

Central Vermont Chamber of Commerce

Position on Health Care Reform

Chamber Goals:

- Healthier Vermont citizens
- Maintain access for all Vermonters
- Curb the rising costs to employers
- Maintain group purchasing for members

Meaningful Reform Must...

- 1) Maintain and Enhance Competitive Markets
- 2) Stop Government Cost Shifts
- 3) Implement Electronic Records, Coding & Claim Forms
- 4) Reconnect Customers with Providers
- 5) Reduce Fraud
- 6) Reform Tort and Malpractice
- 7) Require Clearly Priced Medical Services
- 8) Provide Medical Education Subsidies
- 9) Reward Healthy Activities
- 10) Increase Health Premium Tax Deductibility
- 11) Preserve Association Exemptions
- 12) Support Community Clinics

Statement & Position on Health Care Reform

Chamber Goals:

- **Healthier Vermont citizens**
- **Maintain access for all Vermonters**
- **Curb the rising costs to employers**
- **Maintain group purchasing for members**

Health care costs are rising much more rapidly than the cost of living. There are a variety of factors driving these costs on both an individual and collective basis. These include advances in technology, a growing sense of entitlement, aging of the population, and a bevy of new drugs, among others.

The increase in costs corresponds with changes in medicine that have saved lives that were not saved in the past and with changes that have improved the quality of life for millions of patients and prolonged life for millions of others.

Unfortunately, even if these advances were responsible for 100 percent of the increase in costs, the financial trend could not continue unabated.

With family premiums and copays at more than \$10,000 annually, health care ranks with housing atop per household expenditures. The true magnitude of health care costs is blurred for many whose insurance is paid in full or in part by employers.

Rising health insurance premiums are a burden to employers who provide coverage and cost prohibitive for many individuals seeking coverage.

These pressures have generated interest in wholesale changes in the health care system. Some would replace private insurance with a government-managed, single-payer system. Others would make medical care an entitlement of all citizens (or all residents) financed by taxes and provided by government with no charge at the time of service.

The Central Vermont Chamber of Commerce believes such approaches to health care administration are financially unacceptable and functionally unworkable.

The Chamber does not believe there is an easy or immediate solution to rising costs. With many factors contributing to the increases, multiple issues must be addressed to begin bending the curve. Positive factors, like introduction of new drugs and longer life expectancies, are highly desirable, and should be preserved.

The Central Vermont Chamber of Commerce believes the following are important components of meaningful and acceptable healthcare reform.

Meaningful Reform Must...

- 1) **Maintain and Enhance Competitive Markets** – Market forces have proven to be reliable drivers of innovation, productivity, and efficiency. Unfortunately, these forces can be distorted by monopolies, collusion, predatory misdeed and inappropriate regulation, among others. Vermont mandates severely restrict the market. Vermont must identify and remove the mandates with the greatest negative impact on competition.

- 2) **Stop Government Cost Shifts** – Government programs must eliminate the current cost shift to private insurers by making payments comparable to those of private insurers. Until government consistently pays its current obligations, no further expansion of direct involvement in providing “insurance” should be considered.
- 3) **Electronic Records, Coding & Claim Forms** – Physicians need to spend more time with patients and less time on administration. Accurate patient data should be immediately available. Electronic patient records, as well as standardized service codes and insurance claim forms must be a priority throughout the industry. Insurance cards should include co-pay information.
- 4) **Reconnect Customers with Providers** – Further “health savings account” and “health reimbursement account” type coverage should be encouraged. In order for market forces to be as effective as possible, consumers must be truly connected to the provider and must be personally involved in evaluating the value of the services offered.
- 5) **Reduce Fraud** – Fraudulent claims may be more prevalent nationally than in Vermont. However, fraud is unacceptable at all levels.
- 6) **Tort/Malpractice Reform** – The threat of eye-popping medical malpractice awards adds significantly to the price of malpractice insurance and simultaneously requires the physician to document a trail of tests and diagnostics, some with limited medical value.
- 7) **Require Clearly Priced Medical Services** – Nowhere but in health care can service providers respond, “I don’t know” to a pricing inquiry. Providers, including clinics, hospitals and practitioners should be required by law to clearly display their prices, preferably on a completed outcome basis that includes follow-up visits; i.e., set broken arm, coronary bypass, remove appendix, etc.
- 8) **Provide Medical Education Subsidies** – The shortages of trained medical personnel must be addressed. Tuition reimbursement should be considered where these shortages are most severe – geographically and/or by specialty.
- 9) **Reward Healthy Activities** – Incentives (state, insurance and/or employer) should be considered for those engaged in healthy lifestyle activities.
- 10) **Increase Health Premium Tax Deductibility** – Individual health expenditures (including insurance premiums) should be fully tax deductible. Conversely, health premiums paid by employers could be partially taxable as employee compensation.
- 11) **Preserve Association Exemptions** – Associations provide an important means of aggregating small business health care dollars and experience to obtain competitive rates. Forced pooling of associations with dissimilar populations increases risks and costs for Vermont’s small businesses.
- 12) **Support Community Clinics** – Free clinics and community clinics provide important alternatives to more expensive medical services for many residents. Where significant private funds and donated services can be leveraged, state support is warranted.
- 13) **Multi-year Insurance Pricing** – The possibility of requiring insurers to provide multi-year pricing is worth exploring.

Questions or comments on this Health Care Reform position are always welcomed.

Central Vermont Chamber of Commerce • P.O. Box 336, Barre, VT 05641 • 229-5711

cvchamber@aol.com • central-vt.com • cvregion.net/cvblog