

1 TO THE HONORABLE SENATE:

2 The Committee on Health and Welfare to which was referred House Bill
3 No. 912 entitled “An act relating to the health care regulatory duties of the
4 Green Mountain Care Board” respectfully reports that it has considered the
5 same and recommends that the Senate propose to the House that the bill be
6 amended by striking out Sec. 15, effective dates, and its reader assistance
7 heading in their entirety and inserting in lieu thereof the following:

8 * * * Medicaid Budget Estimates * * *

9 Sec. 15. 32 V.S.A. § 305a(c) is amended to read:

10 (c)(1)(A) The January estimates shall include estimated caseloads and
11 estimated per-member per-month expenditures for the current and next
12 succeeding fiscal years for each Medicaid enrollment group as defined by the
13 Agency and the Joint Fiscal Office for State Health Care Assistance Programs
14 or premium assistance programs supported by the State Health Care Resources
15 and Global Commitment Funds, and for the Programs under any Medicaid
16 Section 1115 waiver.

17 (B) For Board consideration, there shall be provided two versions of
18 the next succeeding fiscal year’s estimated per-member per-month
19 expenditures:

20 (i) one version shall include ~~an increase in Medicaid provider~~
21 ~~reimbursements in order to ensure that the expenditure estimates reflect~~

1 ~~amounts attributable to health care inflation as required by subdivisions~~
2 ~~307(d)(5) and (d)(6) of this title~~ inflation trends as set forth in subdivision
3 307(d)(5) of this title; and

4 (ii) one version shall be without the inflationary adjustment reflect
5 any additional increase or decrease to Medicaid provider reimbursements that
6 would be necessary to attain Medicare levels as set forth in subdivision
7 307(d)(6) of this title.

8 (C) For VPharm, the January estimates shall include estimated
9 caseloads and estimated per-member per-month expenditures for the current
10 and next succeeding fiscal years by income category.

11 (D) The January estimates shall include the expenditures for the
12 current and next succeeding fiscal years for the Medicare Part D phased-down
13 State contribution payment and for the disproportionate share hospital
14 payments.

15 (2) In July, the Administration and the Joint Fiscal Office shall make a
16 report to the Emergency Board on the most recently ended fiscal year for all
17 Medicaid and Medicaid-related programs, including caseload and expenditure
18 information for each Medicaid eligibility group. Based on this report, the
19 Emergency Board may adopt revised estimates for the current fiscal year and
20 estimates for the next succeeding fiscal year.

1 Sec. 16. 32 V.S.A. § 307(d) is amended to read:

2 (d) The Governor’s budget shall include his or her recommendations for an
3 annual budget for Medicaid and all other health care assistance programs
4 administered by the Agency of Human Services. The Governor’s proposed
5 Medicaid budget shall include a proposed annual financial plan, and a
6 proposed five-year financial plan, with the following information and analysis:

7 * * *

8 (5) health care inflation trends ~~consistent with~~ that reflect consideration
9 of provider reimbursements approved under 18 V.S.A. § 9376 and expenditure
10 trends reported under 18 V.S.A. § 9375a 9383;

11 * * *

12 * * * Green Mountain Care Board Billback Formula * * *

13 Sec. 17. 18 V.S.A. § 9374(h) is amended to read:

14 (h)(1) The Board may assess and collect from each regulated entity the
15 actual costs incurred by the Board, including staff time and contracts for
16 professional services, in carrying out its regulatory duties for health insurance
17 rate review under 8 V.S.A. § 4062; hospital budget review under chapter 221,
18 subchapter 7 of this title; and accountable care organization certification and
19 budget review under section 9382 of this title.

20 (2)(A) ~~Except~~ In addition to the assessment and collection of actual
21 costs pursuant to subdivision (1) of this subsection and except as otherwise

1 provided in ~~subdivision (2)~~ subdivisions (2)(C) and (3) of this subsection, all
2 other expenses ~~incurred to obtain information, analyze expenditures, review~~
3 ~~hospital budgets, and for any other contracts authorized by~~ of the Board shall
4 be borne as follows:

5 ~~(A)(i)~~ (i) 40 percent by the State from State monies;

6 ~~(B)(ii)~~ (ii) ~~45~~ 30 percent by the hospitals;

7 ~~(C)(iii)~~ (iii) ~~45~~ 24 percent by nonprofit hospital and medical service
8 corporations licensed under 8 V.S.A. chapter 123 or 125;

9 ~~(D)~~ 15 percent by health insurance companies licensed under
10 8 V.S.A. chapter 101; ~~and~~

11 ~~(E)~~ 15 percent by and health maintenance organizations licensed
12 under 8 V.S.A. chapter 139; and

13 (iv) six percent by accountable care organizations certified under
14 section 9382 of this title.

15 (B) Expenses under subdivision (A)(iii) of this subdivision (2) shall
16 be allocated to persons licensed under Title 8 based on premiums paid for
17 health care coverage, which for the purposes of this subdivision (2) shall
18 include major medical, comprehensive medical, hospital or surgical coverage,
19 and comprehensive health care services plans, but shall not include long-term
20 care, limited benefits, disability, credit or stop loss, or excess loss insurance
21 coverage.

1 (C) Expenses incurred by the Board for regulatory duties associated
2 with certificates of need shall be assessed pursuant to the provisions of section
3 9441 of this title and not in accordance with the formula set forth in
4 subdivision (A) of this subdivision (2).

