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# **State of Vermont's Proposal to Waive SHOP Internet Portal Under 1332 Waiver for State Innovation**

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# Vermont's Unique Insurance Market

- 2 insurers in small group and individual market
- Only Qualified Health Plans available
- Employer sponsored insurance declining, especially with implementation of the ACA

# Vermont's Unique Insurance Market

## Vermont only has two insurers for small groups and individuals

- Vermont's small group market and individual market are merged
- Only two major medical insurers serve this merged market
  - Blue Cross Blue Shield of Vermont
  - MVP Health Care

# Vermont's Unique Insurance Market

- Vermont requires those two insurers to sell only Vermont Health Connect QHPs to the individual and small group market
- This means the entire small group and individual market chooses between 20 plans (see next page)
- Vermont does not anticipate this requirement changing with the introduction of an Internet portal
  - Comprehensiveness will remain the same because the plans will remain the same
  - Affordability will remain the same because the plans will remain the same

# Vermont's Unique Insurance Market

All Vermont Health Connect plans cover the same set of Essential Health Benefits. The difference lies in the plan designs, which determine how you pay for those benefits. Standard plans have the same designs across insurance carriers, while Blue Rewards and Vitality Plus plans were uniquely designed by the carriers, with a focus on wellness.

## Vermont Health Connect 2016 Plan Designs & Monthly Premiums (before subsidy)

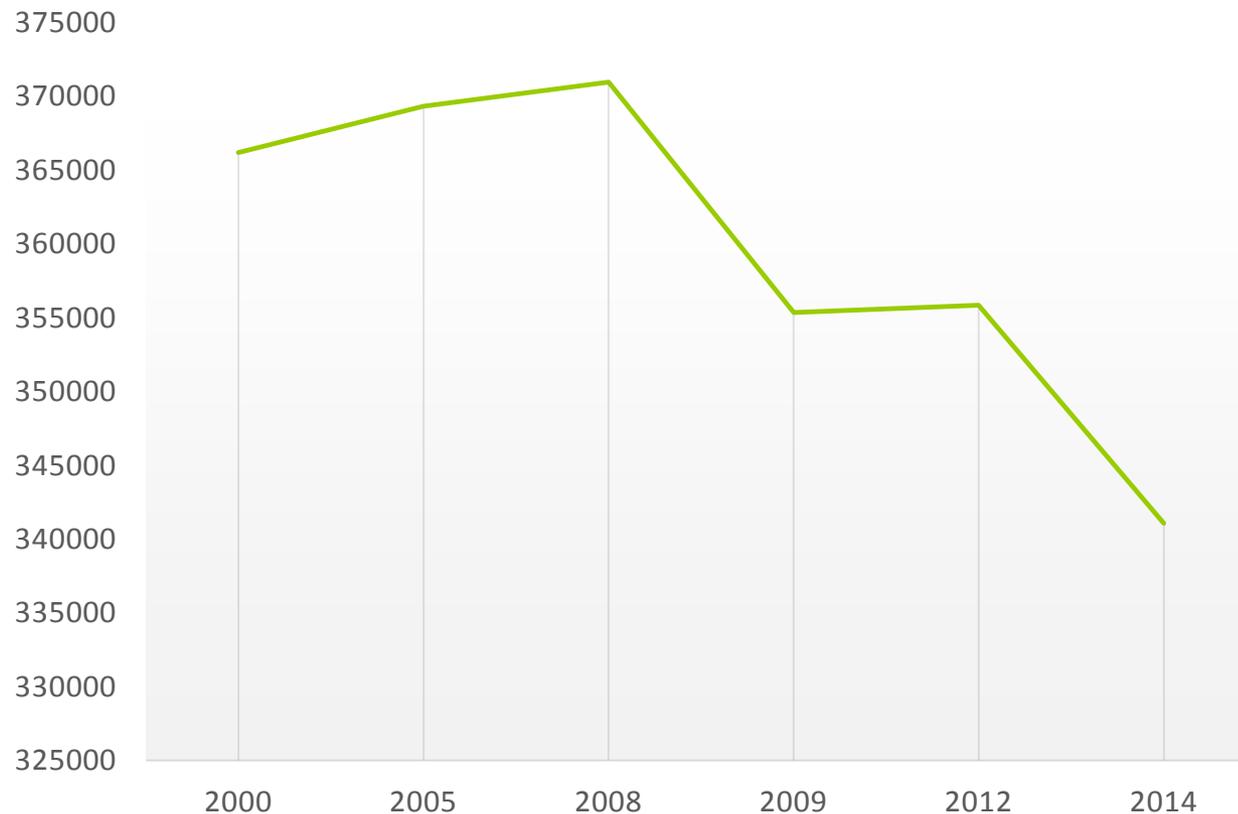
Interested in the cost after subsidy?  
Most Vermonters who use Vermont Health Connect qualify for financial help to reduce their costs. To see if you qualify, visit the Subsidy Estimator at [http://info.healthconnect.vermont.gov/subsidy\\_estimator](http://info.healthconnect.vermont.gov/subsidy_estimator) or call 1-855-899-9600.

