



Vermont . . .

Department of Banking, Insurance, Securities and Health Care Administration

To: U.S. Department of Labor
U.S. Department of Health and Human Services
U.S. internal Revenue Service

From: Herbert W. Olson, General Counsel
Vermont Department of Banking, Insurance, Securities and Health Care Administration

Date: May 28, 2009

Re: Request for Information Regarding the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008

As a long-standing leader in mental health and substance abuse parity, the Vermont Department of Banking, Insurance, Securities and Health Care Administration (“BISHCA”) offers the following comments in response to the federal agencies Request for Information published in the Federal Register on April 28, 2009.

1. With respect to the exemption for extraordinary premium increases attributable to parity, clarification would be useful concerning the actuarial standards that should be used in the case of a state such as Vermont, which enacted a strong health parity law in 1997. It is difficult to see how the exemption could be applicable in a state with a long-standing parity law.
2. Again with respect to the cost exemption, the federal statute requires notice to states if a plan intends to make an election pursuant to the exemption. Vermont suggests the rules require that a plan must provide 90 days prior notice to the federal agencies and to the states where the exemption would take effect, and that the federal agencies give careful consideration to the comments and recommendations of the effected states concerning the proposed exemption before making a determination of whether to approve the exemption election.
3. Vermont is in the process of developing standards of care and insurance coverage for the appropriate and cost-effective management and treatment of chronic conditions, known in Vermont by its program name the “Blueprint for Health”. These standards are designed to offer better and less-costly care for individuals with chronic conditions: for example, diabetes, cardiovascular disease, asthma, alcoholism, and depression. The program will be phased in over time, and program criteria, financial cost-sharing requirements, and treatment protocols for various chronic conditions may differ. Vermont suggests that the federal rules be drafted so as to preserve the ability of states to implement chronic care management programs such as the Blueprint for Health.

4. The federal parity law requires that cost sharing be “no more restrictive than the predominant financial requirements applied to substantially all medical and surgical benefits covered under the plan”. Vermont parity regulatory standards permit plans to impose higher cost sharing for specialty care than for primary care and preventive care. Vermont recommends that the federal rules permit states to continue to allow plans to design benefit plans in a similar cost-effective and medically appropriate manner.

Vermont appreciates this opportunity to share information with the federal agencies. Please do not hesitate to contact BISHCA if there are additional questions or need for information concerning the implementation of mental health and substance abuse parity in Vermont and the nation.

Cc: Paulette J. Thabault, Commissioner
Christine Oliver, Deputy Commissioner