# THE PROPOSED SHORT VERMONT UPDATE

# for LWV PWM

Nov 14, 2024

# Quick Intro: LWV Definitions

1) **What is a League position?**
   - Position: A policy statement, formally adopted after rigorous study, reaching consensus on language, and adopted by vote of membership
   - It GUIDES advocacy —to oppose or support legislation/regulation
   - It does not REQUIRE advocacy, but having it ALLOWS advocacy
2) **What does "by concurrence" mean?**
   - When a League adopts a position that was created and adopted by another League, that process is called "concurrence." No additional study is needed.
   - Concurrence requires  yes or no decision on the entire position, with no revisions, additions, deletions.
3) **Does this process happen often?** Yes, e.g., at 2022 Convention:
   - "Recommended": NYS Health Care Update & CA Criminal Justice
   - "Not Recommended": CT Digital Equity

# What Would Proposed Update Change?

# What Would the LWVVT Update Change?

1. **Defines health care as a "public good"** to add healthcare to the list of services that LWVUS defines as needed to
   - "Preserve the common good"
   - "Protect national or local security"
   - "Meet the needs of the most vulnerable members of society"

   These include "public safety, public health, education, transportation, environmental protection, programs that protect and provide basic human needs"
2. **Adds accountability** to the US criteria for privatization
   - Current US position offers robust criteria for determining
     - if privatization is warranted and
     - how privatized services might be regulated
   - But is not **explicit** about recourse for any failure to meet criteria

## What Does the Proposed Update Say?

### 1) "public good"

The LWV of PWM believes that healthcare*, like other programs that provide and protect basic human needs, should be considered a public good.

* The LWVUS and LWVNY Healthcare positions detail what "healthcare" includes

# What Does the LWVVT Update Say?

- **2. "fiduciary responsibility"* for "public goods"**

The League favors a system where fiduciary responsibility (around public goods) is to patients or the public.

Because private for-profit corporations have a fiduciary responsibility to their shareholders rather than to patients or the public,

the League believes the for-profit business model for providing healthcare or other public goods is inappropriate

- for the common good or
- to meet the basic needs of the most vulnerable members of society.

* Fiduciary responsibility is discussed at length in the Vermont Study Report, and briefly in this presentation.

## What Does the LWVVT Update Say?

- 3a) opposes further privatization and
- 3b) adds explicit accountability (de-privatizing)

In sum, the League opposes further privatization of needed healthcare; and,

where private entities fail to deliver programs that provide and protect basic human needs,

the League supports de-privatizing them..

# Why Part 1?

## (Healthcare is a public good)

# 1. 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 by **broad-based and progressive state 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 **healthcare**.

# Why Part 2?

## (Good public policy:
## public goods are not a "market")

## 2a. Fiduciary Duty

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.

# 2b. Healthcare — as a public good (vs a commodity) — has different fiduciary & market requirements

- **Health care does not follow free-market principles**, e.g.,
  - Patients are not "consumers"; providers are not "sellers"
  - Patients don't know **what outcome they are buying** or **what it will cost.**
  - "**Your money or your life**" is coercion, not choice
  - Corporations have fiduciary duty to investors, not consumers — so must put profits over patients
- **Free-Market principals are not appropriate to health care**, e.g.,
  - **Profiteering**: Pricing treatments or drugs at "what the market will bear"
  - **Rationing by Wealth**: health resources concentrate in wealthy ZIP codes and away from ZIP codes with poorer, older, less healthy residents
- **Good Health enhances national security, economic security, and democracy**
- **The National League has defined healthcare as a human right, not optional**

# Why Part 3?

**(Protect Public Goods:**
**by reducing, policing privatization**
**& with accountability)**

**Are current private actors (in health sector)**
**failing the public?**

# Privatization … Closing Hospitals … 50 in NYS since 2005

PRIVATE EQUITY CLOSES HOSPITAL, SELLS THE REAL ESTATE

"Hahnemann took care of the people that no one else wanted," a doctor said. Illustration by Katherine Lam

U.S.News & WORLD REPORT 90TH NEWS » News Best Countries Best States Healthiest Communities Opinion Elections

Home / News / Health News / Hundreds of Hospitals Could ...

## Hundreds of Hospitals Could Close Across Rural America

By HealthDay Jan. 16, 2023, at 7:45 a.m.

