

**From:** Mishaan, Jessica  
**Sent:** Wednesday, May 11, 2016 4:18 PM  
**To:** costa@wcax.com  
**Subject:** response to WCAX records request 4/22/16

Jennifer,

Please see the email below from Sarah London.

Thank you,  
Jessica

**Jessica Mishaan** | Paralegal  
Office of the Governor  
109 State Street  
Montpelier, VT 05609-0101  
802.828.3333

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Jennifer, attached please find records in response to your request. Pursuant to 1 V.S.A. § 317(c)(7), we have redacted personal contact information pursuant and withheld pursuant to 1 V.S.A. § 317(c)(1) & (4) one executive privileged communication from Anya Radar Wallack to Robin Lunge, Jeb Spaulding, Steve Kimbell, Doug Racine, Mark Larson, Harry Chen, Bill Lofy and Alex MacLean from January 7, 2012, entitled "meeting with Governor regarding health care reform strategic plan on Monday" as it provides substantive policy advice for the Governor. Please be aware that additional communications responsive to your request are in our April 29, 2016 production.

If you feel records have been withheld in error, you may appeal to the Governor's Chief of Staff.

Thank you,  
Sarah

## London, Sarah

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**From:** Allen, Susan  
**Sent:** Tuesday, May 22, 2012 6:09 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR TUESDAY, MAY 22:

### **BENNINGTON BANNER:**

#### **Sears, Marthage back AG opponent BY NEAL GOSWAMI**

BENNINGTON -- Chittenden County State's Attorney TJ Donovan received the backing Monday of Sen. Dick Sears, D-Bennington, and Bennington County State's attorney Erica Marthage in his primary challenge to unseat Attorney General William Sorrell.

Sears, the Democratic chairman of the Senate Judiciary Committee, and Marthage, a Democrat serving in her second term as the county's prosecutor, both cited Donovan's focus on addressing opiate addiction as primary reasons for throwing their support behind him.

"I'm here proudly endorsing TJ Donovan for the position of attorney general. I think he'd make a great attorney general for the state of Vermont. I realize he's in a very tough primary, and I have all due respect for the current incumbent, but I think TJ will do a terrific job," Sears said Monday at the state office complex in Bennington.

Sears said he is prepared to support Sorrell in the general election if Sorrell emerges as the primary victor. "Depending on the results of the primary, I'd be happy to support Bill Sorrell. It's not an issue of against Bill, it's for TJ," Sears said. "I know I'll have good friends who are supporting the current attorney general and good friends who will support TJ."

Marthage said Donovan, 38, has shown a commitment to issues that are important to the safety of Bennington County residents.

"My number one loyalty, of course, is to my county, Bennington County. I am from here, I was raised here, and it is important to me that the citizens of Bennington County have an attorney general that recognizes that Bennington County is part of Vermont, even though we're one of the furthest county's in the state, and that we have very similar issues to all of the other counties," Marthage said.

But the focus Monday was on reducing opiate addiction. The Burlington-based prosecutor said his ideas to reduce addiction -- and the ancillary crimes it leads to -- will be a cornerstone of his campaign. Sears said Donovan's acknowledgment of the problem led him to publicly announce his support.

"Part of the reason that I'm endorsing TJ is he understands that the biggest problem Vermont faces in terms of public safety right now is the opiate epidemic, including heroin," Sears said. "It's the number one crime issue in Vermont."

Marthage said abuse of prescription drugs has grown steadily in the area since she first elected in 2006. It is leading to property and other crime as those addicted look to feed their habits, she said.

"The opiate problem, even since I've been state's attorney, has exponentially grown. It's across all facets of socio-economics and clearly something that here in this county we have a significant problem with, being that we are bordered by two states. We have an awful lot of cases that we have this very issue with. If it's not the primary charge, it's some underlying facet of it," she said.

Sears worked with Democratic Gov. Peter Shumlin on several pieces of legislation during the recently adjourned legislative session. Shumlin, who has called opiate addiction in Vermont an "epidemic," has said he will not be picking sides in the primary race between Donovan and Sorrell, who was first appointed by former Gov. Howard Dean to the position in 1997 and has been re-elected every two years since.

Donovan said his message has not been coordinated with Sears or Shumlin, rather, it is "a message from people in different parts of government who see the same thing."

"Just going around campaigning I've heard it everywhere," he said.

Donovan said he supports passage of a "good Samaritan law," which would allow people using opiates to seek treatment and not face criminal possession charges. "It's about saving lives," Donovan said.

He said he will also look to work more closely with the medical community to develop best practices and screen patients for addictions before opiates are prescribed. Greater access to treatment medications like methadone and Suboxone, which are used to wean addicts off of other drugs, is needed. Treatment is more important than charging addicts, Donovan said.

"We're not going to arrest our way out of this problem. We have to treat it," he said.

And, Donovan said he supports law enforcement access to the state's prescription drug database. Sears and Shumlin sought access for select law enforcement officials to help crack down on patients who secure prescriptions from multiple doctors. The Senate passed the legislation, but the House refused, citing privacy issues.

A "rapid intervention" pilot program in Chittenden County could also help across the state, according to Donovan. Under the system, non-violent offenders are sent to community-based mental health or substance abuse counselors. It allows offenders to avoid criminal charges by completing treatment plans.

"What's a fourth retail theft conviction going to do for public safety? The best form of public safety is when someone is sober and paying taxes and working," Donovan said. "What we're doing hasn't worked. It's time for new ideas and new tactics to keep our community safe. § Name another business § or name another state agency that fails five out of 10 times, four out of 10 times, and still remains in business. Why is it OK in the criminal justice system?"

The traditional court system is better utilized for more serious crimes, Donovan said.

"The traditional method works fine for people who kill, who rob, who deal drugs for profit, who beat women, who engage in sexual violence. I've got no problem putting those people in jail. But it's the people who are coming in as a result, time and time again, of their addiction or mental illness where we can do a better job," he said.

Meanwhile, the attorney general's office should be helping to create a consistent judicial system across the state, according to Donovan. The system must be fair, and victims and offenders should have the same opportunities and accountability statewide, he said.

"There's one person in this state who can do that and it's the attorney general because he has statewide jurisdiction," he said. "It is about bringing together partnerships and collaboration and implementing best practices across the state in a consistent, uniform manner, and the attorney general is the person to do it."

Donovan said he was "honored" to be endorsed by Sears and Marthage.

"I think after 15 years we should have a debate, and I think that kind of was demonstrated by the endorsement of Sen. Sears and State's Attorney Marthage, today. We have major issues in this state in terms of public safety," he said. "I

think it underscores my commitment to engaging with and working with the states attorneys and legislators on the issues of the day."

## **GREEN MOUNTAIN DAILY:**

### **Welcome to Randy Brock's Spampaign**

by: jvwalt

Mon May 21, 2012 at 18:14:13 PM EDT

Oh, look out, folks: Randy Brock 2.0 is here. Yes, the putative Republican gubernatorial nominee has finally, finally, FINALLY rid the Internet of his first campaign website, an embarrassing hotchpotch of stock photos, recycled material, uncorrected typos, a dearth of material, and sadly infrequent updates.

The new website is slick and professionally designed. But it's just about as content-free as the original. It's obviously straight out of a campaign consultant's basic toolkit. "Hey, we need a website for Randy Brock." "All right... let's see, he's from Vermont, right? We need something outdoorsy. Maybe template number 24-B, with the fuzzy landscape photo in the background. And plug in that "bears in the woods" ad on the front page -- might as well get as much mileage out of that as we can."

A prefab website. Goes with his prefab stump speech as delivered at Saturday's state Republican convention. The one where he called Peter Shumlin the most liberal Governor in Vermont history. I suspect that every Republican challenger to a Democratic incumbent will trot out the following Mad Lib: "(Name of Democrat) is the most liberal (name of office held by Democrat) in history!"

And it goes with his prefab new 30-second campaign ad, "Character." It's 30 seconds of faux-Ken Burns noble string music with artfully-employed photos and stock footage, just like every other introduce-the-candidate campaign ad in the country. Your eyes are guaranteed to glaze over by the tenth second. Afterward, you might vaguely recall seeing some sort of campaignish ad, but I bet you dollars to donuts you won't remember who the candidate was.

Folks, welcome to the Spampaign, a 100% potted political product bearing no resemblance to any known animal or vegetable material. I don't know how much Randy is paying his well-known out-of-state consultants, but whatever it is, he's getting ripped off. They've obviously outfitted his campaign with off-the-rack material, scarcely modified at all to suit Brock's personality or policy stances or the unique nature of Vermont.

jvwalt :: Welcome to Randy Brock's Spampaign

Let's go back to the website. Yes, it's slick-looking, but the content is just sad. The Brock bio looks like it was written by committee, or possibly generated by a computer program. It begins with the stirring paragraph...

Randy Brock, the 2012 Republican candidate for Governor of the State of Vermont, served as Vermont's 28th State Auditor. The State Auditor is one of Vermont's five statewide Constitutional Officers. He currently is in his second term as a member of the Vermont State Senate.

Really gets the blood pumping, doesn't it? And the Brock "issues" page is full of Republican S.O.S. Cut regulations, end Shumlin's health care reform, "challenge the educational establishment" (hint, hint: unions!), cut "pie in the sky" renewable energy plans, get that \$21 million from CVPS, and this little gem:

Simplify the tax code and even the load by making sure everyone pays at least something.  
In other words, raise taxes on the working poor. Brilliant!

I don't know why the VTGOP insists on following the national Republican playbook to the letter, when it's clearly out of step with Vermont politics. Poverty of imagination? Over-reliance on those out-of-state consultants? Or maybe



Limbaugh Poisoning: they've ingested so much claptrap from the right-wing media that they can no longer think in any other terms. Kinda makes it tough to appeal to moderates and independents.

Brock's "Events" page is even sadder. The next event listed is a Meet & Greet at somebody's house on June 5. June freakin' fifth! More than two weeks from now! This campaign's off to a hot start, isn't it?

There are two other Meet & Greets later in June, and that's all. Wow.

As for the rest of Brock's online campaign, it's still embarrassingly tiny. He's up to 160 Facebook friends. The four most recent "Posts by Others" include two from this past weekend, one from May 10 ("Are you related to Jim Brock of Bermuda and Quechee, VT?"), and one from April 30.

And Randy has yet to master the Art of the Tweet. He's only written 16 Tweets in his one month on Twitter, and he has a whopping 60 Followers.

There you have it: Brock 2.0, the Spampaign. Contains no natural ingredients or nutrients; guaranteed 100% completely artificial.

**TJ's got some work to do**  
**by: jvwalt**

Mon May 21, 2012 at 17:16:28 PM EDT  
This Just In from Channel 3's Kristin Kelly (@KK\_WCAX) onTwitter:

New @wcax poll of primary voters #vt AG: Sorrell 49% Donovan 23% Not Sure 25% - @wcax\_kristinc has more result coming up at 6.

So, if TJ is to upend Bill Sorrell, he has a fair bit of ground to make up. Of course, you could look at it the other way: a 15-year incumbent can't even muster 50% support in a primary poll. That's pretty darn sad.

Still, if this poll is accurate, TJ will either have to convince some Sorrell voters to switch sides, or he'll have to completely sweep the undecideds.

## **DEERFIELD VALLEY NEWS:**

**Irene-caused erosion may undermine village**  
**BY MIKE ELDRED**

WILMINGTON- There was good news and bad news at Wednesday evening's selectboard meeting.

The bad news is that the town may still take another hit from Tropical Storm Irene. Latent damage along the riverbank on South Main Street threatens several properties, and may even extend under the road to properties on the east side of the road.

South Main Street property owner Mary Jane Finnegan reported on the collapse of the retaining wall along the river bank on her property and the property belonging to Chris Cady. Last month, part of the cement and stone wall fell away. Since then, the rain-swollen river has scoured away more of the soil behind the damaged area. Finnegan said the problem might have been avoided had her husband's warnings been heeded. After the flood, Finnegan said, her husband noticed that rocks that had been against the riverbank had been moved, creating a deep pool and directing the

flow of water toward the bank. When he sounded the alarm, "People looked at him like he had three heads," Finnegan said. "But now the wall is deteriorating and it appears to me that it's encroaching on the town park."

Finnegan said she was caught in an impossible situation with what is, for her, essentially two disasters from flooding caused by Tropical Storm Irene. She was seeking assistance from the town. "I remortgaged in September," she said, "and was told at the time that everything was structurally sound, so I rebuilt. To remortgage again I would have to pay at \$10,000 penalty, and remortgaging would either put me in foreclosure or tax sale. Unless I can find more funding, I don't know where to go."

Finnegan said Brud Sanderson of Stevens & Associates, of Brattleboro, told her that the repairs could cost anywhere from \$30,000 to \$100,000. But she noted that the cost of repairs will go up as more of the wall collapses.

Town manager Scott Murphy said the town had "turned over every rock in the state" looking for funding to assist property owners with the repairs, with little luck. One possibility was the Community Development Block Grant (CDBG) program administered by the state. Vermont is slated to get \$21 million in federal CDBG funds, but 80% is to be spent in two other counties. Murphy said, however, that state officials told him that it was "very likely" that Finnegan and Cady would be eligible for emergency funding under the program. "But we can't wait for that," Murphy said. "Their suggestion was that the town could front the money and they would pay us back. That's a giant leap of faith, but it's the best we got."

Finnegan said another problem has been getting permission from the state to work in the river. She said Doug Furlon was able to get a temporary permit for emergency work, but a permit for repair work is harder to get. "They say they don't want cement in the river," Finnegan said. "Well, there's going to be a heckuva lot more than cement in that river if my building and Chris Cady's building fall into the river. And if that happens, my building might take Todd Gareiss' building with it. Then you'll lose South Main Street."

Board member Susan Haughwout noted that, if the buildings collapse or are condemned for safety concerns, the town would lose eight affordable housing units. "In a perfect world, property owners pay the whole thing," Haughwout said. "But in a disaster situation, we do what we have to do and hopefully the property owner can pay some, but not the whole boat."

Downtown property owner Cliff Duncan, who has been calling for dredging or other action to clean up the river since the flood, said that the Agency of Natural Resources' stream management policies were to blame for the situation. "This is no different than the 20 acres that Henry Wheeler has lost because of the ANR's approach to stream management," he said. "We need to actively manage this river downtown. I don't know if we need to do it at 2 am, or whenever, but we need to get in that river and fix these problems before the damage gets worse."

It was Duncan who noted that a low spot behind Meg Streeter's realty building could be related to the damage along the riverbank. "If there's a sinkhole behind Meg's building, this could be going underneath all of South Main Street," he said.

Rep. Ann Manwaring said that the problem shouldn't be looked at as that of a single property owner, but as a multi-property effort. "I think money might be the least of our problems," she said. "We've seen that there's the ability to raise money in this state, and I think money for this is going to come from a lot of sources. This is a 'save the town' kind of thing. I don't know if we need to take this to a task force level, but we need to save the whole thing. And I'd be willing to be involved in that."

"We have to look at this as a community project," agreed Haughwout.

The good news came from Wilmington Trails Committee Chair John Greene, who reported that the construction of a footbridge spanning the Deerfield River at the west end of the village should begin soon, and construction of the proposed Riverwalk should be completed by the end of the year. "We're in the process of getting the engineering done for the bridge" he said. "They'll drill test holes in the next week, if it stops raining, and Merrill Mundell and Ben Joyce

have been working together, surveying what needs to be done along the river. Things are going to be happening very fast in the next few weeks."

The bridge is being donated by Wilmington resident Barry Reardon, and Greene said Reardon would select a bridge design and permitting should begin within the next two weeks.

"The bridge will go from Cliff's (Duncan's Jug Barn) property to the land trust (Shafter House) property," Green said.

Green said work would also begin on the Riverwalk, although he cautioned board members not to call it the "Riverwalk" when dealing with state officials. "They tell me that when we call it the 'Riverwalk,' all kinds of bells and whistles go off up there (in Montpelier)," Green said. "We need to call it the Village Trail or something."

Committee member Gary Henry said the permit process for the bridge and the trail could be separated if one becomes more problematic. "I don't think the bridge, by itself, requires an Act 250 permit," Henry said. "If the walk requires an Act 250, we can split them." Greene said he hoped the trail wouldn't require an Act 250 permit, either.

When completed, the Riverwalk, or Village Trail, will connect to another trail running from the eastern end of the village to Lake Raponda. That trail is currently awaiting completion, but should be finished before the end of the year, Greene said. On the other side of the Village Trail Bridge, the path will connect with the Hoot, Toot & Whistle Trail, which Greene said would be completed after a wetlands study had been carried out. "That's a tremendous marketing opportunity," added Henry. "We'll be able to advertise hiking trails from lake to lake."

Green also noted that the Wilmington portion of the Valley Trail is also likely to be completed soon, and with a future footbridge over the Deerfield near John McLeod's woodworking factory, hikers will eventually be able to walk from Dover to Harriman Reservoir or Lake Raponda using the network of trails.

#### **MANCHESTER JOURNAL EDITORIAL: Worth the try**

Kudos are in order, first of all, to the organizers of a forum on the difficult issue of healthcare reform which was held here in Manchester last Saturday. The first day of sunshine after what seemed like a long stretch of rainy weather and overcast skies probably played a role in helping some decide to spend the morning outdoors, but just because the house wasn't packed doesn't lessen either the importance of the issue, or the effort that went into organizing the event. Attendance may well have suffered also from a decision by Steve Kimbell, Vermont's Commissioner for Financial Regulation (many may remember this department by its former acronym, BISCHCA) to not attend, in the wake of word that another member of the panel, Rutland City Treasurer Wendy Wilton, was planning an announcement about her candidacy for state treasurer. Mr. Kimbell, who is widely respected around Montpelier for his knowledge of healthcare issues, perceived this development as a politicization of what was billed as a non-partisan, information-centric event. Instead, he presumably felt the focus was going to shift from a sober discussion of the complexities of health care reform and how they will be paid for - both issues that deserve as much debate and discussion as we can bring to bear - to political point-scoring.

Kimbell's decision to pull out of the forum led directly to Peter Sterling, another panelist invited to give the "pro" point-of-view on Green Mountain Care, to also withdraw, as the

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Advertisement

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two were a "package deal," as Kimbell explained to us last Thursday. In fairness to Kimbell, it should be noted that he felt badly singled out at an earlier forum where he was the only member of the panel speaking in favor of single-payer healthcare, and didn't want to repeat that experience.

At first blush, that did not seem an unreasonable concern to us, but on further reflection we wish Kimbell would have taken the opportunity to attend and hold forth on his views about the direction Vermont is going, under the Shumlin administration, on healthcare. The route being plotted by the five-member Green Mountain Care board goes beyond what the federal legislation, passed in 2010, and now under a serious Court challenge, requires. That may turn out to be the right course. Or it may not. A small state like Vermont can shift costs around only so far, especially if large numbers of people, like public school teachers and private sector employees with existing healthcare packages, are exempt from participating in the state-run health exchange.

The point is, a year after the state legislature passed Act 48 and started down this road, a lot of unknowns remain out there. Healthcare being complicated, that may not be unreasonable, and we could easily be in roughly the same spot one year from now. What is patently obvious is that the financial burdens of the way health care and health insurance are portioned out is a crazy-quilt patchwork of inefficiency and needless expense, and it should - it must - change. In a few years, it will break the bank if left unchecked.

All options should be on the table, and we hope that when the experts and the politicians parse out a solution, they endorse the most pragmatic, cost-effective one, irrespective of political ideology. Buying health insurance, as we've said before, isn't the same as buying a car or a refrigerator. It's your life, or your quality of life. How do you put a price tag on that?

Well, you can't, but it still should be possible for consumers to shop around. The state-run health exchange, when it's fully up and running, should offer not just one limited set of gold, silver and bronze plans under Green Mountain Care, but be open to any reputable health insurer. Similarly, consumers should be able to go to hospital Web sites, and find out if the medical procedure they need costs X dollars at their local hospital, or something less than that elsewhere, in- or-out-of-state. Then they can make a decision, based on the hospital's reputation, to save some money by choosing the less expensive option, or pay more because the costlier option is more credible or reliable.

In short, why can't there be much greater transparency about what drives health care costs than there seems to be at present? The free market may not be the solution to all that ails healthcare costs, but along with digitalization of medical records, one common form for health insurers, legal tort reform, and incentives for people to practice healthier lifestyles, greater choices would seem like something desirable.

Here's another thing. Healthcare costs, broadly speaking, won't go down until everyone is in the pool. Universal access to health care and health insurance isn't just morally right, it's smart business too. Mitt Romney, sadly, may have felt it politically necessary to distance himself from the groundbreaking health insurance reform enacted when he was governor of Massachusetts, but he was absolutely on the right path.

And so was the federal legislation passed two years ago, that mandated people obtain health insurance. It's the only way we're ever going to get costs down, because everyone, regardless of their economic status, needs to pay something into the system. Right now we have universal access - it's called the hospital emergency room. That would be fine except that it's a hideously expensive way of providing health care, which we soon won't be able to afford without strict rationing of health services.

We hope the experts in Montpelier who will eventually flesh out the scope and shape of Green Mountain Care take a hard look at the Swiss model. In Switzerland, everyone has health insurance. You have to have it, much like you need a driver's license to operate a car. But you can buy it from a wide variety of sources, based on what you can afford, or want to spend. The spending priorities of a healthy 25 year-old are going to be different from someone who's 60 years-old. The money not spent treating healthy 20 somethings helps pay for the care needed by more senior citizens. But all have to pay to play.

Sounds like common sense.

Meanwhile, there may well be a need for more such forums and discussions such as last Saturday's, and maybe the next time, someone from the state government will be there to explain their approach.

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## **London, Sarah**

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**From:** Allen, Susan  
**Sent:** Thursday, May 17, 2012 6:05 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR THURSDAY, MAY 17:

**WCAX:**

### **UVM to raise tuition at lower rate**

BURLINGTON, Vt. - Tuition is once again set to rise at the University of Vermont but at a much lower rate than in year's past.

UVM trustees will meet Friday and Saturday to consider a 3.5 percent increase.

According to the Burlington Free Press, that's the lowest tuition increase in several years. Over the past decade tuition at UVM has risen 5.5 percent each year.

If approved, in-state students will pay \$13,300 for tuition, compared to \$33,700 for out-of-state students.

### **Shumlin off on number of Vermont Strong plates sold**

MONTPELIER, Vt. - "This is a big day!" said Gov. Peter Shumlin, D-Vermont.

Just not quite as big as he originally thought. Shumlin purchased what he said was the 25,000th Vermont Strong license plate at a press conference last month announcing they were halfway to their sales goal.

"We've got \$25 here I know we have to pay before we play," he said.

Wednesday, WCAX News learned that number was far from the truth. The governor's office says it was the 25,000th plate made, not sold. The \$25 Vermont Strong license plates were created to aid in Irene recovery by donating to the Vermont Disaster Relief Fund. Eighteen dollars from each plate goes toward the relief fund; \$2 to the Vermont Foodbank and \$5 goes to the DMV to create the plates. According to the food bank, as of the end of April they'd only received a little more than \$10,000 in profit from the plates. Since they receive \$2 for each plate, that means only 5,089 plates had been sold.

"I was shocked," said Lt. Gov. Phil Scott, R-Vermont. "I was a bit taken aback because I had never questioned the number."

Scott says he feels misled.

"I felt a bit guilty because I had been promoting this and saying we'd sold 25,000 plates and I don't like to give misinformation," he said.

Scott himself was an active part of the dog and pony show that day, even chipping in for his portion of the 25,000th plate.

"I hope it doesn't hurt the message because, as I said before, we have a lot of folks out there who are still suffering and there's a lot of need out there that's not being met," Scott said.

Scott says this is a classic lesson in don't believe everything you hear.

"You just get pulled in and think it must be true, if somebody said it must be true," Scott said.

We had little luck finding out who's to blame for this misinformation. We called the DMV Wednesday looking for numbers and they never called back. Governor Shumlin's office says they're reluctant to release any new numbers and that this was a miscommunication between the governor and the DMV.

A little more than 5,000 plates and 25,000 is quite a difference, but no one questioned the numbers, so no one checked them before the press conference. Gov. Shumlin's office says they still don't know how many plates have been sold.

### **Vt. could get \$30 million more for Irene damage**

MONTPELIER, Vt. (AP) - The White House has made more federal funding available to Vermont for damage from Tropical Storm Irene.

The president has authorized an increase in the federal reimbursement rate from 75 percent to 90 percent for public assistance projects including repairs to state buildings and municipal roads, bridges and infrastructure.

Gov. Peter Shumlin sent a letter to President Barack Obama on May 3 requesting the increased match.

Shumlin and Vermont's congressional delegation said Wednesday that the change means Vermont could receive more than \$30 million in additional funding.

The Aug. 28 storm damaged more than 3,500 homes, 500 miles of roads and more than 200 bridges in Vermont.

### **Shumlin vetoes bill to study adult protective services**

MONTPELIER, Vt. - Gov. Peter Shumlin, D-Vermont, vetoed a bill Wednesday that aims to protect vulnerable Vermonters.

It would have required a study of adult protective services.

But the governor says there is already another study going on, so the new one would be redundant and cost taxpayers too much money.

### **Vt. governor signs health exchange bill**

MONTPELIER, Vt. (AP) - Gov. Peter Shumlin has signed into law the next step in a multi-year effort to revamp Vermont's health care system and make it more like Canada's.

The bill Shumlin signed on Wednesday calls for setting up a regulated health care marketplace - or "exchange" - in keeping with the federal health reform law passed two years ago.

Vermont plans to use the exchange as a springboard to launch a system which is to be as close as it can get to a single-payer health insurance program by 2017.

### **Vt becomes 1st state to ban fracking**

MONTPELIER, Vt. - The governor signed a law Wednesday that bans hydraulic fracturing in Vermont.

The gas drilling technique better known as fracking has not been proposed here and geologists say it's unlikely the state even has natural gas deposits. But lawmakers passed the bill anyway.

Environmentalists say fracking uses chemicals that are a threat to underground water supplies.

Vermont is now the first state in the nation to ban the hotly debated drilling technique.

### **Investigators unravel big Vt embezzlement scheme**

BURLINGTON, Vt. - "It was a shock. It was painful," Mark Brault said.

The CEO of Brault's Mobile Homes stood outside federal court recounting his emotions after learning two of his longtime employees were stealing cash from his business and cooking the books to cover their tracks. They're now facing federal embezzlement charges.

"The wheels are finally turning," Brault said. "We're seeing some light at the end of the tunnel."

According to court papers, former bookkeeper Gisele Adams, 54, and Patrick Cortright, 32, a salesman for the company, started siphoning the cash from customers and tenants in 2008. The indictment says a year later the bookkeeper's son and girlfriend joined the embezzlement ring, cashing more than \$225,000 in checks Adams made out in their names. Prosecutors say Joshua Therrien and Lynette Fuller forged the CEO's signature on many of the checks. The pair had no comment for the media as they left federal court.

"It's complicated," Brault said. "There was a lot of deception, a lot of collaboration; so they were able to use that to their advantage."

The Colchester-based company operates three mobile home parks in Vermont and receives federal funds through the Section 8 housing program. Brault says the alleged theft went undetected for three years. He admits his company was not as diligent as it should have been when it came to performing systematic audits.

"Well, we were lax on it mainly because of the trust issue," he said. "We had people who were employed by us for 12 years. They were trusted employees. You get into a comfort zone, I'm afraid."

It's a crime that's forever changed the way Brault's does business. But what Brault says he can't change is why his employees stole from him in the first place. Prosecutors say the foursome used much of the stolen money to buy prescription painkillers to feed their own addictions. Opiate use and the crime fueled by that addiction is something Brault says he never saw coming.

"But we've had to deal with it. We come to work every day, pay our bills, pay our taxes and move on," he said.

Cortright pleaded guilty to embezzling from a federal program and agreed to act as an informant in the case. He could face up to 10 years behind bars, but federal prosecutors asked for leniency in exchange for his cooperation.



Adams, Therrien and Fuller denied the charges. All three will go to trial.

Mark Brault says his customers and tenants were unaffected by this crime, but what he's looking for now is restitution or repayment for the money stolen, which is why he says he wanted the case prosecuted on the federal level.

#### **WPTZ:**

#### **USPS to announce processing plant plans Thursday Final word on processing plants**

WHITE RIVER JUNCTION, Vt. - The Postal Service will announce changes to its distribution network Thursday, a representative with the agency tells NewsChannel 5.

USPS plans reduced hours to save rural locations The Postal Service announced a new strategy which could keep post offices open and achieve significant cost savings.

More U.S. Senate passes postal legislation The U.S. Senate has voted to pass widespread legislation reforming the United States Postal Service.

More The announcement is expected around noon Eastern Time, a National Postal Mail Handlers Union representative said. A self-imposed moratorium on potential closures within its mail processing network ended Tuesday.

In December, the Postal Service announced plans to close and consolidate hundreds of its mail processing and distribution centers.

In April, the agency released a list of centers that could remain open. It included the sorting facilities in White River Junction and Plattsburgh.

The Postal Service notified its employees of the changes at its facilities across the country Wednesday night.

According to Postal Service documents provided by the APWU, the agency will begin consolidating and closing plants this summer. No plants will close between September and December due to the election and holiday season. Phase One of planned closures will continue in January 2013 with a second phase in 2014.

The list of plants to close was not released as of Wednesday evening -- though an announcement is expected Thursday.

Several dozen closings are expected, a NPMHU representative said. A new delivery service standard will also be put in place next year, a APWU representative said.

"Prior to public release of any additional information, our top priority, as is standard operating procedure, is to ensure our employees are notified first," said Tom Rizzo, a Postal Service spokesman. "America needs a financially-stable Postal Service to adapt to a changing marketplace and evolving mailing needs. The steps we are taking now will put the Postal Service on a strong financial footing for decades to come."

The U.S. Senate passed a bill in April that would allow the agency to recoup billions of dollars in overpayments. It also would allow for the Postal Service to pay for early retirements and fund new methods of service.

#### **Vt. governor signs health "exchange" bill Springboard to single-payer health insurance**

MONTPELIER, Vt. - Gov. Peter Shumlin has signed into law the next step in a multi-year effort to revamp Vermont's health care system and make it more like Canada's.

The bill Shumlin signed on Wednesday calls for setting up a regulated health care marketplace - or "exchange" - in keeping with the federal health reform law passed two years ago.

Vermont plans to use the exchange as a springboard to launch a system which is to be as close as it can get to a single-payer health insurance program by 2017.

**London, Sarah**

---

**From:** Allen, Susan  
**Sent:** Monday, May 14, 2012 6:17 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR MONDAY, MAY 14:

**BENNINGTON BANNER:**

**Compromise on child porn units' funding**

**BY KEITH WHITCOMB JR.**

BENNINGTON -- Funding over how to tackle the problem of child pornography and computer crimes has been essentially split by the Legislature.

In March, state Attorney General William Sorrell pushed for support in getting \$200,000 for his office to hire a special prosecutor and investigator who would target the sharing of child pornography using peer-to-peer file sharing networks.

The State's Attorneys Association, meanwhile, had been requesting more computer forensics investigators be hired at the Department of Public Safety, specifically the Internet Crimes Against Children task force (ICAC), citing the amount of time investigations into computers seized as part of child porn and other computer crimes, are taking.

Cindy Maguire, assistant attorney general, said her office was recently approved to hire a special investigator, while she believes ICAC was allotted two or the four forensic investigators it had been seeking.

Maguire said the AG investigator has not been hired and likely wouldn't be until the close of the fiscal year in July. That person will be devoted to building cases against people generating or sharing child pornography over peer-to-peer networks, which get more public attention for their use in Internet piracy.

In March, Sorrell said child pornography in Vermont is a growing problem. ICAC has software that can flag files identified as being child pornography, and then track how many times and where that file is moved or copied between computers over peer-to-peer networks. As of mid-March, 250 Vermont Internet service provider (ISP) addresses had been flagged for moving child pornography.

The cases are not as simple as letting a computer program do the work, he said. Once a computer is identified, many things need to happen to build a case from scratch. The actual computer has to be found first, as someone can use a laptop to connect over a wireless network and not even be in the home where the router is located. Once the computer is identified, the user must be found.

Sorrell said the images being found by police are disturbing, and go well beyond what the public views as willing teenagers sending pictures of themselves online. He said the images often involve prepubescent children.

Maguire said there is a proven correlation between those who view child pornography and those who actually harm children.

**NEW YORK TIMES**

**Vermont Towns Have an Image, and They Say Dollar Stores Aren't Part of It**

By ABBY GOODNOUGH

CHESTER, Vt. — Almost two decades after the National Trust for Historic Preservation put the entire state of Vermont on its list of endangered sites, citing big-box developments as a threat to its signature greenness, towns like this one are now sizing up a new interloper: the chain dollar store.

While Wal-Mart has managed to open only four stores in Vermont and Target still has none, more than two dozen Dollar General, Dollar Tree and Family Dollar stores have cropped up around the state. All three companies are thriving in the bad economy — between them, they have more than 20,000 outlets nationwide, selling everything from dog treats to stain remover and jeans to pool toys. Their spread through Vermont, with its famously strict land-use laws, has caught chain-store opponents off guard.

Shawn Cunningham, a resident here in Chester who is fighting Dollar General's plan to open down the street from the town common, said that since dollar stores tend to be much smaller than big-box stores, they are often not barred by local zoning rules meant to keep sprawl in check.

"It's not like you're bringing in a 100,000-square-foot supercenter," said Mr. Cunningham, who started a group, Smart Growth Chester, to fight the Dollar General proposal.

So far, the battle has been in vain; the town's Development Review Board narrowly voted last month to let Dollar General open a 9,100-square-foot store on South Main Street as long as it agreed to 35 conditions, including that it use wood clapboard siding and keep its shopping carts inside.

The project could still be scuttled under Act 250, a state law that empowers regional boards to reject development based on environmental, aesthetic and other criteria. Mr. Cunningham said his group would also file an appeal with the environmental division of Vermont Superior Court.

Supporters of Dollar General's plan to open in Chester — a town in rural southern Vermont, near the New Hampshire border — say that the store would expand the tax base and keep residents from having to drive to larger towns for whatever Chester's lone grocery store does not provide.

But Mr. Cunningham and other opponents say that the Dollar General, which has opened 15 stores in Vermont in recent years, including one in Springfield, less than eight miles away, will be the beginning of the end for what might best be described as Chester's Vermontiness. They theorize that second-home owners will abandon the town rather than abide a discount chain store, tourists in search of a bucolic escape will avoid it and Lisai's Market, the beloved local grocery store, will be forced out of business.

"People come here and stay at the inns and eat at the restaurants not because we have Disney World but because we have Chester," said Claudio Veliz, an architect who moved here from New York. "That is the hull of our boat, and Dollar General wants to put its fist right through the hull."

Citizen groups have also opposed dollar stores in other states, including in New Hampshire, New Mexico, California and Indiana. But such battles can be particularly trenchant in Vermont, with its tourism-dependent economy and fierce protection of its landscape. In Franklin County, opponents fought a proposed Wal-Mart for almost 20 years until the Vermont Supreme Court finally ruled in favor of the project last summer.

Chester, with 3,000 residents, has a number of homegrown businesses, many located in Victorian houses along Main Street. But there is little in the way of generic commercial architecture here — a selling point that drew residents like Mr. Veliz and Mr. Cunningham, who moved his family here from Baltimore in 2004.

"Most of the people in Chester now are people who have come from someplace else," Mr. Cunningham said. "It's like a lot of Vermont. Why come to a place like this only to have it turn into the kind of place you were trying to leave?"

Nodding to that concern, the Development Review Board is requiring Dollar General to use certain materials — the wood clapboard siding, for example, instead of a vinyl alternative that the company wanted. Dollar General on its own proposed a building with a peaked roof, as well as a cupola and a faux hayloft door.

In their decision approving the project, board members noted that a retail store was an “allowed use” in the part of town where Dollar General wants to open. They also said that, by using wood siding, the store would meet a zoning requirement that new buildings “adhere harmoniously to the overall New England architectural appearance” of the town.

Tawn Earnest, a spokeswoman for Dollar General, said the company had a long history in small towns and rural communities, often serving customers who have few retail options. Opposition to Dollar General, which is based in Goodlettsville, Tenn., is “a rare exception,” Ms. Earnest said, adding, “We have been very thoughtful in the placement and design of the store to benefit Chester.”

Paul Bruhn, executive director of the Preservation Trust of Vermont, said opposition to dollar stores has sprung up in at least four other towns in the state. Mr. Bruhn’s group, which seeks to protect what it calls “the essential character of Vermont,” has been tracking the spread of dollar stores since 2010; it provides grant money to citizens’ groups that oppose them, including Mr. Cunningham’s.

“The dollar stores have proliferated in a way that seems a little extreme,” Mr. Bruhn said. “One of the things I think is crucial for Vermont, in terms of maintaining this very special brand that we have, is we don’t want to look like Anywhere, U.S.A. And homegrown businesses are a crucial piece of that.”

The spread of dollar stores has come during a period of decline of the general store, a Vermont institution that in many towns served as a meeting place and all-purpose emporium. This week, the Barnard General Store, not far from Chester, closed after 180 years. Its owners cited the twin blows of Tropical Storm Irene, which badly flooded parts of the state last summer, and a nearly snowless winter that kept skiers away.

Lonnie Lisai, whose family owns Lisai’s Market, said he was already strategizing about how to survive if the Dollar General store opens. A lunchtime salad bar, a selection of fancy cheeses and lower-cost alternatives to popular brands are in the offing, he said.

“If you pay a buck over at Dollar General and you’re going to pay a buck eighty-nine here, it’s, boy, what do you tell the customer?” Mr. Lisai said. “I can’t compete. And hopefully they’ll understand that.”

## **ADDISON INDEPENDENT**

### **Lawmakers cap '12 session**

**BY JOHN FLOWERS**

**ADDISON COUNTY** — Local lawmakers hailed the 2012 legislative session as one of the most productive in recent memory, producing what they said were some major advances in fortifying the state’s roads and bridges, devising a new search-and-rescue policy and advancing health care reform.

It was a busy session that featured a lot of bipartisan cooperation in passing major legislation, according to Willem Jewett, D-Ripton and House majority whip. He cited, as an example, a reapportionment bill that made substantial changes to House and Senate district boundaries. That bill, which in part calls for the Addison County senatorial district to swap Brandon for Huntington and Buel’s Gore, passed with fewer than 10 “no” votes, according to Jewett.

"We passed the budget with 18 'no' votes and the fee bill went through on a voice vote," Jewett said. "The (fiscal year 2013) capital bill didn't even go to conference committee."

Democrats hold an almost two-to-one majority over Republicans in the House (and a similar majority in the senate), but Jewett said the cooperation between major parties this year was exemplary.

That cooperation was also in place for a search-and-rescue bill inspired by the tragic loss of 19-year-old Levi Duclos of New Haven. Duclos died of hypothermia during a trek on a Ripton trail in frigid weather last January. His family voiced concern about the lack of timely search response by the Vermont State Police, a criticism that was echoed across the state. The new law establishes an interim policy requiring state officials to immediately respond to such calls and work in conjunction with municipal and civilian search and rescue organizations. It also established a summer study committee to further evaluate the state's search and rescue policy and make recommendations on how the state's system could be improved.

"We are relieved that the search and rescue bill has passed the House and Senate and that Vermonters are assured a high level of search and rescue response from now on," Kathy Duclos, Levi's aunt, wrote in a statement on behalf of the family.

HEALTH CARE Two Addison County lawmakers played significant roles in advancing a health benefits exchange, a requirement under the federal Affordable Care Act. The Vermont health benefit exchange will include a program to assist income-eligible residents and employers in enrolling in a qualified health benefit plan subsidized in part through federal tax credits.

"We took an important step forward in health care reform this year," said Rep. Mike Fisher, D-Lincoln and chairman of the House Health Care Committee. "There will be significant tax subsidies to enable people to afford access to the care that they need, starting in 2014."

The exchange, Fisher said, will also throw an important economic life preserver to small businesses now struggling to help their employees pay for health insurance.

"It is really important for our small businesses to have new options about how to make sure their employees are covered," Fisher said. "I think there will be significant savings there as well."

Sen. Claire Ayer, D-Addison, is chairwoman of the Senate Health and Welfare Committee, which also helped shape the benefits exchange bill.

"It was exactly what I wanted," Ayer said of the bill. "It keeps insurance programs in the benefits exchange. If we are still in a situation where we have people using different standards and different kinds of administrative processes to do claims and so on, we are not going to be able to realize the savings."

Ayer and Fisher are confident that Vermont could still proceed with health care reform even if the U.S. Supreme Court strikes down key provisions of the Affordable Care Act. The nation's highest court is currently reviewing the law.

"It would be a setback, but not terminal," Ayer said of a potential court ruling against health reforms. "We are just not going to have the same resources we hope are available to us through tax credits and that sort of thing. And remember, we have already gotten millions of dollars from the feds to help us with health information technology and computerization, which should improve access and make it more affordable."

Ayer also cited, as accomplishments, passage of a "good renewable energy bill"; not having to raise broad-based taxes; and revamping the state's mental health system and infrastructure.

"We did a little bit of belt tightening, but by and large, avoided big cuts that are important to people who need services," Ayer said.

Fisher said the 2012 session elicited an interesting debate regarding immunizations and whether the state should require them for all children prior to entering public schools. Lawmakers ultimately elected not to remove a provision in current law that allows parents to exempt their children from vaccinations for philosophical reasons.

"It was a classic case of individual freedoms versus personal responsibility," Fisher said.

## STORM REPAIRS

Rep. Diane Lanpher, D-Vergennes, played a role in shaping the most robust transportation budget in the state's history. But more than \$100 million of the \$658 million spending plan was related to Tropical Storm Irene-related repairs, for which the state received reimbursement from FEMA for the majority of its costs.

Lanpher said she was pleased with the speedy and collaborative process that led to the fixes of Irene-ravaged roads and bridges in just a few months instead of the usual few years.

"We did some really united good work," Lanpher said, citing cooperation with the affected towns, Vermont Agency of Natural Resources and the Department of Buildings and General Services, to name a few.

Indeed, Irene taught the Vermont Agency of Transportation to become more nimble in dealing with road and bridge projects, according to Lanpher. Instead of going through the time and expense of procuring a temporary bridge to allow through traffic during construction, she said the agency is now more dedicated to closing a road or bridge, signing detours, and making swift repairs.

In addition to the rapid repair work, Lanpher was pleased there was enough money in the transportation budget to set aside an additional \$1.5 million for repairs to local roads and infrastructure.

And she was also pleased to have played a role in helping Addison County Transit Resources land a combined total of \$710,000 in grants to help propel its proposed new, \$4.2 million Middlebury headquarters on Creek Road closer to reality.

Lanpher was also pleased to see the Legislature begin debate on a proposed GMO labeling law; pass a bill extending the "Gold Star" license plate to the families of service men and women who died during their service, though not necessarily on a battlefield; ask the University of Vermont's Gunn Institute to help the state measure the health of its economy, and outlaw fracking, a process used in natural gas extraction.

## AGRICULTURE

Sen. Harold Giard, D-Bridport, was particularly happy with new agricultural initiatives passed by the 2012 Legislature. Chief among them: Creation of a Working landscape Enterprise Fund that earmarks \$1.2 million in grants for startup farming and forestry businesses.

The legislation, Giard believes, will move the state from its tradition of "commodity dairy" production to a more diversified agriculture that could eventual supply all of New England with various crops, meats and, of course, milk.

"This is going to set the policy for the next renaissance in agriculture in the state of Vermont, which is a tremendous accomplishment," said Giard, a former farmer and vice chair of the Senate Agriculture Committee. "It is going to be Vermont's own policy on the local foods movement ... setting the state in a position for the new agriculture that is emerging — the fruits, the vegetables, the grass-fed beef."

Giard, also a member of the Senate Education Committee, saw passage of a bill he had introduced back in 2008. That bill seeks to have the state's education secretary appointed by the governor, instead of the Vermont Board of Education. That move, supporters believe, will make the secretary more accountable to the public and the state's education priorities.

"It is a huge step forward in Vermont's education system," Giard said.

Other steps forward enacted by the 2012 Legislature, according to Giard, included the outlawing of fracking; the closure of the State Hospital in Waterbury and ensuring overhaul of the state's mental health system; and the passage of a bill that will create a health care benefits exchange.

#### TAXES & SPENDING

Rep. David Sharpe, D-Bristol, is a member of the House Ways and Means Committee, which deals with tax writing policy. He was gratified that the Legislature was able to not increase broad-based taxes in spite of the daunting Irene repairs.

"I think that's an important piece of what we did," Sharpe said. "We have seen some recovery in the economy, so there was some additional funds available for the general fund and we raised some fees, particularly for the operation of the Agency of Natural Resources for environmental protection."

The additional fees will generate around \$8 million more for the Department of Environmental Conservation, according to Sharpe.

"Those (funds) will go mainly to expediting the permitting process so that people who want to rebuild and need to rebuild, we have a permit process and a staff in place to be able to take care of those permits in a timely manner," Sharpe said.

While the overall fiscal year 2013 state budget of more than \$5 billion is up more than 6 percent, Sharpe said Irene-related recovery accounts for around 4 percent of the increase.

And the Legislature took steps to buttress the state's financial future, Sharpe said, by agreeing on how to treat future budget surpluses. They agreed that 50 percent of such funds would be placed in the state's education fund; 25 percent would be diverted into a "rainy day" fund; and 25 percent would be reserved to help backfill anticipated cuts in federal assistance.

Sharpe was also pleased with passage of the health benefits exchange legislation, but disappointed lawmakers could not agree on a bill aimed at encouraging people to properly dispose of their junked tires. Sharpe said junked tires are plentiful in piles throughout Addison County and beyond, and they could create an environmental hazard if they catch on fire.

The 2012 session saw the substantially out-numbered Republican lawmakers pick their spots to make an impact. Among them was Rep. Harvey Smith, R-New Haven.

"One political party is in charge of all three branches of government," Smith said. "It's difficult working in the minority, but the minority has a voice, and we were heard from, from time to time."

Smith made his voice heard on the health care benefits exchange bill. He voted "no" for several reasons. He based his vote on his beliefs that advocates for the new law have not proven it will reduce or contain costs, and that the federal government in its financially strapped condition is likely to withdraw financial support. He is also skeptical about state government taking on management of Vermont's health care system.

