

1 H.534

2 Introduced by Representative Poirier of Barre City

3 Referred to Committee on

4 Date:

5 Subject: Health; health insurance disclosures; VHCURES

6 Statement of purpose: This bill proposes to expand health insurers' reporting  
7 obligations in their annual reports and under the Vermont healthcare claims  
8 uniform reporting and evaluation system (VHCURES).

9 An act relating to the reporting requirements of health insurers

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. 8 V.S.A. § 3561(a) is amended to read:

12 (a)(1) Each domestic, foreign, and alien insurance company doing business  
13 in this state shall annually submit to the commissioner a statement of its  
14 financial condition, verified by oath of two of its executive officers. The  
15 statement shall be prepared in accordance with the National Association of  
16 Insurance Commissioners' Instructions Handbook and Accounting Practices  
17 and Procedures Manual and shall be in such general form and context, as  
18 approved by, and shall contain any other information required by, the National  
19 Association of Insurance Commissioners with any useful or necessary  
20 modifications or adaptations thereof required or approved or accepted by the

1 commissioner for the type of insurance and kinds of insurers to be reported  
2 upon, and as supplemented by additional information required by the  
3 commissioner.

4 (2)(A) In addition, a health insurance company shall provide the  
5 following information, in plain language:

6 (i) the salaries, bonuses, and compensatory benefits of all  
7 corporate officers and board members during the preceding fiscal year;

8 (ii) the health insurance company's marketing and advertising  
9 expenses during the preceding fiscal year;

10 (iii) the health insurance company's travel expenses during the  
11 preceding fiscal year;

12 (iv) the health insurance company's federal and state lobbying  
13 expenses during the preceding fiscal year;

14 (v) the amount and recipient of each political contribution made  
15 by the health insurance company during the preceding fiscal year;

16 (vi) the amount and recipient of dues paid during the preceding  
17 fiscal year by the health insurance company to trade groups engaged in  
18 lobbying efforts or that make political contributions;

19 (vii) the health insurance company's legal and consultation  
20 expenses during the preceding fiscal year;

1           (viii) the health insurance company's occupancy-related expenses  
2           during the preceding fiscal year;

3           (ix) the amount and recipient of charitable contributions made by  
4           the health insurance company during the preceding fiscal year;

5           (x) a description of any changes the health insurance company has  
6           made during the preceding fiscal year regarding its health care  
7           cost-containment and quality improvement efforts; and

8           (xi) where possible, how the health insurance company's expenses  
9           described in this subdivision were allocated on a per-member per-month basis  
10          for each of the benefit plans during the preceding fiscal year subject to state  
11          review reporting requirements.

12          (B) The department of banking, insurance, securities, and health care  
13          administration shall post the information pertaining to health insurance  
14          companies described in subdivision (2)(A) of this subsection on its website.

15          (3) The statement of an alien insurer shall relate only to the insurer's  
16          transactions and affairs in the United States unless the commissioner requires  
17          otherwise.

18          (4) A foreign or alien company, upon withdrawing from the state of  
19          Vermont shall pay to the commissioner \$25.00 for the filing of its final  
20          financial statement.

1 Sec. 2. 8 V.S.A. § 4516 is amended to read:

2 § 4516. ANNUAL REPORT TO COMMISSIONER

3 (a) Annually, on or before March 15, a hospital service corporation shall  
4 file with the commissioner of banking, insurance, securities, and health care  
5 administration a statement sworn to by the president and treasurer of the  
6 corporation showing its condition on December 31. The statement shall be in  
7 such form and contain such matters as the commissioner shall prescribe,  
8 including, in plain language:

9 (1) the salaries, bonuses, and compensatory benefits of all corporate  
10 officers and board members during the preceding fiscal year;

11 (2) the hospital service corporation's marketing and advertising  
12 expenses during the preceding fiscal year;

13 (3) the hospital service corporation's travel expenses during the  
14 preceding fiscal year;

15 (4) the hospital service corporation's federal and state lobbying  
16 expenses during the preceding fiscal year;

17 (5) the amount and recipient of each political contribution made by the  
18 hospital service corporation during the preceding fiscal year;

19 (6) the amount and recipient of dues paid during the preceding fiscal  
20 year by the hospital service corporation to trade groups engaged in lobbying  
21 efforts or that make political contributions;

1           (7) the hospital service corporation's legal and consultation expenses  
2           during the preceding fiscal year;

3           (8) the hospital service corporation's occupancy-related expenses during  
4           the preceding fiscal year;

5           (9) the amount and recipient of charitable contributions made by the  
6           hospital service corporation during the preceding fiscal year;

7           (10) a description of any changes the hospital service corporation has  
8           made during the preceding fiscal year regarding its health care  
9           cost-containment and quality improvement efforts; and

10           (11) where possible, how the expenses described in this subsection were  
11           allocated on a per-member per-month basis for each of the benefit plans during  
12           the preceding fiscal year subject to state review reporting requirements.

13           (b) The department of banking, insurance, securities, and health care  
14           administration shall post the information described in subsection (a) of this  
15           section on its website.

16           (c) To qualify for the tax exemption set forth in section 4518 of this title,  
17           the statement shall include a certification that the hospital service corporation  
18           operates on a nonprofit basis for the purpose of providing an adequate hospital  
19           service plan to individuals of the state, both groups and nongroups, without  
20           discrimination based on age, gender, geographic area, industry, and medical

1 history, except as allowed by subdivisions 4080a(h)(2)(B) and 4080b(h)(2)(B)  
2 of this title.

