

PHILIP B. SCOTT
GOVERNOR



State of Vermont
OFFICE OF THE GOVERNOR

May 20, 2024

The Honorable BetsyAnn Wrask
Clerk of the Vermont House of Representatives
115 State Street
Montpelier, VT 05633

Dear Ms. Wrask:

Today I'm signing H.766, *An act relating to prior authorization and step therapy requirements, health insurance claims, and provider contracts*, into law.

The intent of this bill is to improve the health care outcomes of Vermonters – which *could* lower overall healthcare costs – by increasing access to timely and essential health care services. It's an important goal, and I see how requirements for pre-authorization can add delays and stress for patients, as well as additional administrative burden on providers focused on providing better and more effective patient care.

I also appreciate the insurance companies' perspective; they have warned this bill *could* add to already-high rate increase requests, if providers do not use this flexibility to improve health outcomes and lower costs.

Put more simply: Health care providers need to prove the insurance companies wrong and show how reducing these barriers to care saves both time and money.

To alleviate concerns cited by the insurance companies, I'm directing the Department of Financial Regulation (DFR) and the Agency of Human Services (AHS) to jointly study and report to me on the impacts of the bill on health care outcomes, costs and insurance rates; as well as how this effort fits into our overarching health care reform goals. This study shall include a cost impact analysis of prior authorization laws in other states, such as Michigan and Illinois, to evaluate whether they have been successful in improving outcomes and/or reducing health care costs by reducing this burden for providers, and how we can apply successful strategies to the implementation and improvement of this law.

I will also request that the Green Mountain Care Board use its authority to identify cost savings associated with reduced administrative burdens and ensure these savings pass all the way through to Vermonters in the form of lower costs.

While this bill will expedite access to care, and help us recruit and retain primary care professionals, I look forward to additional efforts to improve health care access and outcomes in ways that ensure long-term quality and affordability.

Sincerely,

A handwritten signature in black ink that reads "Philip B. Scott". The signature is stylized and includes a long horizontal flourish extending to the right.

Philip B. Scott
Governor