

1 S.142

2 Introduced by Senator White

3 Referred to Committee on

4 Date:

5 Subject: Health; hospital; system

6 Statement of purpose: This bill proposes to create a single statewide hospital
7 system.

8 An act relating to a single statewide hospital system

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

10 Sec. 1. 18 V.S.A. § 1905 is amended to read:

11 § 1905. LICENSE REQUIREMENTS

12 Upon receipt of an application for license and the license fee, the licensing
13 agency shall issue a license when it determines that the applicant and hospital
14 facilities meet the following minimum standards:

15 * * *

16 (21) In conducting its reviews, the licensing agency shall evaluate the
17 quality and financial indicators published by the department of banking,
18 insurance, securities, and health care administration under subsection 9405b(c)
19 of this title.

1 (22) The hospital agrees to operate as part of a single statewide hospital
2 system as provided for in section 9405c of this title and the hospital is
3 necessary to meet the state's health resource allocation plan under section 9405
4 of this chapter.

5 Sec. 2. 18 V.S.A. § 9405c is added to read:

6 § 9405c. SINGLE STATEWIDE HOSPITAL SYSTEM

7 (a) No later than January 1, 2010, the commissioner shall implement a
8 single statewide hospital system. The number and location of the hospitals
9 shall be determined after review of the health resource allocation plan
10 established by section 9405 of this chapter and a public process determined by
11 the commissioner.

12 (b) The commissioner shall ensure that all hospitals in Vermont operate as
13 a unified system, provide high quality care, are located to ensure access to
14 necessary hospital services in all regions of the state, and coordinate the
15 provision of hospital services to contain costs and reduce inappropriate
16 utilization.

17 Sec. 3. TRANSITIONAL PROVISION

18 (a) The commissioner of banking, insurance, securities, and health care
19 administration shall collaborate with hospitals in Vermont to design a single
20 statewide hospital system to be implemented no later than January 1, 2010.
21 The design shall be consistent with the health resource allocation needs of the

1 state. If the commissioner determines that the state's allocation needs would
2 be met with fewer hospitals, fewer subdivisions of a hospital, or fewer
3 services, the commissioner may request the commissioner of health to revoke
4 the hospital's license and close the hospital.

5 (b) The commissioners of banking, insurance, securities, and health care
6 administration and of health shall collaborate with a hospital that must be
7 closed or that must reduce capacity or services to ensure an orderly transition
8 and closure.

9 Sec. 4. 18 V.S.A. § 9405(b)(1)(C) is amended to read:

10 (C) Consistent with the principles set forth in subdivision (A) of this
11 subdivision (1) and section 9405c of this chapter, recommendations for the
12 appropriate supply and distribution of resources, programs, and services
13 identified in subdivision (B) of this subdivision (1), options for implementing
14 such recommendations and mechanisms which will encourage the appropriate
15 integration of these services on a local or regional basis. To arrive at such
16 recommendations, the commissioner shall consider at least the following
17 factors: the values and goals reflected in the state health plan; the needs of the
18 population on a statewide basis; the needs of particular geographic areas of the
19 state, as identified in the state health plan; the needs of uninsured and
20 underinsured populations; the use of Vermont facilities by out-of-state
21 residents; the use of out-of-state facilities by Vermont residents; the needs of

1 populations with special health care needs; the desirability of providing high
2 quality services in an economical and efficient manner, including the
3 appropriate use of midlevel practitioners; the cost impact of these resource
4 requirements on health care expenditures; the services appropriate for the four
5 categories of hospitals described in subdivision 9402(12) of this title; the
6 overall quality and use of health care services as reported by the Vermont
7 program for quality in health care and the Vermont ethics network; the overall
8 quality and cost of services as reported in the annual hospital community
9 reports; individual hospital four-year capital budget projections; the unified
10 health care budget; and the four-year projection of health care expenditures
11 prepared by the division.

12 Sec. 5. EFFECTIVE DATE

13 Secs. 1 and 4 of this act shall take effect January 1, 2010.