

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2016

Bill Number: S. 238 Name of Bill: [An act relating to intermunicipal insurance agreements for health care](#)

Agency/ Dept: AoA Author of Bill Review: Devon Green

Date of Bill Review: 12/31/15 Related Bills and Key Players: No related bills, VEHI, DFR, VSBIT, NEA

Status of Bill: (check one): ☒ Upon Introduction ☐ As passed by 1st body ☐ As passed by both

Recommended Position:

☐ Support ☐ Oppose ☒ Remain Neutral ☐ Support with modifications identified in #8 below

Analysis of Bill

1. Summary of bill and issue it addresses. *Describe what the bill is intended to accomplish and why.*

The Affordable Care Act requires small employers to follow certain market reforms once they lose grandfathered status. VEHI is losing grandfathered status next year, and these market reforms would split VEHI up into small employers and large employers, with small employers going into Vermont Health Connect. VEHI would like to maintain the status quo, so it is proposing that the organization itself is one large employer and will not be affected by these small employer market reforms.

2. Is there a need for this bill? *Please explain why or why not.*

No. Authority to determine employer size is with CMS, not with Vermont. Vermont's state law would be preempted by federal law.

3. What are likely to be the fiscal and programmatic implications of this bill for this Department?

Other associations may propose to be treated as large employers so they can avoid the small employer market reforms.

4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?

DVHA—bill will not affect, but if VEHI is found to be large employer, then VHC will not get the schools as small employers.

DFR—currently, DFR regulates VEHI.

5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it? (for example, public, municipalities, organizations, business, regulated entities, etc)

VSBIT and BCBSVT wants VEHI to remain intact.

6. Other Stakeholders:

6.1 Who else is likely to support the proposal and why?

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Other associations who may see it as a slippery slope to allow them to include small employers in their plans. Insurers who prefer to have direct enrollment with schools (BCBSVT). VSBIT & NEA are likely to support in order to minimize change to the education employees.

6.2 Who else is likely to oppose the proposal and why?

7. Rationale for recommendation: *Justify recommendation stated above.*

This legislation is unnecessary and preempted by federal law.

8. Specific modifications that would be needed to recommend support of this bill: *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

9. Gubernatorial appointments to board or commission?

No.

Secretary/Commissioner has reviewed this document: _____ **Date:** _____