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H.446

Introduced by Representatives Jickling of Randolph, Christensen of  
Weathersfield, Cina of Burlington, Conquest of Newbury,  
Donahue of Northfield, Durfee of Shaftsbury, Page of Newport  
City, Pajala of Londonderry, Sibia of Dover, Smith of Derby,  
and Szott of Barnard

Referred to Committee on

Date:

Subject: Health; health care delivery; rural health care; disproportionate share  
hospital payments

Statement of purpose of bill as introduced: This bill proposes to create the  
Rural Health Commission to assess the current system of rural health care in  
Vermont and to explore ways to ensure that the system is sustainable and  
provides access to affordable, high-quality health care for all Vermont  
residents. It would establish a five percent tax on the gross charges to  
commercial payers assessed by retail health clinics and certain urgent care  
clinics in this State. The bill would appropriate \$250,000.00 of the revenue  
from the health clinic tax to the Agency of Human Services in fiscal year 2020  
for three awards to community-based organizations proposing pilot projects  
focused on new models and approaches to rural health care delivery in

1 different parts of the State. It would direct the remainder of the revenue to  
2 increases in disproportionate share hospital payments.

3 An act relating to access to health care in rural Vermont

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

5 \* \* \* Rural Health Commission \* \* \*

6 Sec. 1. RURAL HEALTH COMMISSION; REPORT

7 (a) Creation. There is created the Rural Health Commission to evaluate the  
8 current state of rural health in Vermont and identify ways to sustain the system  
9 and ensure it provides access to affordable, high-quality health care for all  
10 Vermont residents.

11 (b) Membership. The Rural Health Commission shall be composed of the  
12 following members:

13 (1) one current member of the House of Representatives, appointed by  
14 the Speaker of the House;

15 (2) one current member of the Senate, appointed by the Committee on  
16 Committees;

17 (3) the Secretary of Human Services or designee;

18 (4) the Chair of the Green Mountain Care Board or designee;

19 (5) the Executive Director of the Blueprint for Health or designee;

1           (6) the Chief Health Care Advocate from the Office of the Health Care  
2           Advocate or designee;

3           (7) the Long-Term Care Ombudsman or designee;

4           (8) one representative of rural Vermont hospitals, selected by the  
5           Vermont Association of Hospitals and Health Systems;

6           (9) one representative of Vermont's designated agencies, selected by  
7           Vermont Care Partners;

8           (10) one representative of Vermont's federally qualified health centers,  
9           selected by Bi-State Primary Care;

10           (11) one representative of Vermont's home health agencies, selected  
11           jointly by the VNAs of Vermont and Bayada Home Health Care;

12           (12) one representative of long-term care facilities, selected by the  
13           Vermont Health Care Association; and

14           (13) one representative of each certified accountable care organization  
15           in Vermont.

16           (c) Powers and duties. The Rural Health Commission shall consider issues  
17           relating to rural health care delivery in Vermont, including:

18           (1) the current system of rural health care in Vermont;

19           (2) how to ensure the sustainability of the rural health care system; and

1           (3) how to ensure that Vermont residents living in rural areas have  
2           access to affordable, high-quality health care services across the continuum of  
3           care.

4           (d) Assistance. The Rural Health Commission shall have the  
5           administrative, technical, and legal assistance of the Agency of Human  
6           Services.

7           (e) Report. On or before December 1, 2021, the Rural Health Commission  
8           shall submit a written report to the House Committees on Health Care and on  
9           Human Services and the Senate Committee on Health and Welfare with its  
10          findings and any recommendations for legislative action.

11          (f) Meetings.

12           (1) The Secretary of Human Services or designee shall call the first  
13           meeting of the Rural Health Commission to occur on or before September 1,  
14           2019.

15           (2) The Commissioner shall select a chair from among its members at  
16           the first meeting.

17           (3) A majority of the membership of the Commission shall constitute a  
18           quorum.

19           (4) The Commission shall cease to exist on December 31, 2021.

20          (g) Compensation and reimbursement.

1           (1) For attendance at meetings during adjournment of the General  
2           Assembly, a legislative member of the Commission serving in his or her  
3           capacity as a legislator shall be entitled to per diem compensation and  
4           reimbursement of expenses pursuant to 2 V.S.A. § 406 for not more than  
5           six meetings. These payments shall be made from monies appropriated to the  
6           General Assembly.

7           (2) Other members of the Commission shall be entitled to per diem  
8           compensation and reimbursement of expenses as permitted under 32 V.S.A.  
9           § 1010 for not more than six meetings. These payments shall be made from  
10           monies appropriated to the Agency of Human Services.

11                           \* \* \* Tax on Walk-In Health Care Facilities \* \* \*

12           Sec. 2. HEALTH CARE REFORM IN VERMONT; FINDINGS

13           The General Assembly finds that:

14           (1) Vermont is a national leader in health care reform, building on the  
15           success of the Blueprint for Health program and its emphasis on care  
16           coordination, disease management, and patient-centered medical homes.

