

# HCA Testimony on 26-0804 Draft Health Care Sections



**The Office of the Health Care Advocate**

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**April 28, 2026**



# Health Care Sections of 26-0804



1. Sec. A. 33 V.S.A. § 1812 - Financial assistance to individuals
2. Sec. E.306.4 Medicare savings programs; income eligibility
3. Sec. D. 32 V.S.A. § 3102(e)(21) – Small employer premium tax credit

# Small Employer Premium Tax Credit



- Vermont has the highest health insurance premiums in the U.S.
- From 2021 to 2026, small group plans have cumulatively increased by 56% for BCBS-VT and 52% for MVP.
- Vermont employers are struggling to offer health insurance to employees due to cost.
- Proposal: Tax credit for employers that pay 50% or more health insurance premiums for employees.

# Questions



# Financial Assistance on Vermont Health Connect



- Financial assistance lowers premiums for plans purchased through Vermont Health Connect (VHC):
  - Advance Premium Tax Credits (APTC)
  - Vermont Premium Assistance
- During the pandemic, APTC was “enhanced” so that it was more generous for households with income <400% FPL and newly available to households with income >400% FPL
- January 1, 2026 - Enhanced Premium Tax Credits (e-PTC) ended.
  - No PTC for >400% FPL
  - Less APTC (return to the pre-expansion levels\*) for 139% - 400% FPL



# Loss of e-PTC impacts on 2026 enrollment



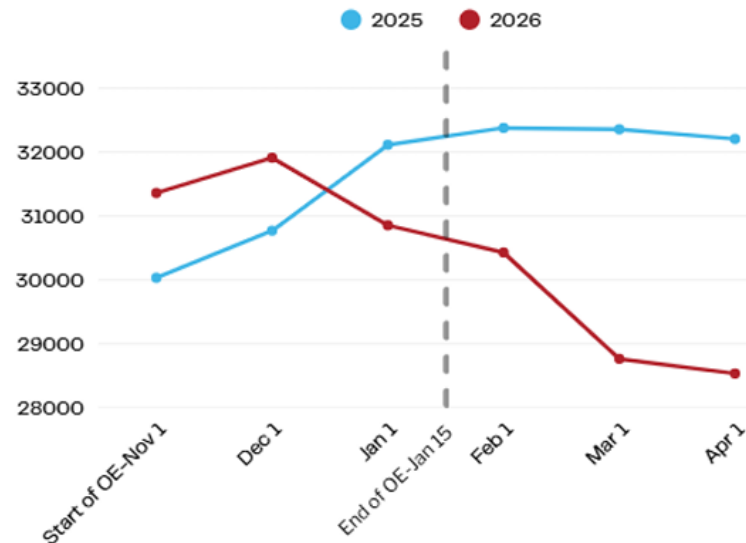
Enrollment for  
Plan Year 2026

Total QHP  
Enrollment

April 23, 2026 | 1

for PY26  
**28,535**

### Total Enrollment



Dept. of VT Health Access - Open Enrollment 2026  
Data: [Data as of 4/10/26](#)

# Loss of e-PTC impacts on 2026 enrollment

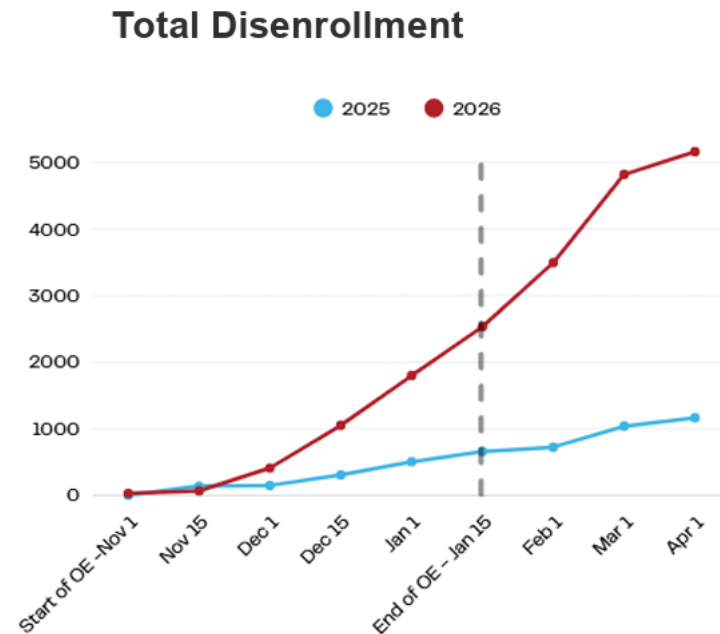


Enrollment for  
Plan Year 2026

Total QHP  
Disenrollment

April 23, 2026 | 2

for PY26  
**5,160**



Dept. of VT Health Access - Open Enrollment 2026  
Data: [Data as of 4/10/26](#)

