

Participant Guide for
Consensus Meeting
regarding shortened
LWW Vermont Privatization
Position

Nov 14, 2024

What is consensus?

Consensus/group discussion is the technique most often used in the League for reaching member agreement. It is a process that focuses on finding common ground by hearing from each member. The "consensus" reached through group discussion is not a simple majority, nor is it unanimity; rather it is the overall "sense of the group" as expressed through the exchange of ideas and opinions.

What is concurrence?

It is the act of agreeing with a statement of position, a method of determining membership understanding and agreement as a basis for League action.

In this case, when the group reaches consensus, it means that it concurs or does not concur with adopting the position for use by our League.

What are we doing?

Participants need to make 3 decisions:

As to whether you agree or disagree:

With each part : 1,2,3.

Consider your own views and then discuss as a group.

For LWV of PWM to adopt the position,

The group needs to achieve consensus with all three.

Note the division into 3 parts is arbitrary:

Concurrence requires accepting the position in its entirety OR

Not accepting it.

Part 1

Privatization Paragraph 1

The LWV of PWM believes that healthcare, like other programs that provide and protect basic human needs, should be considered a public good. The League favors a system where fiduciary responsibility (for such programs) is to patients and the public.

Is Healthcare a Public Good?

According to Investopedia:

Goods that are provided by the government and funded through taxes and are available to the public. Public goods can include basic needs like clean air and water, as well as parks, schools, and national defense

According to Public Goods in Everyday Life¹

If health care, libraries, schools, roadways, and drinking water are considered to be public goods, they will be produced by governments. If they are considered to be private goods, they will be produced by private, for-profit actors and made available through markets. This means that those who can pay the price will have access to these things, and those who cannot pay will not get them

Does the League define healthcare as a public good?

LWVNY on Healthcare: NYS*

- must assure high quality care that is affordable and accessible to all.
- should protect the health of its most vulnerable populations, urban and rural, to protect the health of everyone
- favors funding supported in part by broad-based and progressive state income taxes with health insurance access independent of employment status

LWVUS on Meeting Human Needs:

- Persons who are unable to work, whose earnings are inadequate, or for whom jobs are not available have the right to an income and/or services sufficient to meet their basic needs for food, shelter, and access to health care.

*Note that what Leagues mean by “needed HC” is defined by their HC positions

What does fiduciary mean?

According to Investopedia:

A fiduciary, in any context, is a person who is ethically or legally obliged to act in the best interests of another party. A doctor or an accountant takes on a fiduciary role. ¹

Where do corporate boards owe fiduciary duty ²

physicians and patients on a corporate board must make decisions to maximize shareholder/investor value or put themselves at risk of legal challenges ... “A corporation’s board owes its “fiduciary duties” exclusively to shareholders “

Privatization Paragraph 1

Decide
Yes or
No

The LWV of PWM believes that healthcare, like other programs that provide and protect basic human needs, should be considered a public good. The League favors a system where fiduciary responsibility (for such programs) is to patients and the public.

Part 2

Privatization Paragraph 2

Because private for-profit corporations have a fiduciary responsibility to their shareholders rather than to patients or public health, the League believes the for-profit business model for healthcare is inappropriate for the common good or to meet the basic needs of the most vulnerable members of society.

Is the free market achieving League goals for healthcare?

LWVNY goals for healthcare:

- New York State ... must assure high quality care that is affordable and accessible to all.
- Equitable access, affordability, and financial feasibility
- Cost-control methods ... should not exacerbate disparities in health outcomes among marginalized New Yorkers.
- Supports the single-payer concept ... to implement ... equitable access, affordability, and financial feasibility

LWVUS on privatization — public goods

- meet the needs of the most vulnerable members of society

How are healthcare trends* affecting League goals for healthcare?

- As many as half of insured NYS residents report skipping medications or follow-up care because of cost
- Significant disparities in access and outcome persist (maternal mortality, medical debt, distance from care)
- Costs are increasing more rapidly than inflation
- NYS Budget under pressure to reduce benefits, while paying out billions in corporate profits/ excess revenues and admin that gives no value

* Vermont Study Report (2024) and the NYS Study on Healthcare (2020) discuss these worsening trends at length

Privatization Paragraph 2

Decide
Yes or
No

Because private for-profit corporations have a fiduciary responsibility to their shareholders rather than to patients or public health, the League believes the for-profit business model for healthcare is inappropriate for the common good or to meet the basic needs of the most vulnerable members of society.

Part 3

Privatization Paragraph 3

In sum, the League opposes further privatization of needed healthcare. Where private entities fail to deliver programs that provide and protect basic human needs, the League supports deprivatizing them.

Would this mean deprivatizing all healthcare in NYS?

Not at all — and not for the foreseeable future:

- LWV of NYS supports the New York Health Act, which would eliminate almost all private health insurance in NYS and negotiate volume discounts on drugs for NY's 20M population*
- Until NYHA is enacted and implemented — smaller reforms can reduce costs (to patients and taxpayers) while ensuring higher quality and more equitable access**

* Note that while NYHA would eliminate for-profit insurance, doctors, nurses, others would still work as they do now (in small practices, clinics, big hospitals or corps). Reimbursement (from NYS) would be above the average of what private insurance currently pays. My NYS 2020 study report for healthcare has details.

** Leagues might also recommend new/revised regulations, better enforcement, increased fines/penalties prior to recommending the ultimate penalty of deprivatization.

What's possible en route to NYHA?

Recently introduced NYS legislation would limit expansion of profit-taking entities:

- Prohibiting new for-profit hospices, nursing homes, residential behavioral health programs*
- Limiting corporate ownership and management of hospitals, and making upstream “passive control” subject to oversight
- Requiring transparency of facility ownership, including currently hidden owners, investors**

*Note this would not prohibit new nonprofit or public entities.

** Increased transparency might facilitate the enforcement of existing laws/regulations

What's possible en route to NYHA?

Other recent NYS legislation would stop reimbursing entities that profit from tax dollars while providing no/too little value to NYS:

- Medicaid Managed Long-Term Care firms getting bonuses for care coordination they don't provide (min savings \$3B/year)
- NYS self-manufacture of most-used generic drugs to use tax dollars for at-cost prices
- Where appropriate, redeployment of excess reserves from nonprofits shirking charity care

Might this position be used to deprivatize sectors beyond healthcare?

Deprivatizing would have to meet all 3 tests:

1. Legislation focusing on entities that control, own, manage public goods (defined by LWV)
2. League research showing failure to serve the public (per LWVUS criteria on privatization)
3. League analysis concluding that the proposed legislation will serve public policy sufficiently well to advocate for it

Privatization Paragraph 3

Decide
Yes or
No

In sum, the League opposes further privatization of needed healthcare. Where private entities fail to deliver programs that provide and protect basic human needs, the League supports deprivatizing them.

Is this concurrence needed?

- Some argue that every element in the position is already supported by LWV US
- Some say not
- The position will ensure a consistent, single interpretation to give NYS advocacy a firm basis in policy