We all pay 100% for healthcare, but drilling into more of what is paid by individuals directly could help address affordability that regulation considers. Tax and business monies contributed affect us, but indirectly.

With healthcare expenses increasing higher than government is willing to pay for…the cost shifts. The shift goes to commercial insurance. Businesses (mainly small business) that cannot absorb the shift, shift the cost onto employees. How much people are actually paying individually is where affordability is or isn't. There is only so much shifting individuals can bear. Medicare for all might come by default with too few able to afford commercial insurance.

My business covered premiums 100% when they were $300/month in 2003. Deductibles and other OOP expenses were minimal. Healthcare was affordable for all employees. The cost has shifted onto my employees with expenses in general outpacing revenue.

Here is an example of one of my employees today…a front desk person earning $18/hr, $37K/yr, already considered under the cost of living. (Bureau of Economic Analysis, the average cost of living in the state is $50,761.)

2024 BCBS Silver Plan (the standard plan the government uses in comparisons)

Premium $11,598/yr
RG contributes $4,080
Total employee cost of premiums $7518
Deductible $2550
OOP before ins benefits realized - $10,068/yr
Even lowest premium plans are unaffordable, so she goes uninsured.

Note: Insurance would be affordable on the exchange, but because her employer offers insurance, she does not quality. If this same person were allowed to buy insurance on VHC, she would qualify for a $868/mo. subsidy - A savings of over $10,000/yr. The shift of cost down the route of an employer fell off a cliff.

How much are Vermonters paying as individuals towards the $6.4B healthcare cost? What does the shifting look like in a practical way?We measure how much cost is shifting to commercial insurance in general, but affordability is measured by what individuals…the end of the line…face.

Regardless…our healthcare system is not only unaffordable, but overpriced. A free and open market is the only way to drive down costs, but with no hope of that, there is no better pressure to reduce costs than reduce payments. If a business does not have the money they need to operate as they have been, they adapt by becoming more efficient with what they are given. It is basic. It is what is happening with independents. I understand it is challenging for regulators, or any entity outside of any business, to judge efficiency, but people who witness inefficiencies can shed light. Those that have worked within UVMHN know the inefficiencies first hand. Our stories are the same…high admin demands, excess meetings that take away from patient care, too many managers, low job satisfaction, resistance to suggestions how to improve efficiency, a heavy top-down management style… The cost difference of same services between a hospital and independent in large part reflects this inefficiency. I worked for the PT business S.O.R.C. When it was absorbed into UVMHN I witnessed inefficiency go up immediately while quality of care and employee satisfaction plummeted. Because of this, I left the hospital system, along with five other SORC PTs, to start independent PT businesses. My story of UVMHN inefficiencies is

not alone. These stories need to be heard with more interest: they would shine a light stronger than UVMHN gaslights.

It perplexes me why we would not support the most efficient lowest-cost entity in each part of healthcare. If we look at the healthcare system like one business (which the government chooses by preventing a free market), to make the “business” most cost efficient, we would delegate services to the various parts of the system depending on where most efficient. If hospitals would go back to being a hospital, which is how they are best designed, and leave other services to lower-cost independent entities where they excel more efficiently, doesn’t common sense say we would all save a lot of money? The money saved could go back into supporting hospitals doing critical care.

We now know that hospitals allowed to expand outside of hospital care are incapable of leading to affordability. Not only has the expansion of hospital-centric care led to the affordability crisis we face, but what they themselves face. Hospitals are now crying out unsustainability. We need to pay hospitals to be hospitals. We need the pay the rest of healthcare to be supplied by others.

Respectfully,
sharon gutwin