Vermont Health Connect VERMONT HEALTH CONNECT VERMONT GOVERNMENT	Standard Plans				Standard High Deductible Health Plans (HDHP)				Blue Rewards				VT Vitality Plus				
	BCBSVT & MVP				Can Pair with Health Savings Account (HSA)				BCBSVT only				MVP only				
	Platinum	Gold	Silver	Bronze	Silver HDHP		Bronze HDHP		Gold	Silver	Gold CDHP Can pair with HSA	Bronze CDHP Can pair with HSA	Gold	Silver	Bronze	Gold HDHP Can pair with HSA	
				BCBSVT	MVP	BCBSVT	MVP	BCBSVT	MVP	BCBSVT	MVP	BCBSVT	MVP	BCBSVT	MVP	BCBSVT	MVP
	Individual / Family	Individual / Family	Individual / Family	Individual / Family	Individual / Family	Individual / Family	Individual / Family	Individual / Family	Individual / Family	Individual / Family	Individual / Family	Individual / Family	Individual / Family	Individual / Family	Individual / Family	Individual / Family	Individual / Family
Deductible (Ded.)	Integrated Ded. <sup>1</sup>	N	N	N	N	\$1,425/\$2,850 <sup>7</sup>	\$1,550/\$3,100 <sup>7</sup>	Y - \$4,100/\$8,200	Y - \$4,400/\$8,800	Y - \$1,250/\$2,500	\$2,000/\$4,000 <sup>7</sup>	Y - \$2,500/\$5,000	Y - \$6,550/\$13,100	N	N	N	Y
	Medical Ded.	\$150/\$300	\$750/\$1,500	\$2,000/\$4,000 <sup>7</sup>	\$4,000/\$8,000	See above	See above	See above	See above	See above	See above	See above	See above	\$650/\$1,300	\$2,000/\$4,000 <sup>7</sup>	\$5,000/\$10,000	\$2,400/\$4,800
	Waived <sup>1</sup> for: (see services below)	Prev, OV, UC, Amb, ER, Den1	Prev, OV, UC, Amb, ER, Den1	Prev, OV, UC, Amb, ER, Den1	Prev, Den1	Prev	Prev	Prev	Prev	Prev, 3 PCP/MH OV, Den1	Prev, 3 PCP/MH OV, Den1	Prev	Prev	Prev, OV, UC, Den1	Prev, PCP/MH, Den1	Prev, Den1	Prev
	Prescription (Rx) Ded.	\$0	\$50 <sup>8</sup>	\$150 <sup>8</sup>	\$500 <sup>8</sup>	See above	See above	See above	See above	See above	See above	See above	See above	\$200/\$400	\$250/\$500 <sup>7</sup>	\$300/\$600	See above
Max. Out-of-Pocket (MOOP)	Integrated?	N	N	N	Y-\$6,850/\$13,700	Y-\$7,750/\$15,500	Y-\$8,750/\$17,500	Y-\$6,500/\$13,000	Y-\$6,500/\$13,000	Y-\$4,250/\$8,500	Y-\$6,850/\$13,700 <sup>7</sup>	Y-\$2,500/\$5,000	\$6,550/\$13,100	N	N	Y-\$6,850/\$13,700	Y-\$2,400/\$4,800
	Medical	\$1,250/\$2,500	\$4,250/\$8,500	\$5,600/\$11,200 <sup>7</sup>	See above	See above	See above	See above	See above	See above	See above	See above	See above	\$5,550/\$11,100	\$5,550/\$11,100 <sup>7</sup>	See above	See above
	Prescription (Rx)	\$1,250/\$2,500	\$1,250/\$2,500	\$1,250/\$2,500 <sup>7</sup>	\$1,250/\$2,500	\$1,300/\$2,600 <sup>7</sup>	\$1,300/\$2,600 <sup>7</sup>	\$1,300/\$2,600	\$1,300/\$2,600	\$1,250/\$2,500	\$1,300/\$2,600 <sup>7</sup>	\$1,300/\$2,600	\$1,300/\$2,600	\$1,300/\$2,600 <sup>7</sup>	\$1,300/\$2,600	\$1,300/\$2,600	\$1,300/\$2,600
Stacked or Aggregate <sup>2</sup>	Stacked <sup>4</sup>	Stacked <sup>4</sup>	Stacked <sup>4</sup>	Stacked <sup>4</sup>	Aggregate Embedded <sup>10</sup>	Agg Ded/Stack MOOP <sup>8</sup>	Aggregate Embedded <sup>10</sup>	Agg Ded/Stack MOOP <sup>8</sup>	Aggregate Embedded <sup>10</sup>	Aggregate Embedded <sup>10</sup>	Aggregate Embedded <sup>10</sup>	Aggregate Embedded <sup>10</sup>	Stacked <sup>4</sup>	Stacked <sup>4</sup>	Stacked <sup>4</sup>	Aggregate <sup>8</sup>	
Service Category (Examples)	Co-insurance (%) / Co-pay (\$)	Co-insurance (%) / Co-pay (\$)	Co-insurance (%) / Co-pay (\$)	Co-insurance (%) / Co-pay (\$)	Co-insurance (%) / Co-pay (\$)	Co-insurance (%) / Co-pay (\$)	Co-insurance (%) / Co-pay (\$)	Co-insurance (%) / Co-pay (\$)	Co-insurance (%) / Co-pay (\$)	Co-insurance (%) / Co-pay (\$)	Co-insurance (%) / Co-pay (\$)	Co-insurance (%) / Co-pay (\$)	Co-insurance (%) / Co-pay (\$)	Co-insurance (%) / Co-pay (\$)	Co-insurance (%) / Co-pay (\$)	Co-insurance (%) / Co-pay (\$)	Co-insurance (%) / Co-pay (\$)
Preventive (Prev)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Visit (OV)	PCP or Mental Health (PCP/MH)	\$10	\$15	\$25	Ded., then \$35	Ded., then 10%	Ded., then 10%	Ded., then 50%	Ded., then 50%	3 visits per person (up to 9 per family) with no cost share (then deductible applies with co-pay of \$20 (Gold) or \$30 (Silver))	Ded., then \$0	Ded., then \$0	\$10	\$20	Ded., then \$40	Ded., then \$0	
