicants to determine the scope and duration of the project. The office shall provide incentive grants of \$100,000.00 to successful applicants to be used to coordinate and enhance the effectiveness of the pilot.

Sec. 10. VHAP PREMIUM ADJUSTMENTS

Sec. 147(d) of No. 66 of the Acts of 2003, as amended by Sec. 129 of No. 122 of the Acts of the 2003 Adj. Sess. (2004) and Sec. 279 of No. 71 of the Acts of 2005, is further amended to read:

(d) VHAP, premium-based.

* * *

(2) The agency shall establish per individual premiums for the VHAP Uninsured program for the following brackets of income for the VHAP group as a percentage of federal poverty level (FPL):

(A) Income greater than 50 percent and less than or equal to 75 percent of FPL: ~~\$11.00~~ \$7.00 per month.

(B) Income greater than 75 percent and less than or equal to 100 percent of FPL: ~~\$39.00~~ \$25.00 per month.

(C) Income greater than 100 percent and less than or equal to 150 percent of FPL: ~~\$50.00~~ \$33.00 per month.

(D) Income greater than 150 percent and less than or equal to 185 percent of FPL: ~~\$75.00~~ \$49.00 per month.

Sec. 11. DR. DYNASAUR AND SCHIP PREMIUM ADJUSTMENTS

Sec. 147(f) of No. 66 of the Acts of 2003, as amended by Sec. 280 of No. 71 of the Acts of 2005, is amended to read:

(f) Dr. Dynasaur and SCHIP premium changes.

(1) The agency is authorized to amend the rules for individuals eligible for Dr. Dynasaur under the federal Medicaid and SCHIP programs to require beneficiary households to pay a monthly premium based on the following:

(A) for individuals living in households whose incomes are greater than 225 percent of FPL and less than or equal to 300 percent of FPL, and who have no other insurance coverage: ~~\$80.00~~ \$40.00 per household per month.

(B) for individuals living in households whose incomes are greater than 225 percent of FPL and less than or equal to 300 percent of FPL, and who have other insurance coverage: ~~\$40.00~~ \$20.00 per household per month.

(C) for individuals living in households whose incomes are greater than 185 percent of FPL and less than or equal to 225 percent of FPL: ~~\$30.00~~ \$15.00 per household per month.

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* * * Private Insurance Cost Shift Reviews * * *

Sec. 12. 8 V.S.A. § 4062d is added to read:

§ 4062d. COST SHIFT REVIEW OF HEALTH INSURANCE PREMIUMS

In connection with insurers' rate filings made pursuant to sections 4062, 4062b, 4515a, 4587, and 5104 of this title and any other applicable provisions of law, the commissioner shall ensure that health insurers appropriately account for reductions in hospital and provider charges attributable to any increase in Medicaid or other public insurance program reimbursements for health care providers or facilities and to a reduction in bad debt or charity care.

Sec. 13. COST SHIFT TASK FORCE

The department of banking, insurance, securities, and health care administration shall convene a task force of health care professionals, insurers, hospitals, and other interested parties to determine how to ensure that reductions in hospital and provider charges are reflected in a slower rate of growth in health insurance premiums. The task force shall make written recommendations on statutory or administrative changes needed to ensure that a reduction in the cost shift is reflected in health insurance premiums to the commission on health care reform no later than December 1, 2006.

Sec. 14. ENROLLMENT INITIATIVES

The secretary of administration or designee and the director of the office of Vermont health access shall engage interested groups and parties in assisting with outreach and informational initiatives to ensure Vermonters have information about health care coverage options provided by Medicaid, the Vermont health access plan, and Dr. Dynasaur.

Sec. 15. COMMISSION ON HEALTH CARE REFORM

Any reports required by this act shall be provided to the commission on health care reform established by Sec. 277c of No. 71 of the Acts of 2005 until the time that the commission dissolves.

Sec. 16. APPROPRIATIONS

(a) For fiscal year 2007, the sum of \$2,900,000.00 is appropriated from the Global Commitment fund for the increase in Medicaid rates under Sec. 8 of this act.

(b) For fiscal year 2007, the sum of \$200,000.00 is appropriated from the general fund for the incentive grants for the hospital service area payment pilot projects under Sec. 9 of this act.

Sec. 17. EFFECTIVE AND IMPLEMENTATION DATES

This act shall take effect upon passage, except that Secs. 8 (Medicaid reimbursement) and 12 (cost shift review) shall take effect July 1, 2006, and Secs. 10 (VhHAP premiums) and 11 (Dr. Dynasaur premiums) shall take effect July 1, 2007.

Second: By adding a new Sec. 18 to read:

Sec. 18. STUDY OF CATAMOUNT HEALTH; ECONOMIC AND FINANCIAL STUDIES

(a) On or before January 15, 2007, in order to assess more fully the benefits and costs and to prepare and plan for the implementation of full and universal access to health care in Vermont, the commission on health care reform, in consultation with the department of banking, insurance, securities, and health care administration, shall direct that the following economic impact and financing studies be undertaken. The commission shall direct its staff or contract for one or more consultants to undertake the economic impact and financing studies authorized by this section.

(1) Economic impact study. The economic impact study shall examine the impact of implementing a system of universal access to health care for Vermonters versus the effects of sustaining the current system on business and the labor force, the future growth of the economy, and the economic