

Vermont Health Connect

Mark Larson, Commissioner

Department of Vermont Health Access

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Vermont Health Connect

Our mission is to provide all Vermonters with the knowledge and tools needed to easily compare and choose a quality, affordable, and comprehensive health plan.

Vermonters will:

1

Compare health insurance options

2

Enroll in a health plan

3

Secure financial assistance to help pay for care

Catamount & VHAP

- Both VHAP and Catamount will end on 12/31/13
- Vermonters in these programs will transition based on their income to either Medicaid or a private plan
- Through outreach and noticing individuals will learn about the transition and find support enrolling in a plan

	2012 Population	2014 Migration	
		Medicaid	Private Plans
VHAP	38,602	28,587	10,015
Catamount	11,427	2,294	9,133

How to Enroll



Website

VermontHealthConnect.gov



Customer Support Center



In-Person Enrollment Assistance Assister or Broker

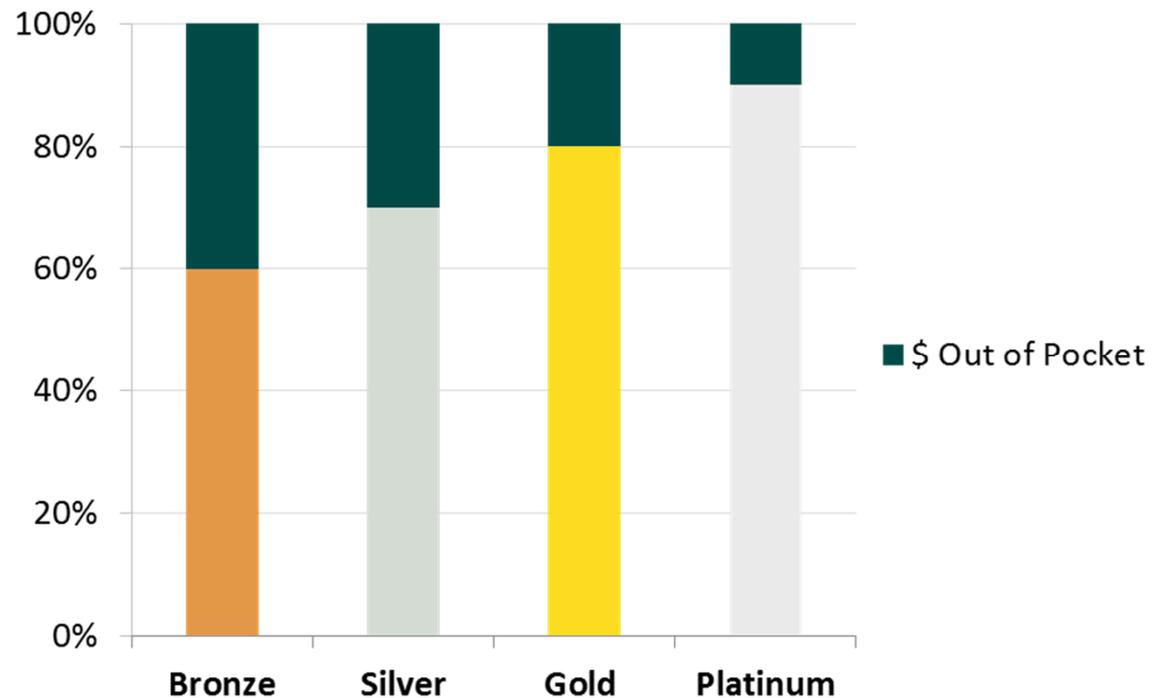
All Plans Offer Standard Benefits

- All plans must have “**essential health benefits**” but the amount that insurance will cover and additional benefits will vary
- The plans offered in the state must be “substantially equal” to this benchmark plan
 - Ambulatory patient services
 - Emergency services
 - Prescription drugs
 - Rehabilitative and habilitative services and chronic disease management
 - Hospitalization
 - Maternity and newborn care
 - Mental health and substance use disorder services, including services behavioral health treatment
 - Laboratory services
 - Preventive and wellness
 - Pediatric services, including oral and vision care

Plans are Offered at Standard Metal Levels

Qualified Health Plans (QHPs) are being developed based on the following “metal levels”:

