



My name is Suzanne Dirmaier. I served on the Vermont Educational Health Benefits Commission as the designee for Vermont-NEA.

I am a UniServ Director for the Northwest part of Vermont- Grand Isle, Franklin and Lamoille Counties—and have been representing locals school unions for 27 years. Before my work at VERMONT-NEA, I was an elementary teacher for twelve years.

It is fair to say that the commission took its charge from the legislature very seriously. It became apparent early in our process that our collective task given the various components of the charge, would be complex and difficult. It was challenging, for example, to grapple with the wide variances across the state in respect to the tiers of health insurance coverage offered school employees, premium contributions, and out-of-pocket cost obligations, as well as differences in annual wages and hourly rates of pay and their implications for the affordability of health insurance.

There was agreement by the commission on many recommendations; however; I clearly articulated that in order for VERMONT-NEA to endorse any final report, principles needed to be addressed and supported by the group as a whole.

The first core principle is that of **equity**. Many school employees, mostly low-income support staff throughout the state, have access only to an employer premium and out-of-pocket contribution for single (employee only) coverage; other employees receive only a stipend for as little as \$400; while a few units receive no employer sponsored health insurance at all. They of course, can pay the difference if they elect between their district's contribution to single coverage and the cost of dependency coverage but, in many cases, that is not a financial possibility. They simply cannot afford to pay that much out-of-pocket to cover their spouse and children.

To quote Governor Scott's June 6, 2017 letter to the legislature, "... any alternative must hold educators harmless and provide parity and uniformity across the system; ..." To VERMONT-NEA, that means all employees that work for a school system, whether teacher, support staff, or administrator, must have equal access to health insurance that is comprehensive, high quality and affordable. Further, health care benefits must encompass and cover equitably all school employees and their dependents.

The second core principle, already alluded to, is that of **affordability**. One of the stumbling blocks the commission faced was coming to agreement on **income sensitivity** as a core principle. The commission came close to consensus, but sadly it ultimately chose to water down the recommendation to the point where it was no longer acceptable to my organization.

Income disparity is a fact of life in our schools. Teachers and other licensed professionals have a wide range of salaries. First-year teachers in Vermont, in 2015-2016, earned a starting salary in the range of \$32,200 at the low end to a high of \$44,595. That same year, salaries for teachers with a Masters' Degree and some number of additional graduate credits ranged from \$59,772 to \$88,647.

Health care costs are a heavy burden on many teachers as well as support staff. Less experienced or younger teachers, for example, often come into the profession with exorbitant levels of college debt, and that burden is one they carry for years. Further, the financial pressures of family life, trying buy a home, paying the bills and putting food on the table, and planning for retirement are just as real and consequential for teachers as they are for any other workers. Like a lot to Vermonters, many teachers don't earn enough to save money or to be able to afford their out-of-pocket costs for an expensive medical procedure or drug; many, in other words, live from paycheck to paycheck.

Actual wages for support staff and other non-certified personnel are more difficult to express in the aggregate because they lack the uniformity of teacher salary schedules and because there is a great deal of differentiation in work year and work day requirements. Local compensation systems for support staff can vary dramatically. But what I can say with certainty is that our support staff- paraeducators, clerical assistants, custodians, food service workers, maintenance workers, technicians and bus drivers – also struggle to make ends meet and to afford their health care, even when they have access to an employer contribution to all tiers of coverage. They, too, often live paycheck to paycheck.

Historically, the way most schools throughout the state have dealt with these disparities at the bargaining table is to take into consideration the wages of employees and their personal coverage needs when negotiating premium and out-of-pocket cost sharing. Two school districts in the state have implemented income sensitivity, for example, for premium contributions. The great majority of schools recognize and address the income disparity problem by asking lower paid employees, generally support staff, to pay less toward premiums and out-of-pocket costs.

Due to these important local decisions, we have a wide variance of cost sharing on premiums and out-of-pocket costs for school employees. To come to agreement on a common health benefit for all school employees, income sensitivity must be addressed.

In addition to the issues and principles I've spoken to already, the commission could not escape the manifestations of a much larger issue facing Vermont and the nation: that is access to high quality, affordable health care is a profound problem, and not just for school employees, but everyone. This problem, in our opinion, calls for a broad system reform that removes access for workers to high quality health care as a condition of employment and elevates it to a right of citizenship. Doing so, as Vermont-NEA has advocated for decades, would simplify and improve employer-employee relations, certainly including those between school employees and school boards.

In the shorter term, we have advocated for a reconstruction of VEHI so that it once again can function as a partnership of equals between school boards and the Vermont-NEA. This is necessary not only to give both parties an equal voice and responsibilities in providing affordable and high-quality health care benefits to school districts and their employees, but also to investigate and undertake reforms on its own and in tandem with others, that have the potential to rationally control health care costs and expand access to care. It is imperative that the systematic causes of the affordability crisis in health care and the challenge of improving the quality of care be addressed rigorously and smartly by all affected parties, including VEHI.

I think we can agree that health care costs in our state and nation are unconscionably high. They stymie economic growth- outside the health care industry, anyway, - block access to necessary care, and put enormous pressure on personal, business, municipal, state and federal budgets.

There are those who believe we can address this cost crisis through insurance design and cost shifting – moving more employees and their families, that is, to high-deductible health plans paired with health spending accounts, particularly HSAs. This is the “skin in the game” method of cost containment. We categorically reject this cost-shifting approach. Not only because it does not get at the root cause of our health care system’s cost and lack of universal access, but because it often leads to medical and financial hardship, especially for low and moderate income working families.

We also believe there are important measures VEHI should investigate now and in the immediate future, in partnership with VERMONT-NEA, that have the potential to reduce costs and improve care, until as a country, we achieve a national, publicly financed health care system such as Senator Sanders’s “Medicare for All”.

Thank you for allowing me to testify. I would entertain any questions or comments you may have.