

1 S.216

2 Introduced by Senators Pollina and Perchlik

3 Referred to Committee on

4 Date:

5 Subject: Health; health insurance; Vermont Health Benefit Exchange;

6 municipal employers

7 Statement of purpose of bill as introduced: This bill proposes to allow
8 municipal employers of any size to provide health insurance to their employees
9 through the Vermont Health Benefit Exchange or through a reflective health
10 benefit plan.

11 An act relating to allowing large municipal employers to provide Exchange
12 and reflective health benefit plans to their employees

13 It is hereby enacted by the General Assembly of the State of Vermont:

14 Sec. 1. 33 V.S.A. § 1802 is amended to read:

15 § 1802. DEFINITIONS

16 As used in this subchapter:

17 * * *

18 (5) "Qualified employer":

19 ~~(A) means an entity which employed an average of not more than 50~~
20 ~~employees on working days during the preceding calendar year and which that:~~

1 (A)(i) employed an average of not more than 100 employees on
2 working days during the preceding calendar year; or

3 (ii) is a municipal employer of any size with one or more
4 employees; and

5 (B)(i) has its principal place of business in this State and elects to
6 provide coverage for its eligible employees through the Vermont Health
7 Benefit Exchange, regardless of where an employee resides; or

8 (ii) elects to provide coverage through the Vermont Health Benefit
9 Exchange for all of its eligible employees who are principally employed in this
10 State;

11 ~~(B) on and after January 1, 2016, shall include an entity which:~~

12 ~~(i) employed an average of not more than 100 employees on~~
13 ~~working days during the preceding calendar year; and~~

14 ~~(ii) meets the requirements of subdivisions (A)(i) and (A)(ii) of~~
15 ~~this subdivision (5).~~

16 ~~(C) [Repealed.].~~

17 * * *

18 (11) “Municipal employer” has the same meaning as in 21 V.S.A.
19 § 1722, except that it includes any municipal employer with one or more
20 employees. The term does not include a supervisory union or school district.

1 Sec. 2. 33 V.S.A. § 1804 is amended to read:

2 § 1804. QUALIFIED EMPLOYERS

3 ~~(a)(1) Until January 1, 2016, a qualified employer shall be an entity which~~
4 ~~employed an average of not more than 50 employees on working days during~~
5 ~~the preceding calendar year, and the term “qualified employer” includes self-~~
6 ~~employed persons to the extent permitted under the Affordable Care Act.~~
7 ~~Calculation of the number of employees of a qualified employer shall not~~
8 ~~include a part-time employee who works fewer than 30 hours per week or a~~
9 ~~seasonal worker as defined in 26 U.S.C. § 4980H(e)(2)(B).~~

10 ~~(2) An employer with 50 or fewer employees that offers a qualified~~
11 ~~health benefit plan to its employees through the Vermont Health Benefit~~
12 ~~Exchange may continue to participate in the Exchange even if the employer’s~~
13 ~~size grows beyond 50 employees as long as the employer continuously makes~~
14 ~~qualified health benefit plans in the Vermont Health Benefit Exchange~~
15 ~~available to its employees. [Repealed.]~~

16 (b)(1) ~~On and after January 1, 2016, a~~ A qualified employer shall be an
17 entity ~~which~~ that employed an average of not more than 100 employees on
18 working days during the preceding calendar year and the term “qualified
19 employer” includes self-employed persons to the extent permitted under the
20 Affordable Care Act. The number of employees shall be calculated using the
21 method set forth in 26 U.S.C. § 4980H(c)(2).

1 (2) An employer with 100 or fewer employees that offers a qualified
2 health benefit plan to its employees through the Vermont Health Benefit
3 Exchange may continue to participate in the Exchange even if the employer's
4 size grows beyond 100 employees as long as the employer continuously makes
5 qualified health benefit plans in the Vermont Health Benefit Exchange
6 available to its employees.

7 (c) On and after January 1, 2020, a qualified employer may also be a
8 municipal employer of any size with one or more employees.

9 Sec. 3. 33 V.S.A. § 1811 is amended to read:

10 § 1811. HEALTH BENEFIT PLANS FOR INDIVIDUALS ~~AND~~, SMALL
11 EMPLOYERS, AND MUNICIPAL EMPLOYERS

12 (a) As used in this section:

13 (1) "Health benefit plan" means a health insurance policy, a nonprofit
14 hospital or medical service corporation service contract, or a health
15 maintenance organization health benefit plan offered through the Vermont
16 Health Benefit Exchange or a reflective health benefit plan offered in
17 accordance with section 1813 of this title that is issued to an individual or to an
18 employee of a small employer or a municipal employer. The term does not
19 include coverage only for accident or disability income insurance, liability
20 insurance, coverage issued as a supplement to liability insurance, workers'
21 compensation or similar insurance, automobile medical payment insurance,

1 credit-only insurance, coverage for on-site medical clinics, or other similar
2 insurance coverage in which benefits for health services are secondary or
3 incidental to other insurance benefits as provided under the Affordable Care
4 Act. The term also does not include stand-alone dental or vision benefits;
5 long-term care insurance; short-term, limited-duration health insurance;
6 specific disease or other limited benefit coverage; Medicare supplemental
7 health benefits; Medicare Advantage plans; and other similar benefits excluded
8 under the Affordable Care Act.

9 (2) "Registered carrier" means any person, except an insurance agent,
10 broker, appraiser, or adjuster, who issues a health benefit plan and who has a
11 registration in effect with the Commissioner of Financial Regulation as
12 required by this section.

