Health Care Reform in Vermont

A guide to hosting a facilitated conversation

In the fall of 2005 the Snelling Center for Government hosted a series of six days around the state to allow the members of the joint legislative health committees to engage with more of the public in several different situations to learn and listen and discuss health care reform. In particular it was hoped that this process would widen the conversation and allow new people to join in and voice their thoughts and ideas.

With the conclusion of these state-wide efforts, individual legislators and other interested groups have requested assistance in continuing these conversations in their local communities. The following information and guidance is offered to help people think about how to host those conversations, align some of the activity so that the results of the conversations can be added to the information gathered through the state-wide effort and continue to advance our understanding of what will best advance health care reform in the state.

One method for doing this is to continue to host community conversations and work groups throughout the state. Based on the Snelling Center's experience, putting together a set of focused conversations was beneficial to identifying key issues and the underlying values they represent. The Center's process created five stakeholder groups. Our stakeholders included healthcare providers, employers (private, public and nonprofit), representatives of organized labor, members of governing boards of health care organizations, administrators from health practices and organizations, and social service providers. For the most part these groups met separately in the afternoon to have their focused conversation. This was followed by an open evening forum where everyone was engaged.

The Snelling Center has aggregated all of the responses gathered from the conversations that it hosted and has compiled that information for the legislature (and others) to utilize in its continuing deliberations. If your conversation follows the general format and questions of the conversation in Section III, it will be easy to compare your results and input to the overall results as reported by the Snelling Center.

The report from the fall of 2005 is available at the legislature's web site,

http://www.leg.state.vt.us/Public%20Engagement%20Forums/PUBEngDates.htm

and the Snelling Center's site:

http://www.snellingcenter.org/healthcarelinks.html

along with other related information.

Introduction

This simple guide is based on the model developed and utilized by The Snelling Center for Government to facilitate focused conversations with groups of stakeholders to discuss issues of health care reform. This format was designed to provide depth of conversation and not to maximize the number of people involved. While some of the questions my appear simplistic on the surface it has been quite interesting to hear from participants that they seldom have a chance to engage in this conversations either among their peers or with a more mixed group in a sustained format. The format is designed to bring out peoples concerns and fears, and importantly, to identify the underlying values upon which participants would evaluate the success of any health care reform efforts in moving forward. The guide is split into the following four parts from which you can choose the information you may need to assist you in convening and/or facilitating additional discussions.

Section I. Key Steps in Planning a Focused Conversation offers some basic considerations in setting up a successful focused conversation. This section covers: inviting participants, setting the time, place and location; and creating an environment conducive to discussion.

Section II. Questions to Guide a Focused Conversation on Health Care Reform includes a slightly modified discussion group guide that was used by Snelling Center facilitators. It includes the ten questions that focused the discussion in each group and some tips for how to pose/use the questions.

Section III. Essential Skills, Tasks, Functions of Skilled Facilitation provides a very brief introduction to facilitation skills. These can serve as reminders to you on how to best utilize your facilitation skills or as considerations in identifying another person who has the requisite skills.

Section IV. Information Resources for a Conversation On Health Care Reform holds all the information that was presented during the Legislature's forums. Use these as handouts and information resources. Our suggestion is that you hand them out at the end of the conversation, not at the beginning. People with too much paper in front of them will often focus on the paper and not on the conversation and interaction with others.

While we have attempted to provide you with the basic tools needed to convene a focused discussion, effective facilitation requires a particular set of skills. It also requires that the facilitator remain neutral, which means this individual is not there to advance a personal or political agenda, or to change the way others think. If you want to participate in the conversation or even if you want to position yourself to better listen to what is being said you may consider asking someone else to serve in the facilitation role.

Vermont is fortunate to have a great resource of community facilitators who work at organizations and businesses and state agencies throughout the state. So, if after reading through this guide you find you are interested in convening a discussion but want assistance in the facilitation consider engaging a neutral facilitator. If you need help finding a facilitator in your community, contact you local United Way or Woodbury College in Montpelier (or The Snelling Center).