"The problems associated with health care will still be there in the future," Smith said.



Smith also voiced concern about increases in the state budget and the toll it — and future increases — will take on the majority of Vermonters, whose salaries have remained largely stagnant for the past three years.

“We are spending more than we are taking in, and that is asking citizens to pick up the tab,” Smith said.

Smith, a lifelong farmer, was pleased to see the Working Landscape legislation pass.

“We made some great gains there,” he said.

#### **VALLEY NEWS:**

CEO, Co-Founder of Solar Power Developer Steps Down White River Junction -- Jeff Wolfe, co-founder of groSolar, has stepped down as chief executive officer of the White River Junction-based provider and developer of commercial and utility-scale solar energy systems.

(This story did not move on-line. I will try to get a copy today)

## London, Sarah

---

**From:** MacLean, Alex  
**Sent:** Wednesday, May 09, 2012 2:22 PM  
**To:** Roessle, Drusilla  
**Subject:** Re: more bill signings

Cassandra

Sent from my iPhone

On May 9, 2012, at 1:43 PM, "Roessle, Drusilla" <Drusilla.Roessle@state.vt.us> wrote:

> Is Cassandra Gekas our contact at VPIRG? Ben Walsh? Can you forward contact info when you get the chance?

>

> THANK YOU.

>

> -----Original Message-----

> From: MacLean, Alex

> Sent: Wednesday, May 09, 2012 1:38 PM

> To: Melamed, Marisa; Roessle, Drusilla; Trombley, Shana

> Cc: Lunge, Robin

> Subject: RE: more bill signings

>

> Ellen Oxfeld, VPIRG, Deb Richter...

>

> Alexandra MacLean

> Secretary of Civil and Military Affairs

> 1-802-272-0443

>

> From: Melamed, Marisa

> Sent: Wednesday, May 09, 2012 1:09 PM

> To: Roessle, Drusilla; Trombley, Shana

> Cc: Lunge, Robin; MacLean, Alex

> Subject: RE: more bill signings

>

> Not sure...Robin?

> (she is on a plane to D.C. right now, but can probably answer a little later this afternoon)

>

> From: Roessle, Drusilla

> Sent: Wednesday, May 09, 2012 1:00 PM

> To: Trombley, Shana

> Cc: Lunge, Robin; Melamed, Marisa; MacLean, Alex

> Subject: RE: more bill signings

>

> I'm about to send out the invite for s.223.

>

> We're going to have a big list for 559-robin or marisa, do you think you'd know who needs to be here apart from committee members and other legislators?

>

> Thanks,  
> Dru  
>  
> From: Trombley, Shana  
> Sent: Wednesday, May 09, 2012 12:25 PM  
> To: Roessle, Drusilla  
> Subject: more bill signings  
>  
> We also need to send out invites for Autism and Health Exchange bills...  
>  
> Bill: S223, Autism  
> Date: May 16th 1:30pm  
> Loc: Ceremonial Office  
>  
> I sent a message to Claudia Pringles and I've reached out to Doug. Can you invite the legislators?  
>  
> Bill: H559, Health Exchange  
> Date: May 16th 2pm  
> Loc: Ceremonial Office  
>  
> I haven't told anyone anything on this....  
>  
> Shana Trombley  
> Scheduler  
> Governor's office  
> 802.828.3333 (o)  
> 802.371.7499 (c)  
> shana.trombley@state.vt.us<mailto:shana.trombley@state.vt.us>  
>  
> Visit Governor Shumlin's Online Resources:  
> Website<<http://governor.vermont.gov/>> | Facebook<<http://www.facebook.com/Governor.Peter.Shumlin>> |  
> Twitter<<https://twitter.com/#!/GovPeterShumlin>> | YouTube<<http://www.youtube.com/user/VTGovernor>>  
>

**London, Sarah**

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Alexandra MacLean  
Secretary of Civil and Military Affairs  
1-802-272-0443

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Shana Trombley  
Scheduler  
Governor's office  
802.828.3333 (o)  
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shana.trombley@state.vt.us<mailto:shana.trombley@state.vt.us>

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**London, Sarah**

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**Cc:** Lunge, Robin  
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Alexandra MacLean  
Secretary of Civil and Military Affairs  
1-802-272-0443

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shana.trombley@state.vt.us<mailto:shana.trombley@state.vt.us>

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Twitter<<https://twitter.com/#!/GovPeterShumlin>> | YouTube<<http://www.youtube.com/user/VTGovernor>>

**London, Sarah**

---

**From:** MacLean, Alex  
**Sent:** Monday, April 09, 2012 10:20 AM  
**To:** Allen, Susan  
**Subject:** RE: Draft press release - survey

Ah, sorry, thanks

Alexandra MacLean  
Secretary of Civil and Military Affairs  
1-802-272-0443

---

**From:** Allen, Susan  
**Sent:** Monday, April 09, 2012 10:19 AM  
**To:** MacLean, Alex  
**Subject:** RE: Draft press release - survey

Yes, his story ran yesterday and was really good (headline not great, but article was good):

Vermonters still in dark on key health care law

By Peter Hirschfeld

Vermont Press Bureau - Published: April 8, 2012 MONTPELIER — Though it's been the subject of one of the most intense legislative debates in Montpelier this year, the vast majority of Vermonters still know nothing about the "Health Benefits Exchange" that could soon change the way they buy their health insurance.

A survey of 1,000 Vermont residents has revealed that nearly three-quarters have never heard of the online insurance marketplace. Set to go into effect on Jan. 1, 2014, the federally mandated "exchange," as it's commonly known, has been compared by policy makers to a sort of Hotwire for health insurance products.

"We clearly have a lot of educating to do about what the exchange will be and getting that information out there," said Lindsey Tucker, deputy commissioner of the Department of Vermont Health Access.

If lack of awareness is the bad news, said Commissioner of Health Access Mark Larson, then here's the good: Vermonters by and large are intrigued by the concept.

Three-quarters of the residents surveyed said they would be "very interested" or "somewhat interested" in using a website to find and compare health insurance plans. About 80 percent of residents said they would be "very motivated" to use a site that allowed them to compare prices, contrast benefits, and to gain access to federal subsidies — all features that Larson said Vermont's exchange will contain.

"People are open to learning more about the exchange and are seemingly very comfortable in the idea of using the exchange as a marketplace for health coverage," Larson said. "They want to be able to independently and in a convenient setting make decisions about health care."

The random-digit telephone survey of 1,000 Vermonters — results of which will be unveiled publicly later this week — is part of a "public engagement" strategy designed to gather the information Larson and Tucker say they need to fashion the exchange.



Part of the Patient Protection and Affordable Care Act signed into law by President Barack Obama in 2010, the exchange is mandated to go live in all 50 states by 2014.

Each state, however, has the latitude to customize its version of the online marketplace.

Lack of public awareness of the exchange belies its status as one of the marquee issues in Montpelier this year, where competing interests have been battling since January over its design.

The Vermont Chamber of Commerce, Associated Industries of Vermont and other business organizations have clashed with administration officials over what kind of plans will be offered on the exchange and whether small businesses will be allowed to purchase plans outside of it.

Requiring companies to purchase from inside the exchange, many business groups say, will constrain choice, reduce competition and drive up prices.

The results of the survey won't settle that debate. But Larson and Tucker say they will drive key decisions about how the exchange ultimately operates.

For instance, Tucker said, when it comes to questions about choosing a plan, only 30 percent of residents said they'd be comfortable getting help from a website, while 47 percent said they'd want help by phone, and 59 percent said they'd prefer an in-person consultation.

"A lot of people do want that face-to-face, real person to assist them," Tucker said. "So that will inform us as we think about the outreach strategies we are using."

Critics have called the \$40,000 survey an underhanded ploy that allows the Shumlin administration to use taxpayer money to gauge public support for the governor's key campaign platform: single-payer health care.

The survey was funded with money from an \$18 million federal exchange-establishment grant.

They point to two questions asked at the outset of the 59-question survey: "Have you ever heard of Green Mountain Care?" and, if yes, "Would you say you have a positive, neutral, or negative opinion of Green Mountain Care?"

The term "Green Mountain Care" is commonly meant to refer to the single-payer health care system outlined in reform legislation signed into law by Gov. Peter Shumlin last year.

Larson said the term "Green Mountain Care" also refers to the collection of government-subsidized health plans, like VHAP, Catamount and Dr. Dynasaur. About 25 percent of Vermonters, he said, carry Green Mountain Care cards.

The survey, conducted by the Washington, D.C.-based firm Lake Research Partners, found that 64 percent of Vermonters have heard of Green Mountain Care. Of them, 42 percent had a "very positive" or "somewhat positive" view of Green Mountain Care. Eleven percent had a very/somewhat negative view, and 38 percent were neutral.

Larson said the survey has cemented his confidence in the merits of the exchange concept. Vermonters, he said, are open to the idea of purchasing their health insurance from an online marketplace. Now, so long as the U.S. Supreme Court doesn't strike down the ACA, his department just has to design one they can use.

"People haven't heard a lot about it yet, but they're interested and seem comfortable with the idea," Larson said. "The purpose of this survey is to establish a baseline benchmark of what people know, and what they want to know. And in that respect it's been very helpful."

-----Original Message-----

From: MacLean, Alex  
Sent: Monday, April 09, 2012 10:05 AM  
To: Allen, Susan; Lofy, Bill  
Subject: RE: Draft press release - survey

Looks fine to me. Did they give Pete H. a heads up of any sort?

Alexandra MacLean  
Secretary of Civil and Military Affairs  
1-802-272-0443

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From: Allen, Susan  
Sent: Monday, April 09, 2012 9:22 AM  
To: Lofy, Bill; MacLean, Alex  
Subject: FW: Draft press release - survey

This looks good to me, pretty straightforward. It will generate a negative response from Wennberg and Co., so you might want to skim it yourselves.

Sue

-----Original Message-----

From: Larson, Mark  
Sent: Sunday, April 08, 2012 9:44 PM  
To: Tucker, Lindsey; Lunge, Robin; Allen, Susan  
Subject: RE: Draft press release - survey

I added a couple of comments.

Mark

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From: Tucker, Lindsey  
Sent: Saturday, April 07, 2012 8:38 PM  
To: Larson, Mark; Lunge, Robin; Allen, Susan  
Subject: Draft press release - survey

Evening all. Here's the draft press release for Monday with my edits, questions. Any other questions for GMMB or edits?

Mark, Sue and I thought it would be a good idea for the release to come from DVHA. Would you like me to work with Sarah Monday to send it out from you?

Thanks!

Lindsey Tucker  
Department of Vermont Health Access  
Sent from my iPhone

Begin forwarded message:

From: Lindsey Tucker <lindseymtucker@gmail.com<mailto:lindseymtucker@gmail.com>>  
Date: April 7, 2012 8:34:37 PM EDT

To: "Tucker, Lindsey" <Lindsey.Tucker@state.vt.us<mailto:Lindsey.Tucker@state.vt.us>>

Subject: Draft press release - survey

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Tuesday, February 28, 2012 6:25 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR TUESDAY, FEB. 28:

**VTDIGGER:**

**Inside the Golden Bubble: Layoffs complicate mental health bill passage in the Senate**

**BY ANNE GALLOWAY**

*Editor's note: Inside the Golden Bubble is an occasional column about the legislative process.*

The Shumlin administration has been pressing the Legislature to pass a bill ASAP that will set the stage for the reconfiguration of the mental health system. Gov. Peter Shumlin wanted the legislation on his desk by Feb. 17. When that deadline blew by, Town Meeting Day was the new deadline. But the former senator from Windham County must have forgotten the phenomenon known as legislative time. The fast paced, smooth sailing that can easily lead to the torpor of the doldrums when legislation hits stormy seas, that is, when senators or representatives ask questions, propose amendments and generally deviate off the course of fast passage.

Such was the case last Thursday, when Senate President John Campbell suspended the usual rules of the Green Room and attempted to put H.630, the mental health system bill that includes a provision for the Vermont State Hospital replacement facility, through all stages of passage — a neat trick whereby, if all parties agree, i.e., the GOP and the Dems, the Senate can go through first, second and third readings of a bill in one sitting.

Senate President Pro Tem John Campbell struck a deal with his GOP colleagues. In order to get the rules suspended for fast passage, he needed approval from three-quarters of the senators. In other words, he needed Republicans and his fellow Dems to go along with the idea. He made his pitch: There would be no politics, only substance on this issue.

"I have a very good relationship based on trust, and I asked them if they would go along with voting to suspend the rules and make sure no one would be hanging out there without treatment,"

Campbell said. "I promised there'd be no politics, and they agreed (to suspend the rules).

Lo and behold, politics did emerge — from a corner the president pro tem least expected.

Passage looked possible there for a while, until Sens. Vince Illuzzi and Joe Benning, both Republicans, and others effectively routed the proceeding. There were questions about whether Act 250 would be circumvented (there's a passage about expediting construction), whether a provision to protect state workers was strong enough, and finally whether the legislation would give the state the flexibility to build more than 16 beds if need be.

Questions in the real world sometimes lead to answers; in the Legislature answers come in the form of amendments, political rhetoric and votes.

Hence, the all stages-of-passage agreement hit a wall in a hurry. A flurry of amendments ensued.

Delay was inevitable and the Town Meeting Day deadline slipped away.

Later that evening, however, the delay was compounded by new news: Information had been leaked.

The Shumlin administration was about to announce the layoffs of 80 state workers from the defunct Vermont State Hospital.

Though the move was anticipated, the timing was unexpected. The news flash took nearly everyone in the Senate by surprise — including Campbell. Suddenly, the fast track passage of H.630 was seen

by some in a different light, and Campbell was worried about the perception that he knew about the reductions in force in advance and was trying to push through the legislation on behalf of the Shumlin administration before state employees were notified of the layoffs.

"Not only would I think that was a pretty lousy thing to do, also it was hard to go back and explain to Republican colleagues that this wasn't about politics," Campbell said. "I apologized to everyone as soon as I found out. None of them thought I was aware of this when I asked to suspend the rules." The senator felt slighted by the administration's handling of the Senate vote, particularly given his loyal support of the key issue — Campbell has said he supports a 16-bed state psychiatric facility over the 25-bed proposal that came over from the House.

"The administration put me in a very bad place in the sense that I'm push something for what I believe is for the right reasons and of course the administration wants it pushed," Campbell said. The plan was to get the bill out on Friday, but the layoffs threw the Green Room into a tizzy and a vote was put off until this week.

Jeb Spaulding, the secretary of the Agency of Administration, blamed the Vermont State Employees Association for the timing. He said the union wanted to "roil the waters and get concessions."

"Personally, it's very disappointing that Vermont State Hospital employees who were affected had to hear about this on the news because the VSEA leaked it on their own members," Spaulding said. He said the layoffs had nothing to do with the bill in the Senate. "The reason we were pushing bill was because the governor asked for it to be on his desk by Feb.17," Spaulding said.

"We were on a course to do that," Spaulding said. "We said look there are things in bill including the budget adjustment act for fiscal year 2012 in this bill. The Budget Adjustment Act is now passed. We can't we get this done by town meeting, we concluded, unless the bill passed last week — that was the rush."

That course was detoured. An H.630 bill signing before Town Meeting Day is not going to happen. Senate committees will give the three amendments in the offing a once-over on Tuesday before the bill goes to the floor again on Wednesday. Then the legislation has to go to conference committee. A celebratory gubernatorial signing is at least two weeks away.

And it would likely only be celebratory if the governor got his way — that is if a 16-bed facility is approved. The House bill — and the three Senate amendments in play — all press for more beds. Sens. Philip Baruth and Tim Ashe, both of Chittenden County, are proposing a 25-bed psychiatric facility; Benning's legislation gives the state the option of signing up for 25, if needed; and Sen. Vince Illuzzi, R/D-Essex-Orleans, is demanding up to 50 beds. The proposals were reviewed by Senate Health and Welfare on Friday, and they go to the Institutions and Appropriations committees on Tuesday.

Download a copy of [H.630 Benning amendment](#)

Benning and Illuzzi are both concerned that the administration has rejected an offer from Fletcher Allen Health Care to take over the responsibility for the hospital and, as Benning put it, "nullify worry about whether Medicaid will cover" operating costs.

The Shumlin administration has said it would not build a larger psychiatric facility because of Medicaid rules that could kick in that would limit the number of beds to no more than 16 that the state would be reimbursed for at a 60/40 match level. Institutes for Mental Disease, under Centers for Medicaid and Medicare rules, cannot be larger than that and receive federal funding without a waiver. [Vermont has long had a waiver that enabled the state to operate the old Vermont State Hospital, which had 54 beds.](#) The state's current waiver expires in 2014. If a teaching hospital is associated with an institute, no waiver is needed because the rules allow CMS to reimburse the state — regardless of the size of the facility.

[The governor has rejected exploratory proposals from Fletcher Allen and has said he doesn't want the hospitals to control the state psychiatric facility.](#)

His administration has proposed a community-based mental health system for severe psychiatric patients that includes the state-run facility, several regional hospitals, a small secure facility for patients with forensic psychiatric issues and a number of step down facilities. Officials have said this network of supports could serve 80 patients in all.

Benning and Illuzzi each said in separate interviews that they are worried that the administration has decided not to retain people who are skilled at handling patients with severe psychiatric problems. Illuzzi's amendment cites a 1996 agreement between the VSEA and the Department of Corrections regarding a private-public partnership. The deal allowed state employees to continue to work with a contractor that provided mental health services to prisoners. Illuzzi wants to make sure state employees can stay on at private hospitals. His bill also requires the secretary of the Agency of Administration to contract with Central Vermont Medical Center and Fletcher Allen Health Care. The bill also requires private facilities to report bodily harm incidents and death. Illuzzi said the legislation includes statewide standards for involuntary medication, restraint and seclusion.

## **Bill would clamp down on health insurance brokers' fees**

**BY ALAN PANEBAKER**

The House Committee on Health Care plans to discuss a bill this week that would shake up the way insurance brokers get paid.

The committee will consider legislation that would require insurance companies to disclose how much they pay to brokers starting in July and prohibit the inclusion of brokers fees in insurance premiums starting in 2014.

Currently in the small group market in Vermont, which includes businesses with 50 or fewer employees, broker commissions are "baked in" to the rates. Basically, whether people use a broker to help them find the right health insurance plan or not, the cost is the same.

In the final day of discussion of H.559, the health care reform bill, the committee opted to postpone the issue and take it up as a committee bill.

On Friday, as the House debated H.559, two Democrats offered an amendment that would require insurance companies to spell out these fees starting in July and when the state implements a Health Benefits Exchange in 2014, brokers would have to get paid directly from the consumer. They withdrew the amendment on the House floor with an agreement that the health care committee would take it up as a separate bill.

Rep. Mike Fisher, D-Lincoln, offered the amendment, along with Rep. David Sharpe, D-Bristol, and Rep. Suzi Wizowaty, D-Burlington.

Sharpe said through his personal experience running a small business, he would use a broker, but he never really knew how much he was paying for the service or how it factored into the insurance premium.

"What really concerned me was if they presented three options and recommended option A, I never knew whether that option was the best for them or the best for my company," Sharpe said. "It concerns me that I don't have that knowledge up front."

Under the language introduced by the two representatives, all insurance plans would have to disclose what the rates are for brokers.

The issue, for Sharpe and Fisher, who first brought up the issue in committee, is that businesses who do not use brokers are subsidizing those who do. At least in the small group market, people pay a commission for brokers in their monthly premiums, regardless of whether they use one.

"You don't save any money by not using broker," Sharpe said. "What it means is if you don't use broker, you're paying for other people to use one."

Fisher, who chairs the House Health Care Committee, said it's all about transparency. Fisher said he was somewhat shocked when the issue came to light.

"People should know what they're buying and how much it costs," he said.

While some lawmakers are concerned by the apparent subsidy, some brokers say a large shift in how they get paid could have unintended consequences.

Tom Rugg, an account executive with Hickok & Boardman Group Benefits, said in the small group market, insurance companies generally include a 3 percent to 4 percent broker commission in the premiums. In other words, businesses that don't hire brokers are subsidizing companies that do. In the small group market, if one company buys insurance for \$400 a month, he said, it can hire a broker without paying an extra fee. A business that doesn't use a broker pays the same total monthly amount. For the large group market, payment methods can vary from brokers invoicing larger companies to including the fee in the rates.

Rugg said he understands lawmakers' intent to create more transparency.

"I'm fine with transparency," Rugg said. "My worry is that their intent and what they're actually putting on paper are two different things."

One of the potential issues that could arise, Rugg said, is an increase in administrative costs.

Currently, most businesses in the small group market use brokers, Rugg said. The Department of Banking, Insurance, Securities and Health Care Administration then approves insurance rates with the brokers' commission built in.

Requiring brokers to collect individual fees from employers, which they would have to do in 2014 under Sharpe's amendment, would mean brokers would have to track down hundreds of clients to invoice them.

The current system, Rugg said, is far more efficient. He said brokers are all for transparency.

"Don't just throw the system out," he said.

## **Digger Tidbits: Group criticizes activists for "sham" websites; Defunct prescription program goes by the boards**

**BY ALAN PANEBAKER**

The group Vermonters for Health Care Freedom, a non-profit 501(c)(4) political organization, is taking the Shumlin administration and VPIRG to the mat on two issues that came up last week. First, the group, which states its mission as being "deeply concerned about health care reforms being proposed by Governor Shumlin," called out the Vermont Public Interest Research Group and the group Vermonters for Single Payer for creating sham Web sites.

Cassandra Gekas, a health care lobbyist for VPIRG, registered a number of domains very similar to the Vermonters for Health Care Freedom site. Some send users to a VPIRG or Vermonters for Single Payer page. Others send them to a mirror site of the Vermonters for Health Care Freedom site that reads "Paid for by the Koch Brothers" — a spoof on the wealthy Koch brothers, known for their generous contributions to conservative political causes.

Vermonters for Health Care Freedom founder Darcie Johnston filed a complaint with the Vermont Secretary of State last week, alleging misappropriation of a registered trade name.

Gekas points out that she registered some of the domains, the ones that forward people to VPIRG, before Vermonters for Health Care Freedom received its certificate of incorporation in April 2011. The "Paid for by the Koch Brothers" site showed up in May. Johnston said she announced the creation of the organization a month before Gekas registered any of the names.

Gekas said the issue is not about "dirty tricks" as a Vermonters for Health Care Freedom press release states. She says it's a distraction from substantive issues in the health care debate. And how do you copyright "freedom?"

"The name Darcie chose for her organization is purely descriptive and you can't copy write 'freedom,'" Gekas said in an e-mail to VTDigger.org. "In fact, I see myself as a Vermonter for Health Care Freedom – it's just that my definition of 'freedom' differs dramatically from Darcie's."

In another maneuver last week, Johnston asked for copies of text and email messages sent from Robin Lunge, director of health care reform for the Shumlin administration, and Rep. Mike Fisher, chair of the House Committee on Health Care. Johnston said the group filed the request after learning Lunge was "coaching" Fisher during the debate on the House floor last week. Lunge said the high-tech messaging is standard practice, but Johnston and some House Republicans questioned the Shumlin administration's influence in the legislative process.

~ Alan Panebaker

### **Defunct prescription program repealed**

Last week the House voted to do away with a mail-in prescription drug enrollment program that bombed.

In 2005 Vermont passed a law that would have allowed consumers to purchase prescription drugs from Canada at less than they would cost locally through a program called I-Save Rx. A Canadian company would administer the program and fill the prescriptions. The law required the state of Vermont to provide a link to the Canadian Web site and help promote the program.

Down the line, the program flopped, and now calling the phone number sends callers to some sort of phone sex line.

Rep. Oliver Olsen, R-Jamaica, offered an amendment to H.559, the health care reform law, Thursday that would have repealed the law enacting I-Save Rx and required the Joint Fiscal Office to do a study to find out what went wrong. Facing a likely defeat Thursday, Olsen withdrew his amendment. He reintroduced it Friday. It passed, but the idea for the independent study failed.

"It seems that the majority would like to quietly sweep that whole thing under the rug," Olsen wrote in an e-mail to VTDigger this week.

- Alan Panebaker

### **Mental health official to work for insurer**

Rebecca Hines is parting company with state government, and moving on to the private sector. Recently, Hines became the new associate counsel for the Blue Cross Blue Shield) Department of Banking, Insurance and Health Care Administration.

In that politically difficult period shortly after the gubernatorial election last fall, when Gov. Peter Shumlin was in the process of picking his team, Hines travelled with Christine Oliver from the Department of Banking, Insurance, Securities and Health Care Administration to the Department of Mental Health. Hines took the position of deputy commissioner of the department, while Oliver became commissioner. Less than six months into the job, Hines picked up another role — executive director of the Vermont State Hospital — when longtime director Terry Rowe left the psychiatric hospital to return to a less visible, less intense environment in the Agency of Human Services. Hines served double duty as deputy commissioner and interim executive director for the hospital from the summer onward and after the hospital was closed in September after Tropical Storm Irene severely damaged the building.

### **Abenaki tribes near state recognition**



BY ERIN HALE

Two bands of the Abenaki Nation are nearing state recognition as Native American Indian tribes after a decades-long struggle.

The tribes have met the criteria for recognition of a Native American tribe required by the Vermont Commission on Native American Affairs, which was established by Vermont law in 2010 and recommends tribes for recognition.

Tribes must provide evidence to meet nine criteria established by the commission including that the majority of members reside in a specific geographic location within the state's borders and that a substantial number are related through kinship; that they have a well-documented historical connection with Vermont through archaeological, historical or ethnographic evidence; and that they cannot be recognized by another state or province.

Tribes submit their applications to the commission, then a three-member expert panel of scholars and professionals review them, and if all criteria are met, the commission recommends recognition. The Legislature can speed up official recognition by approving legislation recognizing a tribe, but if it takes no action, the recognition automatically becomes official two years after commission recommendation.

Two bands — the Elnu Abenaki in Windham County and the Nulhegan Band of the Coosuk Abenaki Nation in northeastern Vermont — gained state recognition last year. A bill in 2006 formally recognized the Abenaki as Native Americans, though it did not entitle them to any rights.

State recognition will open the door to educational and financial resources for the bands, such as federal Indian education funding for schools with Abenaki students, scholarships, and grants for economic development and cultural revitalization, according to Luke Willard, the commission's chair.

On Feb. 14, two bands — the St. Francis-Sokoki Band of the Abenaki Nation at Missisquoi in northwestern Vermont and the Koasek Band of the Koas Abenaki Nation from the Connecticut River Valley near Newbury — made their cases before a joint hearing of the Senate Committee on Economic Development, Housing, and General Affairs and the House Committee on General, Housing and Military Affairs.

St. Francis-Sokoki band Chief John Churchill testified that state recognition will bring cultural pride to his band.

"Pride is a big thing. Whatever nationality one says you are, you don't have to prove it. If you say you're Abenaki or Native American, for some reason you have to prove it," he said.

Roger Longtoe Sheehan, chief of Elnu Abenaki, testified on the positive cultural impact of recognition, particularly in his band's relationship with other nations.

"It's a pride thing so you can walk into a pow-wow and go to any sort of site that would be tied to the culture and be able to say, 'We're Abenaki,'" Sheehan said, later adding. "Unless you get state recognition, they basically won't talk to you."

Since recognition, the Elnu Abenaki have been invited to an annual canoe trip down the West Coast by regional bands. A similar though smaller event has been organized locally on the Connecticut River and New England coastline.

The St. Francis-Sokoki Band, whose 2,400 members span four counties in northwestern Vermont, has been working towards federal recognition since the early 1970s. However, a major obstacle for both the St. Francis-Sokoki and the Koasek has been finding documents supporting their cases to meet recognition criteria that a majority of members have continuously resided in a historical area.

Peter Thomas, the retired director of the University of Vermont's archaeology program, questioned the logic of applying contemporary borders to an area that has been occupied by Native Americans for 11,000 years and the Abenaki since at least the 1600s.

"In terms of the majority of members residing in a specific geographic location in Vermont, I have never considered modern political boundaries as having any relevance to a community's territory," Thomas said.

All of the commission's expert witnesses, each with a background in archaeology or history, spoke of the additional obstacle of finding records from the early Colonial era to modern times.

Because Abenaki territory spanned the borders of New Hampshire, Vermont, New York, and Canada, there was often confusion as to which geographic area Native Americans officially resided in. This has been a particular issue for the Koasek band, which has traditionally lived along the Connecticut River in what is now Newbury, Vt., and Haverhill, N.H. As part of the application process, the band had to show that the majority of its members – eventually found to be 58 percent – lived within Vermont. Two major archaeological sites in Swanton have helped the cause of the St. Francis-Sokoki: a burial site dating back 2,200-2,800 years discovered in 1973 and a second burial site found in 2000 that contained the remains of 27 Abenaki, and artifacts from the 17th through 19th centuries.

Proving kinship ties and genealogy has been another challenge for the tribes. Though Jesuit missions recorded their contact with Abenaki, in the 18th and 19th centuries individuals from Native American or mixed background were often listed as "pagan" or "colored" in census data, not necessarily "Indian." Vermont's eugenics movement in the 1920s and 1930s further damaged record keeping.

"We're not dealing with absolutes here. In my own family, there are 14 versions of the spelling of people's names. English names. If you go a while back to the French, and the Abenaki, and the whole rest, the data is not clear-cut," Thomas said.

Eloise Beil, an expert review panelist from the Lake Champlain Maritime Museum, made a similar point in her testimony that a lack of physical records was not uncommon for Native Americans.

"That's the challenge of dealing with folk society, people who operate outside of power structures," she said. "They operate based on oral traditions."

However, for both the St. Francis-Sokoki and the Koasek, family documents from band members that had previously not been shared helped to piece together genealogy lines.

The St. Francis-Sokoki were rejected for federal status in the 1990s, a point which was questioned by committee members. However, Willard and Fred Wiseman, the chair of humanities at Johnson State College, were quick to defend the band in their testimony from what they saw as a lobbying game.

"It seems to take between \$5 million and \$12 dollars of funding and often times the operation of casinos prior to providing the information necessary to get the political clout in Washington to be able to get recognition," Wiseman said.

Willard said the expensive process federal recognition was one of the reasons behind the creation of the Vermont commission.

"I can tell you that what my goal has been since I started with the commission was to nullify federal recognition," Willard said. "Why do we need federal recognition if we have a state government that is willing to work with the tribes and is willing to enact state policy and legislation that will successfully meet the needs and empower the native people of the state? I just don't see the sense in spending millions of dollars just so you can get a thumbs-up from people who are hundreds and hundreds of miles away."

Willard was careful to note that the resources available to recognized bands should not be confused with "entitlements."

"I prefer the term 'rights.' Try to look at it this way: If you are a recognized citizen of the United States, you have certain rights and resources available to you. If you are a recognized citizen of Canada, you have certain rights and resources available to you. Likewise, if you are a recognized citizen of a Native American Indian tribe, you have certain rights and resources available to you," Willard said in an email.

Willard said he expects the Legislature and the governor to approve the bills this session. The Koasek Traditional Band of the Abenaki Nation, headquartered in the Thetford area, is likely the only remaining Abenaki tribe in Vermont that will seek recognition, Willard said.

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Monday, February 27, 2012 6:21 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR MONDAY, FEB. 27:

**VALLEY NEWS:**

**Energy Efficiency Program Back in Vt.**

**By Aimee Caruso**  
**Valley News Staff Writer**

An energy-efficiency financing program that stalled out across the country last year over concerns raised by the Federal Housing Finance Agency is back in action in Vermont, and will appear on Town Meeting warnings in several Upper Valley towns. Some of the details are still being worked out, but officials from Vermont Energy Investment Corp. say the program should be ready to accept applications this summer.

In 2009, Vermont passed a law allowing municipalities to create "property assessed clean energy" districts, known as "PACE" districts. The program offers loans to residents to improve their homes' energy efficiency, calculating their projected energy savings as future income in determining eligibility. Upgrades, such as installing more efficient cooling or heating systems, are eligible, as are renewable energy projects like solar electric systems, solar hot water systems, small wind systems and micro-hydro systems.

Vermont is one of 27 states that offer the program, and more than a dozen towns have elected to create the districts. But no projects have yet been completed.

In March, Town Meeting voters in about two dozen other towns -- including Hartford, Hartland, Norwich, Sharon, Strafford, Tunbridge, Vershire and Woodstock -- will also vote on establishing the districts.

Proponents say the program will ultimately cut energy bills, reduce greenhouse gas emissions and provide work for contractors.

Thetford was one of the Vermont towns that voted last year to create a PACE district but couldn't proceed with the program because of objections raised by the Federal Housing Finance Agency. The town encouraged residents to undertake energy-efficiency projects by establishing a similar, temporary program that offered grants rather than loans, and 20 residents took advantage.

Diane C. Osgood was one of them. She applied the grants to cover about half the \$10,000 cost of insulating her North Thetford home, a small cape that her parents built in 1948. The upgrade is projected to cut her heating bills in half, to about \$900, and eliminate 3,960 pounds of carbon dioxide emissions annually.

Osgood said she was grateful to have been able to take part, not only because of the financial savings, but also for the opportunity to lower her environmental impact.

"For this program to come along, and have the incentives it did, was just a blessing," she said.

The program aims to allow homeowners to achieve similar energy savings, but by financing the work through loans rather than grants.

The whole point of the loans, which cover 100 percent of a project, is to save homeowners money, said Lynn Bohi, a member of the Hartford Energy Commission. "There are plenty of other places to spend your money rather than having it go through your walls."

In the past, Vermonters who wanted to make their homes more energy efficient had just two choices -- save the cash or take out a bank loan, Bohi said.

"PACE will allow people who can't do either of those ... a third method of payment. It's just getting money to a different set of people."

Under the program, homeowners can borrow up to 15 percent of their home's assessed value -- up to \$30,000 -- for energy improvement projects. The amount financed by the program, plus any outstanding mortgages on the property, cannot exceed 90 percent of the home's assessed value. One drawback to the program is that the loans are more expensive than bank loans, Bohi said, probably about 2 percent higher than fixed-rate mortgages, which now run about 3.3 percent for a 15-year loan or 4 percent for a 30-year loan. "You do it because you can't get a loan from a bank." More people would be eligible for the loans, which are at a fixed rate and can be paid back over 20 years, than would be for a mortgage or line of credit, because the projected energy savings count as income. So, in theory, homeowners should be better able to pay back the loan, using the money they saved.

Roxanne Russell, mortgage officer with Wells River Savings Bank, said under conventional financing arrangements, customers who wanted to make energy upgrades would likely take out a home equity line of credit or a second mortgage.

The current fixed rate for a 10-year second mortgage is 4.25 percent, and the line of credit has a variable interest rate, currently 5 percent. Borrowers pay interest only during the 10-year term, and the lien would have to be repaid before the property was sold.

The bank would probably not consider projected energy savings as income, Russell said, since there are so many variables in New England, like the cost of fuel and whether a home is south facing.

The money for the clean energy districts will come from one or more banks and will provide funding for a "credit facility," which is like a revolving credit line, said Peter Adamczyk, energy finance and development manager with Vermont Energy Investment Corp., which runs Efficiency Vermont.

The program is designed to make energy improvement projects more attractive to those who might move after a few years -- the loan stays with the property, and discharging the remaining lien becomes the responsibility of the new homeowner. Only those who choose to participate pay into the program.

The application process takes into account factors like project costs and projected energy savings, and the estimated carbon impact of the proposed improvements.

Efficiency Vermont, the state's energy efficiency utility, will evaluate all of the loan applications and also administer the program for municipalities that want its services. The agency recommends that homeowners who are considering applying begin with an energy audit. The cost of the audit, typically between \$350 and \$500, can be rolled into the PACE loan, if the project is approved.

Municipalities that choose to create the clean energy districts can use the program wholesale from Efficiency Vermont or alter it to suit their purposes.

The Federal Housing Finance Agency opposed the program as it was originally structured in Vermont, and other states, because program liens were prioritized over primary mortgages. That is, if a bank foreclosed on a homeowner, the PACE lien would be paid before the mortgage.

But last year, Vermont lawmakers passed legislation to allay the agency's worries, placing the lien in a subordinate position. They also created two loan-loss reserve funds to protect lenders against default.

The first will be funded by participants. Homeowners who elect to participate in the program will pay a one-time fee, 2 percent of the project cost, to the fund. Should a homeowner go bankrupt, the loan

would be paid from the statewide fund until the property is sold and the new owner resumes the assessment.

The second will be funded with 5 percent, up to \$1 million, of the Regional Greenhouse Gas Initiative fund, money that was "already designated for energy savings," Adamczyk said. The money, which the state earns by selling its carbon credits, will act as a backup, should the first account be depleted. The Legislature also awarded a contract to Efficiency Vermont to administer the program at no cost to municipalities.

After Thetford voters approved a clean energy district last year, the town "repurposed" a grant to create a temporary version of the program rather than wait for Federal Housing Finance Agency problems to be addressed, said Tig Tillinghast, Selectboard chairman.

Under the temporary program, Efficiency Vermont and a stimulus grant the town received covered some of the project costs, with participating homeowners paying the remainder. Tillinghast said the program, which used the same project eligibility requirements as PACE, has been "a fantastic success."

Based on results from 13 homes, the average cost of improvements was about \$7,300, with a projected savings of \$800 a year, said Bob Walker, who directs the Sustainable Energy Resource Group, which helped manage the incentive program. On average, the projected efficiency improvement for the jobs was 27 percent, he said, which means homeowners are expected to use 27 percent less energy to heat their houses.

Pam Podger, who lives in Union Village, said she and her family were grateful "to have active and aware volunteers in Thetford who landed this program."

Under the one-time program, she and her husband, John Cramer, improved the heating efficiency of their 100-year-old farmhouse by about 43 percent.

After an energy audit, they chose projects with "the most bang for the buck," Podger said, like sealing air leaks and upgrading the insulation in the attic, blowing cellulose insulation into the walls, and installing a vapor barrier and sealing ducts in the basement.

Cramer helped with the work on the Union Village home, adding to the couple's savings. After grants, they paid about \$500 for the project, which cost \$3,100.

The three-step process, which included an audit, the work itself, and a post-project review, was "totally worth it," Podger said.

The family, which paid about \$3,200 for oil and propane during the 2010 heating season, expects to save about \$1,200 annually.

One of their sons' rooms has two exterior walls and a large window, and was very drafty, so they "would pile sweaters and blankets on him," Podger said. "He is toasty warm in that room now, and there's no draft."

And their home is more comfortable overall.

"We can now keep thermostat down to 61, and it's still really nice and toasty with a sweater on," she said.

In New Hampshire, both commercial and residential properties are eligible for PACE projects. But the Granite State has not created a loan-loss reserve fund for the districts and does not provide administrative support for towns that opt to create them. Instead, municipalities must administer the program themselves and establish local loan-loss reserve funds to insure against defaults.

Eric Steltzer, an energy policy analyst in the New Hampshire Office of Energy and Planning, said a few towns, including Hanover, have expressed interest, but none have yet created the districts.

Julia Griffin, Hanover's town manager, said in an email last week that the lack of support makes it "much more difficult to create a PACE program in New Hampshire. ... At this point, the PACE legislation is in jeopardy and we are taking a wait-and-see approach rather than trying to do anything at our Town Meeting this year."

However, as in many states, New Hampshire's major electric utility companies offer customer incentives for energy-saving projects, Steltzer said.

The "Home Performance with Energy Star" program offers interest-free revolving loans that can be repaid over a period of up to seven years. It also offers rebates of 50 percent, up to \$4,000, for projects that make homes more energy efficient. Similar programs are also available in Vermont. The financing amounts are smaller, and the repayment periods shorter than on loans available through PACE. Depending on the project, PACE participants may also be eligible for other energy improvement incentives, including the energy star program.

In Thetford, organizers recently offered a seminar promoting energy-saving programs.

"People in Thetford tend to be pretty energy-conscious," Tillinghast said. But like many Upper Valley residents, "we live in the most energy-inefficient homes" -- farmhouses, older homes and housing stock that was intended to be seasonal.

Last year, members of the Energy Committee and other volunteers went door to door with literature about the town's incentive program, among others, and offered "rough energy audits," comparing the square footage of a home to the homeowner's energy costs.

For many, the experience was an eye-opener, Tillinghast said.

"A lot of people had no clue how much difference in efficiency they could get," he said. "We told them, 'If you do X, Y and Z, here's a source of savings.' "

So far, "dozens and dozens" of Thetford residents have expressed interest in the program, Tillinghast said.

And the fact that only residents who participate in pay into the program is a real draw, even for those choose not to use it -- they can vote for the program because their neighbors want it.

Most people agree that saving energy and money is a good thing, "and particularly everyone agrees on the money part," he said. "The only loser here is the oil companies, so that's positive."

## **BENNINGTON BANNER:**

### **At 107, Ethel looks back**

NORTH BENNINGTON -- Ethel Helena Raney recalled "terrible" flooding that tore up roads and dug gashes deeper than the high ceilings of her kitchen, where she sat Saturday to re-tell the experience. "(The flooding) went right past our house, and tore the road all up. ... Of course we didn't go out into it. We stayed right there in the house, we didn't go out. And I had the cows in the barn so I knew they were alright."

At the time, Raney lived in New Ashford, Mass., which was spared the worst of the storm. To the north, flooding in Vermont was much more widespread, and the devastation would prompt a presidential visit to Bennington the next year.

The Great Flood of 1927 dumped between six and seven inches of rainfall in northwestern Massachusetts, according to National Weather Service records, but Raney's home was fortuitously situated atop a hill.

Born and raised on a farm in the New Ashford area, Raney moved to Bennington to live with family in 1984. Today, Feb. 27, the still-spry North Bennington resident will mark her 107th birthday. The centenarian said she had walked many miles in her life, but "never drove no car."

"Well, she did drive a tractor," once, said Marty Paquin, Raney's youngest of six children. "That was her only driving experience," which ended in the woods, said Paquin, who along with her husband Tom Paquin now live with Raney.

"My two oldest boys, I'm telling you. They made me get on the tractor. 'Ok,' I said. 'I'll get on the tractor.' But I said, 'What are you going to do?' And they said, 'I'm not telling,'" said Raney. "They started it up. They said, 'You take it, and steer it just like you're steering a bicycle.' I said I'd never rode a bicycle. I never rode a bicycle in my life."

"And I said, 'I don't want to take and learn how to do anything on this tractor.' And they said, 'Come on, I'm getting on too.' And of course they didn't. They told me a story, oh boy."

Through the years, Raney said she walked everywhere, to school as a child -- before there was a school bus, to a single-room schoolhouse heated with a wood stove ("and that schoolhouse was full of kids. You couldn't put another child in it") -- and as an adult, well into her days in North Bennington.

"I've done a lot of walking in my life," said Raney.

"I walked all the way from New Ashford to Williamstown ... and all the way over ... wind(ing) down to North Adams. ... I walked even to Pittsfield. From my house to Pittsfield. That's New Ashford, Lanesboro, and Pittsfield. Way down."

Walked to work often

"She used to clean houses in Williamstown, South Williamstown, Hancock. And she would walk there, clean house for four, five hours, and then if she was lucky someone would drive by and give her a ride home," said Paquin.

Raney remembers as a teen riding in horse-drawn buggy, past gypsy encampments at the Old Stone School House at "Shingle Hollow," the intersection of routes 22 and 7 in Hoosick, N.Y. The 1842 stone building next to Stewart's was built through the efforts of the wife of George Tibbits, the largest landowner in the area at the time.

Following the last classes in 1917, gypsies took up camp during summers, from the 1920s into the early 1940s, according to a written history by Hoosick Town Historian Phil Leonard.

Raney recalls traveling past the stone schoolhouse, and having her mother tell her not to look toward the encampment of tents and horses. "There used to be a lot of gypsies a long time ago," she said.

"I'd have to walk through the woods because the darn gypsies are down on the main road."

More recently in North Bennington, Raney established a well-worn walking route through the village.

"There was a time when ... I'd come home from work and I'd be, 'Where is Grandma and the two older kids?'" said Paquin. "They'd be out strolling." Paquin said her mother is known as "'Grandma' to everyone," to the point where the North Bennington postmaster knew where to direct letters for "Grandma Raney."

"And they knew everyone in the neighborhood. So I'd have to go looking for her, to say, 'Come on, it's time to come home and have dinner.'" Paquin said she would call next door to ask whether they had seen her mother. "They'd say, 'No, but we did earlier.' ... Then I'd call the next house, and ask if she was there, and they'd say, 'No. She was an hour ago.'"

Raney was the oldest of eight children, and her daughter said Raney's father left the family in 1921. She helped raise her younger siblings and tended the farm, where they owned cows, horses, and sheep, and grew carrots, beets, and cucumbers.

She married William Raney in May 1934, and the couple were nearing their 50th anniversary when he died in 1983.

Today, Raney enjoys the extended family afforded to her by longevity, including some 15 grandchildren, 24 great-grandchildren, and nine great-great grandchildren -- the most recent just born Feb. 4. "I've got a mess of them."

A "quiet" meal Sunday to celebrate the birthday entailed about 13 for dinner, Paquin said, comprised of immediate family. Much of the extended family still resides within the immediate Northeast.



In addition to time with family, Raney still enjoys socializing and meeting new people, and also baking -- Johnnycake, rhubarb and pumpkin bread. She recently got to watch two grandchildren play in basketball games at their respective schools.

"She was at Catamount (Elementary) for a 10 o'clock game, and then she was up to the middle school" later that day, said Paquin. "So yes, she gets out and about."

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## **Wind project faces appeal**

SEARSBURG -- An environmental group has appealed last month's decision by the U.S. Forest Service to allow the erection of 15 wind turbines in the Green Mountain National Forest in Searsburg and Readsboro.

The appeal filed by the nonprofit group Vermonters for a Clean Environment cites negative impacts on the wilderness, water quality and a conflict of interest in the Forest Service's decision. The group has requested a response from the USFS within 45 days.

"The permit decision violates federal laws on numerous grounds -- conflict of interest, failure to independently evaluate noise and aesthetics, the impacts of blasting and the impacts to groundwater, the changed circumstance regarding bats, and the degradation of the neighboring George D. Aiken Wilderness, to name a few," Annette Smith, the executive director of VCE, said in a media release.

The project proposed by Deerfield Wind, LLC, a subsidiary of the Spanish company Iberdrola Renewables, is to build 15 wind turbines nearly 400 feet high and spaced a half-mile apart on the ridgelines to the west of Route 8 in Readsboro and east of Route 8 in Searsburg. Together, the turbines are expected to produce 30 megawatts of power.

