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H.430

Introduced by Representatives Galfetti of Barre Town and Waszazak of Barre  
City

Referred to Committee on

Date:

Subject: Health; health insurance; age rating; tobacco rating

Statement of purpose of bill as introduced: This bill proposes to allow health  
insurers in Vermont to vary premiums for individual and small group health  
insurance plans based on beneficiary age and tobacco usage.

An act relating to allowing health insurance premiums to vary based on age  
and tobacco usage

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

Sec. 1. 33 V.S.A. § 1811 is amended to read:

§ 1811. HEALTH BENEFIT PLANS FOR INDIVIDUALS AND SMALL  
EMPLOYERS

\* \* \*

(f)(1) A registered carrier shall use a community rating method acceptable  
to the Commissioner of Financial Regulation for determining premiums for  
health benefit plans. Except as provided in subdivision (2) of this subsection,  
the following risk classification factors are prohibited from use in rating

1 individuals, small employers, or employees of small employers, or the  
2 dependents of such individuals or employees:

3 (A) demographic rating, including ~~age and~~ gender rating;

4 (B) geographic area rating;

5 (C) industry rating;

6 (D) medical underwriting and screening;

7 (E) experience rating;

8 (F) tier rating; or

9 (G) durational rating.

10 (2)(A)(i) A registered carrier may vary the premium rate for a health  
11 benefit plan as follows:

12 (I) based on age, provided that the maximum rate differential  
13 for age as determined by ratio shall not exceed 3 to 1; and

14 (II) based on tobacco usage, provided that the maximum rate  
15 differential for tobacco usage as determined by ratio shall not exceed 1.5 to 1.

16 (ii) The Commissioner of Financial Regulation shall, by rule,  
17 adopt standards and a process for permitting registered carriers to use one or  
18 more risk classifications in their community rating method in addition to those  
19 specified in subdivision (i) of this subdivision (2)(A), provided that the  
20 premium charged shall not deviate above or below the community rate filed by  
21 the carrier by more than 20 percent after the application of age and tobacco

1 rating, if applicable, and provided further that the Commissioner of Financial  
2 Regulation's rules may not permit any medical underwriting and screening and  
3 shall give due consideration to the need for affordability and accessibility of  
4 health insurance.

5 (B) The Commissioner of Financial Regulation's rules shall permit a  
6 carrier, including a hospital or medical service corporation and a health  
7 maintenance organization, to establish rewards, premium discounts, split  
8 benefit designs, rebates, or otherwise waive or modify applicable co-payments,  
9 deductibles, or other cost-sharing amounts in return for adherence by a  
10 member or subscriber to programs of health promotion and disease prevention.  
11 The Commissioner of Financial Regulation shall consult with the  
12 Commissioner of Health, the Director of the Blueprint for Health, and the  
13 Commissioner of Vermont Health Access in the development of health  
14 promotion and disease prevention rules that are consistent with the Blueprint  
15 for Health. Such rules shall:

16 (i) limit any reward, discount, rebate, or waiver or modification of  
17 cost-sharing amounts to not more than a total of 15 percent of the cost of the  
18 premium for the applicable coverage tier, provided that the sum of any rate  
19 deviations under subdivision (A) of this subdivision (2) does not exceed 30  
20 percent after the application of age and tobacco rating, if applicable;

21 \* \* \*

1       Sec. 2. EFFECTIVE DATE

2       This act shall take effect on January 1, 2026.