

1 H.735

2 Introduced by Representatives Olsen of Jamaica and Wilson of Manchester

3 Referred to Committee on

4 Date:

5 Subject: Health; health insurance; VHAP; Catamount Health; rate structure;
6 tobacco cessation

7 Statement of purpose: This bill proposes to establish a discounted premium
8 rate for beneficiaries based on whether beneficiaries are nonsmokers or
9 smokers who participate in a tobacco cessation program.

10 An act relating to discounted premium rates for nonsmokers or smokers
11 participating in a tobacco cessation program

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 Sec. 1. 33 V.S.A. § 1975 is added to read:

14 § 1975. NONSMOKER AND TOBACCO CESSATION PARTICIPANT

15 PREMIUM

16 (a) As used in this section:

17 (1) "Habitual tobacco use" shall refer to an individual's regular and
18 long-term use of a tobacco product.

1 (2) “State-authorized tobacco cessation program” shall refer to any
2 program that assists individuals in discontinuing their use of tobacco products
3 and is administered, sponsored, or approved by the department of health.

4 (b) An enrollee of the Vermont health access plan established in section
5 1973 of this title, the Catamount Health premium assistance program
6 established in subchapter 3A of chapter 19 of this title, or an
7 employer-sponsored insurance plan with premium assistance pursuant to
8 section 1974 of this title is eligible for the discounted premium rate described
9 in subsection (c) of this section when the enrollee is:

10 (1) a smoker who:

11 (A) habitually uses tobacco products; and

12 (B) participates in a state-approved tobacco cessation program; or

13 (2) a nonsmoker.

14 (c)(1) The agency of human services shall establish a discounted premium
15 rate for enrollees of the Vermont health access plan, the Catamount Health
16 premium assistance program, or an employer-sponsored insurance plan with
17 premium assistance who meet the eligibility criteria set forth in subsection (b)
18 of this section.

19 (A) An enrollee meeting the eligibility criteria of subdivision (b)(1)
20 of this section shall be entitled to a monthly premium deduction amounting to
21 at least five percent of the premium owed during the month preceding the

1 enrollee's participation in a tobacco cessation program, or a greater percent as
2 determined by the agency.

3 (B) An enrollee meeting the eligibility criterion of subdivision (b)(2)
4 of this section shall be entitled to the same monthly percentage premium
5 deduction as that received by an enrollee made eligible pursuant to subdivision
6 (b)(1) of this section. Such an enrollee shall receive the discounted premium
7 rate for as long as the eligibility criterion of subdivision (b)(2) of this section
8 continues to be met.

9 (2) An enrollee meeting the eligibility criteria in subdivision (b)(1) of
10 this section shall no longer be eligible to receive the discounted premium rate
11 beginning the month following the enrollee's withdrawal from a
12 state-authorized tobacco cessation program, except as provided in subdivision
13 (4) of this subsection.

14 (3) An enrollee meeting the eligibility criteria in subdivision (b)(1) of
15 this section shall not be eligible for the discounted premium rate for more than
16 six consecutive months. In the event an eligible enrollee has participated in a
17 state-authorized tobacco cessation program for six months without completing
18 or withdrawing from the program, the enrollee's discounted premium rate will
19 expire after the sixth month. Upon successful completion of a state-authorized
20 tobacco cessation program, an enrollee shall be deemed to have met the
21 eligibility criterion in subdivision (b)(2) of this section, entitling the enrollee to

1 the permanent discounted rate described in subdivision (1)(B) of this
2 subsection.

3 (4) Once the discounted premium rate received by an enrollee meeting
4 the eligibility criteria in subdivision (b)(1) of this section has been
5 discontinued due to withdrawal from a state-authorized tobacco cessation
6 program, or after the expiration of a six-month program participation period,
7 the enrollee shall not be eligible for the discounted premium rate again for 18
8 months.

9 (d) The agency may adopt such rules as are necessary to carry out the
10 provisions of this section.

11 Sec. 2. 8 V.S.A. § 4080f(c)(1) is amended to read:

12 (c)(1) Catamount Health shall provide coverage for primary care,
13 preventive care, chronic care, acute episodic care, and hospital services. The
14 benefits for Catamount Health shall be a preferred provider organization plan
15 with:

16 * * *

17 (E) out-of-pocket maximums of \$1,050.00 for an individual and
18 \$2,100.00 for a family for in-network services and \$2,100.00 for an individual
19 and \$4,000.00 for a family for out-of-network services; ~~and~~

1 (F) a waiver of the deductible and other cost-sharing payments for
2 chronic care for individuals participating in chronic care management and for
3 preventive care; and

4 (G) a partial waiver of premium payments for eligible enrollees who
5 are either nonsmokers or smokers who participate in a state-authorized tobacco
6 cessation program in accordance with 33 V.S.A. § 1975.