The project, which the Vermont Public Service Board approved in 2009, would be the first of its kind on Forest Service land.

VCE is working with a team of lawyers and researchers on the appeal of the project. "We believe we have a very strong case," Smith said, "and we understand the important precedents this case will set."

In addition to numerous negative impacts on the wilderness and water quality, VCE claims experts who prepared the independent analysis for the Forest Service were also working for Iberdrola on a wind project in New Hampshire at the same time.

VCE's appeal has been filed with the Forest Service's Eastern Regional Forester Chuck Myers, based in Milwaukee, Wis.

Contact Dawson Raspuzzi at [draspuzzi@benningtonbanner.com](mailto:draspuzzi@benningtonbanner.com)

## **BRATTLEBORO REFORMER OP-ED:**

### **Moving forward on health care reform**

**BY CAROLYN PARTRIDGE**

This week we passed a health care bill that sets up a Health Benefits Exchange for the state of Vermont. To be very clear, this is required by the Affordable Care Act that was passed on the federal level, not by the Green Mountain Care bill we passed in Vermont. We could have chosen not to set up

the Exchange, but the federal government would have done it for us and it seemed better, especially given our work on Green Mountain Care, to tailor the Exchange to meet our needs.

At this point, it would be valuable to review some of the aspects of the present health care picture to get some perspective. Health care costs have been skyrocketing for many years - in Vermont, health care costs have grown at more than \$1 million every day. We have known for a long time that this is not sustainable - we need to bend the upward curve of health care costs.

More Vermonters and Vermont businesses find it impossible to afford comprehensive health care coverage for themselves and for their employees. It also puts a huge strain on municipal and school budgets. If we can find a solution to runaway health care costs, Vermont will be an even more attractive place for businesses to locate.

As we move forward with health care reform, there are several important goals. All Vermonters should have access to affordable, comprehensive health care that gives them the care they need when they need it, with a focus on preventive medicine that offers physicals and screenings, which save money in the long term. Health care should be paid for in the most cost-effective way with a minimum of administrative costs, and provider payments should be fair and reflect the cost of the service.

So what is the Health Benefits Exchange and how will it benefit Vermonters? The Exchange is a website that, starting in 2014, will give "apples to apples" coverage and cost information about available health care plans, and through which these plans will be purchased. In 2014, the individual and small group insurance markets will merge. With information from the website, Vermont small businesses (fewer than 50 employees) and individuals will be able to choose the level of coverage they want. There will be several levels to choose from but there is a minimum level of coverage, which is known as the Bronze plan. Under the Bronze plan, 60 percent of the cost of care will be covered by the plan, 40 percent will be covered by the individual.

Health care plans will be sold through the Exchange only. This was a point of contention during the debate. There was an amendment that would have allowed for the sale of plans outside the Exchange but it was rejected by the Health Care Committee and the House for a number of reasons. One of the greatest values of plans sold inside the Exchange is that it gives "apples to apples," transparent information so that employers and individuals can make informed choices about the coverage they want. An employer can decide what kind of contribution they want to make to their employees' premiums and the employee can, in turn, choose the plan that is right for them. Another great benefit is the portability offered - even if they lose their job, Vermonters will be able to keep their health care coverage.

The Exchange will provide tax credits to the employer for a percentage of their contribution to their employees' premiums - up to 35 percent of their contribution. Individuals will receive tax credits depending on their income. A household of four will receive federal tax credits with a yearly income of \$92,200 or less. An individual earning less than \$44,000 per year will also qualify. Plans outside the Exchange would not allow Vermonters access to tax credits to help pay for their premiums and could be subject to brokers' fees. Inside the Exchange there will be one set of administrative costs so expenses will be reduced.

Overall benefits include the fact that small businesses will no longer have to shoulder the burden of health care costs or administer health care for their employees and the state of Vermont will receive \$18 million to set up the Exchange.

As we move from the current health care system, which is clearly broken, change is necessary and that is sometimes hard. It is imperative that we employ strategies that improve care for all Vermonters whether they are employed or not, reduce costs to individuals and employers, and pay providers fairly for their services. The Health Benefits Exchange is a step toward those goals.

**Rep. Carolyn Partridge**, D-Windham, is chairwoman of the House Agriculture Committee.

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Monday, February 27, 2012 6:11 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR MONDAY, FEB. 27:

**TIMES ARGUS/RUTLAND HERALD:**

**Vt. campaign-funding resolution faces obstacle**

By Kevin O'Connor

STAFF WRITER - Published: February 27, 2012

Opponents of a U.S. Supreme Court decision lifting curbs on corporate political spending have hit an unexpected obstacle in their attempt to debate the issue at Vermont town meetings: a state Supreme Court decision limiting non-local advisory articles.

Activists have convinced more than two dozen communities to discuss their call for a constitutional amendment instituting federal campaign spending limits. But local leaders in half as many more cities and towns have declined those requests, citing a Vermont ruling giving them discretion to reject nonbinding resolutions outside a municipality's jurisdiction.

"Unlimited expenditures affect all elections, not just state and federal," says Aquene Freechild, a senior organizer for Public Citizen. "We haven't seen a lot of expenditures on a local level, but that doesn't mean we never will. We live in a country where we want our voices to be heard at all levels. This is an important conversation."

More than a dozen municipalities, however, are pointing to a 2007 Vermont Supreme Court decision that says they don't have to put advisory articles on their annual town meeting agendas — even if properly petitioned by 5 percent of voters and filed 40 days in advance — if the item is outside their purview.

Local leaders at least 13 communities have rejected requests to include the item, resolution organizers report, although supporters in those and others hope to introduce the issue informally at their meetings.

For years, the Vermont League of Cities and Towns has found itself in the middle of the debate over whether to place more provocative advisory articles on meeting agendas to boost attendance or stop devoting time to "think global" issues outside of "act local" control.

"Every year there is some 'cause celebre' that makes it to the top of the milk bottle," says Steven Jeffrey, executive director of the Vermont League of Cities and Towns, "and this year, the constitutional amendment happens to be the big one."

The push for changes to campaign funding comes in response to a U.S. Supreme Court decision — *Citizens United v. the Federal Election Commission* — that ruled 5-4 that corporations share the same

First Amendment rights as individuals to donate freely to causes.

U.S. Sen. Bernie Sanders, I-Vt., has proposed a "Saving American Democracy" constitutional amendment to overturn the court action. In response, state Sen. Virginia "Ginny" Lyons, a Williston Democrat, is seeking grass-roots support by introducing a legislative resolution and supplemental town meeting request.

The local advisory article, referring to the Citizens United ruling, asks communities to urge state and federal officials to promote a constitutional amendment that "provides that money is not speech, and that corporations are not persons under the U.S. Constitution."

Almost a dozen groups organizing under the umbrella "Vermonters Say Corporations Are Not People" are promoting the effort, including the national Common Cause, Move to Amend and Public Citizen campaigns, Occupy Vermont, the Peace and Justice Center and the Vermont Public Interest Research Group.

Supporters have won placement of the item on ballots in Barnet, Brattleboro, Bristol, Burlington, Charlotte, Craftsbury, East Montpelier, Fletcher, Greensboro, Hardwick, Hinesburg, Jericho, Marlboro, Monkton, Montgomery, Montpelier, Ripton, South Burlington, Thetford Center, Tunbridge, Walden, Waltham, Williamstown, Williston, Winooski, Windsor, Woodbury and Woodstock.

Activists who have lost bids to place the article on other local ballots are attempting different means.

"They're raising the issue in letters to the editor of local papers, organizing local forums, trying to bring a vote from the floor," Freechild says.

### **Strategy called into question**

(AUTHOR NOT LISTED, ASSUME THIS IS THE PRESS BUREAU):

Randy Brock may not be a fan of Gov. Peter Shumlin's plan for single-payer health care. But that doesn't mean he's on board with the stream of negative radio ads being aired by the state's leading anti-single-payer group.

In a 57-second spot airing on four central Vermont stations, Vermonters for Health Care Freedom is targeting by name Reps. Paul Poirier and Mark Woodward. The harshly worded ad asks constituents to call the House reps, and demand to know why they aren't supporting legislation that would force the Shumlin administration to release a financing plan for its single-payer plan before this November.

Brock himself wants the administration to unveil the financing plan in advance of the 2012 elections too — he's actually sponsored a bill to that effect in the Senate.

But he's not keen on the organization's strategy.

"I'm not sure that's an appropriate thing to do at this point and it's certainly not something I'd take part in," Brock said last week. "In fact I think activities like that, if anything, work against the cause, not for it."

Which is kind of funny, given that the person behind the ads — the voice in the ads, actually — is

running Brock's gubernatorial fundraising operations.

Darcie Johnston, founder of Vermonters for Health Care Freedom, has long been a go-to fundraiser in Republican circles. And she's being paid by the Brock campaign to bolster the coffers of the newly announced candidate.

"I'm very careful to keep a firewall between the activities she's doing for me and policy development," Brock explained.

Despite his misgivings about her communications strategy, Brock says Johnston is doing good work on the fundraising end. Asked whether he'd crested the six-figure mark, the Franklin County senator was coy.

"I will neither confirm nor deny that," he said. "I will say that things are going very well."

Shumlin meets the press

At his weekly news conference Wednesday, Gov. Peter Shumlin offered his thoughts and opinions on a range of familiar issues, from Vermont Yankee to the new version of the well-testing bill he vetoed last year.

A quick rundown for you ...

On incoming UVM President Thomas E. Sullivan: "I think that the board made an extraordinary choice," said Shumlin, who met with Sullivan after the UVM Board of Trustees settled on their choice. "He was very thoughtful, he listens well, he's very bright, he has a great vision for the university."

As for the president's \$447,000 annual salary, Shumlin said "I have never had a problem with paying a UVM president a competitive salary."

On the well-testing bill, a version of which he vetoed last year: "If you're going to have a mandate, why not apply it to areas of the state you know have a high likelihood of testing positive for arsenic," Shumlin said. He said he thinks the Senate Committee on Natural Resources is on the right path with the new legislation.

"Better yet, use education as a means of informing Vermonters about the risks," he said. If the Legislature comes back with a bill that requires "every single Vermonter to run \$600 test ... I suspect I would greet that with the same enthusiasm I did last year."

On state-issued ID cards for migrant workers: "I think it would allow for less confusion and better identity of guest workers in the state, so I think it makes a lot of sense ... All the ID cards is this is where I live and this is who I am," Shumlin said. As for granting guest workers the right to get drivers licenses, Shumlin was less receptive.

"This is simply an ID card, and I think that's the place to start," he said.

On Sorrell's decision to appeal the Yankee case: "I support the attorney general's appeal of the decision. I firmly believe Judge Murtha's decision is wrong, that it should be overturned by the

Second Circuit, and I'm fairly confident we're going to make some progress ... We have an aging nuclear power plant scheduled to be shut down in March 2012 ... and that's when I believe it should be shut down. Obviously that's not going to happen now, so I want to move as quickly as we can through the Public Service Board and Second Circuit to try to get a satisfactory decision for Vermont."

On meeting with Chinese Vice President Xi Jinping: "One of the most interesting meetings I've been to was the one I had with Xi Jinping, Vice President Joe Biden, and (three other U.S. governors and seven Chinese governors)," Shumlin said of his meeting last week in Los Angeles.

"In a closed door meeting I was convinced that this incoming president of China understands America and American culture and the obstacles we find to growing jobs and economic opportunities with our major trading partners," Shumlin said. "He understands our culture, he understands our people, he understands we need to tear down obstacles to trade on both sides. I believe opportunities like that depend on personal relationships and interactions. I found him to be charming, open and willing to talk to Vermont about how we can grow economic opportunities for both Vermont and China."

## Working lands update

Remember that "working lands" bill we wrote about a while back?

Since then the House and Senate Agriculture committees have taken weeks of testimony on legislation that would create a board that would give out grants and loans, help provide technical support and help build up infrastructure for the farming and forest products industries.

On Thursday morning the House Agriculture Committee gave it's unanimous support to the working lands bill that is designed to boost jobs in forestry and farming industries and protect Vermont's pastures and forest lands.

The vote was 11-0.

The crucial question remains: Will the Legislature set aside money for the program?

"That is the big question, and all I can say is that I know there's a good effort being made to find money to be appropriated to invest in this area," said Amy Shollenberger, a lobbyist working on the bill.

The working lands bill House Ag approved includes an "ask" of \$2.2 million, but the House Appropriations Committee still has to weigh in.

Miller states her plans

Hinda Miller, a five-term Democratic senator from Chittenden County, said last week this term will be her last.

As a member of the Senate Committee on Health and Welfare, Miller has been embroiled over the past year in the heated debate over single-payer health care. She's been a go-to lawmaker for Vermont employers seeking to add business-friendly amendments to various pieces of health care legislation. It's won her some notoriety among fellow Democrats, but Miller has made no apologies for voicing opinions sometimes used as talking points by anti-single-payer groups.

Most recently, she teamed up with Republican Sen. Vince Illuzzi, as well as the Vermont Chamber of Commerce, to fight administration proposals that would require small businesses to purchase their health insurance from the health benefits exchange.

Miller today said she's a proponent of "transformative" change in the health care system, but that she isn't wedded to any single reform mechanism.

Asked why she's leaving now, Miller, founder of Jogbra, said her life tends to play out in 10-year cycles.

"I spent 20 years doing Jogbra, 10 years here in the Senate, and now I have another 10 years of creation somewhere else," she said. "I've learned all the lessons I have to learn here."

She plans to pen a book detailing her experiences as an entrepreneur, yogi and mother.

"I have some observations about life that I'm ready to share now," she said.

She said she has a legislative successor in mind, but wouldn't name the person she'd like to see fill her shoes after the November elections.

## Ripton man running for Senate

A 48-year-old Ripton resident told the Vermont Press Bureau on Tuesday he's running for the Vermont Senate this year in Addison County and will be specifically targeting Sen. Claire Ayer's seat.

Robert Wagner, who said he's a business consultant for the IT company Oracle, hasn't filed his paperwork yet, but has a campaign website up at [www.senatorwagner.com](http://www.senatorwagner.com). The site gives a glimpse at the Independent candidate's libertarian views and is worth checking out.

Wagner said he has never held elected office but was inspired to run by Vermont's financial mess and concerns the state is becoming an "Indian reservation."

"I have children here and I want it to continue to be a good place for them to live, but I see it

turning into an Indian reservation,” said Wagner. “Indian people should be rich, but they’re living on handouts. The same holds true for Vermont governance in that we’re given federal handouts in place of opportunities.”

If the state taxed its natural resources, said Wagner, it could avoid reliance on the federal government.

Ayer has entered his crosshairs because of a couple positions she has taken, said Wagner, including her support for a measure pending in the Senate that would pressure more parents to immunize their kids.

“I’m specifically opposing Claire Ayer,” said Wagner. “She has used her position on the Health and Welfare Committee to go after parents who aren’t vaccinating their children on behalf of big pharma while refusing to go after Entergy for fines and damages for Entergy’s pollution of our groundwater.”

Ayer said Wagner ran against her in the last election cycle.

### **Despite numbers, Vt. tries to stamp out legal bias**

By WILSON RING - Published: February 27, 2012  
THE ASSOCIATED PRESS

MONTPELIER — With its small but rapidly growing minority population, Vermont’s top law enforcement officials and lawmakers are trying to ensure the state’s African-Americans, Hispanic immigrants and other minorities don’t feel the sting of discrimination.

Yet discrimination appears to be finding its way into the actions of at least some members of Vermont’s law enforcement community and the percentage of African-American inmates in the state’s prisons is 10 times their rate in the population, a figure that has doubled in the past decade, statistics show.

So state police are setting out to improve training to ensure that there is a legitimate reason for troopers to come into contact with minorities — and when they do, that minorities are treated the same as white Vermonters.

The Legislature is considering a bill that would require Vermont’s criminal justice system to keep detailed records of the race and ethnicity of the people who encounter the system. It’s hoped the study can help determine whether bias is at least partly responsible for the disproportionate number of African-American prison inmates.

The same bill would also require all of the state’s police departments to adopt “bias-free” policies.

The 2010 census showed 95.3 percent of Vermont’s 626,000 people are white.

“We are so homogenous,” said Robert Appel, the executive director of the Vermont Human Rights Commission. “For so long, Vermonters didn’t interact with people of other races.”



Yet thousands of refugees and others have moved to Vermont and the same census found minorities made up 36.8 percent of the state's new residents.

Officials across the country began to recognize the need to collect race and ethnic data in the 1980s, said Hilary Shelton, the director of the NAACP's Washington bureau and senior vice president. Some law enforcement leaders welcome the information, but others have resisted it, he said.

He said that as states like Vermont become more diverse, they're taking such actions as the data collecting to assess treatment of minorities and adjust as needed.

Similar issues are seen in Iowa, which like Vermont has a small but growing number of minority residents and a black prison population that's much greater than the state's in general, said the Rev. Keith Ratliff of the Maple Street Missionary Baptist Church in Des Moines, Iowa. Police there understand the changing demographics and the risks of discriminatory behavior.

"They see the same things we see. They must train their police officers not to do these things; it's a training process," said Ratliff, the NAACP's state conference president for Iowa and Nebraska and a member of the national board.

The study of 50,000 traffic stops done by the Vermont State Police for the year ending last July found minority drivers were more likely to be stopped and ticketed and their vehicles searched than white drivers.

Appel said that in the past 2 ½ years, the commission he leads has received 10 complaints from black drivers or passengers alleging racially biased treatment by Vermont law enforcement agencies, a substantial portion of his organization's caseload.

"We'd like to think we are an enlightened state and in many ways we are, but if you talk to people who are members of the communities of color ... there are numerous examples of bad experiences that you and I as white folks wouldn't have," state Rep. Suzi Wizowaty. The Burlington Democrat introduced the measure now being considered that would require the criminal justice system to keep detailed records of race and ethnicity.

"The only counter to bias is looking at data and making the facts more available to your consciousness and taking into consideration the fact that you might be biased," she said.

The same bill would also require all of the state's police and sheriff's departments to adopt "bias-free policing" policies designed to ensure people don't come into contact with police because of their race or ethnic makeup. Last fall, the state police amended its policy to keep troopers from asking an individual about his or her immigration status when investigating a non-criminal matter.

The Brattleboro-based Vermont Partnership for Fairness and Diversity says it works to "eliminate prejudice and discrimination of all kinds." Curtiss Reed Jr., the partnership's executive director, says the group has worked with the Vermont State Police on the issue for years.

State police leaders know what's at stake in a state that sells its products beyond its borders and relies on out-of-state tourists for much of its livelihood, he said.

"We're not selling milk products to the Boston Irish any more. We're selling it to the Pakistanis and the Congolese and the Cape Verdeans and other folks," Reed said.

"The state police get this, they are sometimes the only direct contact that a visitor will have with an official of Vermont," Reed said. "How do you conduct your policing in such a way that people walk away from it feeling as though, 'Oh, in Vermont I understand that public safety is of paramount concern irrespective of race, gender, sexual orientation or any other characteristic?'"

Appel has worked for five years to address the issues with the chiefs of police in Chittenden County, where most of the state's minority population lives. Those agencies are adapting.

"They get calls from community members saying there are three African-American men standing in the park wearing baggy shorts, please send a cruiser," Appel said. "In the old days they would send a cruiser, but there's no reason to send a cruiser without some indicator that they are engaging in criminal activity."

Now the dispatchers have been trained to ask the caller if there is any indication a crime has been or is about to be committed. If the answer is no, the caller is told that no officers will be sent.

Then the dispatcher transfers the call to the shift supervisor, Appel said, "to explain what the Constitution says, which is if you're not breaking the law you have a right to be left alone."

## **House improves health care bill**

BY GEORGE MALEK (CENTRAL VERMONT CHAMBER)

The House version of the health care bill included important improvements to soften the transition to a health care exchange. The changes, endorsed by Gov. Peter Shumlin and Senate leader John Campbell, allow a broader range of plans in the exchange, and delay the inclusion of firms with 50 to 100 employees.

Together these steps mean fewer businesses will abruptly enter this uncharted territory next fall, and they will have a wider range of options available. The less economic disruption there is, the better for the Vermont economy.

Unfortunately, the bulk of the chaos will fall on small business owners who have precious little time to deal with any complexities that may arise. Participants in the VACE Insurance group, offered by chambers of commerce throughout the state, average fewer than five employees. It is Vermont's largest small group program.

Having bronze-level plans increases the number who can consider continuing employer-sponsored coverage.

Having a similar plan available in the exchange won't necessarily translate into a similar premium. According to the state's analysis, small group premiums will increase nearly 20 percent when they

enter the exchange. The advantage these groups have achieved by pooling resources will be lost. The savings gained by reducing utilization will also disappear. The cost-shift burden from Medicare and Medicaid underpayment currently borne by private insurance will carry over into the exchange.

"Improved" isn't "fixed" — and there are no simple fixes.

The health care marketplace has been distorted over many decades. The exchange will consolidate the distortions, but it doesn't remedy them.

Within the context of the original bill, the house deserves credit for the steps taken.

Small employers are a better able to cope than they were in January.

Now the bill moves to the Senate...

George Malek is executive vice president of the Central Vermont Chamber of Commerce.

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Saturday, February 25, 2012 6:32 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR SATURDAY, FEB. 25:

**BRATTLEBORO REFORMER:**

**Man killed on Canal St. Second fatal pedestrian/vehicle accident in 3 months**

BRATTLEBORO -- For the second time in less than three months, a person hit by a car in Brattleboro was killed.

On Thursday night at 8:11 p.m., Gary Lumba, 64, of Brattleboro, was hit on Canal Street by a vehicle being driven by a 71-year-old woman.

According to police, the driver is cooperating with investigators and her name is being withheld at this time. Members of the Vermont State Police Reconstruction Team and the Brattleboro Police Department are investigating the cause of the accident.

Late last year, on Nov. 30, at about 6:30 p.m., Susan Press, 68, was struck by a vehicle on Western Avenue near the intersection with Spruce Street. She died Jan. 11 at Dartmouth Hitchcock Medical Center in Lebanon, N.H.

In addition, three other people were injured by vehicles in the past three months.

In early January, two women out for a stroll on Western Avenue near Garfield Avenue were struck by a drunken driver. They both received minor injuries.

And on Nov. 21, an elderly female pedestrian was hit by a car on Putney Road Monday afternoon and received a head injury. She was walking south, in front of Dunkin' Donuts, when a customer coming out of the parking lot pulled out and struck her.

*Bob Audette can be reached at [raudette@reformer.com](mailto:raudette@reformer.com), or at 802-254-2311, ext. 160.*

**House passes reformed health care legislation**

BRATTLEBORO -- The Vermont House approved health care legislation Friday designed to make insurance more affordable to the middle-class, but critics still question the costs of such a system. In an 88-38 vote, lawmakers passed the measure which implements a health benefits exchange as required under the federal Affordable Care Act. The implementation of this exchange in 2014 makes \$350 million available from federal subsidies and tax credits for a household of four earning \$92,200 or less and individuals making \$40,000 or less.

Supporters say the legislation frees business from the burden of administering health care coverage, however opponents contend the exchange would not create the "robust marketplace" as promised. The bill now heads to the Senate for consideration.

Ultimately, the measure is designed to move the state forward to comply with federal mandates so that in 2014 and 2017, Vermont can take the broader step toward a universal single payer system. Rep. Mike Mrowicki, D-Putney, said the bill takes another small step toward the final goal of universal access through a single payer.

"Primarily, this year's health care bill sets up the insurance exchange as mandated by the federal Affordable Care act. Much of [Friday's] debate was between those supporting the status quo and

those of us who want to move forward with reform," he said. "Some in the debate would like to ignore the reality

that the current system is the result of decades of rising costs, less access and declining health outcomes. It's clear we can't go back to the system and the policies that got us in this mess in the first place. It's time take brave steps forward to something better."

But questions remain on how the state will pay for such a system.

Vernon Republican Michael Hebert said the bill does not address the costs or how Vermont will fund such a system.

There are no provisions in the legislation focusing on potential costs.

"The last time we did a blind faith health care plan was the Catamount plan. Everyone expressed the same concerns and asked the same questions that we've asked now -- Catamount has many unanswered questions about costs and sustainability," Hebert said.

"Catamount failed, and House Bill No. 559 is another blind faith health care scheme destined for failure. It asks that we blindly place our faith and trust in the government and trust the government to take care of us. I cannot support blind faith approach in health care planning for the following reasons: I do know what we don't know. We don't know the costs; we don't know who's covered; we don't know what the coverage is; we don't know about waivers; we don't know if it's affordable and accepted in other states," Hebert continued. "Most importantly, no one can explain to me the true impact on my constituents. Will this bill help them or harm them?"

The National Federation of Independent Business noted the legislation herds individuals and small businesses toward a limited choice of plans that will cost more.

Shawn Shouldice, state director of the organization, said relegating businesses with 50 employees or fewer into the exchange will collapse the remaining private market in Vermont and leave them with no lifeline if it fails.

But Wardsboro Democrat John Moran said he is pleased with the legislation, calling it a major step toward universal health care.

"Although businesses are still involved in the mix, the long-term attempt of the bill is to have your health care coverage as you move from job-to-job, or if you don't have a job. What we're doing now is creating a system, with the federal law, an exchange which has to be up and going by Jan. 1, 2014, and we're creating incentives to get people to buy into the exchange," he said. "The pluses are there depending on your income. There's tax credits and benefits if you are part of the exchange. It's also helping small businesses with employees of under 50 people to either buy into the exchange or buy insurance or their employees can buy insurance through the exchange."

Rep. Mollie Burke, P/D-Brattleboro, has been self-employed for years and said health care costs are a constant struggle for working families.

"To think about Vermont being able to provide an affordable plan for all people is a very exciting thing. It brings a lot of insecurity into a family budget when you are worried about every doctor's visit or trip to the emergency room, so, I think we're on the way," she said.

Rep. Oliver Olsen, R-Jamaica, voted against the measure, saying the proposed exchange does not allow for any choice outside of the system. He put forth an amendment to clarify some of his concerns, but the Democratic-heavy House did not support it.

"If it turns out the plans inside the exchange become unaffordable, we want to open it up to some options outside the exchange," he said.

While discussing the legislation, Olsen offered an amendment to ditch a debunked program officially designed to offer cheap Canadian prescription drugs after he found the company's website is inactive and the provided phone number redirects to a sex line.

The amendment was initially declined on Thursday, but Olsen said once other lawmakers dialed the toll-free number and were veered to the sex hotline, it was overwhelmingly supported on Friday. The

website, [www.I-SaveRX.net](http://www.I-SaveRX.net), was part of a 2005 project from Illinois that would provide cheap medication, Vermont soon joined the program.

### **Group claims governor's team coached lawmaker**

Vermonters for Health Care Freedom has filed a Freedom of Information Act request to Gov. Peter Shumlin and legislators to obtain possible text and e-mail messages sent from administration officials to House members while debating the health care bill.

The organization, which has lobbied against the legislative efforts toward universal health care, said staffers were contacting House Health Care Committee Chairman Rep. Mike Fisher with answers to questions during the floor debate on Thursday.

VHCF founder Darcie Johnston said "if the chair of the committee does not know the bill well enough to answer the questions, then why is the House passing this bill?"

She also said the move demonstrates lawmakers are not representing its constituents, but the political party bosses.

"Only legislators are allowed to debate in the chamber during open session, and these secretive communications from the administration violates the precepts of a free debate by those elected to the legislative body," she said.

The *Reformer* could not contact administration staffers for comment Friday night.

### **Sport bill moves to Senate**

In the midst of the turmoil passing the health reform legislation, the House quickly moved out a bill naming skiing and snowboarding as the official state sports.

Lawmakers overwhelmingly supported the measure on Thursday. Moran said variations of the bill have been introduced in the past.

"Historically, since Vermont and skiing and snowboarding have been connected, we proceeded to make it the official winter sport of the state," he said. "The proposal has been around for a while but we finally realized it is time to, as they say, accept the reality that when you think of winter sports, you think of Vermont."

For years, legislators have pushed to have the wintertime activities recognized as Vermont's official sports considering the importance they play in the economic and historical well-being of the state. Students from Swanton Central School first conceived the idea in the 2007-2008 legislative session after their physical education teacher developed a game of tag involving Vermont-related symbols into his curriculum.

### **Reminder to register**

The Secretary of State's office is reminding Vermonters that Tuesday, March 6, is Town Meeting Day and the last day to register to vote is this coming Wednesday, Feb. 29, 2012.

To register to vote, Vermonters can go to their town clerk's office no later than Wednesday.

A list of all Vermont town clerks is available at the following:

[http://vermont-elections.org/town\\_clerks\\_guide.html](http://vermont-elections.org/town_clerks_guide.html)

"This is a particularly exciting time in Vermont's voting history. In November 2010, Vermont voters overwhelmingly passed Proposition 5; allowing young adults who will turn 18 years old by the general election (Nov. 6) to vote in both the statewide and presidential primaries," said Secretary Jim Condos.

*Chris Garofolo is the political reporter for the Reformer. He can be reached at [cgarofolo@reformer.com](mailto:cgarofolo@reformer.com) or 802-254-2311 ext. 275.*

### **Dummerston board backs bi-national lesbian couple**

DUMMERSTON -- The Dummerston Selectboard approved a resolution Wednesday in support of a bi-national lesbian couple currently waiting for more information from the federal government. Selectboard member Zeke Goodband proposed the resolution advocating for Frances Herbert and her wife Takako Ueda, originally from Japan. The U.S. Citizenship and Immigration Services denied Ueda's spousal green card petition because the couple's nuptials are not recognized at the federal level.

Herbert and Ueda have been together for more than a decade and were legally married in Vermont last April.

"I've been following this story in the newspaper and once I saw that the congressional delegation had written letters of support, I thought it was incumbent upon us to do something," Goodband said. "I just felt that if some morning I opened up the paper and there was a photo of a couple of marshals taking Takako away, I would probably regret not having done anything."

The Feb. 22 resolution states Herbert and Ueda have been longtime members of the community and they enrich the lives of their Dummerston friends and neighbors.

"Their lives have been woven into the fabric of our community and we would be diminished by their absence," according to the resolution. "We resolutely urge the United States Citizen and Immigration Service to grant Takako Ueda deferred action to allow Takako and Frances to remain together in their family home, among friends and neighbors, in Dummerston, Vermont."

Outgoing Selectboard member Greg Brown supported the measure, saying it is "a wonderful case of bureaucracy run amuck." Selectboard Vice-Chairman Lewis White said he hopes the process continues in a positive direction for the couple.

Herbert and Ueda briefly appeared at the Wednesday night meeting, thanking the board for their support.

"We just came to say hello and thank you. We really appreciate your support and concern, it means a lot," Herbert said. "I keep saying no matter the outcome, the process has been uplifting."

Ueda said the support from the community has been overwhelming.

"For me, for us, it's a blessing. How wonderful people are around here, and supportive," she said in an interview with the *Reformer* on Thursday. "They see us as human beings, not just a same-sex gender couple. Yes they see it, but beyond that, they see that we are human beings -- the same -- and it's really fantastic."

Ueda was denied a green card on Dec. 1, 2011 because the Immigration Nationality Act does not specifically define the term "spouse" with respect to gender. The Defense of Marriage Act (DOMA) -- passed in 1996 under a Republican-held Congress -- defines marriage as a legal union between one man and one woman and currently supersedes Vermont's same-sex marriage law.

In February 2011, Democratic President Barack Obama and Attorney General Eric Holder Jr. announced the administration would no longer defend DOMA in court in the cases where it was challenged. Last week, Vermont's congressional delegation asked the U.S. Department of Homeland Security to reconsider its decision to deny Ueda her spousal green card and re-evaluate its entire policy regarding marriage-based immigration petitions for same-sex spouses.

"We didn't ever really think we had a chance at getting an outright green card like a heterosexual couple. What we asked for all along was something called abeyance, which means that because President Obama instructed the justice department not to defeat DOMA because things were in question," Herbert said. "Abeyance was a request to not make a final decision."

The nonprofit Immigration Equality estimates 36,000 American families face separation or deportation because a spouse is not qualified for citizenship.

Herbert and Ueda met 30 years ago at a Michigan college and remained in touch for years. After years in a heterosexual marriage, Ueda received a divorce and left Japan to reconcile with Herbert around 1999, staying in the country by applying for student visas every semester.

**In other business:**

-- The Selectboard approved a request from Transition Dummerston to use the Town Common on Sunday, April 22, from 11:30 a.m. to 3 p.m. to host an Earth Day Resilience Fair. This is the first time the group has proposed such an event.

-- Residents seeking election for Dummerston's Selectboard will appear at the town school beginning at 7 p.m. on Tuesday, Feb. 28 for a meet the candidates night.

*Chris Garofolo can be reached at [cgarofolo@reformer.com](mailto:cgarofolo@reformer.com) or 802-254-2311 ext. 275.*

**BENNINGTON BANNER:****Teacher pay question may end in court**

BENNINGTON -- A dispute over back pay between the Southwest Vermont Supervisory Union and the local teachers' union may land in court.

On Feb. 10, the state Department of Labor gave the SVSU 30 days to comply with an order that it pay the teachers. The SVSU is now asking the department to stay that order.

The district claims, among other things, that the order does not give enough time to calculate the pay changes, and says that if it does not get clarification and a stay, it will ask for one to be granted by the Bennington County Superior Court, Civil Division.

Department of Labor Commissioner Anne Noonan issued the order in response to a complaint by the Southwestern Vermont Education Association. The union claimed its members are owed back pay under a collective bargaining agreement that was made retroactive to July 1, 2011. The agreement was signed last fall, following a nine-day teacher strike in October.

Teachers complained they were not being paid properly and the deductions for their health care were not correct. For its part, the SVSU claimed any apparent disparities were caused by teachers starting work a week late because of Tropical Storm Irene, and that they had, in fact, been paid in advance. The SVSU responded to the order first with a request to the Department of Labor to vacate the order and hold an evidentiary hearing, which SVSU

Superintendent Catherine McClure said would show the teachers have been over-paid. The district, through its Burlington attorney Steven F. Stitzel, also claimed Noonan's order was not clear or specific enough to allow the district to comply with the law.

McClure said the SVSU has not heard back from Noonan or anyone in the Department of Labor. She said Noonan's decision does not cite any evidence as a basis for the decision and said the SVSU has a right to an evidentiary hearing.

The district's official request for a stay is available online at [www.svsu.org](http://www.svsu.org). In it, Stitzel writes that the teachers' union is not a proper complainant, as Section 342a only allows for an "employee" to complain about wages to an "employer," and the union is not legally an employee of the district. He also makes claims that Noonan's decision is not specific enough to allow the district to comply with the law and the Department of Labor's intentions.

Attempts to reach Noonan for comment have not been successful.

"Rather than pay teachers what they're owed, the district continues to spend taxpayer money fighting everybody along the way," said Stephannie Peters, president of the SVEA. "All of the arguments the district is making in its appeal have been rejected by the Department of Labor." She said that by not paying, the SVSU is opening itself to fines that could be as high as \$2 million.



"We are baffled at why the district would continue to spend taxpayer money instead of doing what is right and what has been ordered," Peters said. "They are showing a complete disregard for the men and women who work for them; for all of the area's other taxpayers; and for the reason we're all here, to teach Bennington's children."

McClure, in response to union's press release, said the Department of Labor has not responded to the SVSU's arguments, as new ones are made in the latest appeal. She said the district is asking for clarification and time to do the pay calculations, which she said take up to seven weeks, in order to avoid fines like the one's the teachers' union says may be incurred.

*Follow Keith Whitcomb Jr. on Twitter @KWhitcombjr*

## **EDITORIAL: Embezzlement must be dealt with in Montpelier**

Vermont Auditor Thomas Salmon Jr. has mounted a persuasive campaign to bring a possible embezzlement epidemic in the state to the attention of the Legislature and Governor Peter Shumlin, and he is not alone in calling for tighter laws to prevent these crimes and to require better reporting and oversight for governments, nonprofit organizations and other entities.

While some will contend Mr. Salmon, who has left little doubt he intends to run for higher office, such as the governorship or Congress, is using this issue to criticize the Shumlin administration for a lack of initiative on this issue, he has a point that most agree is valid.

The auditor's latest report on the subject followed a letter he sent to school officials around the state asking for information on embezzlement problems. Over 11 years, about \$415,000 was reported missing from 16 supervisory units or school districts, Mr. Salmon reported.

In 2010, Salmon created a 10-member Vermont municipal advisory committee to address embezzlement. A report cited a number of high-profile and high-dollar amount embezzlement cases in recent years in school districts, town governments, businesses and nonprofit organizations, totaling more than \$3 million.

Subsequent legislative proposals have recommend mandatory training for public municipal or school officials in handling accounts and increased auditing by certified professionals.

Sooner or later, all the

players in Montpelier should lay out and get behind plans for dealing with this problem on the state level, and then take some action. Sooner would be better.

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Saturday, February 25, 2012 6:09 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR SATURDAY, FEB.25:

**WCAX:**

**Pink slips for dozens of Vt State Hospital workers**

MONTPELIER, Vt. -

Becky Moore came to the Vermont Statehouse Friday hoping to persuade senators on the mental health bill. Instead she found herself defending her job.

"I was completely taken off guard and I'm concerned for my fellow workers," she said.

Moore is a psychiatric supervisor at the Vermont State Hospital which was evacuated in August after Tropical Storm Irene.

Friday, the Shumlin administration announced 80 state hospital workers will be laid off.

"I imagine that people are feeling sort of hopeless," Moore said.

"We really feel like state hospital workers are some of the heroes of Irene. They evacuated patients and left their own families and lived in hotels scattered across the state," said Conor Casey of the Vermont State Employees Association.

But Secretary of Administration Jeb Spaulding says they knew this day would come. Patients were moved to facilities across the state after Irene. And private hospitals, like Fletcher Allen Health Care, want to hire their own staff.

"We don't think it's appropriate to require a private sector third party to have to hire state employees," Spaulding said.

But FAHC says they probably will hire back some of the employees. In fact, due to an increase in patients, they have eight open positions now. They say it's easier if they're let go by the state and rehired onto Fletcher Allen's human resources policy.

"We tried to take the high road. We figured the letters have to go out. We called up the VSEA days ago so they wouldn't be surprised," Spaulding said.

The administration has already set up relocation services through human resources. They're hoping to have people back to work before the 30 day notice is up.

"It is a surprise that this many people will find themselves on the unemployment line in the next few weeks here," Casey said.

Moore says it's as if the system itself is sick, as stories of attacks on caretakers and a lack of beds keeping patients in emergency rooms overnight continue to circulate statewide. She says she's afraid lawmakers don't understand how dangerous removing caretakers from the mentally ill population can be.

"We keep trying to dispel the myths and misrepresentations about mental health. I feel as if we're not saying enough. I don't know what else to say," Moore said.

Now Moore says she thinks her job is safe as she's been working with the Department of Mental Health in the interim. Several lawmakers pointed out the timing of these layoffs; the bill was expected to pass through the Senate Friday. If the news hadn't broken Friday morning, it may have.

**Obama campaign finds bigger venue for Vt. visit**

BURLINGTON, Vt. (AP) - President Barack Obama is moving the location of his Vermont visit to accommodate more people.

The president's re-election campaign says Vermont singer and song writer Grace Potter and her band The Nocturnals will be performing at the March 30 event, which will be held in a multi-purpose facility that is part of the University of Vermont's athletic complex in Burlington.

Tickets for the event range in price from \$44 for students and grassroots activities to \$100 for general admission to a high of \$7,500 for a photo opportunity with the president.

The initial plan had been to hold the event at a South Burlington hotel, but the larger location was needed because of the "overwhelming response."

The last sitting president to visit Vermont was Bill Clinton in 1995.

### **Vermont House passes health reform bill**

MONTPELIER, Vt. (AP) - The Vermont House has given final approval to a bill that sets up a state-run health insurance marketplace in two years.

Employees of businesses with 50 or fewer workers would be required to get insurance on the health benefits exchange, either through their employer or on their own.

The 88-38 vote came after a daylong debate during which Republicans complained there were many unanswered questions about the bill, and that a previous state health plan, known as the Catamount program, had not worked.

The exchange would bring the state into compliance with the federal health insurance reform law passed two years ago.

Gov. Peter Shumlin and his administration hope to use the exchange as a springboard to bring most Vermonters into a government-run, single-payer health care system beginning in 2017.

### **Will loyalty to New England mean victory in Vt for Mitt Romney?**

RUTLAND, Vt. -

"In a race in which every delegate counts, which is what the Republican nomination seems to be turning into, even a small delegation can matter," Political Scientist Eric Davis said.

Under Vermont state law a candidate must win 51 percent of the primary vote in order to get the backing of all 14 state delegates. If no candidate clears 51 percent, each candidate will get the same percentage of delegates as votes he won.

"And so I think March 6th is going to be a pretty big day across the country and we're going to be a part of it here in Vermont," said Jack Lindley, the chair of the Vermont Republican Party.

Both Davis and Lindley believe Mitt Romney will win the Vermont primary.

"Generally I think Romney acquitted himself well in New Hampshire and obviously in Maine and there's sort of a New England bent to the activity of Governor Romney and I think that will probably filter into Vermont pretty well," Lindley said.

But can Romney win 51 percent? Davis says to do that; Romney will need a voter turnout larger than the 40,000 Vermonters who voted in the 2008 Republican primary. But across the nation, voter turnout this year is lower than it was in 2008.

"For Romney to do well in Vermont he needs to expand beyond the Republican base and get some independent Republican-leaning independents, but people who don't necessarily think of themselves as Republicans to choose the Republican ballot and vote for him," Davis said.

Lindley is hopeful the candidates will increase their presence in the state over the next two weeks, which in turn could increase voter turnout.

"It's going to be interesting because when you have that situation happening, it means that everybody works really hard to get as high up in the percentage as you possibly can," Lindley said. But right now, Davis says he isn't convinced that will happen.

"Will they open offices in Vermont? Will they have paid staff in the state? How much money will they spend on advertising? I haven't seen to date much evidence that they're putting that kind of energy into Vermont," Davis said.

Davis expects Rick Santorum and Ron Paul to finish neck and neck for second place, possibly winning enough votes to keep Romney from securing the majority.

Another complication for Romney-- the type of voter he attracts. Davis says Romney does well with college graduates who live in households with incomes over \$100,000. But in Vermont, people fitting that description tend to be Democrats.

## **FOX44:**

### **VT Lays Off 80 State Hospital Workers**

Vermont Secretary of Administration Jeb Spaulding says the decision to lay off 80 Vermont State Hospital workers, 6 months after floods destroyed the Waterbury facility, isn't surprising.

"We really can't expect the taxpayers to be paying people that are not working," said Spaulding.

But Vermont State Employee Association Director Connor Casey says surprising isn't the right word.

"This is devastating," he said.

Casey says laying off more than 40% of the total number of state hospital workers isn't just a blow to the employees and their families.

"It's unfortunate to the people suffering from mental illness in the state if our members are no longer able to provide these services," said Casey.

Since Irene hit, most State Hospital employees have been working at various facilities around the state, including Fletcher Allen Healthcare.

Casey says the Shumlin administration has singled out the wrong people.

"State hospital workers have been nothing short of heroes in the aftermath of Irene. They evacuated every patient safely, and they've lived in hotels away from their families to make sure there's a continuity of care with the patients they serve," said Casey.

"We're not doing this as a budget cutting exercise, we're doing it because we don't have the positions for these people," said Spaulding.

Those layoffs take effective next month.

### **Fatal Car/Pedestrian Accidents May Be Tied to Weather**

Burlington, Vermont - Hunter Potter stood patiently Friday at a downtown Burlington intersection.

The Syracuse, New York native who now lives in Burlington is used to cold, snowy conditions, where normally Potter says you can't skateboard in the winter.

"Burlington is cold in February. I'm a hermit for most of the winter but not this year," said Potter.

Potter isn't the only one enjoying the warmer weather.

The UVM student says he's seen more people walking around and they're not easy for drivers to see.

"Everybody is out and about, cutting across streets, jaywalking, doing stuff you would do in the summer," said Potter.

Police say that has them concerned.

So far there have been three deadly car accidents involving people who were walking, in Vermont during the month of February.

"Certainly it is an alarming number of accidents and fatalities that have occurred so far this month," said Burlington Police Detective Dominic Brodeur.

While the warmer weather might be playing a factor in some of these accidents police say with snow coming down now there's a new concern.

That means if you are behind the wheel, you need to be prepared for the unexpected.

"Ensure that the windshields are clear of snow. To make sure that they're properly defrosted, so that you can clearly see not only through your front window, also through your rear window," said Brodeur.

And no matter what the conditions are like police say it's important for pedestrians to follow the rules as well.

## **VPR:**

### **Shumlin Says 80 State Hospital Employees Will Be Laid Off**

(Host) A top Shumlin administration official says about 80 former employees of the now-closed Vermont State Hospital are being laid off.

Administration Secretary Jeb Spaulding tells The Associated Press that the workers are scheduled to get layoff notices today and they'll formally leave state employment in April.

The Waterbury hospital was closed after flooding from Tropical Storm Irene. Since then, the administration has been working to design a new mental health system with patients placed in smaller facilities around the state.

The news comes as the Senate plans to take up final passage of a bill to retool the state mental health system, including building a new 16-bed secure facility in Berlin within the next three years.

### **New UVM President Worries About Affirmative Action Case**

(Host) The University of Vermont's new president says he's deeply concerned that the U.S. Supreme Court could soon erode the national policy on affirmative action.

He says such a move could effectively strip public institutions like UVM of their right to take race into account when trying to boost their minority enrollment.

VPR's Kirk Carapezza reports.

(Carapezza) Thomas Sullivan says for months he's been watching as a number of cases have cropped up in lower federal courts. And as a law professor he knew the nation's highest court might select one.

*(Sullivan) "which would be a test case to challenge Grutter v. Bollinger, which is the current U.S. Supreme Court case approving of affirmative action as a discretionary opportunity on college campuses."*

(Carapezza) Then on Tuesday, the day before he was appointed UVM's next president, the Supreme Court confirmed Sullivan's concern by agreeing to hear a case involving race-conscious-admissions at the University of Texas.

*(Sullivan) "I firmly believe that that national policy is promoting the public good, and if it is to go away, shame on America."*

(Carapezza) Sullivan says eliminating or weakening affirmative action would have profound consequences for UVM's effort to attract more students who wouldn't - or couldn't - otherwise attend Vermont's flagship institution.