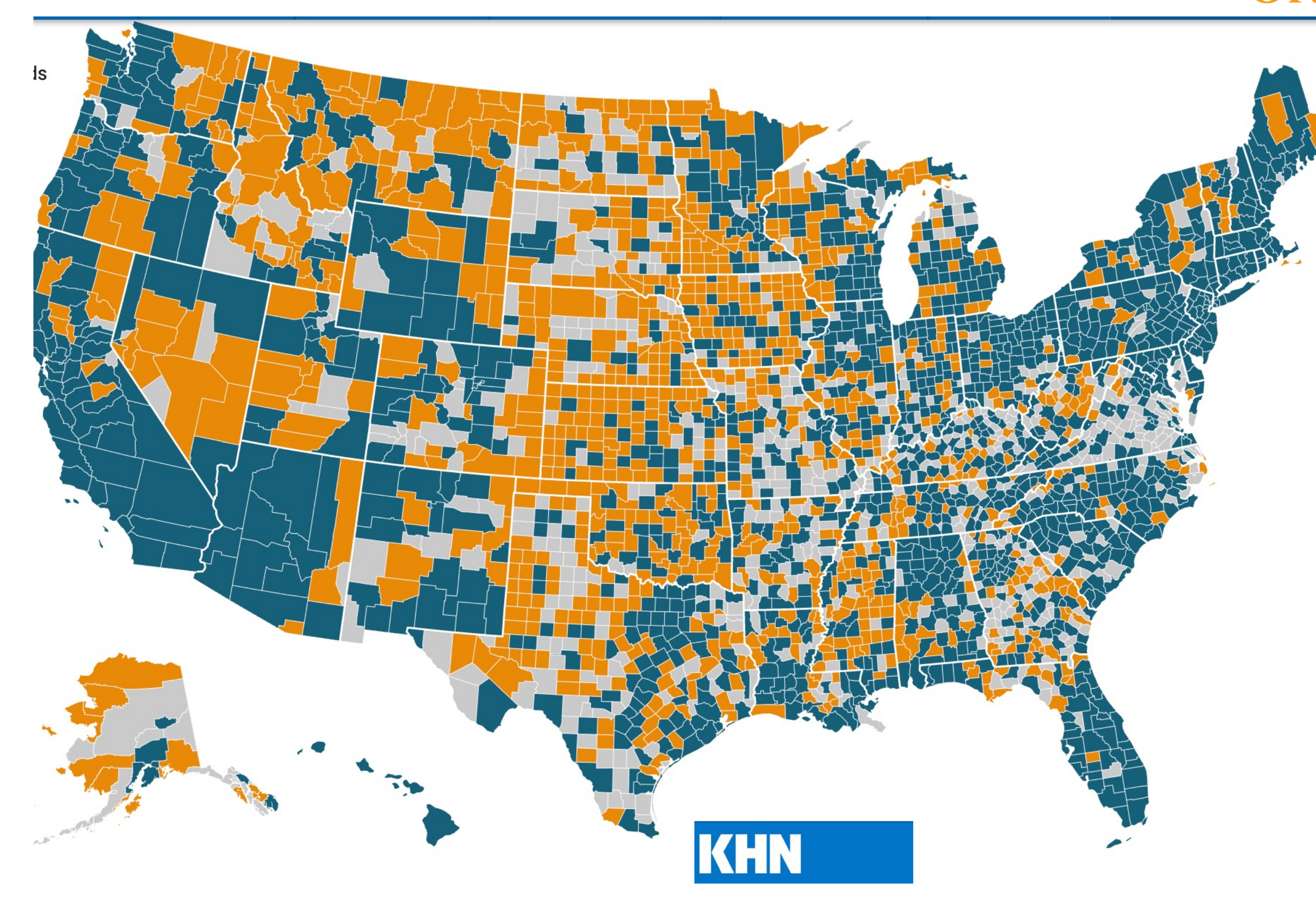
KFF Health News

PATIENTS FOR PROFIT

## Buy and Bust: When Private Equity Comes for Rural Hospitals

# Too many counties have no hospitals, no ICUs

Gray = no hospitals
Orange = no ICUs



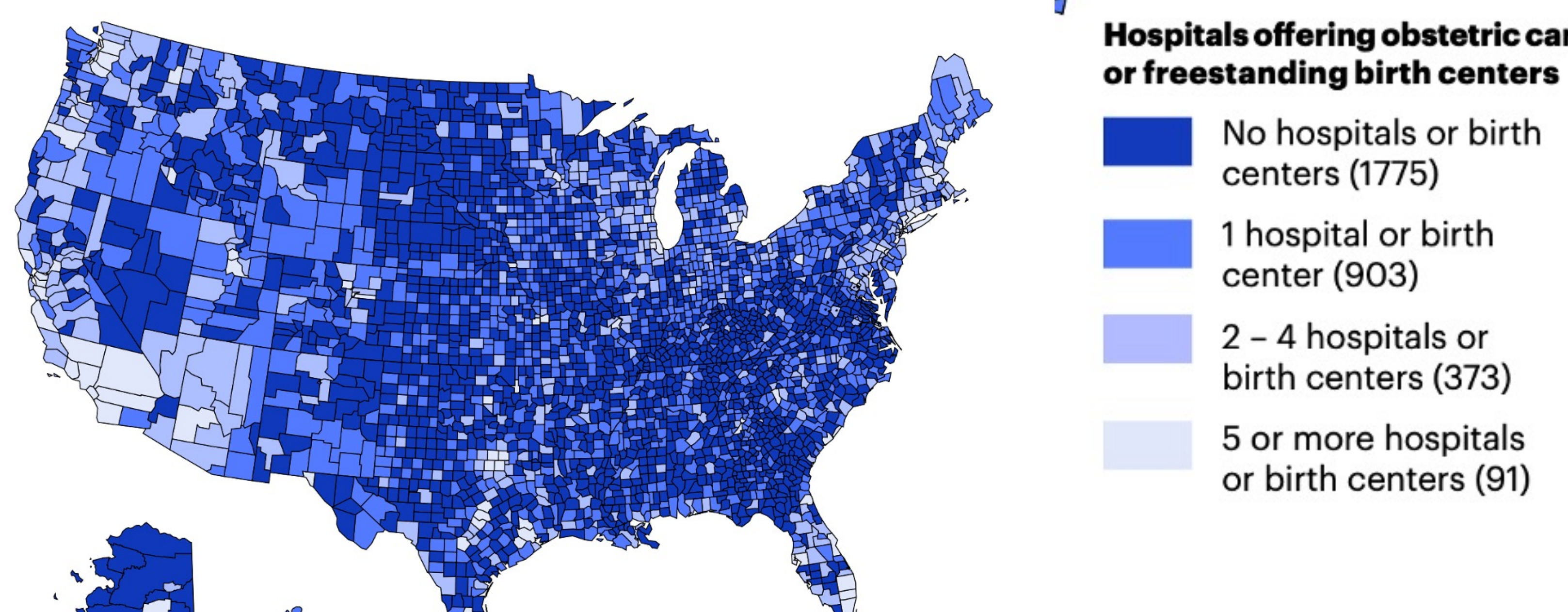
# Privatizing … Hospital Obstetric Care …

