

Green Mountain Physician

A publication of
Vermont Medical Society

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From the President's Desk

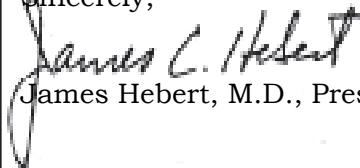
It is very likely that Vermont's health care system, or at least the philosophies governing it, will undergo substantial change in coming years.

With a dramatic change in elected officials about to take place - a new Governor, Lt. Governor, Speaker of the House, Senate President Pro-tempore and Attorney General - the results of November's election are sure to reverberate throughout the health care system for years to come.

In an attempt to help you learn where the candidates for the state's top-two offices stand on key health-related issues, we've dedicated this issue of the *Green Mountain Physician* to a discussion with both the Republican and Democratic candidates for Governor and Lt. Governor. I hope that you find their answers illuminating and informative when you step into the voting booth.

And last but not least, please plan on joining me in attending the Vermont Medical Society's 203rd annual meeting November 4th and 5th at the Hilton Burlington in Burlington, Vermont. Once again, this year's meeting is being held in conjunction with several state specialty societies and we anticipate a large turnout and lively discussions.

Sincerely,



James Hebert, M.D., President



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Health Care Q&A with Candidates for Governor and Lt. Governor

The Green Mountain Physician recently asked the major party candidates for Vermont Governor and Lt. Governor to participate in a Q&A that addresses major health care topics the candidates, if elected, are expected to face during their terms.

The following are their responses in their entirety:

Candidates for Governor: Sue Minter and Phil Scott



In light of the recent Medicaid budget overruns, how would you control Medicaid spending and/or raise revenue to address the budget shortcomings?

Sue Minter: There is no doubt that Medicaid reimbursements are too low, especially for primary care providers with high Medicaid caseloads. I support recent efforts to expand Medicaid coverage to more low and moderate income Vermonters as a means of making health care more affordable, but state government and Vermonters must at the same time be willing to pay for that coverage and not simply cost shift to providers and other patients. While adding additional resources must be considered as a short term solution, my focus as governor will be to reduce and control health care costs for all Vermonters.

First, I will aggressively promote and support prevention and early interventions. The Vermont Department of Health has been successful

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helping many Vermonters quit smoking, encouraging young people to avoid harmful choices, and promoting healthy lifestyles. I will make sure that those efforts are supported and expanded with a focus on “health in all policies.”

There is abundant evidence that social factors such as poverty, substandard housing, adverse childhood experiences (ACEs), substance abuse, trauma and many other conditions result in poor physical and mental health outcomes, driving up the lifetime health care costs for those individuals. I will look to expand Vermont’s efforts to help families, and especially children, avoid those unhealthy social conditions.

Second, Vermont is showing many successes in case management, with the Blueprint for Health leading the way in establishing medical homes as a means of both coordinating care and getting at the root causes of many chronic conditions. We are experimenting with payment reform and coordinated care through OneCare, although I have concerns about possible unintended consequences of centralizing health care decisions in one entity. The Vermont Department of Health Access, Blue Cross and other insurers also utilize case management. My concern is that these many well intended efforts are not coordinated and may be working at cross purposes and creating confusion in the provider community. I will work with all involved to be sure that our efforts are efficient and effective.

Third, I will work with physicians, hospitals and other providers to use all our analytical tools to reduce expensive readmissions, unnecessary procedures, inappropriate prescribing and other practices that do not contribute to the quality of Vermonters’ health. We all know that end of life care costs can be reduced if patients have made their wishes known in advance. I will encourage Vermonters to discuss those choices, including hospice, with their providers and families.

Fourth, I will direct the Vermont Department of Health Access to examine its administrative procedures to be sure that determinations of eligibility are accurate and that its rules and regulations are efficient.

Fifth, I will work with Vermont’s congressional delegation to encourage Congress to take those actions that must be national in scope, such as controlling the high costs of pharmaceuticals.

Sixth, I will continue Vermont’s work to drive down administrative costs by moving incrementally to a single payer system.

Finally, I recognize that governmental decisions about health care are made by a citizen legislature and an executive branch led by those without medical training. I feel a special obligation to involve health care professionals in my decision making, and I look forward to a strong relationship with your organization and other provider organizations so that together we can work to keep Vermonters healthy and provide the best possible treatment when they are not.

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Phil Scott: One thing I have been very clear about is that I will not raise taxes to address budget shortcomings. Rather, my administration will be charged with identifying areas for increased efficiency and opportunity for savings.