17           (2) Recent health care reform efforts in Vermont include the  
18           certification of an accountable care organization tasked with, among other  
19           things, providing, managing, and coordinating high-quality health care services

1 for its attributed lives and promoting integrated efficient, seamless, and  
2 effective health care services across the continuum of care.

3 (3) Vermont has a strong network of nonprofit health care- and human  
4 services-oriented organizations that are working collaboratively on health care  
5 payment and delivery system reform with an emphasis on prevention and  
6 wellness.

7 Sec. 3. 32 V.S.A. chapter 242 is added to read:

8 CHAPTER 242. TAX ON WALK-IN HEALTH CARE FACILITIES

9 § 10351. DEFINITIONS

10 As used in this section:

11 (1) “Fiscal year” means the period from October 1 of one calendar year  
12 through September 30 of the following calendar year.

13 (2) “Gross patient service revenue” means that total dollar amount of a  
14 walk-in health care facility’s charges for services rendered to all patients  
15 during a fiscal year.

16 (3) “Walk-in health care facility” means an outpatient or ambulatory  
17 diagnostic or treatment center at which a patient, without making an  
18 appointment, may receive medical care that is not of an emergency, life-  
19 threatening nature. The term includes facilities that are self-described as  
20 urgent care centers, retail health clinics, and convenient care clinics, but does

1 not include any facility owned or operated by a Vermont hospital or a Vermont  
2 health system.

3 § 10352. WALK-IN HEALTH CARE FACILITY TAX

4 (a) There is imposed on each walk-in health care facility located in this  
5 State an annual tax in an amount equal to five percent gross patient service  
6 revenue for charges assessed to commercial payers. A walk-in health care  
7 facility shall not be required to contribute any portion of the gross patient  
8 service revenue for charges assessed to public payers, including Medicare and  
9 Medicaid.

10 (b) Revenues paid and collected under this chapter shall be deposited into  
11 the General Fund and used for purposes related to access to health care and to  
12 health care delivery system reform.

13 (c)(1) The Commissioner of Taxes shall administer and enforce this chapter  
14 and the tax. The Commissioner may adopt rules under 3 V.S.A. chapter 25 to  
15 carry out such administration and enforcement.

16 (2) All of the administrative provisions of chapter 151 of this title,  
17 including those relating to the collection and enforcement by the  
18 Commissioner of the income tax, shall apply to the tax imposed by this  
19 chapter. In addition, the provisions of chapter 103 of this title shall apply to  
20 the tax imposed by this chapter.

1       (d)(1) Within 60 days after the mailing of a notice of deficiency, denial, or  
2       reduction of a refund claim, or assessment of penalty or interest, a walk-in  
3       health care facility may petition the Commissioner in writing for a  
4       determination of that deficiency, refund, or assessment. The Commissioner  
5       shall thereafter grant a hearing upon the matter and notify the walk-in health  
6       care facility in writing of his or her determination concerning the deficiency,  
7       penalty, or interest. This is the exclusive remedy of a walk-in health care  
8       facility with respect to these matters.

9           (2) Any hearing granted by the Commissioner under this section shall be  
10       subject to and governed by 3 V.S.A. chapter 25.

11          (3) Any aggrieved walk-in health care facility may, within 30 days after  
12       a determination by the Commissioner concerning a notice of deficiency, an  
13       assessment of penalty or interest, or a claim to refund, appeal that  
14       determination to the Washington Superior Court or to the Superior Court for  
15       the county in which the walk-in health care facility has a place of business.

16                   \* \* \* Rural Health Care Delivery Pilots \* \* \*

17       Sec. 4. RURAL HEALTH CARE DELIVERY PILOT PROJECTS;

18                   DISPROPORTIONATE HOSPITAL PAYMENTS;

19                   APPROPRIATIONS

20          (a)(1) The Agency of Human Services shall solicit a request for proposals  
21       from community-based Vermont organizations to establish pilot projects in



1 different parts of the State using new models or approaches to rural health care  
2 delivery. The Secretary shall select up to three project proposals and shall  
3 award up to a total of \$250,000.00 to the organizations in fiscal year 2020 to  
4 carry out the projects.

5 (2) The sum of \$250,000.00 is appropriated to the Agency of Human  
6 Services in fiscal year 2020 from a portion of the revenue generated to the  
7 General Fund by the tax on walk-in health care facilities pursuant to 32 V.S.A.  
8 chapter 242 to provide funding for the three pilot projects described in  
9 subsection (a) of this section. The Agency shall award the funds on or before  
10 February 1, 2020.

11 (b) The remainder of the revenue generated to the General Fund in fiscal  
12 year 2020 by the tax on walk-in health care facilities pursuant to 32 V.S.A.  
13 chapter 242 shall be appropriated to the Department of Vermont Health Access  
14 to increase the amounts of disproportionate share hospital payments to  
15 Vermont hospitals in fiscal year 2020.

16 Sec. 5. EFFECTIVE DATE

17 This act shall take effect on July 1, 2019.