Sullivan says racial diversity will be a top priority for him in his new role as president. Because many UVM students agree there's room for improvement.

### **Northeast Kingdom Residents Rally To Support Homeless**

(Host) As a snow storm approached, advocates for the homeless in the Northeast Kingdom began an overnight vigil on Bandstand Park in Lyndonville this afternoon (Friday).

VPR's Charlotte Albright reports.

(Albright) Although Tropical Storm Irene didn't wallop the Northeast Kingdom as severely as other parts of Vermont, it did force many families to take in relatives unable to stay in their own homes. Some of those temporary residents later ended up in shelters, or on the streets. But George Mathias, manager of Gilman Housing Trust, a non-profit organization in the Northeast Kingdom, says rural homelessness isn't as obvious as it is on urban streets.

*(Mathias) "People are doubling up, they're trying to find places to live with friends or family for short term, they're couch surfing. They're finding places to camp."*

(Albright) Vicky Greenwood, who's brought her dog and is warming her hands at a an oilcan fire at the vigil, has survived cancer, a brain injury, and a difficult divorce that left her homeless. She's had to move into her parents' small house.

*(Greenwood) "And my brother is already there and the household is stressed and I need to find some other housing. But it's difficult, and with the storm Irene and so many other people needing help, I'm an invisible person."*

(Albright) Vigil organizers want to make her and others like her more visible through the evening, and hope that the snowstorm won't deter other participants.

They are accepting donations and trying to link homeless people with social services.

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Friday, February 24, 2012 6:41 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR FRIDAY, FEB. 24 (FINAL):

**BURLINGTON FREE PRESS:**

**Vermont House gives initial approval to health exchange system**

MONTPELIER — Miner Clark, co-owner of a market in Londonderry, came to the Statehouse Thursday for the annual legislative day for members of the Vermont Grocers Association.

The visit gave Clark an up-close glimpse of the debate over one of the major bills for this legislative session — a measure to set up a new, Internet-based marketplace for health insurance as required by federal law.

House Health Care Chairman Michael Fisher, D-Lincoln, said the bill also "represents a significant step forward in helping Vermont meet its health care needs."

The House debated the bill into the evening before giving it preliminary approval by a vote of 82-40 shortly after 7:30 p.m.

As a small employer who will be required to use the health benefit exchange to purchase health insurance beginning in 2014, Clark said he welcomed the chance to learn more about what he faces. He didn't come to the Statehouse with a viewpoint, he said, but with questions and worries.

"I hate to see something we are locked into when we don't know where the costs are going to go," Clark said.

In the debate, House Republicans stressed the uncertainties they see with the exchange, calling it an experiment and offering amendments to give small employers such as Clark the option to buy health insurance without using the exchange.

"This is an experiment, going down a path we haven't been down before," Rep. Oliver Olsen, R-Jamaica, argued during his presentation of an amendment to the bill. "With this experiment, we propose locking everyone in a laboratory and hope health care costs come down," he said. "This amendment proposes to give a way out."

Both Olsen, and later Rep. Mark Higley, R-Lowell, tried to change the bill to allow employers with 50 or fewer workers and individuals to buy health insurance through brokers or directly from insurance companies.

Fisher, the chairman, defended the bill's requirement that small employers and individuals use the exchange to buy health insurance.

"I can't see any potential value that can be gained outside the exchange," Fisher said. He noted that individuals would only have access to federal subsidies to help reduce their health insurance premiums and cost sharing if they bought through the exchange.

(Page 2 of 2)

Fisher noted, too, that the benefits —meaning medical treatment covered— would have to be the same for health insurance policies offered to small employers and individuals on or off the exchange. He disputed the characterization of the exchange as an experiment. He argued that the bill would create much more predictability about what some Vermonters would pay.

House Republicans also tried without success to move up the date when the Shumlin administration reports how the exchange would be financed after the first year. That year, federal funding will be available.

The due date is set in last year's health reform law was Jan. 15, 2013. The Republican amendment called for the report on Sept. 15, 2012. The amendment would have also revised the due date when the administration must provide recommendations for financing for Green Mountain Care. Green Mountain Care is the government financed, universal health insurance system the state intends to set up in 2017.

Republicans argued the financial information is important so Vermonters can fully debate health reform in the next election.

"Moving the financing dates up to apply a political lens to it is just that, a political move," Fisher countered, urging defeat of the amendment. Democrats defeated the amendment 86-49.

As the House debated the bill to set up health exchange, word came that the federal government had issued final rules for how states such as Vermont could seek a waiver from some requirements of the federal health reform law, including operating an exchange, in order to set up Green Mountain Care.

"The federal law allows states to request a waiver from the exchange," said Robin Lunge, director of health reform for the Shumlin administration. "The feds announced the final rules on what the criteria and what the process is."

"Vermont is moving aggressively to control health care costs for individuals and small businesses, and to get the cost of health care off the backs of employers," Gov. Peter Shumlin said in a statement applauding the new federal rules. "I appreciate the President's recognition that states like Vermont have good ideas for going beyond the requirements of the ACA to cover everyone and control costs. States should be able to move further, faster in tackling this problem."

Contact Nancy Remsen at [nremsen@burlingtonfreepress.com](mailto:nremsen@burlingtonfreepress.com). Follow her on Twitter at [www.twitter.com/nancybfp](http://www.twitter.com/nancybfp).

## **Vermont Democrats file complaint over group's advertising**

MONTPELIER -- When the Campaign for Vermont started last fall, founder Bruce Lisman of Shelburne declared the organization was a nonpartisan advocacy movement.

When the group recently started airing radio advertisements critical of Gov. Peter Shumlin's property tax stances, it crossed the line from nonpartisan advocacy to political action, the Vermont Democratic Party alleged Thursday.

The party has filed a complaint about Campaign for Vermont with the state Attorney General's Office, party Chairman Jake Perkinson said at a Statehouse news conference. He accused the group of violating the state's campaign finance laws.

Campaign for Vermont should have filed with the state as a political action committee and reported its spending on the ads, Perkinson argued. Those reports would delineate where contributions came from and how they were spent.

Lisman responded Thursday that he doesn't think his group did anything wrong, but if it did, it will file appropriately.

"I think we did it right, but if we didn't do it right, we'll correct it," Lisman said.

Lisman charged, though, that the Democratic Party is worried that his organization's message is taking hold. "If we weren't having success, they might not have done anything," he said.

Campaign for Vermont's radio ad features state Rep. Oliver Olsen, R-Jamaica, talking about Shumlin's plan to reduce the General Fund contribution to the Education Fund by \$27 million.



"Unless the governor restores state funding, local property taxes will go up this year," Olsen says in the ad.

Lisman said the ad is simply trying to point out that the governor's policy is misguided.

Lisman said he's been clear about where Campaign for Vermont's money comes from. He said he is funding the organization himself until it gets off the ground. His group's website lists Tom Pelham, a former independent legislator and tax commissioner, and Mary Alice McKenzie, executive director of the Burlington Boys & Girls Club, as fellow officers.

Perkinson, the Democratic chairman, said a recent court decision involving a case in the 2010 election that went against Shumlin supporters established that an ad referring to a candidate during an election year constitutes a political ad.

Attorney General William Sorrell said his office will look at the complaint. He agreed generally that mentioning a specific candidate's name is different under the law than advocating for or against an issue.

Although there doesn't seem to be any question that he's running, Shumlin has repeatedly said he hasn't declared whether he'll seek re-election in November. Perkinson noted that in the eyes of the law, Shumlin is a candidate because he's raised more than \$500 this election cycle.

The complaint is the second one made this week to the Attorney General's Office regarding campaign finance rules. Earlier, Craig Bensen of the group Let Vermont Vote alleged that the Planned Parenthood of Northern New England Action Fund should have registered as a PAC in the 2010 election cycle and that the organization must have coordinated its efforts with the Shumlin campaign. The allegations come on the heels of a lawsuit that Attorney General Sorrell filed against 2010 Republican gubernatorial candidate Brian Dubie, alleging his campaign coordinated efforts with the Republican Governors Association.

Perkinson, the Democratic chairman, contended there is no "tit for tat" going on with the flurry of allegations. Instead, he said, it's an indication that there have been increased efforts to avoid campaign finance reporting rules.

The 2010 election was the first time Sorrell's office initiated enforcement action against political groups for campaign finance violations. Sorrell said practices have changed. "It's really another manifestation of the new world of campaigns' opening a floodgate to outside spending," he said. Contact Terri Hallenbeck at 999-9994 or [thallenbeck@burlingtonfreepress.com](mailto:thallenbeck@burlingtonfreepress.com).

## **BENNINGTON BANNER:**

### **Vermont House debates health insurance 'exchange' overhaul bill**

MONTPELIER -- The Vermont House debated into the evening Thursday on the next big step on a path to sweeping health insurance reform passed in broad outline last year.

The measure under consideration would set up a state-managed health insurance marketplace, known as an exchange, in compliance with federal law. But Vermont's version of the exchange called for under the federal health overhaul passed two years ago would go further than most, and it would be used as a springboard for moving the state toward a government-run single-payer health insurance system by decade's end.

Backers said the bill would help individuals and families afford health insurance, and would give small businesses the option, starting in 2014, of no longer providing employee health insurance. Instead, most workers could buy health insurance through the exchange with federal subsidies.

The measure was expected to win preliminary approval on Thursday and come up for final House action on Friday before moving to the Senate.

"It will greatly expand regular Vermonters' ability to afford access to care," said Rep. Michael Fisher, D-Lincoln and chairman of the House Health Care Committee. "This bill gives us a new freedom for small businesses to focus on what they do best: to build good products and provide better services in the comfort that their employees will have access to the care that they need."

The subsidies would be available to people making up to four times the federal poverty level, or about \$45,000 a year for an individual and \$92,000 for a family of four.

Key Republican amendments were defeated easily in a chamber in which the GOP holds just 48 of 150 seats.

The bill would require anyone working for a company with 50 or fewer employees to get insurance through the exchange beginning in January 2014. In 2016, that would expand to employees of companies with 100 or fewer workers. Republicans objected to that, saying Vermonters should have freedom of choice, and offered an unsuccessful amendment to remove the provision mandating participation in the exchange.

"Does it not diminish my right to make choices as to how I pay for health care insurance?" asked Rep. Duncan Kilmartin, R-Newport.

Democrats argued that buying through the exchange would be key to receiving the federal subsidies. Backers of the bill also have said that the larger the risk pool -- the number of people covered -- the easier it will be to manage costs.

Democratic Gov. Peter Shumlin's administration has been engaged in extensive planning since last year for the launch in 2017 of Green Mountain Care, which would bring as many Vermonters as possible into a single insurance pool and would seek to lower health care costs by changing the way doctors and hospitals are paid. They would move from a "fee-for-service" system in which the more procedures they perform, the more they get paid, to a set budget for providing health care to a given population.

Republicans also have complained that the administration says it won't have a plan outlining how much the system will cost and how to pay for it until January, after the November election in which Shumlin is expected to seek a second two-year term.

The House defeated a GOP amendment to move up the financing report date to Sept. 15.

"Maybe some people know what the cost is, (but) most of us don't," said Rep. Greg Clark, R-Vergennes. "We haven't been told. That is a real injustice to the people of the state of Vermont."

Lawmakers broke for a reception in the early evening in a Statehouse ceremonial room for a visiting Canadian dignitary at which beer and wine were served.

After they returned, debate grew testy, with numerous points of order raised. In two instances, Speaker Shap Smith, D-Morristown, told complaining Republicans there were not House rules barring the behaviors being complained about.

Kilmartin complained that during one of numerous instances when Smith called lawmakers to the podium to discuss points of order, he was accosted by Steve Kimbell, the insurance commissioner, who was sitting nearby. Kilmartin said Kimbell made "intimidating and offensive" remarks to him, and asked Smith to clear members of the administration from seats at the front of the chamber, which Smith declined to do.

## **London, Sarah**

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**From:** Allen, Susan  
**Sent:** Friday, February 24, 2012 6:23 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR FRIDAY, FEB. 24:

### **WPTZ:**

#### **Ben & Jerry's Releases Greek Frozen Yogurt Line**

**BURLINGTON, Vt.** -- Prepare your taste buds and grab a spoon! Ben and Jerry's officially released its new flavors of the year Wednesday afternoon.

The scoop shop in Burlington has already been selling four of the five new flavors for a few weeks. One is an ice cream, "Chocolate Nougat Crunch." It has chocolate-covered wafer cookies swirled into it.

The other flavors are made with Greek yogurt. The Scoop Shop's been serving "Blueberry Vanilla Graham," "Banana Peanut Butter" and "Vanilla." They'll start offering "Raspberry Fudge Chip" when their black raspberry frozen yogurt runs out, said assistant manager Bobby Brenna.

He said the company has started to phase out its frozen yogurts, in favor of Greek yogurt.

"They're much creamier, they're much tastier," Brenna said. "Greek yogurt is kind of a very popular thing right now and it's something they wanted to take advantage of while that popularity was still around. It's much easier to scoop and it's something that's peaked a lot of people's interest."

Brenna said the new flavors have been selling well and getting a positive response -- from both customers and Ben and Jerry's employees.

#### **Number of Homeless Families Doubles in 3 Years**

(Two video stories, the other is number of homeless children quadruples. To see the stories, visit [www.wptz.com](http://www.wptz.com))

The hotel rooms are provided by a state run emergency program that was expanded in 2008 to help families, the elderly and disabled who are homeless when the shelters are full. Initially, federal stimulus dollars helped to fund the program, but Vermont is no longer getting help from the federal government to cover the bill. Advocates for the homeless say the money could be better spent on things like providing more affordable housing and preventative maintenance that could help families with unexpected expenses. Experts say in most cases it's only a few hundred dollars that sends families on the downward financial spiral that ends with them losing their homes.

Vermont Spent \$1.4 Million On Hotel Rooms For The Homeless Last Year

### **VPR:**

#### **House Advances Health Care Initiative; Final Vote Looming**

(Host) The House at this hour is debating legislation that would change the way that many Vermonters receive health care coverage beginning in 2014.

The heart of the bill is a consumer marketplace exchange where individuals and all small businesses would be required to purchase their health insurance.

VPR's Bob Kinzel reports.

(Kinzel) House Health Care Chairman Michael Fisher says the legislation will make coverage more affordable for middle-income Vermonters because they'll be eligible for sizeable federal subsidies. Fisher says the goal is to encourage small businesses to drop their employee coverage so that their workers can take advantage of these subsidies. He says this approach is good for employers and their employees.

*(Fisher) "This is a middle class tax relief bill. It will greatly expand regular Vermonters' ability to afford access to care. This bill gives us a new freedom for small businesses to focus on what they do best."*

(Kinzel) The key issue in the daylong debate was whether or not participation in the exchange should be mandatory or voluntary. Many Republicans, like Milton Rep. Ron Hubert supported the voluntary approach.

*(Hubert) "Trust me, if I find that at the end of the first year that I could save \$800 by being in the exchange, I'd probably be one of the first ones there. But at the outset, one of the things that we don't want to be is, we don't want to be the guinea pigs."*

(Kinzel) And Vergennes Rep. Gregory Clark said it was wrong to force people into the exchange.

*(Clark) "Vermonters are always willing to be led to the water trough. But, man, they get irritated when they're heads get forced into the trough."*

(Kinzel) But Fisher argued that it's essential to have a mandatory approach to have as many Vermonters as possible to take full advantage of the federal subsidies.

*(Fisher) "So I appreciate the concern about not wanting to mandate and let things roll out the way they want in their own timeline. But we're talking about significant help for Vermonters here that I don't want to let go by."*

(Kinzel) And Barre City Rep. Paul Poirier said the new system would have the best chance for success if participation in the exchange is mandatory.

*(Poirier) "The worst thing we can do for health care reform, Mr. Speaker, is to create a system that we're setting up to fail. And that's why I believe we need to all be in."*

(Kinzel) The voluntary approach was rejected by a vote of 80-57.

## **Hydrologist Warns Deerfield Wind Could Cause Wilmington Floods**

(Host) A hydrologist hired by opponents of a wind project in the Green Mountain National Forest says the installation could increase the danger of flooding.

VPR's Susan Keese has the story.

(Keese) Andres Torizzo of Watershed Consulting Associates, told officials in Wilmington that their town - which saw heavy damage in Irene - is a likely target for storm runoff from Deerfield Wind. The 15-turbine project has a Certificate of Public Good from the state Public Service Board, and recently won approval from the U.S. Forest Service.

Torizzo is working for Vermonters for a Clean Environment. The group plans to appeal the national forest decision.

In a presentation in Wilmington, Torizzo claimed the Deerfield project's developer underestimated storm water runoff at the site, once the trees are removed and more bedrock is exposed.

*(Torizzo) "Our concerns are that, first during the construction phase of the project, there'll be too much land open at any one time and it will be too difficult to properly protect against erosion in advance of a storm event... And then we do feel that there are issues with the design and the assumptions in the modeling analysis that was done to design the storm water system on the site."*

(Keese) Torizzo said Deerfield Wind's plan is based on incorrect assumptions, that gravel roads required to build and maintain the turbines will absorb water. He said the state considers gravel roads impervious.

He also claimed the site is too steep for the devices the developer plans to use to spread runoff water out, instead of letting it form channels that can cause erosion and storm damage.

Paul Copleman is with Iberdrola Renewables, the company behind the Deerfield project. He says the company's water management plan is currently under state review.

*(Copleman) "We have nearly 50 wind projects in operation from coast to coast, so this is an issue we have a lot of experience with, and we always strive to exceed state guidelines. And we performed a storm water design analysis with Vermont state-licensed professional engineers in accordance with state requirements."*

(Keese) Torizzo, the hydrologist, had similar objections to the wind project in Lowell, which is under construction. He predicts that project will be a test of differing assumptions about the consequences of large-scale ridge-top development.

### **TIMES ARGUS/RUTLAND HERALD:**

#### **Mild winter concerns some maple syrup producers**

By HOLLY RAMER

The Associated Press - Published: February 24, 2012

A mild winter in Vermont and the rest of the Northeast is injecting extra uncertainty into maple syrup season, but many producers say they'll just go with the flow, whenever it starts.

Syrup producers say the weather during the six-week season when sap flows matters more than the weather leading up to it.

"The mild winter, I'm sure has some effect on the trees and the soil and the micro-organisms and so forth, but as long as you get those freezes and thaws during the actual sap flow season, those are what control how much sap you get," said Brian Stowe, sugaring operations manager at the University of Vermont's Proctor Maple Research Center.

Below-freezing nights followed by warm days are necessary to start the sap flowing from maple trees, a period that usually begins in late February or early March. But those conditions arrived early in some areas, prompting producers like Ben Fisk, of Temple, N.H., to start collecting and boiling sap Feb. 2, more than a month earlier than he did last year.

"We made syrup the earliest we've ever made syrup this year," said Fisk, 23, a fifth-generation producer who has been making maple syrup since he was 5. "This time of year, there should be 3 or 4 feet of snow, and it should be cold out and we shouldn't even be thinking about making syrup for another couple weeks."

Though Fisk was happy to get a jump start on the season, it could end early, too, if prolonged stretches of warm weather result in budding trees. That's the main concern in New York state, where the director of the New York Maple Producers Association has been hearing from plenty of worried members.

"I've had more phone calls this year than I've ever gotten before. Everyone wants to know what

everyone else is doing. 'Is it time?' 'Should we tap?'" said Helen Thomas, who set the 1,700 taps on her family's farm about a week earlier than usual.

With so little snow, she worries that all it will take is one warm day in March to trick the trees into thinking spring has arrived. Once trees start to bud, the sap develops an "off" flavor, effectively ending the season.

"The snow moderates any warm-up. You can have a 60-degree day in March, but if there's 2 feet of snow on the ground, that tends to keep the woods cool, so you can get past that warm day or two," she said.

In North Andover, Mass., Paul Boulanger of Turtle Lane Maple Farm has decided not to tap his trees this year because he's already seeing signs of leaf buds on them.

"Even if we started tapping right now, we'd only get a couple of weeks of very watered-down sap, and it's just not worth it. ... We just didn't have winter, and without winter, there's no spring, and without spring, there's no maple syrup," said Boulanger, who still plans to give educational tours of his sugarhouse by watering down syrup he made last year and turning it back into sap.

But in northern Vermont, Jacques Couture is optimistic. Couture, 61, has been sugaring since he was a toddler and has run his own operation for 40 years. Some of his best crops have been after winters just like this one, he said.

"Some people say, 'Is it worth tapping this year? You don't even have any snow. It's going to be spring before you know it,'" he said. "But the caution I would say is, 'Don't transplant your tomatoes outdoors just yet, because it ain't over.'"

Unlike points farther south, there has been some snow in Westfield, where Couture lives. But it's closer to knee-deep than the chest-deep drifts he faced last year when it was time to tap his trees.

"We've had a lot of thaws this winter," he said. "But the old timers say, every thaw in the winter is a run of sap in the spring," he said. "This is agriculture, and you never know what kind of crop you're going to get, but you've still got to try to do the best you can. ... So I'm not the least bit discouraged about it at this point."

It takes about 40 gallons of sap to make one gallon of syrup. Last year, U.S. maple production hit an all-time high of 2.79 million gallons, led by Vermont with 1.14 million gallons. Beyond good weather, technology has played a role in the industry's growth, with vacuum tube systems that pull the sap from trees and new taps with valves designed to prevent sap flowing back into the trees.

Small amounts of syrup already have been produced in southern and central Maine, the No. 3 syrup-producing state behind Vermont and New York. Eric Ellis, a manager at Maine Maple Products in Madison and vice president of the Maine Maple Producers Association, said sugarmakers statewide are tapping their trees.

"There certainly is concern, but going into any season there's always a little bit of doubt," Ellis said. "We don't really know until it's over what the crop's going to be."

Bodan Peters, president of the New Hampshire Maple Producers Association, said he probably will wait until early March to set up his 800 taps in Sugar Hill, N.H. The mild winter doesn't have him too concerned.

"Everything leading up to this point is just what gets thrown at us," said Peters, who grew up on a farm and has been tapping his own trees for 12 years.

"If you're going to get into maple sugaring, you've got to love it, the good and the bad about it," he said. "If you can actually pay for your equipment, that's a plus."

## **Search and rescue not guaranteed in Vermont**

By Darren Marcy

OutdoorsVT - Published: February 24, 2012

When Levi Duclos died on the Emily Proctor Trail in the Green Mountain National Forest in Ripton on Jan. 9 most people chalked it up to an incredibly sad case of bad luck and circumstances.

But a series of stories published by the news website, VtDigger.org, about the 19-year-old's death has raised a spectrum of questions about Vermont's method of dealing with lost and injured outdoor enthusiasts.

The VtDigger articles show a troubling trend in the way the Vermont State Police, the sole agency in charge of search and rescue efforts in the state, handles reports of lost, missing or overdue recreationalists.

There are too many facts yet unknown to say for sure, but it certainly sounds like Duclos' death might have been avoidable.

Apparently, Duclos — an experienced and prepared hiker — was reported overdue at about 8 p.m. when he failed to return from what was to be a short day hike.

Nobody went looking for the teen until the next morning when he was found dead 3 miles up the trail.

The Vermont State Police say the teen had suffered a broken leg and had tried to drag himself down the trail. An official cause of death has not been released nor have the results of an autopsy, but the consensus is it's likely he died from exposure.

Knowing that he let someone know when to expect him home, he probably waited for someone to come to his aid. But nobody came until it was too late.

Worse, nobody even knew he needed rescuing until about 1:30 a.m. because word was never passed along by the New Haven Barracks to the State Police Search and Rescue Unit that Duclos was missing.

It likely wouldn't have mattered, according to the story written by Cindy Ellen Hill for VtDigger.org. Hill reports that State Police often won't send searchers out until daylight the next day, which in some cases would be too late.

That makes zero sense. If the report was a man overboard floating down a river, no expense would be spared to get multiple officers to the scene along with swift-water rescue crews, EMTs, and others.

When a man goes missing in the woods in January in Vermont, it's a life-and-death situation.

While the Vermont State Police say there are good reasons for delaying a rescue effort — searchers' safety, not fouling a potential crime scene, etc. — many have been critical of State Police handling of the Duclos situation and the agency's policies in general.

That includes politicians, some of whom have called for a study committee to look into the way rescues are conducted.

According to Hill's article in VtDigger.org, the committee would be comprised of representatives of Department of Public Safety, Vermont Fish and Wildlife, Vermont Forest, Parks and Recreation, civilians with experience in search and rescue, and a first responder.

Interestingly, many of these same folks are the ones saying if they had known Duclos was missing, it would have been a simple matter to send a small team up the trail.

Nobody knows whether that would have saved the young man, but it would have been a simple enough task for folks with the appropriate gear, who knew the trails, to hike in.

And that's the focus of what went wrong.

There were people who, had they known, would have eagerly and willingly put their local knowledge and skill to use.

In fact, they are angry they weren't called and demand that changes take place so a similar situation never happens again.

It's not like this in most places. Elsewhere, local police agencies have jurisdiction over a person missing in their area, and in others, the state wildlife agency has jurisdiction.

Most places don't let lost people sit in the elements overnight waiting for daylight to start a rescue.

Perhaps its time to create an organization, perhaps a group of trained rescuers in each area of the state that could muster and be on scene inside of an hour.

This would take some money for training and equipment and perhaps someone to oversee the program. But it could easily be paid for with a \$1 fee per hunting/fishing license, ATV and snowmobile registration, and such activities.

Obviously, to be fair, there would have to be a way to assess hikers, bikers, cross-country skiers and bird watchers.

Perhaps a "Green Mountain Pass" or something, in which those who purchase the pass would not be



charged a fee for rescue efforts, while those who have not paid the fee would have to pony up for some of the cost of their rescue.

Clearly, nobody wants to pay anything. But if I had a broken leg 3 miles from the trailhead, I would be glad to know that someone would be coming after me without having to wait until daybreak.

At the very least, let's make sure that Levi Duclos' death is not in vain and changes are made to way the state treats a person missing in the mountains.

## **Bill would require label on genetically modified food**

By [Thatcher Moats](#)

VERMONT PRESS BUREAU - Published: February 24, 2012

MONTPELIER — Lawmakers plan to take up a bill in the coming days designed to help Vermonters know whether the food they pull from grocery store shelves has ingredients that have been genetically engineered.

But one legislator, who is also a dairy farmer in Canaan and uses genetically modified corn seed, says the effort by legislators and advocates is a stunt that drives a wedge through Vermont's farming community.

Neither the federal government nor other states require the labeling of all genetically modified foods, but Vermont's bill is part of a national movement to change that. Nearly 20 states are considering labeling measures, according to The Associated Press, amid health concerns about genetically modified organisms.

Vermont's bill would also ban companies from calling food with genetically engineered ingredients "natural."

"The basic premise is if something is genetically engineered and you have no way of knowing that, you're being denied essential information about that product," said Andrea Stander, the executive director of the advocacy group Rural Vermont. "If you bought a car and they didn't tell you it was run by squirrels it's a material difference and you need to know that. It might be a perfectly good car, but you need to know there are squirrels under the hood."

The organic and local food movement in Vermont is evidence that Vermonters are passionate about knowing where their food comes from, advocates said, and many of those same consumers fear genetically modified foods.

Advocates say there's a growing body of scientific evidence that genetically modified foods are harmful, pointing to a study done at a Quebec university.

"We know the toxins from genetically engineered foods are ending up in our bloodstreams," said Rep. Kate Webb, a Shelburne Democrat who is the lead sponsor of the bill.

Activists also say further research that could provide definite answers has been blocked by industry groups that are protecting their patents.

But Rep. Bill Johnson, a Republican from Canaan, said there is no evidence genetically modified food — which has become increasingly common since it was introduced in 1996 — is dangerous.

"This issue for me is nothing more than just a stunt," said Johnson. "That's all it is. There's no difference between food that's genetically engineered and regular food. There's no conclusive evidence between one or the other. It's a way for the organic community to promote their product by raising a doubt about food that might be produced with genetic engineering."

Daniel Barlow, public policy manager for Vermont Businesses for Social Responsibility, said the group does view the bill as an economic development tool because when shoppers are presented with the choice between genetically modified foods and those that haven't been manipulated, "I think the choice would be pretty clear for consumers."

The House Agriculture Committee plans to take testimony on the bill starting either today or early next week, said Rep. Carolyn Partridge, chairwoman of the committee.

Partridge, a Democrat from Windham, said she supports the basic principle of the bill.

"I personally think people have a right to know what's in their food, so I think I would like food to be labeled," said Partridge.

A similar bill introduced last year was flagged by the state attorney general's office because attorneys there believed it could run afoul of interstate commerce laws. The bill has been changed this year to try to address those concerns.

The Legislature passed a law related to genetically modified seeds in 2006 that former Gov. Jim Douglas vetoed. The bill protected farmers from lawsuits in the event genetically modified seeds ended up on their land and they were sued by a biotechnology company that produced the seeds. It was unrelated to labeling.

## **Single-payer's risks debated**

By Peter Hirschfeld

Vermont Press Bureau - Published: February 24, 2012

MONTPELIER — As House lawmakers on Thursday debated controversial legislation that could soon overhaul the health insurance industry, a Senate committee turned its attention to a single-payer proposal that has gotten decidedly less attention this year.

Gov. Peter Shumlin's proposal for a publicly funded, universal health system dominated headlines in 2011, but lawmakers this year have focused almost exclusively on the so-called health benefits exchange that will soon change the way many Vermonters buy insurance.

There's good reason for the shift in focus: The exchange comes online in 2014; single-payer likely won't be possible until 2017.

With an eye toward the future, however, Senate lawmakers are crafting language that aims to prevent single-payer from going into effect until policymakers are certain it will actually save money.

"There are people who don't have faith in government to deliver a transparent and open process to

show things are sustainable and costs will be contained," Sen. Kevin Mullin, a Rutland County Republican, said Thursday. "This legislation is designed to make it very clear to folks that all the i's have been dotted and t's have been crossed and that we have a well-reasoned plan to move forward before we actually do this."

Mullin and Sen. Hinda Miller, a Democrat from Chittenden County, have teamed up on legislation that strengthens the "preconditions" for single-payer included in last year's health care reform legislation.

Specifically, Mullin and Miller are looking for assurances that the new system will contain costs without hurting quality, and that costs won't exceed the revenue capacity of Vermont taxpayers.

"We can't destroy the system until we have in place a well-thought-out strategic alternative that will work," Mullin said. "This is saying we need to make sure that everybody has done their homework, that revenues are sustainable, that costs can be contained, and that the proposed new system will work."

The legislation would require the Green Mountain Care Board — the five-person panel responsible for crafting the single-payer framework — to develop a five-year projection comparing estimated costs with projected revenues.

Miller also wants to commission a review of the final plan by an independent third-party expert with deep knowledge of the health care industry.

"This is a common business practice, to have someone who hasn't been involved in the project come in and evaluate your work before you make the leap," Miller said. "It's about risk management and making sure we have as many safeguards in place as possible to ensure we do the right thing."

The Senate Committee on Health and Welfare by and large seemed content to accommodate the requests, with some revisions.

But Sen. Anthony Pollina, a Washington County Democrat-Progressive, said legislators can't make guarantees about the future.

"You have to balance your desire to know the future with your ability to accurately predict what's going to happen," Pollina said.

While he's open to changes that alleviate some of the anxiety felt by single-payer skeptics, he said he wants to make sure the legislation isn't overly saddled with conditions.

"The risk is that we put so many conditions on this that under no circumstances are we able to meet the threshold needed to finally move forward," Pollina said. "I understand there is going to be fear about failure. But what we have to remember is that the current system is failing us right now."

## London, Sarah

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**From:** Allen, Susan  
**Sent:** Thursday, February 23, 2012 9:19 AM  
**To:** MacLean, Alex; Lofy, Bill; 'tcheney@leg.state.vt.us'; 'AGrant@leg.state.vt.us'; 'cgekas@vpimg.org'; 'peter@healthcaresecurityvt.org'; Kimbell, Steve; Lunge, Robin; 'mfisher@leg.state.vt.us'; Ayer, Claire; Mannis, David  
**Subject:** Coverage of the exchange press conference.

Overall, positive. I am about to circulate the House's talking points on the bill, and Steve and Robin's list of examples of how the exchange would help individuals and businesses. Feel free to distribute as you think helpful!

Sue

Shumlin defends health care exchange plan  
By Burlington Free Press

Democrats, Republicans draw battle lines on House health care debate  
By VTDigger

Shortly after the administration touted the benefits of participation in the exchange, Republican leadership announced a plan to make substantive amendments to the House bill.

WEB SPECIAL - Day under the Dome  
by Manchester Journal

Patti Komline of Dorset makes a point during one of the deliberations held at the House Health Care Committee during the "mark up" of the new health care bill that would align Vermont with federal guidelines regarding establishment of health insurance ...

Health care reform ready to hit Vt House floor  
by WCAX

By Susie Steimle - bio | email A hotly debated issue-- health care reform-- will hit the House floor Thursday, but party leaders spoke to WCAX News about the plan Wednesday. The House bill would set up a new health insurance marketplace or exchange.

Health care debate tactics draw fire  
Times Argus

Anti-single-payer group accuses reform advocates of internet sabotage

Shumlin defends health 'exchange'  
Times Argus

MONTPELIER — With the Vermont House poised to debate the next big step on the road to what Gov.

Susan Allen  
Special Assistant to the Governor  
802-828-3333

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Thursday, February 23, 2012 6:22 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR THURSDAY, FEB. 23:

**VTDIGGER:**

**Democrats, Republicans draw battle lines on House health care debate  
BY ALAN PANEBAKER**

As the House health care reform bill heads to the floor for debate, both sides of the issue framed their strategies Wednesday.

At Gov. Peter Shumlin's weekly press conference, he and prominent Democrats touted the benefits of H. 559 and the health benefits exchange it will implement.

"I have long advocated that one of the biggest obstacles to job growth in Vermont is the inability of employers to afford the rising cost of health insurance," Shumlin said. "It is killing business. This exchange will allow employers to get out of the health care business and allow their employees to get subsidies by buying health insurance in the exchange."

The sticking point of the health care reform bill is its requirement that businesses with fewer than 50 employees and individuals buy health insurance in the exchange. The "exchange" is a federally mandated online marketplace that will lay out the options for consumers. People who buy health insurance there will be able to access federal subsidies and tax credits to help cover the cost.

The Shumlin administration predicts increased Medicaid funding and federal incentives will bring \$300 million to Vermont starting in 2014 when the exchange goes into effect. Nearly 100,000 Vermonters (about one sixth of the state's population) and more than 16,000 businesses will be required to purchase health insurance through the exchange.

Since most subsidies in the exchange are for individuals only, the administration proposes that many smaller businesses would prefer to drop health insurance coverage for their employees and send them to the exchange — a proposition that makes some employers who have offered insurance for their employees uneasy.

"We believe there are many instances where employers may choose to get out of health insurance business for employees," Shumlin said.

The administration offered a chart outlining the benefits for people enrolling in the exchange. For example, an individual earning \$40,000 and paying \$600 per month in premiums could save \$283 a month with tax subsidies, the administration claims.

Michael Roche, owner of Stowe Tree Experts, joined the governor's press conference in support of the bill.

Roche has five employees including himself. He said the exchange will help him be more competitive since he will not have to pay for insurance for his employees.

"I have a small accident insurance plan for my staff but it's not adequate," Roche said. "I feel their efforts will have direct effects on my employees. I feel my company is the type of company they are trying to help."

**House GOP: H.559 "not ready for prime time"**

Shortly after the administration touted the benefits of participation in the exchange, Republican leadership announced a plan to make substantive amendments to the House bill.

House Minority Leader Don Turner said his party wants to make sure there are options for health insurance outside the exchange market and provide information on the financing system for Green Mountain Care — the universal health care system the state aims to put into effect in 2017.

Turner released a statement Tuesday on the Vermont GOP website expressing concerns that many lawmakers do not understand the complex piece of legislation that will have widespread effects.

"The simple truth is that H. 559 is not ready for prime time," Turner's statement reads. "Legislators cannot and should not be asked to vote on this bill until we can better understand how it will impact Vermont employers, Vermont employees, and Vermont families. We simply cannot afford to make mistakes when the health care coverage of thousands of Vermonters is at risk."

Turner said Wednesday that the idea to herd individuals and small businesses into the exchange is a bad strategy. He thinks if people have a choice, they will choose the exchange if it is better than their current insurance.

"Business people are smart," Turner said. "If the system is robust and it makes sense financially, people will join."

Turner said the Republican caucus hopes to integrate into H. 559 a requirement that the administration move up the financing plan for Green Mountain Care from Jan. 15, 2013, to Sept. 15, 2012 — before the November gubernatorial election.

"The only opportunity Vermonters are going to have to weigh in on this issue is during the election," Turner said.

Sen. Randy Brock, R-Franklin, has announced his bid to run for governor against Shumlin, and he said health care will play a major role in his campaign.

Brock introduced a bill in the Senate that would require an early release of the financing plan for Green Mountain Care also. The Shumlin administration has made clear that the exchange is a step toward its goal of universal health care in 2017 when the state can receive a federal waiver.

Brock said he had not studied the House bill, but as a policy matter he thinks the exchange should be optional.

"We should expand the [insurance] marketplace and use the exchange as it was intended — as a marketplace in which consumers can go and pick things that best fit their needs, and their family's and business' at prices they can afford," Brock said.

More options in the health insurance marketplace, Brock said, will drive down prices.

Bill Driscoll, vice president of Associated Industries of Vermont, said mandatory exchange participation raises red flags for his constituents.

Associated Industries represents businesses, primarily in the manufacturing sector. Driscoll said they are concerned about costs.

"I think [the administration's] shift in rhetoric toward emphasizing that 50 or under employers should drop insurance indicates that the exchange could be more expensive than their current options," Driscoll said.

Dropping health insurance for employees raises a number of issues, Driscoll said. For one, multistate companies that provide insurance for employees in other states could be inconsistent. Additionally, he said, while employers with 50 or fewer employees do not face penalties if they drop coverage for their employees, larger businesses will be penalized under the federal Affordable Care Act. This could create problems in 2016, when companies with 51 to 100 employees will be included in the exchange.

**Hallquist: Adoption of renewable energy requires realistic timeline**

*Editor's note: This op-ed is by David Hallquist, CEO of Vermont Electric Cooperative.*

At Vermont Electric Cooperative, we are closely watching activity in Montpelier as legislators work to establish renewable energy goals for the future. At VEC, we sit at the intersection where policy meets the ratepayer and we are concerned that legislators are overlooking limitations of today's electric grid. A very real issue is that the grid is not designed to handle large amounts of wind and solar without cost-effective battery storage to address the intermittent nature of these resources. Establishing aggressive goals for the adoption of such resources may have unintended financial and environmental consequences.

To understand this better, imagine Vermont's power portfolio of the future. Current legislative proposals would limit non-renewable energy sources like natural gas or nuclear power to 20 percent. Vermont's new Hydro-Québec contract would add about 25 percent to the mix, which is about a quarter less than the current contract. Biomass, a continuous generation and renewable energy source, could add about 15 percent to the portfolio, but woody biomass generation is limited by availability of low-grade wood. The remaining 40 percent of power needed would most likely come from ridgeline wind and solar – the intermittent renewables.

As higher renewable energy goals are achieved, the electric grid will interconnect with an unprecedented level of these intermittent wind and solar resources. Unlike power generators that provide a steady flow of electricity, such as Hydro-Québec, nuclear or natural gas plants, intermittent generation sources aren't always available when needed. Conversely, there are times when electricity demand is low and surplus power from these sources will be wasted due to the lack of a storage mechanism, like a battery, to save the unused power.

Concerns are emerging that the grid may not run reliably with significant levels of intermittent power (around 20 percent or more), unless there is a way to store electricity so that it can be used at times when it is needed.

And, therein lies the rub. Cost-effective energy storage solutions do not exist today, nor are they seen on the near horizon. If we move to adopt high levels of renewable energy before cost-effective energy storage options become available, Vermonters may face significantly higher electric rates and unintended environmental consequences like excessive levels of ridgeline wind development.

VEC is not alone in recognizing the importance of understanding energy storage issues when developing renewable energy standards. In early February, the United States Department of Energy announced the establishment of the Batteries and Storage Innovation Hub to accelerate research and development in the transportation sector and electric grid. Project funding of \$120 million over a five-year period underscores just how critical it is to develop effective energy storage solutions. While there are many programs available today to fund renewable energy production, far fewer exist to encourage the development of energy storage.

If existing battery technology was used to store excess intermittent power today, VEC estimates that the cost for these sources of energy would increase by an additional 23 cents per kilowatt hour (kWh) of energy stored. A power portfolio incorporating high levels of wind and solar, as described above, could cause the typical residential monthly cost for 500 kWh of electricity to rise from about \$80 to a level between \$120 and \$155 due to the high costs of energy storage.

Transitioning to a greener power portfolio is a complex and important challenge for many reasons. Overlooking the implications of technology limitations may result in unintended consequences. It is critical that policy makers include the expertise and knowledge of Vermont's electric utilities in the conversation as new legislation is developed. The risks are too high to Vermonters to create policy based on the hope that an energy storage solution will emerge in the nick of time.

VEC recommends the following:

- Reassess the timeline and pace for adoption of renewable energy considering today's lack of cost effective energy storage solutions;

- Utilize non-renewable energy sources like natural gas or nuclear energy more fully as transition fuels as we move to a greener portfolio;
- Encourage development of storage solutions, including use of electric vehicles, as battery storage mechanisms;
- Establish 20+ year Blue Ribbon Panel of Vermont's leading energy experts to advise and support the implementation of sound energy policy.

When it comes to energy, there are few easy answers. Vermont Electric Cooperative is committed to sharing our knowledge and expertise with fellow Vermonters as we move to a greener portfolio. Please keep abreast of energy issues and share your thoughts with your representatives in Montpelier and Washington.

## **BRATTLEBORO REFORMER:**

### **NEYT project delayed**

BRATTLEBORO -- New England Youth Theater's plan to tear down the former Tri-State Automotive building to make way for a trapezium for the New England Center for Circus Arts has been delayed because more contaminants have been found on the site, and the project's price tag has increased by about \$200,000.

Representatives from NEYT were supposed to come before the Selectboard Tuesday to ask for approval to apply for a \$543,475 Vermont Community Development Program Slum and Blight grant. But Project Manager Bari Shamas told the board Tuesday that NEYT needs more time to prepare the grant proposal, and she said NEYT will likely increase the grant request to about \$750,000 to cover the additional costs.

"We are 98 percent of the way there, but we would have a better chance if we wait," Shamas said. "We are not where we want to be, but we are moving forward."

The total cost of the project has increased from about \$1.2 million to \$1.65 million to remove the building and cap the site.

The estimates do not include costs associated with building the new circus arts facility.

NEYT owns the building at 64 Elm Street, and the organization wants to demolish the structure and build a containment cap, which would support the New England Center for Circus Arts building.

Shamas said after NEYT last talked to the board about the project, environmental consultants discovered PCBs in the soil.

She said when NEYT

opened up the bids last week, they came in well above the preliminary estimates, and she said the group needed more time to prepare a stronger application.

Town Manager Barbara Sondag told the board that municipalities were only allowed to apply for one Slum and Blight Grant, and she said the town was most likely going to apply for a Slum and Blight Grant to develop the Brooks House.

Shamas said she has been in contact with Tom Appel, who is working on the Brooks House project. The two projects should be able to each apply for the grant, which requires Selectboard approval, Shamas said.

NEYT is also hoping to receive \$400,000 from the Windham Regional Commission and \$250,000 from the Vermont Economic Development Authority to fund the project.

*Howard Weiss-Tisman can be reached at [hwtisman@reformer.com](mailto:hwtisman@reformer.com) or 802-254-2311, ext. 279.*



## Summer food program in jeopardy

BRATTLEBORO -- The Brattleboro Housing Authority is not going to be able to host the summer food program this year, and now state and local anti-hunger advocates are scrambling to find a new group to run the popular program.

BHA Executive Director Chris Hart said the organization has been so overwhelmed with rebuilding after Tropical Storm Irene, that they simply do not have the staffing available to run the program this year.

The devastating summer storm caused damage to some apartments at Melrose Terrace, and as BHA continues to figure out how it can exist within the floodway, Hart said there was no way they would be able to host the food service this summer.

"It's regrettable because we love being the sponsor, and we have taken quite a bit of pride in what we have done with the program over the years," Hart said. "But after all we have been through, and what is still before us, it was the right decision to make."

Hart said BHA is also taking on the state's Support and Services at Home, or SASH, program, in Windham and Windsor counties.

The program seeks to provide more services to seniors and the disabled who are living in their own homes, and BHA is developing the program in Windham and Windsor counties.

The summer food program is an extension of the USDA National School Lunch Program, which provides funding for school meals for low income children.

Last summer BHA served almost 19,000 meals from 11 different sites all over Brattleboro.

Since taking over in 2000, when lunches were served at only three or four sites in town, BHA has helped expand the program to what it is today.

During that time, the number of children receiving free or reduced meals at Brattleboro schools exceeded 50 percent, which allowed BHA to serve all children for free, under U.S. Department of Agriculture rules.

The Brattleboro Summer Food Program is now the third largest in the state.

Hart said BHA took over because the previous host had announced that they would not be able to continue.

And while Hart admits that overall, the program barely breaks even financially, she said all of the administrative pieces are in place and she said it should be a smooth transition once someone decides to take on the responsibility.

BHA received \$47,510 from USDA last year, according to the Vermont Department of Education. Out of that payment, about \$43,000 went toward food and serving, leaving about \$4,500 for administrative costs, though Hart said the program does receive grants and payments from the town. "Somebody has to be willing to take on those expenses. We were willing to do that, but right now we have to be very focused on the work that we have to do," Hart said. "We believe this is a very important service for the county, and something that needs to get done. It is a solid and well developed program, and we believe there are other organizations or entities in town that will be able to do this."

"We can't have all these kids go hungry this summer," said Carmen Derby, Executive Director of the United Way of Windham County. "We'll find a way to make this happen."

Derby is also a member of the Hunger Council of Windham County, which is a group of local social service leaders who have been meeting for about a year to discuss food and hunger in the region. Derby, and other member of the council, are trying to meet with BHA staff to get a better understanding of what it takes to run the summer program, and Derby said they are beginning to talk with other organizations in Windham County that might be able to take over the food service.

