A Personal Plea to Vermont Legislators to Pass Universal Primary Care Now

Why Enacting H.433 for Universal Primary Care is Both a Moral Imperative and a Financial Necessity

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TWO VERMONTERS AND A SAMARITAN

My Story

Without full access to primary care, I would probably be dead or disabled. Primary care physicians detected several dangerous conditions over the years, which were treated in time to ward off serious, life-threatening or debilitating illnesses. My story is a testament to the great care Vermont's healthcare professionals provide—and to the **vision and courage** of those who, 60 years ago, **passed Medicare into law**. Medicare plus Medigap made it possible for me routinely to see a primary care doctor, get physical therapy when needed, and find out early that I needed a new heart valve, a pacemaker, and other specialty services— all without once even thinking about how I would pay for it.

My Brother's Story

For decades, my brother worked as a paralegal and Special Education Advocate in Benson. Although below the poverty line himself, he often donated his services to people who couldn't afford to pay him.

After 65, my brother had basic Medicare but never went to a primary care physician. He likely thought he couldn't afford the out-of-pocket charges—which, truth be told, he couldn't have.

Then one morning he woke up in severe pain. His urinary tract was blocked. The ambulance rushed him to UVM Medical Center. He spent a week in the hospital receiving great care, but also at great expense. Over the next three years, his heart, lungs, circulatory system, and cognition collapsed. He died far sooner than need be. The lack of early diagnosis and preventive care had taken its toll.

An Ancient Story

Two thousand years ago, a traveler was beaten and robbed. Two people saw him lying half dead but passed by on the other side. A Samaritan stopped, treated the man's wounds, brought him to an inn for care, and paid all expenses.

Over the last 2,000 years thousands of people have founded hospitals to be that Samaritan for the poor and destitute, many even named Good Samaritan Hospital.

You have the power to reduce the crushing financial burden of healthcare costs on Vermont families and businesses. You have the power to save people like my brother whom we're currently passing by on the other side of the road.

***You*—the legislators— can <u>be that Samaritan</u> for Vermonters by passing H.433**.

THE HEALTH PROBLEM IN VERMONT

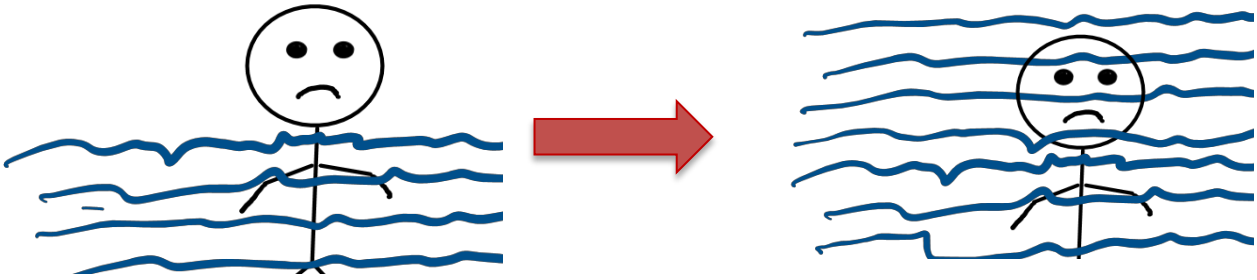
The Underinsurance Crisis and Its Ripple Effects

Vermont faces a healthcare crisis affecting nearly one-third of our residents. **187,800 Vermonters** (29% of all residents, 30% of insured residents under 65) **are underinsured**—their high deductibles and out-of-pocket costs prevent them from seeking routine medical care.[2]

The most affected: 63% of 18–24-year-olds and 45% of disabled Vermonters ages 18-64 are underinsured. More than 1 in 10 Vermonters became insolvent because of medical debt.[3]

Disabled Vermonters ages 18 to 64 face even worse challenges: 45% are underinsured.[4]

These Vermonters are like people treading water in a huge ocean. One big wave will pull them under. Which is what happened to more than 1 in 10 Vermonters who became insolvent because of **medical debt**.[5]