13 (3)(A) ~~Until January 1, 2016, "small employer" means an entity which~~
14 ~~employed an average of not more than 50 employees on working days during~~
15 ~~the preceding calendar year. The term includes self-employed persons to the~~
16 ~~extent permitted under the Affordable Care Act. Calculation of the number of~~
17 ~~employees of a small employer shall not include a part-time employee who~~
18 ~~works fewer than 30 hours per week or a seasonal worker as defined in 26~~
19 ~~U.S.C. § 4980H(c)(2)(B). An employer may continue to participate in the~~
20 ~~Exchange even if the employer's size grows beyond 50 employees as long as~~

1 ~~the employer continuously makes qualified health benefit plans in the Vermont~~
2 ~~Health Benefit Exchange available to its employees. [Repealed.]~~

3 (B) ~~Beginning on January 1, 2016,~~ “Small employer” means
4 an entity ~~which~~ that employed an average of not more than 100 employees on
5 working days during the preceding calendar year. The term includes self-
6 employed persons to the extent permitted under the Affordable Care Act. The
7 number of employees shall be calculated using the method set forth in
8 26 U.S.C. § 4980H(c)(2). An employer may continue to participate in the
9 Exchange even if the employer’s size grows beyond 100 employees as long as
10 the employer continuously makes qualified health benefit plans in the Vermont
11 Health Benefit Exchange available to its employees.

12 (C) “Municipal employer” has the same meaning as in 21 V.S.A.
13 § 1722, except that it includes all municipal employers of any size with one or
14 more employees. The term does not include a supervisory union or school
15 district.

16 (b)(1) To the extent permitted by the U.S. Department of Health and
17 Human Services, an individual may purchase a health benefit plan through the
18 Exchange website, through navigators, by telephone, or directly from a
19 registered carrier under contract with the Vermont Health Benefit Exchange, if
20 the carrier elects to make direct enrollment available. A registered carrier
21 enrolling individuals in health benefit plans directly shall comply with all open

1 enrollment and special enrollment periods applicable to the Vermont Health
2 Benefit Exchange.

3 (2) To the extent permitted by the U.S. Department of Health and
4 Human Services, a small employer, a municipal employer, or an employee of a
5 small or municipal employer may purchase a health benefit plan through the
6 Exchange website, through navigators, by telephone, or directly from a
7 registered carrier under contract with the Vermont Health Benefit Exchange.

8 (3) No person may provide a health benefit plan to an individual, ~~or~~
9 small employer, or municipal employer unless the plan complies with the
10 provisions of this subchapter.

11 (c) No person may provide a health benefit plan to an individual, ~~or~~ small
12 employer, or municipal employer unless such person is a registered carrier.
13 The Commissioner of Financial Regulation shall establish, by rule, the
14 minimum financial, marketing, service, and other requirements for registration.
15 Such registration shall be effective upon approval by the Commissioner of
16 Financial Regulation and shall remain in effect until revoked or suspended by
17 the Commissioner of Financial Regulation for cause or until withdrawn by the
18 carrier. A carrier may withdraw its registration upon at least six months' prior
19 written notice to the Commissioner of Financial Regulation. A registration
20 filed with the Commissioner of Financial Regulation shall be deemed to be

1 approved unless it is disapproved by the Commissioner of Financial
2 Regulation within 30 days of filing.

3 (d)(1) Guaranteed issue. A registered carrier shall guarantee acceptance of
4 all individuals, small employers, municipal employers, and employees of small
5 and municipal employers, and each dependent of such individuals and
6 employees, for any health benefit plan offered by the carrier, regardless of any
7 outstanding premium amount a subscriber may owe to the carrier for coverage
8 provided during the previous plan year.

9 * * *

10 (f)(1) A registered carrier shall use a community rating method acceptable
11 to the Commissioner of Financial Regulation for determining premiums for
12 health benefit plans. Except as provided in subdivision (2) of this subsection,
13 the following risk classification factors are prohibited from use in rating
14 individuals, small employers, municipal employers, or employees of small or
15 municipal employers, or the dependents of such individuals or employees:

16 (A) demographic rating, including age and gender rating;

17 (B) geographic area rating;

18 (C) industry rating;

19 (D) medical underwriting and screening;

20 (E) experience rating;

21 (F) tier rating; or

1 (G) durational rating.

2 * * *

3 (h) A registered carrier shall provide, on forms prescribed by the
4 Commissioner of Financial Regulation, full disclosure to a small or municipal
5 employer of all premium rates and any risk classification formulas or factors
6 prior to acceptance of a plan by the small or municipal employer.

7 (i) A registered carrier shall guarantee the rates on a health benefit plan for
8 a minimum of 12 months.

9 (j) The Commissioner of Financial Regulation or the Green Mountain Care
10 Board established in 18 V.S.A. chapter 220, as appropriate, shall disapprove
11 any rates filed by any registered carrier, whether initial or revised, for
12 insurance policies unless the anticipated medical loss ratios for the entire
13 period for which rates are computed are at least 80 percent, ~~as required by the~~
14 ~~Affordable Care Act.~~

15 * * *

16 Sec. 4. 33 V.S.A. § 1813 is amended to read:

17 § 1813. REFLECTIVE HEALTH BENEFIT PLANS

18 (a)(1) In the event that federal cost-sharing reduction payments to insurers
19 are suspended or discontinued, registered carriers may offer to individuals and
20 employees of small employers and municipal employers nonqualified
21 reflective health benefit plans that do not include funding to offset the loss of

1 the federal cost-sharing reduction payments. These plans shall be similar to,
2 but contain at least one variation from, qualified health benefit plans offered
3 through the Vermont Health Benefit Exchange that include funding to offset
4 the loss of the federal cost-sharing reduction payments.

5 * * *

6 Sec. 5. EFFECTIVE DATE

7 This act shall take effect on January 1, 2021 and shall apply to all Exchange
8 and reflective health benefit plans issued, offered, or renewed on or after that
9 date.