5 ~~(2)~~(3) The Board may determine the scope of the incurred expenses to
6 be allocated pursuant to the formula set forth in subdivision ~~(4)~~(2) of this
7 subsection if, in the Board’s discretion, the expenses to be allocated are in the
8 best interests of the regulated entities and of the State.

9 ~~(3) Expenses under subdivision (1) of this subsection shall be billed to~~
10 ~~persons licensed under Title 8 based on premiums paid for health care~~
11 ~~coverage, which for the purposes of this section shall include major medical,~~
12 ~~comprehensive medical, hospital or surgical coverage, and comprehensive~~
13 ~~health care services plans, but shall not include long term care or limited~~
14 ~~benefits, disability, credit or stop loss, or excess loss insurance coverage.~~

15 (4) If the amount of the proportional assessment to any entity calculated
16 in accordance with the formula set forth in subdivision (2)(A) of this
17 subsection would be less than \$150.00, the Board shall assess the entity a
18 minimum fee of \$150.00. The Board shall apply the amounts collected based
19 on the difference between each applicable entity’s proportional assessment
20 amount and \$150.00 to reduce the total amount assessed to the regulated
21 entities pursuant to subdivisions (2)(A)(ii)–(iv) of this subsection.

1 * * * Composition of Green Mountain Care Board and Advisory Group * * *

2 Sec. 18. 18 V.S.A. § 9374 is amended to read:

3 § 9374. BOARD MEMBERSHIP; AUTHORITY

4 (a)(1) On July 1, 2011, the Green Mountain Care Board is created and shall
5 consist of a chair and four members. The Chair and all of the members shall
6 be State employees and shall be exempt from the State classified system. The
7 Chair shall receive compensation equal to that of a Superior judge, and the
8 compensation for the remaining members shall be two-thirds of the amount
9 received by the Chair.

10 (2) The Chair and the members of the Board shall be nominated by the
11 Green Mountain Care Board Nominating Committee established in
12 subchapter 2 of this chapter using the qualifications described in section 9392
13 of this chapter and shall be otherwise appointed and confirmed in the manner
14 of a Superior judge. The Governor shall not appoint a nominee who was
15 denied confirmation by the Senate within the past six years. At least one
16 member of the Board shall be an individual licensed to practice medicine under
17 26 V.S.A. chapter 23 or 33, an individual licensed as a physician assistant
18 under 26 V.S.A. chapter 31, or an individual licensed as a registered nurse or
19 an advanced practice registered nurse under 26 V.S.A. chapter 28.

20 * * *

1 (c)(1) No Board member shall, during his or her term or terms on the
2 Board, be an officer of, director of, organizer of, employee of, consultant to, or
3 attorney for any person subject to supervision or regulation by the Board;
4 provided that for a health care ~~practitioner~~ professional, the employment
5 restriction in this subdivision ~~shall apply only to administrative or managerial~~
6 ~~employment or affiliation with a hospital or other health care facility, as~~
7 ~~defined in section 9432 of this title, and~~ shall not be construed to limit
8 generally the ability of the health care ~~practitioner~~ professional to practice his
9 or her profession.

10 * * *

11 * * * Regulation of Freestanding Health Care Facilities * * *

12 Sec. 19. REGULATION OF FREESTANDING HEALTH CARE
13 FACILITIES; WORKING GROUP; REPORT

14 (a) The Secretary of Human Services or designee shall convene a working
15 group to develop recommendations for the regulation of freestanding health
16 care facilities and their role in a coordinated and cohesive health care delivery
17 system. The recommendations shall include:

18 (1) whether and how the State should license and regulate ambulatory
19 surgical centers, freestanding birth centers, urgent care clinics, retail health
20 clinics, and other freestanding health care facilities; and

1 (2) whether and to what extent these facilities should participate in
2 Vermont’s health care reform initiatives.

3 (b) The working group shall comprise representatives of ambulatory
4 surgical centers, urgent care clinics, hospitals, the Green Mountain Care Board,
5 the Department of Vermont Health Access, the Department of Health, the
6 Office of the Health Care Advocate, the Vermont Program for Quality in
7 Health Care, Inc., and other interested stakeholders.

8 (c) On or before February 1, 2019, the working group shall provide its
9 recommendations to the House Committees on Health Care and on Ways and
10 Means, the Senate Committees on Health and Welfare and on Finance, and the
11 Health Reform Oversight Committee.

12 * * * Effective Dates * * *

13 Sec. 20. EFFECTIVE DATES

14 (a) Secs. 6 (certificate of need) and 17 (billback formula) shall take effect
15 on July 1, 2018, provided that for applications for a certificate of need that are
16 already in process on that date, the rules and procedures in place at the time the
17 application was filed shall continue to apply until a final decision is made on
18 the application.

19 (b) Sec. 18 shall take effect on passage and shall apply beginning with the
20 first vacancy occurring on the Green Mountain Care Board on or after that
21 date; provided, however, that it shall not apply to the vacancy of a member

1 serving on the Board on the date of passage who seeks to serve more than one
2 term.

3 (c) The remaining sections of this act shall take effect on passage.
4 and that when so amended the bill ought to pass.

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17 (Committee vote: _____)

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Senator _____

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FOR THE COMMITTEE