

Testimony before
Committee on Energy and Commerce
Subcommittee on Health
U.S. House of Representatives
by
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Thank you for the opportunity to testify before your committee on health care reform. As you are aware, this is one of the most significant and challenging issues we face as a nation and as individual states. We simply cannot afford to continue with the status quo of high insurance costs, high health care costs and inadequate quality in our health care systems.

Ten months ago, Governor Douglas, a Republican, and the Democratically-controlled legislature reached consensus on a groundbreaking health care reform package for our state. This reform is comprehensive, in that it has over 35 different initiatives to simultaneously cover our uninsured, improve health care quality and curb the growth in health care costs. It is being hailed by many experts as the most comprehensive legislation to provide near universal coverage, while at the same time lowering health care costs and improving quality.

I am going to focus on just two of these initiatives in my testimony today, but in the written material supplied to the committee, we have provided a fuller description of our reforms.

The first initiative is the Catamount Health Plan, a new product available on the individual private market in October, 2007 that will be available for uninsured Vermonters. Catamount Health is mandated in statute to be comprehensive in benefits, and affordable. The premiums will be subsidized depending on income, up to 300% FPL, and if you have employer sponsored insurance and cannot afford it, your premiums for that insurance will be subsidized, depending on income, if it is less expensive for the

state to do so. The only requirement is that the employer sponsored insurance plan be substantially similar to the Catamount Health plan in terms of benefits. In Vermont, many employers have such plans.

The goal is to reach an insured level of 96% by 2010. The plan is financed by increases in the tobacco tax, premiums, federal Medicaid match (assuming federal approval of an amendment to our 1115 waiver), and an assessment of those employers who do not offer health insurance. The plan was carefully crafted to conform with ERISA requirements.

The second major component of our health care reform is the Blueprint for Health, which is our statewide initiative to provide all Vermonters who have chronic conditions, and those at risk of developing them, with the information, tools, and support they need to successfully manage their health.

Over 50% of all adult Vermonters have one or more chronic conditions, and caring for people with chronic conditions consumes 70% of the \$3.5 billion spent in Vermont each year on health care. National data indicate that only 55% of people with chronic conditions get the right care at the right time. We must do better to improve outcomes and bring down health care costs.

Launched by Governor Douglas in 2003 and endorsed by the Vermont General Assembly in 2006, the Blueprint for Health is not the typical disease management program. Instead, the Blueprint is proactive and holistic, and is designed to change our health care system to focus on chronic care equally with acute health care. To accomplish this, the Blueprint simultaneously:

- creates public policies that support healthy lifestyles and effective health care;
- provides community-centered programs and activities to encourage and maintain healthier lifestyles;
- provides self-management tools for individual participation and empowerment;

- develops new electronic health systems for physicians' offices and other health care settings statewide; and
- coordinates reimbursement and care coordination approaches across all payers, including insurers, state government and non-profit health care organizations.

Our goal is to have this new health care delivery approach in place statewide by 2011.

In conclusion, in order for health care reform to be successful, it needs enormous buy-in from a variety of organizations and people. Governor Douglas was just one of 10 people awarded an "Impact Award" by AARP for his work in health care. The first line of the write up for the award said, "Sometimes politicians can rise above politics." I urge you to remember this line as you move forward with your deliberations regarding health care reform. We need you to put down your party affiliations and act on behalf of all our country's citizens and businesses who are struggling every day with these issues.