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H.766

Introduced by Representative Morris of Bennington

Referred to Committee on

Date:

Subject: Health; Medicaid; children; Dr. Dynasaur

Statement of purpose of bill as introduced: This bill proposes to require the Agency of Administration to analyze the costs of expanding Dr. Dynasaur, the State's Medicaid program for children, to all Vermont residents up to 26 years of age.

An act relating to a study of expanding Dr. Dynasaur

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

Sec. 1. DR. DYNASAUR EXPANSION STUDY; REPORT

(a) The Agency of Administration shall analyze the financial implications of expanding Dr. Dynasaur, the State's children's Medicaid and Children's Health Insurance Program, to all Vermont residents up to 26 years of age. The Agency may contract with other individuals and entities as needed to provide actuarial services, economic modeling, and any other assistance the Agency requires in carrying out the analysis described in this act.

(b)(1) Estimated program costs shall include only State funds for operating the program and shall include the cost of coverage, one-time and ongoing

1 operating costs, administrative costs, and reserves or reinsurance to the extent
2 they are deemed advisable.

3 (2) The cost estimates shall be for a period of five years beginning on
4 January 1, 2019, and shall assume a reasonable rate of health care spending
5 growth.

6 (3) Estimated costs shall be offset by any cost reductions to State
7 government spending and by any avoided State or federal tax liability that the
8 State of Vermont would otherwise incur as an employer.

9 (4) The cost estimates shall include an analysis of any cost increases or
10 reductions anticipated for municipalities and school districts, including impacts
11 on projected education spending.

12 (5) The cost estimates shall project increasing provider reimbursement
13 rates at regular intervals from 100 percent of Medicare rates up to commercial
14 rates. Medicare and commercial rates shall be determined based on claims
15 data from the Vermont's all-payer claims database.

16 (c)(1) On or before January 15, 2017, the Agency of Administration shall
17 submit a report to the House Committees on Health Care, on Appropriations,
18 and on Ways and Means and the Senate Committees on Health and Welfare,
19 on Appropriations, and on Finance comprising its analysis of the costs of
20 expanding Dr. Dynasaur to all Vermont residents up to 26 years of age and
21 potential plans for financing the expansion. The financing plans shall be

1 consistent with the principles of equity expressed in 18 V.S.A. § 9371(11),
2 which states that financing of health care in Vermont must be sufficient, fair,
3 predictable, transparent, sustainable, and shared equitably. In developing the
4 financing plans, the Agency shall consider the following:

5 (A) all current sources of funding for State government, including
6 taxes, fees, and assessments;

7 (B) existing health care revenue sources, including the claims tax
8 levied pursuant to 32 V.S.A. chapter 243, the provider assessments imposed
9 pursuant to 33 V.S.A. chapter 19, subchapter 2, and the employer assessment
10 required pursuant to 21 V.S.A. chapter 25 to determine whether they are
11 suitable for preservation or expansion to fund the program expansion;

12 (C) new revenue sources such as a payroll tax, gross receipts tax, or
13 business enterprise tax, or a combination of them;

14 (D) expansion or reform of existing taxes;

15 (E) opportunities and challenges presented by federal law, including
16 the Internal Revenue Code; Section 1332 of the Patient Protection and
17 Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and
18 Education Reconciliation Act of 2010, Pub. L. No. 111-152; and Titles XIX
19 (Medicaid) and XXI (SCHIP) of the Social Security Act, and by State
20 tax law; and

1 (F) anticipated federal funds that may be used for health care
2 services, including consideration of methods to maximize receipt of federal
3 funds available for this purpose.

4 (2) The Agency of Administration's report shall also include
5 information on the impacts of the coverage and proposed tax changes on
6 individuals, households, businesses, public sector entities, and the nonprofit
7 community, including migration of coverage, insurance market impacts,
8 financial impacts, federal tax implications, and other economic effects. The
9 impact assessment shall cover the same five-year period as the cost estimates.

10 (d)(1) Agencies, departments, boards, and similar units of State
11 government, including the Agency of Human Services, Department of
12 Financial Regulation, Department of Labor, Director of Health Care Reform,
13 and Green Mountain Care Board shall provide information and assistance
14 requested by the Agency of Administration and its contractors to enable them
15 to conduct the analysis required by this act.

16 (2) To the extent necessary to conduct the analysis required by this act, a
17 health insurer licensed to do business in Vermont shall provide any
18 information requested by the Agency of Administration or its contractors
19 within 30 days of the request. The Agency may enter into a confidentiality
20 agreement with an insurer if the data requested include personal health
21 information or other confidential material.

1 Sec. 2. EFFECTIVE DATE

2 This act shall take effect on passage.