7 Sec. 3. 8 V.S.A. § 4100k is added to read:

8 § 4100k. NONSMOKER AND TOBACCO CESSATION PARTICIPATION

9 PREMIUM

10 (a) As used in this section:

11 (1) “Habitual tobacco use” shall refer to an individual’s regular and
12 long-term use of a tobacco product.

13 (2) “State-authorized tobacco cessation program” shall refer to any
14 program that assists individuals in discontinuing their use of tobacco products
15 and is administered, sponsored, or approved by the department of health.

16 (b) A beneficiary of a health insurance policy or health benefit plan,
17 regardless of whether the policy or plan is part of the Vermont health benefit
18 exchange established in 33 V.S.A. chapter 18, subchapter 1, is eligible for the
19 discounted premium rate described in subsection (c) of this section when the
20 enrollee is:

21 (1) a smoker who:

1 (A) habitually uses tobacco products; and

2 (B) participates in a state-approved tobacco cessation program; or

3 (2) a nonsmoker.

4 (c)(1) A beneficiary meeting the eligibility criteria of subdivision (b)(1) of
5 this section shall be entitled to a monthly premium deduction amounting to at
6 least five percent of the premium owed during the month preceding the
7 beneficiary's participation in a tobacco cessation program, or a greater percent
8 as determined by the department of banking, insurance, securities, and health
9 care administration.

10 (2) A beneficiary meeting the eligibility criterion of subdivision (b)(2)
11 of this section shall be entitled to the same monthly percentage premium
12 deduction as that received by a beneficiary made eligible pursuant to
13 subdivision (b)(1) of this section. Such a beneficiary shall receive the
14 discounted premium rate for as long as the eligibility criterion of subdivision
15 (b)(2) of this section continues to be met.

16 (d) A beneficiary meeting the eligibility criteria in subdivision (b)(1) of this
17 section shall no longer be eligible to receive the discounted premium rate
18 beginning the month following the beneficiary's withdrawal from a
19 state-authorized tobacco cessation program, except as provided in subsection
20 (f) of this section.

1 (h)(1) A registered small group carrier shall use a community rating
2 method acceptable to the commissioner for determining premiums for small
3 group plans. Except as provided in subdivision (2) of this subsection, the
4 following risk classification factors are prohibited from use in rating small
5 groups, employees, or members of such groups, and dependents of such
6 employees or members:

7 (A) demographic rating, including age and gender rating;

8 (B) geographic area rating;

9 (C) industry rating;

10 (D) medical underwriting and screening;

11 (E) experience rating;

12 (F) tier rating; or

13 (G) durational rating.

14 (2)(A) The commissioner shall, by rule, adopt standards and a process
15 for permitting registered small group carriers to use one or more risk
16 classifications in their community rating method, provided that the premium
17 charged shall not deviate above or below the community rate filed by the
18 carrier by more than 20 percent, and provided further that the commissioner's
19 rules may not permit any medical underwriting and screening, except to allow
20 premium discounts to nonsmokers or participants in tobacco cessation
21 programming.

- 1 (B) geographic area rating;
2 (C) industry rating;
3 (D) medical underwriting and screening;
4 (E) experience rating;
5 (F) tier rating; or
6 (G) durational rating.

7 (2)(A) The commissioner shall, by rule, adopt standards and a process
8 for permitting registered nongroup carriers to use one or more risk
9 classifications in their community rating method, provided that the premium
10 charged shall not deviate above or below the community rate filed by the
11 carrier by more than 20 percent, and provided further that the commissioner's
12 rules may not permit any medical underwriting and screening, except to allow
13 premium discounts to nonsmokers or participants in tobacco cessation
14 programming, and shall give due consideration to the need for affordability
15 and accessibility of health insurance.

16 (B) The commissioner's rules shall permit a carrier, including a
17 hospital or medical service corporation and a health maintenance organization,
18 to establish rewards, premium discounts, rebates, or otherwise waive or modify
19 applicable co-payments, deductibles, or other cost-sharing amounts in return
20 for adherence by a member or subscriber to programs of health promotion and
21 disease prevention, including premium discounts to nonsmokers or participants

1 in tobacco cessation programming. The commissioner shall consult with the
2 commissioner of health and the commissioner of Vermont health access in the
3 development of health promotion and disease prevention rules. Such rules
4 shall:

5 * * *

6 Sec. 6. RULEMAKING

7 The commissioner of banking, insurance, securities, and health care
8 administration shall adopt or amend rules as necessary to comply with the
9 provisions of this act.

10 Sec. 7. EFFECTIVE DATE

11 This act shall take effect on July 1, 2012 and for health insurance policies
12 and health benefit plans shall apply on and after July 1, 2012, on such date as a
13 health insurer issues, offers, or renews the health insurance plan, but no later
14 than July 1, 2013.