

1 H.88

2 Introduced by Representatives Poirier of Barre City, Berry of Manchester,  
3 McCullough of Williston, Till of Jericho, and Walz of  
4 Barre City

5 Referred to Committee on

6 Date:

7 Subject: Health; health insurance; public option; individual mandate; payroll  
8 tax

9 Statement of purpose of bill as introduced: This bill proposes to create a  
10 public health care coverage option, called Vermont Care, to be offered through  
11 the Vermont Health Benefit Exchange. State premium assistance would be  
12 available only for individuals enrolled in Vermont Care. The bill would  
13 remove health care from the list of topics on which public employees may  
14 bargain collectively and provide health coverage for those individuals through  
15 Vermont Care. The bill would enact an individual responsibility requirement  
16 to have health care coverage and establish a payroll tax.

17 An act relating to a public health care coverage option

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

2 \* \* \* Public Option and Individual Mandate \* \* \*

3 Sec. 1. 33 V.S.A. chapter 18, subchapters 3 and 4 are added to read:

4 Subchapter 3. Vermont Care

5 § 1851. DEFINITIONS

6 As used in this subchapter:

7 (1) “Agency” means the Agency of Human Services or its designee.

8 (2) “Chronic care” means health services provided by a health care  
9 professional for an established clinical condition that is expected to last one  
10 year or more and that requires ongoing clinical management attempting to  
11 restore the individual to highest function, minimize the negative effects of the  
12 condition, prevent complications related to chronic conditions, engage in  
13 advanced care planning, and promote appropriate access to palliative care.  
14 Examples of chronic conditions include diabetes, hypertension, cardiovascular  
15 disease, cancer, asthma, pulmonary disease, substance abuse, mental condition  
16 or psychiatric disability, spinal cord injury, and hyperlipidemia.

17 (3) “Chronic care management” means a system of coordinated health  
18 care interventions and communications for individuals with chronic conditions,  
19 including significant patient self-care efforts, systemic supports for licensed  
20 health care practitioners and their patients, and a plan of care emphasizing  
21 prevention of complications using evidence-based practice guidelines, patient

1 empowerment strategies, and evaluation of clinical, humanistic, and economic  
2 outcomes on an ongoing basis with the goal of improving overall health.

3 (4) “Green Mountain Care Board” means the Green Mountain Care  
4 Board established by 18 V.S.A. chapter 220.

5 (5) “Health benefit plan” means a health benefit plan offered or  
6 administered by a health insurer, as defined by 18 V.S.A. § 9402, and the  
7 out-of-state counterparts to such plans.

8 (6) “Health service” means any treatment or procedure delivered by a  
9 health care professional to maintain an individual’s physical or mental health  
10 or to diagnose or treat an individual’s physical or mental condition, including  
11 services ordered by a health care professional, chronic care management,  
12 preventive care, wellness services, and medically necessary services to assist in  
13 activities of daily living.

14 (7) “Hospital” shall have the same meaning as in 18 V.S.A. § 1902 and  
15 may include hospitals located outside the State.

16 (8) “Participating health benefit plan” means a health benefit plan that  
17 has agreed to participate in one or more components of the Pharmacy Best  
18 Practices and Cost Control Program.

19 (9) “Preventive care” means health services provided by health care  
20 professionals to identify and treat asymptomatic individuals who have risk  
21 factors or preclinical disease, but in whom the disease is not clinically

1 apparent, including immunizations and screening, counseling, treatment, and  
2 medication determined by scientific evidence to be effective in preventing or  
3 detecting a condition.

4 (10) “Primary care” means health services provided by health care  
5 professionals who are specifically trained for and skilled in first-contact and  
6 continuing care for individuals with signs, symptoms, or health concerns, not  
7 limited by problem origin, organ system, or diagnosis, and include prenatal  
8 care, obstetrics, gynecology, and mental health and substance abuse treatment.

9 (11) “Secretary” means the Secretary of Human Services or designee.

10 (12) “Vermont resident” means an individual domiciled in Vermont as  
11 evidenced by an intent to maintain a principal dwelling place in Vermont  
12 indefinitely and to return to Vermont if temporarily absent, coupled with an act  
13 or acts consistent with that intent.

14 § 1852. VERMONT CARE

15 (a) The Agency of Human Services shall establish Vermont Care, a public  
16 health care coverage option for all Vermont residents with premium assistance  
17 for qualified individuals. The Agency may establish Vermont Care directly or  
18 through a contract with a health insurer to act as the third-party administrator.

19 (b) The purpose of Vermont Care is to provide comprehensive, affordable,  
20 high-quality health care coverage for all Vermont residents in a seamless  
21 manner regardless of income, assets, health status, or availability of other

1 health insurance. Vermont Care shall contain costs by providing incentives to  
2 residents to avoid preventable health conditions, promote health, and avoid  
3 emergency room visits; by establishing innovative payment mechanisms to  
4 providers, such as global payments; and by encouraging the management of  
5 chronic conditions through the Blueprint for Health.

