

1 H.189

2 Introduced by Representative Ancel of Calais

3 Referred to Committee on

4 Date:

5 Subject: Health; health insurance; primary and preventive care

6 Statement of purpose: This bill proposes to introduce a new health insurance  
7 product, Catamount Primary, which would be similar to Catamount Health but  
8 would provide coverage only for primary and preventive care and chronic care  
9 management. The bill would also provide for Catamount Primary premium  
10 assistance to provide Vermont residents with financial assistance to purchase  
11 Catamount Primary insurance.

12 An act relating to Catamount Primary

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

14 Sec. 1. 8 V.S.A. § 4080g is added to read:

15 § 4080g. CATAMOUNT PRIMARY

16 (a) As used in this section:

17 (1) "Carrier" means a registered small group carrier as defined in section  
18 4080a of this title.

19 (2) "Catamount Primary" means the plan for coverage of primary care,  
20 preventive care, and chronic care, as established in this section to be provided

1 through a health insurance policy, a nonprofit hospital or medical service  
2 corporation service contract, or a health maintenance organization subscriber  
3 contract which is offered or issued to an individual and which meets the  
4 requirements of this section.

5 (3) “Chronic care” means health services provided by a health care  
6 professional for an established clinical condition that is expected to last one  
7 year or more and that requires ongoing clinical management attempting to  
8 restore the individual to highest function, minimize the negative effects of the  
9 condition, and prevent complications related to chronic conditions. Examples  
10 of chronic conditions include diabetes, hypertension, cardiovascular disease,  
11 cancer, asthma, pulmonary disease, substance abuse, mental illness, spinal cord  
12 injury, and hyperlipidemia.

13 (4) “Chronic care management” means a system of coordinated health  
14 care interventions and communications for individuals with chronic conditions,  
15 including significant patient self-care efforts, systemic supports for the  
16 physician and patient relationship, and a plan of care emphasizing prevention  
17 of complications, utilizing evidence-based practice guidelines, patient  
18 empowerment strategies, and evaluation of clinical, humanistic, and economic  
19 outcomes on an ongoing basis with the goal of improving overall health.

1           (5) “Health care professional” means an individual, partnership,  
2           corporation, facility, or institution licensed or certified or authorized by law to  
3           provide professional health care services.

4           (6) “Health service” means any medically necessary treatment or  
5           procedure to maintain, diagnose, or treat an individual’s physical or mental  
6           condition, including services ordered by a health care professional and  
7           medically necessary services to assist in activities of daily living.

8           (7) “Preventive care” means health services provided by health care  
9           professionals to identify and treat asymptomatic individuals who have  
10          developed risk factors or preclinical disease, but in whom the disease is not  
11          clinically apparent, including immunizations and screening, counseling,  
12          treatment, and medication determined by scientific evidence to be effective in  
13          preventing or detecting a condition.

14          (8) “Primary care” means health services provided by health care  
15          professionals specifically trained for and skilled in first-contact and continuing  
16          care for individuals with signs, symptoms, or health concerns, not limited by  
17          problem origin, organ system, or diagnosis, and shall include prenatal care and  
18          the treatment of mental illness.

19          (b) No person may sell, offer, or renew Catamount Primary unless the  
20          person is a registered small group carrier and has filed a letter of intent  
21          pursuant to this section.

1       (c)(1) Catamount Primary shall provide coverage for primary care,  
2       preventive care, and chronic care. The benefits for Catamount Primary shall  
3       be a preferred provider organization plan with:

4               (A) a \$250.00 deductible for an individual and a \$500.00 deductible  
5       for a family for health services received in network, and a \$500.00 deductible  
6       for an individual and a \$1,000.00 deductible for a family for health services  
7       received out of network;

8               (B) 20 percent co-insurance, in and out of network;

9               (C) a \$10.00 office co-payment;

10              (D) prescription drug coverage without a deductible, \$10.00  
11       co-payments for generic drugs, \$30.00 co-payments for drugs on the preferred  
12       drug list, and \$50.00 co-payments for nonpreferred drugs;

13              (E) out-of-pocket maximums of \$800.00 for an individual and  
14       \$1,600.00 for a family for in-network services and \$1,500.00 for an individual  
15       and \$3,000.00 for a family for out-of-network services; and

16              (F) a waiver of the deductible and other cost-sharing payments for  
17       chronic care for individuals participating in chronic care management and for  
18       preventive care.

