

MEMORANDUM

TO: Senator Ann Cummings,  
Chair, Senate Committee on Finance

FROM: Ms. Alex McCracken,  
Director of Communications and Legislative Affairs, DVHA

DATE: April 29<sup>th</sup>, 2026

SUBJECT: DVHA Language Recommendations in H.585: An act relating to health insurance reforms

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Madam Chair,

The Department of Vermont Health Access (DVHA) appreciates the opportunity to testify on H.585. DVHA would like to request two minor clarifying edits to the current language in Section 9 of the bill. While DVHA largely defers to our colleagues at the Department of Financial Regulation (DFR) in representing the interests of the administration regarding H.585, the Department would like to draw the Committee's attention to two items that require correction or clarification.

Section 9 requires DVHA to submit a report to the legislature regarding health insurance plan design flexibility, specifically regarding out-of-pocket limits on prescription drugs. The Department is able and willing to conduct this analysis, however, we would request the Committee consider two language changes for clarity and scope.

Firstly, the large group market is outside of our scope. DVHA does not collect the data required to assess the large group market, and as such cannot produce this portion of any reporting requirement. DVHA would recommend amending the language in Section 9 to exclude the large group market.

Understanding that there may be compelling reasons the Committee wished to include the large group market, an alternative to the above would be to shift the language to properly designate DFR as the entity responsible for any analysis of the large group market.



Secondly, DVHA notes that the statutory reference in the current text of Section 9 is not specific to the prescription drug out-of-pocket limit. There are several other provisions within 8 VSA 4092 which do not pertain to the legislative intent of this bill, as we understand it. DVHA would request that the bill text be updated to be specific to subsections b-c of 8 VSA 4092.

I have highlighted these changes below. The Department appreciates the Committee's attention to this language, and consideration of the below changes. Thank you for your service to Vermonters.

*Sec. 9. INCREASING FLEXIBILITY IN HEALTH INSURANCE PLAN DESIGN; REPORT* The Department of Vermont Health Access, in consultation with the Department of Financial Regulation, shall consider the feasibility and potential impacts on premiums and on plan design of allowing health insurers to offer health insurance plans ~~in the large group market and~~ at each metal level in the individual and small group markets that do not include the out-of-pocket limits for prescription drugs established in 8 V.S.A. § 4092 ~~b-c~~, provided the health insurers also offer plans in the same markets that do include the out-of-pocket limits for prescription drugs established in 8 V.S.A. § 4092 ~~b-c~~. On or before January 15, 2027, the Department of Vermont Health Access shall provide its findings and recommendations for increasing flexibility in health insurance plans' out-of-pocket prescription drug limits to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance.