



July 15, 2020

To the Members of the Green Mountain Care Board,

Rural Vermont has supported, organized, and advocated for farmers, other members of the working lands, and the communities of which they are a part for 35 years. Rural Vermont's mission is to help lead the resurgence of community-scale agriculture through education, advocacy, and organizing in support of Vermonters living in deep connection to one another and to the land that nourishes us all.

Locally and nationally farmers and members of our rural communities are identifying healthcare as a significant issue affecting their farms, livelihoods, and communities. Rural Vermont recently authored - in collaboration with local and national experts on the intersection of agriculture and healthcare- a policy brief on Healthcare as part of the Vermont Agency of Agriculture and the Vermont Sustainable Jobs Fund's Strategic Plan for Vermont Agriculture. We found that Vermont farmers report the cost of health insurance, including healthcare premiums, as a major barrier to farming full-time, farming long-term, or hiring non-family employees¹. 41% of farmers nationally access health insurance through off-farm work, half of whom cite insurance as the main reason for off-farm employment². Stress and commute time for off-farm jobs detract from farm businesses, and the need for off-farm jobs to access healthcare negatively impacts Vermont's agricultural economy in a significant way. Farm families and farmworkers nationally and locally already experience difficulties accessing health insurance and healthcare due to the high cost of insurance³. Widespread lack of access to affordable healthcare has been even more apparent as a result of the COVID-19 pandemic.

In the HirednAg 2017 National Farmer and Rancher Survey, 72% of respondents wanted the USDA to represent them in national health insurance policy discussions. In Rural Vermont's 2018 Issues Survey healthcare was ranked as the highest priority affecting our constituency. It is our intention to honor these voices - and to work alongside others to organize agricultural, food systems, and rural economic development organizations (among others) to understand healthcare as an integral issue for their members, to advocate for their communities, and to help to bring them and their voices to conversations about the future of healthcare in Vermont, the greater northeast, and nationally.

Access to health insurance, physical, and mental healthcare is directly connected to farm viability and quality of life. Healthcare costs and the cost of living have far outpaced gains in farm-based income and other forms of income in Vermont. Rural Vermont feels there is sufficient evidence to support our position that the proposed rate hikes submitted by Blue Cross Blue Shield and MVP, and ongoing significant rate hikes on a yearly basis, are unaffordable, excessive, and inequitable. In light of the COVID-19 pandemic, we believe these proposed rate hikes to also be immoral and unethical at a time

¹ <https://www.issuelab.org/resource/2007-health-insurance-survey-of-farm-and-ranch-operators.html>

² National data HIREDnAg Farm Risk Management brief:
https://6dd9521a-b8dd-42bc-adb7-b98c8020fac7.filesusr.com/ugd/85136a_b77147a9be2a4d81a9a77dfa772b05f5.pdf

³ <http://www.choicesmagazine.org/choices-magazine/submitted-articles/health-insurance-and-national-farm-policy>

where unemployment is at a record high and when access to healthcare could be the difference between life and death.

The following are some of the HirednAg 2017 National Farmer and Rancher Survey Findings:

- Health Insurance is a National Farm Policy Issue - Health insurance is tied to farm and ranch risk management, farm viability and economic development.
- Over half of the households (55%) are not at all or slightly confident that they could pay for the costs of a major illness or injury without going into debt.
- 22% of the farm households had a medical or dental debt of over \$1,000.
- Over three-fourths (79%) of these households said health insurance was a risk management tool.
- Almost half of farmers and ranchers (45%) are concerned they will have to sell some or all of their farm or ranch assets to address health related costs such as long-term care, nursing home, or in-home health assistance.
- Just over half of farmers and ranchers (52%) are not confident they could pay the costs of a major illness such as a heart attack, cancer or loss of limb without going into debt.
- Farmers are particularly vulnerable to healthcare needs (avg. age of app. 58 years, type of work, etc.)

The USDA forecasted avg. national net income for farmers for 2020 - prior to the pandemic - is projected at negative \$1,840⁴. The Vermont Farm to Plate Annual Report from 2015 presents the most recent data with respect to farm based income:

- 79% of farms under 220 acres—4,491 farms— got <25% of household income from farming.
- 67% of farms over 260 acres—893 farms (the number is reduced substantially at this point) —got >25% of household income from farming.

This further attests to the economic challenges faced by farms, farm families, and farming communities.

Dairy farmers have been one of the most economically devastated sectors of farmers over the last few years - and over the last number of decades. According to data provided by the Vermont Agency of Agriculture, the number of cow dairy farms in Vermont has dropped from 1,015 in 2010, to 677 in January 2020. From March 1, 2020 to July 14, 2020, Vermont lost an additional 25 dairy farms. In 2020, conventional dairy farmers in Vermont are losing an average of \$5.25 per gallon of milk they produce. The past few years have seen milk processors sending out suicide prevention notices with paychecks to farmers - and a substantial number of dairy farmers taking their own lives nationally, including in Vermont. Dairy farmers are reluctant to pass failing businesses on to their children, leaving hundreds of thousands of acres of prime agricultural land at risk of being developed.

⁴ "Highlights From the Farm Income Forecast - USDA ERS." 5 Feb. 2020, <https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/highlights-from-the-farm-income-forecast/>.

Rural Vermont strongly believes that general trends in farm income, farm viability, and rural economic health need to be justly and equitably considered in your deliberations concerning these proposed rate hikes and their affordability, and how access to - and quality of - healthcare in VT is affected by the high costs of premiums, deductibles, and copays. We rely on our farmers for food production, and statewide food security is more important now than it perhaps has ever been as we see shutdowns of processing plants across the country due to COVID-19 outbreaks and widespread food shortages only predicted to get worse.

