

PHILIP B. SCOTT
Governor



State of Vermont
OFFICE OF THE GOVERNOR

June 27, 2017

The Honorable Mitch McConnell, Majority Leader
United States Senate
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Charles E. Schumer, Minority Leader
United States Senate
322 Hart Senate Office Building
Washington, D.C. 20510

Dear Majority Leader McConnell and Minority Leader Schumer:

We share the goal of improving our nation's health care system and we share concerns about the implementation and sustainability of the Patient Protection and Affordable Care Act (ACA; P.L. 111-148). However, I have significant objections to the U.S House-passed American Health Care Act (H.R. 1628) and the Better Care Reconciliation Act currently under consideration in the U.S. Senate.

Health care in the United States comprises almost a fifth of our economy. It not only affects our economic well-being, but has profound and personal impacts on individuals' lives, often when they are most vulnerable. While aspects of the ACA need substantial improvement, I have consistently advocated that any changes maintain our gains in coverage, continue the federal-state partnership in Medicaid – including the expansion population – and include states and governors as essential partners in the legislative debate occurring in Congress. Unfortunately, the House and Senate reform bills have not yet met those standards.

Vermont has a long history of high quality care and innovative health care policy. Under both Republican and Democratic leadership, Vermont has stabilized commercial markets, expanded coverage, improved the quality and coordination of care, and reduced health care spending to historically low levels. These efforts contributed to our recent rank as number one in the country for health system performance and access to care. We also have one of the lowest uninsured rates, including the lowest for children. Furthermore, Vermont is frequently listed as one of the healthiest states in the nation. Even with these achievements, Vermont is committed to making health care more affordable by prioritizing prevention and primary care, tackling the opioid epidemic, supporting mental health, and improving the patient experience.

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Unfortunately, the two bills being considered in Congress threaten to roll back our gains and undermine our progress. While I support flexibility that allows states to run their Medicaid programs and regulate their insurance markets in accordance with the needs of their populations, flexibility should not come at the expense of the federal-state partnership. Initial analysis indicates the American Health Care Act would dramatically reduce the federal government's commitment to affordable care and leave our state with a budget deficit we could not absorb without cutting health care services for the people who need them the most, or significantly raising taxes on already overtaxed Vermonters. Based on the Congressional Budget Office's scoring of the Better Care Reconciliation Act, this bill would produce similar reductions.

Beyond the state budget, these bills, if enacted, would have very real consequences on many Vermonters. Those who lose their insurance coverage, who see reduced premium supports, or who can only afford plans with high-cost sharing could see their financial security put at risk. These outcomes are not good for families, and they are not good for the economy.

I agree health care is too costly and the increasing cost is unsustainable. It is a burden on our employers, families, individuals, and taxpayers. The path forward must build on the state-federal partnership, by supporting state innovations that make coverage affordable and improve the health of their residents. This is the best, and most cost-effective way to reduce the demand for, and the costs of, health care.

I urge the Senate to take the time to listen to the states and their people on improving our health care system. While I cannot support either piece of legislation as currently written, I would be happy to work with you and your staff on tackling these concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Phil Scott", with a long horizontal line extending to the right.

Philip B. Scott
Governor

c: The Honorable Patrick Leahy
The Honorable Bernie Sanders
The Honorable Peter Welch