



State of Vermont
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

For consumer assistance:
[Banking] 888-568-4547
[Insurance] 800-964-1784
[Securities] 877-550-3907
www.dfr.vermont.gov

January 27, 2026

Representative Alyssa Black, Chair
Vermont House Committee on Health Care
115 State Street
Montpelier, VT 05633-5301

RE: Department of Financial Regulation Testimony regarding H.577 – An Act Relating to Establishing the Vermont Prescription Drug Discount Card Program

Dear Chair Black and Members of the Committee:

Thank you for the opportunity to testify on behalf of the Department of Financial Regulation (DFR) about the above-referenced bill. As requested, I am submitting this written testimony to support DFR's oral testimony.

DFR supports H. 577. We believe that the Vermont Prescription Drug Discount Card Program (the Program) has the potential to provide some consumers with important relief from high prescription drug costs. The Program is currently active in five other states and was founded by Oregon and Washington to address the kinds of issues Vermonters currently face related to prescription drug costs.

DFR also believes that it would be in the best interest of Vermonters if the prescription drug purchases obtained through the Program could be counted towards each insured's deductible. This process, however, would rely on insureds reporting information to their PBM or insurer, completing forms, and providing required documentation since the Program purchases occur outside the plan. We learned during the pandemic that these types of self-reported claims using manual processes can be difficult and frustrating for consumers and insurers. Implementation of this process will take time to develop so that it is as simple as possible for all parties. DFR suggests considering the path that Connecticut took during implementation to allow immediate cost reductions to consumers while deductible issues are addressed. Connecticut chose to launch the Program and then implement statutory language regarding deductibles the following year.

During testimony, the Committee also asked whether the deductible requirement could be applied to ERISA plans. Federal law and relevant court decisions make it clear that states cannot impose specific benefit requirements on ERISA plans, such as requiring off-benefit transactions to count towards a member's deductible.

We appreciate the opportunity to provide DFR's thoughts on H. 577 and we look forward to working with the Treasurer's Office and insurers to develop any necessary processes.

Sincerely,

Signed by:


Mary Black

Deputy Commissioner of Insurance