https://www.cms.gov/about-cms/agency-information/omh/equity-initiatives/rural-health/13-maternal-health-forum-access-to-hospital-maternity-care-units-in-rural-america-.pdf

# Privatizing … Rural Reproductive Care

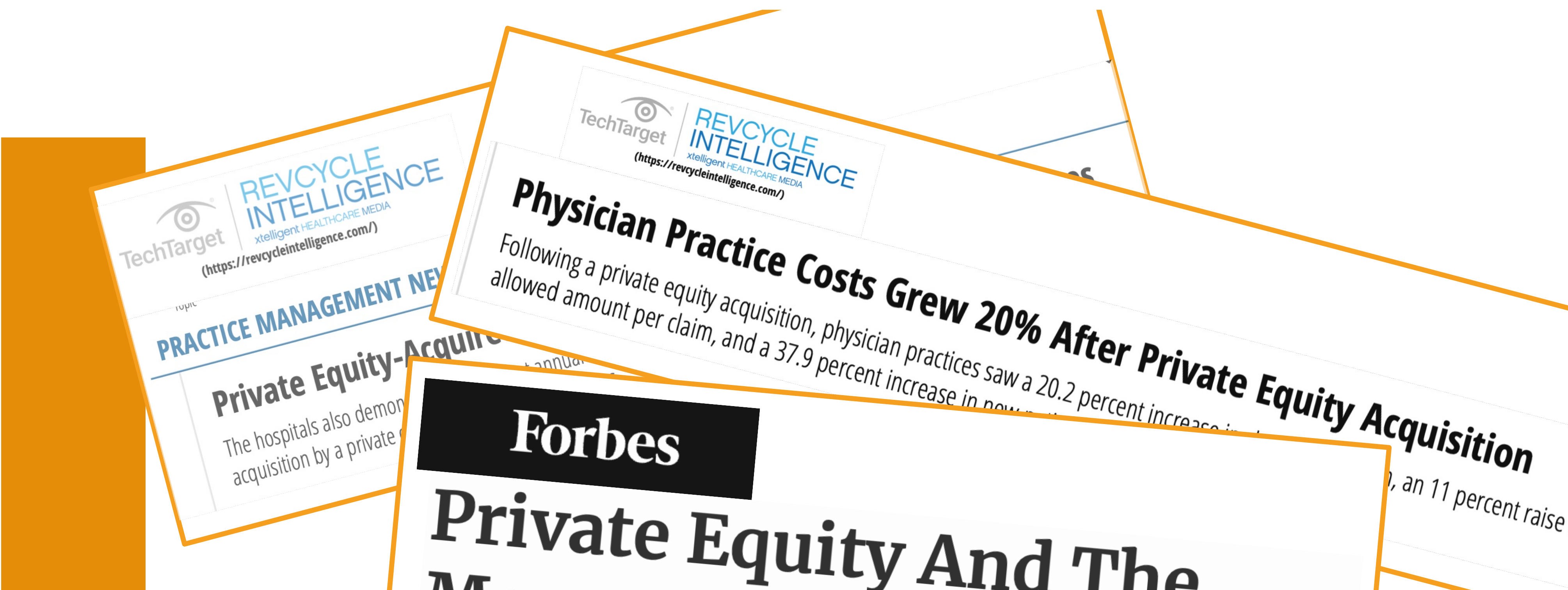
In most US rural counties, pregnant mothers must travel to another county to get obstetric care