[2] Vermont Department of Health, 2025 Vermont Household Health Insurance Survey 48 (May 2025)(cited as **Vermont 2025 Survey** in this document). The Vermont 2925 Survey uses the Commonwealth Fund's definition of "underinsured," which is based "an insured adult's reported out-of-pocket costs over the course of a year, not including insurance premiums, as well as their plan deductible." This definition considers a person to be underinsured if (a) their out-of-pocket costs, excluding premiums, over the prior 12 months are equal to 10 percent or more of household income; or (b) their out-of-pocket costs, excluding premiums, over the prior 12 months are equal to 5 percent or more of household income for individuals living under 200 percent of the federal poverty level ($25,520 for an individual or $52,400 for a family of four in 2020); or (c) their deductible constitutes 5 percent or more of household income. Nationally, 23% of insured working-age adults are underinsured, with 57% reporting they forgo needed care because of cost. Commonwealth Fund, State of U.S. Health Insurance in 2024 (November 21, 2024).

[3] Vermont 2025 Survey, *supra*.

[4] *Id.* at 11.

[5] *See* "Medical Debt Relief Program," Office of the State Treasurer (May 2025)(eliminates $100 million in medical debt for working- and middle-class Vermonters).

But this crisis doesn't just hurt the underinsured. It's crushing Vermont's economy and driving people away:

Small Business Owners spend over 100 hours annually navigating insurance networks, deductibles, and constantly changing employee coverage needs—their second biggest expense after payroll.

The Chair of Vermont's House Committee on Health Care—responsible for healthcare policy for 647,000 Vermonters—will go without health insurance this year because neither her employer nor she can afford it.

Long-time Residents are being taxed out of their homes by property taxes driven largely by school employee health insurance costs, while their nearest primary care provider is 35 minutes away because local clinics have closed.

Young Graduates are leaving Vermont because healthcare and childcare costs make raising a family here financially impossible, despite both partners working full-time.

Golden Handcuffs trap thousands of Vermonters in jobs they don't like when they would prefer work they love—all because their current employer provides better coverage than they could get elsewhere or afford on their own.

Deadly Neglect kills Vermonters who develop life-threatening diseases and chronic illnesses that would be prevented with routine primary care. Instead, they show up at emergency departments with advanced illnesses.

THE COST OF INACTION

Lives Lost and Health Destroyed

The evidence is overwhelming: **access to primary care saves lives.** Research consistently shows that stronger primary care systems are associated with lower mortality rates, reduced rates of premature death, and fewer hospitalizations for preventable conditions. [6]

[6] *See, e.g., See* Robert L. Phillips Jr., Linda McCauley, and Christopher Koller, "*Implementing High-Quality Primary Care: A Report From the National Academies of Sciences, Engineering, and Medicine*," *325 J. Amer. Med. Ass'n 2437 (2021)("Since 1996, research has continued to bolster the case for the robust association between primary care and lower costs, better utilization patterns, and reduced mortality."); Barbara Starfield, Leiyu Shi, and James Macinko, "Contribution of Primary Care to Health Systems and Health." 83 Milbank Quarterly 457 (2005) (foundational study); Leiyu Shi, James Macinko, and Barbara Starfield, et al., "Primary Care, Social Inequalities, and All-Cause, Heart Disease, and Cancer Mortality in U.S. Counties, 1990." 95 American Journal of Public Health 674 (2005) (shows mortality rates); "More Primary Care Physicians Leads to Lower Mortality Rates." Medscape Medical News (March 23, 2005) ("An increase of one primary care physician per 100,000 population (about a 20% increase) was associated with a 6% decrease in all-cause mortality and about a 3% decrease in infant, low-birthweight, and stroke mortality.").*

Study after study demonstrates that people in countries with universal primary care **live longer** than we do in the United States and develop fewer chronic diseases.[7] With universal primary care, we can reduce the number of people who develop diabetes, become disabled, or die from treatable heart disease or stroke. [8]

When people avoid primary care due to cost, chronic diseases go undiagnosed and unmanaged, leading to preventable complications and deaths. Conditions like diabetes, hypertension, and heart disease—all manageable with regular primary care—become life-threatening emergencies. Chronic diseases are not only the leading cause of death and disability in the United States; they are also "the leading drivers of the nation's $4.9 trillion in annual healthcare costs."[9]

