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VERMONT DEPARTMENT OF FINANCIAL REGULATION

DIVISION OF INSURANCE

Insurance Bulletin No. 196

**HEALTH INSURANCE COVERAGE FOR PART-TIME EMPLOYEES**

The purpose of this Bulletin is to provide clarification on the statutory interpretation of 8 V.S.A. §§ 4080(5), 4514a and 4594, which address group health insurance coverage offered to part-time employees. It has been brought to the Department's attention that some insurers have questions related to application of the statutes. In response, the Department is issuing a revised interpretation based on an in-depth review of the legislative history and intent.

Sections 4080(5), 4514a and 4594 were passed as Act No. 34 of 1989. The Act's legislative history indicates that the purpose of the law was to require insurers to offer employers the option to cover part-time employees. The decision of whether to cover part-time employees under the employer's group health plan was then left to the employer. The statutory provisions allow the rate for part-time employees to be set at the same rate as full-time employees, and the employer to decide the cost sharing arrangement for covered part-time employees. The employer can require part-time employees to pay the full cost of coverage, even if the employer shares a portion of the premium expense for full-time employees.

Therefore, health insurers, nonprofit hospital service corporations, and nonprofit medical service corporations should offer employers the option to cover all part-time employees working 17.5 hours or more. Health insurers should review this bulletin to ensure compliance. Questions should be directed to Phil Keller, Director of Insurance Regulation, or Emily Brown, Assistant Director of Rates & Forms.

Dated: 10/16/17



Michael Pieciak, Commissioner