3 Sec. 3. 8 V.S.A. § 4588 is amended to read:

4 § 4588. ANNUAL REPORT TO COMMISSIONER

5 (a) Annually, on or before March 15, a medical service corporation shall  
6 file with the commissioner of banking, insurance, securities, and health care  
7 administration a statement sworn to by the president and treasurer of the  
8 corporation showing its condition on December 31, which shall be in such  
9 form and contain such matters as the commissioner shall prescribe, including,  
10 in plain language:

11 (1) the salaries, bonuses, and compensatory benefits of all corporate  
12 officers and board members during the preceding fiscal year;

13 (2) the medical service corporation's marketing and advertising  
14 expenses during the preceding fiscal year;

15 (3) the medical service corporation's travel expenses during the  
16 preceding fiscal year;

17 (4) the medical service corporation's federal and state lobbying  
18 expenses during the preceding fiscal year;

19 (5) the amount and recipient of each political contribution made by the  
20 medical service corporation during the preceding fiscal year;

1           (6) the amount and recipient of dues paid during the preceding fiscal  
2           year by the medical service corporation to trade groups engaged in lobbying  
3           efforts or that make political contributions;

4           (7) the medical service corporation's legal and consultation expenses  
5           during the preceding fiscal year;

6           (8) the medical service corporation's occupancy-related expenses during  
7           the preceding fiscal year;

8           (9) the amount and recipient of charitable contributions made by the  
9           medical service corporation during the preceding fiscal year;

10          (10) a description of any changes the medical service corporation has  
11          made during the preceding fiscal year regarding its health care  
12          cost-containment and quality improvement efforts; and

13          (11) where possible, how the expenses described in this subsection were  
14          allocated on a per-member per-month basis for each of the benefit plans during  
15          the preceding fiscal year subject to state review reporting requirements.

16          (b) The department of banking, insurance, securities, and health care  
17          administration shall post the information described in subsection (a) of this  
18          section on its website.

19          (c) To qualify for the tax exemption set forth in section 4590 of this title,  
20          the statement shall include a certification that the medical service corporation  
21          operates on a nonprofit basis for the purpose of providing an adequate medical

1 service plan to individuals of the state, both groups and nongroups, without  
2 discrimination based on age, gender, geographic area, industry, and medical  
3 history, except as allowed by subdivisions 4080a(h)(2)(B) and 4080b(h)(2)(B)  
4 of this title.

5 Sec. 4. 8 V.S.A. § 5106(a) is amended to read:

6 (a)(1) Every organization subject to this chapter, annually, within 120 days  
7 of the close of its fiscal year, shall file a report with the commissioner, said  
8 report verified by an appropriate official of the organization, showing its  
9 financial condition on the last day of the preceding fiscal year. The report shall  
10 be prepared in accordance with the National Association of Insurance  
11 Commissioners' Accounting Practices and Procedures Manual for health  
12 maintenance organizations and shall be in such general form and context, as  
13 approved by, and shall contain any other information required by the National  
14 Association of Insurance Commissioners together with any useful or necessary  
15 modifications or adaptations thereof required, approved or accepted by the  
16 commissioner for the type of organization to be reported upon, and as  
17 supplemented by additional information required by the commissioner,  
18 including, in plain language:

19 (A) the salaries, bonuses, and compensatory benefits of all corporate  
20 officers and board members during the preceding fiscal year;



1           (B) the organization's marketing and advertising expenses during the  
2 preceding fiscal year;

3           (C) the organization's travel expenses during the preceding fiscal  
4 year;

5           (D) the organization's federal and state lobbying expenses during the  
6 preceding fiscal year;

7           (E) the amount and recipient of each political contribution made by  
8 the organization during the preceding fiscal year;

9           (F) the amount and recipient of dues paid during the preceding fiscal  
10 year by the organization to trade groups engaged in lobbying efforts or that  
11 make political contributions;

12           (G) the organization's legal and consultation expenses during the  
13 preceding fiscal year;

14           (H) the organization's occupancy-related expenses during the  
15 preceding fiscal year;

16           (I) the amount and recipient of charitable contributions made by the  
17 organization in the preceding fiscal year;

18           (J) a description of any changes the organization has made during the  
19 preceding fiscal year regarding its health care cost-containment and quality  
20 improvement efforts; and

1           (K) where possible, how the expenses described in this subdivision  
2           were allocated on a per-member per-month basis for each of the benefit plans  
3           during the preceding fiscal year subject to state review reporting requirements.

4           (2) The department of banking, insurance, securities, and health care  
5           administration shall post the information described in subdivision (a)(1) of this  
6           section on its website.

7       Sec. 5. 18 V.S.A. § 9410 is amended to read:

8       § 9410. HEALTH CARE DATABASE

9                                               \* \* \*

10       (h)(1) All health insurers shall electronically provide to the commissioner  
11       in accordance with standards and procedures adopted by the commissioner by  
12       rule:

13                (A) their health insurance claims data, including paid and denied  
14                claims, as well as appeals that result from denied claims, provided that the  
15       commissioner may exempt from all or a portion of the filing requirements of  
16       this subsection data reflecting utilization and costs for services provided in this  
17       state to residents of other states;

18                                               \* \* \*

19       (i)(1) On or before January 15, 2008 and every three years thereafter, the  
20       commissioner shall submit a recommendation to the general assembly for  
21       conducting a survey of the health insurance status of Vermont residents.

1           (2) Notwithstanding 2 V.S.A. § 20(d), on or before January 15 of each  
2           year, the commissioner shall provide a summary to the house committee on  
3           health care and the senate committee on health and welfare regarding health  
4           insurers' claims data, including paid and denied claims and appeals that result  
5           from denied claims, as reported electronically by health insurers pursuant to  
6           subdivision (h)(1)(A) of this section.

7                                                 \* \* \*

8           Sec. 6. EFFECTIVE DATE

9           This act shall take effect on July 1, 2012.