

https://www.samesessenger.com/opinion/editorials/lets-stop-making-the-problem-worse/article_997e01f7-77bd-4bfc-ab2b-93214217856a.html

Let's stop making the problem worse

Emerson Lynn
Aug 26, 2025



OPINION

Editorials written by Emerson Lynn



It's axiomatic that when things get bad, you try your best not to make them worse. The logic does not need explaining. Or shouldn't. The bigger the offense, the more people are hurt, and the more imperative it is to correct the wrong.

This story is explained and then dealt with in, of all places, the two-page “decision and order” report filed by the Green Mountain Care Board last Friday. The state’s health care regulator was responding to Blue Cross Blue Shield of Vermont’s [BCBSVT] proposed health insurance premiums for 2026. The stage was set; the state’s healthcare system is a mess, and getting worse.

BCBS was asking for a 23.5 percent increase for its individual plans and 13.5 percent for its small group plans. The GMCB nixed that and cut the proposed increases to 9.6 percent and 4.4 percent, respectively. That’s a dramatic drop from what BCBSVT, on the verge of bankruptcy, said it needed. The board was undeterred.

The GMCB laid out its reasoning: “Vermont already has some of the highest individual and small group rates in the country; BCBSVT, which has higher rates than its competitor, seeks enormous increases after years of double-digit growth; and on top of the increases the Company implements next year, changes in federal law will make individual rates more expensive for most people. At the same time, BCBSVT’s solvency remains challenged, and its insolvency would not promote affordability, access, or quality.”

In other words, BCBSVT did not present a plan that would make our problems less threatening. To the contrary, things would get worse. As the GMCB’s ruling noted, almost everything BCBS touched failed, and it wasn’t fair for the insurer to try to make up all its losses on the backs of Vermonters.

Then, the GMCB laid it out for all to read: “In 2022, 2023, and 2024, BCBSVT requested large, double-digit rate increases in these markets, ranging from 11.4% to 22.9%, and the Company’s reserves plummeted, dropping \$24.4 million in 2022, \$23.8 million in 2023, and \$29.3 million in 2024. Yet from 2021 to 2024, BCBSVT increased the salaries of its CEO and VP/Treasurer by approximately 38% and 40%, respectively. It also paid its executives approximately \$280,000 in retention incentives, \$910,600 in affiliation/project incentives, and \$1,852,275 in variable compensation (\$3.04M in total).”



So, as a company, BCBSVT is losing money by the truckloads. It has to reach out to the parent company [BCBS of Michigan] for a \$30 million bailout. It has asked for double-digit rate increases for years on end and did so again this year. And, despite all that red ink, those obvious signs of failure, the CEO and VP/Treasurer receive huge bonuses?

What world do they live in? Did the BCBSVT board of directors approve this? The GMCB did not ask that question directly, but it was implied nonetheless. And should have been. There isn't a Vermonter standing who would approve that decision, knowing that those bonuses would be paid by Vermont's individuals and small businesses, people who have seen their premiums raised to the highest level in the nation, who cannot afford to see their health care premiums double again and again.

The GMCB ruling also made it crystal clear that the state's largest insurer did a miserable job in dealing with hospitals and their contracts, particularly with the University of Vermont Medical Center, the 800-pound gorilla in Vermont's health care world. This has to change; otherwise, Vermonters will continue to experience rate increases they can't afford. Our rates are already double the national average. When do we say enough?

Good question. Perhaps a partial answer came with last week's notice that Vermont's Department of Financial Regulation [DFR] had just issued an order prohibiting BCBSVT from entering into a contract without demonstrating that the agreements "support a material reduction in commercial insurance premiums while protecting the insurer's solvency."

In truth, that's a change in governance. It's not something that BCBSVT's board of directors gets to decide upon. It's now required. It's recognizing a problem and figuring out a way to make it less threatening. Finally.

The two-page ruling by the GMCB includes, albeit written between the lines, the overarching question: Okay, we have identified the problem and we know the status quo makes the problem worse; how can we change the way the issue is governed?

What the GMCB has done in its ruling is publicly recognize that it, and hence, the public, has no allies on the other side of the issue. So how can this challenge be met? If the DFR can basically order both the hospitals and the insurer to do what's best for the business and the customer, then would it not be productive, and protective of the hospitals and its customers for the governor, or Legislature, or both to set up their boards of directors that include members whose responsibility it is to advocate on behalf of the public?

Would, for example, BCBSVT's board of directors have given its executives large bonuses if the board were made up of those who represent the public, and who have an equal investment in the success of the business and the public?

As the GMCB's two-page report makes clear, it's time to stop making the problem worse. We've done that. It's made us poorer for it. Let's try something different.

By Emerson Lynn

Support Local News

Our reporters are committed to providing Franklin County with impactful community journalism. The local news and information we produce is accessible for free on the web and through our email newsletters. Contributions from readers help us maintain and invest more resources into our newsroom. Every dollar counts and we appreciate your support.

[SUPPORT NOW](#)

Emerson Lynn

Editor Emeritus