

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2013

Bill Number: H.107 Name of Bill: An act relating to health insurance, Medicaid, and the Vermont Health Benefit Exchange and the Green Mountain Care Board

Agency/ Dept: DVHA & DFR Author of Bill Review: Devon Green

Date of Bill Review: 1/29/13 Status of Bill: (check one):

Upon Introduction As passed by 1st body As passed by both bodies Fiscal

Recommended Position:

Support Oppose Remain Neutral Support with modifications identified in #8 below

Analysis of Bill

1. **Summary of bill and issue it addresses.** *Describe what the bill is intended to accomplish and why.*

UPDATE 3/25/13

- House Health Care combined H. 116 with H. 107—both bills are now H. 107
- Sec. 16 adds 10 years of eligibility for state-funded coverage equivalent to Medicaid for wrongly incarcerated individuals—the law used to say that these individuals would receive VHAP, but VHAP is being repealed. Legislators wanted some other form of coverage to take VHAP's place. It doesn't appear that anyone has actually ever received this benefit.
- Sec. 39-- The temporary suspension of hospital reports was amended to ensure that hospital data would continue to be collected and hospital websites would report the information that DFR normally requires.

The bill repeals Catamount Health, Catamount Health with premium assistance (CHAP), and Vermont Rx (which includes VHAP-Pharmacy, VScript, and VScript Expanded) programs as of Jan. 1, 2014. The bulk of the bill deletes the statutory provisions that reference Catamount Health, CHAP, or Vermont Rx, along with references to VHAP, which will also end on January 1, 2014. Other provisions of the bill ensure that state statutes conform with ACA requirements. These provisions include: the definition of small and large employer; first dollar coverage for wellness drugs in high-deductible health plans; extending the special enrollment period for birth from 31 days to 60 days; allowing GMCB to approve choice plans for the Exchange; and applying modified adjusted gross income standards to calculating income for Vermont pharmaceutical assistance programs, such as Healthy Vermonters. The bill also has a provision that large employers with over 25 certificate holders in Vermont can buy in the large group market in accordance with the ACA. The bill also adds additional requirements to the Mental Health Care Services Review and requires the hospitals to create or maintain connectivity to the State's health information exchange network. The bill also establishes that DVHA will facilitate and supervise the participation of health care professionals,

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health care facilities, and health care insurers in payment reform in the Medicaid and SCHIP programs to the extent allowed under federal antitrust law.

2. Is there a need for this bill? *Please explain why or why not.*

This bill conforms current state law with the ACA. Catamount Health and CHAP do not meet ACA standards, so these programs must be discontinued upon implementation of the Exchange. After evaluating other DVHA programs, DVHA found that Vermont Rx only 3 people in its programs: 2 people enrolled in VScript, 1 person enrolled in VHAP-Pharmacy, and zero people enrolled in VScript Expanded and that it would be administratively efficient to end these programs.

3. What are likely to be the fiscal and programmatic implications of this bill for this Department?

The fiscal and programmatic implications of repealing Catamount and CHAP will be transferred to implementation of the Exchange and the Administration's affordability proposals. The repeal of Vermont Rx will provide administrative savings for DVHA. Almost all of the other provisions are required under the ACA or are deleting references to Catamount Health, CHAP, VHAP, or Vermont Rx.

4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?

The fiscal and programmatic implication of this bill for other departments should be minimal.

5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it? *(for example, public, municipalities, organizations, business, regulated entities, etc)*

Repeal of Catamount is necessary under the ACA. Repeal of Vermont Rx should be minimal. All other provisions should be minimal.

6. Other Stakeholders:

6.1 Who else is likely to support the proposal and why?

6.2 Who else is likely to oppose the proposal and why?

7. Rationale for recommendation: *Justify recommendation stated above.*

Federal requires most changes.

8. Specific modifications that would be needed to recommend support of this bill: *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

No specific modifications at this time.