



For the Week Ending February 27, 2009

House Speaker Shap Smith and Senate President Pro Temp Peter Shumlin last week announced their proposal for a balanced budget framework and asked House and Senate committees “to evaluate structural changes that will enable the state to do more with less.”

The two legislative leaders asked budget committees to craft a FY2010 budget based on \$153 million in federal stimulus dollars, \$33 million in new revenue, and \$28 million in reductions. Governor Douglas has proposed his budget based on \$107 million in federal funds.

The Democratic leadership proposal outlined by Smith and Shumlin called for maximizing health care and technology stimulus funds by moving forward with health care information technology improvements begun last year to create an electronic medical record system and the state’s Blueprint for Health chronic disease initiative. They also proposed a “state-of-the-art health care billing system to include health care insurance cards, and health care payment card and an established network where providers and payers can connect via a central hub, which rely upon a state-of-the-art technology infrastructure.” No details were immediately available on what that means.

In other business last week, legislative consultant Dr. Ken Thorpe, dean of health economics at Emory University in Atlanta, briefed a joint hearing of the House Health Care Committee and the Senate Health and Welfare Committee on federal health care reform activities. Thorpe told the committees that federal proposals addressed areas already engaged by reform efforts in Vermont: delivery system reform, universal coverage, and health information technology.

Both legislative committees spent significant time last week on budget and Medicaid issues so they could advise their respective appropriations committees on budget issues. The Senate committee also held hearings on variations in provider practice patterns and shared decision making as part of their mission to address cost in the delivery system.

The legislature will return on Tuesday, March 17th after a two week break for Town Meeting and to allow budget committees time to absorb the impact of federal funding

streams on Vermont's budget. The legislature then has a mere six weeks to pass a budget and other priorities, and negotiate with the administration for a successful conclusion to the session.

The next *Legislative Report* will be issued on Monday, March 23rd.

New Bills of Interest

H.267 Introduced by Representative Rodgers of Glover

This bill proposes to merge the individual and small group health insurance markets into a single risk pool.

H.270 Introduced by Representatives Copeland-Hanzas of Bradford and Wheeler of Derby

This bill proposes to minimize the costs of marketing prescription drugs by eliminating most gifts; increase the substitution of generic drugs for brand-name drugs by allowing for therapeutic substitution by a pharmacist in collaborative practice with a physician; and study reducing health costs in the corrections system.

H.272 Introduced by Representative Wizowaty of Burlington and others

This bill proposes to establish a no-fault compensation system for medical injury claims based upon one in place in New Zealand.

H.276 Introduced by Representative Poirier of Barre City

This bill proposes to require BISHCA to convene a study of ways to improve efficiency in Vermont's health care delivery system

H.278 Introduced by Representative Milkey of Brattleboro

This bill proposes to regulate circumstances under which a contracting entity can grant access to a provider's health care services and contractual discounts under a provider network contract.

H.306 Introduced by Representative Ancel of Calais

This bill proposes to make publicly available on the website of BISHCA the fee schedules negotiated between health insurers and health care providers.

If you are interested in this week's Legislative Committee Meeting schedules, agendas, and a listing of other meetings and activities, please visit the Vermont Legislature's website at <http://www.leg.state.vt.us/schedule/schedule2.cfm> Committee meetings are normally updated daily, and are subject to change without notice. If you plan on attending, you may want to call ahead to verify the agenda.

For more information on legislative proposals, visit the Blue Cross and Blue Shield of Vermont website at www.bcbsvt.com or call Leigh Tofferi at (802) 223-6131 or Kathy Parry at (802) 371-3205. If you wish to discontinue receiving these updates or know of anyone else who would like to receive it, please call Kathy Parry or send an e-mail to webmail@bcbsvt.com