



July 3, 2023

Owen Foster, Chair  
Green Mountain Care Board  
144 State Street  
Montpelier, Vermont 05602

Dear Chair Foster,

Please consider this letter as part of the official rate case for the commercial insurance rate filings currently before the Green Mountain Care Board as well as insight for the hospital budget review process. The filed increases for the small group market for Blue Cross Blue Shield of Vermont's proposed 2024 premium increase of 14.5% and MVP Health Care's increase proposal of 12.5% is unsustainable for the small group market and the people who work at these businesses. In your examination of the filing, I encourage you to develop a path to a lower rate. These double-digit rate increases follow last year's double-digit rate increases, establishing an unmanageable trend especially when considering the financial stresses already faced by Vermont's business community and their employees.

As a regulator, please review the hospital budgets and the insurance rates while taking into consideration the burden businesses are experiencing. To put that in context, below is a list of ongoing pressures Vermont's businesses are currently managing:

- Inflation is currently at 4%, down from a high of nearly 9% last year but still well above the norm, impacting the cost of gasoline, food, housing, childcare and many other items
- Vermonters will feel a new state payroll tax in 2024
- Some federal tax credits for businesses are expiring
- Property taxes will increase
- Fees for motor vehicles and professional licenses are mandated to increase
- Wages have increased about 10% in the last year, which increases other employer taxes
- Supply chain interruptions costing over \$228 million a year
- Workforce shortages continue to constrain business growth

These increases are all just in a 12–18-month period - some from state and federal government, some from the results of the pandemic and some from the changing economy. If implemented, these proposed insurance increases would amplify these hardships and harm the economic health of our State. Vermont employers work every day to ensure their employees are provided with the best compensation possible, this includes health care access. With employer provided insurance access a costly, but essential employment benefit, these increases risk raising overall costs to a point that is

unsustainable for many businesses. Health care coverage is a major component of the wage and benefit package and yet as insurance premiums rise, employers face the difficult choice of placing that additional cost solely onto their balance sheet or to share that with their employees; neither one being desirable.

We understand that the cost of providing health care and insuring Vermonters is expensive, stemming from a combination of factors including increased utilization, rising prescriptions drugs costs, staffing and other economic pressures. Many of the same economic pressures cited above also impact health care providers, especially with our aging demographics. We know that the 65+ cohort uses health care at a much greater rate and with 100,000 Vermonters entering this demographic in the next decade, we see cost pressures rising even more. Our hospitals deliver quality care with their own increasing level of cost pressures. Providing adequate resources to address Vermonters' health needs and doing so in an affordable way is a vexing problem with no easy solutions. However, we ask that the Board seek a path forward to balance the need with the cost, so that the payers – businesses and workers – can navigate the overall increasing cost pressures.

Thank you for considering our position. We are grateful for the opportunity to be a voice for Vermont's businesses.

Sincerely,

A handwritten signature in cursive script that reads "Betsy Bishop".

Betsy Bishop  
President