



Healthcare is a Human Right Campaign responds to leaked healthcare financing proposal

DECEMBER 5, 2014

For Immediate Release: December 5, 2014

Contact: Keith Brunner, **802-363-9615** (tel:802-363-9615), keith@workerscenter.org
(<mailto:keith@workerscenter.org>)

Healthcare Is a Human Right Campaign calls for equitable financing, condemns any cost-shift to workers and patients

The Healthcare is a Human Right Campaign released the following statement today in response to **recent information** (<http://vtdigger.org/2014/12/04/single-payer-financing-likely-start-8-percent-payroll-tax/>) concerning Governor Shumlin's proposal to finance Green Mountain Care:

“The Healthcare Is a Human Right Campaign urges the Governor to refrain from financing healthcare reform through a massive cost-shift to workers and patients. Vermont cannot afford to reduce the contributions of big businesses to our healthcare system. We remind the Governor of the legal obligation, set out in Act 48, to finance healthcare in an equitable way, based on ability to pay. It is unconscionable to make workers, low and middle income individuals, and small businesses shoulder the burden of paying for a healthcare system that is supposed to be a public good shared equitably by everyone.

The Healthcare Is a Human Right Campaign is deeply concerned about a report in the VT Digger (“Single Payer Financing Likely to Start with 8 Percent Payroll Tax, Dec. 4, 2014), which suggests that Governor Shumlin's financing proposals will dramatically reduce large businesses' healthcare contributions, with a flat payroll tax of 8% raising less than half the total amount needed for the new system. Large businesses currently spend around 20% of their payroll costs on healthcare premiums, contributing around three-quarters of premiums costs of all privately insured residents. The Campaign is concerned that a flat payroll tax, combined with a proposed individual healthcare “fee,” would entail a huge cost-shift to workers and small businesses. Paying for over half of the system costs through an “income sensitive healthcare fee” on individuals, capped at the high end (as reported in the VT Digger) would benefit both large businesses and the wealthiest Vermont residents, who would pay proportionally less than middle income earners. Unearned income, assets and other wealth would be exempt, yet the poorest residents would be subject to premium or fee payments.

The Healthcare Is a Human Right Campaign opposes any financing plan that creates exemptions for high income earners and wealthy individuals, as this directly contradicts the principle of equity. Moreover, the Campaign objects to charging “premiums” or “fees,” which are private payments that perpetuate the current insurance system, and fail to establish a publicly financed healthcare system, paid for through equitable taxes.

The Campaign reminds elected officials that how the healthcare system is paid for also has significant implications for whether people can get access to care. We are deeply concerned that the proposed low-value health benefits, also reported in the VT Digger, would adversely impact people’s access to care, and lead to a further cost-shift to those who can least afford it. Any healthcare system that requires individuals to pay up to 20% of healthcare costs out-of-pocket will force people to forgo needed care. Deductibles and co-pays place the burden of paying for our healthcare system on sick people, pushing patients into debt. When combined with a private fee or premium, 20% cost-sharing constitutes an unprecedented and unconscionable cost-shift to patients, workers, and all low- and middle income Vermont residents.

The people of Vermont desperately need a universal, publicly financed healthcare system that enables everyone to get the care they need and contribute what they can. Such a system can only work if it is financed publicly and equitably, and if it provides all needed care, without cost barriers. The Healthcare Is a Human Right Campaign urges the Governor to put forward proposals that meet the human rights principles in Vermont law. We represent thousands of Vermont residents, and we are ready to fight for a plan that is universal, equitable, and works for all people.”

###

NOTES FOR EDITORS

The Healthcare Is a Human Right Campaign issued its own financing proposal for universal healthcare in 2012: <http://www.workerscenter.org/sites/default/files/gmcfinancingplan-vwcproposalfinal.pdf> (<http://docs.google.com/viewer?url=http://www.workerscenter.org/sites/default/files/gmcfinancingplan-vwcproposalfinal.pdf>)

A summary of this proposal is available here:

http://www.workerscenter.org/sites/default/files/hchr_finance_1pager.pdf

(http://docs.google.com/viewer?url=http://www.workerscenter.org/sites/default/files/hchr_finance_1pager.pdf)