	Specialist <sup>3</sup>	\$20	\$25	\$50	Ded., then \$85	Ded., then 25%	Ded., then 25%	Ded., then 50%	Ded., then 50%	Ded., then \$30	Ded., then \$50	Ded., then \$0	Ded., then \$0	\$30	Ded., then \$60	Ded., then \$100	Ded., then \$0
	Urgent Care (UC)	\$40	\$45	\$60	Ded., then \$100	Ded., then 25%	Ded., then 25%	Ded., then 50%	Ded., then 50%	Ded., then \$30	Ded., then \$50	Ded., then \$0	Ded., then \$0	\$45	Ded., then \$60	Ded., then \$100	Ded., then \$0
	Ambulance (Amb)	\$50	\$50	\$100	Ded., then \$100	Ded., then 25%	Ded., then 25%	Ded., then 50%	Ded., then 50%	Ded., then \$30	Ded., then \$50	Ded., then \$0	Ded., then \$0	Ded., then \$200	Ded., then \$100	Ded., then \$100	Ded., then \$0
	Emergency Room (ER) <sup>4</sup>	\$100	\$150	Ded., then \$250	Ded., then 50%	Ded., then 25%	Ded., then 25%	Ded., then 50%	Ded., then 50%	Ded., then \$250	Ded., then \$250	Ded., then \$0	Ded., then \$0	Ded., then \$500	Ded., then \$250	Ded., then \$500	Ded., then \$0
	Hospital Inpatient	Ded., then 10%	Ded., then 20%	Ded., then 40%	Ded., then 50%	Ded., then 25%	Ded., then 25%	Ded., then 50%	Ded., then 50%	Ded., then \$500	Ded., then \$1,750	Ded., then \$0	Ded., then \$0	Ded., then 20%	Ded., then 50%	Ded., then 50%	Ded., then \$0
	Hospital Outpatient	Ded., then 10%	Ded., then 20%	Ded., then 40%	Ded., then 50%	Ded., then 25%	Ded., then 25%	Ded., then 50%	Ded., then 50%	Ded., then \$500	Ded., then \$1,750	Ded., then \$0	Ded., then \$0	Varies by service	Varies by service	Ded., then 50%	Ded., then \$0
	Prescription (Rx) Drug Coverage	30-day supply	30-day supply	30-day supply	30-day supply	30-day supply	30-day supply	30-day supply	30-day supply	30-day supply	30-day supply	30-day supply	30-day supply	30-day supply	30-day supply	30-day supply	30-day supply
	Rx Generic <sup>5</sup>	\$5	\$5	\$15	Ded., then \$20	Ded., then \$10	Ded., then \$10	Ded., then \$12	Ded., then \$12	Ded., then \$5	Ded., then \$5	Ded., then \$5	Ded., then \$5	\$5	Ded., then \$15	Ded., then \$20	Ded., then \$0
	Rx Preferred Brand <sup>6</sup>	\$40	Ded., then \$40	Ded., then \$60	Ded., then \$80	Ded., then \$40	Ded., then \$40	Ded., then 40%	Ded., then 40%	Ded., then 40%	Ded., then 40%	Ded., then 40%	Ded., then 40%	Ded., then \$40	Ded., then \$50	Ded., then \$90	Ded., then \$0
	Rx Non-Preferred Brand <sup>6</sup>	50%	Ded., then 50%	Ded., then 50%	Ded., then 60%	Ded., then 50%	Ded., then 50%	Ded., then 60%	Ded., then 60%	Ded., then 60%	Ded., then 60%	Ded., then 60%	Ded., then 60%	Ded., then 50%	Ded., then 50%	Ded., then 60%	Ded., then \$0
Additional Benefits																	
Wellness Benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Up to \$300 in wellness rewards per adult				VBID Rx co-pay of \$1/\$3, up to \$50 in wellness rewards			
Premiums by Tier <sup>9</sup>	Cost before subsidy	Cost before subsidy	Cost before subsidy	Cost before subsidy	Cost before subsidy	Cost before subsidy	Cost before subsidy	Cost before subsidy	Cost before subsidy	Cost before subsidy	Cost before subsidy	Cost before subsidy	Cost before subsidy	Cost before subsidy	Cost before subsidy	Cost before subsidy	Cost before subsidy
Single	BCBSVT	\$656.63	\$573.36	\$484.49	\$409.17	\$468.90		\$406.84		\$531.33	\$465.16	\$506.32	\$401.92				
	MVP	\$660.42	\$588.71	\$493.38	\$392.45		\$468.05		\$380.71						\$574.85	\$476.39	\$391.36
Couple	BCBSVT	\$1,313.26	\$1,146.72	\$968.98	\$818.34	\$937.80		\$813.68		\$1,062.66	\$930.32	\$1,012.64	\$803.84				
	MVP	\$1,320.84	\$1,177.42	\$986.76	\$784.90		\$936.10		\$761.42						\$1,149.70	\$952.78	\$782.72
Parent and Child(ren)	BCBSVT	\$1,267.30	\$1,106.58	\$935.07	\$789.70	\$904.98		\$785.20		\$1,025.47	\$897.76	\$977.20	\$775.71				
	MVP	\$1,274.61	\$1,136.21	\$952.22	\$757.43		\$903.34		\$734.77						\$1,109.46	\$919.43	\$755.32
Family	BCBSVT	\$1,845.13	\$1,611.14	\$1,361.42	\$1,149.77	\$1,317.61		\$1,143.22		\$1,493.04	\$1,307.10	\$1,422.76	\$1,129.40				
	MVP	\$1,855.78	\$1,654.28	\$1,386.40	\$1,102.78		\$1,315.22		\$1,069.80						\$1,615.33	\$1,338.66	\$1,099.72

