



Toward Evidence-Based Health Care Reform

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We're the ones having the recession

Welcome to "Toward Evidence-Based Health Care Reform," a periodic e-memo providing facts, figures, examples and analysis of current issues in health care reform in Vermont. The memo is written by Jeanne Keller, Keller & Fuller, Inc., and sponsored by BRS, Inc., a member organization providing a range of services and support to Vermont's small businesses. For more about BRS, please visit our website: www.brsvt.com

To review past issues of *Toward Evidence-Based Health Care Reform*, www.vtreform.com.

In one of his first reports to the Legislature, consultant Ken Thorpe explained that when health care and health insurance costs go up, the first to suffer are low wage workers. Increased health care costs to employers result --- one way or another – in depressed wages, either because more cost sharing is required, or wages stall while money is put into the insurance. (It doesn't matter, said Thorpe, whether employers pay through premiums or a payroll tax; wages are hit.)

When wages are depressed, the state collects less revenue. Therefore, to counter the recession the legislature should not just cut the state's budget, they should not be adding more costs to health insurance.

The folks having the recession that is depressing state revenues are the same folks who can't afford higher health insurance costs ... Working Employees ("we"), sole proprietors, local governments and the businesses that create jobs in Vermont.

The money the insurers have is OUR money, paid to them for health insurance. They have no place else to get more money. If insurance costs are driven up by legislative action, we pay for it, not the insurers.

So, while the Governor and legislature say "everything is on the table" for expenditure cuts, let's make sure the *off-state-budget* expenditures (insurance mandates, new taxes, assessments and cost shifting) are also on the table.

- ◆ \$27 million tax on health insurance claims to give grants to doctors for computers, the "VITL tax," is still in the proposed state budget
- ◆ \$8-\$16 million short-changing of hospitals on their provider tax rebate, which will become another cost shift through higher hospital charges to private insurance, is still in the budget
- ◆ Capping personal co-pays at \$25 for mammograms, when the provider charges to insurance range from \$83 to \$335 around the state.
- ◆ Mandating that insurers pony up a couple of million dollars of our insurance money toward the cost of the Blueprint's Medical Home Pilot. (Now attached to S. 283 by House Health.)

The Senate Health and Welfare committee is listening: on Wednesday they removed the mandate that employers have to insure divorced spouses and adult non-dependent children of employees, two categories already eligible for Catamount Health. We applaud them for their courage and prudence.

The greatest contribution the General Assembly can make is to exercise the same amount of fiscal responsibility with our insurance money as they are with their own shortfall....

After all, we are the ones out here having that recession, and the last thing we need is increased health insurance premiums from the Vermont Legislature.