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S.53

Introduced by Senators Ayer, Lyons, Balint, Bray, Brooks, Clarkson,  
Cummings, Ingram, MacDonald, McCormack, Pollina,  
Sirotkin, and White

Referred to Committee on Health and Welfare

Date: January 27, 2017

Subject: Health; primary care; public financing

Statement of purpose of bill as introduced: This bill proposes to establish a  
system of universal, publicly financed primary care for all Vermonters  
beginning in 2019.

~~An act relating to a universal, publicly financed primary care system~~

*An act relating to recommendations for achieving universal coverage for  
primary care in Vermont*

It is hereby enacted by the General Assembly of the State of Vermont:

~~Sec. 1. PURPOSE~~

~~It is the purpose of this act to establish the framework for a system of  
universal, publicly financed primary care. The system will ensure that all  
Vermonters have access to primary health care without facing financial barriers  
that would discourage them from seeking necessary care.~~

Sec. 2. FINDINGS

The General Assembly finds that:

~~(1) Universal access to primary care will advance the health of~~

1 Vermonters by preventing disease and by addressing Vermonters' health care  
2 problems before they become more serious and more costly. A large volume  
3 of research from throughout the United States concludes that increased access  
4 to primary care enhances the overall quality of care and improves patient  
5 outcomes.

6 (2) Universal access to primary care will reduce systemwide health care  
7 spending. This conclusion is well documented. A study completed in  
8 accordance with 2016 Acts and Resolves No. 172, Sec. E.100.10 and  
9 submitted on November 23, 2016 found significant cost savings in a review of  
10 data from nonuniversal public and private primary care programs in the United  
11 States and around the world. One reason for these savings is that better access  
12 to primary care reduces the need for emergency room visits and hospital  
13 admissions.

14 (3) The best primary care program is one that provides primary care for  
15 all residents without point-of-service patient cost-sharing or insurance  
16 deductibles for primary care services. The study completed in accordance with  
17 2016 Acts and Resolves No. 172, Sec. E.100.10 found that primary care  
18 costsharing in many locales decreased health care utilization and affected  
19 individuals with low income disproportionately.

20 (4) A universal primary care program will support existing health care  
21 reform efforts, such as the Blueprint for Health and the all-payer model.

1 ~~(5) A universal primary care program can be structured in such a way as~~  
2 ~~to create model working conditions for primary care physicians, who are~~  
3 ~~currently overburdened with paperwork and administrative duties, and who are~~  
4 ~~reimbursed at rates disproportionately lower than those of other specialties.~~

5 ~~(6) The costs of a universal primary care program for Vermont were~~  
6 ~~estimated in a study ordered by the General Assembly in 2015 Acts and~~  
7 ~~Resolves No. 54, Secs. 16–19 and submitted on December 16, 2015.~~

8 Sec. 3. 33 V.S.A. chapter 18, subchapter 3 is added to read:

9 Subchapter 3. Universal Primary Care

10 § 1851. DEFINITIONS

11 As used in this section:

12 (1) “Health care facility” shall have the same meaning as in  
13 18 V.S.A. § 9402.

14 (2) “Health care provider” means a person, partnership, or corporation,  
15 including a health care facility, that is licensed, certified, or otherwise  
16 authorized by law to provide professional health care services in this State to  
17 an individual during that individual’s medical care, treatment, or confinement.

18 (3) “Health service” means any treatment or procedure delivered by a  
19 health care professional to maintain an individual’s physical or mental health  
20 or to diagnose or treat an individual’s physical or mental condition or  
21 intellectual disability, including services ordered by a health care professional,

1 ~~chronic care management, preventive care, wellness services, and medically~~  
2 ~~necessary services to assist in activities of daily living.~~

3 ~~(4) "Primary care" means health services provided by health care~~  
4 ~~professionals who are specifically trained for and skilled in first-contact and~~  
5 ~~continuing care for individuals with signs, symptoms, or health concerns, not~~  
6 ~~limited by problem origin, organ system, or diagnosis. Primary care does not~~  
7 ~~include dental services.~~

8 ~~(5) "Vermont resident" means an individual domiciled in Vermont as~~  
9 ~~evidenced by an intent to maintain a principal dwelling place in Vermont~~  
10 ~~indefinitely and to return to Vermont if temporarily absent, coupled with an act~~  
11 ~~or acts consistent with that intent. The Secretary of Human Services shall~~  
12 ~~establish specific criteria for demonstrating residency.~~

13 § 1852. UNIVERSAL PRIMARY CARE

14 (a) All Vermont residents shall receive primary care services financed by  
15 the State of Vermont.