Administration costs are 15% of the total cost of Medicaid, or roughly \$130 million dollars per year. Looking at administrative costs, there is room for savings that can be used to decrease rates or fill structural budget gaps caused by the myriad services covered by Medicaid. Medicaid dollars should be spent on health care, not bloated health care administration.

To reign in these costs, I would migrate to a technological platform for managing our Medicaid program that has proven effectiveness. Much of the administrative costs of Medicaid, and all health care spending, are attributable to the escalating investments in the dysfunctional Vermont Health Connect (VHC) – a system I will replace as Governor.

I would also appoint individuals to the Green Mountain Care Board that are dedicated to cost containment. Act 48 gives this board broad powers to control health care costs. Yet, such costs continue to rise at an unsustainable pace. I would appoint people to this Board who understand that a monopolistic health care system in Vermont doesn't provide the best health care for the money invested, nor does it protect the interests of taxpayers. That is why I would also ask the Green Mountain Care Board to open the Vermont health insurance market to other providers with proven competence and cost effectiveness, and would encourage the health care provider network to retain a competitive edge that results in cost effective services and encourages innovation.

Beyond administrative costs, there are a number of avenues to pursue to bring the Medicaid budget into balance. Medicaid is not a one-size-fits-all federal program. Benefits and utilization levels can, and do, vary among states. In a Scott Administration, we would review other states demonstrating successful outcomes among their Medicaid populations to identify cost effective management approaches, which may include adjustments to Vermont's benefits mix and utilization levels. Our Medicaid managers would continuously look for ways to more effectively invest our Medicaid dollars.

Additionally, we would bring tort reform to the table for discussion, examine the fairness of Vermont's premium and co-payment system, and – as recommended by the Economic Incidence of Health Care Spending in Vermont report – consider implementing a standard for access to publicly funded health care, similar to the standard set for access to publicly funded affordable housing.

The best way, however, to relieve Medicaid budget pressures is to reduce enrollment. Medicaid was originally envisioned to be a safety net service for most beneficiaries during times of financial transition, but it has grown into the primary form of insurance for about 200,000 Vermonters. With federal rules that removed asset tests, the only criteria for Medicaid eligibility are income factors. Therefore, to reduce enrollment we should focus on ways to increase job and career opportunities that pay livable wages.

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What will you do to ensure that acutely ill psychiatric patients do not wait in emergency departments for more than six hours, per VMS' recommendation?

Phil Scott: This is a very serious issue and there is no question that emergency rooms are not equipped to deal with the complex needs of patients facing acute mental health challenges for long periods of time. Hospitals, mental health professionals and advocates agree extended emergency department wait times are not in a patient's best interest.

There are a few factors that contribute to this situation. The decentralization of the Vermont State Hospital has made placement considerations more complex. There is now a higher demand for level one beds, and some patients are experiencing lengthy waits because other complex cases are remaining in level one beds for long periods, creating a bottleneck. Exacerbating the issue is a lack of adequate mental health services in the community that are both preventative and therapeutic to alleviate the pressure on hospitals on both ends.

These challenges are complex, but it is clear we need a more robust system for accepting and transitioning patients. We need a system that prioritizes the most acutely ill patients so they are not waiting longer than patients with less severe illnesses. Long term patients should be treated in a timely fashion so they can transition. A more robust community network of mental health care providers would reduce the number of patients who reach a point of crisis that requires emergency room and inpatient admittance. Like so many other areas across the health care continuum, staffing and funding are limiting factors, which is why it is so important for Vermont to focus on the economy as a top priority.

While this challenge isn't unique to Vermont and is a problem faced nationally, we must take steps in our state to reduce or alleviate the problem. The easy answer may appear to be to fund more beds. I will not raise taxes on already overburdened Vermonters, but I will explore the effectiveness of existing investments. For example, the state recently opened a new 25 bed facility in Berlin, which cost \$28 million to construct and \$20 million annually (or \$800,000 per bed) to operate. A Phil Scott Administration would work to create a cost comparison of these level one acute care costs with those in other states to help benchmark the effectiveness of our investments in Vermont.

Like so many of our challenges, this must be part of a larger discussion about prioritization and how we leverage existing funds to meet the needs of our most vulnerable.

Sue Minter: I agree that acutely ill mental health patients should not be held in emergency rooms for extended periods of time. In all cases, emergency rooms should be the point of entry to the appropriate medical care setting. I feel strongly that our mental health system needs more funding for prevention, early interventions and treatment. While parity between physical and mental health is state law, the reality is far different.

The question of proper settings for the treatment of mentally ill Vermonters is complex, with professionals holding widely differing views, especially when it comes to the need for hospitalization and the point at which the patient can be better treated outside an acute care facility.

