

I would like to start off by reminding the committee that the Senate Health and Welfare , the policy committee, spent 2 years drafting a bill that would start us down the path of eventually providing publicly funded primary care to all Vermonters. In that time the Senate Health and Welfare committee took testimony from hundreds of witnesses .It had initially 13 cosponsors and 3 other confirmed votes if it got to the floor. Senate Finance passed it without comment. Unfortunately , the majority of Senate Appropriations committee did not agree with the **policy** of public funding of healthcare and Senator Tim Ashe created the strike-all Amendment you see before you in the revised version of S53. This revised version of S53 as passed by senate is nothing more than a study which will be shelved and will not likely lead us to meaningful reform.

Vermont Health care for All would like the original language restored.

Why do we want the original bill restored? 3 main reasons

- 1) Primary care is the most valuable sector in health care
- 2) Cost sharing impedes access
- 3) Importance of public funding of primary care is the only way to make it universal

All 3 of the above were eliminated in the revised version of S53.

### **Primary care is the most valuable sector in health care**

Value of primary care is indisputable.

In a nutshell, studies show that when primary care is available to a population, the outcomes are better, the health of the population is improved, system costs are lower and quality of care is improved. Much of this is due to patients accessing care earlier in their disease, patients having continuity of care with a provider who specializes in them, and whom they have an established ongoing relationship with. See references.

It should also be noted that primary care while having great value has a very reasonable price tag. While we will be spending \$2.5 billion on hospitals this year, and more than \$6 billion in total, primary care is less than 6% of total.

### **Cost sharing impedes access**

Recognizing the value of primary care - VTHCA endorses elimination of cost sharing for primary care. Why?

The original version of S53 sought to remove financial barriers to care by eliminating cost sharing for primary care meaning - no deductibles or copays or direct payment. We feel the evidence shows that they impede access to primary care.

Dr. Elliott Fisher, director of the Dartmouth Institute for Health Policy and who is the father of the ACO/All Payer movement nationally has a similar concern.- .in an exchange published in the New England Journal of Medicine commenting on the rise of cost sharing and deductibles stated “As systems invest anew in primary care and care coordination, patients have a new incentive to avoid their doctors.”“Substantial or poorly targeted cost sharing could easily undermine these approaches,” \_ “Numerous studies have shown that cost sharing is a blunt instrument, causing patients to cut back on both needed and wasteful care.”

ACO/All Payer in Vermont does not eliminate cost sharing. And if someone is uninsured prior to joining the ACO they may enter care with diseases that were entirely preventable had they sought care earlier.

Rand study was done in 1970. Concluded that when people are subjected to cost sharing they use less care. It concluded that people used less unnecessary .Bu they also used less necessary care. . care. But they also Same is true today. We must ask ourselves is this what we want when it comes to primary care? DO we want people to avoid primary care. Most of it is in the form of prevention, of primary disease , secondary complications.

Biggest experiment cost sharing is with the uninsured. Problem is, the patient doesnt always know what is necessary or not that is the purpose of primary care. Is this HA a brain tumor, is this mole serious? **Primary care is where patients go to determine what is unnecessary use.**

### **Importance of public funding of primary care**

- allows continuous coverage and prevents churning
- allows continuity of care
- avoids churning -people moving on and off of insurance
- fairness principle on the wall
- individual mandate is a tax.- an unfair regressive one.
- **Establishes primary care as a public good -defining public good and then implies progressive financing.** (Medicare is public good. The VA is a public good. )

### **Why should it be universal ?**

- Admin costs lower
- we pay the whole bill anyway
- prevents worse outcomes prevents churning people on and off insurance
- Admittedly this is not as simple as would be if at national level.

- However, there is one section we favor in the new bill . That is striking out the money for the ACO and giving the GMC board the money to get this work done. We also favor asking the GMC board to consider using hospital excess revenue.

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- **Sec.3. GREEN MOUNTAIN CARE BOARD RESOURCES; LEGISLATIVE INTENT**

- It is the intent of the General Assembly to provide sufficient resources to the Green Mountain Care Board in fiscal years 2019 and 2020 to enable the Board to carry out the duties set forth in Secs. 1 and 2 of this act.

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In the bill as passed by Senate Health and Welfare there is a section on Draft Operational Model. This section lists components of the model that must be included as developed by the GMCB and stakeholders. To this list add

(v) how hospitals with excess net revenue could be required as part of the Green Mountain Care Board's annual hospital budget review process to contribute a portion of their excess revenue to the universal primary care fund, along with an analysis of such contributions as a feasible funding stream for universal primary care.

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## References

### Universal Primary Care Improves Outcomes

"Primary Health Care That Works: The Costa Rican Experience", Peseo, P; Ratcliffe, H; Karlage, A et.al.; Health Affairs, March 2017

<https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2016.1319>

### Continuity of Care Improves Outcomes

"Impact of Continuity of Care on Mortality and Health Care Costs: A Nationwide Cohort Study in Korea" Shin, D, et.al. .Annals of Family Medicine ;

<http://www.annfammed.org/content/12/6/534.full>

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Chen,C: et.al.

**"Issues In Health Reform: How Changes In Eligibility May Move Millions Back And Forth Between Medicaid And Insurance Exchanges"** *Sommers, B and Rosenbaum, S ; Health Affairs Vol 30,N02*

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