But Derby warned that there will likely be new challenges, and costs, associated with the change. "We want to make sure we have the best information to give to any potential sponsor," she said. "We're sure there is going to be a learning curve and any organization needs to know the costs. It is a very large job."

Hunger Free Vermont, a statewide organization that works on food security issues, helped organize the Hunger Council of Windham County, and the group's Executive Director, Marissa Parisi, said the group will do what it can to make sure the children in Brattleboro are served this summer.

"The message right now is that we don't want parents to panic," she said. "If parents have relied on this program in the past we want them to know that they can expect it to be there again this year. It's a big change but we are all optimistic we will be able to find a new sponsor. We're not going to let these kids go hungry."

*Howard Weiss-Tisman can be reached at [hwtisman@reformer.com](mailto:hwtisman@reformer.com) or 802-254-2311, ext. 279.*

### **OP-ED: Collateral damage: Vermont and nuclear energy**

Judge Murtha's recent decision against the State of Vermont in the Entergy case was greeted with stunned silence as the parties took time to rethink strategy. The state contemplated an appeal, on which they have now decided, but with a poor track record, and a well-reasoned decision its position is difficult. Entergy, on the other hand, is pressing its advantage by asking that Vermont pay millions of dollars of its legal bills. There was a temporary pause in argument while the parties awaited a favorable decision, but that is now over. The surrogates and advocates are ginning up their communication machines, and polishing up the arguments they have been using for over 40 years. Even those of us who have been watching this battle for just a few years can sense the increasing conflict. Judging from the tone on both sides, escalation is in the air; disappointment is fueling stronger language and more dramatic actions. From the sidelines one can sense that the casualties and costs will be higher as well.

Watching the parties as they circle for advantage brings two things to mind: first, the wise observations of Carl von Clausewitz, German military strategist of the early 19th century; second, the terrible lessons from our own wars.

Clausewitz' is famous for his observation that "war is the continuation of diplomacy by other means." His insight described the very thin veil that separates diplomacy -- which is disciplined policy discussion, from war -- the intent to do real damage to your opponent. Diplomacy suggests control, negotiation, give and take, desire for a solution short of violence. The notion that war continues diplomacy suggests the terrible ease with which a state or nation can slip from diplomatic conversations to armed violence, centered on winning, rather than agreeing.

Over the past couple of years we have seen this process at work, as each side in the VY/nuclear energy debate slowly introduced stronger words, sharper criticisms, then legislative action followed by federal lawsuits. "War," wrote Clausewitz, "is an act of violence to compel our opponent to fulfill our will." Exactly. The Vermont debate has moved from a policy discussion about nuclear power to a desire to make Entergy do what we want: to compel them to our will. That seemingly small step raises the specter that the final costs will be, as in war, far greater than we know.

There is a moment in disputes, as disagreement builds to conflict and the parties begin to lose interest in costs, to focus on the possible unintended consequences, and remind ourselves that the conflict could cause more damage than we can tolerate.

That brings me to the second point and to George Santayana's observation that "those who cannot remember the past are doomed to repeat it." In Vietnam, Iraq and Afghanistan we learned again and

again, to our continued horror, that the costs of going beyond diplomacy into violence are borne not just by the warriors but also by the people. I recall, now showing my age, when term "collateral damage" entered the Vietnam discussion to explain the awful costs in civilian lives as the U.S. tried to end a popular insurgency. Our judgment got worse as our frustration grew.

What might be the collateral damage in Vermont's war with VY? Well, one casualty has been policy consistency. We are not against nuclear power -- if we were, we would not approve buying power from nuclear power plants. We just do not approve of purchasing power from ones located in Vermont.

But consistency is a small victim; a far larger one is Vermont's reputation as "open for business." We said that we are a business friendly state loud and clear after Irene. How do we square that cry with the louder and more expensive fight to expel a business from the state? We have spent more to fight Entergy than we spend to attract tourists. We have certainly been focused. The legislature voted against VY; it has seldom if ever taken a similarly high profile vote in favor of our manufacturers and employers. We have spent, collectively, more time and money, attention and energy on driving a large employer out of the state than trying to build our economy and stock of good jobs.

Employers may begin to question making major investments in Vermont knowing that the state may take a politically popular decision to work against them or take actions which will raise the costs of doing business. That is the collateral damage, the unintended consequence of a 48 year fight against VY. As in a war, our energy has been poured into defeating one enemy, while we have lost track of the larger picture. The decision of the court is a wake up call to de-escalate the rhetoric and the conflict, and minimize the collateral damage to Vermont.

For the time being we have lost the opportunity to negotiate with Entergy on the shape of a post-VY future. This kind of collaboration on a soft landing for nuclear plants and their communities has happened in most other instances of closings, but as long as the war of litigation continues, it's not likely here -- which means that rather than support for mitigating the sharp economic impact on Windham County (such as immediate decommissioning instead of SafeStor), we're on our own.

What might the alternative be? To continue the war metaphor, wars end in one of two ways: total victory by one side or the other, which then gets to dictate terms, or a negotiated peace -- effectively a return to diplomacy -- in which each side gives up something, but often, both sides are better off than in a protracted conflict. Perhaps a negotiated settlement here could look something like this: Entergy gets to operate the plant for some period of years (perhaps less than 20). In return, Vermont gets a fully funded and immediate decommissioning at the end of that period, and economic assistance to mitigate the effects of the shutdown. Isn't that preferable to total victory by Entergy or by Vermont, either of which would almost certainly leave the plant mothballed for longer than the life expectancy of most Vermonters, and no funding for mitigation?

**Jeffrey M. Lewis** is executive director of Brattleboro Development Credit Corporation, BDCC, the Vermont Regional Development Corporation for Windham County. He is a Partner in the Campaign for Vermont.

## **BENNINGTON BANNER:**

### **Advocates: Educating disabled may help them avoid abuse**

BENNINGTON -- The victims in more than half of reported sex crimes in Bennington County over the past two years suffer from disabilities, and this has spurred a collaborative group of advocates to seek funding to educate this vulnerable population.

Over 50 percent

Deputy State's Attorney Christina Rainville is spearheading the application process to secure up to \$500,000 over three years from the U.S. Department of Justice. Area schools and the Bennington County Child Advocacy Center are also joining in the application process.

If the county receives the highly competitive grant, Rainville said the funds would be used to hire special educators to develop a curriculum and educate teens and adults with disabilities about sexual abuse.

Two years ago the state's attorney's office started tracking the number of sex crime victims with disabilities after believing the number was disproportionately high for years.

"It's well over 50 percent," said Rainville, who prosecutes sex crimes in the county.

The numbers are even more alarming when it comes to male victims. "Nearly 100 percent of boys and men who have been victims in these cases in the last five years have had disabilities," she said.

"When I meet with these children the thing that always overwhelms me is every single one says I didn't know what to do," Rainville told the Arlington School District board last week as she sought the district's partnership. "So we started thinking we'd like to have a program where we could educate our children with disabilities in the county before the crimes happen. We have great systems in place to educate them afterwards. We have counselors who teach them what to do and how to avoid these situations, (but) we want to teach them before."

"These kids know what to do if there's a fire. If I ask them 'what do you do if there's a fire? They say 'oh, you call 911, you leave the building.' They know it down pat. We can teach them to say no, to get out of the room and to tell. That's the basic skills we want to (teach)," Rainville said.

In recognition that school districts are financially strapped, Rainville has been in search of grants so the sex crime education can be brought to schools at no cost to taxpayers.

Arlington and Manchester Elementary/Middle School both agreed to partner in the application process, and Rainville said she also expects to ask Mount Anthony Union middle and high schools and some agencies that serve adults with disabilities before the application deadline next month. The grant must be used to educate individuals older than 13.

Rainville is relying on partnering schools to help with the application process because teachers are most aware of what resources and time commitments will be needed for students to absorb the information.

"Our hope is we'll apply with four or five schools ... get the grant and over a three-year period expand the program so it includes every school in the county," she said.

Arlington Memorial Middle and High School Principal Kerry Csizmesia called the effort "long overdue and welcomed," and the school board showed similar support.

Chairman Todd Wilkins, who works in the special victims unit of the Vermont State Police in Rutland, said the majority of victims he sees have special needs.

"It's a significant problem. One of the biggest issues we face is these kids knowing what consent is and knowing when to say no," Wilkins said. "There's a significant lack of education and I think it's our jobs to enforce that and teach it."

Recipients for the grant will be announced in May. Rainville said even if this effort is unsuccessful she will continue seeking funds to support educational programs in schools.

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## **Vt. 17-year-olds can vote in primaries, but will they?**

BENNINGTON -- Many 17-year-olds in Vermont will have the opportunity to voice their opinions in this year's primary elections, but whether they will vote remains to be seen.

In the 2010 general election, voters overwhelmingly approved a constitutional amendment to allow 17-year-olds who turn 18 by the Nov. 6 general election to participate in the presidential primary March 6 and in the Aug. 28 state primaries.

While Bennington Town Clerk Timothy R. Corcoran said no 17-year-olds in town had registered to vote by Wednesday, some Mount Anthony Union High School students who took a global issues class with Mike Molloy in the fall said they planned to register by the Feb. 29 deadline.

"I just found out this morning that I can now legally vote," said junior Anastasia Haytko, "and to me that's kind of amazing."

"It's really important to be an involved member of the community, so voting is definitely really important to me and my family," Haytko said.

Like Haytko, senior Dillon Duval plans to vote in the presidential primary after becoming interested in "everything that has to do with politics" in Molloy's class. Duval has been following the televised Republican debates, which he said has made him even more excited about voting for the first time.

"I just started to enjoy listening to all of the different points the people had to put out there, and I think

it's important to vote for who you think is going to be in charge of the country and who has the best plan for its future," Duval said.

Both Duval and Haytko acknowledged that their age plays a role in which issues they weigh the greatest when selecting a candidate. Both pointed to the cost of higher education and the economy as two of the most important issues.

"Things like Social Security (and) Medicare, at the moment, are not as important because it doesn't affect me, really," Haytko said.

Like many her age, Haytko said her political preferences are largely influenced by her parents, but since she has been following the issues more closely she's also formed her own opinions.

"Now that I feel more informed about it, I have been disagreeing with my parents about some major issues," she said.

Many eligible 17-year-olds will not be voting in the presidential primary, which Duval and Haytko said is likely because many people their age don't follow politics closely and are not thinking about life on their own after high school or college.

"I think with 17-year-olds it's kind of a lack of knowledge about what's going on in the world and what the actual issues are," Duval said.

Corcoran said part of the reason he hasn't registered any 17-year-old voters may just be because the presidential primary doesn't excite them.

"There's no opposition in the Democratic primary so there's not a lot of incentive," Corcoran said.

Molloy suggested part of the reason may also be a lack of knowledge that 17-year-olds may vote in the primaries for the first time this year. On Wednesday Molloy sent teachers an email encouraging them to talk with their classes about the change in the law.

Vermont's presidential primary is on Town Meeting Day, March 6, which is also Super Tuesday with 11 states across the nation holding elections.

Six Republican candidates are listed on Vermont's primary ballot, including Newt Gingrich, Ron Paul, Mitt Romney, Rick Santorum, Rick Perry, and Jon Huntsman. The only Democrat is President Barack Obama. Vermont voters may select one party's ballot in the primary.

Seventeen-year-olds may not take the voter's oath before turning 18 and therefore may only may vote in primary elections, not in town elections on March 6.

Anyone interested in registering to vote may do so at their town clerk's office. They must bring their driver's license or provide the last four digits of their Social Security number.

Contact Dawson Raspuzzi at [draspuzzi@benningtonbanner.com](mailto:draspuzzi@benningtonbanner.com)

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Thursday, February 23, 2012 6:08 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR THURSDAY, FEB. 23:

**VPR:**

**House Supports Bill Allowing Young To Donate Blood**

(Host) The Vermont House has given its strong approval to legislation that supporters hope will increase the blood supply in the state.

The bill makes it easier for young people to donate blood by dropping the age of consent from 17 to 16.

West Rutland Representative Tom Burditt says 38 other states have a consent age of 16 and he says those states have discovered that young people are often very enthusiastic donors:

*(Burditt)*

*"The experience the American Red Cross has had with these young adults has been very positive. In 2008, 15.2 percent of donations were from 16 to 18 year olds. In 2009, 15.3 The positive experiences are not exclusive to the Red Cross. Simply put, the purpose of this bill to lower the age of consent from 17 to 16 will save lives."*

(Host) The measure now goes to the Senate for its consideration.

**New UVM President Will Face Tough Challenges**

(Host) A former provost and law school dean at the University of Minnesota has been appointed the 26<sup>th</sup> president of the University of Vermont.

UVM's Board of Trustees says it chose Thomas Sullivan to succeed President Dan Fogel because his background and experience are compatible with Vermont's flagship institution.

But as VPR's Kirk Carapezza reports, Sullivan will have a tough assignment when he takes the helm in July.

(Carapezza) When asked why he wanted to become the next president of UVM and why he wanted to leave a large university for a much smaller one, Thomas Sullivan doesn't hesitate.

*(Sullivan) "I think the University of Vermont is a very unique institution. As I look at its scope and its size and its values and its aspirations, they fit and align so well with my own experiences."*

(Carapezza) Sullivan has Vermont ties. His wife is a UVM grad. And the law professor has paid his dues in academia, most recently spending seven and a half years as the University of Minnesota's Senior Vice President and Provost. Before that, he served as dean of its law school.

*(Cioffi) "Today we celebrate and welcome a man who has been a proud Gopher and is about to be a proud Catamount."*

(Carapezza) Rob Cioffi is chairman of UVM's Board of Trustees.

*(Cioffi) "And thankfully soon to be the former chair of the Presidential Search Committee."*

(Carapezza) At a campus event introducing Sullivan to the UVM community, Cioffi said the trustees selected him from five talented finalists.

*(Cioffi) "He is not only a clear thinker, but one who puts his thoughts into action. He is not only a prolific legal scholar possessing a powerful intellect, but he's an approachable, humble and common sense person as well."*

(Carapezza) Sullivan introduced himself to the university by committing to working closely with Vermont's political and business leaders.

*(Sullivan) "I will champion at every opportunity the principles and the values that underlie the rich history of land grant universities and particularly the mission of this university."*

(Carapezza) Sullivan pledged to make UVM more affordable, to enrich its curriculum and to compete for research funding.

Governor Peter Shumlin welcomed those priorities.

*(Shumlin) "This great university determines Vermont's future. It determines the future of our graduates. It determines our cultural, intellectual and jobs future. And that is why this selection today is so critical."*

(Carapezza) After the ceremony, former president Dan Fogel, who resigned in August amid personal controversy, congratulated Sullivan as cameras clicked.

*(Fogel) "This is a legacy in great hands, and I know you will build it higher and better."*

(Carapezza) Faculty members have criticized Fogel for raising tuition and increasing enrollment. They say those were easy ways to raise revenue and they call it low hanging fruit because UVM is still facing a projected five-year \$120 million shortfall.

Fogel didn't have any *specific* advice for the new president for closing that gap.

*(Fogel) "I think there are probably other fruit that ripens with time as the university matures and its programs mature."*

(Carapezza) And Thomas Sullivan hopes that new fruit ripens quickly, as many public universities are increasingly dependent on federal funds. He begins his new job July 15<sup>th</sup>.

## **TIMES ARGUS/RUTLAND HERALD:**

### **Minn. lawyer and academic new UVM president**

By WILSON RING

The Associated Press - Published: February 23, 2012

BURLINGTON — Incoming President E. Thomas Sullivan said Wednesday in his introduction to the University of Vermont — and the state — that finding enough money to ensure the school can provide a high-quality education at a reasonable price and making the campus more international are among his top priorities.

Sullivan is a lawyer and a former vice president and provost from the University of Minnesota. He was chosen earlier this month to the president's post by the UVM Board of Trustees, and takes office July 15.

Sullivan's appointment comes at a time when academics throughout the country are struggling with the competing demands of providing a quality education with dwindling resources.

He said at a meeting on the Burlington campus that a university needs talented faculty and staff to be able to attract talented students and advance knowledge.

"I think the most important priorities are investing in human capital," Sullivan said. "All of that is for

the benefit of society. That has a cost factor to it. We simply can't have great quality without it costing."

Sullivan said he wants to continue the effort just beginning at UVM to increase the number of international students on campus, especially undergraduate students.

"We live in a very global, interconnected world," Sullivan said. We simply don't live and can't live in isolation."

University students in Vermont need to get to know students from other parts of the world to increase their understanding of each other, he said.

"Quite frankly, a student graduating from a university today who has not had that kind of experience, that opportunity, will be at a disadvantage," he said. "We want to make sure that students at the University of Vermont have had that experience."

Gov. Peter Shumlin was among the state and university officials who greeted Sullivan during the meeting at the Davis Center.

"Vermont's jobs future depends on a strong partnership between the state and the University of Vermont, and I believe that future is bright," Shumlin said. "I look forward to working with him in a close and constructive partnership to the benefit of all Vermonters."

Sullivan will succeed Daniel Fogel, who retired last August after nine years as president. Since Fogel left, former UVM provost and professor John Bramley has served as interim president.

During his first three years at UVM, Sullivan will be paid \$447,000 in salary and deferred compensation. His wife Leslie is a 1977 UVM graduate, and he said his first visit to the campus was last spring for the graduation of a nephew.

"We were here for four absolutely lovely, gorgeous sunny days in May and we had a terrific time," Sullivan said. "I'm somebody who loves college campuses and I got up early and walked the campus when no one else was up and the sun was coming up. And I was taken by the place and the sense of the place."

Sullivan became senior vice president for academic affairs and provost at the University of Minnesota in July 2004. He left those positions earlier this month, independent of his pending move to Vermont.

Sullivan earned his undergraduate degree at Drake University in Des Moines, Iowa, and a law degree in 1973 from the University of Indiana. He has clerked for a federal judge and has taught law at a number of schools.

Considered an expert on anti-trust law, he has written or co-authored 10 books and more than 50 articles.

**EDITORIAL: Casting a shadow**



The decision by the Shumlin administration to increase water discharge fees paid by the Vermont Yankee nuclear power plant by 417 percent appears punitive and vindictive. There is a case to be made that lifting the cap on fees would be fair, but in the context of the long-standing battle against Yankee by Gov. Peter Shumlin, there is reason to fear that fairness is being sacrificed.

Vermont Yankee pays a fee for discharging heated water into the Connecticut River. It uses about 543 million gallons a year as a coolant and pays a per-gallon fee. Yankee's payments are limited, however, because of a cap of \$105,000. Yankee is the only company in the state whose discharges are large enough to hit the cap, and the Shumlin administration is proposing to lift the cap, which would raise the company's fees to \$543,000.

Fees are supposed to cover the cost of regulation and are not meant as a source of revenue for the General Fund. Yet the Agency of Natural Resources has suffered serious budget cuts in recent years, and higher fees from Vermont Yankee could help pay for a better computer system for the Department of Environmental Conservation, which would free up staff to handle the extensive regulatory duties required to oversee Vermont Yankee. At least, that is the thinking at the department.

But the proposed elimination of the cap and the higher fees come in the context of a protracted legal battle between Entergy Corp., the owner of Vermont Yankee, and the state of Vermont. U.S. District Judge J. Garvan Murtha has rejected Vermont laws granting the Legislature authority to block the relicensing of Vermont Yankee, whose certificate of public good is due to expire next month. Thus, according to Murtha's ruling, a vote in the Vermont Senate against relicensing the plant had no legal standing. Entergy has received approval for continued operation from the federal Nuclear Regulatory Commission, and so continued operation after March is expected.

Attorney General William Sorrell announced last week he would appeal Murtha's ruling to the U.S. Court of Appeals. The issue is whether federal law granting the NRC authority over nuclear safety issues pre-empts the Vermont laws granting the Legislature the power to decide Yankee's future.

The Shumlin administration has now waded into this intensifying battle by proposing to extract an extra \$438,000 annually from the company. One way to view the issue is that, because Yankee is the only company large enough to benefit by hitting the cap, eliminating the cap means doing away with a loophole that gave the company a special benefit enjoyed by no one else. It's a reasonable line of thinking. It would be another step toward curtailing costly corporate welfare.

But Patrick Parenteau, professor at Vermont Law School and a specialist in environmental affairs, sounded a cautionary note. He said the higher fees were probably constitutional and would probably not trigger a lawsuit from Vermont Yankee. But he said it was not a good idea to pass laws targeting Vermont Yankee in "bad faith" during the state's legal battle with the company.

Shumlin has not been shy about criticizing the company, and sometimes his rhetoric has gotten away from him. He is no longer a senator from Windham County, but governor of the state, and it is important that he behave in a statesmanlike and objective fashion, and not be seen as acting out of personal vindictiveness. When he vowed not to eat fish from the Connecticut River after a fish contaminated with radioactivity was taken from the river, he was speaking before the evidence was in, and he undermined his own credibility.

The higher fees on Yankee may be fair. The timing is questionable. There is much still to be resolved about Yankee's future, both at the level of the federal courts and before the Public Service Board. A punitive fee increase casts a questionable shadow.

## **Health care debate tactics draw fire**

By Peter Hirschfeld

Vermont Press Bureau - Published: February 23, 2012

MONTPELIER — The battle for hearts and minds in Vermont's single-payer health care debate took an odd turn Wednesday when one side accused the other of sabotage.

Darcie Johnston, founder of the anti-single-payer organization Vermonters for Health Care Freedom, said she was surprised to discover this week a slew of Internet domain names nearly identical her group's [www.vthealthcarefreedom.com](http://www.vthealthcarefreedom.com).

A quick trip to her computer revealed that those domain names — everything from [vermontforhealthcarefreedom.com](http://vermontforhealthcarefreedom.com) to [vtforhealthcarefreedom.net](http://vtforhealthcarefreedom.net) — divert users to sites run by the pro-single-payer Vermont Public Interest Research Group and Vermonters for Single Payer.

"That VPIRG and Vermonters for Single Payer are distorting our information and misappropriating our name shows they will stop at nothing to silence opponents' point of view," Johnston said. "It shows they have no moral compass for transparency with this issue. It's all about winning to them and not about doing what's right for Vermonters."

Paul Burns, executive director of VPIRG, said the tactics are just part of the "scrappy" strategy that pro-reform groups like his will have to use if Vermont is to succeed in health care reform.

"We're taking on some of the biggest corporate players in America, so we're a very small David against some very large Goliaths," Burns said. "And if you're going to win, you've got to be smart, you've got to be scrappy, and I think that's what this is."

In a complaint filed Wednesday with Secretary of State Jim Condos, a lawyer for Johnston alleges the activity violates state trademark protections for registered organizations like Vermonters for Health Care Freedom.

While purchasing the domain names isn't illegal, according to Montpelier lawyer Paul Giuliani, using those domain names to promote activities unaffiliated with Johnston's trademarked organization is.

The domain names were registered by Cassandra Gekas, health care reform advocate at VPIRG, and Jenny Katzenberg, formerly an intern at the national group Physicians for a National Health Program. The names were registered between December 2010 and March. Johnston didn't register her nonprofit organization until April.

"The purpose of the law is to protect an organization like Vermonters for Health Care Freedom from precisely what's going on here," Giuliani said.

Deb Richter, founder of Vermonters for Single Payer and a former president of Physicians for a National Health Program, said Johnston can't corner the market on the concept of "freedom."

"It's our belief that a single-payer system will allow people the freedom to choose their doctor, the freedom to be free of debt when they get sick, the freedom to leave a job they don't like. That was our whole premise, and it still is. Darcie doesn't own the word 'freedom.' Sorry."

Johnston, whose organization currently is running radio ads chiding the Shumlin administration for waiting until after the November elections to unveil details of the single-payer financing plan, said Burns and Richter are using underhanded tactics to prevent Vermonters from hearing a full breadth of opinions.

"Instead of arguing the merits of their case, they've decided to sabotage and undercut their opponents," Johnston said.

Gekas registered six domain names that bear striking similarities to the one used by Johnston's group; Katzenberg registered two.

Two other domain names, registered by someone who paid extra to keep his or her identity confidential, lead visitors to a site that looks exactly like Vermonters for Health Care Freedom. However, the website has been tweaked so that the Internet tab reads "Paid for by the Kock (sic) brothers."

Johnston said that neither David nor Charles Koch, the billionaire owners of Koch Industries, who have donated hundreds of millions of dollars to conservative groups, has contributed to Vermonters for Health Care Freedom.

"But I will try to make sure they're well aware of how their names have been distorted," Johnston said. "And I welcome their ability to do something about it."

## **Waterbury ranks recovery projects**

By Jenna Pizzi

Vermont Press Bureau - Published: February 23, 2012

WATERBURY — Town and village officials this week ranked long-term community recovery projects chosen by Waterbury residents.

In notable cases, the elected officials offered some different priorities, however.

The deliberation, which took place at a joint meeting of the Select Board and trustees Tuesday night, took into account the results from the community recovery fair last week.

Rebecca Ellis, who is chairwoman of the Select Board, said that because the board deemed a project not vital does not mean it will not be completed.

"As a municipality, we cannot work on 20 projects at once, so this will help to guide us," said Ellis.

The projects were created as part of the long-term community recovery process facilitated by the Federal Emergency Management Agency. Waterbury was selected as one of two communities — the

other being Wilmington-Dover — to receive the special assistance from the agency.

Community members worked with the guidance of FEMA to come up with the project ideas and detail those projects over the last three months.

While the process does not come with any financial backing from FEMA, it allows community members to work with FEMA experts and connect them with federal grant programs. The goal is to have all or most of the projects grant funded.

"If there is any cost to the town, it will come back to us, and we will have to go to the voters," said Ellis.

Each project has a "project champion," someone who has worked on the project since it was just an idea. Ellis said the success of the project would depend on the project champion's ability to ensure it keeps moving forward and receives funding.

"Every one of the 20 projects is important to Waterbury, and all of them have virtues," said Ellis.

At the fair, approximately 300 Waterbury residents cast votes for their top five of 19 projects presented. The fair results were presented in three categories: ones that received the most votes, the middle amount of votes, and the least votes. The boards split the projects into three priorities: vital, important and of interest to the community's recovery.

Of that vote, eight projects that received the most votes ranged from practical to creative. They were: creating a bicycle and pedestrian center, a connector trail to Little River State Park, flood-proofing the main sewage pump station, building a new municipal office and library complex, repairing or replacing affordable housing, the creation of a Waterbury Arts Center, a Waterbury Business Resource Center and conducting a Waterbury village flood study.

Of those, the boards determined that flood-proofing the main sewage pump station, building a new municipal office and library, affordable housing, the Waterbury Business Resource Center and the Waterbury village flood study would be vital to the community's recovery. They also said projects like one to purchase and install generators at key facilities in the community, and assisting child care and preschool facilities, would be vital to recovery, despite the fact that they did not receive as many votes at the community fair.

The boards decided that the bicycle and pedestrian center and Waterbury Arts Center were important to the community's recovery because they will help to bring more people into the area, but that those projects were not vital.

Projects including the creation of a center that would build infrastructure that can weather future disasters, a study of Waterbury's community energy distribution, and building the community's image and brand are still important to the community, according to the boards, even though they did not receive the highest number of votes at the fair.

While they received the least number of votes at the fair, the boards decided that hiring an assistant municipal planner to aid in the development of the projects was important to the recovery effort.

Flood-proofing Dascombe Rowe Field and developing a complete food system received a middle amount of votes at the fair, but the boards listed them as "of interest to recovery." Also in that category were the creation of a connector trail to Little River State Park, which was one of the projects that received the most votes; and hiring a director of recreation, improving transportation efficiency, and creating a parks and recreation master plan, which received the least votes.

No matter where they were prioritized by voters or the boards, the projects where funding sources become available will move forward, said Ellis.

All of the projects will be available for the community to view at Town Meeting Day.

The next meeting about the projects will be April 19, when they will be presented to federal, state and local partners that may provide funding.

### **Vermont Emu has a twitter account**

(THIS STORY HAS GONE NATIONAL)

A Vermont emu that has made international headlines for eluding capture on the Champlain Islands for the five weeks has now taken to cyberspace. The liberated emu has gone to expressing herself in 140 characters or fewer on Twitter (@VermontEmu). The flightless bird currently has more than 85 followers and hasn't let her lack of fingers get in the way of tweeting more than 100 times. In recent days, the emu (or its spokesemu) has discussed potential living arrangements, emu fashion and even a vain look at the emu's long legs. The emu went missing after it escaped its pen at a farm in South Hero. It weighs about 150pounds and was recently spotted outside the Folsom School in South Hero. The bird's owner placed a classified ad reading: "Free emu if you can capture it."

### **Shumlin defends health 'exchange'**

By DAVE GRAM

The Associated Press - Published: February 23, 2012

MONTPELIER — With the Vermont House poised to debate the next big step on the road to what Gov. Peter Shumlin hopes will be single-payer health care, the governor Wednesday defended his proposed requirement that employees of small businesses get health insurance through a state-backed insurance market known as a health care exchange.

Shumlin said about 96,000 Vermonters working for the 16,000 employers in the state with payrolls of 50 or fewer workers would be able to compare health plans, their benefits and costs on a website. The companies would have the option of continuing to offer employment-based health insurance — and get federal subsidies to do so — or let their employees buy federally subsidized health insurance on their own.

His comments came as minority Republicans were drafting amendments to change key parts of the legislation.

"The health care exchange will bring in \$200 million of federal money in the form of tax credits to Vermonters who are currently struggling to pay for health insurance, or to their employers who are

struggling to pay for health insurance," Shumlin said.

An additional \$100 million to \$150 million will be available for people who now get their insurance through Medicaid, which covers the poor and disabled, in addition to federal funding that comes into the state for that program now, the governor said.

Shumlin was joined by Rep. Mike Fisher, D-Lincoln, who is chairman of the House Health Care Committee, and Michael Roche, owner of Stowe Tree Experts, a tree care firm with five employees.

Roche said he had accident insurance in case his employees were hurt on the job but was not able to offer his workers comprehensive health insurance. He said he hopes the state plan will be the solution to his problem.

"I actually don't think the plan goes far enough fast enough," Roche said. Of Shumlin and legislative leaders, Roche said, "As an employer in the state of Vermont I'm counting on them to bring intelligent change to our system."

During House debate today, Republicans are expected to offer amendments to change the mandatory nature of the exchange and give people and businesses the option of buying their health insurance through it or not; and to require the administration to say sooner than it plans to what its planned single-payer system is likely to cost and how it will be paid for.

"Vermont should create an exchange that encourages everyone to purchase in this marketplace without forcing them into an untested system with few details regarding costs and benefits," said Rep. Don Turner, of Milton, the House Republican leader.

## **Migrants seek equal rights in Vt**

By [Thatcher Moats](#)

VERMONT PRESS BUREAU - Published: February 23, 2012

MONTPELIER — Rarely seen off the farm, about a dozen members of Vermont's Hispanic migrant labor force packed a Statehouse committee room Wednesday to advocate for a bill that would buck federal immigration laws and create a Vermont farm guest worker program.

The program would help the estimated 1,500 to 2,000 migrant workers in Vermont live with less fear, have better access to health care, and be less isolated on the rural dairy farms where they typically work, said advocates.

"The only thing we're asking for is rights, access to programs, and to be recognized as a part of Vermont," Danilo Lopez, a migrant worker and activist who is facing deportation, told lawmakers through a translator. "It's the same thing anyone asks. We're all human beings."

The bill pending in the Senate would set up a program run by the state Agency of Agriculture that would allow "noncitizen and nonpermanent resident aliens a means for registering with the agency and establishing Vermont residency, identification and authorization to work on Vermont farms."

Workers would get a card that would act as personal identification and proof of residency for the purposes of getting state benefits or for interactions with law enforcement.

To bolster his case for the bill, Lopez told the story of Eliazar Martinez Garcia, who he said went to the dentist recently in Richford near the U.S.-Canada border and "was targeted like an animal and hunted down by the border control outside the clinic." Authorities detained and tried to deport Garcia, who was in the committee room during testimony Wednesday, said Lopez.

Others have gone days without food on farms, Lopez said, adding that he and others have had difficulty getting health care when they need it.

"I also was working on a dairy farm and was kicked by a bull and fractured and broke my ribs and also hurt my wrist and ankle," said Lopez. "I had to wait 24 hours before I could even access any medical services or any hospital because my employer just wasn't able to take me. He said he was just too busy. So, like, if we had this law ... maybe I wouldn't have been afraid to call an ambulance or access services."

Vermont's dairy farming industry has grown increasingly reliant on Hispanic workers, who are eager to work the grueling hours farming requires for relatively low pay. Many of them lack documents giving them permission to be in the country.

Federal immigration laws include a guest worker program for seasonal work like apple picking, but dairying is not seasonal, and there is no comparable program.

The federal government's lack of action means the state is justified forging its own path, several advocates told the Senate Agriculture Committee during testimony.

"We are here because of the failure of the federal government to address the situation and the extreme need we have in Vermont for dairy farm workers," said Tim Buskey of the Vermont Farm Bureau, an organization made up of about 3,500 Vermont farm families.

"We're looking for solutions, and if the federal government won't help us, we're begging the state to help us," said Buskey.

Farmers from two Addison County towns testified in support of the bill, saying they've struggled to attract non-immigrant workers. Both Rob Hunt, of Addison, and Phyllis Bowdish, of Weybridge, said that after longtime workers left their farms, they were able to recruit only Hispanic employees.

"I'm not suggesting I prefer Mexicans or Hispanics or whatever category you want to put them," said Hunt, "but our last three full-time Americans were with us for seven, eight and 12 years. When our last American left we looked as far south as Virginia and as far west as Wyoming and there aren't Americans that want to work. My guys' day starts at 2:30 in the morning, and that eliminates 95 percent of the American population."

Lawmakers on the Senate Agriculture Committee were receptive to the arguments from advocates, but some pointed out it will be controversial if the bill advances. Sen. Philip Baruth, a Chittenden County Democrat, said someone saw the piece of paper on the committee's wall that indicated they were considering a guest worker program and the "guy went crazy."

Advocates from the group Migrant Justice want a way for workers to get driver's licenses and discussed having benefits extended to the families of registered workers.

Baruth said keeping the guest worker program simple may be wise because taking a major stand against the federal government could be counterproductive. He said Arizona, which passed state laws viewed as strictly anti-immigrant, also went against the federal government, though in a much different way from what Vermont is considering.

"I think we're doing the same thing here, but I want to be smarter than Arizona, because Arizona courted intervention from the federal government," said Baruth.

Having a simpler program also would make it easier to get a bill through the Legislature, one lawmaker said.

Hunt agreed the state should proceed cautiously and warned against making the workers eligible for state programs.

"Believe me, I have heard all the reasons why I should have Americans, and there is going to be a public outcry if they are eligible for certain governmental programs," said Hunt. "Not that they shouldn't be, but I think we need to do it one step at a time."

Vermont has been lenient toward migrant workers relative to some states, but activists say local law enforcement still has created problems for them. Lopez faces deportation because the Vermont State Police stopped him in September and turned him over to federal immigration authorities.

The high-profile detention of Lopez prompted the state police to revise their policies and essentially enact a "don't ask, don't tell" policy on immigration status.



**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Wednesday, February 22, 2012 2:11 PM  
**To:** Lofy, Bill; MacLean, Alex  
**Subject:** Fwd: Draft press release; want to add a quote?

Sent from my iPhone

Begin forwarded message:

**From:** Ashley Grant <[agrant@leg.state.vt.us](mailto:agrant@leg.state.vt.us)>  
**Date:** February 22, 2012 1:38:37 PM EST  
**To:** "Allen, Susan" <[Susan.Allen@state.vt.us](mailto:Susan.Allen@state.vt.us)>  
**Subject:** RE: Draft press release; want to add a quote?

Something came up and John will not be able to attend the press conference. He also said it was ok to finish up the press release without him. Thanks for keeping me updated, I really appreciate it.

Thanks again,

Ashley

>>> "Allen, Susan" <[Susan.Allen@state.vt.us](mailto:Susan.Allen@state.vt.us)> 2/22/2012 11:52 AM >>>

**TALKING POINTS ON HEALTH BENEFITS EXCHANGE:**

**Who:**

- **Gov** kicks it off – **tell reporters that Steve Kimbell and Robin Lunge** will be around afterwards to go over any specifics
- **Michael Roche**, owner of Stowe Tree Experts, who supports exchange to help his handful of employees afford coverage. Like many small business owners, he can't afford to offer coverage.
- **Rep. Mike Fisher** – chairman of the House Health Care Committee
- **John and Shap**

**What:**

- This bill is expected before the full House later this week.

- The exchange will help up to 96,000 Vermonters find and purchase affordable health care options; up to 16,060 businesses
- Gets health care costs off the backs of employers
- Brings in \$300 million in federal tax credits and subsidies
- Provides portability to protect Vermonters who might lose or move their jobs
- Includes cost containment – such as administrative simplicity
- Offers a broad choice of plans at all benefit levels

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**From:** Ashley Grant [mailto:agrant@leg.state.vt.us]  
**Sent:** Wednesday, February 22, 2012 11:37 AM  
**To:** Allen, Susan  
**Subject:** Re: Draft press release; want to add a quote?

Thanks Sue for keeping me in the loop. I will talk to John and see if he would like to add a quote.

Yesterday you mentioned that you would send talking points, did I miss those? If so, could you forward them to me before the press conference.

Thanks

Ashley

>>> "Allen, Susan" <[Susan.Allen@state.vt.us](mailto:Susan.Allen@state.vt.us)> 2/22/2012 11:17 AM >>>

**For Immediate Release**  
**Feb. 22, 2012**

Contact: Susan Allen  
 802-279-8493

**Gov. Shumlin: Vermont Health Benefits Exchange to bring \$300 million to Vermont**  
*Federal tax credits would help individuals and businesses afford coverage*

**MONTPELIER** – With the House expected to act this week on legislation setting up the Vermont Health Benefits Exchange, Gov. Peter Shumlin stressed that the exchange will provide Vermonters with \$300 million in federal subsidies and tax credits to enable more of them to afford quality health coverage.

“This plan makes health care coverage options simpler to compare and choose, ensures affordability of coverage for middle class Vermonters, and takes health care costs off the backs of enrolled businesses,” the Governor said. He said there would be full range of coverage options

included in the exchange, and the program protects vulnerable Vermonters from losing coverage if they lose or change their jobs.

The House bill, approved by the chamber's Health Care Committee and reviewed by the Appropriations Committee, would create a Benefits Exchange that:

- Makes federal tax credits available for households of four earning \$92,200 or less or individuals earning about \$40,000 or less.
- Increases portability by allowing health insurance to follow the individual.
- Advances cost containment projects, including administrative simplicity, payment reform, emphasis on prevention, and other steps.
- Offers plans at all benefits levels.

Up to 96,000 Vermonters and about 16,060 small businesses would be able to join the exchange and benefit from the \$300 million in federal tax breaks.

"This will allow individuals and families to afford quality coverage, and let businesses get back to doing what they do best: creating jobs," Gov. Shumlin said.

Susan Allen  
Special Assistant to the Governor  
802-828-3333

**London, Sarah**

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**From:** MacLean, Alex  
**Sent:** Wednesday, February 15, 2012 7:28 AM  
**To:** Lofy, Bill  
**Subject:** Fwd: MEDIA CLIPS FOR WEDNESDAY, FEB. 15:

Did you know searles was doing this?

Sent from my iPad

Begin forwarded message:

**From:** "Allen, Susan" <[Susan.Allen@state.vt.us](mailto:Susan.Allen@state.vt.us)>  
**Date:** February 15, 2012 6:19:22 AM EST  
**To:** "Allen, Susan" <[Susan.Allen@state.vt.us](mailto:Susan.Allen@state.vt.us)>  
**Subject:** MEDIA CLIPS FOR WEDNESDAY, FEB. 15:

**VTDIGGER:**

**Sanders, Searles push transportation plan with \$408 million for Vermont  
BY GREG GUMA**

A national transportation group report ranked Vermont's rural roads as the worst in the nation, and that's unlikely to change unless the U.S. Senate's version of a pending transportation bill prevails. If it doesn't, the state will have to cut \$160 million from transportation spending over the next five years, Vermont Transportation Secretary Brian Searles said Tuesday.

"The Senate bill is the one we support," Searles explained at a joint press conference with Sen. Bernie Sanders, I-Vt. "The House bill, frankly, takes us several steps backward."

The Senate will debate the highway reauthorization bill this week, said Sanders, a member of the Senate Transportation and Infrastructure Committee. Its version provides \$109 billion for infrastructure improvements nationally over two years. That would mean about \$408 million for Vermont.

VTrans depends on federal money, Searles said. "Our capital program is about 80 percent federally funded. Overall spending for the agency is about 60 percent federal." Searles said the House version of the transportation bill, which covers five years, also eliminates the transit account, which is funded by 2.86 cents federal gas tax, and puts transit funding in competition with other priorities. The House reverses accepted environmental protections that "are obviously important to Vermont," he said.

"Normally we would like a longer bill," Searles acknowledged. But in the current political environment "two years does give us time to look at this fairly shortly."

Sanders noted that a third of Vermont's bridges are "structurally deficient or functionally obsolete" and 36 percent of the state's "federal-aid roads are in need of major repairs."

"In fact, a national report recently ranked Vermont's rural roads as the worst in the nation, and that was before Tropical Storm Irene caused hundreds of millions of dollars in damages," Sanders said.

The report, "Rural Connections: Challenges and Opportunities in America's Heartland," was released in September by TRIP, a national transportation research group. It concluded that rural areas face significant transportation challenges including problems with traffic capacity, connectivity, freight traffic, road and bridge conditions, and safety features. Additionally, rural roads have a fatality rate higher than other roads. Beyond the more than 30 percent of Vermont roads in need of serious work, TRIP rated another 42 percent of major rural roads in the state as mediocre or fair. Although the overall fatality rate on U.S. roads has recently dropped, "traffic crashes and fatalities on Vermont's rural roads remain disproportionately high, occurring at a rate nearly three times higher than on all other roads," the report said.

Some consolation is provided by a chart indicating that Vermont is not in the top 20 for either total fatalities or deficient bridges. Texas and California see the most deaths on rural roads. Pennsylvania and Rhode Island have the highest percentage of deficient rural bridges.

In 2009, Vermont's non-interstate rural roads had a traffic fatality rate of 1.31 deaths for every 100 million vehicle miles of travel, compared to a fatality rate on all other roads of 0.46 deaths per 100 million vehicle miles of travel.

Of 74 Vermont traffic fatalities in 2009, 60 were on rural, non-interstate roads. "Inadequate roadway safety design, longer emergency vehicle response times and the higher speeds traveled on rural roads are factors in the higher traffic fatality rate," the report said.

"Roads, bridges and public transportation do not get better unless you invest in improvements," said Sanders. "In fact, the absurdity of what we do is, if you ignore infrastructure it only gets worse and adds to the expense of the project when it is finally undertaken."

The American Society of Civil Engineers estimates that more than \$2 trillion would be needed in the next five years to bring all U.S. roads, bridges and public transit up to passable condition, Sanders said.

The Senate version of the bill, although more modest than hoped, will "save more than 1.8 million jobs nationwide in each of the next two years, and it will create a million new jobs through an expanded infrastructure financing programs," Sanders said. "This bill can put a lot of people back to work here in Vermont and across the nation."

Searles argued that the Senate has been able to develop a bipartisan bill, while "there is no bipartisanship in the House on their version."

Sanders agreed, pointing to cooperation between Sen. Barbara Boxer, a California Democrat who chairs the Senate Transportation and Public Works Committee, and ranking Republican Sen. Jim Inhofe, "who is not one of the more progressive members of the Senate."

Inhofe has views "that are very different than Barbara Boxer's or mine," Sanders explained. But he understands that his state, Oklahoma, "has very significant infrastructure problems, as does Vermont and virtually every other state in the country. So, what you have seen in the Senate is the coming together of some of the most conservative members and some of the most progressive members to pass a bill which is not as strong as it should be. But given the climate in Washington right now, it is a significant step forward."

**Shumlin administration makes recommendations for health insurance benefits**

**BY ALAN PANEBAKER**

Vermonters will soon know what benefits their health insurance has to cover if they buy insurance in the individual and small group market in 2014.

The Shumlin administration has narrowed down to three, the list of potential plans that will serve as a benchmark for what services insurance companies in the state's health benefits exchange will cover.

The short list for benchmark plans includes the state employee plan, the Blue Cross Blue Shield of Vermont HMO plan and the MVP Health Care preferred exclusive provider plan.

The state employee plan offers the most covered benefits, but Lunge said, they are all similar.

Two multistate plans, which are allowed under the federal law could also be sold in the exchange. Lunge said there was a potential that these plans could not adhere to Vermont standards if federal law allows, but the state has been pushing for uniform standards.

"We've taken the position that the multistate plans shouldn't undercut the state plan," Lunge said.

People making up to 400 percent of the federal poverty level, that means an annual income of around \$92,000 for a family of four, will receive federal subsidies if they enroll in health insurance plans through the exchange.

The administration is trying to balance "rich" plans that cover lots of services with the inevitable costs that come with expanded coverage.

States are required to define just what "essential benefits" insurers in the individual and small group markets must cover. In December, the U.S. Department of Health and Human Services punted this responsibility to states to determine the benefits for these markets with the caveat that they must cover services within 10 categories.

"This means by looking at covered services, people can get a concrete idea of what is covered in the exchange in 2014," said Lunge.

Picking a benchmark plan is the first step in narrowing down what plans in the exchange, the online marketplace for insurance that states must set up, will look like.

The details of what variations of deductibles, co-pays and premiums people will pay in different plans in the exchange will come later, Lunge said.

She will present the three options to the Green Mountain Care Board Thursday. The board must choose which plan the state will use as a benchmark for essential benefits. Lunge said she hopes to see a decision by March 1.

Once the state decides which benefits must be covered, variations on the benchmark will emerge including different "medal" levels that differ in the value that insurance companies will pay for services as opposed to patients. At these medal levels (like gold, silver and bronze), deductibles and co-pays will vary also.

What people pay for health insurance will be based on a percentage of their income rather than a percentage of the benefit they will receive. Further, employers with 50 or fewer employees can drop insurance for their employees without a penalty and refer them to the exchange, where they can enroll as individuals and receive subsidies.