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I would start with examining the management of those patients in the Vermont Psychiatric Care Hospital and our contracted partners to be sure that, once stabilized, they leave for more appropriate settings. Vermont has made significant investments in expanding step down facilities and other community-based (and less costly) options for the treatment of those suffering from a mental illness. Acute care hospital beds must be used for the acutely ill to stabilize their conditions. Only when I am comfortable that we are meeting that goal through proper patient management would I advocate more taxpayer investments in additional acute care beds.

I will also look to our community hospitals, especially UVM Medical Center, to encourage and support a greater commitment to the treatment of Vermont's mentally ill. Again, I am looking to reserve our state and state-supported acute care beds for those who present the greatest challenges and need the most specialized care.

Finally, I am concerned about the length of time some involuntary patients sit in hospital beds without access to all available treatment options. I believe that due process protections can be provided in a shorter period of time. This, too, would move patients through the acute care settings faster and allow them to move on to less restrictive, community-based settings. I recognize that this is a controversial subject that has been debated many times in Vermont. I am willing to continue those debates in the interest of the best care and treatment of those individuals with severe mental illness.

Studies have shown that defensive medicine – when physicians prescribe more tests than are necessary in order to defend themselves against potential malpractice suits – drives up health care costs. Do you support medical liability reform, and if so, what changes would you pursue?

Sue Minter: Consistent with my answer to question 1, I am willing to look at the problem of unnecessary procedures and other treatments. While I don't see large damage awards coming from Vermont juries, I will listen to your organization to understand your view of the problem. I would also like to work with physicians, hospitals and other providers to find solutions to the practice of defensive medicine, including greater use of alternative dispute resolution practices.

Phil Scott: Yes, I support medical liability reform. Vermont can reduce health spending by transitioning to a no-fault system of medical malpractice, which would alter provider perceptions of the risk of lawsuits, thereby reducing defensive medicine.

In fact, the Hsiao Report recommended that Vermont pursue responsible tort reform - a recommendation that has been adopted in 18 other states, but not in Vermont. The Hsiao Report suggests tort reform would save Vermont's healthcare system 2.6 percent of health care spending, or about \$150 million, comprised of 2% in lower costs of "defensive medicine" and 0.6% in lower insurance premiums for providers. The Hsiao estimates are actually at the low end of the estimates for saving in defensive medicine, which range from 2% to 9%. Given the opportunity for such savings, a Phil Scott Administration would make tort reform in Vermont part of the conversation on how to lower health care spending, including Medicaid.

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Under your leadership, what will Vermont's health care system look like in five years and how would you address Vermont's coming physician shortage and the barriers to access to care that it will create?

Phil Scott: Overall, I will ensure Vermont's healthcare system will no longer be an ideological battlefield where ideological perfection is the enemy of practical common sense. Vermont citizens and health care providers will be able to operate in a stable environment, unlike the current environment filled with fiscal chaos, volatile policy changes, and unreliable technology platforms. This approach will provide more predictability for physicians, who need to rely on a stable system when making career decisions.

Specifically, Vermont will have a cost effective and functioning portal for exchange health insurance and Medicaid eligibility and benefits management systems that replace the current system (ACCESS) built in 1983.

We will transition from Vermont's health care exchange, Vermont Health Connect, to a better, less costly model that allows Vermonters to buy lower-cost health insurance from the federal health care exchange or approved multi-state partnership exchanges with more affordable choices. I would also open Vermont's insurance market place to more than just the two current providers, BC/BS and MVP. I would set clear policy parameters for health care cost increases and set an expectation for the Green Mountain Care Board to manage to these parameters, rather than its current open ended approach. I would also eliminate the small businesses mandate. Small businesses should not be forced into Vermont's exceedingly expensive, dysfunctional exchange. Further, this mandate is limiting the benefits businesses can offer to competitively recruit talented employees.

I would recommend transitioning from the old fee-for-service model to a payment system that compensates providers for outcomes and value. We also need to share our successes in cost containment with the businesses and families that pay insurance premiums. After three years of historically low growth in hospital budgets (about 2-3 percent per year), Vermonters still haven't seen any savings show up in their insurance bills.

My approach will be to give Vermonters a system that works for both their household budgets and the state budget. This system would help mitigate our physician shortage by the providing young doctors the opportunity to settle into a practice in Vermont, in a stable health care environment with entrepreneurial opportunities, earning a competitive salary and enjoying all the other environmental and cultural benefits Vermont has to offer.