19              (2) Catamount Primary shall provide a chronic care management  
20       program that has criteria substantially similar to the chronic care management  
21       program established in section 1903a of Title 33 and shall share the data on

1 enrollees, to the extent allowable under federal law, with the secretary of  
2 administration or designee in order to inform the health care reform initiatives  
3 under section 2222a of Title 3.

4 (3) Notwithstanding sections 4516, 4588, and 5115 of this title, a carrier  
5 may use financial or other incentives to encourage healthy lifestyles and  
6 patient self-management for individuals covered by Catamount Primary.  
7 These incentives shall comply with the health promotion and disease  
8 prevention program rules adopted by the commissioner under subdivisions  
9 4080a(h)(2)(B) and 4080b(h)(2)(B) of this title.

10 (4) To the extent Catamount Primary provides coverage for any  
11 particular type of health service or for any particular medical condition, it shall  
12 cover those health services and conditions when provided by any type of health  
13 care professional acting within the scope of practice authorized by law.  
14 Catamount Primary may establish a term or condition that places a greater  
15 financial burden on an individual for access to treatment by the type of health  
16 care professional only if it is related to the efficacy or cost-effectiveness of the  
17 type of service.

18 (5) Notwithstanding subsections 4513(c), 4584(c), and 5104(b) of this  
19 title, the commissioner may establish a pay-for-performance demonstration  
20 project for carriers offering Catamount Primary.

1           (6) A health care facility or health care provider who agrees to  
2           participate in a Catamount Primary network that provides services for a  
3           Catamount Primary insured shall not balance bill the insured by charging the  
4           insured amounts in addition to the reimbursement provided for by the plan's  
5           participating provider agreement.

6           (d)(1) A carrier shall guarantee acceptance of any uninsured individual for  
7           any Catamount Primary plan offered by the carrier. A carrier shall also  
8           guarantee acceptance of each dependent of an uninsured individual in  
9           Catamount Primary.

10           (2) An individual who is eligible for Medicare may not purchase  
11           Catamount Primary.

12           (3) An individual of the age of majority who is claimed on a tax return  
13           as a dependent of a resident of another state shall not be eligible to purchase  
14           Catamount Primary.

15           (e)(1) Except as provided for in subdivision (2) of this subsection, the  
16           carrier shall pay a health care professional the lowest of the health care  
17           professional's contracted rate, the health care professional's billed charges, or  
18           the rate derived from the Medicare fee schedule, at an amount ten percent  
19           greater than fee schedule amounts paid under the Medicare program in 2006.  
20           Payments based on Medicare methodologies under this subsection shall be  
21           indexed to the Medicare economic index developed annually by the Centers for

1 Medicare and Medicaid Services. The commissioner may approve adjustments  
2 to the amounts paid under this section in accordance with a carrier's pay for  
3 performance, quality improvement program, or other payment methodologies  
4 in accordance with the Blueprint for Health established under chapter 13 of  
5 Title 18.

6 (2) Payments for chronic care and chronic care management shall meet  
7 the requirements in section 702 of Title 18 and section 1903a of Title 33.

8 (3) If Medicare does not pay for a service covered under Catamount  
9 Primary or if the Medicare fee schedule does not set an amount for a service  
10 covered under Catamount Primary, the commissioner shall establish some  
11 other payment amount for such services, determined after consultation with  
12 affected health care professionals and insurers.

13 (4) A carrier offering Catamount Primary shall renegotiate existing  
14 contracts with health care professionals as necessary in order to pay the  
15 reimbursements provided for in this subsection.

16 (5) All provisions of this subsection shall apply notwithstanding  
17 subsections 4513(c), 4584(c), and 5104(b) of this title.

18 (f)(1) Approval of rates and forms for Catamount Primary shall be pursuant  
19 to the process established herein and rules adopted pursuant to this section.  
20 Premium rates shall be actuarially determined considering differences in the

1 demographics of the populations and the different levels and methods of  
2 reimbursement for health care professionals.