If you have questions about this process, the information, or other issues related to hosting a forum or conversation please contact:

Glenn McRae
The Snelling Center for Government
802-859-3090 x 308
glenn@snellingcenter.org

While there is a specific design that is presented in this guide, you can adapt and modify it to suit the needs of your community or interest group and use it to develop an independent process to further conversation on this important issue in front of Vermont citizens. This guide and the Legislature's process in the fall of 2005 are not about the "right" way to gather public responses to health care reform, they were just one way to do it. Any effort that sincerely advances the public conversation, knowledge and values for better health care in Vermont serves the Public Good and should be advanced. Get the conversation going, encourage your fellow citizens to participate now and in the future.

Section I. Key Steps in Planning and Managing a Focused Conversation[1]

While it may be tempting to jump directly to the questions used in running a focused discussion or conversation, attention to the other phases of planning and managing an effective focused conversation is urged. Setting the context and managing the logistics will ensure that participants recognize the intent and are ready to engage as you hope. The four key phases are:

Phase 1: Planning;
Phase 2: Set Up and Logistics;
Phase 3: Running the Discussion; and
Phase 4: Follow Up.

Following is a brief description of the key tasks or considerations in each of these phases. Section III will provide an outline of the questions used in the focused discussions and Section IV will provide more detail on the skills, tasks and functions for effective facilitation.

Phase 1: Planning
As with any process, success depends upon knowing what you want to accomplish, having the right people involved, and creating the means by which to move the process forward. A focused conversation is no different.

Clarify Purpose and Agenda: The materials in this guide assume that your purpose is to hold small group discussions to identify underlying concerns, values and beliefs related to health care reform. The questioning guide, Section III, serves as your agenda. Be clear in all of your communications with potential participants about the purpose and style of the intended gathering. Emphasize that it is a small focused discussion and not a large public forum or a decision-making session.

Identifying and Getting the Right People to Participate: Your first decision will be to determine who you invite, whether it is a mixed group or a more specific group of stakeholders. Are you seeking the variety of perspectives held in your community or are you looking for a deeper understanding of the concerns of a particular stakeholder group?

Participants: Who and How Many: A general rule puts the ideal number around 8-12 participants for 2-3 hours to ensure that all participants are actively engaged. This guide is for a 2 hour discussion.

Phase 2: Meeting Set Up
Where the meeting is and how the room is set up may significantly influence both the physical comfort and the safety that participants feel in joining and engaging in conversation. In selecting your gathering place, consider the following:

[1] Adapted from: ***The Community Tool Box***, a web-based resource for promoting community health and development by connecting people, ideas and resources at http://ctb.ku.edu/

Climate and Environment

- Is the location a familiar place, one where people feel comfortable?
- Is the site accessible to everyone?
- Is the space the right size?

Logistics and Room Arrangements

- Chair arrangement: Place chairs in a circle or around a table to encourage discussion, equality, and familiarity.
- Wall space: You will need places to hang newsprint
- Materials: sign-in sheet, writing implements (for participants), flipcharts/markers/tape (for facilitator)
- Refreshments: This is not an extra but nicety that should be provided.

Ground Rules

For a focused discussion we offer you the following operating rules to share with your groups:

- One person speaks at a time
- Raise your hand if you have something to say
- Listen to what other people are saying
- Respect each other
- Remember our goal is not to come to agreement but to increase understanding of different perspectives

Phase 3: Running the Meeting Process

The facilitator's guide, in Section II, will walk you through the basic steps in running the meeting. Section III. provides a more in-depth look at some essential skills, tasks, and functions of skilled facilitation. Following are just a few basic tips to keep the meeting on track.

1. Start and End the Meeting on Time

Start no more than five minutes late and thank everyone who came on time. Don't stop your process to acknowledge latecomers. Wait until for an appropriate time to have them introduce themselves. Promise to end the meeting on time and do it.

2. Introduce Yourself as a Facilitator

During the introductions, be sure to introduce yourself to establish credibility as a facilitator. Explain that your job will be to keep the conversation flowing. You will not offer information or opinions during the meeting but will be glad to discuss any issues after the close of the meeting.

3. Review the Goal of the Meeting

State that the goal of the discussion is to elicit all perspectives and experiences. You are not seeking consensus or working towards any shared decision.

4. Stick to the Agenda—with Some Flexibility

Your job is to keep the discussion on track and to get permission to change the agenda and/or timing if the discussion strays.

5 Bring closure to each item
Make sure that everyone who wants has answered the question and then move on. Help the group to recognize when all points have been made.