This structure for federal subsidies creates an environment where it benefits lower-income individuals and the state to purchase insurance through the exchange and receive subsidies, said Steve Kimbell, commissioner of the Vermont Department of Banking, Insurance, Securities and Health Care Administration.

"The obvious benefit of the Affordable Care Act is to get health insurance off the backs of small employers," Kimbell said.

Kimbell said the state should take advantage of the opportunity to draw down these federal funds.

"I would educate employees about their options and turn them loose [in the exchange]," he said.

It appears those below 400 percent of the federal poverty level would benefit from having the most comprehensive plan in the exchange and only paying a percentage of their income regardless of how expensive the plan.

The tension, Lunge said, is that for employers who continue to provide insurance and individuals above that income level, this could mean higher premiums if the state picks a broader set of benefits.

This potential for a cost shift to employers and higher income Vermonters vexes the Vermont Chamber of Commerce.

Betsy Bishop, president of the Vermont Chamber, said she has concerns that some people could end up paying more for the same plan. In theory, someone making \$40,000 a year could be paying less than 10 percent of his income for a cushioned health insurance plan while an individual making \$50,000 could have to pay more to get the same plan because he exceeds the threshold for subsidies.

Rather than a cost shift like Medicaid, for example, where government funds undercompensate health care providers and others have to make up the difference, allowing a rich plan could hypothetically result in a benefit shift where people pay different amounts for the same services, Bishop worries.

The primary concern for businesses, however, is that the state is considering what to cover without taking the costs into account.

"If we don't address costs, a major component of information is missing," Bishop said. Looking at what benefits will be covered in the exchange without determining the financial ramifications is akin to picking out a new car without looking at the price tag, she said.

Rather, Bishop says, in determining which benefits to offer in the exchange, the state should look at the entire picture, including cost ramifications.

While the short list of essential benefit plans is a small step in health care reform, one advocate for low-income Vermonters says it is an important one for consumers.

Peter Sterling, executive director of the Vermont Campaign for Health Care Security, said having defined benefits "eliminates the confusion about what's going to get covered."

Sterling has raised concerns that low-income individuals on state insurance programs like Catamount Health and the Vermont Health Access Plan could see increased costs when these programs go away in 2014.

He said it is too soon to tell what will happen to these people since the actual costs of insurance have yet to be defined. The Shumlin administration estimates about 80 percent of VHAP enrollees will be eligible for expanded Medicaid coverage under the federal law. The fate of the other 20 percent and many Catamount enrollees is still up in the air.

The basic coverage in the three benchmark plans, Sterling said, appears to be a positive sign.

"For most people not in Catamount and VHAP, this will be a step up in coverage," he said. "At first blush, it's a step forward."

## **Mace: More to NECAP scores than meets the eye**

*Editor's note: This op-ed is by Nicole L. Mace, the associate director of legal service for the Vermont School Boards Association.*

The headlines that ran after the Vermont Department of Education released the 2011 NECAP scores paint a pretty troubling picture about the performance of Vermont's schools, particularly our high schools. The department focused its press release on the significant drop in math and science test scores between students in eighth grade and students in 11th grade. The tone of the press release and subsequent news coverage would lead one to conclude that the scores are revealing a new pattern and that student performance in Vermont's schools is falling precipitously.

But these conclusions are simply not true, since they rely on a single year's worth of data and do not incorporate meaningful context or analysis. The importance of public education – to our kids, our communities, and our state — requires that any endeavor to evaluate our education system include analysis that helps build a better understanding of what's working and what's not working so that we can do better.

There is no doubt that the low levels of proficiency in high school, as measured by the NECAPs, are cause for concern. But context for these results matters.

First, trends over time help illustrate what's happening in our schools, not isolated data points. And Vermont's high school performance over the past five years suggests positive trends. We've seen a 24 percent improvement in science scores, a 20 percent increase in math, a 23 percent increase in writing, and a 6 percent increase in high school reading scores.

Second, when you look at other New England states' high school NECAP scores, Vermont's student performance is similar to our neighbors.

Finally, the drop in proficiency levels between eighth and 11th grades, as measured by the NECAP, has not changed in the years since this test has been in place, and is mirrored in all states that use the test. Although we need to continue to be informed by this drop, to understand it, and to strengthen curriculum accordingly, it is important to know that this drop does not reflect uniquely on Vermont, nor does it reflect a negative trend.

This is not to say that we are where we need to be in preparing all our students to be college and career ready. But there is much to celebrate in Vermont education. Our students do better than those in most states. And these improvements in high school NECAP scores have come during a time of unprecedented stress on schools. Over the past five years, the number of students eligible for free and reduced lunch, a measure of poverty in schools, increased by 30 percent statewide. At the same time, education resources have been tight, with school districts operating with level-funded budgets over the past two years.

The job of being a teacher, administrator or a school board member has never been tougher or more important than it is today. We have got to improve student achievement, provide safe learning environments, expand student opportunities, support student social and emotional growth, integrate technology into learning, and do it all as cost effectively as possible. This charge requires a tremendous effort and commitment on the part of educators every day on behalf of our children.

As parents and community members, we do best by our kids and schools when we evaluate the strengths and weaknesses of our educational system by examining multiple sources of data, looking at trends over time, asking questions about what we



see, celebrating successes, and challenging each other to do better. Engaging with schools in an honest and meaningful way about their performance can help all of us build consensus about how to continue to make improvements and develop constructive strategies to get us to a place where all learners succeed.

## **Owens: Reforming Vermont teacher negotiations**

*Editor's note: This op-ed is by Steve Owens, president of the Washington Central Education Association and a member of the VT-NEA board of directors. This piece first appeared on his blog, [Education Worker](#). His views do not represent the views of NEA or VT-NEA.*

Recent proposals concerning changes to collective bargaining in Vermont are both unnecessary and counterproductive. Defanging participants by prohibiting union strikes and board impositions is patently absurd because it strips the collective bargaining process of any means to force the two sides towards each other. Replacing strikes and impositions with binding interest arbitration certainly has the potential to turn down the temperature, and it provides a means of bringing the sides together, but doesn't get at the systems problem underlying the issue: The collective bargaining process we have in education was never designed for education.

I worry that legislative energy spent on tinkering around the edges of collective bargaining will be wasted. It has the potential to create tremendous controversy without any payoff in terms of improved public policy.

It will distract educators and boards from their primary task of producing great student learning.

The real next step in moving Vermont education forward via collective bargaining is reforming the process itself, reform that cannot be performed by legislative fiat. Even as government leaders consider legalistic solutions to the chronic problem of strikes and near strikes in education, local leaders in Vermont are creating real solutions based on decades of research in alternative conflict management, using proven practices that can save districts and union tens of thousands of dollars, improve school climate, and make collective bargaining agreements into education improvement plans.

The main tool in this effort is [Interest Based Bargaining](#) (IBB.) IBB is the term used for methods developed by the Harvard Negotiation Project in the 1980s. The classic formulation is found in the well known book "Getting to Yes" by William Ury. IBB needs to be adapted for education, and those adaptations are well represented in the practice of leaders who gather in the [Teacher Union Reform Network](#).

Best of all, Vermont districts and unions do not have to go it alone. The [Federal Mediation and Conciliation Service](#) (FMCS) provides free support and training to teams of local leaders who want to create a negotiation process that speaks to the benefit of students. In the Washington Central Supervisory Union we are using FMCS negotiators to reform our process. While the work is in its infancy, the early results have been a revelation to participants.

In a traditional adversarial negotiation, the two sides exchange proposals. They take positions and use whatever power or persuasion they can muster to win for their position. The result is massively time consuming and ritualistic, burning up thousands of hours of time of teachers, school board members and administrators, time which would be better spent thinking about students. The process inevitably wends itself to impasse, when the two sides admit that they can't get any further. With extremely rare

exceptions, it then proceeds to mediation and fact finding. Generally, private mediators are used at this phase, at a cost of thousands of dollars both to the board and the union. In addition, mediation and fact finding can generate tens of thousands of dollars in legal bills for boards, and huge amounts of work for VT-NEA professional staff. In worst cases, the two sides resort to their nuclear options; boards impose and unions strike. And the result? Usually a handful of contract language tweaks and a little bit of new money on the salary schedule. These tweaks are often fraught with unintended consequences that then need to be fought over in subsequent negotiations. In my experience, positional bargaining is an expensive and wasteful way to preserve the status quo.

What does the alternative look like? In Washington Central we contacted FMCS, which provided a team of skilled and experienced federal mediators to train the board and the union together in the methods of Interest Based Bargaining. Our training took a full Saturday. A mediator attends each session to advise both teams and keep the process on track. There is quite a learning curve, as the deeply ingrained habits of mind and practice of veteran negotiators have to be replaced by new, unfamiliar ways of doing business.

In a typical session now, using IBB, the work looks like this: The sides identify an issue they want to talk about and define the problem to be solved. Then participants identify their underlying interests and determine which interests are shared by both teachers and board. So far, we have discovered that the two sides share most interests. The next step is mutual brainstorming of options to resolve the issue. People are encouraged to contribute anything they think of at this stage, without criticism. Sometimes an option which at first glance looks impractical contains a kernel of something helpful. Only when the collective creativity of the team is exhausted is the list of options judged by a set of mutually agreed upon standards. There are a couple of ways to do this.

The way we chose is a three part filter:

- Is it feasible? For example an option which is illegal is not feasible. Therefore we do not apply the second test.
- Is it beneficial? Does it help solve the problem? For example, a committee to further study the problem may not, in the absence of other action, be beneficial enough to become part of the contract. But if an option passes this test, we move to the third one.
- Is it acceptable? This test asks whether the option under consideration violates any of the interests identified prior to the brainstorming of options.

An option which passes through all three of these filters can become the basis of a tentative agreement. A pair of negotiators from each side would then meet independently to draft contract language.

In many cases, the two sides simply agree that the collective bargaining agreement is the wrong tool to resolve the issue. This is quite normal – in an adversarial proceeding each side can arrive with a list of 20 or more positions, most of which never make it into the contract. Mutual agreement to exclude an issue is a far more efficient and civilized way to get to the same result.

As I said before, this process has been a revelation for the veteran negotiators in the room. One team member likened the old positional bargaining to “the two sides shouting at each other through a spokesperson.” Our new process has a group of sensible people from a variety of backgrounds working together to solve problems. The

anger and rancor of the old process has been replaced by mutual respect, and the discovery that boards and teachers share most interests.

I am optimistic that the agreements that result from our IBB process will be superior to our traditional process. After all, a proposal in positional bargaining is simply an option attached to a set of interests. There is no guarantee that it is the best possible option, and positional bargaining provides very little space for the consideration of alternatives. A collective bargaining agreement is a means of creating local education policy. A better process is in the interest of great public policy.

Again, our process is in its infancy, and I write this with some trepidation. It may be that we reach a point, perhaps on economic issues, where positional bargaining is the correct tool, and we revert to that process. This would be normal, and it is the practice in many negotiations across the country. Nonetheless, I am confident that if we reach impasse having given IBB our best shot, the scale of the remaining disagreements will be greatly reduced, and the climate of our talks will allow a more civil result.

My other concern is sustainability: Will this process outlast this particular set of leaders and this particular negotiation? The answer here has three parts. The first is how successful this particular group is in arriving at a new agreement. The more successful we are, the more sustainable the process.

The second is whether this process then becomes a template for other supervisory unions, and spreads across Vermont. If IBB becomes a cultural norm and an expectation in Vermont, sustainability becomes moot. This is part of the reason I am writing even as the result hangs in the balance. We need to do more of this work. I am committed to this vision.

Finally, while we can count on the continued support of the federal government through the free services of FMCS, what supports will our state leaders provide those of us trying to reform process for the sake of great student learning? Or will our state government get distracted in desultory and destructive tinkering with collective bargaining laws, legalistic games that are irrelevant to grassroots reforms available to every community?

We do not need to change collective bargaining laws to use IBB and the FMCS. What is required is that teachers and their unions join with their communities, turn away from the mutually assured destruction of business-as-usual, and find reasons to do that business in new and better ways.

## **PRESS RELEASES:**

### **Vermont democrats join President Obama's Truth Team**

Alicia D'Alessandro  
Communications Director  
Vermont Democratic Party  
Office: [802.229.1783](tel:802.229.1783)  
Cell: [802.468.7097](tel:802.468.7097)

Montpelier, VT- Today, Vermont Democratic Party Chair Jake Perkinson announced that the state party, in conjunction with Obama for America-Vermont, will join President Obama's Truth Team, a national grassroots effort to highlight the President's achievements since taking office, debunk false claims about the President's record, and hold Republicans accountable for their own records on the issues.

"We are proud that Vermont was the first state in the union to award our electoral votes to President Obama in 2008. In the three years since, Republicans have obstructed the President's agenda at every turn and are engaged in an active campaign to mislead the public about the President's record. Therefore, the Vermont Democratic Party will work with state leaders, activists, and Vermont supporters of the President to engage with voters in person and through social media to make sure they know the truth about President Obama's achievements and the lies of his Republican challengers."

**Vermonters for Health Care Freedom goes to the air waves to encourage Representatives Poirier and Woodward to support releasing health care financing before November election**

Darcie Johnston

Phone: (802) 229-6107 or visit

[www.VTHealthcarefreedom.org](http://www.VTHealthcarefreedom.org)

Montpelier, VT – Vermonters for Health Care Freedom purchased radio advertising time and released two radio ads aimed at encouraging Representative Poirier and Representative Woodward, who sit on the House Healthcare Committee, to support legislation that would move the date the Shumlin Administration is required to release the finance plans for Green Mountain Care from January 2013 to September 2012. The House Healthcare Committee is scheduled to vote on H. 559 this week, and legislative language that could accomplish this simple goal could and should be included in the bill. Vermonters for Health Care Freedom – a grassroots, locally-based organization – has increased its pressure on legislators and will continue to educate Vermonters on the risks and lack of funding information being provided by the Shumlin Administration and the Green Mountain Care Board. Under current law, that plan does not have to be revealed until January 2013 – after next year's elections. VHCF believes the deadline should be moved up to September 2012, so that Vermonters can be well informed about the financial consequences of single payer before the general election.

"Funding Green Mountain Care will require the largest tax increases in Vermont history, likely doubling the size of the entire Vermont State budget," according to Darcie Johnston, Founder of VHCF. "Those tax increases will have a profound impact on every Vermont business, every Vermont entrepreneur, and every Vermont family. It's only fair that Vermonters should have some sense of what those proposed taxes will be before we vote in November 2012 . . . that's what transparency and openness are all about."

The Governor and the Legislature may think it was creative politics to punt the hard questions until after the 2012 elections, but Vermonters have wised up to their game. This isn't some Times Square guessing game, this is the real world . . . and it's time the Governor and his allies realize they are playing with real money."

To hear the radio ads please click here:

<http://vthealthcarefreedom.org/news/2012-02-13/audio-clip-woodward>

<http://vthealthcarefreedom.org/news/2012-02-13/audio-clip-poirier>

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Friday, February 10, 2012 9:27 AM  
**To:** Allen, Susan  
**Subject:** Media health care clips (MIXED BAG). Circulate as you think appropriate:

**LETTER TO THE EDITOR OF ST. ALBANS MESSENGER:**

Emerson Lynn's makes some valid points about the rising cost of health care for some small businesses in the federally mandated Health Care Exchange.

What Mr. Lynn did not include are the options beginning in 2014 that the Exchange makes available to many small businesses and their employees. There are generous federal tax credits for some small businesses who buy insurance through the Exchange.

And, if a small business drops coverage, their employees are eligible for federal subsidies for their health care costs via the Exchange. The business owner pays no financial penalty for their employees receiving these federal health care subsidies.

These subsidies will bring millions of federal dollars to help Vermonters and Vermont business owners get affordable health care. A family of four can have income as high as \$90,000 and still receive a subsidy for their monthly premium. This money saved can then be spent in the Vermont economy.

I talk to small business owners and employees every day about their concerns over the high cost of health insurance. Is the Exchange the long term answer for controlling health care costs? Not by a long shot.

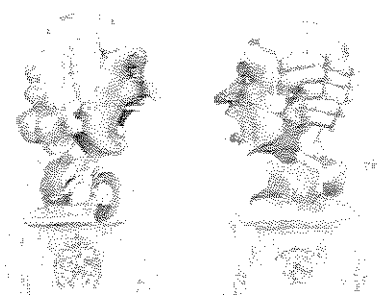
But, the Exchange is a good starting point for helping them and their employees get affordable, high quality health care while Vermont continues to develop its system for universal access to health care, Green Mountain Care.

Donna Sutton Fay  
Policy Director, Vermont Campaign for Health Care Security

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**VERMONT TIGER AND ST. ALBANS MESSENGER:**

**Kimbell vs. Lynn**



*Vermont's great health care debate*

*(ed. note: this lengthy post begins with an editorial by Emerson Lynn which generated considerable comment here and elsewhere when first published last week. Steve Kimbell, Commissioner of the Vermont Department of Banking, Insurance, Securities and Health Care Administration responded in an op-ed made generally available to Vermont media (we were left off the list and our feelings are hurt). Mr. Lynn has now responded with a rebuttal to Mr. Kimbell's critique. This back and forth should be essential reading for anyone attempting to understand the terms and terrain of the great health care debate now in progress. The debate will, no doubt, go on ... and on. One can only hope that it will increasingly generate more light and less heat and that, in the end, Montpelier will do the right thing.)*

## **An 18.4 Percent Hike in Premiums? Are You kidding?**

*by Emerson Lynn*

If the Vermont Legislature intends to shoot itself in the foot with its health reform efforts, the gun is loaded and the trigger about to be pulled.

In testimony this week, lawmakers began the task of outlining the details of how a health benefits exchange system would work, what sort of plans would be offered, who would run them, who would be covered, and what the costs would be. As one can imagine, it's complicated and the details are overwhelming to most observers – legislators included.

What the legislators are working from is called Act 48 Integration Report: The Exchange. It is a 67-page document that has been left to the administration to explain.

For the moment, this exchange [basically a place for small groups and individuals to purchase health care] only includes businesses with fewer than 100 employees. The plans being considered don't include what many businesses currently offer, which is the so-called "bronze" plan that carries a high deductible.

This concerns many of the businesses that testified before the committee. High-deductible plans have been the only means by which they could offer employees insurance and do so affordably.

Still, generally speaking most businesses are willing to consider any option that provides coverage to their employees, if the out-of-pocket expenses are the same or less.

For those who read the report, the news was nothing but pure rate shock.

According to the administration's own report, businesses with fewer than 50 employees would see their rates increase an estimated 18.4 percent.

That's just the base cost increase. That does not include inflation or general medical cost trends.

In other words, those businesses could see a first-year increase closer to 25 percent to 30 percent. There is no defense of this increase, or an explanation. Just the chart that lists an 18.4 percent increase for those companies employing fewer than 50 employees.

For perspective, that requirement includes roughly a quarter of the state's employees. The remaining are covered under large insurance plans, and not included. But the quarter that is covered, is also covered by the majority of businesses in the state. Roughly 95 percent of the businesses in Vermont are small.

What's happening is that the state's individuals and small businesses will single-handedly shoulder the burden of funding the exchange.

That's nuts.

How would any small business in Vermont handle a 25 percent increase in their health insurance costs?

If the state wants to solidify its image of being unfriendly to business, this is a great start.

If the state wants to ruin any chance of making progress toward affordable health care reform, this is a wonderful opening act.

The administration can dance around the honorable pursuit of health care reform all it would like, but when costs begin to be attached to individuals or groups, then the dance ends and the stare down begins. And it's difficult to imagine many Vermont businesses, or their employees, lining up behind a proposal that has the effect of putting downward pressure on wages through an unacceptably high increase in health care premiums.

One of the appealing themes of last year's health care reform debate was the need to remove the health care burden from businesses [made them less competitive, remember?] And now, this?

Are you kidding?

Not only is this a non-starter, but if the Legislature allows this sort of thinking to continue unchallenged, it will find itself ostracized by a public that no longer trusts its judgment.

Not a good way to begin.

If Vermont is to reform its health care system so that it provides adequate coverage at an affordable cost, then it can do so only if all segments of the population are treated with a rough sort of equivalency. It doesn't work to slap one group [employers with fewer than 50 employees] with an outrageous premium increase, and excuse others.

Someone needs to lower that cocked gun, and reach for the safety switch.

\* \* \*

## **Making Sense of Federal and State Health Reform**

*by Steve Kimbell*

Recent critical editorials about Vermont's health reform plan are welcome. Perhaps they will spur the Vermonters affected, particularly small business owners and their employees, to take a closer look at the real opportunities available to them as we implement the federal and state health reform laws. Small business owners and their employees are the primary beneficiaries of premium subsidy provisions of the federal health reform law, the Affordable Care Act, known as the ACA. These benefits will be available to businesses and individuals purchasing insurance through the federally required health insurance exchange. Here are some examples:

- *Tax credits of up to 35 percent of a small employer's contribution to employees' premiums between now and 2013 and of up to 50 percent of the contribution in 2014 and 2015.*
- *Free choice for small employers regarding whether or not to offer insurance to employees. No penalty if they decide to drop coverage.*
- *Tax credits for individuals and families who purchase insurance that will limit the impact of premiums. For a family of four earning \$50,000 per year, monthly premium would be limited to \$282, about one-half of*

*what many families now pay. These credits will be available on a sliding scale to families earning up to \$92,000 per year.*

- Cost-sharing for families earning up to \$57,636 per year to help pay for out-of-pocket expenses like deductibles and co-pays.*

Some commentators have ignored these facts and focused on the ACA requirement that all states implement new insurance rules that reduce variation in rates. This requirement will eliminate a giant loophole in Vermont's current law that allows certain businesses to band together to form "associations" and escape the normal insurance rate setting laws.

Our analysis of this change shows that it will level the health insurance rate playing field for Vermont small businesses and their employees. Leveling the playing field means that there will be a one-time adjustment producing some winners and some losers. This will happen in 2014, when the tax credit and premium subsidy provisions listed above kick in to soften the impact on those who have benefited for more than 20 years from Vermont's "association" loophole.

We are not "proposing" this change, as some commentators have said. It is a requirement of federal law that everyone in the small group market be treated alike and that costs be spread fairly. And as already noted, this is a one-time change. Some small employers, even some of those in associations, have seen annual premium increases for several years in a row greater than the elimination of the so-called association exemption will cause. And some small employers will see premium decreases as a result of giving fair treatment to all.

All of these changes are part of a transition to a more cost-effective, less complicated and fairer system. And when health care reform is fully implemented, we are willing to be held accountable for its level of success. But we do need the help of all Vermonters in explaining and striving to understand the long path toward changing a health care system that threatens to bankrupt our state. Creating a successful health insurance exchange that complies with federal law is an absolutely essential step on that journey. But it is only one step.

Gov. Shumlin has proposed additional reforms that will have a more dramatic effect in the future. He has proposed that health care coverage be fully divorced from employment, so that employers no longer have to worry about insurance details and all Vermonters know they will have coverage regardless of their employment or income status. He has proposed significant changes in health care payment and delivery so that we can contain health care cost growth. And he has proposed investments in improving the health of Vermonters so that we assure access to good primary and preventive care and avoid illness. The Green Mountain Care Board is working to implement these reforms.

\* \* \*

## **On Mr. Kimbell's Rebuttal**

*by Emerson Lynn*

The legislature's on-going attempt to set up a health care exchange has generated its share of questions and a fair amount of concern. People want to know how their health insurance plans would be affected; businesses want to know what plans would be available to their employees and what they would cost. We raised a concern of our own when we pointed out the fact that health insurance premiums, according to the administration's own figures, would increase 18.4 percent for companies with fewer than 50 employees.

In response, the commissioner of the Vermont Department of Banking, Insurance, Securities and Health Care Administration, Steve Kimbell, has penned an op-ed that been widely circulated.



We appreciate his efforts and agree that a robust discussion of the issue is in the best interests of all Vermonters. It's the airing of differences that often produces the best solutions.

Mr. Kimbell's arguments can be distilled into several points:

*\* There are all sorts of tax-credits and cost-sharing instruments that would help soften the pain of any increase in health care premiums.*

*\* The "associations" that many Vermont businesses use to purchase their health care plans are nothing but "loopholes" that need to be eliminated.*

*\* The health care exchange is just one part of a reform effort essential to help avoid the ruinous cost of health care costs.*

Let's examine Mr. Kimbell's points.

*\* First, it's important to acknowledge that Mr. Kimbell does not refute the fact that health care premiums would increase by an estimated 18.4 percent for businesses with fewer than 50 employees.*

*\* Second, yes, there are tax credits available to help reduce the impact of this increase, but it's not as simple as just applying and then receiving the credit. First, the 35 percent tax credit level is only available to companies with fewer than 10 employees and the average wage needs to be less than \$25,000. That 35 percent tax credit Mr. Kimbell cites applies to a small percentage of the state's businesses. If a company's average wage is \$35,000 and if the company employs 18 people, the tax credit falls to a paltry 2 percent.*

*\* Third, the tax credits are only available for two years. After that, there is no "softening" of the 18.4 percent increase.*

*\* Fourth, being part of an association is not a loophole. A loophole is defined as something found that was not intended. Businesses are encouraged to be part of associations. That increases the size of the buying group, which puts downward pressure on prices. To intimate that belonging to an association is tantamount to gaming the system at the expense of others is disingenuous. Mr. Kimbell knows better.*

*\* Fifth, he's correct. The exchange is just one part of a complicated path toward health care reform.*

Then, there's this. Mr. Kimbell says that if a company doesn't want to play it doesn't have to. Just drop your insurance and let your employees file individually. No penalty.

Okay, but here's a rather perverse wrinkle in that plan. If a business drops its insurance, its employees then must file for insurance individually. This qualifies the employee for federal subsidies. The way the subsidy works is that the lower the income, the more the subsidy. Thus, if the employer raises the employee's wages [because the business no longer pays for health care coverage] then the employee has his or her subsidy reduced.

Also, it's not a given that an employee would qualify for the subsidy if the employee has access to a spouse's plan. The government would prefer not to offer subsidies, so there are requirements that make eligibility something other than a slam dunk.

Mr. Kimbell knows this as well.

The Legislature has already picked up on this message, in part, by admitting it was wrong in only offering health care plans with low-deductibles – the so-called, “gold” and “silver” plans. It will include in the mix a “bronze” plan that has a high deductible and, thus is more affordable.

The Legislature will need to come to a similar conclusion when it comes to the premiums assessed. It doesn't feel much like health care reform when a sizable part of the Vermont economy is being asked to pay 18.4 percent more. When the stated goal has been the dramatic need to make health care more affordable, 18.4 percent more is not a step in the right direction. To say the least.

The health care exchange, to be fair, is not where the hard work is to be done. That falls to Anya Rader Wallack and her Green Mountain Care Board. Ms. Wallack and the board are the ones who are faced with the task of actually figuring how to reduce the cost of the health care system. Everything else follows.

What the Legislature needs to do is to present as few obstacles to this reform effort as is possible. Setting up an exchange system that is limited in choice, and high in cost is not a good first step.

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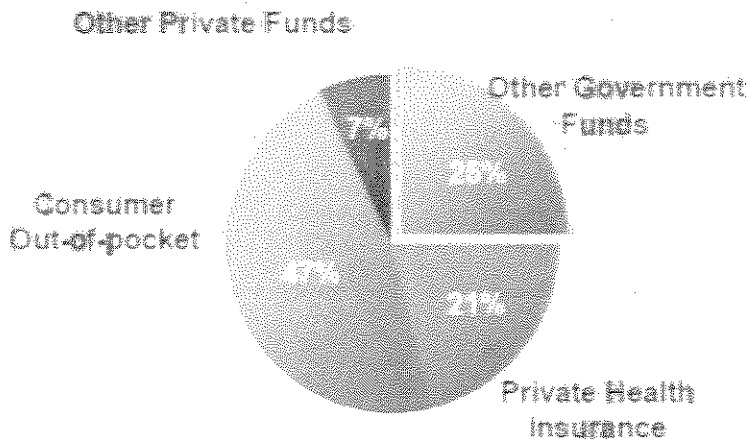
FORBES:

# **The U.S. Does Not Have A Debt Problem ... It Has A Health Care Cost Problem**

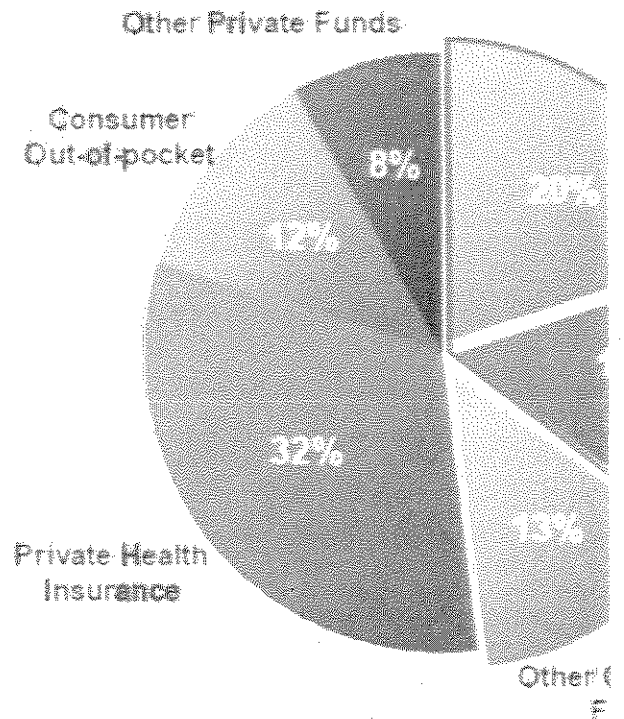
Move up Move down

## USA Total Healthcare Spending by Funding Source, 1960 vs. 2009

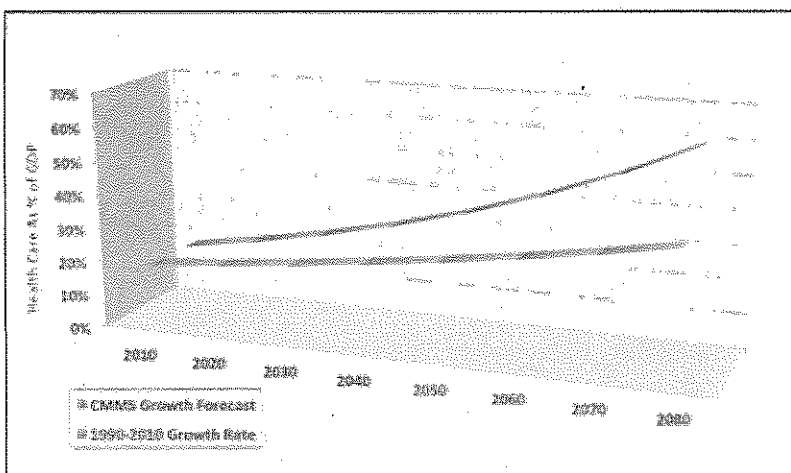
1960  
Total Healthcare  
Spending = \$187B



2009  
Total Healthcare  
Spending = \$2.5T



That's not my line, I took it from [The Economist](#), but it's a good one. If health care costs were under control, i.e. growing no faster than the economy, we could manage our debt. However, health care spending is growing at about 1.5x the rate of growth of GDP and is already close to 20% of the economy. In this post I will talk about the scary numbers. In the next post I will offer some thoughts on what we can do manage the situation.

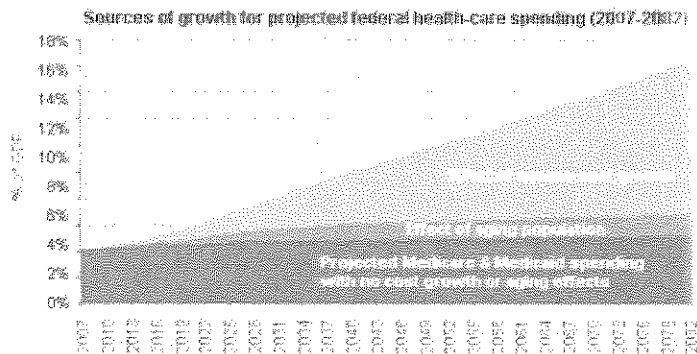


U.S. Health Care Expenditure As A Percent of GDP; Data via bea.gov & cms.gov

If the trends of the last 20 years continue, health care spending will eat up U.S. GDP in our children's lifetimes. See the first chart. The blue line is the federal government's projection of health care spending. The red line projects spending at the trend growth rate of the last 20 years.

Health care spending will eat up the federal government's budget even sooner, and that is the root cause of the U.S. sovereign debt problem. The second chart shows projected federal spending on health care as a percent of GDP rising from 5% today to about 18% of GDP, leaving no room for social security, defense, or any of the other federal government roles. In 2012 the entire federal budget is about 24% of GDP, up sharply from 20% before the financial crisis. If this forecast comes to pass, either taxes will rise to Swedish levels, or the U.S. will be a junk-quality sovereign credit like the European "PIGS".

Exhibit 2: If unchecked, the current rate of health care cost inflation is estimated to have a massive impact on the growth of U.S. government spending on health care.



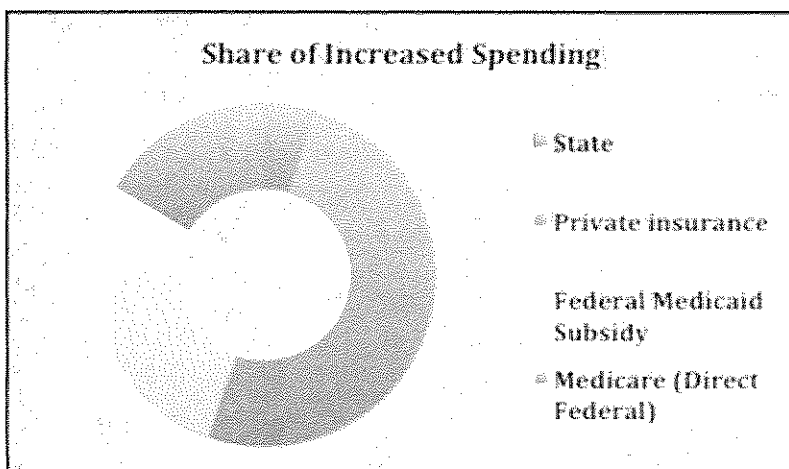
Source: U.S. Congressional Budget Office, Long-Term Outlook for Health-Care Spending, October 2007

Graph via Fidelity.com

What impact will the 2010 federal Affordable Care Act (the "ACA") have on this? Recent analysis of health care reform in Massachusetts reaches ominous conclusions. In 2006, Massachusetts adopted health care reform which strongly resembles the ACA: it created near universal insurance coverage, set minimum standards for health insurance, mandated that employers offer insurance and individuals must have it, and created a health care exchange. Mass health reform was "lite" on cost saving measures, however. It's been a great success in bringing almost all residents of the Commonwealth into the health care system (>97%), and Governor Patrick, a close ally of President Obama, points out that the impact on the state budget has been a manageable 1 percent increase in spending.

The Beacon Hill Institute, an affiliate of Boston-based Suffolk University, examined the growth rate of total health care spending in Massachusetts since 2006 compared to the national trend. They included both the spending born by the state budget and other forms of spending: federal health care transfers to the state, direct federal spending (i.e., Medicare), and private insurance. This analysis developed a very different perspective:

1. Every major category of health care spending in Massachusetts grew significantly faster than the national average in the five years following health care reform: state spending, direct federal spending, and private insurance rates. Emergency room utilization increased, despite greater access to primary care physicians. Massachusetts is now one of the highest health care cost regions in the U.S..



2. The modest impact on the state budget is mostly due to the federal government's decision to expand its Medicaid reimbursements in line with the expansion of coverage in Massachusetts; in other words, the federal government paid for almost all of the state's increased cost. Kudos to the state's politicians for bringing dollars home from DC. If the federal subsidy were to be reduced, however, the state would be in trouble, and I wonder if the federal government can be so generous on a national scale.

3. BHI attributes the surge in costs to several factors: more demand for medical services versus concentrated and slow-to-expand supply caused prices to rise; the law mandated additional coverages in private insurance; and the reform act lacked significant cost-containment features. There was significant savings in payments to hospitals for treatment of the uninsured, but this savings is overwhelmed by the other costs.

I'm a Massachusetts resident and I'm proud that every resident of the Commonwealth has access to decent health care at a price s/he can bear, and I'm willing to pay something extra to enable this. I'm not proud that we have a huge fiscal problem that the state sweeps under the rug, which the state is only starting to address with a scheme that aims to pay health care providers for "quality of service, not volume of service". This is a valid concept and it sounds something like the Affordable Care Organization ("ACO") concepts in the ACA.

The big question is: is "pay for quality"/ACOs and other current cost containment efforts strong enough medicine to tackle the problem? In fact, is there anything out there that can credibly promise to contain health care costs? I'll try to shed some light on this in my next post.

Sources:

Fidelity analysis: <https://news.fidelity.com/news/article.jhtml?guid=/FidelityNewsPage/pages/viewpoints-healthcare-economy&topic=saving-for-retirement>; Beacon Hill Institute

study: <http://www.scribd.com/doc/59235411/BHI-Mass-Healthcare-Reform2-011-0627>

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Thursday, February 09, 2012 3:09 PM  
**To:** Allen, Susan  
**Subject:** AFTERNOON MEDIA CLIPS FOR THURSDAY, FEB. 9 (FINAL)

**VERMONT TIGER AND ST. ALBANS MESSENGER:**

**Those Test Scores: What We Have Here ...**

*is failure of leadership*

***Politics by Emerson Lynn***

Vermont's reputation as a state that spends more on its schools than almost all others is a double-edged sword. The positive side is that we are defenders of education and have a reputation as a highly-educated state. The negative is the fact we are being shown that our education outcomes are not commensurate with what we pay.

If this week's statewide assessment results are any guide, people could be expected to ask what's up. In our high schools only 36 percent of our 11th graders were proficient in math, and in science that level dropped to 30 percent. The good news is that over 75 were proficient in reading, and, less stellar, almost half were proficient in writing.

These are overall figures. As with any statewide scoring requirement, there are schools that do remarkably well and some that fail totally. This disparity can be the reflection of everything from demographic differences, to leadership and the willingness to innovate.

Still, as a state we are now faced with the need to manage our reality and our reality is that we need to figure out how the performing schools do it and then figure out how to replicate their successes. We need to match our reputation for being a defender of our schools, with a reputation as being the center of educational excellence, which will require a tireless effort to embrace the need to change what happens in the classroom.

It's difficult. Change is naturally resisted. Particularly in schools.

It's also frustrating. For example, the state department of education this week said it would assess which math courses high school students were taking, and at what grade level, so that it could determine the effect not only on the test but the student's ability to take other math courses. In other words, high schools may require students to take geometry sometime within the four years, but if it's not taken before the students' junior or senior year, then the students will be tested on material they've not learned. Test scores would reflect that choice.

Two things: First, why doesn't the department have this information already? Vermont is a tiny state with a tiny school population. Why would something this elementary not be done as a matter of routine? Second, why wouldn't the state simply require students to take those two courses in their freshmen and sophomore years? That would also allow the student the time and flexibility to take other math classes. The same lessons apply to science courses. This would help the state meet the need to focus more on math and science disciplines which translate to a better prepared workforce.

As an aside, how is it that we can expect our colleges and university to churn out more engineers, mathematicians, economists, data processors, etc., if our high schools are giving them students not proficient in the required fields? Aren't we setting ourselves up for failure by refusing to coordinate and focus the high school curriculum to our collective advantage?

It begs the question: Who is in charge? Who drives this necessary change? Who focuses the debate on the need to match student outcomes with the tab taxpayers pay?

In Vermont, no one.

We have a commissioner of education, and a board of education, but they don't have the political pull to drive a discussion. We have a governor and a Legislature, but they have little regulatory clout. This lack of coordinated authority is one of the factors that inhibits the ability of Vermont's educational system to move forward.

As we've argued before, pending legislation to move the commissioner's position to the governor's cabinet [as an appointed position] is essential. It's hard to see how we adopt the progressive policies necessary without it.

And, while we support the governor's push to get this done, he must also realize that his public push to get schools to adopt flat-lined budgets for the third year running is falling on deaf ears, and should. That's purely a political ploy to be seen as someone who is opposed to an increase in property taxes. In part, he caused his own problem by refusing to adequately fund the state's educational kitty, shifting the responsibility to the local level.

It is also counterproductive to cut if there is no vision as to what the final product should be, and a plan to get there.

We have the good fortune of being a high spending state. That should mean we have the resources to turn out a first class result, and nothing is more important to the state's prosperity than first class schools. Nothing.

The opportunity is there. The need, as the assessments show, is stark. The question is one of political will.

*Emerson Lynn is editor & publisher of the St. Albans Messenger where this essay first appeared.*

## **Strongarming the Senate**

*day care providers playing union hardball*

### ***Politics by Emerson Lynn***

John Campbell is the president pro tem of the Senate, and, by definition holds a position of influence. Thus, when Vermont AFL-CIO officials asked to talk with him about a bill to allow day care providers to unionize, he probably expected a conversation focused on the merits of the legislation. Instead, according to Mr. Campbell, a piece of paper was slipped across the table. It showed how much money the union had raised to support Mr. Campbell and his party. They made it clear what they expected in return from Mr. Campbell and told him he would be labeled as someone opposed to collective bargaining if he did not comply. It was a naked display of power: we give you our money, you give us your vote.

Mr. Campbell did not give the lock-step response the union officials might have expected. He said the bill should not go forward, saying, "...the tactics used to intimidate myself and this body are so against what good clean government is about, I think it would be rewarding bad behavior."

To say the least.

Not only was the cash-for-vote display abhorrent, it was politically stupid. It puts other Senate Democrats on the spot. Mr. Campbell is their leader and he has rejected the notion of being bought. Will other Democrats do the same?

That's an open question. Mr. Campbell's cause was undermined a short time later by Gov. Peter Shumlin who said he would do all within his power to see that the Senate deals with the issue.

Clearly, he tossed Mr. Campbell under the bus. The governor's support to the union's tactics emboldened the union to move even more aggressively. By the end of the day, Mr. Campbell had pulled back on his complete opposition. Hearings on the bill will proceed. The union said Mr. Campbell's turn-about was "a positive sign."

We would encourage Mr. Campbell and his Senate colleagues to hold firm and not yield to the muscular politics displayed, which, essentially is vote-buying.

The union behind the legislation is the American Federation of Teachers, which is affiliated with the AFL-CIO. They have made this legislation their cause celebre, for the obvious reason that it could add an estimated 3,000 people to their union's membership. They are trying to do the same nationwide.

Aside from the fact that they should not be bullying legislators, it's also poor legislation, something that is not needed, something, that in many cases, is not wanted by the day care providers [over 280 day care providers in Vermont have signed a petition saying they are opposed to the legislation.]

What the bill does is allow day care providers to bargain collectively with the state for child-care subsidy rates and reimbursement levels from the Vermont Department for Children and Families. As union officials say, creating a collective bargaining unit would allow the day care providers to get "fair treatment" in their negotiations with the state.

Normally, a union is formed in response to the need to deal with an employer. Day care providers are self-employed and it's the state that decides the reimbursement levels. If reimbursement levels are insufficient, why would the Legislature not vote to increase them? Why would they create a union which would then sit down with the state to negotiate what could easily be accomplished by legislators? The Legislature has the power to do everything the legislation contends needs to be done.

Mr. Campbell raises another point. If we start unionizing all groups that receive state subsidies, where does that lead? When this legislation was first considered last year, it mandated that child care centers should be included and that the union be allowed to negotiate for pension and health care benefits. That would have meant the unionization of roughly 10,000 day care providers and untold expense. Both were stripped from the legislation passed by the House. There is an effort to include the day care centers in the Senate bill and it would not be difficult to imagine that – should the law be passed – we would see the legislation grow in its reach and its depth.

Vermonters owe Mr. Campbell a vote of thanks for at least shining a light on a lobbying effort that most Vermonters disdain. We would hope he would stand firm and have others stand with him. This is not the environment we should encourage; if it's allowed and if success follows, we can only expect more of the same.

*Emerson Lynn is editor & publisher of the St. Albans Messenger where this essay first appeared.*



## VERMONT TIGER

### Local Control ...



or controlling the locals?

*Governor Peter Shumlin is urging local voters to reject school budgets that include any additional spending for next year.*

VPR

Question is: Will Montpelier retaliate against those local school boards that don't buckle? There are often (even, usually) good reasons to vote against increases in school budgets. But one of them isn't because the governor told you to.

**The more I read, the more confused I get**

*by Art Woolf*

From today's Free Press

Case I. Vermont's best-known climate change activist, Bill McKibben, testified in Montpelier yesterday:

*Bill McKibben went before a panel of state lawmakers on Tuesday to say the storm [Irene] was at least partly the product of climate change and a likely harbinger of a troubled future.*

In the 700 word story, there wasn't one word about any contrary opinions. Such as over Mr. McKibben's assertion that

*Irene fit "precisely with what the climatologists have been telling us to expect. It was not an unbelievable windstorm as it swept up the East Coast. But over the waters of New York and New Jersey, it encountered record sea surface temperatures. ... This allowed it to soak up enormous amounts of moisture, most of which it dropped on Vermont." ...*

*McKibben said Vermont has gone from about 80 percent open land — mostly farms — and 20 percent forest in the 19th century to the reverse today. Since forest floors are good absorbers of water, the state should have been more resistant to flooding now than earlier in its history. That's why Irene's fury should be so striking, McKibben said.*

Perhaps the fact that the storm travelled directly over the spine of the Green Mountains and dropped its water into a mountainous area filled with steep mountain river valleys had more than a minor contributing effect. If

the storm's track had been just a little bit to the east or west it would have dropped its moisture in the Connecticut River or Champlain Valley, where its impact and physical and economic damage would most likely have been much less.

Mr. McKibben actually got one concern exactly correct.

*"We think we've added a couple hundred million people to the rolls of the malnourished and severely hungry around the world as a result," he said.*

Except that he was referring to the Russian drought last year (allegedly brought about by climate change). There are hundreds of millions of people worldwide who suffer from abject hunger, malnutrition, and disease that result from extreme poverty and that poverty has nothing to do with climate change. For the money that nations are spending to try to reduce carbon emissions (with no short term and very little long term benefit) those nations could alleviate a tremendous amount of suffering due to poverty.