3 (2) No rate or form shall be approved if it contains any provision which  
4 is unjust, unfair, inequitable, misleading, or contrary to the law of this state. A  
5 rate shall be approved if it is sufficient not to threaten the financial safety and  
6 soundness of the insurer, reflects efficient and economical management,  
7 provides Catamount Primary at the most reasonable price consistent with  
8 actuarial review, is not unfairly discriminatory, and complies with the other  
9 requirements of this section.

10 (g) With each rate filing, a carrier shall file a certification by a member of  
11 the American Academy of Actuaries of the carrier's compliance with this  
12 section. The requirements for certification shall be as the commissioner by  
13 rule prescribes.

14 (h) Catamount Primary shall be offered with a rate structure which at least  
15 differentiates among single-person, two-person, and family rates, and the rates  
16 shall be guaranteed for 12 months from the date the individual enrolls.

17 (i) A carrier offering Catamount Primary shall use a community rating  
18 method acceptable to the commissioner for determining premiums for  
19 Catamount Primary plans. Catamount Primary plans shall constitute a separate  
20 market and shall be rated as a distinct pool, separate from other individual or  
21 group insurance products. For Catamount Primary, the following risk



1 classification factors are prohibited from use in rating individuals and their  
2 dependents:

3 (1) demographic rating, including age and gender rating;

4 (2) geographic area rating;

5 (3) industry rating;

6 (4) medical underwriting and screening;

7 (5) experience rating;

8 (6) tier rating; or

9 (7) durational rating.

10 (j) Catamount Primary shall be considered an individual health insurance  
11 plan, health benefit plan, health insurance contract, and health insurance policy  
12 for purposes of Vermont law, but shall not be subject to section 4080b of this  
13 title.

14 (k) Catamount Primary shall not be sold prior to October 1, 2009. Rates  
15 and forms may be filed and approved prior to that date, and marketing and  
16 sales targeted to an effective date of October 1, 2009 shall be allowed in the  
17 discretion of the commissioner.

18 (l) A letter of intent, proposed rates, and proposed forms shall be filed  
19 consistent with the requirements of this section and the rules adopted pursuant  
20 to this section.

1           (1) Forms shall be filed initially and upon any change. Forms may not  
2           be used unless and until approved as described in this section. The department  
3           shall notify the carrier within 45 days whether the form meets the requirements  
4           set by statute and rule.

5           (2) Rates shall be filed prior to use and thereafter at least annually on a  
6           schedule and in a manner established by rule. The department shall notify the  
7           carrier within 45 days whether the rates meet the requirements set by statute  
8           and rule.

9           (3) In any notice denying approval of a rate or form, the commissioner  
10          shall state that a hearing will be granted within 20 days upon written request of  
11          the insurer, provided that the written request for hearing is filed with the  
12          department within 30 days of the notice of disapproval. After the expiration of  
13          30 days from the filing of any such form or premium rate or at any time after  
14          having given written approval, the commissioner may, after a hearing of which  
15          at least 20 days' written notice has been given to the insurer using such form or  
16          premium rate, withdraw approval on any of the grounds stated in this section.  
17          Such disapproval shall be effected by written order of the commissioner which  
18          shall state the ground for disapproval and the date, not less than 30 days after  
19          such hearing, when the withdrawal of approval shall become effective.

20          (m) The commissioner shall encourage hospital and medical service  
21          corporations and nonprofit health maintenance organizations doing business in

1 this state to offer Catamount Primary. If necessary to ensure the availability of  
2 Catamount Primary by October 1, 2009, the commissioner shall require a  
3 hospital and medical service corporation and a nonprofit health maintenance  
4 organization in this state to offer Catamount Primary. The commissioner may  
5 permit one or more health insurers to enter into a joint operating agreement to  
6 consolidate the offering of Catamount Primary to Vermonters. In connection  
7 with a rate decision, the commissioner may make reasonable supplemental  
8 orders and may attach reasonable conditions and limitations to such orders as  
9 he or she finds, on the basis of competent and substantial evidence, necessary  
10 to carry out the purposes of this section.