6 § 1853. ELIGIBILITY

7 (a) Vermont Care shall provide coverage for all public employees in  
8 Vermont, including all State employees, municipal employees, teachers, and  
9 the faculty and staff at the University of Vermont and the Vermont State  
10 College system. Vermont Care shall be offered to all other Vermont residents,  
11 except that an individual who is eligible for Medicaid or Medicare shall not be  
12 eligible for Vermont Care.

13 (b) Vermont Care shall guarantee acceptance of all Vermont residents and  
14 their dependents for coverage under the program.

15 (c) An individual may enroll in Vermont Care regardless of whether the  
16 individual's employer offers health insurance for which the individual is  
17 eligible.

18 § 1854. COVERED HEALTH SERVICES

19 (a)(1) Vermont Care shall provide coverage for primary care, preventive  
20 care, chronic care, acute episodic care, and hospital services. It shall meet the  
21 essential health benefit requirements of the Patient Protection and Affordable

1 Care Act of 2010, Public Law 111-148, as amended by the Health Care and  
2 Education Reconciliation Act of 2010, Public Law 111-152, and shall include  
3 at least the same covered services and cost-sharing amounts as were included  
4 in the State employees' Select Care Point of Service plan on January 1, 2015.

5 (2) Vermont Care shall provide coverage for palliative care services,  
6 including hospice services.

7 (3) Vermont Care shall provide a basic dental benefit, to be established  
8 by the Agency by rule and modeled on common benefits offered in plans  
9 available in the dental insurance market in this State.

10 (4) Vermont Care shall provide coverage for treatment of a mental  
11 health condition and shall:

12 (A) not establish any rate, term, or condition that places a greater  
13 burden on an enrollee for access to treatment for a mental health condition than  
14 for access to treatment for other health conditions;

15 (B) not exclude from its network or list of authorized providers any  
16 licensed mental health or substance abuse provider located within the  
17 geographic coverage area of Vermont Care if the provider is willing to meet  
18 the terms and conditions for participation established by Vermont Care; and

19 (C) make the deductible and out-of-pocket limits required under  
20 Vermont Care comprehensive for coverage of both mental health and physical  
21 health conditions.

1        (b) Notwithstanding any provision of law to the contrary, Vermont Care  
2        shall not limit coverage of preexisting conditions which existed prior to the  
3        individual's enrollment in Vermont Care.

4        § 1855. CHRONIC CARE MANAGEMENT

5        (a)(1) The Agency shall create a chronic care management program as  
6        provided in this section, which may be administered or provided by a private  
7        care management organization, for individuals with one or more chronic  
8        conditions who are enrolled in Vermont Care. The program shall not include  
9        individuals who are also eligible for Medicare, who are enrolled in the Choices  
10       for Care Medicaid Section 1115 waiver, or who are in an institute for mental  
11       disease as defined in 42 C.F.R. § 435.1009.

12       (2) The Agency may also establish a care coordination program for  
13       individuals who need intensive chronic care management.

14       (b) The Agency shall include a broad range of chronic conditions in the  
15       chronic care management program.

16       (c) The chronic care management program shall be designed to coordinate  
17       with the Blueprint for Health and shall include:

18       (1) a method for involving the health care professional in identifying  
19       eligible patients, including the use of the chronic care information system  
20       established in 18 V.S.A. § 702, an enrollment process that provides incentives

1 and strategies for maximum patient participation, and a standard statewide  
2 health risk assessment for each individual;

3 (2) a process for coordinating care among health care professionals;

4 (3) methods for increasing communications among health care  
5 professionals and patients, including patient education, self-management, and  
6 follow-up plans;

7 (4) educational, wellness, and clinical management protocols and tools,  
8 including management guideline materials for health care professionals to  
9 assist in patient-specific recommendations;

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

13 (6) payment methodologies to align reimbursements and create financial  
14 incentives and rewards for health care professionals to establish management  
15 systems for chronic conditions, to improve health outcomes, and to improve  
16 the quality of care, including case management fees, pay for performance,  
17 payment for technical support and data entry associated with patient registries,  
18 the cost of staff coordination within a medical practice, and any reduction in a  
19 health care professional's productivity;

1           (7) a payment structure such that all or a portion of the care management  
2           organization's fee would be at risk if the management is not successful in  
3           reducing costs to the State;

4           (8) a requirement that the data on enrollees be shared, to the extent  
5           allowable under federal law, with the Secretary of Administration in order to  
6           inform the health care reform initiatives under 3 V.S.A. § 2222a;

7           (9) a method for the care management organization to participate closely  
8           in the Blueprint for Health and other health care reform initiatives; and

9           (10) participation in the Pharmacy Best Practices and Cost Control  
10           program under chapter 19, subchapter 5 of this chapter, including the joint  
11           purchasing consortium and the statewide preferred drug list.

12           (d) The Agency may issue a request for proposals for the program  
13           established under this section. Any contract under this section may allow the  
14           entity to subcontract some services to other entities if it is cost-effective,  
15           efficient, or in the best interest of the individuals enrolled in the program.