Fragmented care without a consistent primary care provider led to an estimated 275,000 avoidable deaths nationally in 2016 at a cost of $528.4 billion **through medication mismanagement alone**.[10]

Even for emergency surgery, having an established primary care relationship matters: patients with established primary care show significantly lower odds of post-operative mortality at 30, 60, 90, and 180 days following emergency surgery.[11]

Vermont-Specific Evidence

According to the **2025 Vermont Household Health Insurance Survey Report**:

- Underinsured Vermonters spent an average of almost $6,100 out-of-pocket on healthcare in the prior 12 months, compared to less than $2,900 for adequately insured residents.[12]
- 15% of underinsured Vermonters delayed dental care due to cost, compared to 9% of adequately insured residents [13]

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[7] *See, e.g.*, "U.S. Health Care from a Global Perspective, 2022: Accelerating Spending, Worsening Outcomes," *The Commonwealth Fund* (January 31, 2023); "Primary Care in High-Income Countries: How the United States Compares," *The Commonwealth Fund* (March 15, 2022).

[8] National Academy of Sciences, "Implementing High-Quality Primary Care: Rebuilding the Foundation of Health Care," 261 (2021).

[9] "About Chronic Diseases," *Centers for Disease Control* (2024)(*citing, i.a.,* National health expenditure data: historical. Center for Medicare & Medicaid Services (2024)).

[10] Implementing High-Quality Primary Care, *supra,* at 194.

[11] In a July 2025 podcast interview with Dave Chase on Relocalizing Health, Rushika Fernandopulle, co-founder of Iora Health and current co-founder of Liza Health, told of a woman who had a bag full of duplicative medications that had been prescribed by a carousel of physicians who were unaware of prescriptions by other physicians.

[12] Vermont 2025 Survey, *supra*, at 77.

[13] *Id.* at 75.

- 10% of underinsured Vermonters delayed routine medical care due to cost, compared to 4% of adequately insured residents.[14]
- 32% of underinsured Vermonters say that fear of medical debt affects their healthcare decisions, compared to 19% of adequately insured residents.[15]

The Financial Burden

Greater primary care availability correlates with decreased hospitalizations and emergency department visits.[16] 9 of 14 Vermont hospitals are already losing money, in part from expensive emergency care that could have been prevented with timely primary care.[17]

The Oliver Wyman Report identified over $300 million in potential savings from expanding access to primary care settings, preventing emergency visits that are avoidable with timely primary care.[18] This savings alone could cover half of the cost of universal primary care or more.

Premium Escalation

- Individual insurance premiums in Vermont increased 60-80% over the past 6 years.[19]
- Out-of-pocket maximums increased by over 100% in the past 5 years.[20]
- For 2024, insurers received rate increases of 11.1% to 22.8%.[21]
- The average Vermont household with private insurance now pays $613 per month in premiums, up from $505 in 2021. [22]

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[14] *Id.*
[15] *Id.* at 79.
[16] *See, e.g.*, Leiyu Shi, "The Impact of Primary Care: A Focused Review, *supra.*
[17] Phil Galewitz, "In Vermont, Where Almost Everyone Has Insurance, Many Can't Find or Afford Care," KFF Health News (November 6, 2024)(*citing* Act 167 (2022): A Brief History & Why Hospital System Transformation is Necessary to Preserve Vermonters' Access to Essential Services, Green Mountain Care Board (2022)).
[18] Oliver Wyman Report, *supra*, at 14.
[19] *Id.* at 15.
[20] *Id.*
[21] "FY2025 Hospital Budget Decision And Order," Green Mountain Care Board (Oct. 1, 2024).
[22] Vermont 2025 Survey, *supra,* at 104.

The Costly Can We Kicked Down the Road

Older Vermonters may remember the Fram Oil Filter commercial from the 70's, in which an announcer pointed to a $400 engine overhaul that a $2.98 oil filter could have prevented. "You can pay me now—or pay him later."

Fifteen years ago, William Hsiao, Steve Kappel, and Jonathan Gruber wrote in their exhaustive study of Vermont healthcare:

> Vermont's current system is unmanageable and at risk of crisis. Escalating costs threaten the sustainability of the entire system, rising at a higher rate than both GDP and the national average.[23]

We didn't get it done then. The day of reckoning has arrived. We must get it done now.

