

# Overview of Act 48 of 2011

## An act relating to a universal and unified health system

Jennifer Carbee, Legislative Counsel,  
Vermont Legislative Council

January 9, 2015

# Overview

- Principles for health care reform
- Green Mountain Care
- Green Mountain Care Board
- Vermont Health Benefit Exchange
- Act 48 reports
- Other health care-related provisions

# Principles

- Act 48 adopts 14 principles as framework for health care reform, including:
  - Universal access to and coverage for health care
  - Cost containment
  - Accountability and transparency
  - Consumer choice
  - Preserving the patient/provider relationship
  - Improvements in access and quality
  - Administrative simplification
  - Financing to be sufficient, fair, predictable, transparent, sustainable, and shared equitably
  - Provider efficiency, effectiveness, and solvency
  - Health system is a partnership between all stakeholders

# GREEN MOUNTAIN CARE

# Green Mountain Care

(Act 48, Sec. 4 – 33 V.S.A. chapter 220, subch. 2)

- Publicly financed health care coverage for all Vermonters
- All Vermont residents are eligible, regardless of whether employer offers health insurance
- Green Mountain Care takes effect 90 days following last to occur of specific triggers:
  - Receipt of federal waiver under Sec. 1332 of ACA
  - Legislative enactment of law establishing financing
  - Green Mountain Care Board approval of benefit package
  - Legislative enactment of appropriations for benefits
  - Determination by GMCB that specific conditions met

# Green Mountain Care: Benefits

- Benefit package at least as comprehensive as Catamount Health
- No pre-existing condition exclusions
- GMC Board to consider including dental, vision, hearing, and long-term care benefits
- GMC Board to consider cost-sharing
- GMC Board approves benefit package, presents to Legislature with budget proposal
- Wrap-around coverage for Medicaid, Medicare, and CHIP

# GREEN MOUNTAIN CARE BOARD

# Green Mountain Care Board

(Act 48, Sec. 3 – 18 V.S.A. chapter 220)

- Five-member, independent board
  - Full-time chair, paid like superior judge
  - Four additional members, pay is 2/3 of chair's
- Board members serve staggered, six-year terms
- Conflict of interest provisions apply
- Board to begin no earlier than October 1, 2011

# Green Mountain Care Board: Nominations and Appointment

- Green Mountain Care Board Nominating Committee
  - Created in 18 V.S.A. chapter 220, subchapter 2
  - Nine-member committee, modeled on Judicial Nominating Board; members appointed by Governor, Speaker, and Committee on Committees
  - Assesses candidates using specified criteria
  - Committee submits list to Governor, who makes appointments from list, subject to consent of the Senate

# Green Mountain Care Board: Duties

- Green Mountain Care Board duties include:
  - Overseeing health care payment and delivery system reforms
  - Evaluating systemwide performance and quality
  - Health insurance rate review (Act 171 of 2012)
  - Authority over certificates of need (Act 171)
  - Hospital budget review (Act 171)
  - Setting rates for health care professionals
  - Reviewing and approving benefit packages for qualified health benefit plans to be sold in Vermont Health Benefit Exchange
  - Authority over VHCURES (Act 79 of 2013)
  - Authority over Health Resource Allocation Plan (Act 79)
  - Submitting annual report to the General Assembly

**VERMONT HEALTH  
BENEFIT  
EXCHANGE**

# Vermont Health Benefit Exchange

(Sec. 4 – 33 V.S.A. chapter 18, subchapter 1)

- Act 48 created Vermont Health Benefit Exchange, as required by federal Affordable Care Act (ACA)
- Purpose is to facilitate purchase of qualified health benefit plans in individual and group markets
- Qualified health benefit plans:
  - Provide essential benefits package required by PPACA
  - Offer at least “bronze” level of coverage (60% actuarial value) (Act 171 of 2012)
  - Comply with minimum prevention, quality, and wellness requirements
  - Use uniform enrollment forms, coverage descriptions

# Vermont Health Benefit Exchange

- Coverage for individuals and small groups began January 1, 2014; large groups may join in 2017
  - For 2014 and 2015, employers with  $\leq 50$  employees
  - For 2016, employers with  $\leq 100$  employees (Act 171)
- Individual and small group market merged into a single risk pool (Act 171 of 2012)
- Act 171 requires all individual and small group plans to be sold through the Exchange
  - Employers may purchase through Vermont Health Connect website, from navigator, by telephone, or directly from insurer (Act 144 of 2014)

# Vermont Health Benefit Exchange

- DVHA required to contract with at least two health insurers to offer qualified health benefit plans, in addition to federally required multistate plans, if at least two insurers interested and qualify
- As of 2015, multistate plans still not available in Vermont

# Exchange subsidies (2013)

- 2013 budget bill created State Exchange subsidies
- Federal advance premium tax credits available for individuals  $\leq 400\%$  FPL
- Federal cost sharing subsidies available for individuals  $\leq 250\%$  FPL
- In 2013, Vermont created additional subsidies
  - 1.5% premium subsidy for individuals  $\leq 300\%$  FPL
    - Vermont receives a federal match
  - Cost-sharing subsidies for individuals  $\leq 300\%$  FPL
    - Vermont does not receive a federal match

# ACT 48 REPORTS

# Integration Plan (Act 48, Sec. 8)

- Secretary of Administration reported to General Assembly in January 2012 on integrating public and private health coverage into or with the Exchange and Green Mountain Care, including:
  - Whether to establish basic health program for 133-200% FPL
  - Issues around the association market
  - Whether to define “small employer” in 2014 and 2015 as  $\leq 50$  employees or  $\leq 100$  employees
  - Whether to allow qualified and/or nonqualified health benefit plans to be sold outside of the Exchange
  - Design of common benefit package for plans in the Exchange
  - Impact on Exchange and on Green Mountain Care of allowing supplemental plans

# Integration Plan (continued)

- Secretary of Administration's report (cont.):
  - Coverage under Green Mountain Care for young adults up to age 26 who are not otherwise eligible
- Commissioner of Labor and others looked at integrating or aligning workers' compensation system with Green Mountain Care
  - Report due January 15, 2012

# Financing Plans (Act 48, Sec. 9)

- Secretary of Administration to recommend two plans for sustainable financing by January 15, 2013:
  - Plan #1: Amounts and necessary mechanisms to finance initiatives that must be implemented by January 1, 2014
  - Plan #2: Amounts and necessary mechanisms to finance Green Mountain Care, including addressing cross-border issues
- Secretary to consider all financing sources, including:
  - Income tax, payroll tax, consumption taxes, provider taxes, employer assessment, other new or existing taxes, and other sources
  - Anticipated federal funds and ways to maximize the amount of federal funds available for health services

# Financing Plans (continued)

- In developing Green Mountain Care financing plan, Secretary to :
  - Consult with interested stakeholders to determine potential impact of various financing sources on Vermont businesses and state's economy and economic climate; report due February 1, 2012
  - Solicit additional input from interested stakeholders and provide opportunities for public engagement
- Secretary to consider strategies to address individuals who receive coverage through federal governmental and foreign sources

**ADDITIONAL  
INSURANCE  
PROVISIONS**

# Act 171 of 2012:

## Additional Insurance Provisions

- Grandfathered plans
- Agents' and brokers' fees
  - Beginning in 2014, cannot be included in individual and small group rates
  - Disclosure required for large group market and until 2014 for individual and small group market plans
- Discretionary clause ban
- Uniform and electronic prior authorization forms

Questions?