6. Closing the Meeting
In closing the meeting, summarize the key discussion points. Inform participants how what they have shared will be recorded and used. Thank all of the participants.

Phase 4: Follow Up

- Phone calls or letters of thanks are always a nice touch
- A summary of what you heard and or learned will demonstrate your sincere interest and listening

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Section II. Guide to a Focused Conversation on Health Care Reform

This section includes the questions used in the focused conversations organized and facilitated by the Snelling Center and convened by the Legislature. The discussions were not intended to focus on health care reform design ideas, funding mechanisms, or solutions. Rather, the questions are designed to identify the underlying values held by individuals in different stakeholder groups and how those might be addressed in the development of a health care system reform proposal.

The following is presented as script to be used by the facilitator. INSTRUCTIONS to the facilitator are noted in the use of CAPITAL LETTERS. A quick one-page summary, or cue sheet, with just the list of questions and timing can be found at the end of this section.

FACILITATOR'S INTRODUCTORY REMARKS

- ***Why We Are Here Today***
  - We are here to learn from you, specifically, to learn what you value and believe is essential in a health care system for Vermont
  - This discussion is one part of a broad public engagement process sponsored by the legislative committees on health care
  - We are building on the work of The Commission on the Public's Health Care Values and Priorities, Coalition 21, and the work done over the years and especially in the most recent legislative session including the drafting and passing of H 524

- ***Why You Were Chosen/Asked To Participate***
  - Each of you has been invited because of your connections in the community, your interest and thoughtfulness in this issue

- ***What We Hope You Will Contribute***
  - Your experiences
  - Your understanding of the key issues you face in considering your responsibilities as _____ and how these are connected to defining the broad features/elements of health system reform

HOUSEKEEPING

- We will be taking a break.
- We will honor our stated closing time and we have a lot of ground to cover.
- Please feel free to help yourself to refreshments, use the rest room as needed.

INTRODUCTIONS OF PARTICIPANTS

Let's do a quick introduction. Please introduce yourself briefly, by sharing your name and what brings you to this discussion.

NOTE: IF PARTICIPANTS ARRIVE LATE, DO NOT INTERRUPT YOUR FLOW; WAIT TO ASK THEM TO INTRODUCE THEMSELVES AT A PAUSE. INTRODUCE YOURSELF AND EXPLAIN YOUR ROLE AS A NEUTRAL FACILITATOR AND LISTENER.

QUESTIONS:

1. I want you to write down **up to 3 items** in response to the question.
   PAUSE AS PARTICIPANTS GET READY, OKAY.
   When you think of health care reform what immediately comes to mind?
   a. ASK PARTICIPANTS TO WRITE A LIST OF UP TO 3 ITEMS;
   b. WAIT A COUPLE OF MINUTES FOR THEM TO WRITE
   c. FACILITATE A GO-AROUND REPORTING. FIRST ROUND, FIRST IDEAS.
   d. CAPTURE RESPONSES ON FLIP CHART
   e. ASK FOR ANYTHING NOT YET CAPTURED
   f. PROBE FOR MEANING BEHIND ANY JARGON/HEALTH CARE REFORM TERMINOLOGY THAT IS USED—DO NOT ASSUME SHARED DEFINITION/MEANING AMONG PARTICIPANTS
   g. ALLOW PARTICIPANTS TO ASK FOR CLARITY—NOT JUST FACILITATORS' PROBE
   h. PROBE: What if I had asked you your hopes and fears related to health care reform rather than what immediately comes to mind. How might your answer have been different? **Are there any fears we should add to the list? Are there any hopes we haven't captured related to health care reform?**

2. If there are to be changes in our health care system, **what needs to be maintained in order for you to feel confident that a new system will meet your needs and responsibilities?**
   a. PROBE**: What is it about _____ that is important to you?**

3. **If the system is to change, what might work better for you than the current health care system?**

BREAK

WELCOME PARTICIPANTS BACK. USE THE NEXT QUESTION TO REGAIN ATTENTION AND FOCUS. THE QUESTION IS A CHECK IN ON THE PREVIOUS ONE AND IS NOT EXPECTED TO GENERATE A LOT OF NEW IDEAS.

