



Fall 2008

# The Rathbone Report

## Health Care Reform

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Many significant changes to the health care system and health benefits plans were adopted by the legislature this year. Listed here are some of the more significant measures that will have an impact on health benefits plans.

**Effective Date: October 1, 2008**

### **S.340 Mammography**

This bill requires health benefits plans to cover the full cost of the mammography service, without deductibles or coinsurance, subject to a co-payment no greater than the co-payment for a primary care physician under the plan, provided that no co-payment shall exceed \$25. The bill requires coverage for annual screenings at 40 years of age or older.

### **H.867 Athletic Trainers**

This bill states that licensed athletic trainers shall not be denied reimbursement by a health plan if the trainer is acting within his scope of practice and the services being provided are such that the health plan would reimburse another health care provider for those services. A health plan may require that the athletic trainer be under contract to receive reimbursement.

### **Act 103 Prosthetic Parity**

Already signed into law by Governor Douglas, this bill requires health benefits plans to provide coverage for prosthetic devices at least equivalent to that provided by the federal Medicare program. Coverage may be limited to the device that is the most appropriate model that is medically necessary and plans may require prior authorization. Any annual or lifetime maximum cannot be less than generally applied to all terms and services under the plan.

### **H.891 General Fund Appropriations**

Effective quarterly beginning October 1, 2008. This bill contains a "health care information technology fee" of 0.199 of one percent of all health care claims paid by insurers for its Vermont members in order to finance system-wide technology improvements including an electronic medical record. This is intended to include self-insured plans by placing the fee on third party administrators.

**Effective Date: January 1, 2009**

### **H.887 An Act Relating to Health Care Reform**

- \*Instructs the legislative commission on health care reform to conduct studies if funds and staff resources are available on (1) the feasibility of community-based payment reform and integration of care (2) the possible merger of fragmented pools and (3) various health care financing options.
- \*Requires BISHCA to develop rules no later than 1/1/09 to implement the healthy lifestyle insurance discount and a new insurance “split benefit design” plan to promote healthy lifestyles.
- \*Instructs the state to seek a federal Medicaid waiver to allow Vermont to shorten the waiting period for coverage under Catamount Health to six months from the current 12 months.
- \*Changes Catamount eligibility standards to include a reduction in hours of employment that results in ineligibility for employer-sponsored coverage.
- \*Changes Catamount eligibility standards to include a person who has had a non-group health plan with an annual deductible of no less than \$10,000 for an individual or an annual deductible of no less than \$20,000 for two-person or family coverage for at least six months. However, anyone now eligible under this high-deductible standard must wait 12 months to be eligible for any state subsidy.
- \*Changes Catamount pre-existing conditions exclusions provisions to not apply to pregnancy.
- \*Changes Catamount pre-existing conditions exclusions provisions to not allow carriers to limit coverage of pre-existing conditions for subscribers who apply before November 1, 2008. This “waiver” of pre-existing conditions exclusions does not apply to claims incurred prior to the bill’s effective date.
- \*Requires Catamount carriers to credit prior coverage that occurred without a break in coverage of 63 days or more. A break in coverage shall be tolled after the earliest date of application.
- \*Amends the small group 75 percent rule for those small groups with 10 or fewer employees. Carriers now may require no more than 50 percent participation for groups of 10 or less. Carriers may not require recertification of participation for any small group more often than annually, and must allow 120 days for noncompliant groups to become compliant.
- \*Includes initiatives to encourage healthier living, including community plans, community health and wellness grants, coordinated school programs and healthy worksites.
- \*Instructs the commissioner of health to convene a workgroup of the three major insurers to review best practices for the promotion of healthy weight, obesity prevention models, and models for third party payment for breast feeding support and services.

\*Includes some of the VMS proposals for standards for insurer provider contracts and creates studies for other proposals that were controversial.

### **S.114 An Act Relating to Enhancing Mental Health Parity**

This bill was introduced to require insurers to administer mental health benefits the same as for physical health and would have effectively eliminated the use of carve-outs. The legislature decided neither to compromise managed care for mental health and substance abuse services nor to eliminate carve-outs, opting instead to give BISHCA more regulatory authority over carve-outs and managed care organizations.

### **S.283 An Act Relating to Managed Care Organizations and the Blueprint for Health**

This bill requires that all managed care plans in Vermont establish chronic care programs that are consistent with the blueprint for health, including plan design, informational materials, and payment reform methodologies. This bill also requires insurers to support Blueprint early implementation pilot programs through direct participation and funding.

A late amendment added provisions relating to immunizations prior to attending school and child care facilities, and an immunization registry. Insurers will now be required to report immunization data quarterly related to immunizations of adults and children under age 18.

### **S.357 Domestic Violence**

This bill includes a provision expanding eligibility for Catamount Health. The bill contains a requirement that an individual who has lost their insurance coverage as a result of domestic violence is eligible for Catamount Health. The provision will take effect once the state receives an 1115 Global Commitment waiver from the federal government.

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