Take, for example

*ten of the world's nastiest diseases, which afflict more than a billion people. Guinea worm, sleeping sickness, bilharzia (which doctors call schistosomiasis) and the others rot tissue and cripple the organs. Even if they do not kill, they stunt children and sap adults' energies.*

And those diseases, and other problems affecting hundreds of millions of poor people worldwide could be alleviated by channeling money spent on carbon reduction projects to providing health, food, and micronutrients to those people.

Case II. There's no doubt that college costs are rising faster than just about anything else (health care may be giving it a run for its money). But when I read about Vermont State College students lobbying Montpelier for more state funding and I read

*Emily Quattrocci of Lincoln, a landscape architecture major planning to graduate this spring from Vermont Technical College, said she had struggled to stay in school at times because her parents were unable to contribute to the cost.*

*To help pay the costs, Quattrocci said she went into business with her grandfather, growing vegetables in a garden and selling them at a roadside stand. Still, she'll have about \$40,000 in debt when she graduates, she said.*

The average student debt load nationally for students who graduate with debt (and about one-third graduate with no debt) is about \$23,000. The article notes that Vermont Technical College, where Ms. Quattrocci goes to school, as a tuition of \$10,656. That means Ms. Quattrocci must have borrowed to finance 100% of the school's tuition. That's certainly possible, but one question would be why she did not receive any financial aid from the school or from VSAC.

That question was evidently not pursued by the reporter, which leads to my next question, which is why the reporter relied on such an extreme outlier as the example of a typical student at VTC. An activist would want that extreme outlier's story told to make a point, but isn't it the role of a journalist to dig a little deeper than that?

As I said in the title of this post. I am very confused. About a lot of things.

## **We Are the Third Highest Spending State ...**

per-pupil on K-12 education and all we get are these lousy test results:

*Every fall, public school students in grades 3 through 8 and grade 11 are tested in the areas of reading, writing and math on the common assessment exam known as NECAP.*

*The 2011 results show that nearly 75 percent of Vermont students are proficient in reading, and nearly 50 percent or more are proficient in writing. But only 36 percent of 11th graders scored at the 'proficient' level in math.*

VPR

And, further down in the story we learn that only 30% of 11th graders are proficient in science. So what, exactly, are we getting for our money?

## **Kimbell vs. Lynn**

*Vermont's great health care debate*

*(ed. note: this lengthy post begins with an editorial by Emerson Lynn which generated considerable comment here and elsewhere when first published last week. Steve Kimbell, Commissioner of the Vermont Department of Banking, Insurance, Securities and Health Care Administration responded in an op-ed made generally available to Vermont media (we were left off the list and our feelings are hurt). Mr. Lynn has now responded with a rebuttal to Mr. Kimbell's critique. This back and forth should be essential reading for anyone attempting to understand the terms and terrain of the great health care debate now in progress. The debate will, no doubt, go on ... and on. One can only hope that it will increasingly generate more light and less heat and that, in the end, Montpelier will do the right thing.)*

## **An 18.4 Percent Hike in Premiums? Are You kidding?**

*by Emerson Lynn*

If the Vermont Legislature intends to shoot itself in the foot with its health reform efforts, the gun is loaded and the trigger about to be pulled.

In testimony this week, lawmakers began the task of outlining the details of how a health benefits exchange system would work, what sort of plans would be offered, who would run them, who would be covered, and what the costs would be. As one can imagine, it's complicated and the details are overwhelming to most observers – legislators included.

What the legislators are working from is called Act 48 Integration Report: The Exchange. It is a 67-page document that has been left to the administration to explain.

For the moment, this exchange [basically a place for small groups and individuals to purchase health care] only includes businesses with fewer than 100 employees. The plans being considered don't include what many businesses currently offer, which is the so-called "bronze" plan that carries a high deductible.

This concerns many of the businesses that testified before the committee. High-deductible plans have been the only means by which they could offer employees insurance and do so affordably.

Still, generally speaking most businesses are willing to consider any option that provides coverage to their employees, if the out-of-pocket expenses are the same or less.

For those who read the report, the news was nothing but pure rate shock.

According to the administration's own report, businesses with fewer than 50 employees would see their rates increase an estimated 18.4 percent.

That's just the base cost increase. That does not include inflation or general medical cost trends.

In other words, those businesses could see a first-year increase closer to 25 percent to 30 percent. There is no defense of this increase, or an explanation. Just the chart that lists an 18.4 percent increase for those companies employing fewer than 50 employees.

For perspective, that requirement includes roughly a quarter of the state's employees. The remaining are covered under large insurance plans, and not included. But the quarter that is covered, is also covered by the majority of businesses in the state. Roughly 95 percent of the businesses in Vermont are small.

What's happening is that the state's individuals and small businesses will single-handedly shoulder the burden of funding the exchange.

That's nuts.

How would any small business in Vermont handle a 25 percent increase in their health insurance costs?

If the state wants to solidify its image of being unfriendly to business, this is a great start.

If the state wants to ruin any chance of making progress toward affordable health care reform, this is a wonderful opening act.

The administration can dance around the honorable pursuit of health care reform all it would like, but when costs begin to be attached to individuals or groups, then the dance ends and the stare down begins. And it's difficult to imagine many Vermont businesses, or their employees, lining up behind a proposal that has the effect of putting downward pressure on wages through an unacceptably high increase in health care premiums.

One of the appealing themes of last year's health care reform debate was the need to remove the health care burden from businesses [made them less competitive, remember?] And now, this?

Are you kidding?

Not only is this a non-starter, but if the Legislature allows this sort of thinking to continue unchallenged, it will find itself ostracized by a public that no longer trusts its judgment.

Not a good way to begin.

If Vermont is to reform its health care system so that it provides adequate coverage at an affordable cost, then it can do so only if all segments of the population are treated with a rough sort of equivalency. It doesn't work to slap one group [employers with fewer than 50 employees] with an outrageous premium increase, and excuse others.

Someone needs to lower that cocked gun, and reach for the safety switch.

## Making Sense of Federal and State Health Reform

by Steve Kimbell

Recent critical editorials about Vermont's health reform plan are welcome. Perhaps they will spur the Vermonters affected, particularly small business owners and their employees, to take a closer look at the real opportunities available to them as we implement the federal and state health reform laws. Small business owners and their employees are the primary beneficiaries of premium subsidy provisions of the federal health reform law, the Affordable Care Act, known as the ACA. These benefits will be available to businesses and individuals purchasing insurance through the federally required health insurance exchange. Here are some examples:

- *Tax credits of up to 35 percent of a small employer's contribution to employees' premiums between now and 2013 and of up to 50 percent of the contribution in 2014 and 2015.*
- *Free choice for small employers regarding whether or not to offer insurance to employees. No penalty if they decide to drop coverage.*
- *Tax credits for individuals and families who purchase insurance that will limit the impact of premiums. For a family of four earning \$50,000 per year, monthly premium would be limited to \$282, about one-half of what many families now pay. These credits will be available on a sliding scale to families earning up to \$92,000 per year.*
- *Cost-sharing for families earning up to \$57,636 per year to help pay for out-of-pocket expenses like deductibles and co-pays.*

Some commentators have ignored these facts and focused on the ACA requirement that all states implement new insurance rules that reduce variation in rates. This requirement will eliminate a giant loophole in Vermont's current law that allows certain businesses to band together to form "associations" and escape the normal insurance rate setting laws.

Our analysis of this change shows that it will level the health insurance rate playing field for Vermont small businesses and their employees. Leveling the playing field means that there will be a one-time adjustment producing some winners and some losers. This will happen in 2014, when the tax credit and premium subsidy provisions listed above kick in to soften the impact on those who have benefited for more than 20 years from Vermont's "association" loophole.

We are not "proposing" this change, as some commentators have said. It is a requirement of federal law that everyone in the small group market be treated alike and that costs be spread fairly. And as already noted, this is a one-time change. Some small employers, even some of those in associations, have seen annual premium increases for several years in a row greater than the elimination of the so-called association exemption will cause. And some small employers will see premium decreases as a result of giving fair treatment to all.

All of these changes are part of a transition to a more cost-effective, less complicated and fairer system. And when health care reform is fully implemented, we are willing to be held accountable for its level of success. But we do need the help of all Vermonters in explaining and striving to understand the long path toward changing a health care system that threatens to bankrupt our state. Creating a successful health insurance exchange that complies with federal law is an absolutely essential step on that journey. But it is only one step.

Gov. Shumlin has proposed additional reforms that will have a more dramatic effect in the future. He has proposed that health care coverage be fully divorced from employment, so that employers no longer have to worry about insurance details and all Vermonters know they will have coverage regardless of their employment or income status. He has proposed significant changes in health care payment and delivery so that we can contain health care cost growth. And he has proposed investments in improving the health of Vermonters so that we assure access to good primary and preventive care and avoid illness. The Green Mountain Care Board is working to implement these reforms.

\* \* \*

## **On Mr. Kimbell's Rebuttal**

*by Emerson Lynn*

The legislature's on-going attempt to set up a health care exchange has generated its share of questions and a fair amount of concern. People want to know how their health insurance plans would be affected; businesses want to know what plans would be available to their employees and what they would cost. We raised a concern of our own when we pointed out the fact that health insurance premiums, according to the administration's own figures, would increase 18.4 percent for companies with fewer than 50 employees.

In response, the commissioner of the Vermont Department of Banking, Insurance, Securities and Health Care Administration, Steve Kimbell, has penned an op-ed that been widely circulated.

We appreciate his efforts and agree that a robust discussion of the issue is in the best interests of all Vermonters. It's the airing of differences that often produces the best solutions.

Mr. Kimbell's arguments can be distilled into several points:

*\* There are all sorts of tax-credits and cost-sharing instruments that would help soften the pain of any increase in health care premiums.*

*\* The "associations" that many Vermont businesses use to purchase their health care plans are nothing but "loopholes" that need to be eliminated.*

*\* The health care exchange is just one part of a reform effort essential to help avoid the ruinous cost of health care costs.*

Let's examine Mr. Kimbell's points.

*\* First, it's important to acknowledge that Mr. Kimbell does not refute the fact that health care premiums would increase by an estimated 18.4 percent for businesses with fewer than 50 employees.*

*\* Second, yes, there are tax credits available to help reduce the impact of this increase, but it's not as simple as just applying and then receiving the credit. First, the 35 percent tax credit level is only available to companies with fewer than 10 employees and the average wage needs to be less than \$25,000. That 35 percent tax credit Mr. Kimbell cites applies to a small percentage of the state's businesses. If a company's average wage is \$35,000 and if the company employs 18 people, the tax credit falls to a paltry 2 percent.*

*\* Third, the tax credits are only available for two years. After that, there is no "softening" of the 18.4 percent increase.*

*\* Fourth, being part of an association is not a loophole. A loophole is defined as something found that was not intended. Businesses are encouraged to be part of associations. That increases the size of the buying group, which puts downward pressure on prices. To intimate that belonging to an association is tantamount to gaming the system at the expense of others is disingenuous. Mr. Kimbell knows better.*

*\* Fifth, he's correct. The exchange is just one part of a complicated path toward health care reform.*

Then, there's this. Mr. Kimbell says that if a company doesn't want to play it doesn't have to. Just drop your insurance and let your employees file individually. No penalty.

Okay, but here's a rather perverse wrinkle in that plan. If a business drops its insurance, its employees then must file for insurance individually. This qualifies the employee for federal subsidies. The way the subsidy works is that the lower the income, the more the subsidy. Thus, if the employer raises the employee's wages [because the business no longer pays for health care coverage] then the employee has his or her subsidy reduced.

Also, it's not a given that an employee would qualify for the subsidy if the employee has access to a spouse's plan. The government would prefer not to offer subsidies, so there are requirements that make eligibility something other than a slam dunk.

Mr. Kimbell knows this as well.

The Legislature has already picked up on this message, in part, by admitting it was wrong in only offering health care plans with low-deductibles – the so-called, “gold” and “silver” plans. It will include in the mix a “bronze” plan that has a high deductible and, thus is more affordable.

The Legislature will need to come to a similar conclusion when it comes to the premiums assessed. It doesn't feel much like health care reform when a sizable part of the Vermont economy is being asked to pay 18.4 percent more. When the stated goal has been the dramatic need to make health care more affordable, 18.4 percent more is not a step in the right direction. To say the least.

The health care exchange, to be fair, is not where the hard work is to be done. That falls to Anya Rader Wallack and her Green Mountain Care Board. Ms. Wallack and the board are the ones who are faced with the task of actually figuring how to reduce the cost of the health care system. Everything else follows.

What the Legislature needs to do is to present as few obstacles to this reform effort as is possible. Setting up an exchange system that is limited in choice, and high in cost is not a good first step.

## **Getting Traction**

Campaign for Vermont is out with two new radio spots

One on property taxes and ed funding

and

Another on health care reform.

On the health care issue, Governor Shumlin compromised on the question of allowing small businesses to remain outside the exchange.

To which, CFV said,

*Campaign for Vermont is pleased that the Governor has mandated that the health care exchange legislation should include "bronze" plans that would retain the popular HSAs & HRAs. And, Campaign for Vermont is encouraged that the Governor is willing to maintain the current definition of small business as those with fewer than 50 employees.*

*"Still, there are more adjustments that can be made. Campaign for Vermont believes that Vermonters should not be forced into the exchange; if it is everything the Governor and Legislature claim it will be then people will flock to it.*

*"Additionally, the Administration's own report suggests that premiums could rise by 18% or more for the small businesses still mandated into the Exchange. That's simply too much.*

*"There is time to make further changes to the legislation so that Vermont abides by the federal mandate. But it must be an exchange that offers robust options from many insurance providers. And it should be attractive enough so businesses and individuals would prefer shopping in the health care exchange but still allow the federal option to purchase insurance outside the exchange.*



**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Thursday, February 09, 2012 2:58 PM  
**To:** Allen, Susan  
**Subject:** AFTERNOON MEDIA CLIPS FOR THURSDAY, FEB. 9:

**BURLINGTON FREE PRESS:**

**Voice of the Free Press: Child care provider union is bad policy**

The push for union representation for child care providers in their dealings with the state threatens to reduce the role of the Legislature and the general public in an important policy debate.

Setting policy through collective bargaining also could send important debates over matters of public interest behind closed doors -- the usual venue for negotiations with unions.

H.97, "An act relating to early childhood educators," passed last year by the House and now before the Senate would force public policy to be set through negotiations between union representatives and the governor's office.

The items to be determined by collective bargaining include, in the bill's language: "Child-care subsidy payments, including rates and reimbursement practices and rate variations reflecting different provider classifications and quality incentives" and "professional development and training, including financial assistance for child-care providers and their staff."

What the union advocating for the legislation -- Vermont Early Educators United-AFT -- is seeking differs from union representation as most people understand it. Rather than represent workers to bargain over wages and work conditions with employers, the union seeks to represent small businesses to negotiate binding agreements with the state that determines how the state spends taxpayer funds.

There is nothing in the proposed legislation that would explicitly guarantee those union-administration negotiations would be public, as are current debates on child care policy and funding. Imagine a world where every special interest could go behind closed doors to cut its own deal to dip a cup in the public till.

If a collective bargaining agreement protects state child care subsidies even in times of severe budgetary pressures, then the difference must be made up at the expense of those who have no such special privilege, either through deeper cuts or increased taxes. Either way, an agreement between a union and the executive branch could tie the policy hands of lawmakers charged with budgeting for the state.

If child care providers are seeking to be heard, they can do so by coming to the Legislature themselves, as they are doing to push for the bill, or by hiring a lobbyist -- a more traditional variation of what this particular union representation amounts to.

Child care providers should be prepared to fight it out on an equal footing with those advocating for all the other priorities that crowd the public agenda.

If the child care providers feel they have an insufficient voice in the policy debate, then the fault lies with their members of the House and Senate who were elected to represent their interests.

The union proposal amounts to little more than legislating exclusive access by creating a process that reduces both public debate and public input.

That's just bad public policy.

### **My Turn: Goal is best possible Vermont health care**

I chair the Green Mountain Care Board, which is responsible for reducing health care cost growth in Vermont by changing health care payment and encouraging change in health care delivery. We are charged with making sure that cost containment results from real efficiencies, not arbitrary constraints.

I recently spoke to the Fletcher Allen Health Care medical staff and made three points:

- Significant transformation in our health care system to reduce cost growth is absolutely necessary and unavoidable.
- Doctors and other health care practitioners must lead this transformation, or we will get it wrong.
- Health care providers can't tackle this challenge alone. State government, the federal government, hospital administrators, private payers and patients have to be part of the solution. Vermont has to embrace changes in health care delivery as a community.

Health care costs rise, in Vermont, at two to three times the rate of growth in the economy. That trend is impossible to sustain. We currently spend about one out of every \$5 we earn on health care, and we spend more with each passing year. If health care costs continue to rise at 5 percent per year (a reasonable expectation) and the state economy grows at 2 percent per year (also reasonable), health care costs would absorb 100 percent of gross state product around 2045.

This concept is ludicrous: we could not spend all of our income on health care. As with a family budget, we, as a state, have to buy food, housing and all other things that are essential. Yet we have seen the effect of rising health care costs on our spending. A recent Health Affairs article documented that, between 1999 and 2009, Americans, on average, gave up all real increases in their incomes to health care costs.

We won't let it get that bad. The question is how will we stop it? If history is a guide, Medicare and Medicaid use the only tool that has any meaningful impact -- provider fee reductions -- to moderate overall health care cost growth. Public and private payers also will try to influence health care use, by requiring providers to ask for permission, requiring them to file paperwork or second-guessing their decisions. That's not the right way to reduce health care costs.

(Page 2 of 2)

This is why providers must lead in crafting a solution. Health care practitioners have to own this one, and we must develop reforms that enhance their role in the health care system, which has been sadly diminished in recent years. They know there are better ways to reduce health care cost growth. Not easier, but better. There is avoidable hospital use. There are avoidable readmissions. There is better management of chronic conditions. There are better approaches to end-of-life care.

We know that, when doctors provide evidence-based care to patients, costs are reduced and quality is enhanced. The current system constrains them from providing evidence-based care -- it forces providers to shorten visits, refer the patient up the line, or order stuff they might not think is necessary. Both the reimbursement system and the liability system encourage this.

Health care providers cannot do this alone. They need support and cooperation to change the health care delivery system, to make it more efficient and effective. They need public and private payment policies that pay fairly for doing the right thing. They need hospital administrators who support them. And perhaps most importantly, they need patients whose expectations and personal behavior are consistent with a system that rewards value. This is difficult to achieve, but essential to our success, as a community -- a full community, not just a medical community -- at health care reform.

Our goal, as a board, is to create an environment -- in terms of payment, regulation and public policy -- that supports health care practitioners in creating the best possible health care system for Vermont. To say we need their help in this endeavor would be an understatement -- we need them to lead it.

*Anya Rader Wallack is chairwoman of the Green Mountain Care Board in Montpelier.*

## **VTBUZZ:**

### **State and Vermont State Employees Association agree on “teleworking” policy**

Posted on February 9, 2012 by Nancy Remsen

The Vermont State Employees Association is cheering an agreement reached with the state establishing a teleworking policy, detailing the principles and conditions for an employee’s request to work remotely.

The policy affects the non-management and supervisory units.

“For years, VSEA members belonging to the union’s Non-Management Unit have been asking about the possibility of telecommuting, and I’m pleased that we now have a policy in place to try and accommodate state employees who voluntarily—and with an appointing authority’s permission—want to work from an alternate location,” said Lucas Herring, who chairs the VSEA non-management unit Executive Committee.

“A lot of the discussion about Vermont’s lack of a telecommuting, or teleworking, policy was generated in the months following Irene because, for a lot of state employees, working from home or elsewhere was really the only option they had to continue providing services to Vermonters. We’re very pleased, as are VSEA members belonging to the union’s Supervisory Unit, to now have a formal teleworking policy in place and ready to go. It was a great cooperative effort between VSEA members and the State.”

The new policy took effect Feb. 8.

### **Vermont attorney general consulting D.C. lawyers on VY appeal**

Posted on February 9, 2012 by Terri Hallenbeck

Vermont Attorney General Bill Sorrell said Thursday he has not yet made a decision whether to appeal the Vermont Yankee federal court decision the state lost last month. His deadline is Feb. 21.

Sorrell said he is consulting with the Washington, D.C., law firm Kellogg, Huber, Hansen, Todd, Evans & Figel. He described Kellogg Huber partner David Frederick, with whom the state is working, as “another

Kathleen Sullivan.” Sullivan is the high-powered litigator who successfully argued Entergy Corp.’s case against Vermont in its effort to keep running the Vermont Yankee nuclear power plant.

Sorrell said he hired the same firm to help prepare for the case, paying about \$50,000 in consulting fees.

“I hope what this represents is very real due diligence,” Sorrell said in making the decision whether to appeal.

**Vermont Strong license plate bill signed  
WITH A PHOTO FROM THE PRESS CONFERENCE**

**STOWE REPORTER:**

**Stowe hires a new chief**

Stowe has a new top cop: Donald Hull, deputy chief of the Canton (Conn.) Police Department, has been chosen as Stowe’s new police chief.

“I just really like the area,” Hull, 52, said. “I’ve been coming up here to ski since I was a kid — I learned to ski here.”

Hull succeeds Ken Kaplan, who retired last fall after four decades with the department. Sgt. Steven Stewart has been interim chief.

“All those we spoke with (in Canton) verified that he was highly qualified and professional,” Town Manager Charles Safford said.

Hull starts the Stowe job Feb. 27.

Stowe received more than 90 applications for the position, town officials said. Hull was selected by an advisory committee that included Safford, Lamoille County Sheriff Roger Marcoux, Lamoille County State’s Attorney Joel Page, Stowe Fire Chief Mark Sgantas, and resident LeeLee Goodson.

Hull’s starting salary is \$80,552, the same as Kaplan’s when he retired, Safford said.

“Hull’s experience and qualifications warranted the salary,” Safford said.

“I enjoy it,” Hull said of police work. “You meet a whole variety of people.”

Hull grew up in Burlington, Conn., and originally wanted to be a game warden.

“I took a couple of criminal justice classes and decided this is what I wanted to do instead,” he said.

From 1976 to 1987, Hull was a volunteer firefighter with Burlington (Conn.) Volunteer Fire and Emergency Medical Services, and for six years was the assistant fire chief.

Hull began his police career in 1980, working part-time with his hometown police force. In 1981, he earned an associate's degree in criminal justice from Roger Williams University in Bristol, R.I. He also worked as an investigator for Travelers Insurance Company of Hartford, Conn.

He's been working full-time at the Canton Police Department since 1984, and was acting police chief from March to September 2010.

In 2008, Hull received a bachelor's degree in public safety administration from Charter Oak State College in New Britain, Conn., and in 2009 graduated from the FBI National Academy, a training center for law-enforcement managers.

He also received specialized training from the New England Institute of Law Enforcement Management, the International Association of Chiefs of Police, and the Connecticut Police Academy. In his years at the Canton Police Department, he was also a police-dog handler and member of the SWAT team.

Hull said he hasn't hit the ski slopes in a few years, but plans to get back into the sport when he moves to town. Among his hobbies: any outdoor activity, and ranching trips to Montana.

Hull is married but has no children.

Hull said Stowe should prove an interesting, mixed beat.

"You meet a whole variety of people — there are the business owners, the full-time residents, and the visitors who can be from all over the world," he said.

Hull said his philosophy on police work is to be out in the community, even if you're the chief.

"I like to go out on the road," he said. "You can really get a grasp of everything when you're not just sitting in the office. You want to go out and see the community and meet the people in it."

Hull said he hopes to foster a sense of teamwork at the Stowe Police Department.

"You want to get that team aspect working — it's not your department; it's everyone's department," he said. "You can really build on that. I always try to provide training and opportunities for officers as they work their way up through the ranks."

The biggest thing he's learned in his years as a police officer?

“You have to learn how to deal with people, and I don’t mean that in a bad way,” he said. “A lot of times, people just want someone to listen to them. Policing starts with just being the guy on the street, or the guy who answers the phone.”

## **Businesses briefed on health care**

**BY NATHAN BURGESS**

Changes in state and federal health care laws will give businesses with a lot to consider in the coming years, say two lobbyists who work with the health-care industry.

On Monday, Susan Gretkowski and Heidi Tringe of MacLean Meehan & Rice, a lobbying firm based in Montpelier, gave a presentation for area business owners at the Commodores Inn on Route 100 in Stowe.

The presentation looked at the Affordable Care Act, the federal health-care law passed in 2010, and Act 48, the 2011 Vermont law set up to redesign the state’s health-care system.

“We’re trying to just give information, and if it’s something you feel impacts your business or your family, to weigh in with the Legislature,” Tringe said.

While Monday’s meeting was presented as nonpartisan, both presenters mentioned their ties to the pharmaceutical and health-care industry.

According to filings with the Vermont Secretary of State’s Office, Gretkowski’s clients include PhRMA, the leading advocate for the pharmaceutical industry; insurance companies Aflac and MVP Health Plan Inc.; the Vermont Health Care Association; and the American Council of Life Insurers.

Tringe also represents the Vermont Health Care Association.

At the beginning of the meeting, Gretkowski said the presentation was intended to be a “just the facts ma’am” event.

“Our clients know we are doing this, but we’re doing it as individuals,” she said.

The Affordable Care Act made a number of changes in federal health-care law. For instance, states must establish insurance exchanges — online marketplaces for health insurance — by 2014, and all citizens will be required to purchase insurance or pay a penalty.

The law also requires large businesses to offer insurance to their employees or pay a penalty.

Under the law, businesses with fewer than 50 employees are exempt from penalties for not providing insurance, though they can qualify for federal tax credits if they do offer it. Above that threshold, penalties apply based on the size of the business.

Starting in 2014, tax credits will be available to households making less than \$88,000 a year for a family of four.

Act 48, Vermont's health-care law, established the five-member Green Mountain Care Board to set up Vermont's insurance exchange, study ways to decrease health-care costs, and consider a single-payer system for Vermont. Under a single-payer system, everybody pays in, and everybody gets insurance.

### **Things to watch closely in Legislature**

The first month of the legislative session has come to a close, and a number of items have been progressing.

Gov. Peter Shumlin proposed his fiscal year 2013 budget a few weeks ago, and it is now being discussed and debated in the House Appropriations Committee.

In the meantime, other issues of significant importance are moving forward.

The fiscal year 2012 Budget Adjustment Act, H.558, for example, was brought to the House floor and passed and is now in the Senate. Budget adjustment acts are generally non-controversial, as they seek to ensure the current-year revenues and expenses are in balance. This year's was quite different, as it included the hiring of 50 new employees.

Twenty-one of these employees are two-year, limited-service positions needed in the Agency of Transportation, and reflect Tropical Storm Irene's effect on our state's infrastructure.

Unfortunately, the others are not as clear-cut, including 17 new employees in the Department of Vermont Health Access. In my view, and the view of many others, these new hires should have gone through the regular budget process, not be added in a midyear budget.

Another issue to keep a very close eye on is the health-care reform effort moving ahead. The House Health Care Committee is working its way through this year's health-care bill that sets up the health benefits exchange and continues on the path of creating a single-payer health-care system (or as close to it as possible) in Vermont within the next few years.

As the committee works through H.559, more and more details emerge, many of which are very worrisome, including a significant Catamount Health development.

On page 85 of H.559, the Catamount Health program is repealed. Obviously, it makes sense that, as the state of Vermont creates the health-insurance exchange and moves toward the single-payer system, Catamount Health be repealed.

Unfortunately, however, Rep. Paul Poirier, I-Barre City, discovered that there is no repeal in the bill of the Catamount Health Assessment that businesses pay for the program. So, while the program itself is repealed, the state is still going to force businesses to continue paying the health-care tax for the program. This is completely unacceptable, and kudos to Rep. Poirier for his due diligence.

The argument from the administration is that these funds are not just used for Catamount Health, and in fact are used for other state programs.

This diversion of funds is also unacceptable, and something that businesses paying the assessment (which has continually increased in cost) through the years were not aware of.

The bottom line is that, not only should the diversion of Catamount Health funds end immediately, but the assessment itself must be repealed at the time Catamount Health itself is repealed.

As always, I encourage you to contact me with any questions or concerns, and I will do my best to keep the people of Stowe and Lamoille County informed. I can be reached at 253-2275 or [heidi@heidischeuermann.com](mailto:heidi@heidischeuermann.com). If you are interested in receiving my email newsletter that offers more information and analysis of the activities under the Golden Dome, please contact me.

*Heidi E. Scheuermann, a Republican, represents Stowe in the Vermont House of Representatives. Comment on this article on [stowereporter.com](http://stowereporter.com), or email letters to [news@stowereporter.com](mailto:news@stowereporter.com).*

Susan Allen  
Special Assistant to the Governor  
802-828-3333



**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Thursday, February 09, 2012 6:36 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR THURSDAY, FEB. 9:

**VTDIGGER:**

**Senate rejects amendment to shift surplus money to Ed Fund, passes Budget Adjustment Act**

**BY ANNE GALLOWAY**

The Senate voted against an amendment to the Budget Adjustment Act that would have required the state to put surplus money toward a gap in the Education Fund transfer from the General Fund. A majority rejected the measure.

The Budget Adjustment Act was approved in a 27-3 vote. The mid-term budget correction includes emergency relief aid related to Irene recovery costs, an increase in expenditures for corrections and 49 new positions.

To be updated Thursday morning.

**State's exchange proposal criticized by conservative business group, advocates for single payer**

**BY ALAN PANEBAKER**

The Shumlin administration's proposed health insurance exchange is being criticized by both ends of the political spectrum.

Single-payer advocates worry the governor's proposal will reduce the availability of federal tax credits for individuals and leave more people with inferior health insurance through high-deductible "bronze" plans.

Businesses say all companies should be allowed to opt-out of the state's health insurance exchange. Shawn Shouldice, director of the National Federation of Independent Businesses, said it's unfair for the state to exempt large businesses while requiring smaller ones to buy insurance in the exchange. Companies with 51 to 100 employees are getting an exemption from a state mandate to participate in the exchange, while businesses with 50 or fewer are required to buy health insurance on the exchange starting in 2014.

The organization issued a press release Wednesday questioning the proposal to exempt larger businesses but not smaller ones.

"Big businesses are obviously doubtful and that's why they want an exemption," Shawn Shouldice, NFIB/VT Director, write in the release. "NFIB/VT members have the same concerns and this carve-out really looks like favoritism."

A provision of the federal Affordable Care Act, explicitly states that it does not prohibit insurance markets outside the exchange.

Critics of the proposal to require small employers and individuals to purchase insurance in the exchange have questioned why the state went above and beyond the federal requirements.

Under the federal health care reform law, states must have an exchange up and running by 2014 or the feds will do it for them. The exchange is a regulated, virtual marketplace for health insurance, kind of like Travelocity, but for health insurance.

The federal law requires states to allow individuals and businesses with up to 50 employees to purchase insurance that meets minimum state and federal criteria. For 2014 and 2015, states can choose to allow businesses with up to 100 employees in the exchange. Starting in 2016, these businesses must be allowed in.

Under pending legislation, the state would require individuals and those smaller employers to purchase health insurance inside the exchange.

Until Monday, the state proposal was to require those employees with 100 or fewer to buy insurance in the exchange. In a press conference, the governor announced a revamped plan to limit those required inside the exchange to the smaller businesses (under 50 employees) and to allow "bronze" plans — essentially the cheapest plans allowed under federal law, in the exchange.

According to a report produced by the Shumlin administration, limiting the sale of insurance to exchange products will promote health care reform. The more people buy insurance from one source, in theory, the more the exchange can be used as a platform for a single-payer or other universal health care system.

But single payer advocates worry that the exchange will do more harm than good.

John Franco, a Burlington attorney and long-time proponent of a universal health care system, said the new proposal creates an uneven playing field because it forces individuals and smaller businesses to pay for the overhead costs of the exchange.

"They have to go to the exchange and foot the administrative overhead that other people don't have to foot," he said. "One of the fundamental principals of single-payer is it's a level playing field. This really loses sight of what the objective of this is."

Herding the businesses with 50 or fewer employees into the exchange, he said, does not further the administration's goal of moving toward a waiver in 2017 that will allow the state to implement its own universal health care system.

The only reason to fool with the exchange, Franco said, is to get refundable tax credits for individuals. Individuals who make less than 400 percent of the federal poverty level could be eligible for these federal credits. The amount of tax credits the state receives before 2017 sets the bar for a federal grant it would receive in 2017.

Allowing the high-deductible "bronze" plans that some businesses have lobbied for may not help the goal of garnering more tax credits since those credits are available only to individuals enrolled in a richer "silver" plan, Franco said.

What the state should be doing, Franco said, is maximizing the federal tax credits through voluntary incentives.

Including the less comprehensive plans and forcing individuals to purchase insurance through the exchange is not the answer, he said.

Editor's note: A write-thru of this story was posted at 5:48 a.m. Feb. 9, 2012.

## **Potential premium hike draws fire**

**BY ALAN PANEBAKER**

An actuarial analysis in a health care reform report from the Shumlin administration shows members in the "association" market — such as a chamber of commerce — could see an increase in health insurance premiums of 18.4 percent.

This projected increase in insurance rates caused a stir when Emerson Lynn, editor and co-publisher of the St. Albans Messenger, wrote an editorial that later appeared on the conservative website Vermont Tiger.

The 68-page report released in January to the legislative committees on health care and finance lays out the administration's plan for the federally mandated exchange. Part of this plan involves actuarial analysis where the administration took 2010 claims data and calculated different scenarios to determine the effects merging insurance markets will have on insurance premium costs.

Lynn pointed to the number as a crushing increase in premiums for small businesses with 50 or fewer employees who must purchase health insurance through the exchange under the administration's current proposal.

"If the state wants to ruin any chance of making progress toward affordable health care reform, this is a wonderful opening act," Lynn wrote.

Lynn's op-ed sparked a response from Steve Kimbell, commissioner of the Vermont Department of Banking, Insurance, Securities and Health Care Administration. Lynn fired back again.

The issue is one of many that appears to have become a part of the health care reform debate playing out on the Internet.

Just what the 18 or so percent increase means isn't clear. That's because the hike applies to one class of businesses — those that purchase insurance through an association, like the Vermont Chamber of Commerce.

Small businesses in the small group market that do not purchase insurance through an association would see premium decreases of 8.4 percent, according to the administration's analysis.

But businesses with 50 or fewer employees can opt out of the insurance benefits game altogether. Their employees can then purchase, as individuals in the insurance market, federally subsidized health care coverage.

Lynn said the catch is if employers raise wages for employees, the federal subsidies drop.

Steve Kimbell, commissioner of the Department of Banking, Insurance, Securities and Health Care Administration, said the exchange will allow many employees of small businesses to access federal tax subsidies and give small employers the option of whether to offer insurance.

Kimbell said smaller businesses can opt out of offering insurance plans without a penalty under the federal law. Larger employers have to pay a penalty if they fail to offer insurance.

According to Robin Lunge, director of health care reform for the Shumlin administration, the actuarial analysis is a snapshot of what might happen in 2014 using 2010 data.

It's slightly confusing comparing the "association" and "small group" markets, she said. Under the federal health care reform law, both of these markets will be treated the same for purposes of the health benefits exchange. The exchange treats people who get insurance through an association the same as individuals or groups who are not part of an association.

Currently, associations are able to base premiums on their own unique insurance pool. This allows some to keep premiums down for their group by insuring businesses with healthy employees and avoiding those with unhealthy employees, according to Lunge.

In the exchange, people who were insured by associations will move into the larger insurance pool with individuals and small businesses. Their predicted increase in premiums is a result of the blending of these markets.

The report states: "Since the ACA requires each insurer to merge all its small groups into a single rating pool, groups within associations today may experience significant rate changes when these groups are rated together with other elements of the small group market."

Those associations that have attracted the healthiest people will likely see the greatest premium increases, according to the report. On the other hand, Lunge points out, small groups that have purchased insurance on their own will see rate decreases.

"It's a little misleading to say there's an increase for all businesses," Lunge said.

Lynn declined to be interviewed on the record for this story. In his editorial, he wrote: "It doesn't feel much like health care reform when a sizable part of the Vermont economy is being asked to pay 18.4 percent more."

Eliminating the "loophole" for associations, Kimbell said, will level the playing field for associations and their employees. Individuals and small groups who are not affiliated with an association generally have higher premiums.

"This one-time change fixes a problem that has existed in our system for 20 years," Kimbell said.

Editor's note: A write-thru of this story was posted at 5:53 a.m. Feb. 9.

### **Davis: Canadian system not a model for Shumlin, as McClaughry asserts**

*Editor's note: This post is a column by Hamilton Davis, a former lawmaker, managing editor of the Burlington Free Press and commissioner of the Department of Banking, Insurance, Securities and Health Care administration. Davis writes about health care for VTDigger.org.*

A brief kerfuffle last week about the Canadian single-payer health care system once again illuminated the Alice-in-Wonderland quality of the web-based discussion of the Shumlin administration's effort to develop a single payer system for Vermont. The issue arose on the conservative website, Vermont Tiger, in the form of a report from John McClaughry of the Ethan Allen Institute.

McClaughry wrote that he had asked Gov. Shumlin at a meeting in St. Johnsbury how his proposed Green Mountain Care system would differ from the single payer system in Quebec. McClaughry quoted the governor's response: "In Quebec health care providers work for the government. They will stay private in Vermont. Vermonters will have universal access."

McClaughry professed shock at this statement on the grounds that it is common knowledge that doctors in Quebec do not work for the government and he went on to conclude: "Shumlin's Green Mountain Care will operate exactly like Quebec's Medicare, right down to the controlling board, government definition of essential benefits, setting compensation rates for providers, writing the checks to pay private providers, and setting a global budget in the name of cost containment." (emphasis added)

Well, all in all, a blizzard of misinformation. The governor first, since he has no excuse. McClaughry is right that in the Canadian single-payer system the doctors are private — they do not work for the government. It is also not yet clear that Vermonters under a statewide single-payer system will have universal access. Green Mountain Care may come close, but there are several elements of federal law that may block that achievement, desirable though it is.

There is simply no question that Shumlin should know the basics of the Canadian system because for the last two decades it has been the model for the single-payer system in Vermont. It's true that the governor may have been distracted by some other issues — think Vermont Yankee and Irene. But still ...

It has been clear from day one that the Shumlin administration has no intention to install a Canadian-style single-payer system."

It is also worth noting that we are relying here on the accuracy of the McClaughry report for the governor's response. VTDigger asked the governor's press office to confirm its accuracy, but got no response. Moreover, while McClaughry has sharp elbows — actually, extremely sharp elbows — he's usually right about stuff like this.

His conclusions, on the other hand, are completely absurd. First, it has been clear from day one that the Shumlin administration has no intention to install a Canadian-style single-payer system. The key flaw in the Canadian system is that it created huge demand with no cost containment strategy at all.

The key was the determination to maintain a fee-for-service reimbursement system: Do anything you want and send us the bill. The bills, not surprisingly, went through the roof, generating a payment shortfall at the national level of government as well in all 10 of the Canadian provinces.

Government payment shortfalls with no ability on the part of the Canadian delivery system to manage the constraints led to severe dislocations. One was the need to send many of its people to the U.S. for treatment that the Canadians couldn't deliver themselves. Another was the development of long waiting times in Canada, even for critically needed care. The flow of patients to the U.S. has apparently abated, but as recently as the last year or so there was a scandal in Montreal where wealthy residents were bribing health professionals so they could move to the head of the line. The Canadian system does maintain its central attraction: its universal coverage, something the commentators on Vermont Tiger never seem to mention.

McClaghry goes completely off the rails in his claim that it is clear that Green Mountain Care will be identical to Quebec Medicare. That is simply false. The whole reason for hiring analysts like Anya Rader Wallack and industrial strength bureaucrats like Steve Kimbell and impressively credentialed members of the Green Mountain Care Board is the need to dramatically increase access while controlling costs. That means moving away from fee-for-service reimbursement toward something else. If you don't have fee-for-service, then you can't have rate setting. Government rate setting in a fee-for-system has an unbroken record of failure to control costs in the United States.

The claim that Green Mountain will control costs with a global budget is also misguided. Somebody on the Green Mountain Care Board or in the system somewhere may think they can do that, but there is not evidence whatever that anyone knows how.

The problem with a global budget is that in financial terms, there isn't any "globe." There isn't any functional connection between, say, what Fletcher Allen does and what the community hospital in Bennington does. And one of the most important players in the Vermont delivery system — Dartmouth-Hitchcock Medical Center — isn't even in the state, and it delivers most of the specialized care east of the Green Mountains.

Getting to a system sufficiently integrated to enable some sort of capitated reimbursement model may be possible, but no one has seen one yet.

These kind of challenges will be extremely difficult for the Shumlin administration to surmount. But surmounting them will be necessary if a single-payer system is to work in Vermont.

The goals, however, are absolutely vital. Universal access to health care at a sustainable cost is as important to the state as any initiative it has ever taken. Well thought out opposition actually contributes to that goal. What we're seeing so far is not even close.

## **Snelling: Rebuttal to Avram Patt**

*Editor's note: This op-ed is by Lukas B. Snelling, the executive director of Energize Vermont, a nonprofit, statewide, Rutland-based, renewable energy advocacy group.*

I am writing in response to Avram Patt's Opinion piece titled, "Wind farms: Large, visible ... and necessary" published by VTDigger on Jan. 31, 2012. While Mr. Patt made some interesting points, there are issues in his piece that must be addressed.

For example, he asserts that there is a one-to-one ratio between wind power generated and the reduction of power generated from other sources. There is no reliable data to support this assertion. Here in the New England grid with the inefficient ramping of natural gas plants wind may be actually increasing GHG emissions rather than reducing them. We don't know.

The capacity numbers Patt presents for Sheffield are inaccurate. While the "nameplate" capacity of those turbines might be 2.5MW, the most optimistic estimates are that the turbines will produce around 30 percent of their theoretical potential. These are the numbers the developer provided the

Public Service Board. Project supporters and press often overstate how much production we can actually expect from these destructive projects in their attempts to defend them.

Patt's claim that "mountains are not being blasted apart" glosses over the truth. The mountains in Lowell are, in fact, being blasted apart. There GMP has blasted away at so much mountain they have created new 40-foot cliffs that previously weren't there. Additionally, they have created miles of bulldozed roads and turbine pads in what once was untouched forestland, headwaters and wildlife habitat. This description is apt, and it is happening right here in Vermont, and is unlike anything happening at our ski resorts.

Patt suggests it is time to move because we have been discussing the issue for years. Years of planning unfortunately are not the same as experiencing the impacts firsthand. With two operating projects, three others approved or under construction, we are now just beginning to understand the full-scale impacts of these developments. Now is a good time to pause and take look at what is really happening.

I agree with Patt that the most valuable thing we can contribute to the fight against climate change is, in fact, our ridges. Our most valuable resource, though, is not the wind that blows across them, but the habitat they create. As climate change happens, plants and animals under stress will need refuges, places where they can go to survive. Unspoiled mountain ridges are the best refuge available, and that's one thing that Vermont has that few other places do.

We must respond to climate change, but we should do it in the most effective ways. We can't have both big wind and unspoiled ridgelines in Vermont. By developing our ridgelines to take advantage of a mediocre resource, we are destroying a premium resource.

Lastly, Patt is unnecessarily negative about the outlook of smaller community-scale renewable energy projects. Solar is undergoing a historic cost decline, and innovative energy storage technologies will be available in the next couple of years. Imagine how we will feel if we sacrifice our mountains now for technology that is outdated in a few short years.

We have two paths, the first is doom and gloom and sacrifices our unspoiled mountains. The second saves the resource Vermont is uniquely positioned to contribute to the cause, and harnesses the power of our communities to overcome the challenges we all face. I'll take the second, and keep the mountains.

### **Perry: Balancing private vs. public prisons**

*Editor's note: This op-ed is by John G. Perry, a former director of planning for the Vermont Department of Corrections.* The rise of private prisons is a "natural" response to the market. If a market is opened to privatization, it will enter.

That is why Vermont must get out of the private prison business.

It costs about the same to house a prisoner of the same needs, security, behavior and other requirements in a prison bed, no matter where you put it or who runs it, if you meet the same standards — health, sanitation, food, mental health, treatment, etc.

What is different about the private sector in a seller's market is that it can be highly selective about what kind of inmate it is willing to take. If you only house inmates with no serious health or mental health problems, and no security, behavior or escape risk history, who have long sentences and are willing to do their time, it is relatively cheap to provide the constitutional minimums, and a little more, like smoking "privileges." For these inmates, the private prison doesn't have to hire trained or specialized staff. It can go where the labor is cheaper, and heating costs are low.

This leaves the public prisons to house the most expensive inmates: those requiring high security, intensive medical or mental health care, or evidence-based treatment to reduce risk. It also leaves the public prisons with the thousands of people who are arrested, lodged and released on bail or after a plea, who bring with them the high costs of the first few days in jail — search, suicide

prevention, close monitoring, medical screening and intervention, detoxification, and mental health intervention, and who have to be available to go to court in the county where they committed their (alleged) crimes.

The private prison gets to skip out on all these major operating costs, and, since it only needs market share to grow and can borrow from the financial sector rather than the taxpayer and build where it wants rather than where the voters will allow it, then the per-capita costs are bound to be lower. The private prison can also control its crowding. If you build a prison and maintain the population within the capacity, the costs are predictable. This predictability makes the private prison attractive to investors and to banks.

A public prison, which must accept anyone the courts or police send to it, cannot control crowding. It can only respond to it by: 1. Overcrowding its prisons (which reduces per-capita costs but increases overall costs by requiring additional staffing and reduced effectiveness in reducing recidivism); 2. Building or expanding existing prisons (which meets the NIMBY opposition and the public capital cost financing); or 3. Outsourcing to the private sector.

Privatization is not necessarily bad. If the overcrowding of prisons is legitimate and meets the fundamental purpose of government, that is to protect the citizens from that which they cannot protect themselves, then privatization is an effective and efficient remedy.

However, the apparent lower cost of privatization can influence legislators and judges to minimize their consideration of the costs, and order more of it, for less serious crimes, and for less dangerous criminals. This is exactly the market share that the private sector wants.

It is in the explicit interest of the private prison industry to increase sentencing for less serious crimes, and lengthen sentences for criminals who are easier to manage (both in prison and in the community). So, they lobby legislatures, governors and the departments of corrections to market their product.