We often talk about the strength and quality of our health care system in terms of the number of people insured, the cost of insurance, the services offered. *(this is the list of findings for 524)*. I want us to the measures of success **you** would use in saying a new health care system met your needs and addressed your responsibilities. We will quickly brainstorm the answer to this next question.

RECORD ON FLIPCHART

4. **If you had to draft a list of measures of success of a health care system in meeting your needs and concerns what would be on that list? How might we measure success?**

USE A FLIP CHART W/2 COLUMNS: ISSUE/REASON FOR THIS NEXT QUESTION

5. For this next question, I want you to write down up to 3 responses to a statement where you will be asked to fill in the blanks. Here is the statement**:**
   If a health care system DOES NOT INCLUDE_____ I would not be able to support it because_____. Meaning, any system must have it in order for it to be acceptable (must have). Please complete this statement.
   a. .ASK PARTICIPANTS TO WRITE UP TO 3 STATEMENTS;
   b. WAIT A COUPLE OF MINUTES FOR THEM TO WRITE
   c. FACILITATE A GO-AROUND REPORTING (Ask for 1 response each. Then call out additions)
   d. CAPTURE RESPONSES ON FLIP CHART

GO TO ANOTHER FLIP CHART AND CREATE /2 COLUMNS: ISSUE/REASON. THIS QUESTION IS REALLY A CHECK ON THE PREVIOUS TO SEE IF THE REPHRASING ELICITS ANY NEW IDEAS RATHER THAN JUST THE INVERSE OF QUESTION 7.

6. For this next question, again a fill in the blanks. Here is the statement.
   If a health care system INCLUDES _____ I would not be able to support it because_____. Meaning, there is something that may be included that would be exceptionally objectionable (can't have). Please complete this statement.
   a. ASK PARTICIPANTS TO WRITE UP TO 3 STATEMENTS;
   b. WAIT A COUPLE OF MINUTES FOR THEM TO WRITE
   c. FACILITATE A GO-AROUND REPORTING (all 3 or 1?)
   d. CAPTURE RESPONSES ON FLIP CHART

7. **Suppose you had only 30 seconds with your state representative to talk about Vermont's health care system, what would you emphasize?**
   a. GIVE EACH PARTICIPAN T TIME TO COLLECT THOUGHTS BEFORE INITIATING A GO-AROUND.
   b DO NOT ALLOW Q & A EXCHANGE

CLOSING

THANK PARTICIPANTS AND OBSERVERS
INFORM PARTICIPANTS HOW WHAT THEY HAVE SHARED WILL BE RECORDED AND USED. SHARE INFORMATION THAT PARTICIPANTS CAN TAKE WITH THEM: Handouts

QUICK GUIDE
For a facilitated conversation

Start	#	Question	Duration
		Introductory Remarks, Introductions, Housekeeping	5 min
	1	When you think of health care reform what immediately comes to mind? PROBE: What fears need to be added to this list? What hopes related to health care reform?	10 min
	3	If there are to be changes in our health care system, what needs to be maintained in order for you to feel confident that a new system will meet your needs and responsibilities? PROBE: What about ___ is important to you?	15 min
	4	If the system is to change, what might work better for you in meeting your concerns and responsibilities?	10 min
		BREAK	
	6	If you had to draft a list of measures of success of a health care system in meeting your needs and concerns what would be on that list? How might we measure success?	15 min
		FLIP CHART: 2 COLUMNS	
	7	If a health care system DOES NOT INCLUDE _____ I would not be able to support it because_____.	10 min
	8	If a health care system INCLUDES_____ I would not be able to support it because_____.	10 min
	9	Suppose you had only 30 seconds with your state representative to talk about Vermont's health care system, what would you emphasize?	5 min
		CLOSING REMARKS	
		HANDOUT: Principles HANDOUT: Blue sheet with how to get more info on H524	

Section III. Essential Skills, Tasks, Functions of Skilled Facilitation

A good facilitator is concerned with both the outcome of the conversation and with how the people in the meeting participate and interact. A facilitator works to ensure that the process is sound, that everyone is engaged, and that the experience is the best it can be for the participants. The following is a brief outline of the key roles and tasks of a facilitator, some important skills and tips for facilitation.

