Vermont Department of Banking, Insurance, Securities and Health Care Administration

Bulletin No. HCA-125

HEALTH INSURANCE LAWS ENACTED DURING THE 2007 LEGISLATIVE SESSION

This Bulletin summarizes the laws enacted during the 2007 Session of the General Assembly relating to the business of health insurance. Laws relating to the business of insurance other than health insurance are addressed in a separate bulletin.

This Bulletin also contains an important notice to Pharmacy Benefit Managers doing business in Vermont that they must register with the Department no later than October 1, 2007.

This Bulletin is intended to provide general information only, for the purpose of notifying interested parties of changes that may be necessary in their operations. Anyone who may be affected by any of these laws is urged to obtain an unofficial version of the act at the Legislative Council website: www.leg.state.vt.us, or to obtain an official version of the act from: Legislative Council, State House, Montpelier, VT 05602 (802) 828-2231. Any questions relating to the Department's implementation and administration of these laws should be directed to the Health Care Administration Division (802-828-2901), or the General Counsel's Office (802-828-2380).

Act 70 (H.229) Catamount Health Corrections and Clarifications.

Group Insurance "Qualifying Event". Health insurance carriers must include in policies a provision that defines as a "qualifying event" for purposes of enrollment a finding by the Agency of Human Services that an eligible employee or other individual is required to participate in the Catamount Health Premium Assistance Program. The person is thereafter entitled to a 30-day special enrollment period.

Act 80 (S.115) Prescription Drug Pricing and Information

Medicare Part D marketing. Insurance producers and companies are prohibited, in connection with the selling, soliciting or negotiating the purchase of health insurance from: (1) failing to disclose in a conspicuous manner that a purpose of marketing is the solicitation of insurance; (2) using an appointment to discuss the sale of Medicare products to solicit sales of any other insurance products unless the consumer requests the solicitation, and the products to be discussed are clearly identified to the consumer in writing at least 48 hours in advance of the appointment, and (3) soliciting the sale of Medicare products door-to-door prior to receiving an invitation from a consumer.

Pharmacy Benefit Managers. Pharmacy Benefit Managers doing business in Vermont must conform with certain statutorily defined standards of conduct, including standards of conduct relating to: (1) an obligation to discharge its duties with reasonable care and prudence and to be fair and truthful, (2) health insurer access to financial and utilization information, (3) conflicts of interest, (4) substitutions of prescription drugs, (5) pass-

through of rebates, (6) disclosure of rebates and other financial benefits. The requirements will be jointly administered by the Department, and by the Office of the Attorney General, except that enforcement as to Pharmacy Benefit Managers contracting with traditional health insurance companies will be the exclusive responsibility of the Department.

Important Registration Deadline for Pharmacy Benefit Managers. Pharmacy Benefit Managers doing business in Vermont must register with the Department no later than October 1, 2007. Registration forms and other requirements are available on the Department's website: www.bishca.state.vt.us.

Notice of Preferred Drug List Changes. On a periodic basis, and no less frequently than annually, carriers must notify beneficiaries of changes in prescription drug coverage, including changes reflected in a Preferred Drug List, and provide access to the preferred drug list maintained by the carrier. This requirement is in addition to other statutory and regulatory requirements relating to prescription drug coverage.

Act 65 (H.537) Fiscal Year 2008 Appropriations Act. Secs. 110a - 110e of the Act require health insurance carriers to comply with requests for information by the Office of Vermont Health Access, and to conform with other Medicaid recovery and subrogation obligations.

Dated at Montpelier,	Vermont, this	<u>3rd</u> day	of August,	2007

___<u>s/PJT</u> Paulette J. Thabault, Commissioner