16           (e) The Agency shall ensure that the chronic care management program is  
17           modified over time to comply with the Vermont Blueprint for Health strategic  
18           plan and, to the extent feasible, shall collaborate in its initiatives.

19           (f) The terms used in this section shall have the meanings defined in  
20           18 V.S.A. § 701.

1     § 1856. ADMINISTRATION

2           (a) The Agency of Human Services shall implement Vermont Care to  
3     provide Vermont residents with coverage beginning on January 1, 2017.

4     The Agency shall provide options for individuals to enroll in an individual,  
5     a two-person, or a family plan and shall administer the premium assistance  
6     established in section 1812 of this title.

7           (b) The Agency of Human Services shall make available to health care  
8     professionals the necessary information, forms, access to eligibility or  
9     enrollment computer systems, and billing procedures to ensure immediate  
10    enrollment for individuals in Vermont Care at the point of service or treatment.

11          (c) The Agency shall use a single, uniform, simple one-page form to  
12    determine eligibility for Vermont Care to ensure individuals have the  
13    opportunity to enroll easily at the point of service. This form shall be available  
14    online.

15          (d) Upon an individual's enrollment in Vermont Care, the Agency shall  
16    issue a member benefits handbook and Vermont Care membership cards to the  
17    individual and his or her dependents.

18          (e)(1) The Agency shall establish by rule a process to allow health care  
19    professionals to presume that an individual is eligible based on the information  
20    provided on the simplified form and to provide the individual immediately  
21    with a card for the program.

1           (2) The Agency shall collect additional information necessary to  
2           determine the individual's eligibility for premium assistance after submission  
3           of the application, but shall provide payment for any services received by the  
4           individual at the time the application is submitted. Coverage shall be from the  
5           date of application.

6           (3) An individual who has been found presumptively eligible for  
7           Vermont Care pursuant to this section on three or more occasions but has  
8           failed to pay the required premiums and cost-sharing amounts subsequent to  
9           each such finding of eligibility may continue to receive services under  
10           Vermont Care but shall be subject to the assessment established in section  
11           1872 of this title for the applicable calendar year as though the individual  
12           failed to comply with the individual mandate, regardless of the individual's  
13           coverage status or whether the individual would otherwise be eligible for an  
14           exemption from the assessment.

15           (f) Nothing in this subchapter shall require an individual covered by health  
16           insurance to terminate that insurance. An individual enrolled in Vermont Care  
17           may elect to maintain supplemental health insurance if the individual so  
18           chooses, provided that after January 1, 2017, the supplemental insurance shall  
19           cover only services that are not already covered by Vermont Care.

20           (g) Vermonters shall not be billed by a health care provider any additional  
21           amount for health services covered by Vermont Care.

1       (h) The Secretary of Human Services may adopt rules pursuant to 3 V.S.A.  
2       chapter 25 in order to carry out the purposes of this chapter.

3       (i) Vermont Care shall be the payer of last resort with respect to any health  
4       service that may be covered in whole or in part by Title XVIII of the Social  
5       Security Act (Medicare) or by any other health benefit plan funded solely with  
6       federal funds, such as federal health benefit plans offered by the Veterans'  
7       Administration or to federal employees.

8       (j) An individual aggrieved by an adverse decision of the Agency or plan  
9       administrator may appeal to the Human Services Board.

10       § 1857. BUDGET FOR PACKAGE OF HEALTH SERVICES

11       (a) The Agency shall develop a budget for Vermont Care based on the  
12       payment methodologies established in section 1858 of this title and the  
13       payment amounts established in section 1859 of this title.

14       (b) For each State fiscal year, beginning with State fiscal year 2017, the  
15       Agency shall propose its budget for Vermont Care to the General Assembly on  
16       or before January 15 of each year, including recommended expenditures during  
17       the next succeeding State fiscal year broken down by services in each health  
18       care sector and region and anticipated revenues available to support such  
19       expenditures.

1     § 1858. PAYMENTS TO HEALTH CARE PROFESSIONALS

2           (a) On or before January 1, 2016, the Green Mountain Care Board shall  
3     determine by rule pursuant to 3 V.S.A. chapter 25 the type of payment method  
4     to be used for health services under Vermont Care. The payment methods  
5     shall encourage cost-containment; provision of high-quality, evidence-based  
6     health services in an integrated setting; patient self-management; and healthy  
7     lifestyles. In developing the payment methods, the Board shall consult with  
8     health care professionals prior to filing draft rules for comment.

9           (b) The Board shall consider the following payment methods:

10          (1) capitated payments;

11          (2) incentive payments to health care professionals based on  
12     performance standards, which may include evidence-based standard  
13     physiological measures or, if the health condition cannot be measured in that  
14     manner, a process measure, such as the appropriate frequency of testing or  
15     appropriate prescribing of medications;

16          (3) fee supplements if necessary to encourage specialized health care  
17     professionals to offer a specific, necessary health service which is not available  
18     in a specific geographic region; and

19          (4) fee-for-service.