KEY ROLES OF A FACILITATOR

- A facilitator guides and helps people move through a process together
- A facilitator focuses on HOW people participate, not just on WHAT gets achieved
- A facilitator is neutral, refrains from offering opinions on the content of the discussion and never takes sides
- A facilitator encourages participation—equally and by all

KEY TASKS OF A FACILITATOR

- Understanding the goals of the meeting and communicating these to participants to set the context and frame for the discussion
- Keeping the group focused on the discussion item, and moving forward in the agenda
- Involving everyone in the meeting, including drawing out the quiet participants and controlling the domineering ones
- Making sure that decisions are made democratically

PRIMARY FACILITATOR SKILLS—ENGAGING ALL PARTICIPANTS

- Making sure everyone feels comfortable participating
- Developing a structure that allows for everyone's ideas to be heard
- Making members feel good about their contribution to the meeting
- Making sure the group feels that the ideas and decisions are theirs, not just the leader's
- Supporting everyone's ideas and not criticizing anyone for what they've said.

PRIMARY FACILITATOR SKILLS—KEEPING A MEETING MOVING AND ON-TASK

- *Reflecting* – feeding back the content and feeling of the message *"I am noticing…"*
- *Clarifying* – restating an idea or thought to make it more clear *"This is what I think I heard…"*
- *Summarizing* – stating concisely the main thoughts *"Let me try to summarize the key point…*
- *Shifting focus* – moving from one speaker or topic to another *"Thank you, I'd like to hear from someone who has not had a chance to speak" or "We need to shift now to …"*

SOME BASIC FACILITATION TIPS

1. Be flexible, even in a structured conversation
Even with a structured conversation, with a series of prepared questions and points, you need to be flexible and natural. If people sense that you are reading a memorized script they won't respond freely.

2. Watch the group's body language
If folks seem restless or in a haze, you may need to take a break, or speed up or slow down the pace of the meeting. And if you see confused looks on too many faces, you may need to stop and check in with the group.

3. Always check back with the group
Check back after each major part of the process to see if there are questions and that everyone understands and agrees it is time to move on.

4. Summarize and pause
When you finish a point or a part of the meeting process, sum up what was done, and pause for questions and comments before moving on. Learn to "feel out" how long to pause -- too short, and people don't really have time to ask questions; too long, and folks will start to get uncomfortable from the silence.

5. Be aware of your own behavior
Take a break to calm down if you feel nervous or are losing control. How you act makes an impact on how participants feel.

6. Occupy your hands
Hold onto a marker, chalk, or the back of a chair. Don't play with the change in your pocket!

7. Watch your speech
Be careful you are not offending or alienating anyone in the group. Use swear words at your own risk!

8. Use body language of our own
Use your own body language to control the dynamics in the room. Moving up close to a shy, quiet participant and asking them to speak may make them feel more willing, because they can look at you instead of the big group and feel less intimidated.

9. Don't talk to the newsprint, blackboard or walls--they can't talk back!
Always wait until you have stopped writing and are facing the group to talk.

10. Remember your role as <u>neutral</u> facilitator--
Refrain from offering your content expertise or opinion. Save this for after the meeting.

Section V. Information resources for a conversation on health care reform

Health Care Reform
The Vermont Legislature - Public Forums
Sponsored by the Joint Legislative Committees

House Committee on Health Care (Chair: Rep. John Tracy)
Senate Committee on Health and Welfare (Chair: Sen. James Leddy)

The history and current work of the Vermont Legislature on Health Care Reform is available at http://www.leg.state.vt.us/healthcare/
This site will also link you to updates and events associated with the work of the Legislature.
To provide further contributions to the conversation on health care reform contact your local legislator, and send your thoughts to:

healthcareforums@leg.state.vt.us
Mail/fax: Health Care Forums/Vermont Legislature **Speaker's Office, 115 State St., Drawer 33** **Montpelier, VT 05633 [FAX 802-828-2220]**

Principles of Health Care Reform in Vermont

Principle I: It is the policy of the State of Vermont to ensure universal access to and coverage for essential health care services for all Vermonters.

Principle II: Health care coverage needs to be comprehensive & continuous.

Principle III: Vermont's health delivery system will model continuous improvement of health care quality and safety.

Principle IV: The financing of health care in Vermont will be sufficient, equitable, fair and sustainable.

