

Vermont Health Care for All
PO Box 1467
Montpelier, VT 05601

July 30, 2017

Senator Claire Ayer
Chair, Senate Committee on Health and Welfare
State of Vermont General Assembly
115 State Street
Montpelier, VT 05633

Re: Next Steps in Achieving Universal Primary Care in Vermont

Dear Senator Ayer:

On behalf of the Vermont Health Care for All legislative working group, we thank you for your letter dated April 14, 2017 addressed to advocates of universal primary care. In your letter you requested assistance in two topic areas related to Senate bill 53, which stalled in your committee during the past legislative session. As you know, these topic areas are also spelled out in the report “Cost Estimates for Universal Primary Care” conducted by the Agency of Administration in 2015.

Vermont Health Care for All hereby responds to your request, in hopes that the 2018 session will be more conducive to concrete legislative action addressing the urgent need in our state for better access to primary care. In the upcoming session we would like to see legislation passed that makes clear Vermont’s intent to move forward with publicly funded universal primary care, so that no Vermonter will ever again have to delay going to the doctor because they can’t afford it.

We have reviewed your to-do list of actions needed to implement universal primary care. We would love to be able to hand the committee a package with all the analyses completed. As ordinary Vermonters, however, we do not have the expertise or financial resources to carry them out, but we do know where those resources are to be found. This expertise is within the capacity of the various branches of state government. Therefore, we ask that your committee add language to S. 53 authorizing and financing state government to complete these tasks.

Our specific responses are as follows:

Legal and Waiver Analysis

The Green Mountain Care Board (GMCB) is uniquely positioned to do the legal analysis required to sort out the relationship between existing and proposed federal legislation and the proposed Vermont universal primary care system, including plan design and health savings accounts. The GMCB has this expertise in abundance, with four attorneys on staff who are well versed in health care law, and seven highly skilled health policy analysts. In addition, the GMCB Board itself has this expertise, since Board Member Robin Lunge has done this very work for the state for nearly 15 years. Vermont Health Care for All believes that it would be appropriate for the Legislature to request that the GMCB conduct this analysis without delay.

Operational Plan

Program administration: Some of the tasks you list in your letter under program administration are not implementation steps, but simply policy decisions that need to be made by the Legislature. For instance, whether to cover services delivered outside the United States is a policy decision. For reference, Medicare does not cover medical services outside the U.S. except in a few circumstances; the Legislature could choose to follow this model or take a different approach. Another policy decision is whether persons who are not residents of Vermont could participate in the proposed universal primary care system. Yet another policy decision is the choice of administrators for the program. Vermont Health Care for All suggests that all these items are germane to legislative consideration of S.53, when and if that happens.

Other tasks that fall under program administration are already being performed by departments of state government and by state boards, such as the Department of Vermont Health Access, the Department of Children and Families, the Department of Financial Regulation, the Secretary of State's Office, the Board of Medical Practice, the Department of Health, and the Green Mountain Care Board. None of these tasks are unique to a universal primary care program. The boards and agencies named above already perform these tasks, either on a statewide basis for the entire Vermont population, or for some subset of the population.

We suggest that after your committee makes policy decisions related to program administration, that you ask the Legislative Council to strengthen S.53 by making specific reference to the existing entities within state government that would have a role in the universal primary care proposal. The boards and agencies so referenced can then be queried as to whether they need additional resources to carry out new tasks related to universal primary care.

Financial administration: As for budgeting annual costs for the universal primary care program, the Joint Fiscal Office (JFO) has been clear that it is able to develop medical service costs, if it receives sufficient funds to contract for actuarial analyses. JFO would also be able to provide estimates of administrative costs if the Legislature directed relevant departments to provide

projected administrative cost data. JFO could then provide the Legislature with a menu of funding sources to cover these costs.

Rate-setting and payment methodology: The Green Mountain Care Board currently is doing rate design for health care services as part of payment reform and the all payer model. We suggest that you add language to S.53 that would charge the GMCB with developing similar systems for universal primary care.

Final Observations

One way of keeping administrative costs in check is to design the program as a truly universal system, with no eligibility determinations other than residency. Also, many studies have shown that reducing or eliminating patient cost sharing for primary care not only results in more timely care with better outcomes, it also reduces administrative costs. Therefore we recommend that in fine-tuning S. 53, your committee should do all it can to keep the program administratively simple, avoiding traditional burdens such as eligibility determinations, multiple billings, copays, premiums, and deductibles.

We would also comment that the possible repeal or diminishment of the federal Affordable Care Act (ACA) is not a reason to delay implementation of universal primary care in Vermont. On the contrary, universal primary care, which will be beneficial under current law, will be even more necessary if the ACA is repealed and/or replaced, or if federal budget cuts decimate Vermont's Medicaid program.

Enactment of universal primary care would be a first but very important step toward universal health care. It can be accomplished at a relatively modest cost. It would give Vermonters an opportunity to experience a universal system. And as we have seen with the current attempts to repeal the ACA, once people experience even a modest improvement in the availability of health care, no matter how flawed, they do not want to go back.

We hope our responses to your task list will be useful to you and the committee, and we stand ready to do our best to assist with educating the public as to the medical benefits and cost savings of universal primary care, and building support for the legislation. We look forward to real progress on this issue in the coming session. Thank you for sharing our vision of primary care for all Vermonters.

Sincerely yours,

Deb Richter, MD
Board Chair, Vermont Health Care for All