

Chapter Two: Who would be covered?

Green Mountain Care (GMC) would provide universal health care coverage to all Vermont residents except those who are enrolled in Medicare or TRICARE, ensuring universal health care coverage for all Vermonters. For Vermonters who are only able to rely on TRICARE when on active duty or part of the year, GMC would be there for them at all other times.¹⁵

We also would propose covering non-residents who commute into Vermont to work for Vermont businesses. This ensures simplicity for businesses along Vermont's borders and ensures that they are not faced with the necessity of having residents covered by GMC and non-resident employees covered in some other manner.¹⁶ These commuters would contribute to GMC through the public premium described in Chapter 6.

Employers could choose to continue offering health coverage to their employees. The employee could choose either:

- the employer-sponsored health insurance, and Green Mountain Care would act as secondary coverage, or
- Green Mountain Care.

Regardless, the employee would still financially contribute to Green Mountain Care through the tax system, much in the way parents who choose to send their children to private school still pay taxes supporting public education.

We estimate that 31,000 Vermonters would continue to have employer-sponsored coverage in the first year of GMC, dropping to 2,000 in year five. In all, we estimate that 519,000 individuals would be covered by GMC in the first year of the program, including 61,000 commuters working for Vermont businesses. In year three, GMC would reach maturity with enrollment of 544,000 individuals, which is reduced to 538,000 in year five due to Vermont's aging population.¹⁷

The table below shows the estimates of who would be covered by source of coverage in the first year of GMC compared to the status quo.

¹⁵ More information on how the public premium works for those on TRICARE for only part of the year, see Appendix F-4 Public Premium Exclusions and Credits.

¹⁶ This policy priority requires a change in Act 48, which currently only provides GMC coverage for residents.

¹⁷ All population numbers are based on the 94%AV Best Policies output from the microsimulation model.

Table 1: Source of Coverage 2017

Source of Primary Coverage	ACA	GMC
Green Mountain Care	n/a	519,000
Medicare	140,000	140,000
TRICARE and Veterans	10,000	10,000
Federal employees	10,000	(in GMC)
Employees with ESI	296,000	31,000
Individual market	49,000	(in GMC)
Medicaid	141,000	(in GMC)
Uninsured	17,000	(in GMC)
Non-resident commuters	61,000	(in GMC)

The primary requirement for GMC coverage is a showing of Vermont residency. Resident is defined as:

“...an individual domiciled in Vermont as evidenced by an intent to maintain a principal dwelling place in Vermont indefinitely and to return to Vermont if temporarily absent, coupled with an act or acts consistent with that intent. An individual shall not be considered to be a Vermont resident if he or she is 18 years of age or older and is claimed as a dependent on the tax return of a resident of another state.”¹⁸

At the time of passage of Act 48, residency definitions were debated by the legislature and several options were considered and rejected. The legislature landed on this particular definition because it is similar to federal health care programs, such as Medicaid. The legislature considered a requirement that an individual reside in Vermont for a specified period of time (“durational residency requirement”), for GMC coverage. However, this type of requirement has been held to be unconstitutional for programs involving federal funding by the United States Supreme Court.¹⁹

¹⁸ 33 V.S.A. 1823(12)

¹⁹ See *Shapiro v. Thompson*, 394 U.S. 618, 22 L.Ed. 2d 606 (1969); and Appendix A-3 Vermont Legislative Council Memorandum to House Health Care.

Impact of GMC on Certain Populations

This section describes several special populations, describes their current coverage, and discusses how their coverage would be impacted by GMC. These groups include Medicare, state employees, teachers, municipal employees, state and teacher retirees (resident and non-resident), non-resident employees of Vermont businesses, and employees who work for self-insured companies. We have provided a summary chart in Appendix A of impacts on specific populations for those interested in further detail.

Medicare Beneficiaries

Vermonters who have Medicare would remain on Medicare. The supplemental market would also remain active. These Vermonters would not pay the public premium as part of funding Green Mountain Care.

We examined a number of approaches for providing supplemental coverage for Vermonters who have Medicare as their primary coverage. Three options for expanding coverage were presented in the 2013 Green Mountain Care report authored by the University of Massachusetts and Wakely Consulting Group.²⁰ Any additional analysis of these options should be postponed until GMC primary coverage is determined by the Green Mountain Care Board. It would be important at that time to determine whether further integration of Medicare with GMC is affordable and makes sense for Vermont Medicare beneficiaries and the state. For more information, see Appendix B.

