



1. Our position on health care reform is driven by Four Principles:
 - a. Fix the Cost Shift
 - b. Move to Outcomes-Based payment and end the fee for service model
 - c. Continue to invest in the Blueprint for Health
 - d. Move all VT health care providers to a Uniform Technology System that combines: patient records; patient scheduling and patient billing

2. Any new financing, tax, or payment system must undergo a 'proof of concept' before it is adopted:
 - a. There is no need to fix the cost shift in one year
 - b. Any financing system should have Hard Benchmarks and an Automatic Sunset if those benchmarks are not met.

3. The Payroll Tax is a new idea (and a new tax) and we have not had a chance to fully digest its effects and its underlying assumptions. A few Questions to Consider:
 - a. Can the money actually be returned to those paying into the system?
 - b. Will it be difficult or impossible for ERISA companies to realize the proposed 5% return on their payment?
 - c. Why does this new tax fall 100% on employers and leave employees w/o skin in the game?
 - d. For small companies -- (ex: those that will see a 10,000-15,000 annual payroll hit) how will this affect their ability to give raises/bonuses or hire additional staff?
 - e. How can we ensure that the money raised by the Payroll Tax will not be raided for other uses or raised to fund other state programs?

4. Before creating and imposing a new tax, we should first look at Alternative Sources of Revenue:
 - a. Money taken directly from DVHA since the state is no longer gearing up for single payer;
 - b. Reallocation of state resources from programs not as important as health care reform;
 - c. A two year pilot using Bonded money especially given our AAA rating and historically low borrowing rates
 - d. Reallocation of Education fund for the amount needed to cover teachers' health care.