

## Individual mandate – Decision points for House Health Care Committee

- **Individual mandate.** Should Vermont have an individual mandate requiring Vermont residents to maintain minimum essential coverage?
- **Minimum essential coverage.** What should be considered “minimum essential coverage” (MEC) to satisfy an individual mandate?
  - Use federal definition of MEC?
    - Federal definition includes:
      - Employer-sponsored coverage, including fully insured and self-insured
      - Individual market insurance
      - Medicare
      - Medicaid
      - CHIP
      - VA coverage
      - TRICARE
    - Federal definition excludes:
      - Americorps
      - Coverage consisting solely of excepted benefits – e.g., accident and disability policies, stand-alone vision or dental policies, workers’ compensation policies, specific disease policies
      - Short-term, limited-duration insurance
  - Vermont-specific definition?
  - Treatment of association health plans?
  - Allow Administration (DFR/others) to add/approve other forms of coverage as MEC?
- **Exemptions.** Should there be any exemptions from the individual mandate?
  - Short-coverage gap – e.g., going without coverage for less than 3 consecutive months in a calendar year?
  - Citizens living abroad and non-citizens?
  - Incarcerated individuals?
  - Religious exemption(s)?
    - Members of federally-designated and approved religious sects?
    - Christian Scientists and others who rely solely on a religious method of healing?
    - Health care sharing ministries?
  - Hardship exemption?
    - Who determines?
  - Income below tax filing threshold?
    - Federal tax filing threshold?
    - Vermont tax filing threshold?
  - Affordability exemption?
    - What is considered “unaffordable”?
  - Other exemptions?

- **Enforcement.** How should the individual mandate be enforced?
  - Financial penalty?
    - What is the amount of the penalty?
      - Same as federal penalty? (see below)
      - Modified penalty?
      - Treat children same as adults or differently?
      - Index penalty amount to increase over time?
    - How would the penalty be administered?
      - Through Vermont income tax system?
      - Other administration?
  - Increased outreach and monitoring?
  - Other enforcement mechanism(s)?
  
- **Administration.** Which department(s)/agency(ies) administer the individual mandate?
  
- **Timing.** Under 2018 Acts and Resolves No. 182, the individual mandate takes effect on January 1, 2020.
  - Any changes to the timing of the mandate?
  - When should the enforcement mechanism(s) start?
  
- **Other issues?**

Federal penalty (from <https://www.healthcare.gov/fees/fee-for-not-being-covered/>):

## How to calculate the fee for each plan year

The fee is calculated 2 different ways — as a percentage of your yearly household income, and per person. **You'll pay whichever is higher.**

- Using the percentage method, only the part of your household income that's above the yearly [tax filing requirement](#) is counted.
- Using the per person method, you pay only for people in your household who don't have insurance coverage.

If you have coverage for part of the year, the fee is 1/12 of the annual amount for each month you (or your tax dependents) don't have coverage. If you're uncovered only 1 or 2 months, you don't have to pay the fee at all. [Learn about the "short gap" exemption.](#)

### Fee amounts for 2017 (you'll file taxes in April 2018)

Per person method	Income percentage method	Maximum amount
\$695 per adult	2.5% of yearly household income	<b>If per person method is higher:</b> 2.5% of yearly household income
\$347.50 per child under 18		<b>If income percentage method is higher:</b> Total yearly premium for the national average price of a Bronze plan sold through the Marketplace

**Fee amounts for 2018 (you'll file taxes in April 2019)**

Per person method	Income percentage method	Maximum amount
2017 amount plus any inflation adjustment to be determined	2.5% of yearly household income	<p><b>If per person method is higher:</b> 2.5% of yearly household income</p> <p><b>If income percentage method is higher:</b> Total yearly premium for the national average price of a Bronze plan sold through the Marketplace</p>

**Fee amounts for 2019 and beyond (you'll file taxes in April 2020 and beyond)**

Per person method	Income percentage method	Maximum amount
The Shared Responsibility Payment no longer applies	The Shared Responsibility Payment no longer applies	The Shared Responsibility Payment no longer applies