**Figure 4: Hospitals and/or birth centers offering obstetric care by county, 2019**

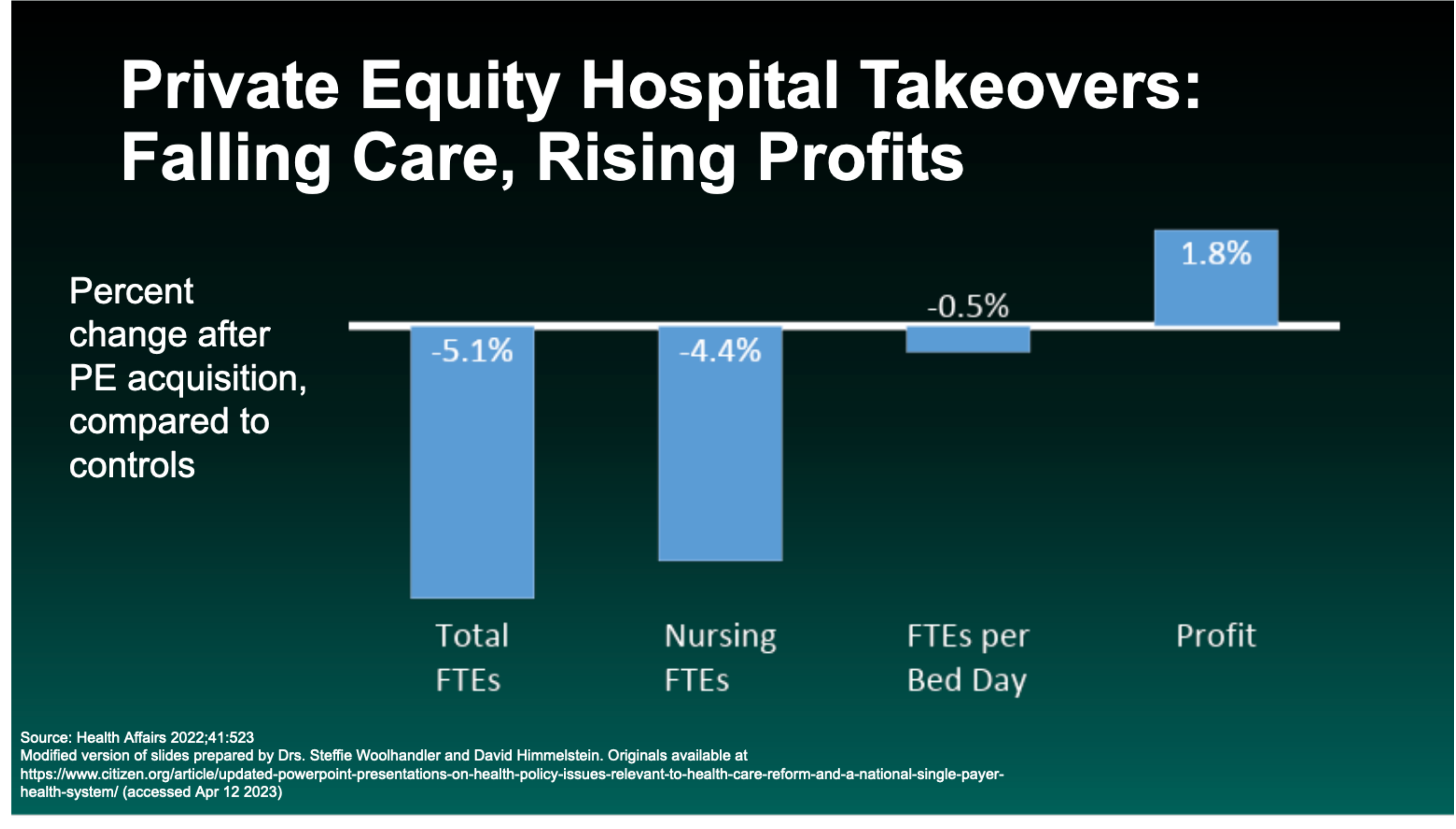



*Source: U.S. Health Resources and Services Administration (HRSA), Area Health Resources Files, 2021; American Association of Birth Centers, 2022.*

