

Notes from National Conference Call- Vermont Update- June 1, 2011
Sponsored by the Vermont Citizens Campaign for Health
With Anya Rader Wallack, Special Assistant to the Governor for Health Care
And David Reynolds, Senior Policy Advisor for Health for Senator Bernie Sanders
Facilitator – Richard Davis, Executive Director, Vermont Citizens Campaign for Health

Notes compiled by Rachel DeGolia, Executive Director, Universal Health Care Action Network

Introduction:

Richard Davis- Despite the media hype, Vermont did not pass a single payer bill. The bill creates a framework for moving in that direction and there is still quite of work to be done to get us there. VCCH and the One Payer States Group (OPS) are thinking about having a monthly conference call focused on individual state's reform efforts. If there seems to be enough interest we will set this up.

Anya Wallack

3 parts to new HC law:

1. Cost control – Green Mountain Care Board charged with controlling overall rate of growth in HC costs in state and, especially, changing how HC providers are paid --- move away from fee for service toward global budgets

- Nominating Board appt'd today — will send names to Governor so gets to work in october

2. Creates Health Benefits Exchange under ACA – requires each state to create at least one, or allow feds to operate one for them

- will house within an existing state agency- the agency that runs Medicaid, so will create strong links and simplify administration
- will use as a foundation for a single payer – a website to shop for insurance provided by private companies
- will try to get as many Vermonters as possible in the Exchange – Legislature left that open – so at least small group market will be included (small employers)
- to use as engine to change how HC delivered, to simplify it

3. Detailed planning for a single payer in VT

- fill in financing details, such as public financing, to present plan to Legislature as to how to do this
- ask for federal permission for waiver from ACA so can get the federal tax credits available for the Exchange as payment to set up single payer; replace private premiums by public financing for as many Vermonters as possible (exceptions will include self-insured companies that remain that way)
- currently, waiver only available in 2017, but seeking thru Sanders' bill to move up to 2014
- contract with a private company or state set up itself to be the single payer

Currently, implementing the law and working out the details. Will go back to Legislature over each of next few years to put the other pieces in place. Fire up the exchange in 2014, or a single payer then if we can.

David Reynolds, Senior Policy Advisor for Bernice Sanders

Richard:

Q: How does this waiver issue tie into the new HC law?

Q: What about Sanders' new single payer bill introduced in Congress?

Waiver can be applied for for plan years beginning with Jan 1, 2017. Sen. Sanders sought to move that up to 2014. It's a waiver to allow states to innovate as they choose as long as the same # covered, same benefit level, and doesn't add to federal deficit. This is a way to cover concerns re individual mandates, for example. Will promote this heavily.

Sen. Leahy cosponsoring with two HI Senators, S.73, a one-page bill that would move that date up to 2014. Sen. Wyden bill would do the same thing, cosponsored with Sen. Scott Brown of MA. President Obama came out in last month in favor of moving waiver date forward. Not moving right now, but after the fall may see action on it. It fits well with what VT is doing. McDermott introduced it in the House, although does not include the surtax. It's been referred since it's a tax bill to the Finance Committee. It's important to have there as a statement.

The Legislature and Governor staged the law well to make the Exchange a step toward single payer. Sanders says Canadian single payer system started in low population state, Saskatchewan, and the same could happen with Vermont.

#1 Question – What is likelihood of Vermont getting the waiver by 2014?

A: David - Assuming Obama's reelection in 2012, it's a strong possibility because likely to affect Congress composition, too. Also, support for states being in control. It has a shot. If not, remember we've been talking about universal health care since Teddy Roosevelt, so if we have to wait two more years, to 2017, it's not as bad as it might otherwise seem.

Q: Once the state applies for a waiver, how does the govt go about considering it?

A: HHS application – there are guidelines to assess it – states can reapply if denied

Q: Ellen – Do you feel there needs to be a change in the ERISA law to get some folks covered?

A: Anya – It's a big deal in VT, as elsewhere, as a barrier to states in terms of developing a rational financing system for universal coverage. Close to 120,000 covered thru self-insured plans in VT, which is becoming more predominant.

