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TO: Members of the Senate Committee on Health and Welfare

FROM: Charles Storrow, Partner, Leonine Public Affairs, LLP, on Behalf of MVP Health Care (“MVP”)

SUBJECT: Hearing Aid Coverage Mandate

DATE: April 21, 2021

This is to respond to the committee’s request that our client MVP provide an analysis of the financial impact of bill section 12, which would require large group plans to provide coverage for hearing aids and related services effective January 1, 2022.

Fiscal Analysis

MVP’s actuaries have not yet estimated the added costs that would be associated with the new benefit requirement if it were enacted. For your background, of MVP’s roughly 40,000 Vermont members, only 2,000 are enrolled in fully insured large group products. So, it is difficult to determine at this point the added claims and utilization costs associated with this change for MVP’s limited large group membership. But as the Committee understands, any new benefit costs would need to be reflected in the premium rates.

QHP Benchmark Review

To the extent that the language in bill section 13 in S.132 is added to S.120 I would like to take the opportunity to address that section, too. That section directs the Agency of Human Services to apply to CMS to modify the essential health benefits for Vermont’s benchmark plan to include coverage for hearing aids and related services. If CMS approves that application, it would result in a requirement that hearing aids and related services be covered in individual and small group plans.

However, I note that Chair Lyons’ letter dated April 21, 2021 to Senator Kitchel setting forth the committee’s recommendations relative to health care related appropriations that should be included in the FY2022 budget bill, H.439, references DFR’s intent to conduct a federally funded review of Vermont’s benchmark plan. That letter goes on to propose language directing DFR to determine the potential impacts of modifying the benchmark plan to include coverage of, among other things, hearing aids.

It may be that the committee does not intend to move forward with S.132's bill section 13. But, if the committee does intend to move forward with section 13, it strikes MVP that the DFR study, which per Chair Lyon's letter to Senator Kitchel, would involve input from a variety of stakeholders, including health insurers, should occur first. In other words, it is respectfully suggested that the committee not move forward with section 13 in S.132 since DFR will be studying the impacts of a hearing aid coverage mandate for small group and individual health plans.