

STATE OF VERMONT  
DEPARTMENT OF FINANCIAL REGULATION

In Re: Vermont Health Benefits Exchange )

Docket No. 13-002-I )

**ORDER ESTABLISHING TIER RATE STRUCTURE AND MULTIPLIERS**

**WHEREAS**, Vermont health insurers, as defined in 18 V.S.A. § 9402(8), are in the process of developing health insurance premium rates for qualified health benefit plans that will be sold through the Vermont Health Benefit Exchange (“Exchange”) established by 33 V.S.A. § 1803; and,

**WHEREAS**, under 45 CFR §147.102(c)(2) of the Health Insurance Market Rules for the Patient Protection and Affordable Care Act (“PPACA”), states that use community rating to determine health insurance premiums in the individual and small group markets, and which do not allow rating based on age or tobacco use, may elect to require health insurance issuers offering products on the Exchange to rate those products using a uniform family-tier methodology with corresponding multipliers established by the state, rather than using the per-member rating approach required of states that do not employ community rating; and,

**WHEREAS**, pursuant to 8 V.S.A. § 4080a and 33 V.S.A. § 1811, Vermont is a state that requires the use of community rating to determine health insurance premium rates in the individual and small group markets and which does not allow rating based on tobacco use or age; and,

**WHEREAS**, under 33 V.S.A. § 1811(e), registered carriers offering health benefit plans on the Exchange are required to offer a plan rate structure that differentiates at a minimum between single person, two person, and family rates; and,

**WHEREAS**, the Commissioner of the Vermont Department of Financial Regulation (DFR) is authorized to enforce and carry out the provisions of 33 V.S.A. § 1811 relating to the development of health insurance rates for the Exchange; and,

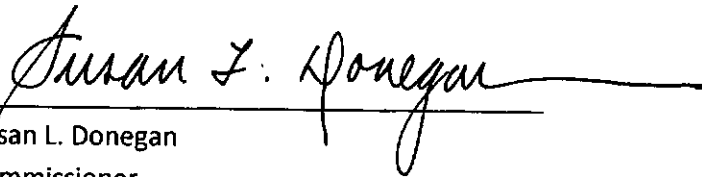
**WHEREAS**, the Commissioner has determined that it would be in the interests of Vermont health care consumers to require health benefit plans sold on the Exchange to offer a plan rate structure that differentiates between single person, two person, single head of household with one or more children, and family rates; and,

**WHEREAS**, the Commissioner has caused an actuarial study to be conducted of the claims experience and tier rate structures of registered carriers currently operating in the individual and small group markets in Vermont and, based on that study, has determined that use of the following tiers and multipliers would be in the interests of Vermont consumers by promoting fair and affordable insurance rates in products sold on the Exchange;

**NOW THEREFORE**, pursuant to the authority set forth in 8 V.S.A. § 15(a), the Commissioner of the Vermont Department of Financial Regulation hereby **ORDERS** all health insurers operating in the State of Vermont to use the following uniform tiers and corresponding uniform multipliers when determining premiums for all non-grandfathered health insurance products offered in the individual or small group markets on the Vermont Health Benefits Exchange during the 2014 calendar year and thereafter:

	Definition		Tier Ratio
Tier One	Single		1.000
Tier Two	Couple		2.000
Tier Three	Single Head of Household with one or more children		1.93
Tier Four	Family: Two Parents with one or more children		2.81

Dated at Montpelier, Vermont this 13<sup>th</sup> day of March, 2013.



Susan L. Donegan  
Commissioner