20          (c) To the extent Vermont Care provides coverage for any particular type  
21     of health service or for any particular health condition, it shall cover those

1 health services and conditions when they are provided by any type of health  
2 care professional acting within the scope of practice authorized by law.  
3 Vermont Care may establish a term or condition that places a greater financial  
4 burden on an individual for access to treatment by the type of health care  
5 professional only if it is related to the efficacy or cost-effectiveness of the type  
6 of service.

7 § 1859. PAYMENT AMOUNTS

8 (a) The intent of this section is to ensure reasonable payments to health  
9 care professionals and to eliminate the shift of costs between the payers of  
10 health services by ensuring that the amount paid to health care professionals  
11 under Vermont Care is sufficient.

12 (b)(1) When providing payment by fee-for-service, the Agency shall pay a  
13 health care professional the lower of:

14 (A) the health care professional's billed charges; or

15 (B) the rate derived from the Medicare fee schedule at an amount 10  
16 percent greater than fee schedule amounts paid under the Medicare program in  
17 2014.

18 (2) Payments based on Medicare methodologies under this subsection  
19 shall be indexed to the Medicare economic index developed annually by the  
20 Centers for Medicare and Medicaid Services.

1        (c) For other payment methods, the Agency shall establish by rule a  
2        methodology for setting rates, which may include negotiations with health care  
3        providers.

4        § 1860. VERMONT CARE TRUST FUND

5        (a) The Vermont Care Trust Fund is established in the State Treasury for  
6        the purpose of financing health care coverage for beneficiaries of Vermont  
7        Care as established under this subchapter.

8        (b) Into the Fund shall be deposited:

9            (1) the payroll tax established in 21 V.S.A. chapter 27;

10          (2) premiums paid by individuals enrolled in Vermont Care;

11          (3) assessments for failure to comply with the individual responsibility  
12        requirement established in subchapter 4 of this chapter;

13          (4) transfers or appropriations from the General Fund authorized by the  
14        General Assembly; and

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

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

1       (d) All monies received by or generated to the Fund shall be used only for  
2       the administration and delivery of health care covered through the Vermont  
3       Care program administered by the Agency under this subchapter.

4                   Subchapter 4. Individual Responsibility Requirement

5       § 1871. DEFINITIONS

6       As used in this subchapter:

7           (1) “Benchmark benefit plan” means a health benefit plan that provides  
8       coverage for preventive services and provides additional coverage that is at  
9       least equivalent to the actuarial value of Vermont Care. The term does not  
10       include a high deductible plan unless such plan is offered by an employer and  
11       the employer pays into the employee’s health savings account an amount of  
12       funds sufficient to enable the employee to receive first-dollar coverage under  
13       the plan.

14           (2) “Vermont resident” means an individual who meets one or more of  
15       the following criteria:

16           (A) is domiciled in Vermont as evidenced by an intent to maintain a  
17       principal dwelling place in Vermont indefinitely and to return to Vermont if  
18       temporarily absent, coupled with an act or acts consistent with that intent;

19           (B) both maintains a permanent place of abode in this State and is  
20       present in this State for more than an aggregate of 183 days of the taxable year;

1           (C) filed a Vermont resident income tax return pursuant to 32 V.S.A.

2           chapter 151;

3           (D) made a declaration of homestead pursuant to 32 V.S.A. § 5410;

4           (E) submitted a claim pursuant to 32 V.S.A. § 6066(b) (income  
5           sensitivity adjustment);

6           (F) declared in a home mortgage settlement document that the  
7           mortgaged property located in this State would be occupied as the individual's  
8           principal residence;

9           (G) obtained homeowner's liability insurance coverage on property  
10          that was declared to be occupied as a principal residence;

11          (H) filed a certificate of residency and identified the individual's  
12          place of residence in a city or town in this State in order to comply with a  
13          residency requirement as a prerequisite for employment with a governmental  
14          entity;

15          (I) paid on the individual's own behalf or on the behalf of a child or  
16          dependent of whom the individual has custody resident in-state tuition rates to  
17          attend a State-sponsored institution of higher education located in this State;

18          (J) applied for and received public assistance from this State for the  
19          individual or his or her child or dependent of whom the individual has custody;

20          (K) has a child or dependent, of whom the individual has custody,  
21          who is enrolled in a public school in a city or town in this State, unless the cost

1 of such education is paid for by such individual, the child, or dependent, or by  
2 another education jurisdiction;

3 (L) is registered to vote in this State;

4 (M) obtained any benefit, exemption, deduction, entitlement, license,  
5 permit, or privilege by claiming principal residence in this State; or

6 (N) is a resident under any other written criteria under which the  
7 Commissioner of Taxes may determine residency in this State.

8 § 1872. HEALTH COVERAGE MANDATE; REPORTING;

9 ASSESSMENTS

10 (a) As of January 1, 2017, the following individuals 18 years of age or  
11 older shall obtain and maintain health coverage at least equivalent to the  
12 benchmark benefit plan:

13 (1) Vermont residents; and

14 (2) individuals who become Vermont residents within 63 days of  
15 meeting any one or more of the criteria specified in subdivision 1871(2) of  
16 this title.

