

Vermont Health Care Coalition Statement

1/4/18

A diverse coalition of Vermont health care organizations are expressing deep concern about potential threats to Vermonters' access to essential health care services.

Organizations participating include: Blue Cross and Blue Shield of Vermont, Bi-State Primary Care Association, Office of the Health Care Advocate, MVP, Planned Parenthood of Northern New England, UVM Medical Center, Vermont Association of Area Agencies on Aging, Vermont Association of Hospitals and Health Systems, VT Coalition of Clinics for the Uninsured, Vermont Care Partners: VT Council of Developmental and Mental Health Services, Vermont Medical Society, Vermont Program for Quality in Health Care (VPQHC), and VNAs of Vermont.

Through this briefing document, we identify the following items that are of serious concern to all members of the coalition. The very presence of so many concerns has the potential to have a compounding impact on Vermonters' ability to access necessary care for years to come.

Coverage:

- **Health Insurance Marketplace Destabilization:** Numerous recent federal health care changes put Vermont's health insurance system in jeopardy. The defunding of CSRs (cost-sharing reductions) that reimburse insurers for limiting out of pocket costs for lower income households, the reintroduction of Association Health Plans which could remove group members from the state's merged market and subject them to financially unstable coverage, and the elimination of the individual mandate which encourages individual participation in the Exchange all threaten to destabilize the Vermont market. Vermont needs to respond to federal changes and protect individual consumers, small businesses, and the state health insurance marketplace.
- **CHIP Funding:** Congress' inability to reauthorize CHIP funding will create an additional budget pressure of \$21 million (annualized) on the budget process starting in late February 2018. If Congress does not act, the Administration and Legislature will need to find those funds in a budget process that is already very challenging or change eligibility for children in low income families.

Access:

- **Expiration of the Home Health Rural Add-On:** The expiration of the 2015 Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) will impact the vulnerable Vermonters served by home health agencies under Medicare beginning on January 1, 2018. Absent a re-authorization of the **Home Health Rural Add-On**, Vermont's rural home health agencies can expect a Medicare cut of between 2.5% and 3% for home health services, or about \$1.3 million.
- **Home Health Prospective Payment System Rule:** The home health industry is bracing for a significant cut when the 2019 Home Health Prospective Payment System (PPS) Rule is finalized for an effective date of January 1, 2019. Based on proposals put forward by CMS in late 2017, the cut could be as high as 15%, or about \$7.7 million.
- **Impacts on Hospitals:** CMS announced in November that it is cutting reimbursement in a pharmaceutical program that is meant to stretch hospital resources to ensure patient access. Under these cuts, UVM Medical Center will lose \$7 million and Brattleboro Memorial Hospital

will lose \$1 million. Brattleboro Memorial Hospital is also losing an additional \$2.5 million in federal funding. The federal government's failure to fund cost sharing reductions and to extend the Children Health Insurance Program will increase hospital uncompensated care by a significant amount while the federal government is also looking to cut support for uncompensated care through the Disproportionate Share Hospital payments in the next two years. All of this comes at a time when hospitals are trying to transition from fee-for-service and focus on investing in more coordinated, prevention-based care for Vermonters.

- **Primary Care Funding:** Vermont's 11 FQHC's are facing a federal funding cliff if Congress does not authorize additional funds by 1/1/18. The FQHCs are already implementing plans to deal with the loss of these funds including delays in necessary recruitments and programs. These funds are core to the FQHC mission and total \$14 million in annual revenues to the FQHCs around the State. Loss of these funds could result in site closures and layoffs.
- **Access for Uninsured and Underinsured:** Vermont's Free Clinics continue to serve more people, including an almost 10% increase in 2017. The funding available to the Clinics has gone down over the past year because of the elimination in 2017 of Navigator and SBIRT (Screening, Brief Intervention, and Referral to Treatment) grants. As a result, the Clinics are seeking an increase of \$344,000 in core funding from the State of Vermont to support their ongoing service to vulnerable Vermonters.
- **Mental Health, Developmental Disabilities and Substance Use Disorder Services:** People who have developmental, mental health, and substance use disorders, served by Vermont's Designated Agencies left uncovered due to Federal funding and policy changes will be hit especially hard. Unlike most other provider groups, designated agencies provide very few services under the auspices of the Medicare program or commercial insurance, so if fewer people are covered, it will be more difficult for the designated agencies to provide adequate access to quality care for children and families. Inadequate funding for these services reverberates across not only the entire health care system, but also economic services, law enforcement, criminal justice and corrections.

Reproductive Health: Persistent threats to reproductive and sexual health including attempts to make Planned Parenthood ineligible for federal grant dollars and through denying Medicaid patients the ability to choose Planned Parenthood as their reproductive health care provider. Currently in Vermont, 47% of Planned Parenthood patients are insured through Medicaid or covered by other federally supported public programs.

Impacts on consumers. The many changes outlined above will have significant negative impacts on Vermonters' ability to access necessary care. The changes and uncertainties will leave vulnerable families more exposed.

This is an unprecedented number of challenges facing Vermont and the collective impact will touch every Vermonter and undermine the State's ability to care for its residents.

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