

**H.524: 1332 SHOP Waiver Information**

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**Summary:**

ACA requires states to have a web portal for small business health insurance plans (SHOP). CMS has not enforced the requirement for states to have a SHOP web portal to date but has indicated that they will begin to do so in 2017

This legislation allows for a waiver request to waive the requirement to build a SHOP web portal and maintain the status quo for small employers buying health insurance directly from Blue Cross Blue Shield of Vermont and MVP.

This allows approximately 45,000 Vermonters employed by small businesses to maintain coverage without the disruption of having to re-enroll through a new website. (BC/BS = 41,525; MVP = \$2,822.)

**Alternatives to Waiver:**

<b>Options</b>	<b>Outcomes</b>	<b>Cost</b>
<b><i>Regional Exchange</i></b>	<ul style="list-style-type: none"> <li>Not feasible for 2017; requires regional interest, governance, and substantial policy changes to align with other states.</li> </ul>	<ul style="list-style-type: none"> <li>N/A—not feasible</li> </ul>
<b><i>Use federal technology</i></b>	<ul style="list-style-type: none"> <li>Use of federal technology only for small businesses is not feasible for 2017</li> <li>Substantial policy changes required</li> </ul>	<ul style="list-style-type: none"> <li>N/A—not feasible</li> </ul>
<b><i>Complete Vermont Health Connect technology</i></b>	<ul style="list-style-type: none"> <li>Completing last version of VHC small business technology has substantial cost</li> <li>High level of complexity &amp; risk</li> </ul>	<ul style="list-style-type: none"> <li>\$10-12M to stand up. This is more than the \$4.1M approved by CMS</li> <li>Outreach and education \$\$ would be needed to enroll employers &amp; employees on the new website. \$100-200k estimate.</li> </ul>
<b><i>Conduct a simplified bid process to solicit bids from 3 – 5 prequalified vendors who have deployed SHOP solutions successfully in other states</i></b>	<ul style="list-style-type: none"> <li>Recommended as contingency to waiver</li> </ul>	<ul style="list-style-type: none"> <li>Approximately \$4M</li> <li>In procurement process now</li> <li>Outreach and education – same \$100-200k estimate.</li> </ul>

**Vermont Process:**

- Draft waiver posted on Monday, 2/8 at <http://dvha.vermont.gov/administration/11332-draft-waiver-app-for-public-comment.pdf> Published in newspaper on 2/10
- 30 day comment period: Written comments due 3/11. Public hearings on 2/22 and 2/25.
- Submit waiver as soon as bill passed or public comment period over in order to avoid conflict with the simplified bid procurement process

**Federal Waiver Process and Timeline:**

- State public notice and comment period—30 days
- 45 days after submission: secretaries complete preliminary review of application
  - Federal public notice of completed application
- No later than 180 days after preliminary review complete: decision-making period and federal public notice process

**Federal Waiver Requirements**

- provide coverage that is at least as comprehensive as is defined in the ACA
  - Coverage will stay the same under the waiver
- provide coverage to at least as many residents as prior to waiver
  - Waiver will ensure Vermonters stay covered—putting everyone through a new portal would likely disrupt coverage and result in less Vermonters covered
- provide coverage that is as affordable or more affordable than the ACA
  - Coverage will stay the same under the waiver
- do not increase the federal deficit
  - Waiver will not change the federal deficit because we will maintain status quo

**Other States Applying for 1332 Waiver:**

- Hawaii, submitted 1/12/16: <http://governor.hawaii.gov/wp-content/uploads/2016/01/Hawaii-ACA-Waiver-Proposal-DRAFT-1-12-16.pdf>
- Massachusetts, draft waiver posted on 2/5/16: <https://www.mahealthconnector.org/about/policy-center/state-innovation-waiver>
- Minnesota, exploring options: <http://mn.gov/dhs/hcftf/final-materials/>