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# ACA Sec. 1332 State Innovation Waiver

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# Public Input

## Prior to Waiver

- State notice and comment period
- State public hearings
  - At least two
- Federal notice and comment period

## During Waiver

- Annual public forum on the progress of GMC

# Waiver Principles

- Comprehensive coverage requirement: Coverage that is at least as comprehensive as plans in Vermont Health Connect
  - UMass cost estimate used the same essential health benefits from Vermont Health Connect's benchmark plan
    - Blue Cross Blue Shield
    - Substantially similar to state employee covered services

# Waiver Principles

- Affordability Requirement: Coverage and cost sharing protections against excessive out of pocket spending that are at least as affordable as the plans in Vermont Health Connect
  - Act 48 requires a sliding scale with at least an 80% AV plan for GMC
    - legislative intent for 87% AV plan for GMC
  - UMass cost estimates priced out plans at 80% AV, 87% AV, 100% AV
    - using a sliding scale based on Vermont's cost-sharing sliding scale in VHC (more generous than ACA)

# Waiver Principles

- Scope of coverage requirement: Will provide coverage to at least a comparable number of residents as under the ACA
  - Under Act 48, all residents will be enrolled in Green Mountain Care

# Waiver Principles

- Will not increase the federal deficit
  - 10 year budget plan that is deficit neutral, including admin costs
  - Analysis regarding the estimated impact of the waiver on health insurance coverage in the state

# Application Requirements

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Description of state legislation and program to implement waiver

- Act 48, plus
- Financing bill

# Application Requirements

List of provisions the state is requesting to waive.  
States may waive one or more of the following:

- Qualified Health Plans and Essential Health Benefit requirements
- Health Benefit Exchange
- Cost Sharing Reductions
- Advanced Premium Tax Credit
- Shared Responsibility for Large Employers (large employer penalty)
- Requirement for Minimum Essential Coverage (individual penalty)



# Application Requirements

Actuarial and economic analysis must include:

- Information on the age, income, health expenses and current health insurance status of the state's population
- The number of employers by number of employees and whether the employer offers insurance
- Explanation of key assumptions
  - Individual and employer participation rates
  - Behavioral changes
  - Premium and price effects

# Application Requirements

- Implementation timeline– a detailed draft timeline for the state’s implementation of the waiver
- Whether the waiver increases or decreases administrative burden
- Explanation of how the waiver will affect ACA provisions that are not waived
- How state will address waste, fraud, and abuse
- Explanation of how state will provide the federal agencies with the information they need to administer the program at the federal level

# Pass Through of Federal Funding

“[T]he Secretary shall provide for an alternative means by which the aggregate amount of such credits or reductions that would have been paid on behalf of participants in the Exchanges established under this title had the State not received such waiver, shall be paid to the State for purposes of implementing the State plan under the waiver. Such amount shall be determined annually by the Secretary, taking into consideration the experience of other States with respect to participation in an Exchange and credits and reductions provided under such provisions to residents of the other States.”

# Act 48 Requirements

Negotiations must reflect:

- Medical inflation
- State GDP
- Size and age of population
- Number of residents living below the poverty level
- Other factors that may be advantageous to Vermont

# Waiver Process

- State public comment and public hearing
- Submit application to HHS
- Within 45 days, application deemed complete
- Within 180 days, federal public comment process and decision on waiver

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## Questions?

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