

Summary: Bethel Business Association Mixer – June 19, 2008

The June 19 BBA meeting was a mixer at which the featured speaker was Mr. Peter Sterling, Executive Director of the Vermont Campaign for Health Care Security, who addressed the topic of the Catamount Health Program. The VCHCS is a non-profit organization that advocates universal health care, and toward that goal is dedicated to educating Vermonters about public health care programs available to them, and encouraging those eligible to sign up for them. It is funded by the Vermont chapter of the American Association of Retired Persons (AARP), the National Education Association of Vermont (the teachers' union), the Bi-State Primary Care Association and the Vermont Citizens Campaign for Health.

Mr. Sterling's objective during the BBA mixer was to provide as much information as possible about Catamount Health Care Program, the State of Vermont's newest program for its uninsured or underinsured citizens. He noted that there are approximately 70,000 uninsured Vermonters, half of whom are not enrolled in state-funded health insurance programs. The hope for Catamount, therefore, is to enroll all of these uninsured Vermonters, and Mr. Sterling noted that VCHCS is advocating to the Legislature that businesses be allowed to register with Catamount as a means to insure their workers.

Catamount is funded by a combination of federal Medicaid money, the state's general fund, and an "employer assessment," which collects money from businesses with more than six employees. The assessment charges employers a dollar per day, per employee that the business does not insure; the assessment applies only to businesses that don't provide insurance to more than six employees.

Eligibility

Mr. Sterling noted that Catamount is available to anyone who has lost their medical insurance involuntarily through being fired, laid off, or quitting their job, or to those who are currently on the COBRA program. Those who currently have private health insurance and drop it by choice cannot enroll in the Catamount program unless they wait for one year after dropping their private insurance. Mr. Sterling explained that this restriction was to prevent a flood of people dropping their more expensive private insurance for the lower-cost Catamount insurance.

One element of eligibility that will soon end, he pointed out, is for those with pre-existing conditions. Until November 1, 2008, people with pre-existing conditions are eligible for Catamount; after that date, it will be more difficult, if not impossible.

Cost

Catamount's monthly premiums are based on the enrollee's monthly income. If their income is at a level at which they can afford to pay the full monthly cost of \$393 per person, then that's the maximum they'll pay. If they can't afford that, there is a sliding scale that provides for smaller monthly premiums. The state pays the rest of the \$393 monthly premium for those who can't afford the full amount.

Rationale

The idea behind Catamount is to reduce overall health care costs in Vermont. Mr. Sterling said that one of the primary drivers of high health care costs is that health care providers – hospitals, clinics and others – often have to provide care for free or at greatly reduced compensation rates. For example, he said, if an uninsured person with low income is injured and comes to the emergency room, the hospital is required by law to provide all treatment necessary to make him or her well again, regardless of the person's ability to pay for it. The hospital can bill the patient later and try to work out a reasonable payment plan, but that often means significantly reducing the total amount they expect to get back, or completely forgiving the debt because the person simply would never be able to pay it back.

Since hospitals must get that money from somewhere in order to continue operating, they "cost-shift," by raising their costs for services to all other patients (and their insurance companies) who can and do pay their bills. By reducing the number of uninsured people, Mr. Sterling says, there will be a reduction in the number of unpaid bills, thereby controlling costs for everyone.

Challenges

One of the primary challenges faced by Catamount currently is the relatively small number of people who have signed up for it. There are currently about 5,000 people enrolled, Mr. Sterling said, which is not enough to make the program viable for the long-term. With only 5,000 people paying insurance premiums into the Catamount program, just a few high-cost claims could drain the program of money, and it's not clear how such a situation would be handled. Mr. Sterling said that concern is one of the reasons his organization is trying so hard to enroll as many people as possible in the program.