

# Modified Federal Penalty: Considerations

Pros	Cons
Familiar to public and government officials	Administrative burden and new cost to state
Policy continuity with the Affordable Care Act, which maintains the ACA's policy integrity and allows the state to leverage federal guidance, etc.	Penalizes Vermonters who fail to purchase health insurance coverage
Studied actuarial impact	Trade offs exist between complexity and the desire to protect individuals from negative consequences
Provides revenue to offset administrative costs and potentially increase subsidies	Impacts relatively few individuals compared with the level of administrative effort
Increases information available to do outreach to individuals without coverage	Limited impact as a solution to address remaining uninsured
Similar to other states' efforts (MA, NJ, DC)	Proponents of a financial penalty could not find consensus on an affordability threshold, choosing rather to provide a range for policymakers to consider

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