

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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S.135 An act relating to separating the individual and small group health insurance markets for plan year 2022

As introduced

<https://legislature.vermont.gov/bill/status/2022/S.135>

The purpose of the bill is to allow for separate individual and small group health insurance markets (“unmerging” these markets) for one year in light of the increased opportunities for federal premium assistance available through the American Rescue Plan Act of 2021 (APRA) to eligible households purchasing qualified health benefit plans (QHPs) in the individual market.

According to the Green Mountain Care Board, unmerging these markets would require additional resources for contractual services (for actuarial services and court reporters) for the Boards health insurance rate-setting process. Currently, the Board reviews one premium rate request from each of the two carriers who offer plans in the individual and small group market (two total filings). Because the market is merged, the premiums are based on the same data and assumptions and are included in a single filing. If the markets are split into separate markets, the carriers would need to file two separate filings – one for premiums in the individual market and another for premiums in the small group market. This would result in two extra filings which would require additional review and analysis by the Boards contract actuaries. Additional filings may also result in additional hearings, which include court reporters who provide transcripts of the hearings. As such, the Board estimates an additional need of \$80,700.00 of which \$48,420 would be from bill back and \$32,280 would be general funds.

	Total	GF	Bill Back
Add'l Actuarial Services	\$ 75,000	\$ 30,000	\$ 45,000
Add'l Court Reporter time	\$ 5,700	\$ 2,280	\$ 3,420
Total GMCB Cost Unmerged	\$ 80,700	\$ 32,280	\$ 48,420
		40%	60%

Fiscal Impact: \$80,700.00 Gross (\$32,280.00 GF / \$48,420.00 Bill back)