17 (b)(1) Every person who files or is required to file an individual return as a  
18 Vermont resident, either separately or jointly with a spouse, shall indicate on  
19 the return, in a manner prescribed by the Commissioner of Taxes, whether  
20 such person:

1           (A) had health coverage at least equivalent to the benchmark benefit  
2           plan in force for each of the 12 months of the taxable year for which the return  
3           is filed as required under subsection (a) of this section, whether covered as an  
4           individual or as a named beneficiary of a policy covering multiple  
5           individuals; or

6           (B) claims an exemption under section 1873 of this title based on  
7           sincerely held religious beliefs.

8           (2) If the person either fails to indicate or indicates that he or she did not  
9           have such coverage in force, then an assessment shall be imposed on the return  
10           as provided in subsection (c) of this section.

11           (3) If the person indicates that he or she had such coverage in force but  
12           the Commissioner determines, based on the information available to the  
13           Commissioner, that the coverage requirement in subsection (a) of this section  
14           was not met, then the Commissioner shall impose an assessment as provided in  
15           subsection (c) of this section.

16           (c)(1) If in any taxable year, in whole or in part, a taxpayer does not  
17           comply with the coverage requirement in subsection (b) of this section, the  
18           Commissioner of Taxes shall retain any amount overpaid by the taxpayer for  
19           purposes of making payments to the Vermont Care Trust Fund established  
20           pursuant to section 1860 of this title; provided, however, that the amount

1 retained shall not exceed 50 percent of the unsubsidized premium under  
2 Vermont Care.

3 (2) The assessment shall be imposed for each of the months for which  
4 the individual did not meet the coverage requirement in subsection (a) of this  
5 section; provided, however, that any lapse in coverage of 63 days or fewer  
6 shall not be counted in calculating the assessment; and provided further that  
7 nothing in this subsection shall be deemed to authorize the Commissioner of  
8 Taxes to retain any amount for such purposes that otherwise would be paid to a  
9 claimant, agency, or agencies as debts pursuant to 32 V.S.A. chapter 151,  
10 subchapter 12.

11 (3) If the amount retained by the Commissioner of Taxes is insufficient  
12 to meet the assessment imposed, the Commissioner of Taxes shall notify the  
13 taxpayer of the balance due on the assessment and related interest.

14 (d) The State shall have all enforcement and collection procedures  
15 available under 32 V.S.A. chapter 103 to collect any assessments imposed  
16 pursuant to this section. Individuals shall have all appeal rights available under  
17 32 V.S.A. chapter 103.

18 (e) The Commissioner of Taxes shall deposit all assessments collected  
19 pursuant to this section into the Vermont Care Trust Fund, established pursuant  
20 to section 1860 of this title.

1     § 1873. EXEMPTION FOR REFUSAL OF COVERAGE BASED ON  
2             SINCERELY HELD RELIGIOUS BELIEFS

3             (a) An individual shall be exempt from the coverage requirement pursuant  
4             to subsection 1872(a) of this title if the individual files a sworn affidavit with  
5             his or her income tax return stating that such individual did not have creditable  
6             coverage, and that his or her sincerely held religious beliefs are the basis of his  
7             or her refusal to obtain and maintain the required coverage during the  
8             12 months of the taxable year for which the return was filed.

9             (b) Any individual who claimed an exemption but received medical care  
10            during the taxable year for which the return is filed shall be liable for providing  
11            or arranging for full payment for the medical care and be subject to the  
12            assessment under subsection 1872(c) of this title.

13            (c) The Agency of Human Services and the Department of Taxes shall  
14            coordinate procedures to identify individuals who are subject to an assessment  
15            pursuant to subsection (b) of this section and may make rules pursuant to  
16            3 V.S.A. chapter 25 to carry out the purposes of this section.

17     Sec. 2. FEDERAL WAIVERS

18            (a) The Secretary shall apply for a Medicaid Section 1115 waiver to take  
19            effect on or before January 1, 2017 to provide premium assistance to qualified  
20            individuals and families through Vermont Care. At minimum, this waiver

1 shall request federal participation for individuals up to 300 percent of the  
2 federal poverty level.

3 (b) On or before January 1, 2016, the Secretary of Human Services shall  
4 apply for a Waiver for State Innovation pursuant to Sec. 1332 of the Patient  
5 Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the  
6 Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152,  
7 to enable the State to waive such portions of those acts as is necessary to  
8 effectuate Vermont Care, including waiving the employer responsibility  
9 requirement and the requirement that carriers on the Vermont Health Benefit  
10 Exchange offer at least a silver- and a gold-level product.

11 \* \* \* Premium Assistance \* \* \*

12 Sec. 3. 33 V.S.A. § 1812 is amended to read:

13 § 1812. ~~FINANCIAL PREMIUM ASSISTANCE TO~~ FOR INDIVIDUALS  
14 ENROLLED IN VERMONT CARE

15 (a)(1) An individual or family ~~eligible for federal premium tax credits~~  
16 ~~under 26 U.S.C. § 36B~~ enrolled in Vermont Care pursuant to subchapter 3 of  
17 this chapter with income less than or equal to 300 percent of federal poverty  
18 level shall be eligible for premium assistance from the State of Vermont.

