

VERMONT LEGAL AID, INC.

OFFICE OF THE HEALTH CARE ADVOCATE

264 NORTH WINOOSKI AVE.
BURLINGTON, VERMONT 05401
(800) 917-7787 (TOLL FREE HOTLINE)
(802) 863-7152 (FAX)

OFFICES:

BURLINGTON
RUTLAND
ST. JOHNSBURY

OFFICES:

MONTPELIER
SPRINGFIELD

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Green Mountain Care Board
89 Main Street, Third Floor, City Center
Montpelier, Vermont 05620

Green Mountain Care Board Members:

To begin, the Office of the Health Care Advocate (HCA) would like to thank everyone who participated in the 2019 QHP design stakeholder group. The group had to make many difficult decisions to come to their recommended plan designs. Still, the HCA would like the state of Vermont to do more to help Vermonters receive better health insurance benefits. Our hotline frequently receives calls from Vermonters who have health insurance but cannot afford to use it due to the high cost sharing. The HCA recognizes that there is a constant tension between the value of providing richer insurance benefits and the fact that richer benefits lead to higher premiums.

However, the tension between premium cost and benefit richness does not exist for individuals who qualify for premium tax credits. If Vermont maximizes the actuarial value (AV) of silver plans, individuals who qualify for premium tax credits but not cost sharing subsidies will get better plans with more coverage for the same cost as they would pay for the same silver plan with a lower actuarial value. (Individuals who receive cost sharing subsidies will experience no change.) Maximizing the actuarial value of silver plans would also allow individuals who receive premium assistance to save money if they buy a different metal level plan. In addition to benefiting individuals, maximizing the actuarial value of silver plans would likely save the state of Vermont money on the cost sharing subsidies provided by the state because more of the cost would go to the federal government.

We believe the Green Mountain Care Board has three options to increase silver plan benefit richness:

- 1) Decide that all standard silver plans on the exchange must have the highest allowed actuarial value to maximize their benefit richness. We note that one of the two silver plans presented has an actuarial value of 71.9%, nearly at the maximum allowed which is 72%. The other silver plan's recommended design has an actuarial value of 70.2%. This second plan, the silver HDHP plan, should also be maximized to help avoid having an unnecessarily low value on the benchmark plan. Maximizing the value of all potential

benchmark plans can help make all plans more affordable for those who qualify for premium tax benefits.

- 2) Decide that all standard silver plans on and off the exchange must have the highest allowed AV. If the Board decides that it cannot increase the AV of on-exchange plans without also increasing the AV of the reflective silver plans, the HCA believes it is in the best interest of Vermonters to raise both. Many Vermonters will receive richer plans at no cost increase and those who do not qualify for premium tax credits will pay more in premiums but receive richer benefits in proportion to their increased costs.
- 3) If the Green Mountain Care Board believes the first and second options are not feasible for the 2019 plan year, the HCA asks the Board to reject changes to the HDHP silver plan. This plan was presented on slides 27 and 28 of DVHA's January 17, 2018 presentation to the Board. Slide 28 shows the 2018 plan design for the HDHP plan, which has an AV of 70.6% and does not require any changes for 2019. The recommended HDHP silver design has an AV of 70.2% by increasing the individual medical out of pocket maximum by \$250 and the aggregate with combined medical and prescription embedded out of pocket maximum by \$550. We do not believe these increases are in the best interest of Vermonters and ask the Board to reject them.

We hope the Board will seriously consider our comments on this issue. Thank you for your time. We are happy to discuss this further if the Board would like any more information.

Sincerely,

Michael Fisher
Chief Health Care Advocate
Vermont Legal Aid

Kaili Kuiper
Staff Attorney
Office of the Health Care Advocate