From: LaJeunesse, Kristen<Kristen.Lajeunesse@vermont.gov>
Sent on: Friday, August 2, 2024 8:36:58 PM
To: LaJeunesse, Kristen<Kristen.Lajeunesse@vermont.gov>; Watson, Hilary<Hilary.Watson@vermont.gov>; Melamed, Marisa<Marisa.Melamed@vermont.gov>; Barrett, Susan<Susan.Barrett@vermont.gov>; Foster, Owen<Owen.Foster@vermont.gov>; Holmes, Jessica A.<Jessica.A.Holmes@vermont.gov>; Lunge, Robin<Robin.Lunge@vermont.gov>; Murman, David<David.Murman@vermont.gov>; Walsh, Thom<Thom.Walsh@vermont.gov>; Berube, Alena<Alena.Berube@vermont.gov>; AHS - Health Care Reform<AHS.HealthCareReform@vermont.gov>
Subject: Public Comment: Community Engagement: Hospital Sustainability and Act 167 2024-08-02T20:36:55Z

A new GMCB Public Comment has been received.

Submit Time: 8/2/2024 8:36:55 PM

Name: Lee Russ
Affiliation:

Town/City: Bennington

Topic: Community Engagement: Hospital Sustainability and Act 167

Comment: I attended the community meeting in Bennington on August 1. At the end, I had the sinking feeling that there is a deep disconnect between the main problem and the primary recommendations to solve the problem. If I am right, all the time and effort we are investing will leave us with the same problem, but poorer. The dire financial condition of our hospitals is what spurred this project. While many of Dr. Hamory's recommendations have merit in improving the coordination of services and may well improve the quality of care to some degree, they will not improve the financial condition of the hospitals or the health insurer, or the patients who, of course, ultimately provide the funds to both. Data from Dr. Hamory's presentation for 2018-2024: • Increase in household income: 22% • Increase in approved hospital charges: 38% • Increase in premiums for lowest cost silver health plan: 108% Despite these large increases in revenue the insurer's reserves have dwindled and hospital's are operating in the red. This means that the cost of healthcare has been rising even faster than the hospital and insurer revenue. Since the financial distress is due to the cost of healthcare, what good are reforms that fail to reduce the healthcare costs? Doctor Hamory's presentation recognizes that reducing operating costs is one alternative, but then ignores the fact that administrative costs, especially billing costs, were long ago identified as one of the primary drivers of operating costs in American healthcare. One horrendous example: Duke Medical Center in NC has 957 beds and employs 1,600 billing clerks, while the U of Toronto hospital, with 1,272 beds, employs only 7 billing clerks [see https://business.facebook.com/photo.php?fbid=893499552820025&set=a.441942894642362&type=3]. The millions of dollars paid to those 1,600 clerks undoubtedly represents a significant portion of the hospital's budget, factoring into the amount of money the hospital charges patients, which increases the amount that insurers have to pay. If Dr. Hamory has identified the billing costs for each of Vermont's hospitals, that information should be made public; if he has not, why not? Administrative costs also plague medical practices. In 2011, the Commonwealth fund reported that US medical office staff spent 20.6 hours a week on billing issues for every physician in the office, while medical offices in Ontario spent only 2.5 hours per doctor [http://www.commonwealthfund.org/publications/in-the-literature/2011/aug/us-practices-spend-four-times-as-much-as-canadian]. As with hospital billing costs, doctors incorporate those billing costs into the fees they charge patients, which increases the amount that insurers have to pay. As long ago as 1991, the GAO informed congress that "If the universal coverage and single-payer features of the Canadian system were applied in the United States, the savings in administrative costs alone would be more than enough to finance insurance coverage for the millions of Americans who are currently uninsured.... [with] enough left over to permit a

reduction, or possibly even the elimination, of copayments and deductibles..." [http://www.gao.gov/products/HRD-91-90] In Vermont, Peter Shumlin projected "savings of $378 Million over the first five years" of the proposed universal care plan that he then killed [http://hcr.vermont.gov/sites/hcr/files/pdfs/GMC%20FINAL%20REPORT%20123014.pdf, page 4] A single payer plan would significantly reduce this tremendous waste and alleviate the financial stress on everyone: hospitals, doctors, insurers and patients. If a single payer plan is deemed beyond current political possibilities, we need to find another way to keep administrative/billing costs from killing us all.

Post Comment: Yes