



VERMONT LEGISLATIVE  
**Joint Fiscal Office**

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## Fiscal Note

March 18, 2025

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### **S.126 – An act relating to health care payment and delivery system reform**

As Introduced by the Senate Committee on Health and Welfare<sup>1,i</sup>

#### **Bill Summary**

**T**he bill proposes to enact certain health care payment and delivery system reforms to promote the transformation of Vermont’s health care system.

The bill would:

- Direct the Green Mountain Care Board (GMCB) to implement reference-based pricing and establish standards for global hospital budgets;
- Require hospitals to disclose more information regarding executive compensation;
- Require the Agency of Human Services (AHS), in collaboration with the GMCB and the Department of Financial Regulation (DFR), the Vermont Program for Quality in Health Care (VPQHC), the Office of the Health Care Advocate (HCA), and an advisory committee (also created in the bill) to develop an integrated Statewide Health Care Delivery Plan;
- Require AHS to develop an integrated system of clinical and claims data;
- Establish 5 new permanent positions at the GMCB;
- Establish 2 new limited-service positions at AHS;
- Appropriate \$1,525,000 from the General Fund and \$250,000 from the Health-IT Fund to AHS in fiscal year 2026; and
- Appropriate \$1,350,000 from the General Fund and \$150,000 from the Health-IT Fund to GMCB in fiscal year 2026.

#### **Fiscal Impact**

Section 17 would create 7 new positions to carry out the provisions contained within the bill. The positions would be transferred and converted from existing vacant positions in the Executive Branch.

- 5 new permanent classified positions at GMCB:
  - 1 Director, Global Budgets;
  - 1 project manager, Global Budgets;

<sup>1</sup> *The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.*

- 1 Director, Reference-Based Pricing;
- 1 Project Manager, Reference-Based Pricing; and
- 1 Staff Attorney.
- 2 new limited-service classified positions at AHS:
  - 1 Health Care Reform Integration Manager; and
  - 1 Administrative Services Director II.

Section 17 also includes legislative intent for the General Assembly to authorize the establishment of 5 additional permanent positions at GMCB in both fiscal year 2027 and fiscal year 2028.

Section 18 would appropriate \$1,775,000 to AHS and \$1,500,000 to GMCB to carry out the provisions of the bill.

Appropriations	GF	HIT Fund	TOTAL
<b>Agency of Human Services (AHS)</b>			
Hospital Transformation Grants	\$250,000		
Development of Statewide Health Care Delivery Plan	\$100,000		
Contracts	\$1,000,000		
Positions (2 limited service)	\$175,000		
Data integration grants to providers		\$250,000	
<b>TOTAL TO AHS</b>	<b>\$1,525,000</b>	<b>\$250,000</b>	<b>\$1,775,000</b>
<b>Green Mountain Care Board (GMCB)</b>			
Positions (5 permanent)	\$850,000		
Contracts	\$500,000		
Standardization of electronic hospital budget data submissions		\$150,000	
<b>TOTAL to GMCB</b>	<b>\$1,350,000</b>	<b>\$150,000</b>	<b>\$1,500,000</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$2,875,000</b>	<b>\$400,000</b>	<b>\$3,275,000</b>

## Appendix: Resources

- Green Mountain Care Board – 2024 Reference-Based Pricing and Data Analysis Report, in accordance with Act 113 of 2024, Sec. E.345.2. <https://gmcboard.vermont.gov/Reference-Base-Pricing>
- Vermont State Auditor – Strategies to Control the Rising Costs of State Employee Health Care: Investigative Report 21-07 (2021). <https://auditor.vermont.gov/sites/auditor/files/documents/20211110%20%20State%20Employee%20Health%20Care%20Price%20Variation%20Report.pdf>

<sup>i</sup> The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number search on the JFO page.