11 (n) With approval of the commissioner, a carrier may discontinue sales of  
12 Catamount Primary upon at least six months' prior written notice to the  
13 commissioner. Following such notice, if there are any individuals who  
14 continue to be covered by Catamount Primary for whom the carrier does not  
15 have approved premium rates, the commissioner may approve premium rates  
16 adjusted by the average Vermont nongroup trends for cost and utilization for  
17 the previous six months.

18 Sec. 2. 2 V.S.A. § 902(c) is amended to read:

19 (c)(1) The commission may request analysis from the office of Vermont  
20 health access, the department of banking, insurance, securities, and health care  
21 administration, and other appropriate agencies. The agencies shall report to the

1 commission at such times and with such information as the commission  
2 determines is necessary to fulfill its oversight responsibilities.

3 (2) The agency of administration or designee, the agency of human  
4 services, and the department of banking, insurance, securities, and health care  
5 administration shall submit monthly progress reports on Catamount Health,  
6 ~~and the Catamount Health assistance program, Catamount Primary, and the~~  
7 Catamount Primary assistance program. For Catamount Health and Catamount  
8 Primary, the reports shall include enrollment, projected enrollment, and other  
9 information as requested by the commission. For the assistance ~~program~~  
10 programs, the reports shall include revenue and expenditures for the prior  
11 months, enrollment and projected enrollment, projected expenditures related to  
12 enrollment for the fiscal year, demographic statistics for participating  
13 individuals, an analysis of any effect on employer conduct, and other  
14 information as requested by the commission.

15 Sec. 3. 3 V.S.A. § 2222a is amended to read:

16 § 2222a. HEALTH CARE SYSTEM REFORM; IMPROVING QUALITY  
17 AND AFFORDABILITY

18 \* \* \*

19 (c) Vermont's health care system reform initiatives include:

20 \* \* \*

(11) The uniform hospital uncompensated ~~car~~ care policies.

Sec. 4. 8 V.S.A. § 4100b is amended to read:

(a) As used in this subchapter:

\* \* \*

(1)(1) A registered small group carrier may require that 75 percent or less of the employees or members of a small group with more than 10 employees participate in the carrier's plan. A registered small group carrier may require that 50 percent or less of the employees or members of a small group with 10 or fewer employees or members participate in the carrier's plan. A small group carrier's rules established pursuant to this subsection shall be applied to

1 all small groups participating in the carrier's plans in a consistent and  
2 nondiscriminatory manner.

3 (2) For purposes of the requirements set forth in subdivision (1) of this  
4 subsection (1), a registered small group carrier shall not include in its  
5 calculation an employee or member who is already covered by another group  
6 health benefit plan as a spouse or dependent or who is enrolled in Catamount  
7 Health, Catamount Primary, Medicaid, the Vermont health access plan, or  
8 Medicare. Employees or members of a small group who are enrolled in the  
9 employer's plan and receiving premium assistance under chapter 19 of Title 33  
10 shall be considered to be participating in the plan for purposes of this section.  
11 If the small group is an association, trust, or other substantially similar group,  
12 the participation requirements shall be calculated on an employer-by-employer  
13 basis.

14 \* \* \*

15 Sec. 6. 8 V.S.A. § 4080d is amended to read:

16 § 4080d. COORDINATION OF INSURANCE COVERAGE WITH  
17 MEDICAID

18 Any insurer as defined in section 4100b of this title is prohibited from  
19 considering the availability or eligibility for medical assistance in this or any  
20 other state under 42 U.S.C. § 1396a (section 1902 of the Social Security Act),  
21 herein referred to as Medicaid, when considering eligibility for coverage or

1 making payments under its plan for eligible enrollees, subscribers,  
2 policyholders, or certificate holders. This section shall not apply to Catamount  
3 Health, as established by section 4080f of this title, or to Catamount Primary,  
4 as established by section 4080g of this title.

5 Sec. 7. 8 V.S.A. § 4080f(d)(3) is amended to read:

6 (3)(A) An individual who loses eligibility for the employer-sponsored  
7 premium programs in section 1974 of Title 33 may purchase Catamount Health  
8 without being uninsured for 12 months.