Principle V: Built-in accountability for quality, cost, access and participation will be the hallmarks of Vermont's health care system.

Principle VI: Vermonters will be engaged, to the best of their ability, to pursue healthy lifestyles, to focus on preventive care and wellness efforts, and make informed use of all health care services throughout their lives.

The "drivers" behind health care reform efforts are often summarized as:

Cost - Rising costs and how to control costs.

Access - How can we achieve universal access so all Vermonters have equitable access to care?

Quality - How to continually improve quality and prioritize quality improvements in the system based on our experience and what is feasible.

Equitable Financing - How do we pay for the health care system we all want? How do we share costs equitably? What system can we forge so that everyone contributes and shares the cost?

Questions that follow our consideration of these "drivers:"

If there are to be changes in our health care system, what needs to be maintained in order for you to feel confident that a new system will meet your needs?

If the system is to change, what might work better for you?

What are the assurances you would need to support any proposed changes in out statewide health care system?

How might you propose we measure success? If you had to draft a list of measures of success of a health care system in meeting your needs and concerns what would be on that list?

If a health care system DOES NOT INCLUDE_____ I would not be able to support it because_____. Meaning, any system must have it in order for it to be acceptable.

ACCESS TO HEALTH CARE

In 2001, 43000 Vermonters were uninsured; the number rose to approximately 71,000 in 2005—more than 10% of all Vermonters.

Projections increase the uninsured to 80,000 in 2010.

The Problem is getting worse

More than 60,000 Vermonters have no health insurance. Lack of insurance is associated with an increased rate of illness and a shorter life expectancy.

Premium cost increases have contributed to the growing rate of underinsurance, with more and more Vermonters purchasing high-deductible and less comprehensive plans.

The costs of health services provided to individuals who are unable to pay are shifted to others. Of the $2.1 billion charged by hospitals in 2005, $88 million was not collected as follows: $37 million in charity care and $51 million in bad debt.

Who pays the cost of the uninsured or underinsured?
The uninsured cover approximately 1/3 of the cost in out of pocket payment.
Higher premiums for those who have coverage pay another 1/3
Government assumes a larger role and funds approximately 1/3 though taxes

Those who bear the burden of this cost shift have an increasingly difficult time affording their own health care costs, including premiums.

- Much like being uninsured, having inconsistent health insurance coverage limits access to care. People who go through periods in which they have no coverage are less likely to have a regular doctor and more likely to delay seeking care when they're sick.
- 22 percent of the U.S. population experienced at least one spell without any health coverage over the two-year study period, in addition to the 9 percent who were uninsured for the full two years.
- Young adults, Hispanics, people with low levels of education, those who transition into and out of poverty, and those with private, nongroup insurance were most likely to have unstable coverage.
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Entrances and Exits: Health Insurance Churning, 1998–2000, Kathryn Klein, M.P.H., Sherry A. Glied, Ph.D., Danielle Ferry, M.S., The Commonwealth Fund, September 2005

Cost of the health care system in Vermont

From $1.7 billion in 1996 to $3.2 billion in 2004
(an 88% increase in 8 years)

Cost increases nearly $1 million a day, or $350 million a year to support our current health care system.

In 2005, the state of Vermont will spend an estimated $5,700.00 per capita on health care, more than any nation -- except the United States

itself -- when measured as a proportion of gross domestic product.

In 2003 Vermont's health care spending was 14.7 percent of the gross state product.

Health care costs have risen an average of 9-10 percent per year over the past 30-40 years, with the rate rising to 10-11 percent in more recent years.

These figures are well above the Consumer Price Index and exceed the state's capacity to pay for health care costs as measured against our gross state product.

For example, between 1996 and 2002, health care spending in Vermont rose 63 percent, while personal income rose 41 percent and gross state product rose 35 percent.

Over one-half of bankruptcies nationally are associated with high medical expenses. In approximately three-quarters of health-related bankruptcies, the patient had insurance.

FINANCING

Healthcare financing is accomplished through a patchwork of public programs, private sector employer-sponsored self-insurance, commercial insurance, and individual payers.

There are two fundamental inequities in the current insurance-based financing system:
(i) premiums are not based on ability to pay, and
(ii) deductibles and coinsurance place a financial burden on those with serious illness.