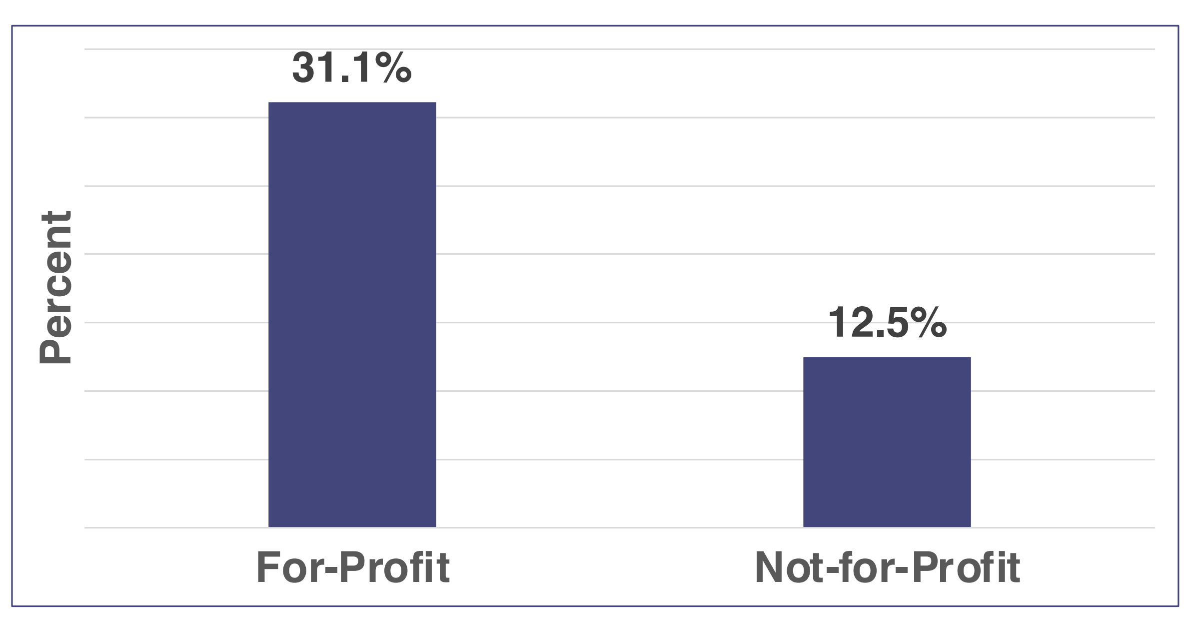
# Privatizing … Raises Prices



# Privatizing … Raises Prices, Harms Patients

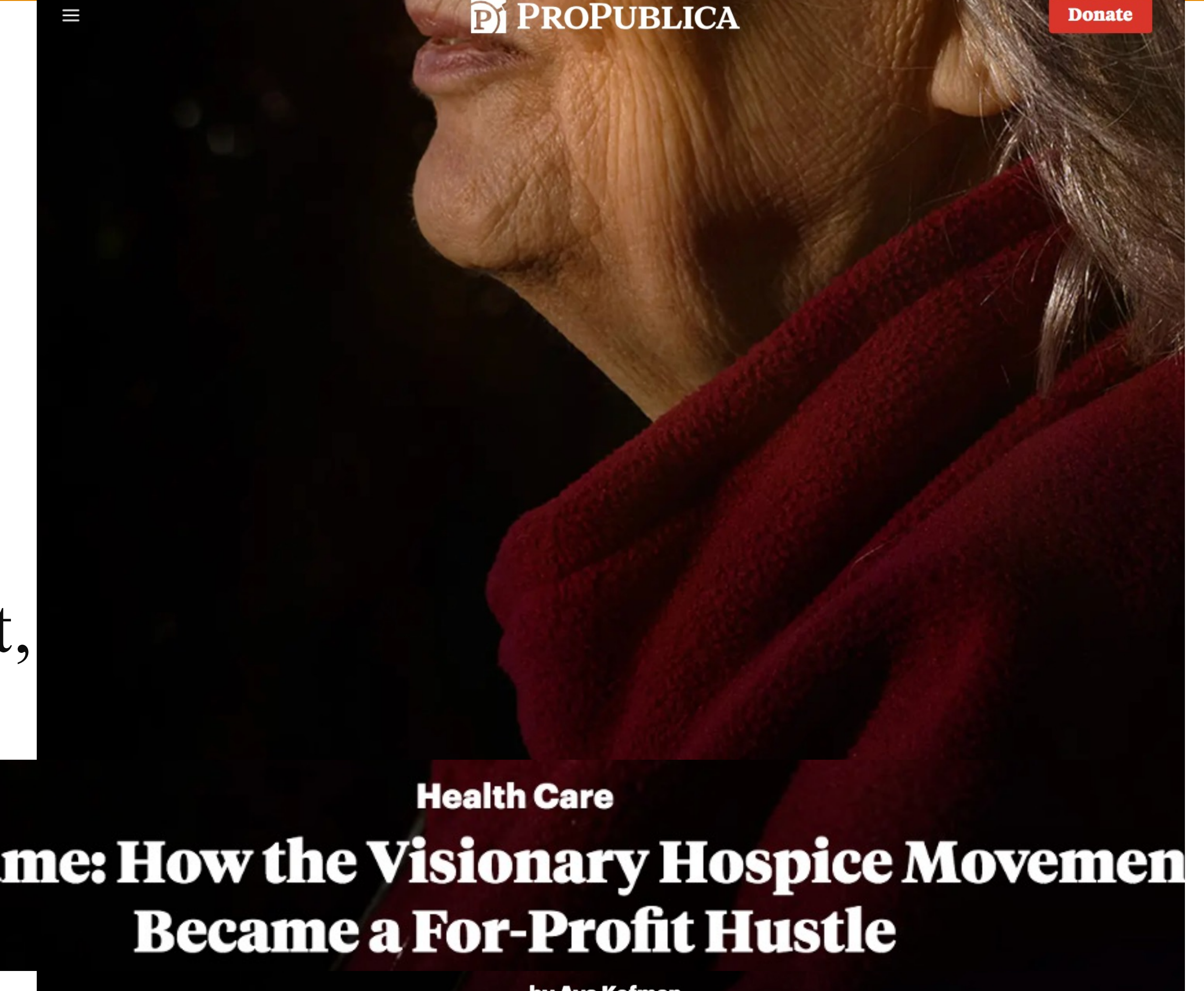


# Privatizing: Hospices & Nursing Homes

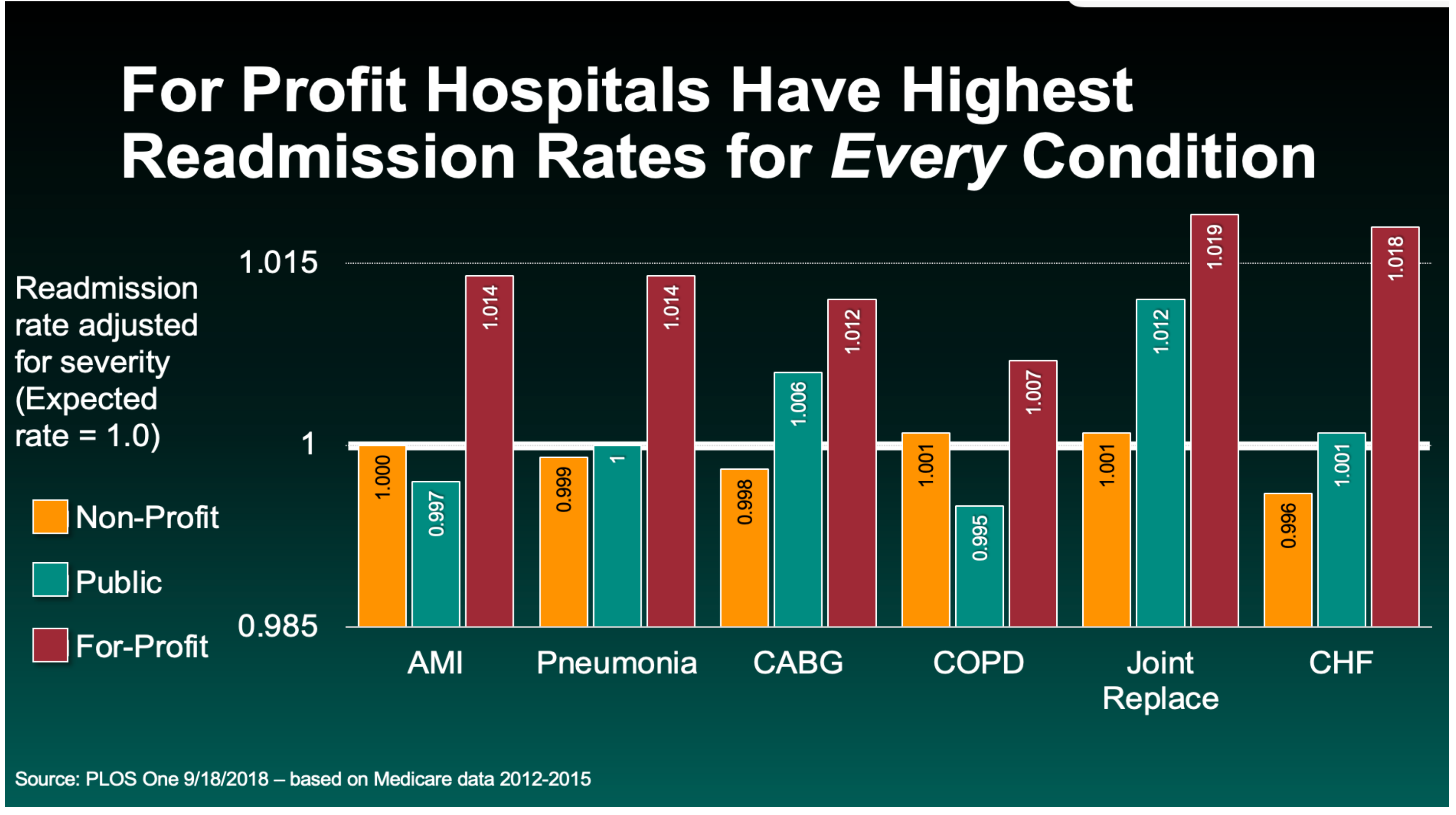



Low-performing defined as hospices with a CAHPS Hospice Survey score 3 points or more below the national average. Data from: Anhang Price R, Parast L, Elliott MN, et al. Association of Hospice Profit Status With Family Caregivers' Reported Care Experiences. **JAMA Internal Medicine 2023**;183(4):311–8.

ProPublica investigative report on abuse, fraud, overbilling, over/under-treatment, and patient harm 2022



# Privatization Harms Patients for Profits



FIGHTING MAKING MEDICARE PRIVATE:

TAXPAYERS FUNDING $100 - $140 BILLION EXCESS PROFITS & ADMIN WASTE ANNUALLY

# JUNE 2024 LETTER FROM

# LWV OF US

# & 200 ALLIES

PE and health care are incompatible: …

- spiraling prices,
- diminished access, and
- declining quality, including unnecessary illness, injury, and death.

The essence of health care

— an ethical commitment by autonomous, highly trained professionals to the improvement and well-being of their patients and clients —

is undermined by PE's financialization strategies that emphasize maximizing profits above all.

From the letter's concluding paragraph:

# JUNE 2024 LETTER FROM

# LWV OF US

# & 200 ALLIES

Markets function best with competition and a free flow of information about prices and quality.

The health care system functions best when everyone has adequate access to care and decisions are made in the best interest of patients and communities, rather than owners and investors seeking to maximize financial return.

The unfettered pursuit of profit is unhealthy for the American economy and for the communities that suffer…

We thank the FTC, DOJ, and HHS … and urge them to act

# How Might Our NYS League Use This Position?

# Privatizing … Raises Prices, Harms Patients

## NYS S9387: Sponsor Justification to Prohibit NEW Private Hospices

**For-profit compared with nonprofit hospices [per an AMA article]**

1. provide narrower ranges of services to patients,
2. use less skilled clinical staff,
3. care for patients with lower-skilled needs over longer enrollment periods,
4. have higher rates of complaint allegations and deficiencies, and
5. provide fewer community benefits, including training, research, and charity care.