THE SOLUTION: HOW UNIVERSAL PRIMARY CARE WORKS

What H.433 will Provide

- No-charge primary care, including mental health, for all Vermont residents **in year one**
- Comprehensive services: preventive care, chronic disease management, acute care, care coordination
- No deductibles, no copays, no barriers to accessing a primary care provider of your choice
- Continuity of care that prevents costly downstream complications

The Dr. Dynasaur Precedent: Proof This path Works

Vermont has already proven this model works. Dr. Dynasaur demonstrates that we can achieve near-universal coverage for a target population:

- 98% participation rate among eligible children (2017) [24]
- 79% federal matching funds through CHIP (federal government pays 4 out of every 5 dollars) [25]
- 36 years of sustainability across multiple administrations

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[23] William Hsiao, Steven Kappel, Jonathan Gruber, "Act 128 Health System Reform Design," 41 (Feb. 17, 2011).
[24] Vermont CHIP Fact Sheet (December 2019).
[25] *Id.*

- Comprehensive coverage with no cost-sharing

Dr. Dynasaur didn't happen overnight. Over nine years (1989-1998), Vermont incrementally expanded coverage, built political support, and demonstrated success before each expansion. H.433 follows this proven playbook.

FUNDING: REDIRECTING WHAT WE'RE ALREADY PAYING

"How ya gonna pay for it?"

One could reply: We're paying through the nose for the dysfunctional system we have now.

But it's a fair question and deserves an answer.

H.433 establishes a framework for financing through a Universal Health Care Advisory Group that will develop funding details through a deliberative process involving subsequent legislative action.

Financing can be progressive and based on ability to pay and adhere to the principles of Act 48, which require fair and sustainable financing.

This approach is like how Vermont successfully implemented Dr. Dynasaur—establish the program and the financing strategy together, using federal matching funds as they become available and the program demonstrates its value.

Studies in other states and countries indicate that we will save substantial amounts of money over time with a universal primary care system that develops into universal healthcare.[26]

Keep in mind: we are talking about **only 6 to 10 percent** of roughly $6.37 billion in total healthcare spending in Vermont.[27] As stated above, the Oliver Wyman Report calculated over $300 million in savings for hospitals alone through expanded primary

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[26] *See, e.g.,* Ryan Crowley, Hilary Daniel, Thomas G. Cooney, and Lee S. Engel, "Envisioning a Better U.S. Health Care System for All: Coverage and Cost of Care," 172 *Annals of Internal Medicine* (2020); Oregon Legislative Policy and Research Office, *Joint Task Force on Universal Health Care: Final Report* 5 (September 2022).

[27] *See, e.g.,* Anne B. Martin, *et al.,* "National Health Expenditure Accounts Team. National Health Care Spending In 2019: Steady Growth for The Fourth Consecutive Year. 40 *Health Affairs* 14 (2021); Michael Degree and Nissa James, "Defining Primary Care and Determining Primary Care's Proportion of Health Care Spending in Vermont," *Green Mountain Care Board* (2020)(Vermont primary care spending from all claims was 10.2% in 2018); Jessica Chang, Bianca Silva Gordon, and Catalina Desouza, "4% of Health Spending Goes to Primary Care," *Health Care Cost Institute* (September 17, 2025)(among people with employee-sponsored insurance in Vermont, primary care spending was 6.7%); and "Vermont ranks 8th in healthcare spending: $9,683 per person, 15.36% of income," Vermont Business Magazine (March 2025).

care. And the bill prohibits insurance companies from charging premiums for primary care covered by the H.433 program. The dollars needed for universal primary care are likely to be more than offset by the savings in premiums and hospital costs alone.

We're Already Paying—Just Paying Inefficiently

The money to fund Universal Primary Care already exists in our economy. It's currently:

- Flowing to insurance companies as premiums (with 7-15% going to administrative overhead and profit)
- Creating massive administrative burdens for providers (13% of practice revenue spent on billing)
- Generating unpayable medical debt for families facing high deductibles
- Leaving 187,800 Vermonters underinsured and unable to access the care they're paying for
- Forcing businesses to spend precious time and resources managing insurance instead of growing their companies

Think of it this way: If we already had universal health care, would any sensible person argue for changing to the multi-payer, inefficient, extremely expensive, dysfunctional system we have now?