**Abbreviations**—Ded, Deductible; Rx, Prescription Drugs; OV, Office Visits; UC, Urgent Care; Amb, Ambulance; VBID, Value-Based Insurance Design; Den1, Pediatric Dental Class 1 Series; BC, Emergency Room  
<sup>1</sup> Medical Deductible waived for: Preventive, Office Visit, Urgent Care, Ambulance, Emergency Room, Pediatric Dental Class 1 Series (as indicated by plan).  
<sup>2</sup> Specialist co-pay also applies to PT/OT, vision, and any alternative medicine benefits, as appropriate.  
<sup>3</sup> ER co-pay is waived if admitted.  
<sup>4</sup> Hospital Services are Inpatient (including surgery, ICU/CCU, maternity, SNF and MAU/TA), Outpatient (including ambulatory surgery centers), and Radiology (MRI, CT, PET). This cost-sharing will also include physician and anesthesia costs, as appropriate.  
<sup>5</sup> Each insurance carrier classifies drugs according to its own formulary. To see if a specific drug qualifies for the Generic or Preferred category, view the formulary at <http://info.healthconnect.vermont.gov/healthplans> or contact BCBSVT (800-247-2538) or MVP (800-TALK-MVP).  
<sup>6</sup> With an aggregate family deductible, your family must meet the family deductible before the plan pays benefits. With a stacked deductible, the plan pays benefits once you meet either your individual deductible or your family deductible.  
<sup>7</sup> If you purchase a new plan and your income qualifies for cost-sharing reductions (for example, up to \$7,750 for a family of four), your deductible and max. out-of-pocket could be lower than the figures stated above. To learn more, go to [www.VermontHealthConnect.gov](http://www.VermontHealthConnect.gov) and click on "Health Plans."  
<sup>8</sup> BCBSVT Standard Gold/Silver/Bronze plans have a \$500/\$150/\$500 Rx Deductible (aggregate), while MVP Standard Gold/Silver/Bronze plans have an Rx Deductible of \$50/\$150/\$500 for a Single plan or \$100/\$300/\$1,000 for all other tiers.  
<sup>9</sup> With High Deductible Health Plans (HDHP), you do not have to pay the deductible for Wellness prescriptions. See the BCBSVT and MVP lists of Wellness Drugs at <http://info.healthconnect.vermont.gov/healthplans>.  
<sup>10</sup> Some HDHP aggregate family deductibles have an embedded individual maximum out-of-pocket of \$6,850 to prevent one individual from paying the full family maximum out-of-pocket when it exceeds the federal maximum out-of-pocket of \$6,850 for an individual.