9 (B) An individual who has been enrolled in Medicaid, VHAP, Dr.  
10 Dynasaur, or any other health benefit plan authorized under Title XIX or Title  
11 XX of the Social Security Act shall not be subject to a 12-month waiting  
12 period before becoming eligible for Catamount Health.

13 (C) An individual who has been enrolled in Catamount Primary shall  
14 not be subject to a 12-month waiting period before becoming eligible for  
15 Catamount Health.

16 Sec. 8. 21 V.S.A. § 2003(d) is amended to read:

17 (d) Revenues from the health care fund contributions collected shall be  
18 deposited into the Catamount Fund established under ~~33 V.S.A. § 1981~~ section  
19 1981 of Title 33 for the purpose of financing health care coverage under the  
20 Catamount Health and Catamount Primary assistance programs, as provided  
21 under subchapter 3a of chapter 19 of Title 33.

1       Sec. 9. 33 V.S.A. § 1973(d) is amended to read:

2           (d) An individual who has been enrolled in Catamount Health or  
3       Catamount Primary, with or without premium assistance, shall not be subject  
4       to a 12-month waiting period before becoming eligible for the Vermont health  
5       access plan.

6       Sec. 10. 33 V.S.A. § 1974(d) is amended to read:

7           (d)(1) Participation in an approved employer-sponsored insurance plan  
8       with premium assistance under this section or participation in Catamount  
9       Health or Catamount Primary shall not disqualify an individual from the  
10      Vermont health access plan if an approved employer-sponsored insurance plan  
11      ~~or~~ Catamount Health, or Catamount Primary is no longer available to that  
12      individual.

13          (2) An individual who has been enrolled in Medicaid, VHAP, Dr.  
14      Dynasaur, or any other health benefit plan authorized under Title XIX or Title  
15      XX of the Social Security Act shall not be subject to a 12-month waiting  
16      period before becoming eligible for premium assistance to purchase an  
17      approved employer-sponsored insurance plan.

18          (3) Enrollment in Catamount Health or Catamount Primary, with or  
19      without premium assistance, shall not disqualify an individual for premium  
20      assistance in connection with an approved employer-sponsored insurance plan.



1 Sec. 11. 33 V.S.A. § 1981 is amended to read:

2 § 1981. POLICY AND PURPOSE

3 (a) The Catamount Health assistance program is established to provide  
4 uninsured Vermont residents financial assistance in purchasing Catamount  
5 Health, a defined benefit package of primary, preventive, hospital, acute  
6 episodic care, and chronic care, including assistance in preventing and  
7 managing chronic conditions.

8 (b) The Catamount Primary assistance program is established to provide  
9 Vermont residents financial assistance in purchasing Catamount Primary, a  
10 defined benefit package of primary, preventive, and chronic care, including  
11 assistance in preventing and managing chronic conditions.

12 Sec. 12. 33 V.S.A. § 1982 is amended to read:

13 § 1982. DEFINITIONS

14 As used in this subchapter:

15 (1) “Catamount Health” means the health benefit plan offered under  
16 section 4080f of Title 8.

17 (2) “Catamount Primary” means the health benefit plan for primary and  
18 preventive care and chronic care management offered under section 4080g of  
19 Title 8.

20 (3) “Uninsured” means an individual who does not qualify for Medicare,  
21 Medicaid, the Vermont health access plan, or Dr. Dynasaur and had no private

1 insurance or employer-sponsored coverage that includes both hospital and  
2 physician services within 12 months prior to the month of application, or lost  
3 private insurance or employer-sponsored coverage during the prior 12 months  
4 for the following reasons:

5 \* \* \*

6 ~~(3)~~(4) “Vermont resident” means an individual domiciled in Vermont as  
7 evidenced by an intent to maintain a principal dwelling place in Vermont  
8 indefinitely and to return to Vermont if temporarily absent, coupled with an act  
9 or acts consistent with that intent.

10 Sec. 13. 33 V.S.A. § 1983 is amended to read:

11 § 1983. ELIGIBILITY

12 (a)(1) Except as provided in subdivisions (3), (4), and (5) of this  
13 subsection, an individual shall be eligible for Catamount Health assistance if  
14 the individual is an uninsured Vermont resident without access to an approved  
15 employer-sponsored insurance plan under section 1974 of this title.

