

TO: Senate Committee on Finance

FROM: Colin Robinson, Political Director, Vermont-NEA

DATE: February 6, 2020

SUBJECT: Testimony on S.245

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Thank you for the opportunity to speak briefly today about S.245 an act related to eliminating cost-sharing for primary care services. On behalf of the 13,000 teachers and school support staff members of Vermont-NEA, we are pleased that this committee is continuing the conversation about how best to ensure all Vermonters can access the care they need, when they need it, at a price they can afford.

Vermont-NEA has long supported systemic healthcare reform that helps all Vermonters. We know when all Vermont children and families have access to the care they need, educators see students in their classrooms who are ready and prepared to learn and have families who can support their learning. As you know well and have discussed in this committee, health insurance for school employees has been a major topic of conversation over the past several years for various reasons. The reality is that the issues hindering school employees' ability to access health care in Vermont reflect and mirror the challenges that all Vermonters face. We believe that S.245 will have a positive impact for everyone.

Last year, this committee took testimony about and acted in response to the third-party administration debacle that harmed tens of thousands of school employees and their families. At the end of 2018, the first year of implementation of the new, high-deductible VEHI plans, we surveyed our members and other school employees about the impact of healthcare costs on their ability to access the care they need. We heard from over two thousand school employees. Sadly, and not surprisingly, due directly to cost barriers, 46 percent said that during 2018 they did not go to the doctor when they had a medical problem, skipped a medical test, treatment or follow-up recommended by a doctor, or did not make an appointment with a doctor or other provider. We can all agree that avoiding needed or recommended care because of cost is not something that should be incentivized, nor is it good for Vermonters' health outcomes.

The great majority of school employees are in VEHI plans that would not be affected by S.245 due to IRS regulations for HSA-compatible plans; however, 8 percent of VEHI enrollees in two other plans would experience positive impacts. Additionally, the approximately 8,000 retired teachers, administrators and their dependents enrolled in VEHI plans would also see the positive effects of S.245.

We know, for both Vermonters and the overall health care system, early and affordable access to primary care services not only keeps people healthier, it is also cost effective. And, yet, we spend relatively little on such care. By way of example, a 2017 analysis showed that primary care accounted for just 5 percent of VEHI's claims costs; by contrast, 56 percent of VEHI's claims at the time were incurred for hospital services and 18 percent were eaten up by prescription medications.

Primary care is smart, good for health outcomes, and far more affordable than specialty or hospital care and it should not be avoided by patients due to out-of-pocket costs.

Finally, as a result of Act 11 of 2018, new VEHI plans cannot be offered until the first year of the second statewide educator healthcare contract. Vermont-NEA believes that S.245 will help facilitate a positive conversation about how future VEHI plans can ensure that all school employees will have access to the primary care they need when they need it.

We hear from teachers and school support staff across the state that children are continuing to come to school with more complex physical and psychological needs related to poverty, trauma and the opioid crisis. Children can only focus on learning when they have their basics needs meet, and that includes the needs of their caregivers.

We believe S.245 will be one additional and useful policy that can help ensure children and their families can get the care they need, so that they can focus on the education they deserve.

Thanks for your work on this issue, and for highlighting the healthcare affordability crisis that is affecting all Vermonters.