

To: Senate Committee on Economic Development, Housing and General Affairs
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Collective Bargaining and Green Mountain Care

I. Overview of VLCT Health Trust

- VLCT Health Trust history.
- VLCT Health Trust has offered health insurance programs since 1982.

II. Municipal Transition to Vermont Health Connect (VHC)

- Vast majority of municipalities are now getting their health insurance through VHC.
- Most of our members, 65%, offered High Deductible Health Plans (HDHP) in 2013. These plans are compatible with Health Savings Accounts. Members helped employees fund deductible through HSA contributions or Health Reimbursement Arrangements (HRA). Employer and employees were happy with this arrangement.
- In 2014 only 7% of our members offered HDHPs.
- 71% of our members chose to offer Platinum plans in VHC. This means more premiums to health insurers and less incentive to manage health costs or provide wellness programs.
- Those municipalities that were in Platinum equivalent plans in 2013 saw premium reductions. Those in HDHP plans saw increased costs.
- Some municipalities had to go through collective bargaining to achieve transition to VHC. While not always easy, it got done.
- We have some groups with more than 50 employees that want to come into VHC now.
- Rep Christie introduced a bill, H.667 that would allow this option.

III. Transition to VHC and Collective Bargaining

- Started early.
- Worked with unions to present information about VHC and ACA to labor and management.
- This allowed a base of information that was agreed upon, which allowed the bargaining teams to focus on substantive issues at the bargaining table.
- Constantly changing VHC landscape made things really complicated and in some instances required collective bargaining a second time.
- Under current law, as VHC opens to larger groups do other health plan options go away?

IV. Green Mountain Care

- Everyone should be in.
- Public sector should lead the way. The optics of not including public sector employees from the beginning is bad.
- Follow all the money. Consider premium, coverage and cost sharing.
- Transition should start NOW!
- If GMC is delayed, moving to VHC can help move the process. All public sector employees could be in VHC in 2017.



- There is a potential to save money for public sector employee health insurance. These savings might help smooth the transition path and allow for taxpayer savings.

V. Some Final Thoughts.

- GMC is meant to sever the connection between employment and health insurance.
- The legislature should consider making this a reality by changing the public sector collective bargaining laws to remove health insurance as a mandatory bargaining issue when GMC is launched.
- Supplemental plans will undermine GMC by adding administrative costs and complexity. They will also undermine the plan design.
- If savings in public sector health insurance are achieved they should accrue to the taxpayers of Vermont.