

# Vermont Progress Report

## STATE ACTIONS PROTECTING PATIENTS IN THE EXCHANGE

### OVERVIEW

States vary in terms of the patient-centeredness of their health insurance markets. While federal rules set minimum requirements for consumer protections, some states have acted to make their markets more patient-focused. This scorecard evaluates states based on five key areas that assess patient-friendliness of their insurance markets to promote policies that best protect patients.

### FIVE PATIENT-FOCUSED PRINCIPLES

#### NON-DISCRIMINATION

To ensure cost sharing and other plan designs do not discriminate or impede access to care.

- No state action to limit discrimination.
- Two unique platinum offerings in the 2015 exchange.
- Vermont enacted legislation requiring exchange plans to meet specified minimum network adequacy standards.
- The premium for the 2<sup>nd</sup> lowest cost silver plan is 6% higher in 2015 than it was in 2014.<sup>2</sup>

For non-discrimination metrics, relative to other states, Vermont is an



#### TRANSPARENCY

To promote better consumer access to information about covered services and costs in exchange plans.

- Vermont's website has links to plans' provider directories and formularies as well as a calculator to estimate projected subsidy amounts. However, because of required sensitive information to browse plans, NHC was unable to fully examine the exchange enrollment portal; therefore, it is unclear if the website has formulary and provider search tools or allows consumers to filter plan options.
- No state action regarding contracting requirements for plan information transparency.

For transparency metrics, relative to other states, Vermont is an



### VERMONT HIGHLIGHTS

Vermont established a state-based exchange, called [Vermont Health Connect](#).

In the 2014 plan year, 31,500 Vermont residents selected an exchange plan through [Vermont Health Connect](#). About 70% of Vermont residents who are eligible for exchange coverage enrolled in an exchange plan in 2014.<sup>1</sup>

Vermont expanded Medicaid, effective January 1, 2014.

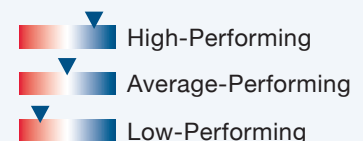
### PROGRESS LEGEND

This report measures states using two methods of evaluation:

First, the report measures a state's performance on a series of metrics related to the five principles.

- Beneficial for Patients
- Neutral for Patients
- Negative for Patients

Second, the report compares a state's aggregate performance on all metrics within each principle to other states' performance on these same metrics.



## STATE OVERSIGHT

To ensure all health insurance exchange plans meet applicable requirements.

- Active purchasing – the state actively negotiates with plans to participate in the exchange.
- Vermont ties participation outside and inside the exchange and requires plans by a single issuer to have distinct differences.
- Its effective rate review program allows the state to manage premium increases.<sup>3</sup>
- Two carriers in the 2015 exchange.

For state-oversight metrics, relative to other states, Vermont is a



## UNIFORMITY

To create standards to make it easier for patients to understand and compare exchange plans.

- Vermont standardized benefit designs.
- Vermont does not have a quality rating system in place for the 2015 plan year, and has not released materials to date on the development of a quality rating system for the 2016 plan year.
- No state action on standardized display of plan information.

For uniformity metrics, relative to other states, Vermont is an



## CONTINUITY OF CARE

To broaden sources of coverage and protect patients transitioning between plans.

- Vermont reduces premiums and cost sharing, beyond federally funded subsidies, for qualifying exchange enrollees.
- Vermont expanded Medicaid, which now covers an estimated 87,000 people in the state.

For continuity-of-care metrics, relative to other states, Vermont is a



## A MORE PATIENT-FOCUSED VERMONT MARKETPLACE

Vermont has achieved some success in fostering a patient-focused market, as they have taken several state actions, beyond the federal requirements, that better protect patients.

However, Vermont has not exercised its full authority to regulate the exchange to promote patient protections. The state could improve its transparency by allowing the general public to view exchange plan offerings without creating an account. For those able to view exchange offerings, Vermont may pass legislation requiring greater clarity on plan benefits and develop quality rating measures to better inform patients' plan selection. In addition, Vermont's exchange does not foster competition as there are only two carriers offering coverage. As a result of the lack of competition, there are few platinum plans offered in the state, limiting options for the people who would benefit most—those with chronic conditions and disabilities.

## METHODOLOGY

Data by Avalere Health as of January 1, 2015. Avalere maintains a proprietary database of state policy developments for all 50 states and DC. Avalere also used key resources from publicly available websites, cited where applicable. Avalere conducted a focused review of state exchange insurance markets; this assessment is not intended to be a comprehensive review of state insurance markets. Avalere only included finalized actions established in the state, and did not include proposed measures or actions.

For definitions of key terms, see the [National Health Council's Putting Patients First® glossary](#).

- 1 Kaiser Family Foundation, "Estimated Number of Individuals Eligible for Financial Assistance through the Marketplaces," November, 2014, accessed via: <http://kff.org/other/state-indicator/estimated-number-of-individuals-eligible-for-premium-tax-credits-through-the-marketplaces/>
- 2 Kaiser Family Foundation, "Analysis of 2015 Premium Changes in the Affordable Care Act's Health Insurance Marketplaces," January 06, 2015, accessed via: <http://kff.org/health-reform/issue-brief/analysis-of-2015-premium-changes-in-the-affordable-care-acts-health-insurance-marketplaces/>
- 3 The Center for Consumer Information & Insurance Oversight, "State Effective Rate Review Programs," April 16, 2014, accessed via: [http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/rate\\_review\\_fact\\_sheet.html](http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/rate_review_fact_sheet.html)