

VERMONT DEPARTMENT OF FINANCIAL REGULATION

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DFR Investigation Results in Restitution for Contraceptive Services *Nearly 9,000 Vermonters will receive reimbursement checks.*

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MONTPELIER, Vt., October 12, 2023 — Thousands of Vermonters will be reimbursed by the top three health insurance carriers in the state after a nearly two-year audit by the Department of Financial Regulation identified contraceptive medical services for policyholders were incorrectly covered by Blue Cross Blue Shield of Vermont (BCBSVT), MVP Health Care (MVP) and Cigna Healthcare (Cigna).

In late 2021, the Department of Financial Regulation received complaints concerning contraceptive services being processed by insurers with a member cost-share, in violation of state and federal laws. Under provisions of the Patient Protection and Affordable Care Act of 2010, non-grandfathered health plans and health insurance issuers are mandated to provide coverage for certain contraceptive methods (including female sterilization) as well as related counseling and services, without any out-of-pocket costs.

Vermont expanded on the existing Federal Affordable Care Act and required, among other things, that health plans subject to state jurisdiction cover voluntary sterilization for men (i.e., vasectomies) and a 12-month supply of prescribed contraceptives, all without member co-pays, deductibles or other cost-share mechanisms.

Following up on the complaints it received, the Department's Market Conduct Unit engaged with representatives from the health insurance carriers, federal agencies, healthcare professionals, and the Vermont Department of Health to better understand the services encompassed by the ACA's contraceptive care mandate and how those services are provided and billed to insurance in Vermont.

The Market Conduct Unit then conducted an examination of contraceptive claims for medical services going back to 2017. The Department did not audit pharmacy claims. Collectively, BCBSVT, MVP, and Cigna provided over 250,000 medical claims to the Department for review. The examination found over 14,000 claims where Vermonters improperly faced out-of-pocket costs for contraceptive services.

Combined, all three insurers wrongfully shifted in excess of \$1.5 million in contraceptive care costs to Vermont consumers—an amount which will be returned to them with interest within the coming weeks. DFR Commissioner Kevin Gaffney said. "Ensuring that Vermonters have affordable access to family planning services is a top priority for the Department and we plan to continue to our efforts to provide education and outreach to policyholders."

Neither BCBSVT, MVP, nor Cigna were fully compliant with laws prohibiting member cost-share for contraceptive services during the audit period, which extended through December 31, 2021. However, the Department found no intent on behalf of any carrier to violate the mandate. According to the Market Conduct team, all insurers were cooperative, responsive to requests and agreeable to working toward solutions with the team.

“The findings were similar across all insurers’ claims data,” DFR Director of Market Conduct Karla Nuisl said. “The claims inappropriately processed to include cost-share to the member were generally the result of incorrect coding, differing interpretations of the mandate, and system limitations.”

Policyholders of the audited plans who paid any out-of-pocket costs for the covered services automatically will begin receiving checks issued by their insurer before the end of the year. . Policyholders are encouraged to contact their carriers directly with any questions about the status of restitution payments. In addition to the restitution payments, insurers are required to take a number of other corrective actions to ensure that similar errors do not continue or arise in the future.

The Department Consumer Services Division is available to assist those with questions and can be reached by phone (802-828-3302) and email (dfr.insuranceinfo@vermont.gov).

For more information about what contraceptive services should be covered visit the [contraceptive claims information webpage](#) on [the DFR website](#). Read the consent order signed by each insurer [here](#).

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