**For-profit hospices are more likely than nonprofit hospices**

6. to discharge patients prior to death,
7. to discharge patients with dementia, and
8. to have higher rates of hospital and emergency department use.

For-profit organizations have a duty to their owners to generate as much profit as possible and distribute net income to the owners…

**The mission of hospice, providing compassionate end-of-life care, should not be subservient to providing profit to investors.**

# Expanding Advocacy … To Benefit Your League

**Bills like these have been introduced; LWV members can't advocate for them without the VT Update.**

Deprivatizing State-level Medicaid Managed Long-Term Care*

- To save 20-25% of total MMC costs — in NYS, about $3B/year
- To improve service and reduce denials
- (or doing what Connecticut did and take all of Medicaid back)

* Dept of Health audits showed that almost no "coordination of care" being provided, but for-profit insurers were charging up to 25% admin overhead **plus** a premium for providing it

# Expanding Advocacy … To Benefit Your League

## … More bills that LWV members can't advocate for…

- Prohibiting new for-profit hospices, nursing homes, or hospitals
- Strictly regulating corporate chains to prevent for-profit and private equity purchasing existing hospitals, hospices, nursing homes
- Requiring transparency of corporate ownership — who is the ultimate owner is too often hidden

# Is this position necessary if other League positions already encompass support for these issues?

- The new position eliminates inconsistent interpretations: around
  - Healthcare (explicitly) as a "common good" (as well as a human right)
  - LWV support for de-privatizing bad actors who harm the public

- The new position will be more useful when evaluating legislation
  - In its support for public control of public goods— whether or not they are owned/managed by private entities
  - In making the economic reasons, as well as the moral imperatives, **explicit**

# QUESTIONS?

THANK YOU!

# Public R&D .. privatized pricing … Drugs 67x pricier

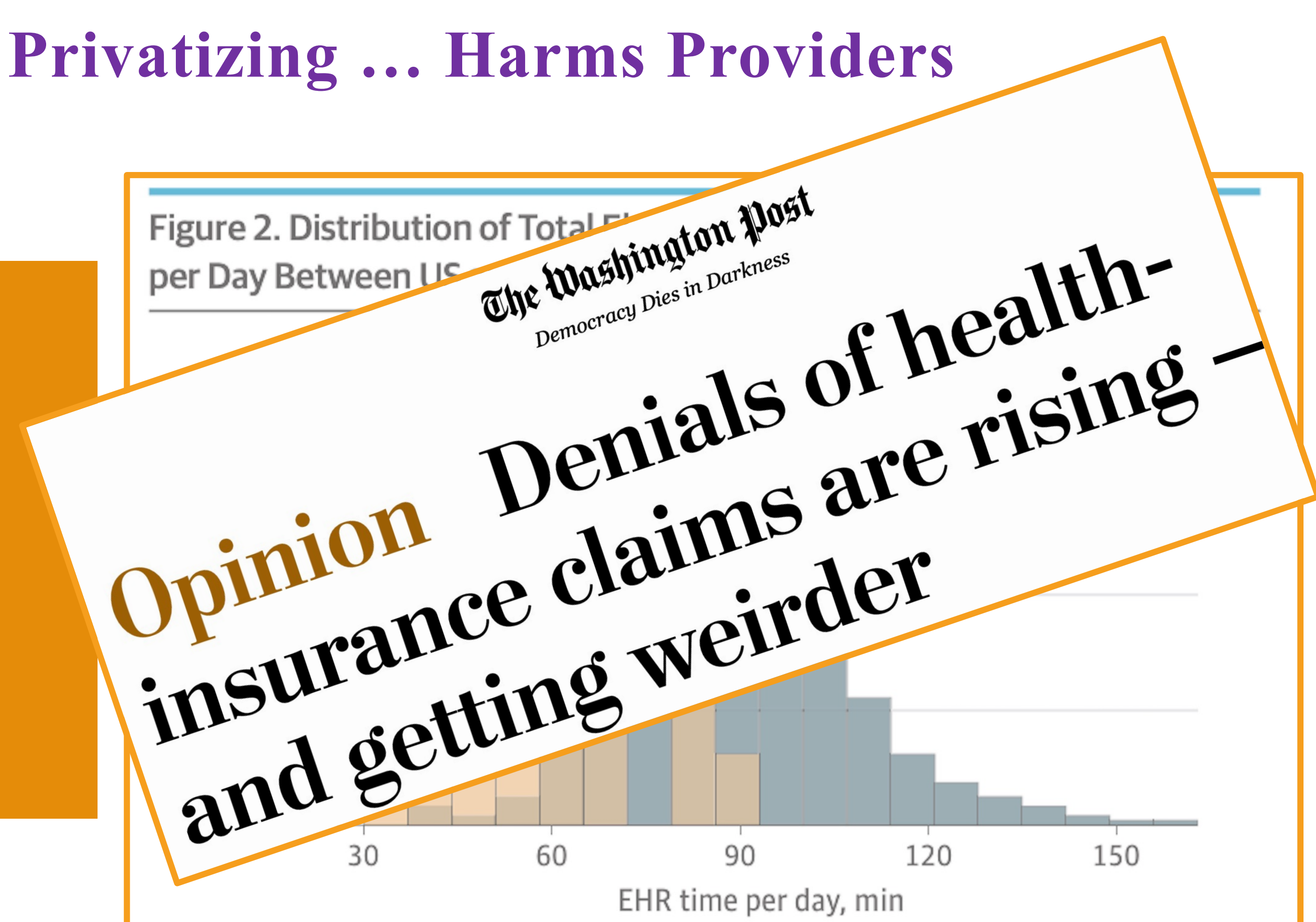
## A Painful Pill to Swallow: U.S. vs. International Prescription Drug Prices