16 (2) An individual who has access to an employer-sponsored insurance  
17 shall be eligible for assistance under this subchapter only if the individual does  
18 not have employer-sponsored insurance approved for premium assistance  
19 under section 1974 of this title or if it is more cost-effective to the state for the  
20 individual to purchase Catamount Health with the assistance under this  
21 subchapter than for the state to provide premium assistance under section 1974

1 of this title. In addition, an individual may receive assistance under this  
2 subchapter temporarily until the individual is able to enroll in an approved  
3 employer-sponsored plan and receive premium assistance under section 1974.  
4 Decisions regarding plan approval and cost-effectiveness are matters fully  
5 within the agency's discretion. On appeal pursuant to section 3091 of Title 3,  
6 the human services board may overturn the agency's decision only if it is  
7 arbitrary or unreasonable.

8 (3) An individual shall not be eligible for Catamount Health assistance if  
9 the individual is of the age of majority and is claimed on a tax return as a  
10 dependent of a resident of another state.

11 (4) An individual who is or becomes eligible for Medicare shall not be  
12 eligible for premium assistance under this subchapter.

13 (b)(1) An individual receiving benefits under Medicaid, the Vermont health  
14 access plan, Dr. Dynasaur, or premium assistance for employer-sponsored  
15 insurance under section 1974 of this title or any other health benefit plan  
16 authorized under Title XIX or Title XX of the Social Security Act within 12  
17 months of applying for Catamount Health assistance shall not be required to  
18 wait 12 months to be eligible.

19 (2) An individual who has been enrolled without assistance in either  
20 Catamount Health ~~without assistance~~ or Catamount Primary shall not be

1 subject to a 12-month waiting period before becoming eligible for assistance  
2 under this subchapter.

3 (c) An individual shall be eligible for the Catamount Primary assistance  
4 program except as provided in subdivisions (a)(3) and (4) of this section.

5 (d) The agency of administration or designee shall establish rules pursuant  
6 to chapter 25 of Title 3 on the specific criteria to demonstrate eligibility  
7 consistent with the requirements essential for federal financial participation,  
8 including criteria for and proof of residency, income, and insurance status.

9 ~~(d)~~(e) If the emergency board determines that the funds appropriated for the  
10 Catamount Health or Catamount Primary assistance program ~~program~~ programs under  
11 this subchapter are insufficient to meet the projected costs of enrolling new  
12 program participants, the emergency board shall suspend new enrollment in  
13 ~~that program~~ either or both of those programs or restrict enrollment to eligible  
14 lower income individuals.

15 Sec. 14. 33 V.S.A. § 1984 is amended to read:

16 § 1984. INDIVIDUAL CONTRIBUTIONS

17 \* \* \*

18 (d) The agency shall provide assistance to individuals eligible under this  
19 subchapter to purchase Catamount Primary. For the lowest cost plan, the  
20 amount of the assistance shall be 30 percent less than the difference between  
21 the premium for the lowest cost Catamount Health plan and the individual's

1 contribution as defined in subdivision (c)(1) of this section. For plans other  
2 than the lowest cost plan, the assistance shall be 30 percent less than the  
3 difference between the premium for the lowest cost plan and the individual's  
4 contribution as set forth in subdivision (c)(1) of this section.

5 Sec. 15. 33 V.S.A. § 1985 is amended to read:

6 § 1985. ADMINISTRATION

7 (a) The agency shall engage in an aggressive enrollment strategy for  
8 Catamount Health and Catamount Primary and the assistance provided under  
9 this subchapter. The agency shall establish a toll-free telephone assistance line  
10 to provide information and enrollment assistance on Catamount Health,  
11 Catamount Primary, and the assistance ~~program~~ programs. The agency shall  
12 ensure that individuals may receive any forms or other enrollment information  
13 from the carriers offering Catamount Health and Catamount Primary as well as  
14 from the agency.

15 (b) An individual applying for or enrolled in either of the ~~program~~  
16 programs established under this subchapter who is aggrieved by an adverse  
17 decision of the agency may grieve or appeal the decision under rules and  
18 procedures applicable to the Medicaid program.

2           § 1986. CATAMOUNT FUND

6 \* \* \*

14 \* \* \*