19 (2) The ~~Department of Vermont Health Access~~ Agency of Human  
20 Services shall establish a premium schedule on a sliding scale based on  
21 modified adjusted gross income for the individuals and families described in

1 subdivision (1) of this subsection. The ~~Department~~ Agency shall reduce the  
2 premium contribution for these individuals and families by 1.5 percent below  
3 the premium amount established in ~~26 U.S.C. § 36B~~ section 1856 of this title.

4 ~~(3) Premium assistance shall be available for the same qualified health~~  
5 ~~benefit plans for which federal premium tax credits are available.~~

6 ~~(b)(1) An individual or family with income at or below 300 percent of the~~  
7 ~~federal poverty guideline shall be eligible for cost-sharing assistance, including~~  
8 ~~a reduction in the out-of-pocket maximums established under Section 1402 of~~  
9 ~~the Affordable Care Act.~~

10 ~~(2) The Department of Vermont Health Access shall establish cost-~~  
11 ~~sharing assistance on a sliding scale based on modified adjusted gross income~~  
12 ~~for the individuals and families described in subdivision (1) of this subsection.~~  
13 ~~Cost-sharing assistance shall be established as follows:~~

14 ~~(A) for households with income at or below 150 percent of the~~  
15 ~~federal poverty level (FPL): 94 percent actuarial value;~~

16 ~~(B) for households with income above 150 percent FPL and at or~~  
17 ~~below 200 percent FPL: 87 percent actuarial value;~~

18 ~~(C) for households with income above 200 percent FPL and at or~~  
19 ~~below 250 percent FPL: 77 percent actuarial value;~~

20 ~~(D) for households with income above 250 percent FPL and at or~~  
21 ~~below 300 percent FPL: 73 percent actuarial value.~~



1           (A) life, disability, ~~health,~~ and accident insurance and benefits for  
2 any class or classes of State employees; ~~and~~

3           (B) ~~hospital, surgical, and medical benefits for any class or classes of~~  
4 ~~State employees or for those employees and any class or classes of their~~  
5 ~~dependents.~~ State employees shall be eligible for health coverage through  
6 Vermont Care pursuant to 33 V.S.A. chapter 18, subchapter 3.

7           (2)(A) The term “employees” as used in this section shall include among  
8 others any class or classes of elected or appointed officials, but it shall not  
9 include members of the General Assembly as such, nor shall it include any  
10 person rendering service on a retainer or fee basis, members of boards or  
11 commissions, or persons other than employees of the Vermont Historical  
12 Society, the Vermont Film Corporation, the Vermont State Employees’ Credit  
13 Union, Vermont State Employees’ Association, and the Vermont Council on  
14 the Arts, whose compensation for service is not paid from the State Treasury,  
15 nor shall it include any elected or appointed official unless the official is  
16 actively engaged in and devoting substantially full time to the conduct of the  
17 business of his or her public office. ~~For purposes of group hospital-surgical-~~  
18 ~~medical expense insurance, the term “employees” shall include employees as~~  
19 ~~defined in this subdivision and former employees as defined in this subdivision~~  
20 ~~who are retired and are receiving a retirement allowance from the Vermont~~  
21 ~~State Retirement System or the State Teachers’ Retirement System of Vermont~~

1 ~~and, for the purposes of group life insurance only, are retired on or after July 1,~~  
2 ~~1961, and have completed 20 creditable years of service with the State before~~  
3 ~~their retirement dates and are insured for group life insurance on their~~  
4 ~~retirement dates. For purposes of group hospital surgical medical expense~~  
5 ~~insurance only, the term "employees" shall include employees as defined in~~  
6 ~~this subdivision and employees who are receiving a retirement allowance~~  
7 ~~based upon their employment with the Vermont State Employees' Association,~~  
8 ~~the Vermont State Employees' Credit Union, the Vermont Council on the Arts,~~  
9 ~~as long as they are covered as active employees on their retirement date, and:~~

10 (i) ~~they have at least 20 years of service with that employer; or~~

11 (ii) ~~have attained 62 years of age, and have at least 15 years~~

12 ~~service with that employer.~~

13 (B) The premiums for extending insurance coverage to employees  
14 shall be paid in full by the Vermont Historical Society, the Vermont Film  
15 Corporation, the Vermont State Employees' Association, the Vermont State  
16 Employees' Credit Union, the Vermont Council on the Arts, or their respective  
17 retirees. Nothing herein creates a legal obligation on the part of the State of  
18 Vermont to pay any portion of the premiums required to extend insurance  
19 coverage to this group of employees.

