

Vermont Legislative Joint Fiscal Office

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FISCAL BRIEF

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Employer Assessment Language:

As proposed in the Senate Passed Version of S.252

The language concerning the employer assessment, as passed in the Senate version of S.252, would amend the definitions of uncovered employee under 21 V.S.A. § 2002 (5)(C)(i) to read “*has no other health care coverage under either Medicare or a private ~~or public~~ health plan” . Currently if an employer offers health insurance but the employee doesn’t take it and is on Medicaid, the employee would not be considered an “uncovered” employee for purposes of calculating the employer assessment. This proposed language would change current law so that the employee would now be considered “uncovered” for purposes of the assessment.*

According to data from the most recent Vermont Household Health Insurance Survey (VHHIS) conducted by the Vermont Department of Financial Regulations (DFR), there were approximately 9,100 people who reported being offered health insurance through their employer, but still had Medicaid as their primary source of health coverage. Taking into consideration things such as converting to full-time equivalents (FTE’s), roll-out and collections issues, and other concerns, we estimate that the proposed language would capture an additional estimated **3,900 FTE’s**. This number also takes into consideration employers who thought this population was already considered an “uncovered” population and may have inadvertently been paying the assessment on these FTE’s already.¹

*SFY’ 15 Fiscal Impact = **approximately \$1.8 - \$1.9 million** in additional revenue to the state health care resources fund.*

¹ The Department of Labor reviewed their recent audit data and found that this happened less than 5% of the time for the employers they reviewed.