David – Businesses for Social Responsibility are ready to join this plan and give up the "black box" of insurance premiums.

Q: Mark in DC – Does the law eliminate the insurance co's in 2017? Can Medicare beneficiaries opt in?

A: Anya - First, no, but we monitor it and there are regulations as to coverage.

Examining all options around Medicare, but pledged that Medicare coverage will not go away. Hope to enhance Medicare coverage through the system. Will look at an opt in, but have not defined it.

Q: VT – Have discussions been taking place on the role of prevention by single payer system or some other permutation? Early detection services, like mammograms, are not prevention.

A: Anya – In context of benefits provided, there was a lot of discussion about prevention. Payers, especially Medicare, are moving on this, too without charging people so that it's accessible.

David – 25% of the ACA deals with prevention and primary care and quality — it just doesn't get as much

attention as the rest of the law. Special Trust Fund - \$7B to fund community prevention activities – is set up. Vermont's embarked on "Blueprint for Health" with care coordination, self-care by patients, and rewards for providers that keep their patients healthy. This has led to 33% decrease in ER use and 24% decrease in hospital admissions.

Q: CA – Debbie Leveen – What is the authority of the Green Mountain Care Board now re private insurance? Are you intending to have all payers to use the reforms that will be developed, and are you intending to create an all-payer system with the exception of the self-insured payors?

Anya – Yes, that's correct. The bill gives the Board authority to implement all-payor payment reforms to do things like pay more for primary care, pay for performance, and it could be much broader than that. Board can require all private insurers to participate, also Medicaid,

Q: Rachel: How do you respond to concerns about what other less advanced states might do with a waiver to potentially move backward on health care?

David – The bill lays out 4 firm criteria that have to be met for a state to be granted a waiver, that includes requiring them to cover as many people with as many benefits as they would without the waiver.

Anya – The protection comes from the federal govt enforcement of the regulations.

Q: Sid – If the more advanced states like VT can successfully implement a state-level single payer system, would this lead to a lot of impetus for the national movement be lost?

A: Anya – If VT or another state is a leader and can make progress, other states will be scrambling to figure out how to do that. The Gov. says and it's true that HC costs are killing everyone, we're all suffering from the continued rise in costs and decline in coverage and care. If we can figure out a better mousetrap, others will want to do it.

David – To the extent VT succeeds, regardless of what opponents say, citizens around the country will say why are we stuck with what we've got? Have to build the national reforms from something.

Richard – Folks in other states are keeping up to date with what we're doing, so people in VT have an obligation to share what we're learning with others.

Q: CA – Ellen – You have whizzed right ahead with using the levers of the ACA to move toward single payer. Is this something we can use in other states?

A: Anya – Yes, we're testing the limits of the federal law in terms of how far we can go. It's worth a try. While you might be able to do a single payer on a budget neutral in a state, it would be awfully hard. Having federal dollars to do it makes it absolutely worth trying to use that framework to push it as far as you can.

Q: Mary Feldblum – In dealing with ERISA companies, has VT thought about how to lower workers' comp and auto ins under Green MTn care as an attraction?

A: Yes, trying to integrate Workers' Comp – coming with a study as to how it could work, the barriers. Haven't look at auto yet.

Also, why have you placed the Exchange in an agency rather than under auspices of Green Mountain Care?

A: Green Mtn Care Board is more of a decision-making board than an operational entity, like the Maryland rate-setting board. The mechanics of running an Exchange did not seem appropriate to put there. The agency that runs Medicaid is more appropriate for carrying out that function.

Q: Debbie Leveen – What does VT law offer in terms of controlling capacity, a major driver of costs?

Anya – Our certificate of need law is one of best in country and it gives Green Mtn Care Board sign-off on

CON, so we can say yes or no to applications for new equipment that can drive a lot of the overuse. The broader charge is to change how HC providers are paid – use technology to keep people healthier and control costs, rather than as a driver of revenue.