Given that health insurance costs affect farm viability and the choices farmers make (as established in the testimony of farmers which Rural Vermont has heard, as well as the surveys and data provided in this testimony), here are just a few of the potential impacts of raising rates:

- Environmental impacts: the Farm and Water Coalition - as well as many organizations locally and nationally - have identified a nexus between farm viability and water quality (among other environmental outcomes). Farms which have a stable income and profit are able to invest in methods of agriculture which provide more protection of - if not generation of - ecological integrity (which also affects human health).
- Compromising Farm viability (as attested to above)
- Worse health care outcomes for individuals, families, communities (including mental health). Testimony the GMCB has heard suggests that people already choose not to visit healthcare providers or take necessary medications with the current cost of their healthcare. This will only increase with further rate hikes - leading to unnecessary worse health outcomes.
- Diminished rural community vitality and economic viability: less time available for volunteerism, poor small business viability, etc.

Alternatively, the following benefits could be availed with increased access to affordable healthcare, without predictable annual rate hikes:

- More affordable and accessible healthcare could greatly incentivize farmers to move to Vermont, strengthening the state's food sovereignty and security.⁵
- More affordable healthcare would decrease the need for off-farm work to access healthcare, allowing farmers to invest more in their operations, and more farmworkers to access healthcare, leading to lower turnover and more skilled labor, further contributing to Vermont's agricultural economy, which generated \$780,968,000 in sales in 2017 according to the Vermont Farm to Plate Network.
- More affordable access to healthcare would ensure the farming population is able to access care if and when they need it. The majority of farmers nationally report that they couldn't withstand a major health crisis without going into debt or selling up to all of their farm assets.⁶ This is a threat to Vermont's food security and the well being of all living in the state.

It is inequitable and unjust for many sectors of the economy (in this case, farmers and many local small rural businesses), of society, to be told by regulators, industry, and policymakers that they can

⁵ Agriculture and Human Values: The invisible labor and multidimensional impacts of negotiating childcare on farms. Rissing, Inwood, Stengel. 2019. Not yet published.

⁶ <http://www.choicesmagazine.org/choices-magazine/submitted-articles/health-insurance-and-national-farm-policy>

not be afforded the cost of doing business, or of providing necessary healthcare to themselves and their families (as with many people who live in Vermont) - while allowing another sector assurance of its profits in the form of rate hikes well above inflation rates and at the expense of the general public.

This proposed rate hike will without a doubt affect the affordability of, and access to healthcare for many Vermonters who are currently struggling to even afford the costs of their current healthcare.

At the Blue Cross Blue Shield hearing this week, an expert witness stated: "We are a non-profit. There is no profit anywhere in anything that Blue Cross Blue Shield does." BCBS VT may be a non-profit, however this statement is misleading based on reporting from 7-Days from 2018 exploring the high salaries of some non-profit executives in Vermont: "Also excluded from the IRS data is Blue Cross and Blue Shield of Vermont. Though registered with the state as a nonprofit, it and other such health insurance companies are not designated 501cs by the federal government. But according to a filing with the state Department of Financial Regulation, its CEO, Don George, made \$614,000 in pay and \$22,000 in benefits in 2016."⁷This a particular sting for the local farming community, who have long been undercutting the true cost of food in order to compete with corporate agribusiness models that in turn contribute to a national health crisis. ⁸ The public is currently being asked, in the midst of a global pandemic, to afford some of the most expensive healthcare with some of the poorest healthcare outcomes in a "developed" nation globally. And though it is not the purview of this particular hearing, Rural Vermont feels that a publicly funded universal health care system is the only sustainable path forward, and the only path which assures the affordability of, and access to, healthcare for everybody.

A BCBS representative last year said that "solvency [for his industry and company] is the most fundamental factor in consumer protection". He said - to paraphrase - that individual Vermonters may struggle to afford healthcare - but better to struggle than to lose access. This statement belies the disregard of BCBS for the testimony which people - its members - provide year after year to this Board in relationship to its proposed rate hikes, their access to care, the affordability of care, and the quality of the care they receive. Rural Vermont understands that people do lose access to healthcare when healthcare is not affordable.

This same representative also said that healthcare is as expensive as it is because BCBS must provide rates based on a "community" vs. individual basis in VT. We know that our community members are struggling to afford their premiums, deductibles, and insurance regardless of age or whether they are on medicare.

He said that because there is "no penalty" for not carrying healthcare in VT - BCBS will lose clients. BCBS and MVP may lose clients, however it is because they offer unaffordable and inadequate coverage, and many people have experienced poor quality of care. Many of the fees suggested over time for not purchasing healthcare have been less expensive than the excessive costs of healthcare itself.

As Blue Cross Blue Shield has pointed out - there are many rising costs in the healthcare industry from pharmaceuticals to hospital executive salaries which affect their rate projections. We recognize these factors and agree that they are problematic and must absolutely be addressed - and we feel it is unjust and inequitable to pass along the cost of these problems to the rate paying public during a

⁷ "Some of Vermont's Highest-Paid Execs Run Nonprofits" 20 Jun. 2018, <https://www.sevendaysvt.com/vermont/some-of-vermonts-highest-paid-execs-run-nonprofits/Content?oid=17146954>.

⁸ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1298864/>

global pandemic when most of this industry and its players enjoy profits and salaries well above most Vermonters.

Lastly, we recommend that this Board suspend the end date of this public comment period - and that MVP join BCBC and conduct public hearings like this outside of normal work hours. This hearing and process itself is relatively inaccessible to the working population.

Sincerely,

Graham Unangst-Rufenacht, Policy Director
Mollie Wills, Grassroots Organizing Director

Rural Vermont