

STATE OF VERMONT

Two years of work on the H.107 **Paid Family and Medical Leave** has ended as the House failed by a single vote to override Governor Phil Scott's veto.

S.23 An act relating to increasing the minimum wage

The bill to increase the state's minimum wage was delivered to the Governor's desk last week to sign or veto. The Governor has until Monday to make his decision. Vermont's current minimum wage is \$10.96 effective January 1, 2020.

The bill as passed by the Senate:

- Beginning January 1, 2021, the minimum will increase to \$11.75
- Beginning January 1, 2022, the minimum wage will increase to \$12.55
- Each subsequent January 1, the minimum wage rate shall increase by 5% or the percentage increase of the Consumer Price Index, CPI, whichever is smaller.

Although Gov. Scott had promised to veto earlier versions of the bill, he may sign this more modest bill.

H.1 An act relating to agreements not to compete

The House Commerce and Economic Development Committee voted last Thursday to approve the bill, that imposes limits on the use of non-compete agreements. Under the bill, such agreements could only be used under the following conditions:

- Key employees with incomes above about \$75,000.
- Agreements must be accompanied by "substantial consideration," including additional consideration if an agreement is accompanied by a promotion or significant changes in the employee's job responsibilities.
- Employers must provide the employee with a proposed agreement at the time an offer of employment is made, or at least 10 days before employment starts, whichever is earlier.
- Employers are required to pay for up to two hours of attorney consultation.
- The limitations in the agreement are reasonable in time, geographical area and scope of activity.

The committee debated whether to exclude voluntary non-qualified deferred compensation plans and did not exclude these types of plans. which provide financial incentives to employees if they choose not to compete post-employment.

The bill now goes to the full House for consideration.

Health Insurance Bills and Discussions:

H. 786 A bill a to eliminate health insurance co-payments for primary care services. Bill is being discussed in The House Health Care Committee.

S.296 A bill that proposes to limit the amount of a beneficiary's out-of-pocket expenses for prescription insulin drugs. Proposal is to limit insulin costs charged under a health insurance plan to not more than \$100.00 per 30-day supply. The Senate Finance Committee will take more testimony this week.

Prescription Drug Costs. The House Health Care Committee heard from Blue Cross Blue Shield on the impact of prescription drug costs on health insurers specifically related to specialty drugs. The committee will continue its discussion on drug-related costs as part of its focus on affordability.

H.723 A bill to require health insurance reimbursement for expanded telehealth services. The bill would require reimbursement for a category of telehealth services, store-and-forward, which is commonly used for provider-to-provider consultations, also known as eConsults. Health care systems regularly use eConsult technology for a wide range of specialties, Vermont statutes allow reimbursement only for dermatology and ophthalmology services. The Health Care Committee will continue to discuss.

S.290 A bill addressing health care reform. The Senate Health and Welfare Committee began a review of its proposed health care reform bill.

The Committee will be considering the following:

- Requires additional reporting, certification, and budget requirements for OneCare Vermont, the state’s accountable care organization;
- Directs hospitals to report certain rate increases to the Green Mountain Care Board
- Requires GMCB approval for contracts between health insurance plans and providers
- Requires the Agency of Human Services to report on a two-year budget and reporting cycle for OneCare Vermont
- Provides GMCB oversight of the designated mental health and specialized service agencies
- Requires that one of the GMCB membership include a health care professional
- Requires the GMCB to begin exercising its rate-setting authority and establish site-neutral reimbursement
- Imposes limits on health insurance rate increases attributable to administrative expenses

The committee will take testimony on the bill starting next week.

Links to all bills:

House bills: <https://legislature.vermont.gov/bill/all-house/2020>

Senate bills: <https://legislature.vermont.gov/bill/all-senate/2020>

House committee assignments can be found by clicking on the following link:

<https://legislature.vermont.gov/committee/list/2020/House-Standing#House-Standing>

Senate committee assignments can be found by clicking on the following link:

<https://legislature.vermont.gov/committee/list/2020/Senate-Standing#Senate-Standing>

For more information about the SHRM Vermont State Council Legislative Employment Law and Legislative Advocacy Update, please contact Donna Austin-Hawley at 802-661-5392 or donna.austin-hawley@nsbvt.com.