# Vermont's Unique Insurance Market

- Unlike other states, Vermont's private insurance coverage has decreased

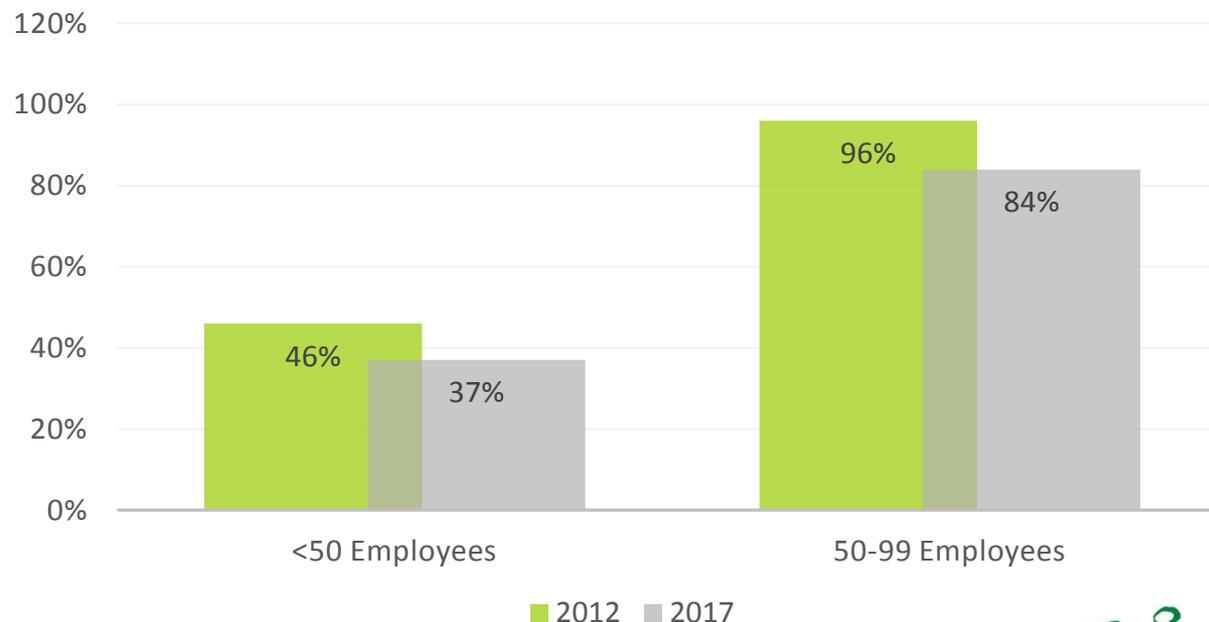


Source: Vermont Household Health Insurance Survey (VHHIS)

# Vermont's Unique Insurance Market

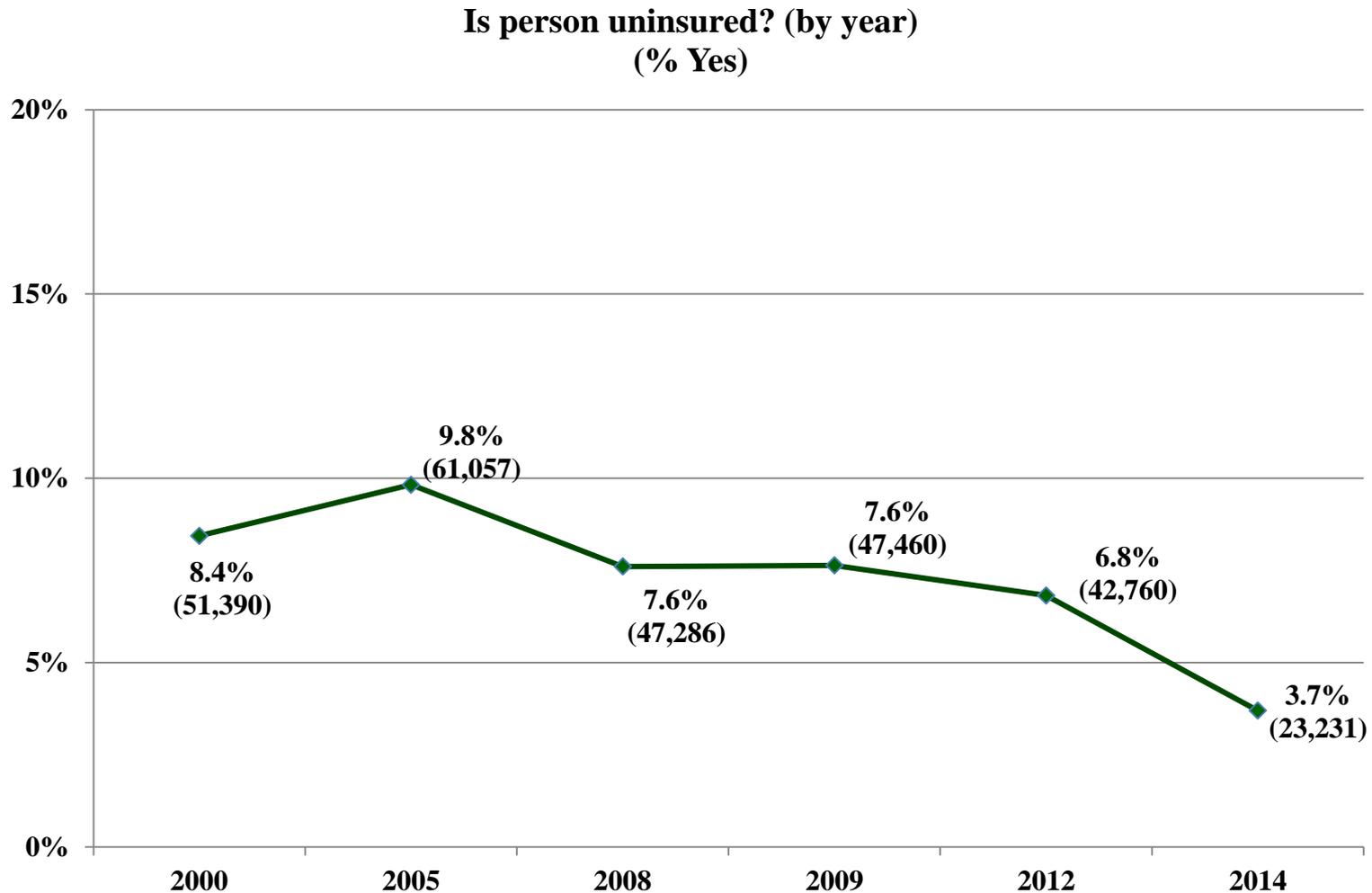
- A significant percentage of small employers are projected to drop employer-sponsored insurance coverage by 2017

