

Good Morning. My name is Peter Sterling and my involvement in expanding access to affordable health care in Vermont began in 2005 when I was hired to organize the coalition and lobby for the bill that resulted in Catamount Health, an affordable public/private health care plan targeting uninsured and self- employed Vermonters.

Over the next decade I worked on efforts to enroll Vermonters in, and expand access to, Catamount, VHAP and Dr Dynasaur, create Vermont's first in the nation state-based subsidy program for our health care exchange, and ran a navigator organization which helped enroll hundreds of Vermonters in the Exchange.

I also worked in support of the Shumlin Administration's Green Mountain Care initiative to create a single payer health care system in Vermont and finally in 2016, working closely with then House Speaker Shap Smith, launched an effort to expand Dr Dynasaur to cover all Vermonters up to age 26.

Throughout this work, while talking to many Vermonters and their employers about enrolling in a health care plan, listening to their stories about why they can't afford insurance, how their out of pocket costs, even when they are insured, can be such a significant barrier to care for so many, I have really come to believe that the only way to make sure every Vermonter gets affordable health care is to either have the federal government expand access to Medicare or have the State of Vermont take the initiative and request the necessary waivers to gradually expand access to Medicaid.

I'm here today to say that after four long years of the Trump Administration's opposition to expanding access to public health care programs, with the election of President Biden, now is the time to re-invigorate and re-start the important Vermont conversation about expanding access to Medicaid to lower premiums, deductibles, and other out of pocket costs and truly make health care more affordable for Vermonters

And these costs to Vermonters and their employers are very real.

Right now if you are on Vermont's Health Care Exchange and you're not eligible for any subsidies, you face exposure to sky high out of pocket costs. For example, for a family of four making \$105,000, its out of pocket costs are capped at \$28,025 roughly 26% of their pre-tax gross income. These expenses aren't necessarily any lower if you are receiving other employer sponsored insurance.

And there is seemingly no end in sight to these increasing costs. In the last four years, Blue Cross Blue Shield has been granted rate increases of 7.3%, 9.2%, 5.8% and 12.4% which needless to say is far, far larger than the state's economy or people's salaries are growing.

One possibility to expanding access to affordable care is creating a Medicaid-based public option for the 113,000 Vermonters aged 50-64. Moving members of this age cohort, who tend to have higher health care utilization rates, out of high out of pocket cost private insurance could provide significant savings across the board.

While expansion of Medicare is strictly a federal-level option that is not available to states, a just released study by the non-partisan Kaiser Family Fund on expanding Medicare provides comparable information on possible savings from a Medicaid expansion program for older Vermonters.

Kaiser found that:

- Lowering the age of Medicare eligibility to 60 could reduce costs for employer health plans by up to 15%
- Lowering the age of Medicare eligibility to 55 and over would reduce costs for employer plans by up to 30%
- Lowering the age of Medicare eligibility to everyone 50 and over would reduce costs for employer plans by up to 43%

I think the necessary first step for the Legislature to best understand its options to expanding access to Medicaid and to ready Vermont to take advantage of any opportunities created by the Biden Administration is contained in the budget coming back to you from the Senate.

There's language in the Budget taken from S.120 to create a new Joint Legislative Health Care Affordability Study Committee which is charged with, among other things, making recommendations to the 2022 Legislature about the feasibility of various options for an age banded approach to expanding access to Medicaid.

I would like to wrap up by saying please support the creation of this Commission so we may jump start the important conversation about how we can reduce the burden of health care costs for Vermont employers and move Vermonters out of high cost private insurance plans and into more affordable public health care programs.

Many thanks for inviting me to share my thoughts with you today.