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Joint Fiscal Office

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Fiscal Note

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H.585 – An act relating to health insurance reforms

As recommended by the House Committee on Health Care, Draft 3.2¹

Bill Summary

The bill proposes various health insurance reforms. While the bill includes no appropriations, the Department of Financial Regulations (DFR) may need resources to do the actuarial analyses required in the bill.

Fiscal Impact

Sec. 5 would require DFR to do an analysis of the projected impacts on Vermont's health insurance markets of expanding access to association health plans beginning January 1, 2028, including the likely effects on enrollment in and premiums for Qualified Health Plans (QHPs) in the individual and small group markets, using scenarios that show potential impacts over consecutive years if various percentages of healthier lives were to leave the individual and small group markets to enroll in association health plans. Given that DFR would be unable to utilize its billback authority to pay for the actuarial analyses required under this section, an appropriation to DFR may be needed to accomplish this work.

Sec. 9 would require the Department of Vermont Health Access (DVHA), in consultation with DFR, to consider the feasibility and potential impacts on premiums and on plan design of allowing health insurers to offer health insurance plans in the large group market and at each metal level in the individual and small group markets that do not include the out-of-pocket limits for prescription drugs established in 8 V.S.A. § 4092, provided health insurers also offer plans in the same markets that do include the out-of-pocket limits for prescription drugs established in 8 V.S.A. § 4092.² According to the Agency of Human Services (AHS), a basic “no bells and whistles” analysis can be done under their current actuarial plan design contract. As such, no additional appropriation would be needed for this work.

¹ *The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations. The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number search on the JFO page.*

² 8 V.S.A. § 4092