Sue Minter: My vision for Vermont's health care system is one that is broadly shared: a healthy population and affordable, accessible, high quality care for all Vermonters who are ill.

How we achieve that vision is a difficult and complex question, both for Vermont and the nation. But those debates must continue. How we pay for health care in Vermont has been the central question. I support the Green Mountain Care Board's goal of payment reform and I will work to continue moving toward a single payer system. But I am clear in my belief that no payment system will be successful or widely accepted if costs continue to rise more rapidly than inflation, even as too many Vermonters are dealing with preventable or treatable conditions.

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I envision a system that is efficient and effective, giving patients the choices they desire and providers the independence they need. If we can get there, I strongly believe that physicians and other professionals will see Vermont as the ideal place to practice.

Achieving our vision is a shared responsibility of citizens, communities, providers and government. Health care is very personal. I believe it is a human right. We will continue to debate what government's proper role is, but I believe that as a society we must use our democratic system of government to help citizens maintain their health and treat their illnesses.

I look forward to working with you as governor on our shared goal of providing the best health care possible for Vermonters.

Candidates for LT. Governor: Randy Brock and David Zuckerman



In light of the recent Medicaid budget overruns, how would you control Medicaid spending and/or raise revenue to address the budget shortcomings?

Randy Brock: I would declare a War on Error in the Medicaid program. We need to review the recommendations arising from the several audits that have been done of our Medicaid system over the years and work towards implementing some of the commonsense cost-savings reforms that would make the system more efficient and cost effective. As State Auditor, I conducted a series of audits of Medicaid focused on identifying errors as well as fraud, waste and abuse. For example, my audit of the Medicaid prescription drug program, in which we looked at every Medicaid prescription over a two-year period, identified some \$2 million in preventable errors. I will emphasize resumption of

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these types of audits, using either the State Auditor or internal audit resources on a priority basis. This is a proven technique that will not only pay for itself, but one that is likely to identify significant savings, especially in light of the growth in Medicaid enrollment.

We must validate Medicaid eligibility for thousands of unvetted enrollees, especially the remainder of those who were enrolled automatically from VHAP and Catamount. Removing people who are not Medicaid-eligible should be prioritized to ensure that as many lower income recipients as possible are moved to the exchange, where Federal subsidies would make coverage more affordable for those people and at the same time increase reimbursement rates to providers to normal levels.

We should abandon the dysfunctional Vermont Health Connect and move to the federal exchange, just as 40 other states have done. VHC has been a failure of immense proportions and thousands of Vermonters have been denied coverage or have suffered financial consequences as a result. Moving to the federal exchange has a cost, but nowhere near the \$56 million in annual cost that Vermont is estimated to incur with VHC. The state funds that Vermont will save will be a significant contribution to avoiding future budget shortfalls or addressing truly important needs in health care.

More broadly, my focus will be on building a stronger and more vibrant economy, one that encourages the creation of more and better jobs. We need to create a tone at the top that welcomes new business and new jobs, and that makes Vermont a more welcoming place for economic expansion, both to create new jobs and to retain the ones we have. I have committed during this campaign to find \$100 million of new revenue that is not raised through new taxes or expanded fees, but through new and innovative ideas, a number of specifics about which I have already outlined elsewhere. This new revenue will be the foundation of the next generation economy and stabilize the budget – taking the uncertainty out of the budget process.

David Zuckerman: I'd like to see a thorough review of DVHA because I believe there are administrative savings to be found. As Lt. Governor I would be eager to hear suggestions and ideas along these lines from those of you in practice. I am pleased to see the restarting of Medicaid eligibility screens have produced results. These must always be underway and I'm hopeful it will take pressure off Medicaid budgets in the coming years. I think we must proceed, cautiously, with payment reforms being advanced by the Green Mountain Care board. Our health system must not be the nations laboratory but we are in a position to attempt pilots like the Blueprint and SASH that have proven effective. We must honor the commitment to these programs though and not let funding fall behind because it puts physicians in an impossible position of effectively financing reforms started by the state. If we are forced to look at increasing revenue for Medicaid I would first start by finding efficiencies in the rest of state government before promoting new taxes. Middle-class Vermonters are taxed out.

What will you do to ensure that acutely ill psychiatric patients do not wait in emergency departments for more than six hours, per VMS' recommendation?

David Zuckerman: I believe this is a crisis that must be immediately addressed and would rely on your recommendations for the best way to ensure timely treatment. I think we need to work closely with our partners around the state who can alleviate the emergency room backup. As we examine the

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path to an all-payer model, for example, part of that negotiation should include a collaborative strategy between hospitals and mental health practitioners. We face a similar situation with the waiting lists for people addicted to opiates. These challenges are not unique to Vermont but we must get professionals involved around the same table to work on solutions. As Lt. Governor I would work hard with our next administration to advance these critical discussions.