16 (1) The following service categories shall be included in universal  
17 primary care when provided by a health care provider in one of the primary  
18 care specialty types described in subdivision (2) of this subsection:

19 (A) new or established patient office or other outpatient visit;

20 (B) initial new or established patient preventive medicine evaluation;

21 (C) other preventive services,

- 1           (D) patient office consultation;
- 2           (E) administration of vaccine;
- 3           (F) prolonged patient service or office or other outpatient service;
- 4           (G) prolonged physician service;
- 5           (H) initial or subsequent nursing facility visit;
- 6           (I) other nursing facility service;
- 7           (J) new or established patient home visit;
- 8           (K) new or established patient assisted living visit;
- 9           (L) other home or assisted living facility service;
- 10          (M) alcohol, smoking, or substance abuse screening or counseling;
- 11          (N) all-inclusive clinic visit at a federally qualified health center or
- 12          rural health clinic; and
- 13          (O) behavioral health.
- 14          (2) Services provided by a licensed health care provider in one of the
- 15          following primary care specialty types shall be included in universal primary
- 16          care when providing services in one of the primary care service categories
- 17          described in subdivision (1) of this subsection:
- 18               (A) family medicine physician;
- 19               (B) registered nurse;
- 20               (C) internal medicine physician;
- 21               (D) pediatrician;

- 1 ~~(E) physician assistant or advanced practice registered nurse;~~
- 2 (F) psychiatrist;
- 3 (G) obstetrician/gynecologist;
- 4 (H) geriatrician;
- 5 (I) registered nurse certified in psychiatric or mental health nursing;
- 6 (J) social worker;
- 7 (K) psychologist;
- 8 (L) clinical mental health counselor; and
- 9 (M) alcohol and drug abuse counselor.

10 (b) For Vermont residents covered under Medicare, Medicare shall  
11 continue to be the primary payer for primary care services, but the State of  
12 Vermont shall cover any co-payment or deductible amounts required from a  
13 Medicare beneficiary for primary care services.

14 § 1853. UNIVERSAL PRIMARY CARE FUND

15 (a) The Universal Primary Care Fund is established in the State Treasury as  
16 a special fund to be the single source to finance primary care for Vermont  
17 residents.

18 (b) Into the Fund shall be deposited:

19 (1) transfers or appropriations from the General Fund, authorized by the  
20 General Assembly;

21 ~~(2) revenue from any taxes established for the purpose of funding~~

1 universal primary care in Vermont:

2 (3) if authorized by waivers from federal law, federal funds from  
3 Medicaid and from subsidies associated with the Vermont Health Benefit  
4 Exchange established in subchapter 1 of this chapter; and

5 (4) the proceeds from grants, donations, contributions, taxes, and any  
6 other sources of revenue as may be provided by statute or by rule.

7 (c) The Fund shall be administered pursuant to 32 V.S.A. chapter 7,  
8 subchapter 5, except that interest earned on the Fund and any remaining  
9 balance shall be retained in the Fund. The Agency of Human Services shall  
10 maintain records indicating the amount of money in the Fund at any time.

11 (d) All monies received by or generated to the Fund shall be used only for  
12 payments to health care providers for primary care health services delivered to  
13 Vermont residents and to cover any co-payment or deductible amounts  
14 required from Medicare beneficiaries for primary care services.

15 § 1854. PAYMENTS TO PROVIDERS

16 (a) The Green Mountain Care Board shall establish, monitor, and oversee  
17 payments to health care providers for providing primary care health services to  
18 Vermont residents pursuant to this subchapter.

19 (b) For patients covered by Medicare, Medicare shall continue to be the  
20 primary payer for the patients' primary care services, but the State shall cover  
21 any co-payment or deductible amounts required from a Medicare beneficiary

1 ~~for primary care services~~

2 Sec. 4. 8 V.S.A. § 4062(a) is amended to read:

3 (a)(1) No policy of health insurance or certificate under a policy filed by an  
4 insurer offering health insurance as defined in subdivision 3301(a)(2) of this  
5 title, a nonprofit hospital or medical service corporation, health maintenance  
6 organization, or a managed care organization and not exempted by subdivision  
7 3368(a)(4) of this title shall be delivered or issued for delivery in this State,  
8 nor shall any endorsement, rider, or application which becomes a part of any  
9 such policy be used, until a copy of the form and of the rules for the  
10 classification of risks has been filed with the Department of Financial  
11 Regulation and a copy of the premium rates has been filed with the Green  
12 Mountain Care Board; and the Green Mountain Care Board has issued a  
13 decision approving, modifying, or disapproving the proposed rate.

14 \* \* \*

15 (3) The Board shall determine whether a rate is affordable, promotes  
16 quality care, promotes access to health care, protects insurer solvency, and is  
17 not unjust, unfair, inequitable, misleading, or contrary to the laws of this State.  
18 In making this determination, the Board shall consider the analysis and opinion  
19 provided by the Department of Financial Regulation pursuant to subdivision  
20 (2)(B) of this subsection. The Board shall also consider the impact of the  
21 universal primary care program established in 33 V.S.A. chapter 18,

1 ~~subchapter 3 on the cost of health insurance.~~

2 Sec. 5. WAIVER; EXCHANGE SUBSIDIES

3 On or before October 1, 2017, the Secretary of Administration or designee  
4 shall begin negotiations with the U.S. Department of Health and Human  
5 Services for a waiver under the Patient Protection and Affordable Care Act,  
6 Pub. L. No. 111-148, as amended by the Health Care and Education  
7 Reconciliation Act of 2010, Pub. L. No. 111-152, that would allow the State to  
8 fund in part the universal, publicly financed primary care proposal established  
9 in this act using federal funds that otherwise would have supported primary  
10 care for eligible Vermonters in health insurance plans offered through the  
11 Vermont Health Benefit Exchange.