What Vermonters Pay Now

Employers offering health insurance pay approximately $10,000-12,000 per employee annually for single coverage, and $25,000-36,000 per employee for family coverage. A small business with 25 employees spends $250,000-600,000 per year on health insurance alone—plus 50-100 hours of management time navigating insurance bureaucracy.

These premiums are indirect compensation to employees, almost one-third of whom face deductibles of $4,000 or more. The high deductibles mean many don't access primary care.

Among underinsured Vermonters: Fear of medical debt led 40% not to seek outpatient or ongoing medical care, 27% not to use primary care, and 19% did not get dental care.[28]

About her choice of a high-cost plan, the wife of a Vermont small business owner said: "I don't want to be in a situation where I have to make a decision if my child is $150 sick or not."

[28] Vermont 2025 Survey, *supra*, at 73.

This is the reality: paying premiums for coverage you can't afford to use.

Universal Primary Care doesn't ask Vermonters to pay for something new. It redirects what we're already paying into a system that:

- ✓ Eliminates financial barriers to primary care
- ✓ Reduces administrative expenses
- ✓ Provides predictable, affordable costs
- ✓ Improves health outcomes
- ✓ Strengthens Vermont businesses
- ✓ Protects Vermont families from medical debt

If we can pay for the current system that's crushing Vermont families and businesses while leaving 187,800 Vermonters underinsured, we can certainly afford **a less expensive system that covers everyone completely.**

An Investment, Not an Expense

Universal Primary Care is an investment in Vermont's health and economic future.[29]

Thanks to Dr. Dynasaur, we already have the administrative infrastructure in place. Any additional setup and transition costs are akin to the capital cost of solar panels or heat pumps, which are paid upfront but amortized over the life of the device. Unlike a heat pump, however, once we make the switch to universal health care, the financial benefits keep accruing forever. In this respect, universal health care is more like public education. It's an investment that just keeps on giving back.

As noted, Universal Primary Care will lead to significant savings for individuals, households, and employers, as well as $300 million in fewer emergency department visits as shown by the Oliver Wyman Report.

The restructuring of how we pay for care, beginning with primary care but extending to all healthcare over a ten-year period, can be reasonably expected to stop the double-digit rise in healthcare costs and even reduce costs over time. Vermont's own Report on Universal Primary Care supports this conclusion. [30]

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[29] *See, e.g.,* Barbara Starfield, Leiyu Shi, and James Macinko. "Contribution of Primary Care to Health Systems and Health," 83 *The Milbank Quarterly* 457 (2005); .

[30] *See* Director of Health Care Reform Agency of Administration, "Report on Universal Primary Care In accordance with Act 172 of 2016, Section E.100.10," (2016)(Many studies showed countries with a foundation in strong primary care systems had lower costs, greater health equity, and better population health than the US.).

If Vermont establishes universal primary care and embarks on a prudent path to universal healthcare, (a) more businesses and entrepreneurs will come, (b) fewer young people will leave, (c) the economy will be stronger, and most important, (d) **we all will be healthier and wealthier and—just maybe—wiser**.

CALL TO ACTION

Two roads diverged in a wood, and I—
I took the one less traveled by,
And that has made all the difference.
—Robert Frost

We can continue with 187,800 underinsured Vermonters avoiding necessary primary care, leading to preventable deaths, disability, and escalating costs.

OR

We can choose the less-travelled road by passing H.433 and recognizing primary care as both a human right and an economic necessity.

Next Steps for *You* and Your Fellow Legislators

- Take H.433 off the wall and begin taking testimony on it.
- Review the comprehensive financial analysis and demand rigorous actuarial modeling.
- Ask the administration to begin federal waiver discussions.
- Pass H.433 in the 2025 session.

"Vermont is in a unique position to fix its broken health care system." [31]

Let's Pass H.433 Now!

[31] William C. Hsiao, "Statement by William C. Hsiao before Vermont State Legislature," (2011). *See* Mike Palmer, *The Vermont Advantage: How H.433 Can Succeed Where Other States Have Failed* 14-15 (Teams Excel, 2025).