Randy Brock: We need to examine on a priority basis whether the decentralized psychiatric system that Vermont created after the closing of the State Hospital is working as intended and whether the resulting capacity is sufficient. The continuing waits in emergency rooms suggests that it is not. That analysis also must examine ancillary issues, such as secure transportation and whether we are routing patients to a facility that has capacity – even if it is not the nearest facility at the time. On a longer-term basis, we need to question whether the state has the ability to staff the small decentralized units with appropriately-skilled medical professionals. If not, we may need to rethink the overall strategy of our post-Irene approach and determine if we should move to a hospital-based solution or to a series of appropriately sized facilities concentrated in a small geographical area in order to staff these units with a common set of professionals.

Studies have shown that defensive medicine – when physicians prescribe more tests than are necessary in order to defend themselves against potential malpractice suits – drives up health care costs. Do you support medical liability reform, and if so, what changes would you pursue?

Randy Brock: I strongly support liability reform. Defensive medicine is a major cost driver in our system, and one that does not add value either to patients, providers or taxpayers, who bear much of the cost through public programs. Giving doctors the freedom to diagnose and treat patients without the looming threat of legal action is crucial to lowering costs and rebuilding the doctor-patient relationship. Capping non-economic damages, requiring arbitration and providing safe harbors for those who practice evidence-based medicine could all help move us in the right direction.

David Zuckerman: The legislature has studied this issue over the years and never reached a consensus on what to do. We are part of a national malpractice system so our ability to impact the system is limited. We should remove hurdles like “prior-auth” unless a physician has a record of pushing un-needed tests or treatments. We should find a way to reduce the risks of malpractice, but obviously have to protect patients too.

Right now our system seems to mistrust everyone involved at every turn. The promise of the all-payer system is that we turn trust over to physicians – it will be worth watching closely to see if that changes habits around tests and malpractice suits.

Under your leadership, what will Vermont’s health care system look like in five years and how would you address Vermont’s coming physician shortage and the barriers to access to care that it will create?

Randy Brock: Moving to the federal health care exchange provides Vermont with the platform to use the exchange as envisioned under the Affordable Care Act as it was intended – as a way for

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consumers to have a robust variety of choices so that they can pick the one best for the needs of themselves and their families.

We need to examine the cost-benefit of every mandate that Vermont has imposed. We need to explore ways for Vermonters to access broader insurance markets, including those across state lines, that some other states have begun to introduce. Many such policies do not include many of the embedded state-required coverage mandates that have added to policy costs. By attempting to provide everything to everyone, we have created a system that is too expressive for anyone.

Almost all of Vermont's efforts in recent years have been directed toward how we pay for health care. We need to redirect that focus to how actually to reduce the real cost of health care. I have offered as a starting point a list entitled of "25 Ways to Bend the Vermont Health Care Cost Curve". The list is available by writing me at randy@randybrock.com.

Finally, we must tackle the hidden tax referred to as the "cost shift" from Medicaid and Medicare to private insurance that not only increases the costs of health coverage for many, but provides a disincentive to doctors practicing in places with payer mixes composed of higher percentages of Medicaid and Medicare patients. As long as government continues to offer higher and higher levels of benefits to more and more people, without adequately funding the promises made, we will continue to see doctors leaving rural and less wealthy areas and the erosion of private practices will continue. We should avoid the temptation to further expand Medicaid, as it is clear that we are unable to adequately fund the program as it exists now. By reforming Medicaid to ensure that only those who are truly eligible are covered, we will increase the number of people eligible for federally subsidized exchange coverage, thus increasing provider reimbursement rates.

David Zuckerman: The next administration has to get Vermont Health Connect working smoothly. Until that happens even the most promising reforms are suspended because trust has been so badly broken.

I have been a consistent voice advocating for preventative care. I understand the looming crisis for primary care providers and have pushed for increasing Medicaid reimbursements over my time in Montpelier. I also know that health care costs are unaffordable for too many Vermonters and that our middle-class will have a tough time paying more taxes to ensure we adequately increase Medicaid payments – a big part of our coming physician shortage.

Over the next five years we have to balance Vermont's system so patients can afford health coverage, practitioners can afford to stay in practice, our mental health system can stay afloat and our hospitals remain strong. This is no small task and I will be happy to work with the Green Mountain Care Board, the Medical Society and anyone else to find the right path forward.