

**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-