At any particular point in time, approximately 10 percent of the Vermonters generate approximately 70 percent of all health care spending.

Presently, there are 130,000 Vermonters enrolled in Medicaid, 90,000 in Medicare, and 150,000 in private sector employer-sponsored self-insured plans. Combined, it is projected that these individuals will account for nearly $2.3 billion of the $3.8 billion Vermont will spend on health care in 2006.

* In 2004, the costs of health care for 10.7 million Americans ***with insurance*** represented more than 25% of their earnings

* Employment based healthcare premiums are growing faster than wages.

Tax Dollars pay for much of Health Care Spending

- **Property taxes support health benefits for municipal and school system workers and teachers.**
- **Payroll taxes support Medicaid and Medicare.**
- **State Income taxes support state employee health benefits.**
- **State Income taxes also support a number of health programs through the Agency of Human Services.**
- **Federal Income taxes support federal employee health benefits and fund a variety of other federal health programs.**

QUALITY

The quality of health care services in Vermont is generally very good, especially through our network of community based hospitals.

There is still a need to improve quality, efficiency, and safety. Improvements in health care quality can result in improved health and reduced costs. The existing payment system does not tie reimbursement to improved health.

There are an unacceptable number of adverse events attributable to medical errors. According to the Institute of Medicine report entitled "To Err is Human: Building a Safer Health System," nationwide, the right care is given to the right person at the right time only about half the time.

- Our health care infrastructure and services tend to be "disease-focused" rather than "health-focused," resulting in missed opportunities for less costly and more effective forms of care.

- Medical errors are costly. They result in the loss of human lives and increase the costs of providing health care

- Poor quality [care] costs employers $1900-$2250 per covered employee each year. *(Midwest Business Group on Health)*

- 30% of all direct health care outlays today are the result of overuse, misuse, and waste.

- Only 55% of recommended care was actually delivered. *(RAND study published in NEJM)*

GOALS OF HEALTH CARE REFORM (H524)

Consistent with the adopted guidelines for reforming health care in Vermont, the general assembly adopts the following goals:

(1) Universal Access. Vermont policy will reflect that universal access to health care is a public good. By 2009, Vermont shall have an integrated health care system that provides all Vermonters, regardless of their age, employment, economic status, or their town of residency, with access to affordable, high quality health care that is financed in a fair and equitable manner.

(A) In order to reach this goal, the state shall begin by offering limited benefits and shall expand benefits over time after meeting specified benchmarks. A process will be developed to define the benefits, taking into consideration scientific evidence, available funds, and the values and priorities of Vermonters.

(B) The benchmarks shall measure the appropriateness and feasibility of a proposed expansion based on its ability to promote the following: long-term cost savings, increased access, improved quality and delivery, administrative simplification, fair and equitable financing, financial sustainability, and continuity of coverage.

(2) Cost Control. It is imperative that health care costs are brought under control. Likewise, it is essential that cost containment initiatives address both the financing of health care and also the delivery and quality of health services offered in Vermont. To ensure financial sustainability of Green Mountain Health, the state is committed to slowing the rate of growth of health care costs to seven percent or less by the year 2010. Strategies for containing costs shall include:

(A) global budgeting of and global payment to hospitals;

(B) tort reform;

(C) increased consumer access to health care price and quality information;

(D) promotion of self-care and healthy lifestyles;

(E) enhanced prescription drug initiatives;

(F) funding of the chronic care initiative;

(G) investments in health information technology;

(H) alignment of health care professional reimbursement with best practices and outcomes rather than utilization; and

(I) development of a long-term strategy for integrating the health care delivery system as well as a strategy for integrating health care policy, planning, and regulation within government.

(3) High Quality. Vermont's health delivery system must model continuous improvement of health care quality and safety. Vermonters must have the tools and resources necessary to make informed use of all health care services. Health care professionals and facilities should have incentives to provide the best and most appropriate care to Vermonters. The state should also do its part to improve quality and safety by coordinating health care policy, planning and regulation.

(4) Equitable Financing. The health care system in Vermont should be financed in a fair and equitable manner. All Vermonters should have access to health care; all Vermonters should contribute to its cost.

What did the 2005 Legislature propose through H.524?