20 \* \* \*

1       (d) ~~Notwithstanding any other provision of this section to the contrary, and~~  
2       ~~in addition to the powers and duties described in sections 2852 and 2853 of~~  
3       ~~this title and 10 V.S.A. § 2603, the Secretary of Natural Resources, through the~~  
4       ~~Commissioner of Forests, Parks and Recreation, is authorized to expend funds~~  
5       ~~for purposes of continuing employee medical insurance benefits provided to~~  
6       ~~seasonal temporary State employees by their off season employers. Any~~  
7       ~~expenditure shall be subject to the following limitations:~~

8           (1) ~~Funds may be paid either directly to the benefit provider or to the~~  
9       ~~off-season employer as a reimbursement.~~

10          (2) ~~The total amount paid for any temporary employee medical~~  
11       ~~insurance reimbursement shall not exceed the costs of group medical benefits~~  
12       ~~for a permanent State employee as determined by the Commissioner of Human~~  
13       ~~Resources, and it shall be within the discretion of the Commissioner of Forests,~~  
14       ~~Parks and Recreation to pay some lesser amount than the maximum.~~

15          (3) ~~The Commissioner of Forests, Parks and Recreation shall establish~~  
16       ~~written guidelines regarding the administration of this program, subject to the~~  
17       ~~approval of the Commissioner of Human Resources.~~

18          (4) ~~The amount expended by the Commissioner for this program shall~~  
19       ~~be limited to the amount directly saved by the Department of Forests, Parks~~  
20       ~~and Recreation on expenses, such as advertising, unemployment compensation,~~  
21       ~~and training, as a result of encouraging the return to State seasonal~~

1 ~~employment by seasonal employees who have consistent off-season~~  
2 ~~employment.~~ [Repealed.]

3 Sec. 5. 3 V.S.A. § 632 is amended to read:

4 § 632. CHARGE AGAINST DEPARTMENT APPROPRIATIONS

5 ~~The commissioner of finance and management~~ Commissioner of Finance  
6 and Management is directed to charge back against the individual departmental  
7 appropriations in all funds the amount certified by voucher of the  
8 ~~commissioner of human resources~~ Commissioner of Human Resources to be  
9 necessary to pay the ~~state's~~ State's share of the employees' group life ~~and~~  
10 ~~group hospital-surgical-medical~~ insurance. In the case of retired employees,  
11 the ~~state's~~ State's share shall be paid from the respective retirement systems.

12 Sec. 6. 3 V.S.A. § 904(a) is amended to read:

13 (a) All matters relating to the relationship between the employer and  
14 employees shall be the subject of collective bargaining except those matters  
15 which are prescribed or controlled by statute. Such matters appropriate for  
16 collective bargaining to the extent they are not prescribed or controlled by  
17 statute include:

18 (1) ~~Wages~~ wages, salaries, benefits, and reimbursement practices  
19 relating to necessary expenses and the limits of reimbursable expenses, except  
20 that on and after January 1, 2017, health benefits shall no longer be the subject  
21 of collective bargaining for active State employees, and those employees shall

1 instead be eligible for coverage under Vermont Care pursuant to 33 V.S.A.  
2 chapter 18, subchapter 3;

3 \* \* \*

4 Sec. 7. 3 V.S.A. § 1013 is amended to read:

5 § 1013. SUBJECTS FOR BARGAINING

6 All matters relating to the relationship between the employer and employees  
7 are subject to collective bargaining, to the extent those matters are not  
8 prescribed or controlled by law, including:

9 (1) Wages, salaries, benefits, and reimbursement practices relating to  
10 necessary expenses and the limits of reimbursable expenses, except that on and  
11 after January 1, 2017, health benefits shall no longer be the subject of  
12 collective bargaining for active Judiciary employees, and those employees  
13 shall instead be eligible for coverage under Vermont Care pursuant to  
14 33 V.S.A. chapter 18, subchapter 3.

15 \* \* \*

16 Sec. 8. 16 V.S.A. § 2004 is amended to read:

17 § 2004. AGENDA

18 The school board, through its negotiations council, shall, upon request,  
19 negotiate with representatives of the teachers' or administrators' organization  
20 negotiations council on matters of salary, related economic conditions of  
21 employment, the manner in which it will enforce an employee's obligation to

1 pay the agency service fee, procedures for processing complaints and  
2 grievances relating to employment, and any mutually agreed upon matters not  
3 in conflict with the statutes and laws of the State of Vermont. On and after  
4 January 1, 2017, however, health benefits shall no longer be the subject of  
5 collective bargaining for active teachers and administrators, and those  
6 individuals shall instead be eligible for coverage under Vermont Care pursuant  
7 to 33 V.S.A. chapter 18, subchapter 3.

8 Sec. 9. 21 V.S.A. § 1725(a) is amended to read:

9 (a) For the purpose of collective bargaining, the representatives of the  
10 municipal employer and the bargaining unit shall meet at any reasonable time  
11 and shall bargain in good faith with respect to wages, hours and conditions of  
12 employment, and shall execute a written contract incorporating any agreement  
13 reached; provided, however, neither party shall be compelled to agree to a  
14 proposal nor to make a concession, nor to bargain over any issue of managerial  
15 prerogative. On and after January 1, 2017, health benefits shall no longer be  
16 the subject of collective bargaining for active municipal employees, and those  
17 employees shall instead be eligible for coverage under Vermont Care pursuant  
18 to 33 V.S.A. chapter 18, subchapter 3.