- Bronze
- Silver
- Gold
- Platinum



Eligibility and Financial Help for Individuals

Finding Coverage as an Individual or Family

Eligibility rules for individual coverage

- Legally present in US
- Vermont resident
- Not incarcerated

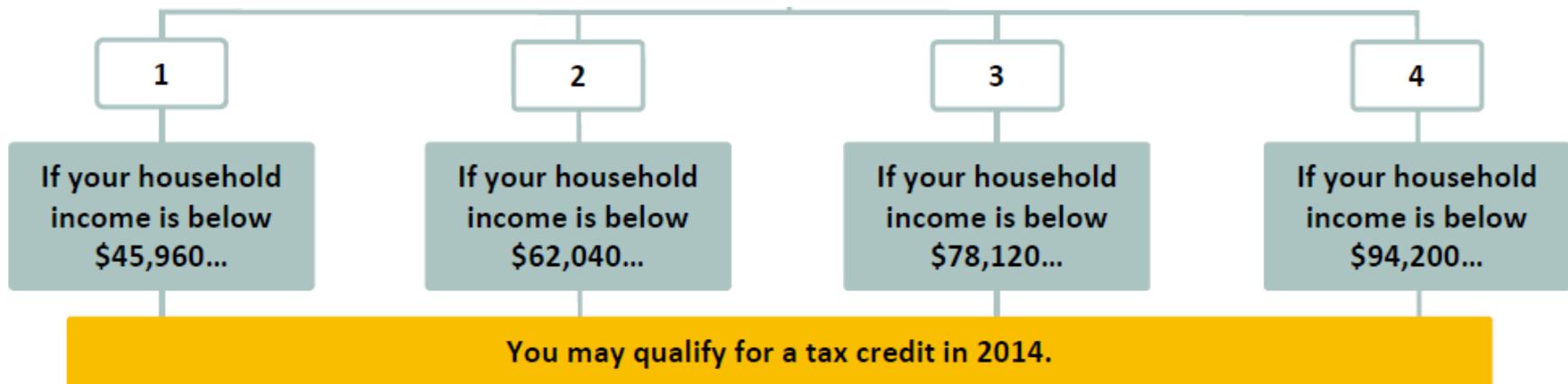
Eligibility for individual tax credits and state assistance

- Not eligible for other affordable coverage (from employer, Medicare, etc.)
- Household income (MAGI) up to 400% FPL
 - About \$46,000/year for an individual
 - About \$94,200/year for a family of four

Medicaid eligibility also linked to household income (MAGI)

Individual Tax Credits & State Assistance Make Plans More Affordable

- Those without insurance from an employer may receive financial assistance to help part of their premium for the plan they purchase through Vermont Health Connect.
- Financial help is available to those earning less than 400 percent of the federal poverty level. For individuals and families of 2, 3, 4...



VermontHealthConnect.gov

- Subsidy calculator

The screenshot shows the Vermont Health Connect website's Subsidy Calculator. The page features a navigation menu with tabs for 'Individuals & Families', 'Small Businesses', and 'Community Partners'. A search bar is located in the top right corner. The main content area is titled 'Subsidy Calculator' and includes an introductory paragraph explaining that users may qualify for a subsidy in the form of a tax credit. Below this, a disclaimer states that the calculator might determine ineligibility for a subsidy if the user qualifies for Medicaid. The calculator itself is divided into two sections: 'CALCULATOR' and 'INFO'. The 'CALCULATOR' section prompts users to 'Enter Info About Your household' and includes five input fields: 'How many adults are in your family?' (set to 1), 'How many children are in your family?' (set to 0), 'What's your family income per year?' (with a dollar sign), 'Is anyone 65 or older?' (radio buttons for No and Yes, with No selected), and 'Is anyone eligible for insurance through an employer?' (radio buttons for No and Yes, with No selected). A 'Calculate' button is at the bottom right of the calculator section. The 'INFO' section prompts users to 'Enter information about your family to calculate your subsidy amount.' The Vermont Health Connect logo is visible in the bottom left corner of the page.



Out-of-Pocket Expenses Are Limited

- Today, not all insurance plans have a limit on the maximum you might spend out-of-pocket during a year.
- Under federal law, there are also limits on how much out-of-pocket expenses an individual or family would be responsible for in plans purchased on Vermont Health Connect.
 - Total cost-sharing per year (deductibles, co-pays, and co-insurance) is capped at \$6,350 for an individual and \$12,700 for families.
 - For some Vermonters, out-of-pocket expenses may be subsidized further.

Examples of Reductions in Out-of-Pocket Costs*

	With State and Federal Cost-Sharing Reductions		
FPL	1-person Income Range	Deductible Maximum	Out of Pocket Maximum
133-150%	\$15,282 - \$17,235	\$100	\$500
150-200%	\$17,235 - \$22,980	\$750	\$1,250
200-250%	\$22,980 - \$28,725	\$1,500	\$3,000
250-300%	\$28,725 - \$34,470	\$1,900	\$4,000

***Primary care visits and other preventive medical services are covered (no cost-sharing required)**

Small Businesses Have Choices

Small Business Plan Selection

Small business employers who participate in Vermont Health Connect will have the option of choosing between different models, one of which is full choice for employees.

