S.262, Miscellaneous Medicaid Bill
Sections 5, 7, and Request for Additional Section

Section 5: Grant DVHA Authority to Verify Asset Information

Background
Federal law has always required the verification of assets to determine eligibility for Medicaid Long Term Care (LTC) and Medicaid for the Aged, Blind, and Disabled (MABD). Existing statute provides authority for DCF to verify bank information, but that authority was erroneously not replicated when Medicaid eligibility determinations were moved from DCF to DVHA in 2016.

Proposed change
Amends statute to grant DVHA authority to verify asset information with banking institutions. This authority mirrors the authority already granted to DCF under state statute.

Purpose of Statutory Change
This change is to comply with the federal requirements that Medicaid verify income information and use an electronic AVS.

Proposed Amended Language to Section 5

1. Based on VT Banking Association Feedback, DVHA recommends that Section 5 of S.262 be amended as follows:

Sec. 5. 33 V.S.A. § 403 is added to read:
13 403. BANKS AND AGENCIES TO FURNISH INFORMATION
(a) An officer of a financial institution, as described in 8 V.S.A. § 11101(32); a credit union; or an independent trust company in this State, when requested by the Commissioner of Vermont Health Access or the Department's Agent, shall furnish to the Commissioner information in the possession of the bank or company with reference to any person or his or her spouse who is applying for or is receiving assistance or benefits from the Department of Vermont Health Access. The Department of Vermont Health Access shall issue instructions to a financial institution detailing the nature of request and the information necessary to satisfy such request.

DVHA will issue policy detailing the following instructions to financial institutions regarding requests to obtain banking information in order to verify Medicaid eligibility.

Upon electronic and/or written request from the Commissioner of Vermont Health Access or the Department's Agent, a financial institution shall perform a match of individuals applying for Medicaid assistance.

After completing a match requested under (a), a financial institution shall notify within 10 calendar days the Department of Health Access or the Department's Agent. The notification shall contain the following information, if available to the financial institution through its matching procedure, for each account identified:

(1) The full name, date of birth, and address of the individual;
(2) The Social Security number of the individual;
(3) The individual's account number; and
(4) The first minute of the month balance for each account held by the matched individual for up to 63 months, depending on the number of months requested.

A financial institution shall send a match list compiled under this section to the Department or Agent at the address designated by the Department electronically, or in writing where electronic submission is not possible.

A financial institution shall consider an account a match if the Social Security number, first name, last name and DOB match, regardless of suffix, middle name, or spelling.

The information provided by the Department or Agent to a financial institution under this section shall be confidential and shall be used only for the purpose of carrying out the requirements of this request.

2. Department of Tax recommends language to give the same disclosure protections to DVHA/individuals applying for Medicaid that currently apply to DCF/individuals applying for benefits:

32 V.S.A. § 3102(f) is amended to read:
(f) Notwithstanding the provisions of this section, information obtained from the Commissioner for Children and Families under 33 V.S.A. § 112(c), from the Commissioner of Vermont Health Access under 33 V.S.A. § 403, from the Vermont Student Assistance Corporation under 16 V.S.A. § 2843, or the Dental Health Program under 33 V.S.A. § 4507, or a job development zone under subsection 5926(c) of this title shall be confidential and it shall be unlawful for anyone to divulge such information except in accordance with a judicial order or as provided under another provision of law.

Proposed Amended Language to Vermont's Medicaid Application

In response to feedback from the Vermont Banking Association, DVHA proposes changing the LTC and MABD Medicaid application to add the following:

True and Complete Information.
I understand information I provide to the Department will be subject to verification by federal and state officials to determine if it is correct. This means that sources other than members of my household, including financial institutions, may be contacted to verify my eligibility. I understand that if any information is not true I may be denied assistance.

The Department uses social security numbers… to exchange information with agencies such as the Social Security Administration, Department of Labor, Internal Revenue Service, or private agencies, including financial institutions, to verify income, determine eligibility and benefits amounts, and collect claims; to determine the accuracy and reliability of information given to DCF; and to make medical assistance payments.

Section 7: Eliminate Waiver Requirement for Maximum-out-of-Pocket

Background
Act 165 (2016) intended to provide DVHA with a method to preserve Vermont's pharmacy out-of-pocket maximum (Rx MOOP) within Bronze plans, and directed DVHA to apply for a federal waiver of actuarial value limitations in order to maintain the Rx MOOP while continuing to offer Bronze level QHPs.

Proposed change
Eliminates DVHA's obligation to pursue a waiver of federal MOOP requirements because there is no need for a waiver. QHP designs meet all federal and state requirements, including the Rx MOOP.

Purpose of Statutory Change
With this change, the State will not need to pursue a waiver because we now have flexibility to continue providing Bronze level plans that meet both state and federal prescription drug MOOP requirements.

Request for Additional Section: Bronze Enrollment Options

Background

Act 165 (2016) also established a stakeholder advisory group on bronze plan design and directed the group to make a recommendation regarding the continuation of the pharmacy out-of-pocket limit (Rx MOOP). On February 22, DVHA submitted to the Committees a report containing the advisory group's recommendation that the Rx MOOP remain in place along with the option of additional bronze plans that do not include the Rx MOOP.

Proposed change

Authorize the continued availability of bronze plans without the Rx MOOP. It would be beneficial to act on this recommendation during this session due to the timing of the qualified health plan certification process: 2020 plan designs are finalized in January 2019.

Purpose of Statutory Change

Maintain an additional enrollment option for customers who don't benefit from the Rx MOOP. There has been considerable interest in these plans, including 3,300 current enrollees. Keeping these plan options promotes both stability and innovation in the QHP market.