Estimated Employer Insurance Offer Rates in Vermont, 2012 and 2017



Source: Eibner, Christine, et al. The Economic Incidence of Health Care Spending in Vermont. RAND Corporation, 2015

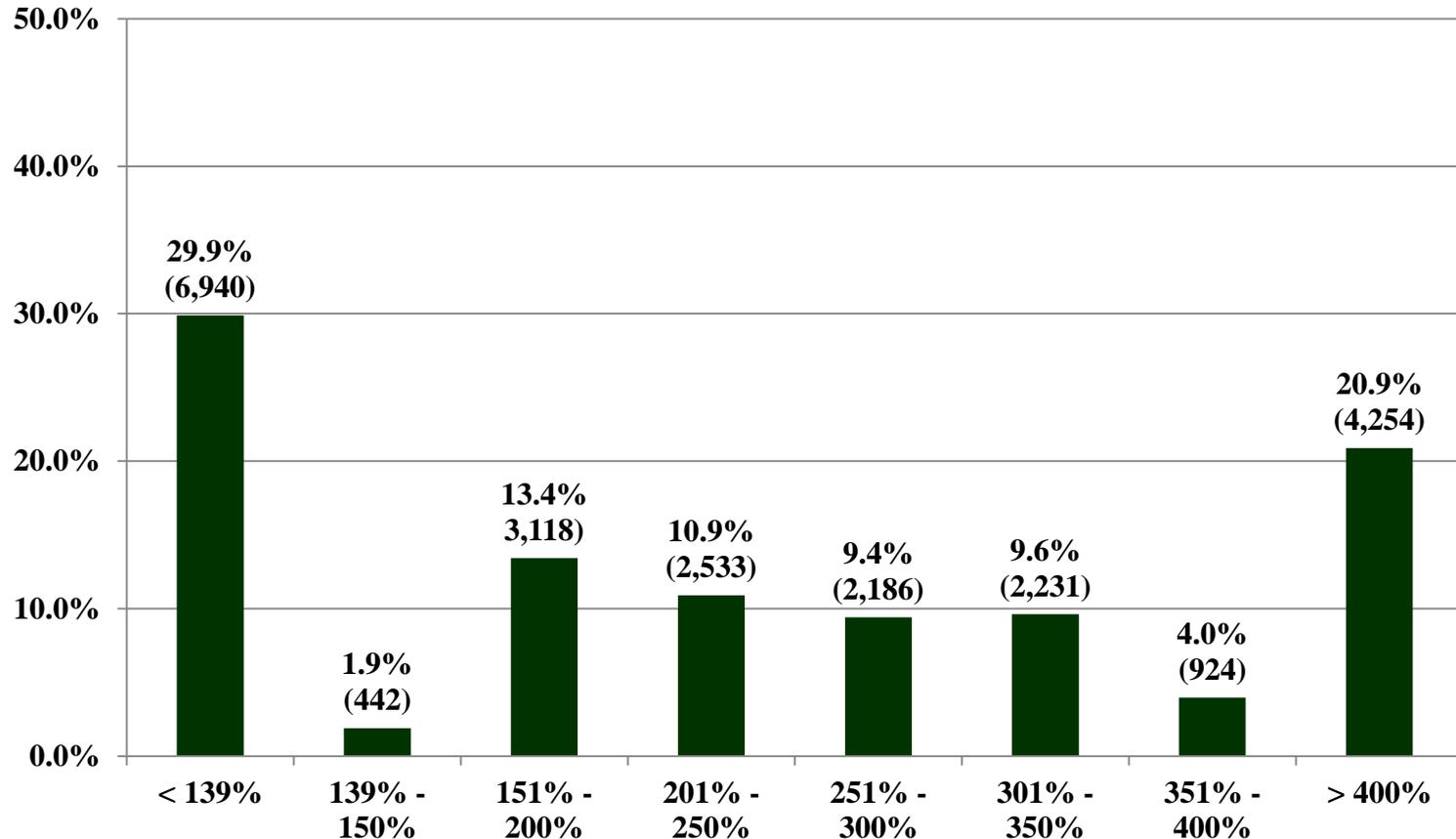
# The percentage of uninsured Vermont residents in 2014 has decreased compared to 2009 and 2012.