Medicaid-eligible Vermonters

Under Act 48, Vermonters who qualify for Medicaid coverage would continue to receive coverage through Green Mountain Care, including Medicaid benefits.²¹ This means that Vermonters in Green Mountain Care who are eligible for Medicaid would receive the enhanced coverage available under Medicaid today, including transportation and no or low out-of-pocket costs for care, in order to ensure that lack of income is not a barrier to health care.

In order to ensure that all Vermonters have a similar experience under Green Mountain Care, Vermont would work towards an eligibility process for enhanced benefits funded by Medicaid that is as seamless as possible and uses data that is already available to the state, where available.

²⁰ This report is available here:

http://hcr.vermont.gov/sites/hcr/files/2013/Health%20Care%20Reform%20Financing%20Plan_typos%26formatting%20corrected_012913.pdf . Medicare is discussed in detail in Appendices 6 and 7.

²¹ 33 V.S.A. § 1825(b)(1)(B)

State Employees

Currently, approximately 26,000 state employees and dependents are covered by the state through a self-insured employer plan administered by Blue Cross Blue Shield of Vermont. Under Act 48, state employees would be covered by GMC as their primary coverage, but supplemental coverage may be provided if bargaining leads to that conclusion.²²

Education Employees

Similarly, nearly 43,000²³ teachers and school employees obtain coverage through the Vermont Education Health Initiative (VEHI), would be covered by GMC. VEHI is currently a municipal trust established under 24 V.S.A. § 4942.²⁴ The coverage for a given school district is bargained at the local level between the school board and the Vermont National Education Association (NEA). Under Act 48, education employees would be covered by GMC as their primary coverage, but supplemental coverage may be provided as a result of bargaining between the school district and the union.²⁵

State and Education Retirees

Retired employees of the state or a school currently receive retiree health care from the state of Vermont. This program is run by the Treasurer's Office.

After implementation of Green Mountain Care, state and education retirees would continue to have the same level of coverage as they do today regardless of residency. If they are Vermont residents without Medicare, they would have coverage through Green Mountain Care.

For Vermonters with Medicare and non-resident retirees, the coverage would stay the same and be maintained through a private insurer, just like today.

Municipal Employees


Town and city employees historically were covered through an association run by the Vermont League of Cities and Towns. Currently, municipalities purchase a Vermont Health Connect plan as a small employer, a large group insurance plan as a large employer or, in the case of one city,

²² 33 V.S.A. 1830.

²³ VEHI Annual Summary Report for the year ending June 30, 2014. Available here: http://vehi.org/media/doc/VEHI_Annual_Report_Final.pdf

²⁴ There are currently two school districts that receive coverage through small group insurance plans provided by Vermont Health Connect. Under the Affordable Care Act, once a school district's insurance plan loses "grandfather" status, the district must purchase insurance through either the small or large group insurance market.

²⁵ 33 V.S.A. 1830.



have become self-insured. After implementation of Green Mountain Care, these employees would have GMC primary coverage the same as any employee of a Vermont business.

Non-resident employees of Vermont business

We would propose allowing nonresident employees of Vermont businesses to also receive coverage from GMC. Employers and members of the legislature had raised the issue of how nonresidents who work for Vermont businesses would be covered. This is most often an issue for employers who are located near the New Hampshire, New York, or Massachusetts borders, although there are some Vermont companies that have business sites out of state or employ nonresidents remotely. Currently, these businesses either purchase an insurance product with an out-of-state-network that covers the states where their employees live or purchase a different insurance product in each state where they have employees. In our modeling, we assumed that out of state residents who work for Vermont employers could participate in Green Mountain Care and would pay the public premium in order to minimize hassle and complexity for border employers and employees.

Self-Insured Businesses

Any business could continue to provide health benefits to their employees as provided for under the federal Employment Retirement Income Security Act of 1974 (ERISA). This includes the ability to self-insure, which is commonly done today by large, multi-state or national businesses. These types of companies are commonly described as “ERISA companies,” although ERISA covers all businesses of any size or type. Under Green Mountain Care, businesses could continue to choose to offer coverage. At the same time, employees would also have a choice—they could have GMC as their coverage and decline their employer-sponsored coverage or take their employer-sponsored coverage as primary and GMC as secondary coverage.