12 Sec. 6. REVENUE PROPOSALS; JOINT FISCAL OFFICE

13 On or before October 1, 2017, the Joint Fiscal Office shall propose to the  
14 Joint Fiscal Committee, the Health Reform Oversight Committee, the House  
15 Committees on Appropriations, on Health Care, and on Ways and Means, and  
16 the Senate Committees on Appropriations, on Health and Welfare, and on  
17 Finance three tax financing mechanisms for universal primary care.

18 Sec. 7. OFFICE OF LEGISLATIVE COUNCIL

19 On or before December 1, 2017, the Office of Legislative Council shall  
20 provide to the House Committees on Appropriations, on Health Care, and on  
21 ways and Means and the Senate Committees on Appropriations, on Health and

1 ~~Welfare, and on Finance draft legislation necessary to finance universal~~

2 primary care, including:

3 (1) language enacting one or more of the tax financing mechanisms  
4 developed by the Joint Fiscal Office pursuant to Sec. 6 of this act and  
5 recommended by the Joint Fiscal Committee; and

6 (2) an appropriation to occur early in fiscal year 2019 to ensure that  
7 funds will be available to pay health care providers for primary care services  
8 delivered on and after January 1, 2019.

9 Sec. 8. EFFECTIVE DATES

10 (a) Secs. 3 (universal primary care) and 4 (insurance rate review) shall take  
11 effect on January 1, 2019.

12 ~~(b) The remaining sections shall take effect on passage.~~

*Sec. 1. UNIVERSAL COVERAGE FOR PRIMARY CARE; REPORT*

*(a) The Green Mountain Care Board shall convene interested stakeholders with applicable subject matter expertise to develop recommendations on all of the following:*

*(1) The specific services, including mental health and substance use disorder services, and providers that constitute primary care. The determinations may be based in relevant part on those services on which a health insurance plan imposes a primary care co-payment, as well as those services on which a plan would impose a primary care co-payment in the absence of a federal requirement for first dollar coverage.*

*(2) How to achieve universal coverage for primary care services for all Vermonters, whether the services are publicly financed or covered by health insurance or other means.*

*(3) How to make coverage for primary care services affordable for all Vermonters, such as through income-sensitized, State-funded cost-sharing assistance.*

(4) How to resolve coordination of benefits issues for individuals with more than one form of health coverage and for health care services that are not considered primary care.

(b) The Office of the Attorney General and the Department of Financial Regulation shall cooperate with and provide legal assistance to the Green Mountain Care Board in identifying and analyzing any potential legal issues with achieving universal coverage for primary care in Vermont and in developing proposals to address any legal issues identified.

(c) The Green Mountain Care Board shall provide updates to the Health Reform Oversight Committee every two months beginning on July 1, 2018 on the Board's progress in developing recommendations and proposals pursuant to this section and may request clarifications and guidance from the Committee as needed.

(d) On or before January 15, 2019, the Green Mountain Care Board and the stakeholders shall provide the recommendations and proposals developed pursuant to this section and any proposals for legislative action to the House Committees on Appropriations and on Health Care and the Senate Committees on Appropriations, on Health and Welfare, and on Finance.

## Sec. 2. UNIVERSAL PRIMARY CARE; DRAFT OPERATIONAL PLAN

(a) If the Green Mountain Care Board determines that achieving universal coverage for primary care in Vermont is feasible and that the benefits to Vermont residents outweigh the estimated financial costs, the Board, in consultation with the Agency of Human Services and other interested stakeholders with applicable subject matter expertise, shall prepare a draft operational plan for achieving universal coverage for primary care based on the recommendations and proposals developed pursuant to Sec. 1 of this act. In determining feasibility, benefits, and cost estimates, the Board shall take into account existing studies indicating the potential savings and improvements to population health from providing access to primary care services.

(b) On or before October 15, 2019, the Green Mountain Care Board shall provide the preliminary draft operational plan developed pursuant to this section, if any, to the Health Reform Oversight Committee. On or before January 15, 2020, the Board shall provide the final draft operational plan to the House Committees on Appropriations and on Health Care and the Senate Committees on Appropriations, on Health and Welfare, and on Finance.

## Sec. 3. GREEN MOUNTAIN CARE BOARD RESOURCES; LEGISLATIVE INTENT

It is the intent of the General Assembly to provide sufficient resources to the Green Mountain Care Board in fiscal years 2019 and 2020 to enable the

Board to carry out the duties set forth in Secs. 1 and 2 of this act.

*Sec. 4. EFFECTIVE DATE*

*This act shall take effect on passage.*