The three basic elements of H.524 are:

- Every Vermonter should have a doctor.
- Every Vermont resident and Vermont business should contribute to the cost of health care.
- We need a long term approach to cost containment through integrated health care delivery systems, better information systems, and a focus on keeping Vermonters healthy.

As legislators studied the health care system and its challenges and strengths, they determined that universal access and cost containment are linked. You can't have one without the other. To contain health care costs Vermont must rethink its health care system so that it is a more integrated system, coordinated around maintaining the health of all Vermonters. In H.524 the design of this approach was called Green Mountain Health.

Access: As a first step, beginning July 2006, Green Mountain Health would provide primary and preventive health care coverage to all uninsured Vermonters who don't qualify for Medicaid. Upon meeting certain cost containment and performance benchmarks Green Mountain Health would expand to offer: primary and preventive health care coverage to all Vermonters in July 2007; hospital coverage to all Vermonters in October 2008; and a common benefit to all Vermonters in July 2009.

Cost Containment. Cost control initiatives address financing, delivery, and quality of health services. These cost containment measures include:

- More stringent control of budgets and payments to hospitals;
- Improving how we manage chronic illnesses like diabetes and heart disease;
- Consumer access to health care price and quality information;
- An information technology initiative to better coordinate patient and billing information and assess alternative methods of reimbursing for care in ways that align reimbursement with positive outcomes;
- Prescription drug initiatives that focus on more consumer information and oversight of the pharmacy benefit managers;
- Medical malpractice reform, including options for medical liability self-insurance, and what's called a "safe apology" by hospitals;
- Healthy lifestyles insurance discount under some circumstances;
- Expansion of primary care health centers and free clinics;

Financing. Financing for Green Mountain Health is based on the belief that everyone should have health care, and everyone should help pay for it. In the first year of Green Mountain Health, the "Health Effort Tax" would ensure that everyone contributes. Employers who spend at least 3% of payroll on health care *would pay nothing more*. Small employers with $50,000 in payroll who spend at least 1% on health care would pay nothing more; and employers not making a minimum contribution would pay 1% of their first $50,000 in payroll, and 3% on their remaining payroll, minus any health care spending.

H.524-Progress of Health Care Reform After the Veto by the Governor. Leaders in the House and Senate have adopted two approaches for the interim between 2005 and 2006 sessions. One focuses on analysis, the other on seeking input from Vermonters. In both arenas the legislature is seeking professional assistance that will move this process along in a constructive manner

Analysis

The Legislative Commission on Health Care Reform, chaired by Senator Leddy and Representative Tracy, has been established for the purpose of seeking information and analysis of questions that were raised during the health care debate. In particular H.524 directs the commission to contract for analysis of options for financing health care and an economic impact study of universal access to health care. The Commission may also make recommendations concerning aspects of health care reform measures in future legislative sessions.

The Commission on Health Care Reform is established for a period of four years. The Commission is made up of 8 legislative appointees and 2 gubernatorial appointees. The Commission may hire up to 3 staff members to implement its work.

The Commission has engaged the services of Dr. Ken Thorpe for analysis that would be helpful in making health care more affordable in Vermont. Dr. Thorpe is the Robert Woodruff Professor and Chair of the Department of Health Policy and Management in the Rollins School of Public Health in Atlanta, Georgia. He has held numerous teaching and consulting positions in health care and served as Deputy Assistant Secretary for Health Policy in the U.S. Department of Health and Human Services in the Clinton administration. He also consults for the National Coalition on Health Care Reform that includes Honorary Co-Chair President Bush. It is a coalition of business, labor, insurance, and health care organizations.

Public engagement

The legislature also authorized the Senate and House Committees on Health Care to hold public engagement sessions throughout Vermont over the course of the summer. The legislature has set up a contract with The Snelling Center for Government to organize and facilitate this process. Additionally, individual legislators are convening gatherings of constituents to present how we see the challenges, how the legislature proposed to change the system, and to seek guidance and feedback.

Information about this public engagement process is available through the legislature's website, HREF="http://www.leg.state.vt.us/healthcare/" MACROBUTTON HtmlResAnchor http://www.leg.state.vt.us/healthcare/ .

Continuing Legislative Action on Health Care

The Vermont legislature will continue work on health care reform in 2006.

Information on this action will continue to be posted to the legislature's web site on health care.

http://www.leg.state.vt.us/healthcare/