Data Source: 2000, 2005, 2008, 2009, 2012 and 2014 Vermont Household Health Insurance

# More than one quarter (29.9%) of the uninsured in Vermont reside in families whose income is beneath 139% of the FPL.

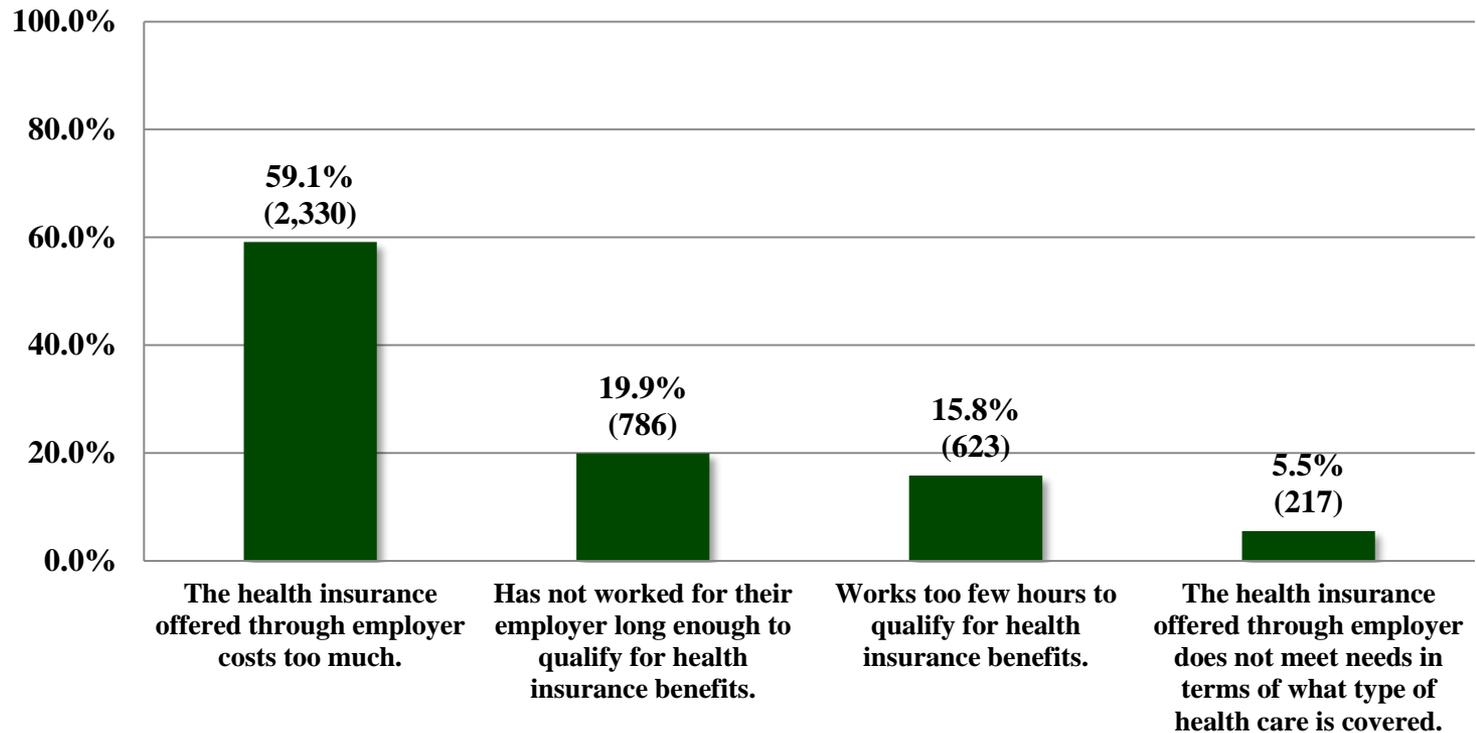
Distribution of Uninsured Vermont Residents by FPL (% uninsured)