Example: One insurer, choice of tier

	Health Plan A	Health Plan B
Platinum		
Gold		
Silver		
Bronze		

Example: Full menu

	Health Plan A	Health Plan B
Platinum		
Gold		
Silver		
Bronze		

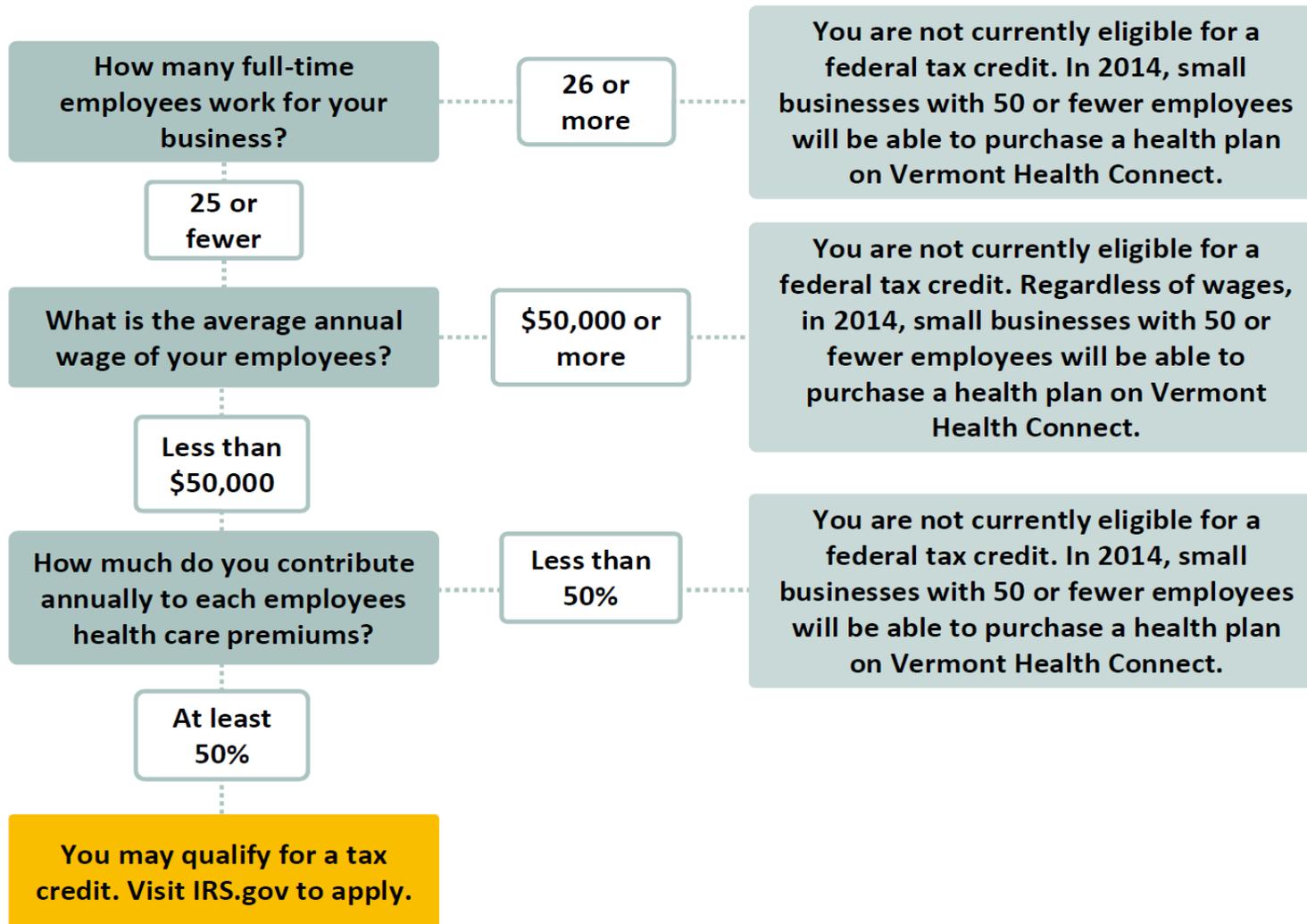
Which employers may purchase through Vermont Health Connect?

- Employers with 50 or fewer full-time employees whose:
 - Principal place of business is in Vermont regardless of where employees live; **or**
 - Out-of-state employers for employees who are principally employed in Vermont.

How do I count to 50?

