

Representative William J. Lippert, Chair
House Committee on Health Care
Statehouse
Montpelier, Vermont

Re: S. 53, an act relating to universal primary care

Dear Representative Lippert:

I am writing to support action by your committee this session on universal primary care.

By way of background, I'm a Board member of Vermont Health Care for All. I was born in Vermont and I have lived in Montpelier for almost 26 years. I've also lived in Orleans County, Addison County, Chittenden County, and Windham County. I hold an undergraduate degree from UVM, a master's degree from Johnson State College, and a graduate certificate from Saint Michael's College.

I have no financial or professional interest in any health care related enterprise.

I appreciate that the committee may be reluctant to vote for the version of S. 53 that the Senate passed, particularly after hearing testimony as to the cost of the studies required by the bill. I believe the version passed by the Senate Health and Welfare Committee is better in terms of making a commitment to the long-range vision of universal primary care; it also has less of an immediate price tag; but I'm also aware of the Scott administration's fundamental opposition to a universal primary care system, and the likelihood of a veto of any bill that has fiscal impact.

At the same time, I have not heard opposition to the notion that the state needs to invest more funds, both public and private, in primary care. In fact, there has been an abundance of testimony in both the Senate and House committees supporting, for a variety of reasons, a renewed emphasis on primary care.

Therefore I urge your committee to consider a strike all amendment to S. 53 as passed the Senate. My proposal is appended below. It is a simple two-page bill with no immediate fiscal impact. In a nutshell it does the following:

- Establishes a Universal Primary Care Fund (without appropriation) in the state treasury.
- Authorizes the Green Mountain Care Board, in its discretion, to require hospitals with excess revenue to contribute to the Fund.
- Gives authority to the Green Mountain Care Board to request disbursement from the fund for specified uses, including costs of planning and analysis of universal primary care.
- Sets a target for increasing the spend rate on primary care, and gives the Green Mountain Care Board authority to consider the target in its regulatory functions.

I hope the committee will find time to consider my proposal.

Sincerely,
Ethan Parke
63 Towne Hill Road
Montpelier, VT 05602

An act relating to universal primary care

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. PURPOSE

It is the purpose of this act to create a Universal Primary Care Fund and to set a target for increasing the percentage of health care spending in Vermont on primary care.

Sec. 2. FINDINGS

The General Assembly finds that:

- (1) Primary care is unaffordable for an increasing number of Vermonters. Even among those with insurance, deductibles, co-pays, and co-insurance for primary care services have created disincentives and financial barriers to accessing necessary care.
- (2) Universal access to primary care will improve the health of Vermonters by preventing disease and by addressing Vermonters' health care problems before they become more serious and more costly, thus reducing system-wide health care spending.
- (3) Vermont has a growing shortage of primary care providers.
- (4) Investments in primary care that increase the percentage of total health care spending on primary care will return savings in overall health care spending.
- (5) Some Vermont hospitals have excess net revenue that could be used to invest in primary care, thus saving costs system-wide and reducing the tendency to spend disproportionately on hospital care at the expense of primary care.

Sec. 3. DEFINITIONS

As used in this section:

- (1) "Primary care" means health services provided by health care professionals who are specifically trained for and skilled in first-contact and continuing care for individuals with signs, symptoms, or health concerns, not limited by problem origin, organ system, or diagnosis, and includes pediatrics, internal and family medicine, gynecology, mental health and substance abuse services, and other health care services commonly provided at federally qualified health care centers. Primary care does not include dental services or diagnostic imaging. Primary care service categories and specialty types are listed in the study ordered by the General Assembly in accordance with Act 54 of 2015, Sections 16–19, dated December 16, 2015.
- (2) "Vermont resident" means an individual domiciled in Vermont as evidenced by an intent to maintain a principal dwelling place in Vermont indefinitely and to return to Vermont if temporarily absent, coupled with an act or acts consistent with that intent. The Secretary of Human Services shall establish specific criteria for demonstrating residency.

Sec. 4. UNIVERSAL PRIMARY CARE FUND

- (1) The Universal Primary Care Fund is established in the State Treasury as a special fund to be used only for the purposes set forth in this Act.
- (2) Into the Fund shall be deposited:
 - (a) transfers or appropriations from the General Fund, authorized by the General Assembly;

- (b) revenue from any taxes established for the purpose of funding universal primary care in Vermont;
 - (c) if authorized by waivers from federal law, federal funds from Medicaid and from subsidies associated with the Vermont Health Benefit Exchange established in subchapter 1, chapter 18 of Title 33;
 - (d) the proceeds from grants, donations, contributions, taxes, and any other sources of revenue as may be provided by statute or by rule; and
 - (e) any portion of hospital excess revenue that the Green Mountain Care Board may require hospitals to contribute pursuant to Section 5 of this Act.
- (3) The Fund shall be administered pursuant to 32 V.S.A. chapter 7, subchapter 5, except that interest earned on the Fund and any remaining balance shall be retained in the Fund. The Agency of Human Services shall maintain records indicating the amount of money in the Fund at any time.
- (4) All monies received by or generated to the Fund shall be used only for:
- (a) payments to health care providers for primary care health services delivered to Vermont residents in furtherance of the goal of universal access to primary care; and
 - (b) Studies, legal analyses, actuarial reports, and working group expenses by the Green Mountain Care Board or by any department of State government incurred in the process of planning and/or implementing universal primary care in Vermont.
- (5) The Green Mountain Care Board shall have sole authority to request disbursements from the Fund in accordance with this Section.

Sec. 5. HOSPITAL EXCESS REVENUE

- (1) The Green Mountain Care Board, as part of its annual review and approval of hospital budgets pursuant to Sec. 7. 18 V.S.A. § 9458, may require that any hospital that generated revenue in excess of the budget approved by the Green Mountain Care Board remit a portion of said excess revenue to the Universal Primary Care Fund.

Sec. 6. PRIMARY CARE SPEND RATE TARGET

- (1) It shall be the policy of the State of Vermont to increase the percentage of overall health care spending on primary care from its current percentage to 11 percent, in increments of 1 percent per year.
- (2) The Green Mountain Care Board shall take this target into consideration in its regulation of hospital budgets and accountable care organizations, in its setting of health insurance rates, and in its implementation of the all payer model.

Section 7. EFFECTIVE DATE

- (1) This Act shall take effect on July 1, 2018.