# Loss of e-PTC impacts on 2026 enrollment

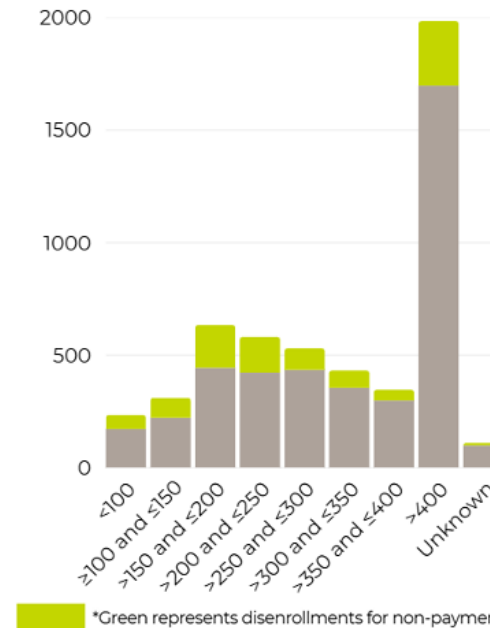


Enrollment for  
Plan Year 2026

Disenrollment  
by income

April 23, 2026 | 3

Disenrollments continue to be greatest  
among those with an income >400% FPL



\*Green represents disenrollments for non-payment



Dept. of VT Health Access - Open Enrollment 2026  
Data: [Data as of 4/10/26](#)

# Vermont Premium Assistance (VPA) – Current



- State-based subsidy program
- Lowers premiums for qualified health plans (QHP) purchased through Vermont Health Connect
- Currently, available to households <300% federal poverty level (FPL)
- Funded via Vermont’s 1115 Waiver
- Lowers a household’s “required contribution.” (This is the dollar amount that a household must spend on premiums if they were to buy the second lowest cost silver “benchmark” plan.)
- Used in combination with the federal advance premium tax credit (APTC) to lower your premium for any QHP purchased through VHC.

# Vermont Premium Assistance (VPA) – Proposed



- Continue the current system of VPA for individuals <300% FPL
- Proposal to add VPA for individuals >400% FPL
  - Households would not pay more than 10% of income for the second lowest cost silver plan sold through Vermont Health Connect (VHC)
  - Must purchase plan through VHC
  - Cannot have offer of “affordable” and “adequate” minimum essential coverage
- Expansion estimated to cost approx. \$45.6M\* state funds only

# Questions



# Medicare Savings Program (MSP) Overview



- Medicaid funded program that helps people with Medicare lower their costs.
- People with Medicare are typically over age 65 or under 65 with a recognized Social Security disability (2+ years of receiving SSDI).

**MEDICARE HEALTH INSURANCE**

Name/Nombre  
**JOHN L SMITH**

Medicare Number/Número de Medicare  
**1EG4-TE5-MK72**

Entitled to/Con derecho a	Coverage starts/Cobertura empieza
<b>HOSPITAL (PART A)</b>	<b>03-01-2016</b>
<b>MEDICAL (PART B)</b>	<b>03-01-2016</b>

A sample Medicare Health Insurance card for John L. Smith. The card features the Medicare logo and the title 'MEDICARE HEALTH INSURANCE'. It lists the cardholder's name as JOHN L SMITH and their Medicare Number as 1EG4-TE5-MK72. Below this, it details the coverage for Hospital (Part A) and Medical (Part B), both starting on 03-01-2016. A large 'SAMPLE' watermark is overlaid on the card.

# Medicare Savings Program (MSP) Overview



In Vermont there are now two levels of MSP:

- **Qualified Medicare Beneficiary (QMB)**
  - Pays your Medicare Part B premium (\$202.90 / month)
  - Pays your Medicare Part A & B cost-sharing at the doctor and hospital (reduces your costs to \$0)
- **Qualified Individual (QI-1)**
  - Pays your Medicare Part B premium (\$202.90 / month)
- Enrollment in QMB or QI-1 makes you automatically eligible for the 100% federally funded Low Income Subsidy (LIS) or “Extra Help” prescription drug program.
  - LIS lowers or eliminates your Medicare Part D premium, eliminates your deductible, and drastically reduces your co-pays.



# Medicare Savings Program (MSP) Overview



- Vermont's MSP expanded on January 1, 2026.
- Thank you, legislators!
  - Act 113 of 2024
  - Act 27 of 2025
- Estimated 14,000 Vermonters are newly eligible.
- Huge value for Vermonters!

## GET HELP WITH MEDICARE COSTS

A Medicare Savings Program (MSP) can help you save at least \$2,500 per year in health care costs.

If your income is below or near the limit, you may qualify for a MSP. The MSP can pay your Medicare Part B premium & lower your Part D prescription costs.

Even if your income is close to the limit, it is often worth applying.

Office of the Health Care Advocate  
Helpline: 800-917-7787  
Online: [vtlawhelp.org/health](https://vtlawhelp.org/health)  
Learn More: <https://bit.ly/VTMSP>



### 2026 INCOME LIMITS

1 INDIVIDUAL  
\$2,685 / month

2 COUPLE  
\$3,645 / month

THINK YOU MAY QUALIFY?  
CALL FOR FREE HELP



OFFICE OF THE HEALTH  
CARE ADVOCATE  
800-917-7787



# Proposed Medicare Savings Program Expansion



## Current Medicare Savings Program Income Limits

Household Size	QMB to 150% FPL	QI-1 to 202% FPL
1	\$1,994	\$2,685
2	\$2,707	\$3,645

~14,000+  
net new  
enrollees

## Proposed Medicare Savings Program Income Limits

Household Size	QMB to 200% FPL	QI-1 to 262% FPL
1	\$2,660	\$3,485
2	\$3,607	\$4,725

~4,248+  
net new  
enrollees

# Proposed Medicare Savings Program Expansion



- Cost Estimate: \$10M GF
  - QMB costs are split with between the state and federal government based on current FMAP
  - QI-1 is 100% federally funded
- Discussion of estimated savings / value for Vermonters

# Questions





## Thank you! From the Office of the Health Care Advocate

Help Line: 1-800-917-7787

[www.vtlawhelp.org/health](http://www.vtlawhelp.org/health)

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