- Only count full-time employees
 - Full-time = 30 hours a week or more
- Do not count:
 - Employees who work less than 30 hours a week (“part-time”)
 - Employees who work less than 120 days/year (“seasonal”)
 - See the *‘How to Count to 50’* worksheet

Small Business Tax Credits



Small Business Tax Credits

- Visit VermontHealthConnect.gov to calculate your business' potential tax credit
- Contact your tax preparer for more information

Number of full-time equivalent employees: ?	<input type="text" value="20"/>
Total annual wages paid for all employees: ?	\$ <input type="text" value="500000"/>
Total annual employer premium contribution: ?	\$ <input type="text" value="50000"/>
Are you a tax-exempt/nonprofit employer?	Yes <input type="radio"/> No <input checked="" type="radio"/>
Your estimated annual tax credit:	
2010-2013	\$5,833
2014+	\$8,333

TAX CREDIT CALCULATOR



Calculator property of [Small Business Majority](#) and its subsidiary website [California Health Coverage Guide](#)

ACA: Employer Responsibility - 2015

- Starting in 2015, there may be a federal penalty for large employers* that do not provide adequate “affordable” coverage
 - Adequate: plans do not pay at least 60% of covered health care expenses
 - Employees have to pay more than 9.5% of W-2 income in premiums for the self-only portion of total premiums
- Applicable large employers may be subject to this penalty if they:
 - Have at least one full-time employee that obtains a premium tax credit through the exchange
 - Do not offer coverage to employees

*IRS definition of large employer differs from rules regarding which businesses qualify to offer employees coverage through Vermont Health Connect.

Should I offer coverage?

- The State cannot tell you the “right” decision – it will vary from business to business.
- Vermont Health Connect will have resources available to help you determine if your employees are better served purchasing insurance on their own (July).
- If you decide not to offer coverage to employees, your employees will then be able to purchase a plan through Vermont Health Connect individually and access financial help (if their income qualifies for subsidies).

Questions to Consider

- Do you offer insurance today?
- How much do you spend today on insurance?
- How much do your employees spend today on insurance?
- Would your employees be better off buying through Vermont Health Connect than under your plan?
- What are the tax consequences for your business?
- What are the tax consequences for your employees?
- Would you be subject to a federal penalty? Cost?
- Would you be subject to a state assessment? Cost?

Tax considerations

- Currently, health insurance is likely a pre-tax benefit for your employees. If you drop coverage and increase your employees' salaries...
 - it may increase what they pay in tax;
 - employees will pay with post-tax dollars, essentially increasing their taxable income.
- Offering health insurance provides a tax benefit for businesses, but you also deduct wages
- See a tax professional to determine specific impacts

VT: Employer Assessment

- The Employer Assessment will continue for employers who:
 - Do not offer to pay any part of the costs of health coverage for employees
 - Have employees who are not eligible for employer-sponsored health coverage
 - Offer insurance but employees does not accept coverage and have no other health coverage
- The Assessment is \$119.12 quarterly (\$476.48 annually) for every “uncovered” Full-Time Equivalent (FTE) in excess of four FTEs
- Assessment funding will be used to fund Vermont Health Connect in 2015-2016

Recent Accomplishments

- **Customer Support:** dedicated small business support line launched
- **Navigators:** second round of training completed, included brokers and CACs; third round this week
- **Qualified Health Plans:** selection of plans announced
- **Administrative Rule:** submitted to LCAR
- **Website:** individual subsidy and small business calculator complete
- **Technology Development:** Successful testing with carriers and Federal Hub Data Services; system (SIT) and team (UAT) testing ongoing
- **Funding:** JFC acceptance of establishment grant, \$42.7m

Independent Review

- In accordance with state law, DII solicited an independent review of the Vermont Health Benefits Exchange and Integrated Eligibility technology projects. In April, both projects were reviewed by the firm BerryDunn. The final report was submitted to DII in July.
- Areas covered by the IR include acquisition cost, technical architecture, implementation plans and organizational readiness.
- All issues identified by this report have been or are being addressed through a comprehensive project management partnership.
- The Vermont Health Connect information technology team has been working closely with DII and federal officials to ensure that the functionality of the state's online assets comply with federal and state guidelines.
- The report findings will help the state improve the technology infrastructure that is being used to build Vermont Health Connect.

Late Summer Public Forums

- South Burlington: August 20, 6:30-8pm – South Burlington High School
- Middlebury: August 28, 6:30-8pm – Ilsley Library
- Jericho: September 4, 6:30-8pm – Brown's River Middle School
- Ludlow: September 10, 6:30-8pm – Friends of Ludlow Auditorium
- South Duxbury: September 11, 6:30-8pm – Harwood Union High School

Looking Ahead

- Vermont Health Connect will be open for enrollment on October 1.
- Our focus is helping Vermonters get ready for October. Here's how:
 - Rates released months before open-enrollment starts.
 - Navigators on the ground educating Vermonters and providing in-person enrollment support.
 - Small business tools and one-on-one support to help make health coverage decisions *before* October.

Contact Us

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www.vermonthealthconnect.gov



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