

## Healthcare Is a Human Right Campaign

### Testimony on S.252 and H.776

Delivered by Sandra Schlosser

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I am Sandra Schlosser, member of the Vermont Workers' Center and the Healthcare Is a Human Right Campaign. Thank you for this opportunity to testify about Green Mountain Care benefits and financing. The Healthcare Is a Human Right Campaign is committed to ensuring that we cross the finish line in 2017 and get the country's first universal, publicly financed healthcare system. Act 48 set Vermont on the road to universal healthcare, and we understand that this is a long and winding road. We want to support you in staying on the course that Act 48 laid out with human rights principles as roadmarkers.

We are concerned that the Senate's bill, S. 252, could erode key provisions of Act 48 and risk violating the principles of universality, equity, and participation. Today I want to draw your attention to the bill's provisions on benefits that would limit the healthcare we could receive, and propose necessary changes. I also want to add to the financing provisions of the bill so that GMC can fulfill its purpose and improve the health of our population. This can only happen if we ensure that the financing of our health services is based on our health needs, and that we allocate sufficient resources to meet those needs. House bill 776, which was introduced to ensure we make progress toward implementing GMC, offers language for all of these ideas and changes. In the following, I will use H.776 to amend the Senate's bill.

#### 1. Principles for Healthcare Financing

We welcome the inclusion of principles for healthcare financing in the Senate's bill. It is crucial that the design of the GMC financing plan is based on the principles set out by Act 48. The principle of equity is a cornerstone of Act 48, and this is the time to agree exactly what equity means in terms of financing. Similarly, Act 48 requires the sufficiency of funds as a key requirement for GMC, and we need to specify how this can be guaranteed in the short and long-term future.

This is why we propose the following amendments and additions to H.252, drawing on language in H.776.

#### Sec. 2. PRINCIPLES FOR HEALTH CARE FINANCING

*Replace subsection (2) with the language in H.776:*

Green Mountain Care shall be financed through taxes that are levied equitably, ensuring that individuals and businesses are taxed directly proportional to their earned and unearned income, wealth, and business size in order to account fully for their ability to pay.

*Why?* We want to make clear that not only individuals but also businesses have to contribute according to their ability, which would make a graduated tax and exemptions for the smallest & least profitable businesses possible. Also, with this explanation of equity we are able to better define what we mean "ability to pay," which is not very precise language in itself.

In subsection (3) we ask you to reaffirm that GMC will in fact be a universal and unified system, not just supplemental insurance that runs in parallel to employer-sponsored insurance. That's why we propose that you remove the reference to GMC being secondary to employer-based insurance.

~~(3) As provided in 33 V.S.A. §1827,~~ Green Mountain Care shall be the secondary payer for Vermont residents who continue to receive health care through plans provided by ~~an employer,~~ by another state, by a foreign government, or as a retirement benefit.

Financing and benefits are deeply entwined, as we know. Our next amendment speaks directly to two things: first, the comprehensive nature of benefits mandated by Act 48, and second, the need to maintain the GMC Board's ability to recommend benefits. Replacing the language in subsection (4) with language from H.776 would accomplish both purposes. This is how it would read:

(4) Vermont's system for financing health care shall raise revenue sufficient to provide all medically necessary health care services to all enrolled Vermont residents, including ~~maternity and newborn care, pediatric care, vision and dental care for children, surgery and hospital care, emergency care, outpatient care, treatment for mental health conditions, and prescription drugs~~ all diagnostic testing, preventive services, treatment of a condition, after-care, equipment, and pharmaceuticals that a treating health care professional determines to be appropriate for a patient's diagnosis or condition in terms of type, amount, frequency, level, setting, and duration.

*Why?* This definition of medically necessary care is taken from H.776, which was developed by reviewing several federal definitions. It is better suited than the Senate bill's language to ensure that GMC includes all medically necessary health services and does not exclude vision and dental for adults.

In order to effectively implement Sec. 2 subsection (4), we also propose adding the following provisions, taken from H. 776:

(5) Green Mountain Care shall conduct regular assessments of the range and depth of health needs among the State's population and develop a plan for allocating resources over a reasonable period to meet those needs.

(6) The state shall develop an indexing mechanism for Green Mountain Care's financing system that adjusts the level of individuals' and businesses' financial contributions to meet population health needs and ensures the sufficiency of funding according to 18 V.S.A. § 9371(11).

*Why?* The financing of our health services must be based on our health needs. Resources must follow needs, not the other way around. The purpose of GMC is to meet health needs and improve population health. That means we must identify and address unmet health needs in the population, and allocate resources to meet those needs. Even if GMC is not able to meet all needs immediately, we need a mechanism that allows us to progress over time, and that guards against going backwards and eroding access to care. Nothing would be worse than an underfunded system that undermines trust in the state's ability to improve people's health.

## **2. Comprehensive Healthcare "Benefits"**

At the core of our concerns about S. 252 lies its drastic decision about benefits, which by the stroke of a pen defines GMC as the same as the benchmark plan in the exchange. This is probably the most damaging watering down of Act 48 we see in this Senate bill. It is unacceptable for many reasons - first and foremost because it turns GMC into an insurance plan with limited benefits and user fees. By determining GMC's actual benefits -- rather than a benefit floor -- S.252 eliminates the possibility of providing needed services such as vision and dental care. This also takes the benefits decision out of the hands of the Green Mountain Care Board and the public participation process. Act 48 intentionally gave the responsibility for determining benefits to an independent and non-partisan body, which could identify need for health services after getting public input. S.252's language now leads to an internal contradiction in the law, since 33 V.S.A. § 1825 (a) (4), which assigns the responsibility of benefits determination to the Board, still stands.

We propose reinstating the language in Act 48 that defines the floor for GMC, not the ceiling: GMC's benefits have to be at least as good as the best existing plan. We have to guard against going backwards and believe in our ability to move forward. H. 776 offers this language:

### § 1825. HEALTH BENEFITS

(a)(1) ~~The benefits for Green Mountain Care shall provide health services that include primary care, preventive care, chronic care, acute episodic care, and hospital services and shall be include at least the same covered services as those included in the benefit package in effect for the lowest cost Catamount Health plan offered on January 12 1, 2011 shall consist of as~~ comprehensive as the benefits available in the State employees' SelectCare POS, offered on January 1, 2014.

*Why?* The H.776 language sets not only a floor for benefits, as Act 48 does, but it also raises that floor to ensure that no group is worse off in the new healthcare system. The actuarial value of the VSEA plan is 93%, and H.778 proposed to update subsection (2) with that figure - again, this is setting a floor for GMC, not a ceiling. We believe that GMC ultimately can and must rise far above this floor, and provide access to all needed care without any barriers to access.

(2) It is the intent of the General Assembly that Green Mountain Care provide a level of coverage that includes benefits that are actuarially equivalent to at least 93 percent of the full actuarial value of the covered health services.

## **Conclusion**

By proposing these amendments to S. 252 and putting forward H.776 as an alternative, we ask you to recommit to upholding the principles of Act 48, in particular the principles of universality, equity and participation. The purpose of GMC is to ensure that we all get the care we need and contribute what we can. No medically necessary health service should simply be left out. Our health needs should determine how much money we need to raise. No person or population group should be excluded from GMC. Please ensure that these principles guide the path toward making our human right to healthcare a reality in Vermont.