**Americans pay on average nearly four times more for drugs than other countries – in some cases, 67 times more for the same drug.**

*Prepared by Ways and Means Committee Staff*

September 2019

# Privatizing … Harms Providers



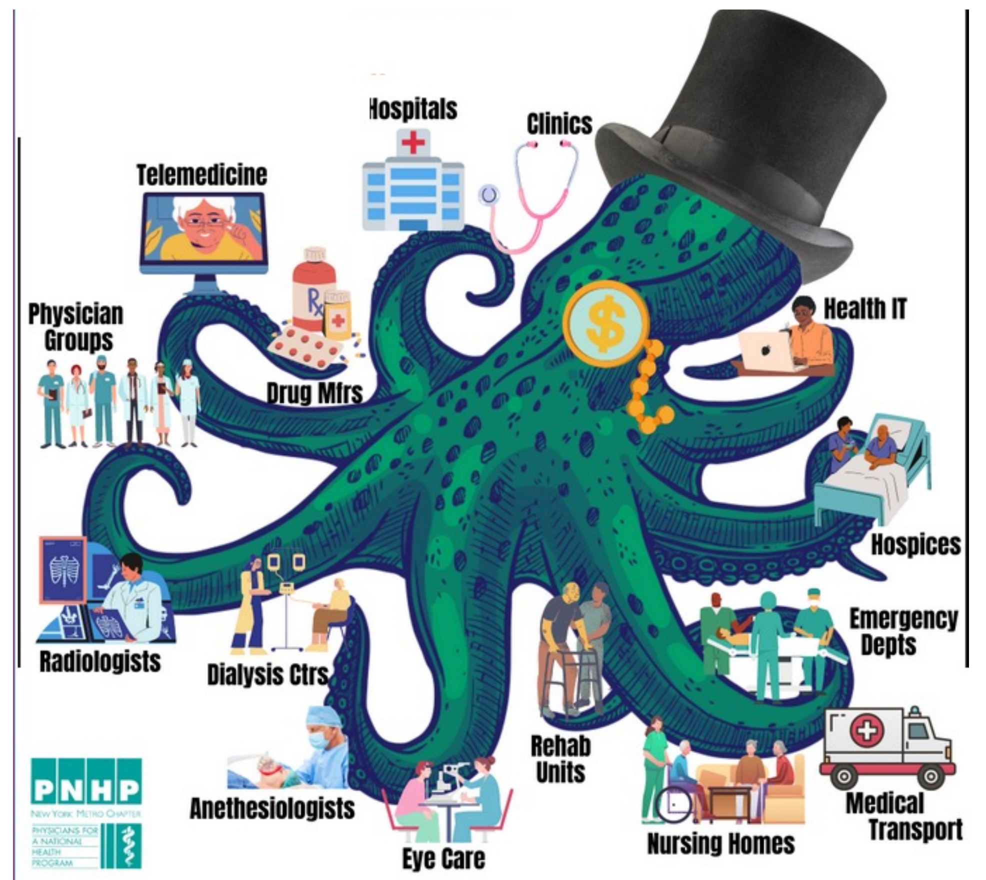

Americans spend twice as much time entering billing codes.

# Privatizing … Harms Providers

Americans spend twice as much time entering billing codes

# Privatizing — these are the tip of the iceberg

## Private Equity targets inelastic demand: your money or your life




2000-2020

$833B & 7300

Deals:

Extracting money

No regulatory oversight

A veil of secrecy

| | |
|---|---|
| Anesthesiologists | Clinics |
| Behavioral Health | Dentists |
| Emergency Depts | Dialysis |
| Medical Transport | Drug Mfrs |
| Nursing Homes | Hospices |
| Radiologists | Eye Care |
| PACE Programs | Health IT |
| Physician Groups | Hospitals |
| Troubled Teens | Maternity |
| Telemedicine | Rehab Units |

# DE-Privatizing? …

## If they choose, local and state Leagues could support or oppose

- Public rural and municipal broadband
- Public municipal water
- Public trash pickup/disposal
- Public energy grid and/or distribution
- Public parking and road repair
- For-profit prisons/jails or their management
- For-profit probation (with fees like payday lenders)

## Expanding Advocacy … To Benefit Your League

**Local and state jurisdictions have initiatives like these underway; LWV members can't advocate for them without the VT Update.**

(3) Deprivatization

- Deprivatizing Local Trash Collection
- Deprivatizing Local Water
- Deprivatizing Local/Regional Electricity Distribution
- Deprivatizing State-level Medicaid (to save 20-25% of total)