



# Parameters for the equitable financing of Green Mountain Care

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Vermont law requires our new public healthcare system, Green Mountain Care (GMC), to be equitably financed, with sufficient funds to meet population health needs, and to provide comprehensive care to all. The Healthcare Is a Human Right Campaign puts forward the following parameters (reflected in **H.776** (<http://docs.google.com/viewer?url=http://www.leg.state.vt.us/docs/2014/bills/Intro/H-776.pdf>)) for designing GMC financing and benefits, based on our **detailed financing proposal** (<http://docs.google.com/viewer?url=http://www.workerscenter.org/sites/default/files/gmcfiancingplan-vwcproposalfinal.pdf>) and **our position on benefits** (<http://www.workerscenter.org/news/coverage-care-what-our-new-universal-healthcare-system-must-do>).



- **Financing based on principles**

The principles of universality and equity - cornerstones of Act 48 - require that we all get the care we need and contribute what we can. No medically necessary health service can simply be left out. No person or population group can be excluded from GMC. Human rights standards prohibit going backwards, which means everyone's access to care must be at least as good in the new system as it is now. The Healthcare Is a Human Right Campaign has been joined by VSEA in making sure that this is recognized in law. Given the ongoing healthcare crisis, illustrated by the widespread suffering that our Campaign has documented for years, this low standard cannot, however, be our yardstick for change. That's why H.776 puts forward parameters for creating a healthcare system that takes a big step forward, not back. Human rights principles guide the path toward full realization of our human right to healthcare. GMC must be a public system that provides all of us with the healthcare we need.

- **Financing based on needs**

The financing of our health services must be based on our health needs. Resources must follow needs, not the other way around. The purpose of GMC is to meet health needs and improve population health. We must identify and address unmet health needs in the population, and allocate resources to meet those needs. An independent regulatory body could be set up to assess the effectiveness and efficiency of the use of funds in meeting health needs and improving population health.

- **Sufficiency of funds**

GMC funds must be adequate to ensure that all people get the care they need. While GMC is not likely to require any new money - as the market-based insurance system is already much more costly than universal systems - it is important that GMC's financing plan starts with a focus on needs rather than money. GMC must raise and use public funds to match health needs, possibly with the help of an indexing mechanism that adjusts the rate of taxes to population health needs.

- **Financing through progressive taxes**

Rather than paying premiums for an insurance benefits package, GMC must use the tax system to share the cost of providing care as a public good. Public financing through progressive taxation ensures that financial contributions are made according to ability to pay. The most equitable funding source is a progressive income tax (on businesses and individuals, including unearned income), which means that wealthier residents — and more profitable and larger companies — pay proportionately more than the rest of us. Yet since corporate income tax has many loopholes, a graduated payroll tax for employers (not workers) may also be needed to ensure that bigger companies contribute according to their means.

- **Free at the point of service**

Payment for healthcare must be independent from the use of care. GMC must eliminate co-pays, deductibles and other user fees. Evidence shows that even minimal payment at the doctor's office leads to inequality in access to care and produces poorer health outcomes, while failing to increase cost-effectiveness or achieve cost control.

- **Financing of care, not coverage**

GMC must provide healthcare, not an insurance product. The purpose of GMC is to keep us healthy, not to insure us against the risk of falling ill. Provision of care must start with a presumption that everyone has a right to get the care that meets their health needs, for all their body parts and throughout their life. Access to care must not be rationed by insurance "benefits packages" that impose arbitrary restrictions on needed services. Instead, an independent regulatory body could monitor clinical and cost effectiveness, with a view to addressing the greatest scope and depth of need in a way that benefits the population as a whole.

