Universal Primary Care:
The Time for Meaningful Change is Now!

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Testifying in support of the original S.53 Universal Primary Care bill as amended and passed by the Senate Health and Welfare Committee

Why should Vermont implement a universal primary care program?

- We have a unique delivery system (regional small hospitals, FQHCs, Blueprint)
- We have a health care regulatory authority (GMCB)
- Our current reform initiatives do not address access to health care for those who are uninsured or underinsured
- We have a primary care workforce crisis

Publicly financed Universal Primary Care is critical legislation at this time in Vermont

- Expected increases in premiums, out of pocket costs, and the limited effect of silver loading will drive people out of VHC.
- The current Vermont uninsured rate of 5% could easily increase to 8-10% within the next two years.
- The underinsured rate is indeterminate but will not go down as a result of any current reform efforts.
- The “insurance” model will never lead to universal access to health services in this State (or country)

There are basic principles in the *original* version of S.53 that are of critical importance to Vermonters

- Preservation of the principle of access to primary care services without financial barriers (co-pays and deductibles)
- Addresses the administrative burdens for primary care
- Incentivizes clinicians to provide essential services and encourages people to utilize preventive health services
- Lowers the growth in State health care spending by focusing the delivery system on the least intensive and most affordable level of care
- The Senate (strikeout) version does not establish these principles

The *original* version of S.53 was amended to assure operational and financial protections

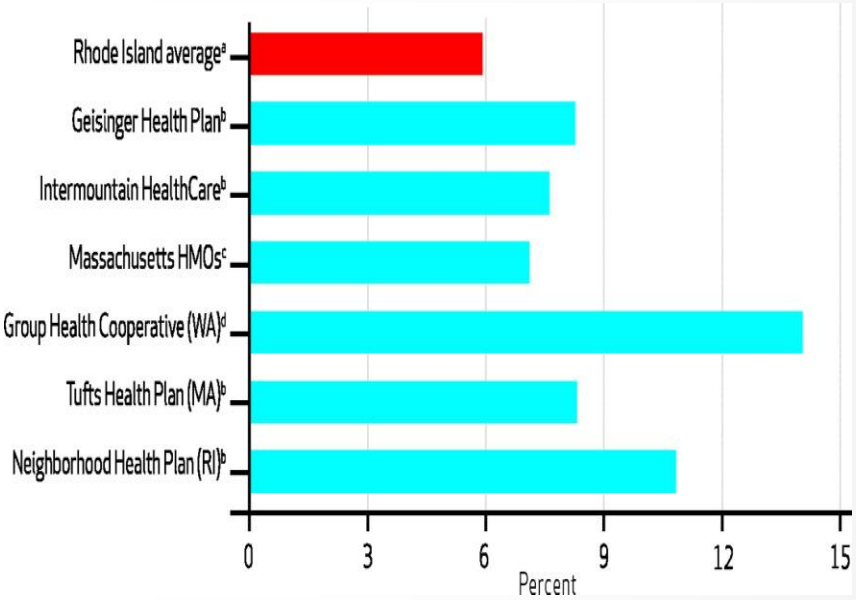
- Provides a specific regulatory authority for the GMCB over the operational plan for UPC.
- Requires the formation of a “working group” which would include the payers all at the table
- Allows for a phase in period over a minimum of three years.
- Establishes a set of conditions that must be met including a stable and adequate financing/reimbursement plan
- Would establish targets for a total primary care spend rate for insurers and hospital budgets

What does a financing plan for publicly financed UPC in Vermont look like?

- A Primary Care Trust Fund is established (model legislation has been proposed in Rhode Island.)
- An accountable state agency implements the trust fund program (AHS and DVHA)
- Accountable care organizations in the State establish and report their primary care spend rate
- The GMCB regulates and oversees the primary care spend rate
- The legislature establishes rules for funding the Trust (hospitals, insurers, ACOs in the State are assessed x% of their total projected medical spending for the Trust)

There is “small” state financial evidence to support a universal primary care program

(Koller, et al. Health Affairs 2010;29:941)



- RI mandated an increase in PC spending from 5.4% to 8% from 2007-2011
- This led to an 18% drop in total spending (a 15 fold ROI)
- The legislature next required commercial insurers to increase the proportion of medical expense allocated to PC by 1% per year 2011-2014.
- Other states are following this model

Potential Universal Primary Care Savings
(there is an evidence-based way to estimate this amount but no actuarial way)

- Estimate savings based on total spending ($5.7billion – 10%)
  - 1% = $51.3million 3% = $154 million
  - 5% = $256 million 10% = $513 million
- Estimate savings on hospital spending ($2.2 billion – 10%)
  - 1% = $19.8 million 3% = $59.4 million
  - 5% = $99 million 10% = $198 million
- Approx 60-70% hospital revenues are already outpatient services, some of these would transition from high (ED) to low cost sites
- UPC may force some hospitals to redefine their community mission
- The ACO model in Vermont has not achieved savings to date

The Senate (strikeout version) S.53 is not meaningful legislation

- Proposes a “study” of the feasibility of universal primary care
- Suggests that private insurance-income sensitized cost sharing will increase utilization of primary care services
- Insurance models of health care coverage have never led to universal access
- Convenes a group of interested “stakeholders” to develop recommendations on four of the most critical issues
- These will be the “stakeholders” that are already being rewarded in the current health care reform efforts

There are those who either do not support the original S.53 or actively oppose it

- The Vermont Medical Society argues that primary care services are not defined, administrative burdens not addressed, some practices are not ready for value based payment, and reimbursement rates not set.
- The Vermont Assoc of Hosp Health Systems argues that a revenue assessment on hospitals is “destabilizing”, there is no UPC evidence, and the ACO/APM has “stretched” the system too thin.
- Blue Cross/Blue Shield, MVP, CIGNA-- whose premiums are increasing 8-10% every year
- The Administration believes Vermont cannot move any legislation forward that requires “new” revenue.

Publicly financed universal primary care is an important and manageable step toward improving access and quality..

Remember:

- - **Value:** No testimony to date has questioned the value of expanded access to primary care services.
- - **Goals:** No testimony to date has disputed that Universal Primary Care is compatible with and will complement the goals of OneCare and the all payer model.
- - **Unique**: No testimony to date has effectively contested that UPC could be a way to attract primary care clinicians or students into primary care careers.

UPC could be a step toward stabilizing the Vermont primary care workforce crisis

- At the annual American Academy of Family Physicians Congress in September the member delegates passed a resolution in support of publicly funded UPC submitted by the Vermont delegation
- There was significant interest from other states (Colorado, California, Oregon, and Rhode Island) in following Vermont's lead
- Dartmouth medical students completed a survey related to whether UPC would change their interest in a primary care career:
  - Most became disinterested in primary care during medical school
  - 50% would be interested in a primary care career as defined by S.53
  - Interest in primary care depends on:
    - Ability to practice the full scope of office based primary care services
    - Primary care payment is considered separate and unique from other specialties
    - Equal status of primary care in the health care system