1                                   \* \* \* Health Benefit Exchange \* \* \*

2       Sec. 10. HEALTH BENEFIT EXCHANGE ELIGIBILITY

3           On or before January 15, 2016, the Commissioner of Financial Regulation  
4       shall recommend to the House Committee on Health Care and the Senate  
5       Committees on Health and Welfare and on Finance a method by which  
6       Vermont Care may, either directly or through a third-party administrator,  
7       obtain an insurance license and offer the public option through the Vermont  
8       Health Benefit Exchange established in 33 V.S.A. chapter 18, subchapter 1.

9                                   \* \* \* Tax Financing \* \* \*

10       Sec. 11. 21 V.S.A. chapter 27 is added to read:

11                           CHAPTER 27. VERMONT CARE CONTRIBUTIONS

12       § 2101. ADMINISTRATION AND ENFORCEMENT OF CHAPTER

13           (a) The administration of this chapter is vested in the Commissioner of  
14       Labor. All forms necessary and proper for the administration and enforcement  
15       of this chapter shall be prescribed and furnished by the Commissioner. The  
16       Commissioner shall appoint such agents, clerks, stenographers, and other  
17       assistants as he or she may deem necessary for effecting the purposes of this  
18       chapter, but their salaries shall be fixed by the Commissioner with the approval  
19       of the Governor. The Commissioner may require any such agent, clerk,  
20       stenographer, or other assistant to execute a bond in such sum as such  
21       Commissioner shall determine for the faithful discharge of his or her duties.

1 Any such agent, clerk, stenographer, or other assistant may be removed by the  
2 Commissioner. The Commissioner may prescribe regulations and rulings not  
3 inconsistent with law to carry into effect the provisions of this chapter, which  
4 regulations and rulings, when reasonably designed to carry out the intent and  
5 purpose of this chapter, shall be prima facie evidence of its proper  
6 interpretation. The Commissioner, from time to time, shall publish for  
7 distribution such regulations prescribed by him or her and such rulings as he or  
8 she shall deem to be of general interest.

9 (b) The Commissioner shall enforce this chapter in the same manner as  
10 provided for in the enforcement provisions of chapter 17 of this title, and all  
11 assessments, penalties, interest, collections, liens, reporting requirements,  
12 penalties for failure to follow the reporting and contribution requirements, and  
13 appeal rights shall be in accordance with chapter 17 of this title.

14 § 2102. DEFINITIONS

15 As used in this chapter, all terms not defined in this chapter shall have their  
16 respective meanings as defined in chapter 17 of this title.

17 § 2103. EMPLOYER AND EMPLOYEE CONTRIBUTIONS

18 (a) Each employer in this State that employs five or more employees shall  
19 pay to the Commissioner a Vermont Care employer contribution equal to  
20 eight percent of the employer's gross wages paid for employment.

1       (b) Each employee in this State shall pay to the Commissioner a Vermont  
2       Care employee contribution equal to four percent of the employee's gross  
3       wages.

4       (c) The Vermont Care employer and employee contributions shall accrue  
5       and become payable by each employer at such time and in such installments as  
6       the Commissioner prescribes. Self-employed individuals shall pay to the  
7       Commissioner a contribution equal to four percent of the individual's gross  
8       wages at such time and in such installments as the Commissioner prescribes.

9       (d) As used in this section:

10       (1) "Employee" means an individual who works for one or more  
11       employers.

12       (2) "Employer" does not include the U.S. government.

13       § 2104. EMPLOYEE PREMIUM PAYMENT

14       (a) Each employer in this State upon request shall deduct from an  
15       employee's gross wages a sum equal to the premium payment for the  
16       employee's individual, two-person, or family coverage under Vermont Care  
17       established pursuant to 33 V.S.A. chapter 18, subchapter 3 at such time and in  
18       such installments as the Commissioner, in consultation with the Secretary of  
19       Human Services, prescribes.

20       (b) Each employer in this State upon request shall deduct from an  
21       employee's gross wages a sum equal to the premium payment for the

1 employee's individual, two-person, or family coverage under any individual or  
2 group health benefit plan at such time and in such installments as the  
3 Commissioner, in consultation with Green Mountain Care Board, prescribes.

4 (c) Every employer required to deduct the Vermont Care or other health  
5 benefit plan premium pursuant to subsection (a) or (b) of this section shall be  
6 liable for the payment of the premium and shall be indemnified against the  
7 claims and demands of any person for the amount of the payment made by the  
8 employer.

9 \* \* \* Repeal \* \* \*

10 Sec. 12. REPEAL

11 21 V.S.A. §§ 2001–2003 (employers' health care fund contribution  
12 assessment) are repealed.

13 \* \* \* Appropriation \* \* \*

14 Sec. 13. APPROPRIATION

15 In fiscal year 2017, the sum of \$500,000.00 is appropriated to the  
16 Department of Health from the Vermont Care Trust Fund to be deposited in the  
17 Vermont Health Care Educational Loan Repayment Fund pursuant to  
18 18 V.S.A. § 10a.

