

For the record, my name is Ruby Baker. I am the Executive Director of the Community of Vermont Elders. COVE is a non-profit organization committed to supporting a higher quality of life for older Vermonters, using advocacy and education across the State.

Vermont population estimates from 2010 to 2030 on average show our over-65 population doubling its share of all Vermonters from 12 to 24 percent. By 2030 one in four Vermonters will be at least 65. Over 4,000 more seniors, almost equal to the population of Stowe, are added yearly to our population. This shifting demographic means that the usage of healthcare in Vermont will necessarily increase. As people grow older, they utilize more healthcare, which is one of the most expensive parts of growing older. It is also one of the most unpredictable. Many working people set aside savings in order to protect themselves in the case of an unexpected illness, whether chronic or not.

Everyone in this room knows that it doesn't take long to rack up a significant bill with even a minor accident, injury, or illness. The ability to deduct those expenses that exceed a certain percent of a person's income reduces the burden of that cost. For the middle class, this can mean the difference between continuing to be able to live on the savings they have set aside and running through those resources and ending up on Medicaid and other state funded services.

For those with chronic and progressive illnesses, those costs are annual and ever increasing as the disease takes greater hold of a person. Long term care insurance isn't a preparation many people make, and many of those who end up in Long term care situations will either pay out of pocket, be supported by Medicaid, or be required to expend *all* of their savings before qualifying for Medicaid.

It is fiscally responsible to support the longevity of peoples' personal savings, deferring the time when the state will have to assume a far greater cost of treatment under the Choices for Care or Medicaid system. Additionally, it is compassionate, recognizing that a person who is dealing with the stress and struggle of ongoing high medical costs deserves support, not further taxation on those unavoidable expenses.

I would like to read a letter sent to me by the MS Society, which is a member of COVE:

"Dear Members of the Vermont Senate Finance Committee:

My name is Marichel Vaught and I live with MS, thank you for the opportunity to weigh in on S.126 and its implications on the MS community.

Multiple sclerosis is an unpredictable, often disabling disease of the central nervous system that disrupts the flow of information within the brain, and between the brain and body. Symptoms range from numbness and tingling to blindness and paralysis. The progress, severity, and specific symptoms of MS in any one person cannot yet be predicted, though advances in research and treatment are leading to better understanding and moving us closer to a world free of MS.

MS is an expensive disease to live with and treat, impacting the healthcare system, health plans and of course, families affected by MS. A person with MS spends three times as much out-of-pocket as the average person in employer plans. Disease modifying therapies (DMTs) are approximately 75% of the cost of treating MS. Early and ongoing treatment with a DMT is the best way we know to slow the progression of MS, prevent the buildup of disability and protect the brain from damage due to the disease. While

there are more than a dozen DMTs available, they are not interchangeable, and we do not yet know which medication will work best for each person.

These medications are very expensive, and people with MS often face a high deductible and later co-insurance—meaning they are often responsible for thousands of dollars in out-of-pocket costs. This poses a significant challenge in accessing needed medications.

People living with MS face many barriers to their care. High and rapidly escalating medication prices, confusing and inconsistent formularies coupled with a complex approval process can prohibit patients' access to the treatment they need.

The cost of MS DMTs continues to rise at an alarming rate. Nearly one-third of these medications increased 20% in price in 2015 alone. In 2004, the average wholesale price of available MS DMTs was approximately \$16,000. In 2017, the average annual price, including the few generics, was \$83,688. Although there are now more than a dozen DMTs on the market (including three generic copies of the same DMT), competition has not driven down their price, and the majority have increased in price several times each year.

Further, co-insurance for these treatments can be as high as 40% in some health plans. A study by Prime Therapeutics showed that one in four do not fill their DMT prescription likely due to the high cost-sharing burden they would require. Moreover, the common perception that less costly alternatives to high cost DMTs are available is simply false and not substantiated by any evidence.

The end result is massive out of pocket costs for the individual. Prior to 2018, I was able to deduct those expenses on my taxes. With the law change, this year will be unstable and uncertain as to how I can pay those expenses associated with my MS. I am able to work, and do so, thankfully I am able to find work that can accommodate my symptoms. However, this additional burden has the potential to cause major strain on my finances. My goal is to continue to work and be part of the community as long as I can, losing that ability would make me dependent on state services—which would circumvent the original intent of the law to save the state much needed dollars.

When considering support for this bill, I ask you to think about the vast needs of the MS community. Thank you for your time and consideration on this issue.

Marichel Vaught
Barre, VT "

And I would also like to thank you for reconsidering the Vermont Medical Tax deduction. This is a valuable benefit to many people who are suffering from a range of chronic or acute illnesses and accidents. Older Vermonters are disproportionately affected by the removal of the deduction last year, and we ask that you support its reinstatement in 2020 with S.126.

Thank you.

Ruby Baker
Community of Vermont Elders

