

RX for health care insurance debate: Competition, Cost-Containment, Communication

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By Richard C. Pembroke, Sr.

We've created a health care system in our state and country with services and benefits that are unsustainable. Unfortunately, the decision to close Rutland Regional Medical Center's inpatient rehabilitation unit is just the tip of the iceberg.

I've followed with interest the articles by the Rutland Herald and VPR about reduction of services in Rutland. The sad reality is, although this unit is both popular and beneficial, the hospital must cope with reduced Medicare reimbursements and cost caps set by the state.

As a former board member of Southwestern Vermont Health Care (SVHC) in Bennington, I know that our hospital faces similar challenges. On the board, I saw the effects of Vermont's caps on hospital revenue growth, the expansion of the provider tax, and payments from Medicare and Medicaid that do not cover the cost of care. We board members watched the hospital wrestle with funding needed services, recruiting top-notch employees and doctors, maintaining its infrastructure, and reinvesting in itself.

RRMC President Tom Huebner told VPR, "Here are the big things that lose money at the hospital – the emergency department – inpatient medicine in general – the labor and delivery birthing suit, pediatrics - all of those are money losers but they are so central and vital to the needs of the community that you can't think of closing them." These are the tough decisions most hospitals, clinics and medical offices face now or very soon. And, that's before Vermont's Act 48 adds unknown costs and pressure from special interest groups to add new benefits and services. How will it end? No one knows.

Like most Vermonters, I've grown accustomed to our superb medical care. We're not forced to travel far for routine appointments, and hospitals like Rutland Medical Center, Fletcher Allen and Dartmouth Hitchcock provide a higher level of care when needed. In a perfect world, we could simply continue to add new technology and covered medical services as we have in the past, without regard to cost. It isn't a perfect world. The costs have finally come home to roost. The closing of the rehab center is just one example of where we are headed.

The cost of health care ultimately equals what we pay for health insurance. Some, like teachers and unionized state and federal workers have comprehensive plans and associated costs that, though high, can be considerably lower than that of many Vermonters. Competition in Vermont's health insurance market has evaporated as we've changed the laws (some good) and added mandated coverages (good for some, but at the expense of all). This has all taken a toll on the cost of health care. Many of our problems are a microcosm of what is happening nationally, but we have charted a different course than most states as the solution.

As a former legislator, I recall fondly the days when all sides could honestly, openly talk about these issues. We didn't all agree, but we could talk, and ultimately reach agreement. It was disheartening to hear the chair of the Vermont Senate Finance Committee from my home town of Montpelier describe our current health care reform process as "driving down the road in a pea soup fog, hoping not to hit a bull moose." Doing nothing, in her opinion, isn't an option. She's right about doing nothing, but wrong about the path we are taking, how quickly we are moving, and our decision to move forward unaware of the costs involved.

So, what are some solutions? President Obama's health care law envisions a health care marketplace in each state with many options for cost, service, quality of providers, and innovative prevention and wellness benefits. A healthy insurance exchange for individuals and employers with less than 50 employees is a start. We also must accept the reality that because health care costs are unsustainable, we must actively pursue the cost containment spelled out in Act 48. A thorough evaluation and review of cost-shifting in the state budget and its effect on health care pricing is also needed. Eliminating incentives for "defensive medicine" would allow doctors to practice evidence-based medicine as an affirmative defense.

Finally, we all need to start talking and listening again. The health care problems we face have no "quick fixes," but how we address them will affect our families for generations to come. Let's do it right.

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