



## **Testimony of Kelley Avery – March 1, 2019, Senate Finance Committee**

*Senior VERB Programs Administrator*

*VLCT Employment Resource & Benefits Trust*

*Vermont League of Cities and Towns*

### **Testimony on S.103**

#### **Calculating Premium Rates for Fully Insured Association Health Plans**

- I. Overview of VLCT, VERB Trust and Benefit Programs
  - a. Introductions.
  - b. Brief history of VERB.
    - i. Membership composition.
    - ii. Benefit programs.
    - iii. Mission.
- II. Association Health Plans – VERB Trust Activity.
  - a. Initial communication to members mid-September, 2018.
  - b. Plan detail from BRS and VACE rolled out to members mid-October.
  - c. Outcome: only 9 of 280 members chose to move to AHPs.
  - d. Reasons against Group Migration:
    - i. Premium costs (MVP lower cost Exchange plans).
    - ii. Timing.
    - iii. Uncertainty.
  - e. Reasons for Group Migration:
    - i. Premium costs (BCBSVT higher cost Exchange plans).
    - ii. Plan designs/coverage.
    - iii. Medicare.(CMS small group regulations).
- III. VLCT Position on S.103.
  - a. Prohibition on Broker's Fees in Premiums.
    - VLCT is neutral on this component of the bill.
  - b. Community Rating AHP Groups.
    - VLCT opposes this component of the bill if it equates to reducing affordable health insurance options available to our members.
    - Implementation of this component will likely not resolve the ongoing issue of market de-stabilization.
- IV. VLCT Questions/Concerns if S.103 Passes.
  - a. Would AHP plan designs/coverage remain available to participating groups?
  - b. Would AHPs be placed in a separate pool from Exchange and community rated on their own, or in combination with the Exchange groups?

*Sponsor of:*

VLCT Employment  
Resource and Benefits  
Trust, Inc.

VLCT Municipal  
Assistance Center

VLCT Property and  
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