

## **FOR IMMEDIATE RELEASE**

Department of Vermont Health Access

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### **Miller Provides Additional Information on Vermont Health Connect Changes**

**WINOOSKI, VT** – A day after announcing major changes at Vermont Health Connect, Chief of Health Care Reform Lawrence Miller gave an update on the additional steps the state is exploring to ensure that Vermonters get the service they expect from Vermont Health Connect and can smoothly renew coverage this November. Miller also explained why Vermont did not and should not participate in the federal exchange.

As noted by Miller Monday in announcing Vermont's separation from CGI, the state will implement solutions to ensure a smooth renewal process for Vermonters this fall, including looking at how insurance carriers may allow individuals who do not wish to take advantage of state or federal subsidies to directly enroll in Vermont Health Connect plans during the next open enrollment period.

"Offering direct carrier enrollment to individuals is not as simple as flipping on a switch," said Miller. "Many operational issues would have to be addressed, because direct carrier enrollment would not support any income verification or use of subsidy through the Affordable Care Act. Since about 80 percent of Vermonters who signed up through Vermont Health Connect qualified for a subsidy or Medicaid, direct enrollment would not be an option for the vast majority of Vermonters."

In addition, Miller noted that any direct carrier enrollment would have to comply with CMS and state legal requirements, and would have to address whether individuals who choose to directly enroll with a carrier could transition to a subsidized plan midyear in the event their eligibility changed, making them eligible for subsidies.

"We would not want to put in place a process that locked Vermonters out from federal or state subsidies if they lost a job, had a change in family circumstance or saw a drop in income," said Miller. "The last thing we would want to do is create a situation where Vermonters may go without health care because they are unable to access subsidies when needed."

Switching plans midyear also raises issues of out-of-pocket costs and deductibles, he noted.

"While we are actively considering whether direct enrollment for some Vermonters is the right course, we do not want to jeopardize the financial support that comes with the Affordable Care Act." Miller said. "We are committed to giving Vermonters the health coverage they need and

deserve through Vermont Health Connect. We appreciate the continued help, cooperation and assistance from Blue Cross and MVP because they will be integral as we work to ensure a smooth renewal path for all Vermonters this fall.”

Miller also clarified why the state has ruled out transitioning to the federal marketplace:

- Loss of Vermont premium assistance for Vermonters – Because the Affordable Care Act provides less financial help than many Vermonters received under Catamount and VHAP, Vermont chose to offer additional subsidies to ensure Vermonters on those programs wouldn’t see an untenable jump in insurance costs with the imposition of the new federal law. Going through the federal exchange would not permit Vermont to offer those direct subsidies. Without that state subsidy,
  - A Vermonter making \$34,515 per year would see an additional insurance expense of \$43 per month and \$518 per year; and
  - A Vermont family with a combined income of \$70,000 per year would see additional insurance expenses of \$88 per month and \$1,060 per year.
- Loss of Vermont-specific insurance protections – A key feature of a state-based health exchange is the flexibility given to states to customize their insurance plans. Vermont has a history of strong health insurance coverage mandates for consumers. By establishing its own state marketplace exchange, Vermont preserved those mandates and is able to offer additional benefits beyond the minimum standards set under federal law. Moving to a federal exchange would jeopardize Vermont’s ability to provide expanded coverage and eligibility for Vermonters as well as control provider costs through rate review and other regulatory processes.
- Finally, federal funds for upgrades to the state’s 30-year-old ACCESS system provided through the exchange grant would be jeopardized if the state were to transition to the federal exchange, potentially putting Vermont taxpayers on the hook for millions.

“Now that we are moving past the problems with CGI, we are laser focused on making VHC work for Vermonters and ensuring a smooth renewal process. Good policy, not politics, will dictate how we proceed,” Miller concluded.

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