

# Vermont

Vermont Insurance Commission  
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## Summary of Important Regulations

MEWA Regulations .....	No
TPA Regulations .....	No
Stop-Loss Regulations .....	Proposed
UR Regulations .....	No

## NAIC Model Laws and Regulation

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Health Insurance Reserves Model Regulation	None	None
Comprehensive Health Ins. Cost Containment Model Act	None	None
Standardized Health Claims Form Model Regulation	V.T. Admin. Comp. Ins. Dept. R. 93-4	None
Small Employer Health Insurance Availability Model Law	None	V.T. Stat. Ann. tit. 8 § 4080a
Model Regulation To Eliminate Unfair Sex Discrimination	None	V.T. Admin. Comp. Ins. Dept. R. I-89-1
Health Information Privacy Model Law	None	None
Preferred Provider Arrangements Model Law	None	None
Utilization Review Model Law	None	V.T. Stat. Ann. tit. 8 § 4089a; V.T. Admin. Comp. Ins. Dept. R 95-2
Managed Care Plan Network Adequacy Model Law	None	None
Third Party Administrator Law	None	None



Health Examination Benefits Availability Law	None	None
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## NAIC Model Laws and Regulation

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Accident and Sickness Insurance Minimum Standards Model Law	None	None
Agents and Brokers Licensing Model Law	V.T. Stat. Ann. tit. 8 § 4791 to 4812	None
MEWA Licensing Model Law	None	None
Managing General Agents Law	V.T. Stat. Ann. tit. 8 §§ 4815 to 4824	V.T. Stat. Ann. tit. 8 §§ 6070 to 6075
Health Maintenance Organization Model Law	V.T. Stat. Ann. tit. 8 §§ 5101 to 5113	None
Insurance Information and Privacy Protection Law	None	None
Unfair Trade Practices Law	V.T. Stat. Ann. tit. 8 §§ 4721 to 4726	None
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Physical or Mental Impairment	None	None
Model Regulation on Unfair	V.T. Admin. Comp. Ins.	None

Discrimination in Life and Health  
Insurance on the Basics of  
Total or Partial Blindness

Dept. R. 78-2

## NAIC Model Laws and Regulation

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Unfair Discrimination against Subjects of Domestic Abuse in Health Benefit Plans Model Law	None	None
Unfair Claims Settlement Practices Law	V.T. Stat. Ann. tit. 8 § 4724	None
Improper Termination Practices Law	None	None
Employee Leasing Registration Model Law	None	V.T. Stat. Ann. tit. 21 §§ 1036 to 1037
Private Employer Workers' Compensation Group Self- Insurance Model Law	None	None
Public Employee Workers' Compensation Group Self- Insurance Model Law	None	None
Twenty Four Hour Coverage Pilot Project Model Law	None	None

## State-Mandates

### **Benefits That Must Be Covered**

- Alcoholism treatment
- Breast reconstruction
- Cervical cancer screening (pap smear)
- Chiropractic care
- Clinical trials
- Contraceptives
- Diabetic supplies, education
- Drug abuse treatment
- Emergency services
- Formula for PKU
- Home health care
- Mammography screening
- Mental health, parity
- Minimum maternity stays
- Prostate cancer screening
- TMJ disorders

### **Benefits That Must Be Offered**

- General mental health

### **Persons Who Must Be Allowed Coverage**

- Civil union same-sex partners
- Continuation/dependents
- Continuation/employees
- Conversion to non-group
- Handicapped dependents
- Newborns

### **Providers Who Must Be Covered**

None

### **Coordination of Benefits**

No regulations provided

**Patient's Bill of Rights Legislation**

None

**High Risk Health Pool**

None

**External Grievance System**

Yes – all health plans

**Basis of Filing Grievance**

Investigational and medical necessity

**Status of Decision of Grievance Panel**

Binding on both parties

**Prompt Payment of Health Claim Requirement**

Yes - 45 days

**MEWA Regulation**

Vermont does not regulate MEWAs.

**TPA Regulations**

Vermont does not regulate TPAs.

**Stop-Loss Regulation**

The essential features of the proposed regulation include: requiring that the amount to trigger specific stop-loss coverage be a minimum of \$15,000, and that the amount to trigger aggregate stop-loss coverage not be less than 110% of the expected claims; prohibiting stop-loss coverage to small employers; and requiring that the bankruptcy or insolvency of the plan or the plan's sponsor will not relieve the issuer of its obligation to pay claims under the policy.

**Utilization Review Regulations**

Not regulated.

**Miscellaneous**

**Small Group Reform**

If an employer has fewer than 50 employees who each work 30 or more hours per week, it may

subscribe to any small group health care plan approved by the state's Insurance Commissioner. Carriers that offer such plans may not discriminate among small employers on the basis of such risk avoidance factors as age, gender, geographic area, industry, and medical history. Also, when a carrier offers such a plan, it must guarantee acceptance of (1) all small groups and (2) all employees or members of a small group and their dependents.

The state Insurance Commissioner will set standards to insure that small employers can compare costs of these plans and permit the plans to use deductibles, coinsurance, managed care, and other cost containment provisions.

Each plan may exclude preexisting conditions arising within 12 months preceding the effective date of coverage, except in regard to new employees and their dependents who produce evidence of continuous coverage during the preceding nine months by a substantially equivalent health care plan.

### **MSA Legislation**

No action.

### **State Premium Taxes**

Commercial insurers pay 2%; Blue Cross and HMOs pay no tax.

### **Continuation of Coverage and Conversion of Benefits**

Vermont law requires group health plans to allow anyone who is covered under a policy to continue coverage for up to six months of their group coverage ends because of the death or employment termination of a covered employee. Individuals must apply for continuation coverage and pay the first premium within 30 days (60 days in the case of an employee's death) of the loss of coverage or notification of continuation rights, whichever is sooner.<sup>3</sup>

Vermont law requires insurers to allow individuals who lose coverage under a group health plan due to death or termination of employment to convert to individual coverage without evidence of insurability. The converted policy may not exclude preexisting conditions that were covered by a group plan.

## Endnotes

<sup>1</sup> Vt. Ins. Dept. Ruling 93-7 (1993).

<sup>2</sup> Vt. Stat. Ann. tit. 8 § 408a; Vt. Admin. Comp. Regs §§ 91-4A to 91-4B.

<sup>3</sup> Vt. Stat. Ann., tit. 8 §§ 4090d *et seq.*