

### Testimony Sharon Gutwin

Physical Therapist

Owner of the RehabGYM, the largest out-patient PT business in Vermont. Presently 3 locations 2 in Chittenden County 1 in Central Vt.

Awarded Vermont Small Business of 2008

Advisor to the GMCB

Previously employed at what is now UVMHC

Disruptive innovator

## Key Points

### Healthcare has reached a tipping point.

- Low Medicare and Medicaid payments means the cost of healthcare has shifted to the commercially insured and their employers. The shift over decades has resulted in more uninsured, underinsured and government subsidized.
- More citizens dependent on some form of government subsidized healthcare raise taxes even higher resulting in a ripple effect. School and town budgets not passing reflect this.
- The US has the most expensive, least effective healthcare system in the civilized world. And the price will only escalate without substantial change. We cannot tweak our way out of this.
- The population is aging and require more healthcare.
- The population presents higher rates of chronic disease.
- The most affordable and accessible care is in the independent sector.
- Higher payments for hospital owned services compared to same services of independents has resulted in a massive loss of independent providers no longer able to compete.
- A vicious cycle of less available independents has led to less options for affordable care...more healthcare spending going to higher cost care...less money available to go to independents....more independents go out of business....
- The monopolization of UVMHCN has effectively stifled competition which is important for cost control and innovation.

### Solutions

- Hospitals need to go back to the being hospitals sticking with "in-patient" care and allow independent community providers be in charge of preventative, "out-patient" care.
- What has become a "sick care system" must reform to an effective "health care system". The stronger a health care system, the less need for expensive hospital care. A hospital can never provide affordable preventative care...it goes counter to the business of a hospital.
- Competition must be reestablished. Pay Parity is a start which would naturally result in businesses being motivated in improving efficiency, quality, accessibility, patient satisfaction. Eventually, healthy competition could actually lead to lower prices.
- Hospitals are the ONLY resistance to pay parity. Hospital growth and control over healthcare along with being equipped with an expensive, powerful lobbying force in politics makes reform to healthcare a tremendous challenge, but one that must be overcome.
- We need hospitals to treat the seriously sick and injured. We do NOT need hospitals (and actually have be hurt by hospitals) getting into primary care, all out-patient services, pharmaceutical and medical product sales and a slew of programs.

What we have learned is that we cannot get where we need to be in healthcare enabling hospital monopolization. The FTC is becoming more involved nationally in anti-trust investigations and litigations. Vermont should be proactive.

We no longer have the luxury of time to enact change. We are in a crisis that has a ripple effect on our economy. Radical healthcare change is needed...now.

Vermont being a small state and one with a strong history of innovative independent thinkers only needs to set the stage. Think of all the successful innovative businesses Vermont has been incubator of. I encourage government to empower healthcare reform by leveling the playing field between hospital and independents. Resist the notion that hospitals will go out of business. They need to change. Be more concerned that independents are going out of business.

I hope to be able to testify in person and be available to answer questions.

Respectfully submitted,  
Sharon Gutwin

**Note: Passing S.151 as is – is better than doing nothing this year**