

Healthcare Is a Human Right Campaign

Parameters for the equitable financing of Green Mountain Care

Vermont statutes require our new public healthcare system, Green Mountain Care (GMC), to be equitably financed, with sufficient funds to meet population health needs and to guarantee universal access to comprehensive care.

1. Financing based on principles

The principles of universality and equity, enacted into statute, require that we all get the care we need and contribute what we can. At the most basic level, human rights standards prohibit any retrogression, e.g. everyone's access to care must be at least as good in our new system as it is now. Given our ongoing healthcare crisis, this low standard cannot, however, be our yardstick for change.. 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.

2. 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 regularly assess the effectiveness and efficiency of the use of funds in meeting health needs and improving population health.

3. 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 financial contributions to population health needs.

4. 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.

5. 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.

6. 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.