TO THE HONORABLE SENATE:

The Committee on Health and Welfare to which was referred Senate Bill No. 189 entitled "An act relating to an approval process for reducing or eliminating hospital services" respectfully reports that it has considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 18 V.S.A. § 9405d is added to read:

§ 9405d. HOSPITAL SERVICE REDUCTIONS; NOTICE REQUIRED

(a) A hospital that proposes to **intentionally** reduce or eliminate any service shall:

(1) Provide a notice of intent to the Agency of Human Services, the Green Mountain Care Board, the Office of the Health Care Advocate, and the members of the General Assembly who represent the hospital service area not less than 60 days prior to the proposed reduction or elimination. The notice shall explain the rationale for the proposed reduction or elimination and describe how it is consistent with the Statewide Health Care Delivery Strategic Plan, once established, and the hospital's most recent community health needs assessment conducted pursuant to section 9405a of this title and 26 U.S.C. § 501(r)(3).

(2) Post the notice of intent on the hospital's website beginning on or before the day on which the notice is provided pursuant to subdivision (1) of this subsection.

(3) Publish the notice in a newspaper of general circulation in the hospital service area within 10 days after notice is provided pursuant to subdivision (1) of this subsection.

(4) Conduct a public engagement process, including holding one or more public hearings in the county in which the hospital is located and soliciting and responding to public comments, regarding the proposed service reduction or elimination. The public engagement process may begin prior to providing the notice required by subdivision (1) of this subsection and shall continue for not less than 30 days following the notice. The hospital shall provide a summary of the community's response to the proposal, including the public comments received, to the Agency of Human Services following the conclusion of the public engagement process.

(b) **The** Agency of Human Services shall:

(1) analyze each proposed service reduction or elimination for consistency with the Statewide Health Care Delivery Strategic Plan, once established, and the community health needs assessment;

(2) consider the community's response and the impact of the proposal on access to necessary care and services in the hospital service area; and

(3) provide nonbinding recommendations regarding the proposed reduction or elimination to the hospital, the Green Mountain Care Board, and the public.

(c) If a hospital elects to proceed with reducing or eliminating a service after completing the process set forth in subsection (a) of this section, then within five business days after making the decision to proceed, the hospital shall notify the Agency of Human Services to inform the Agency's health care system transformation efforts and future versions of the Strategic Plan and the Green Mountain Care Board to enable the Board to review the impact on the hospital's budget pursuant to subdivision 9456(e)(2) of this title.

Sec. 2. 18 V.S.A. § 9456 is amended to read:

§ 9456. BUDGET REVIEW

* * *

(e)(1) The Board, in consultation with the Vermont Program for Quality in Health Care, shall utilize mechanisms to measure hospital costs, quality, and access and alignment with the Statewide Health Care Delivery Strategic Plan, once established.

(2)~~(A) Except as provided in subdivision (D) of this subdivision (e)(2), a hospital that proposes to reduce or eliminate any service in order to comply with a budget established under this section shall provide a notice of intent to the Board, the Agency of Human Services, the Office of the Health Care~~

~~Advocate, and the members of the General Assembly who represent the hospital service area not less than 45 days prior to the proposed reduction or elimination.~~

~~(B) The notice shall explain the rationale for the proposed reduction or elimination and describe how it is consistent with the Statewide Health Care Delivery Strategic Plan, once established, and the hospital's most recent community health needs assessment conducted pursuant to section 9405a of this title and 26 U.S.C. § 501(r)(3).~~

~~(C) The Board may evaluate the proposed reduction or elimination for consistency with the Statewide Health Care Delivery Strategic Plan, once established and the community health needs assessment, and may modify the hospital's budget or take such additional actions as the Board deems appropriate to preserve access to necessary services.~~

~~(D) A service that has been identified for reduction or elimination in connection with the transformation efforts undertaken by the Board and the Agency of Human Services pursuant to 2022 Acts and Resolves No. 167 does not need to comply with subdivisions (A)–(C) of this subdivision (e)(2).~~

Upon receipt of notification from a hospital pursuant to subsection 9405d(b) of this title that the hospital intends to reduce or eliminate a service following its completion of the process set forth in subsection 9405d(a) of this title, the Board shall review the impact of the reduction or elimination on the

hospital's approved budget. The Board may adjust the hospital's budget as necessary to reflect the elimination or reduction, which may include directing that any savings related to the reduction or elimination are returned to payers and Vermonters to address affordability concerns or are reinvested in primary care, prevention, and other community-based services.

(3) The Board, in collaboration with the Department of Financial Regulation, shall monitor the implementation of any authorized ~~decrease~~ reduction in or elimination of hospital services to determine its benefits to Vermonters or to Vermont's health care system, or both.

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Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: "An act relating to establishing a process for reducing or eliminating hospital services"

(Committee vote: _____)

_____

Senator _____

FOR THE COMMITTEE