Data Source: 2014 Vermont Household Health Insurance Survey

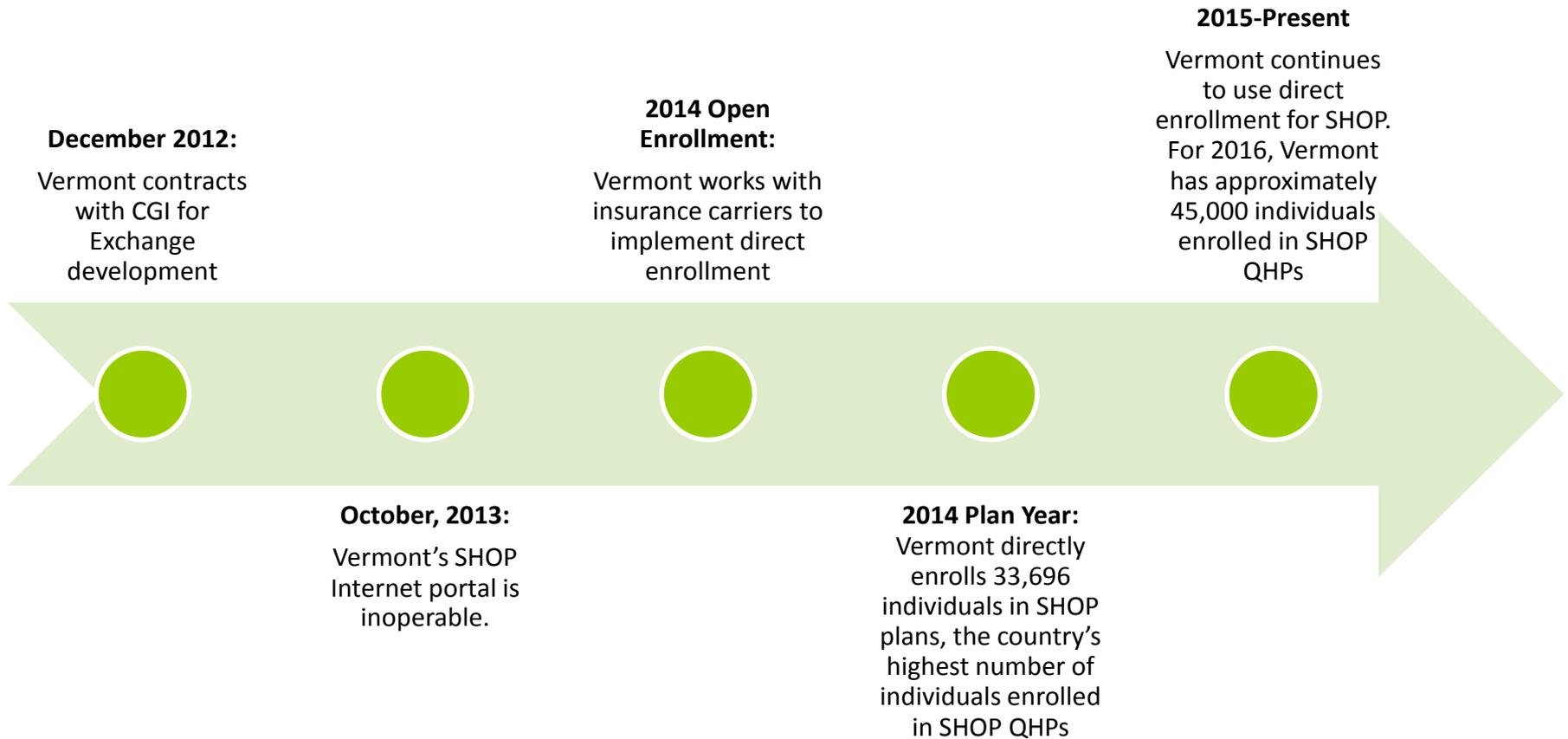
# Cost remains the primary barrier to enrolling in ESI among uninsured working adults.

Is \_\_\_\_ a reason why person did not enroll in their employer's health insurance plan?  
(% among working uninsured aged 18 to 64 with access to ESI)



Data Source: 2014 Vermont Household Health Insurance Survey

# Vermont's History with SHOP Internet Portal



# How Direct Enrollment Works

- Vermont only has two insurers in its market, with no minimum participation requirement
- The only small group plans available in VT are QHPs which go through a robust certification process.
  - Due to merged market, same plans available across individual and small group. Portability within and across markets.
  - VHC provides QHP comparison tools on its website.
- Employers sign up with insurer, instead of through the Exchange website
- Insurers provide employers with full choice of plans
  - Employer administers the plan selection for employees to choose from both insurers
- Vermont provides an appeal process as needed for eligibility concerns as well as certification of eligibility for purposes of the small business tax credit
  - We have estimated that no Vermont businesses will take the small business tax credit in future years
- Insurers report enrollment data to the federal government
  - Insurers have indicated that they can work with HHS and the IRS on reporting

# Vermont's Proposal Satisfies 1332 Guardrails

- Coverage will remain the same.
  - Without the waiver, Vermonters will have to reenroll through an Internet portal, otherwise their coverage will not change. Reenrollment could be a barrier.
  - With the waiver, Vermonters will remain covered.
- Affordability will remain the same.
  - Without a waiver, costs to build an internet portal or use the federal technology may be passed on through premiums, resulting in less affordable coverage than under the waiver.
  - With a waiver, costs are maintained without this addition.

# Vermont's Proposal Satisfies 1332 Guardrails

- Comprehensive coverage will remain the same.
  - All plans remain the same by Vermont law with or without the waiver.
- Deficit neutrality will remain the same.
  - Without a waiver, building an Internet portal would more likely create Federal costs due to technology funding.
  - With a waiver, Federal costs are consistent with the status quo.