The problem with privatization is not that the prisons were privatized. The problem with privatization is that a private company will seek to expand its market, as well as its market share. The private prison industry, led by Corrections Corporation of America, has invested heavily in lobbying state legislatures to criminalize behaviors that were not previously criminalized. In fact, in 2007, Forbes Magazine (not a liberal journal) noted that CCA was the most effective company in America in lobbying state legislatures. CCA had lobbyists in every single state legislature throughout the 1990s and 2000s lobbying for longer and longer sentencing for more and more crimes.

The bottom line is this: The only way to save money in corrections, in either the long run or in the short term, is to reduce demand. We have become more and more addicted to incarceration as the solution to our fear, as we are more and more addicted to fossil fuels, or to heroin or cocaine or alcohol.

The science is clear: Community intervention produces better outcomes for recidivism. The data show that communities can manage most offenders in restorative and rehabilitative alternatives, with better outcomes and lower costs. Not putting people in prison who don't pose a threat to us is a lot cheaper than putting them in any kind of prison, public or private.

So long as it is in the interest of the private sector to expand the market, it will attempt to do so. We are not going to reduce prison costs until we reduce the use of incarceration.

## **PRESS RELEASES:**

### **Small business group questions exchange exemption for larger employers**

Erin Stackus

Phone: [802-498-0059](tel:802-498-0059)

*"The system should stand on its own merits. Small businesses and taxpayers shouldn't have to be forced into it and big companies shouldn't be looking for an escape hatch." – NFIB/VT Director Shawn Shouldice*

Montpelier – A health care mandate that big businesses claim will hurt their bottom line should provide exemptions for all employers, not just the ones with the most political clout, said the Vermont chapter of the National Federation of Independent Business (NFIB) today.

"We agree with the Governor and corporate CEOs that the health care exchange will drive up costs. What we don't understand is why only a favored class of business qualifies for special treatment," said Shawn Shouldice, who serves as the State Director for NFIB/VT.

Governor Shumlin announced Monday his proposal to include 'bronze level' insurance plans in the Exchange. He also announced based on testimony from the Chamber of Commerce that larger employers will be exempt from the state-run exchange. They'll be able to bypass the system altogether because they predict that the requirement will raise the cost of doing business in Vermont.

"This really undermines the argument that this reform will reduce health care costs," said Shouldice. "Big businesses are obviously doubtful and that's why they want an exemption. NFIB/VT members have the same concerns and this carve-out really looks like favoritism."

The exemption for corporations should alarm legislators, she said. And it should force them to question the premise of a system that was sold as a way to save money for everyone and eliminate the insurance burden on employers.

"This plan has always been a risky experiment and we've been raising questions from the beginning," said Shouldice. "Maybe it's time to back up and re-think the assumptions on which the entire enterprise is based."

"They're right to be concerned about cost. But let's not carve out exemptions for some companies and push everyone else into a system around which there are growing doubts," she said. "The Legislature should take this very seriously. If there are legitimate questions about whether the new system will hurt big businesses, then it's legitimate to ask whether it will hurt everyone else."

Under the federal Patient Protection and Affordable Care Act, all states are required to establish so-called exchanges through which businesses and individuals will be allowed to purchase insurance.

"If the Exchange is going to offer a 'panacea of options' that would eliminate the need for a private marketplace, then it should stand on its own merits," said Shouldice. "Small businesses and individuals wouldn't have to be forced into the new system and large companies wouldn't be seeking an escape hatch."

## **Over 200 individuals participate in VPIRG's interactive health care webinar**

Cassandra Gekas  
Health Care Advocate, VPIRG  
Office: (802) 223-5221 x21  
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Over 200 people from 6 different states took part in VPIRG's interactive health care webinar *Health Reform 2012 – What's Next and Why it Matters* last night, February 7<sup>th</sup>.

The event brought top state experts on health care reform together, including Dr. Karen Hein of the Green Mountain Care Board, Chair of the House Committee on Health Care Mike Fisher, VPIRG's Health Care Advocate Cassandra Gekas and Governor Peter Shumlin, to explain the next steps moving forward in Vermont's path toward accessible, patient-centered, affordable health care for all.

"I think we can, we must, and we will deliver the first single-payer health care system in the country" said Governor Shumlin.



Hailed as an opportunity to bring Vermonters together to focus on the next steps in the state's health care reform process, the event did just that, emphasizing the importance of citizen involvement throughout. "We know that industry lobbyists are up there talking to legislators. After tonight, I think we'll see a lot more citizens making sure their voices are heard as well" said VPIRG Field Director Liz Edsell.

In a moment of candor rarely expressed by government appointees, Dr. Karen Hein captured the essence of the webinar when she said "I'm dedicating my efforts to Vermonters, to each of you, because this has to do with your health and your money."

The next VPIRG-sponsored health care webinar on February 14<sup>th</sup> from 11:00 am to 12:15 pm is aimed at bringing business owners up to speed on the health benefit exchange, a requirement of the federal health care law. For more information and to RSVP for the business webinar today, visit [bit.ly/VTBusinessWebinar](http://bit.ly/VTBusinessWebinar).

## **Campaign for Vermont: Health care reform – it's about you**

Shawn Shouldice

Phone: 802-371-7923

Montpelier – Campaign for Vermont has launched a new set of ads in response to Gov. Peter Shumlin's Feb. 6 shift on Vermont's Health Care Exchange.

Campaign for Vermont supports health care reform that contains costs and provides robust choices for all Vermonters. Monday, the Governor took a step in the right direction, but there is still much more to do.

The proposed Vermont Health Care Exchange presents an opportunity for the state to make Vermont an attractive place to do business and live healthy lives. But neither goal is met by forcing Vermonters to purchase health insurance plans they do not want.

Campaign for Vermont is working to set a new direction for the future – one toward economic security, better job opportunities and growing prosperity for every generation of Vermonters. Our goal is to support an open and honest discussion, absent party affiliation, on the issues and priorities surrounding economic prosperity, transparency and accountability for Vermont's future.

Today's new ads discuss the impact Vermont's Health Care Exchange would have on individuals and small businesses, including a possible 18% increase in premiums.

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Wednesday, February 08, 2012 5:24 PM  
**To:** Allen, Susan  
**Subject:** Feel free to distribute:

**TIMES ARGUS, RUTLAND HERALD AND VTDIGGER.COM:**

**Pivotal role of health care practitioners**

By Anya Rader Wallack

I chair the Green Mountain Care Board, which is responsible for reducing health care cost growth in Vermont by changing health care payment and encouraging change in health care delivery. We are charged with making sure that cost containment results from real efficiencies, not arbitrary constraints.

When I speak with health care practitioners around the state, I try to make three central points:

Significant transformation in our health care system to reduce cost growth is absolutely necessary and unavoidable.

Doctors and other health care practitioners **MUST** lead this transformation, or we will get it wrong.

And health care providers can't tackle this challenge alone. State government, the federal government, hospital administrators, private payers and patients have to be part of the solution. Vermont has to embrace changes in health care delivery as a community.

Health-care costs rise, in Vermont, at two to three times the rate of growth in the economy. That trend is impossible to sustain. We currently spend about \$1 out of every \$5 we earn on health care, and we spend more with each passing year. If health care costs continue to rise at 5 percent per year (a reasonable expectation) and the state economy grows at 2 percent per year (also reasonable), health care costs would absorb 100 percent of gross state product around 2045.

This concept is ludicrous: We could not spend all of our income on health care.

As with a family budget, we, as a state, have to buy food, housing and all other things that are essential. Yet we have seen the effect of rising health care costs on our spending. A recent Health Affairs article documented that, between 1999 and 2009, Americans, on average, gave up all real increases in their incomes to health care costs.

We won't let it get that bad. The question is how will we stop it. If history is a guide, Medicare and Medicaid use the only tool that has any meaningful impact — provider fee reductions — to moderate overall health care cost growth. Public and private payers also will try to influence health care use, by requiring providers to ask for permission, requiring them to file paperwork, or second-guessing their decisions. That's not the right way to reduce health care costs.

This is why providers must lead in crafting a solution. Health care practitioners have to own this one, and we must develop reforms that enhance their role in the health care system, which has been sadly diminished in

recent years. They know there are better ways to reduce health care cost growth. Not easier, but better. There is avoidable hospital use. There are avoidable readmissions. There is better management of chronic conditions. There are better approaches to end-of-life care.

We know that, when doctors provide evidence-based care to patients, costs are reduced and quality is enhanced. The current system constrains them from providing evidence-based care — it forces providers to shorten visits, refer the patient up the line, or order stuff they might not think is necessary. Both the reimbursement system and the liability system encourage this.

Health care providers cannot do this alone. They need support and cooperation to change the health care delivery system, to make it more efficient and effective. They need public and private payment policies that pay fairly for doing the right thing. They need hospital administrators who support them. And perhaps most importantly, they need patients whose expectations and personal behavior are consistent with a system that rewards value. This is difficult to achieve but essential to our success, as a community — a full community, not just a medical community — at health care reform.

Our goal, as a board, is to create an environment — in terms of payment, regulation and public policy — that supports health care practitioners in creating the best possible health care system for Vermont. To say we need their help in this endeavor would be an understatement — we need them to lead it.

Anya Rader Wallack is chairwoman of the Green Mountain Care Board.

### **Aim off on health care Exchange**

By Peter Sterling - Published: February 8, 2012

John McClaughry's piece "Ducking the health exchange bullet" obscures or misrepresents the facts on several key aspects of the new health insurance Exchange the Legislature and the Shumlin administration are currently debating.

Set to begin in January 2014, the federally mandated health care Exchange will be an online, Expedia-like marketplace where consumers can compare various health insurance plans. And the majority of working families in Vermont, such as those earning less than \$90,000 per year for a family of four, will likely receive federal subsidies to make their insurance more affordable.

Mr. McClaughry's first misstatement is that if Gov. Shumlin has his way, Vermonters "will only be allowed to buy legislatively mandated one size fits all benefit plan offered by a single carrier." In fact, it's legislatively mandated that the state work to have at least two Vermont-based carriers offering health care in the Exchange. More to the point, under Shumlin's proposal, there will be three levels of insurance plans with different deductibles, co-pays and the like. Additionally, because there will also be two federally mandated, multi-state plans, most observers expect there to be somewhere between eight to 12 plans offered in the Exchange.

It is true that the administration is proposing a comprehensive, standard level of benefits that every Vermonter will have access to, no matter which plan they choose. McClaughry paints this in a negative light, but based on my experience helping people get access to health care, this is a major step forward, substantially simplifying the process of selecting an insurance plan.

Why should a person have to spend time trying to figure out if a plan covers the cancer drug they need, or fear that their insurance won't cover the mental health treatment they need, whereas another plan might? The Exchange will take the guesswork and confusion out of choosing health care benefits, because they will be standardized across all plans.

McClaghry uses classic doublespeak when he states, "This provision of the act will kill off all but the most expensive and impractical HSA high deductible policies." To translate: in the Exchange plans with high deductibles like \$5,000 or \$10,000 will be banned. Again, he makes this sound like a terrible idea. But I haven't heard any support for these high-deductible plans from the people who are actually in them and on the hook for thousands of dollars in medical costs. Virtually every day, in fact, we hear from people in these plans who feel trapped and financially squeezed, and want to know how they can get into low-cost Catamount Health or VHAP instead.

McClaghry expresses his opposition to the state mandating that businesses with 51 to 100 employees be required to purchase health benefits through the Exchange. This would cost Vermonters millions of dollars because anyone buying insurance outside the Exchange will not be eligible for federal premium and cost-sharing subsidies. If McClaghry had his way, millions of dollars would be going to insurance companies instead of being saved by Vermonters and spent in our economy.

What he also fails to mention is that if Vermont does not set up its own Exchange, designed and implemented by a governor and Legislature accountable to Vermonters, the federal government will do it for us. I don't see how that is a preferable outcome.

Based on what we now know, thanks to tens of millions of dollars from the federal government and comprehensive, standardized benefits, the Exchange should make getting health insurance easier and more affordable for both individuals and thousands of business owners. Unlike Mr. McClaghry, I see this as helping Vermonters lead healthier, more productive lives.

Peter Sterling is director of the Vermont Campaign for Health Care Security Education Fund, a nonprofit organization that works to educate Vermonters about, and enroll them in, public health care programs.

## **VTDIGGER.COM:**

### **Kimbell: Making sense of federal and state health reform**

*Editor's note: This op-ed is by Steve Kimbell, the commissioner of the Vermont Department of Banking, Insurance, Securities and Health Care Administration.*

*<http://www.bishca.state.vt.us>*

Recent critical editorials about Vermont's health reform plan are welcome. Perhaps they will spur the Vermonters affected, particularly small business owners and their employees, to take a closer look at the real opportunities available to them as we implement the federal and state health reform laws. Small business owners and their employees are the primary beneficiaries of premium subsidy provisions of the federal health reform law, the Affordable Care Act, known as the ACA. These benefits will be available to businesses and individuals purchasing insurance through the federally required health insurance exchange. Here are some examples:

- Tax credits of up to 35 percent of a small employer's contribution to employees' premiums between now and 2013 and of up to 50 percent of the contribution in 2014 and 2015.
- Free choice for small employers regarding whether or not to offer insurance to employees. No penalty if they decide to drop coverage.
- Tax credits for individuals and families who purchase insurance that will limit the impact of premiums. For a family of four earning \$50,000 per year, monthly premium would be limited to \$282, about one-

half of what many families now pay. These credits will be available on a sliding scale to families earning up to \$92,000 per year.

- Cost-sharing for families earning up to \$57,636 per year to help pay for out-of-pocket expenses like deductibles and co-pays.

Some commentators have ignored these facts and focused on the ACA requirement that all states implement new insurance rules that reduce variation in rates. This requirement will eliminate a giant loophole in Vermont's current law that allows certain businesses to band together to form "associations" and escape the normal insurance rate setting laws.

Our analysis of this change shows that it will level the health insurance rate playing field for Vermont small businesses and their employees. Leveling the playing field means that there will be a one-time adjustment producing some winners and some losers. This will happen in 2014, when the tax credit and premium subsidy provisions listed above kick in to soften the impact on those who have benefited for more than 20 years from Vermont's "association" loophole.

We are not "proposing" this change, as some commentators have said. It is a requirement of federal law that everyone in the small group market be treated alike and that costs be spread fairly. And as already noted, this is a one-time change. Some small employers, even some of those in associations, have seen annual premium increases for several years in a row greater than the elimination of the so-called association exemption will cause. And some small employers will see premium decreases as a result of giving fair treatment to all.

All of these changes are part of a transition to a more cost-effective, less complicated and fairer system. And when health care reform is fully implemented, we are willing to be held accountable for its level of success. But we do need the help of all Vermonters in explaining and striving to understand the long path toward changing a health care system that threatens to bankrupt our state. Creating a successful health insurance exchange that complies with federal law is an absolutely essential step on that journey. But it is only one step. Gov. Shumlin has proposed additional reforms that will have a more dramatic effect in the future. He has proposed that health care coverage be fully divorced from employment, so that employers no longer have to worry about insurance details and all Vermonters know they will have coverage regardless of their employment or income status. He has proposed significant changes in health care payment and delivery so that we can contain health care cost growth. And he has proposed investments in improving the health of Vermonters so that we assure access to good primary and preventive care and avoid illness. The Green Mountain Care Board is working to implement these reforms.

## **HUFFINGTON POST:**

### **The Battle for Vermont's Health -- And Why It Matters for the Rest of the Country**

BY WENDELL POTTER

You can't see them. They're hidden from view and probably always will be. But the health insurance industry's big guns are in place and pointed directly at the citizens of Vermont.

Health insurers were not able to stop the state's drive last year toward a single-payer health care system, which insurers have spent millions to scare Americans into believing would be the worst thing ever. Despite the ceaseless spin, Vermont lawmakers last May demonstrated they could not be bought nor intimidated when they became the first in the nation to pass a bill that will probably establish a single-payer beachhead in the U.S. When he signed Act 48 into law on May 27, surrounded by dozens of state residents who worked for many years to achieve universal coverage, Gov. Peter Shumlin expressed great pride in what had been accomplished. "We gather here today to launch the first single payer system in America, to do in Vermont what has taken too long -- to have a health care (system) that is the best in the world, that treats health care as a right and not a privilege, where health care follows the individual, not the employer," Shumlin said.

The problem for Shumlin and his allies is this: It will take five years before Vermont can fully implement its new system, partly because the federal health care reform law prohibits states from undertaking more far-reaching reforms until 2017 unless granted waivers from the feds to do so. And though Vermont's Congressional delegation is on board to pursue a waiver that would let the state set up a single payer system two years from now, the insurance industry's friends in Washington are not keen to let that happen. That's because they want to use those five years to persuade Vermonters that they really don't want to go the single payer route after all.

During my 20 years as a health insurance PR executive, I was involved in numerous efforts to make the very term "single payer" toxic to most Americans. We even spent hundreds of thousands of premium dollars in 2007 to help finance the operation of a front group, called Health Care America, for the sole purpose of trashing a movie -- Michael Moore's *Sicko* -- that put single payer systems abroad in a favorable light. You can rest assured that the industry will spend much, much more to make sure that Vermont does not succeed.

I have observed in Vermont over the past several days just how the invisible hand of the insurance industry is working. Insurers know their efforts will be more effective if they can get others -- third party advocates, they call them -- to carry out them out. I recognized the campaign because the tactics are the same as those used in previous attempts to kill reforms insurers don't like.

Part of the strategy is to get key groups of individuals to begin raising doubts, to get Vermonters to second-guess themselves. Among the first groups the insurers have targeted are those most easily spooked -- certain business owners and physicians, especially specialists who thrive in the current system.

Last Wednesday, legislators got a sampling of what they're in for. At a hearing on creation of the state's health care exchange, or marketplace -- mandated by the federal reform law -- employers worried about losing the ability to choose from numerous competing insurers. And they worried too about not being able to shift their employees into benefit plans with high deductibles. Insurers and employers have been collaborating for the past several years in a mutually beneficial effort to shift more of us into high-deductible policies. The higher the deductible, the less insurers and employers have to pay for our care. This collaboration has been so successful that increasing numbers of American families filing for bankruptcy are, at least theoretically, insured.

At a hearing a few days earlier in Rutland, this one for health care providers, several physicians were, wittingly or not, using some of the same industry talking points I used to write for insurers' allies.

Dermatologist Dan McCauliffe was one of several doctors there who suggested that patients needed to pay more -- not less -- out of their own pocket for care. Ironically, this skin doctor joined other physician specialists in arguing that health care costs would never stabilize until patients had "more skin in the game," a term my former colleagues used frequently as we tried to spin the "advantages" of high-deductible plans. According to statistics from the American Medical Association, dermatologists are among the highest paid specialists, making on average more than \$230,000.

So why do insurers care so much about Vermont? Even though Vermont is a small state where most for-profit insurers have little business, the insurers don't want a single state to go single payer. Just last week, single payer advocates in California fell just a few votes short of getting a bill to the floor of the Senate for a vote. If Vermont succeeds, California lawmakers might actually get the votes they need.

Health insurers make enormous amounts of money off of us, something they cannot do so effectively in other countries, especially Canada. The four largest insurers, United, WellPoint, Aetna and CIGNA, reported earning a combined \$11 billion on nearly \$220 billion in revenues last year. For years insurers have been successful in persuading Americans to believe something that is at best debatable -- that they play a useful role in the U.S. health care system. They are nervous that if Vermont proves to the rest of the country that health insurers are about as useful as teats on a boar, they might have to figure out another way to make a few billion bucks.

Susan Allen  
Special Assistant to the Governor  
802-828-3333

## London, Sarah

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**From:** Spaulding, Jeb  
**Sent:** Wednesday, February 08, 2012 4:40 PM  
**To:** Lofy, Bill; MacLean, Alex; Allen, Susan; Bartlett, Susan  
**Cc:** Larson, Mark  
**Subject:** DVHA Contractor  
**Attachments:** GMMB Scope of work\_1 30 Updates\_clean.doc

Attached you will find the scope of work and pricing for the DVHA exchange consultant. It is a big contract, but, upon inspection, I think you will agree it looks reasonable.

I believe we are prepared to go ahead as long, as we have the explanation clear.

Here are some basic suggested points for all of us. Please delete, edit, or supplement.

The contract will all be covered by federal funds.

The work to be conducted is a requirement of the \$18 million federal exchange grant Vermont received.

The contractor was selected using a competitive bid process and was the second low bidder overall, and the lowest bidder that had the requisite skills.

The scoring of bids was done by a committee.

The contractor is the same one used by the Douglas Administration in the rollout of Catamount Health Plan, and by all accounts did a good job on that assignment.

Vermonters have every right and expectation that the new health care exchange program be designed and executed in a top quality fashion and will need to know how to take advantage of the exchange.

Before Mark's team goes ahead the contract, I would like to know whether we should have some explicit plan to roll this out, or just respond when asked.

Jeb Spaulding, Secretary of Administration  
State of Vermont  
Pavilion Office Building  
109 State Street  
Montpelier, VT 05609

*People are our greatest asset*

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Wednesday, February 08, 2012 6:18 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR WEDNESDAY, FEB. 8:

**TIMES ARGUS/RUTLAND HERALD:**

**Vt child care workers seek union**

By Thatcher Moats

VERMONT PRESS BUREAU - Published: February 8, 2012

MONTPELIER — Despite widespread support for the bill among his fellow Democrats, Senate President Pro Tem John Campbell has been the main roadblock for legislation that would allow child care workers in Vermont to unionize and collectively bargain with the state.

Union organizers packed the Statehouse on Tuesday with scores of child care workers and tried to use their sheer numbers — and support from Gov. Peter Shumlin, Sen. Bernie Sanders' office and some lawmakers — to move Campbell off his position.

Advocates for the labor-friendly legislation, which passed the House last year and now languishes in the Senate, argue the bill is vitally important.

Allowing child care workers in Vermont to collectively bargain with the state on regulations and higher state subsidies would stabilize an underpaid workforce and improve Vermont's early education system, they say.

This would helps kids during a crucial stage of development, advocates argue, and pay dividends later in life.

"When children receive high-quality early education, they enter kindergarten ready to succeed," said Cathi Ste. Marie, a child care worker from North Troy.

Campbell appeared unmoved Tuesday afternoon and said the tactics the union has used have soured him on the bill.

The legislation is being pushed by the Vermont chapter of the American Federation of Teachers, which was active in the 2010 election cycle.

Campbell said that about two weeks ago the president of AFT Vermont, Ben Johnson, passed a piece of paper across his desk indicating how much money the organization has donated to what Campbell assumes were Democratically aligned political action committees.

Campbell said he took offense to the suggestion that the donations could influence his stance.



"To me that's nothing but intimidation and an attempt at strong-arm tactics," said Campbell.

"In my mind there's no place for it in Vermont," Campbell continued. "In my 12 years I've never been exposed to it."

Johnson and another AFT official did not respond to requests for comment on Campbell's accusation.

Ste. Marie, during a speech in a packed Statehouse room, addressed the methods used by advocates without addressing Campbell's specific claim.

"Some have said we're too aggressive in our tactics, but we have been quiet for too long," she said.

Campbell also has questions about the merits of the bill, though he says he's not against unions or collective bargaining.

One concern, he said, is that a union would give child care workers a collective voice but might prevent individuals from being heard.

Campbell doesn't want child care workers to be "collateral damage" to the union tactics he dislikes, and he pledged to identify and try to fix the problems with the state's child care system. But he didn't commit to passing the bill that advocates are backing.

"The issues raised by early educators will be addressed," he said.

Shumlin and other senators don't appear to share Campbell's concerns.

The governor spoke to an enthusiastic crowd of child care workers, reiterating his support for their legislation.

"This is a beginning, not an end, but a beginning in ensuring you have a seat at the table in building a state system where all educators are paid equally," said Shumlin. "That should be our goal."

Shumlin recalled how his dyslexia went unaddressed until he was in first grade. A strong early education system can identify problems like dyslexia before a child's self-esteem is damaged, he said.

Sen. Tim Ashe, pointing out that many of the workers who appeared at the Statehouse were women, argued that if a bunch of union men were backing a bill, lawmakers would be tripping over themselves to pass it. Ashe is a Chittenden County Democrat-Progressive.

"I think it's a shame and a scandal when we have low-paid women coming to us ... that we have no response and we won't take it up for action," said Ashe.

The legislation the House passed last year and which is now in the Senate doesn't make child care workers state employees.

But a large part of the revenue accrued by many child care centers and workers comes from state subsidies for low-income parents. The state issues about \$40 million annually in subsidies that support about a third of the Vermont children who are in child care or pre-kindergarten.

Allowing a child care union to negotiate for higher subsidies could effectively raise their pay.

The bill was scaled back drastically in the House last year after it was introduced. The bill now applies only to home-based providers and not child care centers or the workers at centers after some centers opposed the bill.

There are an estimated 5,000 to 10,000 child care workers in Vermont, but the legislation the House passed would apply to an estimated 1,500 child care providers.

### **McKibben: Vt needs to lead on climate change**

By DAVE GRAM

The Associated Press - Published: February 8, 2012

MONTPELIER — With Vermont still working to recover from Tropical Storm Irene's torrential rains and flooding, environmental activist and writer Bill McKibben went before a panel of lawmakers Tuesday to say the storm was at least partly the product of climate change and a likely harbinger of a troubled future.

McKibben, a Ripton resident and scholar in residence at Middlebury College, said Irene was one of many signs that the climate is deteriorating more rapidly than predicted when he wrote "The End of Nature," the first major book on climate change, in 1989.

"We didn't know how fast or how hard this would pinch," McKibben said of what was predicted for climate change 23 years ago. "The story of the past 20 years and even the last three or four years is that it is pinching much harder and faster than even the most dire predictions" would have indicated.

McKibben told the House Natural Resources and Energy Committee that Irene fit "precisely with what the climatologists have been telling us to expect. It was not an unbelievable windstorm as it swept up the East Coast. But over the waters of New York and New Jersey it encountered record sea surface temperatures. ... This allowed it to soak up enormous amounts of moisture, most of which it dropped on Vermont."

The committee's chairman, Rep. Tony Klein, D-East Montpelier, said he had invited McKibben to speak to the panel in part as a pep talk. Vermont's environmental movement has frayed recently with disagreements over support for large wind, solar, biomass and other renewable energy projects, he said.

"The most poorly sited renewable project is better than a new fossil fuel (burning) plant," Klein said. His message for committee members, he said in an interview later, was: "Don't let folks derail you from what the real issue is" — climate change.

Irene, which hit Aug. 28, was a rainstorm of historic proportions in the state. Nearly 8 inches fell in some areas. Flooding was widespread, resulting in six deaths in the state. More than 500 miles of roadway and more than 200 bridges were damaged or destroyed. Thousands were evacuated from their homes.

McKibben said that Vermont has gone from about 80 percent open land — mostly farms — and 20 percent forest in the 19th century to the reverse today. Since forest floors are good absorbers of

water, the state should have been more resistant to flooding now than earlier in its history. That's why Irene's fury should be so striking, McKibben said.

"If you do set a new record it should come by a millimeter," he said. "We were setting in places one-day rainfall records 25 and 30 percent higher than we'd ever recorded before."

And Vermont is far from alone, McKibben said. A planet 1 degree warmer than 40 years ago means water evaporates more readily in arid areas and then is deposited in wetter areas at levels greater than historical norms.

He pointed to droughts last year in Texas and Oklahoma and floods in Pakistan and Central America as examples of climate disruption. A drought in Russia in 2010 meant the world's third-largest grain exporter was unable to export any corn or wheat that year, McKibben said, triggering price spikes in those commodities of up to 60 percent.

"We think we've added a couple hundred million people to the rolls of the malnourished and severely hungry around the world as a result," he said.

McKibben, who has gained notice lately as a leader of the protests against the now-stalled Keystone XL pipeline project to bring Canadian tar sands oil to the Texas coast, said near-term progress on protecting the climate is not likely given the current political climate in Washington. He also said it is difficult for states acting alone to have much of an impact, because atmospheric carbon dioxide and other greenhouse gases don't recognize political boundaries.

But he praised the committee for its work on a bill that, if passed, would require the state's power companies to get more of their electricity from renewable sources, and said states might be able to lead by example.

Watching recent congressional debates over the Keystone pipeline was "not an edifying spectacle," McKibben said. "It's a reminder of how lucky we are to have a Legislature working on a human scale to solve real problems here in Vermont."

## **Reapportionment plan has Barre as one district**

By David Delcore

Staff Writer - Published: February 8, 2012

BARRE — Lawmakers carved up Vermont into new legislative districts extremely expeditiously last week, but there may still be work to do in Barre.

City Clerk Carol Dawes told members of the local Board of Civil Authority last week that they have until March 15 to respond to a reapportionment plan that would award Barre two House seats, both of which, barring a board-approved change, would be filled in citywide elections. The city now has three single-member districts, one shared with Berlin.

The only alternative to the new plan — dividing the city into two single-member districts — wouldn't be easy, according to Dawes, who predicted it would require Solomon-esque scrutiny of soon-to-be-released census maps and some surgical adjustments to the boundaries of the two existing Barre-

only legislative districts.

"We're going to really have to split the baby," she said.

The problem, according to Dawes, is that while Barre lost 239 residents according to the latest census, its new population — 9,052 — is just within the limit for a two-member district.

The census determined that the optimal size for a two-member district is 8,344 residents, while allowing a 10 percent deviation both over and under that figure. Barre's population falls just within the upper deviation — 9,178.

As a result Dawes predicted dividing the city into two districts — each with roughly 4,500 residents — would be a challenge.

"We're going to have to split streets and split neighborhoods because we're so tight," she said.

The reapportionment plan is a mixed bag for Barre. The city will lose one of its three legislative seats — the one it has shared for the past decade with Berlin. However, the roughly 600 city residents who were assigned to that district, which, predictably, has always been represented by a resident of Berlin, will now be part of a Barre-only district. The only question is whether they will have the opportunity to vote for one representative, as has historically been the case in Barre, or two, like their neighbors in Barre Town.

Dawes acknowledged some, including Rep. Paul Poirier, I-Barre, would like to maintain the city's traditional single-member districts. Poirier has said the shift to citywide elections for state representative could drive up the cost of running for office by, among other things, doubling the price of mailings.

That's something for the board to consider, though Dawes noted campaigning in a community that is four square miles shouldn't pose any insurmountable challenges.

The positions of mayor and city clerk-treasurer are filled in at-large elections, as are the city's representatives to the Spaulding High School board. Although City Council members — including Poirier — are elected by ward, that system was recently abandoned when it comes to filling seats on the city's school board.

However, Dawes said she has heard from at least one resident who argues two-member legislative districts are "undemocratic" because they open the door to "bullet voting." In elections where voters are instructed to vote for "not more than two" candidates, some vote only for their favored choice — potentially changing the outcome of contested races.

According to Dawes, the advantage of a two-member district is its simplicity. The boundaries are set and there is no argument over what part of what street gets assigned where.

A two-member district "doesn't make us break up neighborhoods. ... (Barre) is one community, it is one pool (of voters)."

Dawes said she expects to receive updated census maps by the end of the week, and the board has agreed to meet to review them and decide how to proceed Feb. 16 at 5 p.m.

## **Waterbury proposes site for municipal complex**

By [Jenna Pizzi](#)

Vermont Press Bureau - Published: February 8, 2012

WATERBURY — A project presented to the Select Board this week would create a municipal complex to serve as the gateway to the village.

The proposed project would find a new home for the municipal offices, library, Police Department and historical society. It also would create a welcome center that could provide information to visitors and residents about recreational opportunities, as well as provide office space for local nonprofits.

The idea was presented to the Select Board on Monday night. The current municipal building was severely damaged during Tropical Storm Irene in August.

A small group of residents and Select Board member Karen Miller are working on the project as part of the Federal Emergency Management Agency's Long-Term Community Recovery Program.

"It will be a reduction in the cost of construction and future operations," Miller said during the 20-minute presentation. "It will also be a more efficient use of land, and the environmental impact will be lower."

Waterbury was selected as one of two Vermont communities to receive the federal assistance in November. Wilmington-Dover was the other community.

The program, run by a team of FEMA employees, does not provide the community with funding to complete the project but helps find state and federal grants.

The residents participating in the program were split into six "sectors," based on interests; each sector presented project ideas at a meeting last month.

The recommendation to co-locate municipal services was a popular one from different sectors. Both the town and the library have been looking at expansion options for years.

That group looked at three locations for a new municipal building: the site of the current municipal building; Stanley Hall in the state office complex; and the area behind the current Waterbury Public Library.

The current site of the municipal building is too small for town offices and a library with adequate parking, said Miller. The group worked with architect Steven Roy, who worked with the town on the village fire station, to come up with a conceptual building design for the municipal complex on each location.

Stanley Hall would provide enough space and parking; however, the location is not desirable, said Miller. Select Board Chairwoman Rebecca Ellis added that the site seems better suited for housing or smaller office space.

The space behind the library on Main Street is a good location and would work well with all of the ideas that were presented, Miller said.

The current proposal would have a new one-story building for the municipal offices and library behind the current library that would have lots of parking and an outdoor amphitheater. The historic library would be converted to house the Police Department on the ground floor, with the Waterbury Historical Society and a new welcome center.

Many people at the meeting said they liked that the complex would serve as a "gateway" to Waterbury village.

Harriet Grenier, chairwoman of the library commission, said she is ecstatic with the plan because the commissioners have been trying to expand the library since the 1980s.

"It has truly been a long process," said Grenier.

Mike Bard, who also is a member of the project group, said he believes co-location will not only find a home for the town offices but also will be good for the community.

"I think it is going to be a way to create business for the town," said Bard.

The concepts are preliminary and do not include any price tags or specific designs.

A public presentation is scheduled for Feb. 16 from 6:30 to 8:30 p.m. at Thatcher Brook Primary School. Community members will have the opportunity to discuss and vote on which plans they would like to see move forward.

### **Pivotal role of health care practitioners**

By Anya Rader Wallack

I chair the Green Mountain Care Board, which is responsible for reducing health care cost growth in Vermont by changing health care payment and encouraging change in health care delivery. We are charged with making sure that cost containment results from real efficiencies, not arbitrary constraints.

When I speak with health care practitioners around the state, I try to make three central points:

Significant transformation in our health care system to reduce cost growth is absolutely necessary and unavoidable.

Doctors and other health care practitioners MUST lead this transformation, or we will get it wrong.

And health care providers can't tackle this challenge alone. State government, the federal government, hospital administrators, private payers and patients have to be part of the solution. Vermont has to embrace changes in health care delivery as a community.

Health-care costs rise, in Vermont, at two to three times the rate of growth in the economy. That trend is impossible to sustain. We currently spend about \$1 out of every \$5 we earn on health care,

and we spend more with each passing year. If health care costs continue to rise at 5 percent per year (a reasonable expectation) and the state economy grows at 2 percent per year (also reasonable), health care costs would absorb 100 percent of gross state product around 2045.

This concept is ludicrous: We could not spend all of our income on health care.

As with a family budget, we, as a state, have to buy food, housing and all other things that are essential. Yet we have seen the effect of rising health care costs on our spending. A recent Health Affairs article documented that, between 1999 and 2009, Americans, on average, gave up all real increases in their incomes to health care costs.

We won't let it get that bad. The question is how will we stop it. If history is a guide, Medicare and Medicaid use the only tool that has any meaningful impact — provider fee reductions — to moderate overall health care cost growth. Public and private payers also will try to influence health care use, by requiring providers to ask for permission, requiring them to file paperwork, or second-guessing their decisions. That's not the right way to reduce health care costs.

This is why providers must lead in crafting a solution. Health care practitioners have to own this one, and we must develop reforms that enhance their role in the health care system, which has been sadly diminished in recent years. They know there are better ways to reduce health care cost growth. Not easier, but better. There is avoidable hospital use. There are avoidable readmissions. There is better management of chronic conditions. There are better approaches to end-of-life care.

We know that, when doctors provide evidence-based care to patients, costs are reduced and quality is enhanced. The current system constrains them from providing evidence-based care — it forces providers to shorten visits, refer the patient up the line, or order stuff they might not think is necessary. Both the reimbursement system and the liability system encourage this.

Health care providers cannot do this alone. They need support and cooperation to change the health care delivery system, to make it more efficient and effective. They need public and private payment policies that pay fairly for doing the right thing. They need hospital administrators who support them. And perhaps most importantly, they need patients whose expectations and personal behavior are consistent with a system that rewards value. This is difficult to achieve but essential to our success, as a community — a full community, not just a medical community — at health care reform.

Our goal, as a board, is to create an environment — in terms of payment, regulation and public policy — that supports health care practitioners in creating the best possible health care system for Vermont. To say we need their help in this endeavor would be an understatement — we need them to lead it.

Anya Rader Wallack is chairwoman of the Green Mountain Care Board.

## **Aim off on health care Exchange**

By Peter Sterling - Published: February 8, 2012

John McClaughry's piece "Ducking the health exchange bullet" obscures or misrepresents the facts on several key aspects of the new health insurance Exchange the Legislature and the Shumlin administration are currently debating.

Set to begin in January 2014, the federally mandated health care Exchange will be an online, Expedia-like marketplace where consumers can compare various health insurance plans. And the majority of working families in Vermont, such as those earning less than \$90,000 per year for a family of four, will likely receive federal subsidies to make their insurance more affordable.

Mr. McClaughry's first misstatement is that if Gov. Shumlin has his way, Vermonters "will only be allowed to buy legislatively mandated one size fits all benefit plan offered by a single carrier." In fact, it's legislatively mandated that the state work to have at least two Vermont-based carriers offering health care in the Exchange. More to the point, under Shumlin's proposal, there will be three levels of insurance plans with different deductibles, co-pays and the like. Additionally, because there will also be two federally mandated, multi-state plans, most observers expect there to be somewhere between eight to 12 plans offered in the Exchange.

It is true that the administration is proposing a comprehensive, standard level of benefits that every Vermonter will have access to, no matter which plan they choose. McClaughry paints this in a negative light, but based on my experience helping people get access to health care, this is a major step forward, substantially simplifying the process of selecting an insurance plan.

Why should a person have to spend time trying to figure out if a plan covers the cancer drug they need, or fear that their insurance won't cover the mental health treatment they need, whereas another plan might? The Exchange will take the guesswork and confusion out of choosing health care benefits, because they will be standardized across all plans.

McClaughry uses classic doublespeak when he states, "This provision of the act will kill off all but the most expensive and impractical HSA high deductible policies." To translate: in the Exchange plans with high deductibles like \$5,000 or \$10,000 will be banned. Again, he makes this sound like a terrible idea. But I haven't heard any support for these high-deductible plans from the people who are actually in them and on the hook for thousands of dollars in medical costs. Virtually every day, in fact, we hear from people in these plans who feel trapped and financially squeezed, and want to know how they can get into low-cost Catamount Health or VHAP instead.

McClaughry expresses his opposition to the state mandating that businesses with 51 to 100 employees be required to purchase health benefits through the Exchange. This would cost Vermonters millions of dollars because anyone buying insurance outside the Exchange will not be eligible for federal premium and cost-sharing subsidies. If McClaughry had his way, millions of dollars would be going to insurance companies instead of being saved by Vermonters and spent in our economy.

What he also fails to mention is that if Vermont does not set up its own Exchange, designed and implemented by a governor and Legislature accountable to Vermonters, the federal government will do it for us. I don't see how that is a preferable outcome.

Based on what we now know, thanks to tens of millions of dollars from the federal government and comprehensive, standardized benefits, the Exchange should make getting health insurance easier and more affordable for both individuals and thousands of business owners. Unlike Mr. McClaughry, I see this as helping Vermonters lead healthier, more productive lives.



Peter Sterling is director of the Vermont Campaign for Health Care Security Education Fund, a nonprofit organization that works to educate Vermonters about, and enroll them in, public health care programs.

## **Students wear debt as badge of activism at Statehouse**

By Thatcher Moats

VERMONT PRESS BUREAU - Published: February 8, 2012

MONTPELIER — College students in Vermont have been agitating since at least last year for more state aid to higher education as a way to ease the debt load on college graduates.

But their activism reached a new high-water mark Tuesday when dozens of students flooded the Statehouse to bring their message to lawmakers and the governor.

Wearing white T-shirts with their estimated debt load handwritten in red lettering, students rallied outside the Statehouse, lobbied senators and representatives, and met with Gov. Peter Shumlin to make their case.

In 2011, Vermont was ranked 49th out of 50 in state support for higher education, according to the Vermont State Colleges. That means students are forced to take out bigger loans and then leave Vermont after graduating so they can get jobs with wages that can support their loan payments, said Shane Bouthillette, a Johnson State College student.

"We're creating a generation of people who can't afford to live in the state and pay off their loans, let alone buy a house or a car," said Bouthillette.

The state now spends about \$80 million annually on higher education through appropriations to the University of Vermont, the Vermont State Colleges and the Vermont Student Assistance Corp.

Vermont's relatively low financial support for higher education isn't new, but students point out that in the last 30 years tuition has steadily risen while the percentage of taxpayer money devoted to higher education has dropped.

"We have students graduating with anywhere from \$30,000 in debt to \$100,000 in debt," said Bouthillette.

Student loan debt was one theme of the Occupy Wall Street movement that sprouted across the country last year.

Bouthillette and another Johnson State College student, Kevin Kirk, said they went to Zuccotti Park in New York City last fall to be part of Occupy Wall Street protests.

Students acknowledge getting more state money will be difficult as Vermont continues its slow economic recovery. But there are fixes at the federal and state level that could unearth funds, such as corrections reform, they argue.

inside the exchange.

That decision — still subject to legislative approval — would result in about 20,000 fewer people inside the exchange pool.

"We're kind of scratching our heads and saying, 'Are they serious about health care reform?'" says Daniel Barlow, public policy director for Vermont Businesses for Social Responsibility. "Because up until now, they've told us that a strong and robust exchange was essential to transitioning to single-payer health care."

The issue of what size businesses are included in the exchange wasn't the only source of controversy. The administration and legislative leadership also backtracked on whether "bronze plans" — insurance products with extremely high deductibles — should be permitted for sale inside the exchange.

The administration initially sought to prohibit the high-deductible plans, which, while offering businesses and individuals a more affordable insurance option, require out-of-pocket expenses that discourage consumers from getting regular checkups and other forms of preventive care.

But after hearing from business groups like the Vermont Chamber of Commerce who say that bronze-level plans are the last refuge for cash-strapped businesses, Shumlin changed course on that front as well.

"Allowing bronze plans into the exchange not only does nothing to stem the tide of the underinsured but actually might make it worse," says Cassandra Gekas, health care advocate for the Vermont Public Interest Research Group.

Gekas says the early-session turnabout — the announcement came before the House Committee on Health Care had even finished its first round of deliberations on the exchange bill — has raised some red flags as the administration moves toward implementation of the single-payer law enacted last year.

"This decision certainly took all of us advocates by surprise. I think we knew compromise was an inevitability, and that we would have to find ways to work together and bring groups with differing opinions to the table," Gekas says. "But what came (Monday) is much earlier and more severe than I ever expected."

Shumlin said the policy shifts reflect a willingness to work with business owners and in no way undermines his ultimate goal of creating a publicly funded system that will deliver universal care.

"We want the exchange to offer ... flexibility while we continue to design a single-payer system that brings our skyrocketing health care costs under control," Shumlin said.

Sen. Anthony Pollina, a Democrat-Progressive from Washington County, says he worries the new stance reflects an unwillingness, or inability, to withstand the political pressure that will accompany all stages of the reform process.

"This does seem like we're taking a step backward to accommodate people who don't necessarily

seem interested in following us to where we want to go," Pollina says.

Pollina says the incident recalls the early demise of Vermont's last great push for comprehensive health care reform, when, under Gov. Howard Dean, lawmakers passed landmark legislation aimed at an entire system overhaul.

When it came time to institute the changes, however, elected officials bowed time and again to opposing political interests.

"It is very reminiscent of how reform efforts under Governor Dean began to unravel," he says.

Steve Kimbell, commissioner of the Department of Banking, Insurance, Securities and Health Care Administration, says there's no reason to get too worked up about the latest developments.

Administration officials have their eyes focused squarely on the single-payer prize, he says. Side-stepping resistance when necessary in the early stages, Kimbell says, offers a sound strategy for long-term success.

"Because the biggest path to failure is to be too ambitious too soon," Kimbell says. "We've got a significant bureaucratic administrative job here to do with the exchange, and we need to focus first on making sure we do that well."

As for allowing bronze plans, Kimbell says that was a tough concession to stomach.

"But these high-deductible plans are extremely popular in the small group market, and we didn't want to cause too much disruption in the business community," he says.

Peter Sterling, executive director of the Vermont Campaign for Health Care Security, says the administration may have satisfied the owners of companies carrying bronze-level plans. He says he doubts, however, that workers will be happy to learn that their high-deductible plans will be following them into the exchange.

"I'm not sure there are any employees out there cheering the news that they get to have a \$6,000 deductible," Sterling says.

Sterling says companies dropping health coverage altogether in the absence of bronze options isn't even a bad thing.

Because of federal tax subsidies for individuals purchasing inside the exchange, Sterling says, those employees would actually be able to get better quality coverage at a lower price. Businesses would save on health care costs, he says, and employees would get better policies.

"We hear from many people working for employers offering high-deductible plans, with no allowances for (health savings accounts) or employer assistance with deductibles," Sterling says. "And I can tell you that many people aren't happy with that kind of coverage."

Gekas says allowing high-deductible plans in the exchange will also thwart efforts at cost containment generally. People in high-deductible plans, she says, are less likely to pay out-of-pocket

for the screenings, physicals and other kinds of preventive care that will, over time, slow the rise in health care costs.

"And if we can't control costs, how people buy insurance is a moot point," she says.

Rep. Paul Poirier, a Barre independent and longtime reform advocate, says he's on board with Shumlin's new stance on the exchange.

If the exchange isn't wildly successful, Poirier says, then proponents of reform have no hope of ever realizing a single-payer health care system.

"We need to prove to people government can get it right," Poirier says. "We can't be too focused on 50 or 100 or bronze or silver or gold. We need to focus on creating an exchange that fundamentally works. And if it does, then people will come on board with everything else."

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Tuesday, February 07, 2012 6:14 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR TUESDAY, FEB. 7:

**VPR:**

## **Shumlin Bows To Business Community On Health Care Plan**

(Host) The debate over health care this session at the Statehouse became less contentious on Monday when Governor Peter Shumlin adopted several key provisions backed by the state's business community.

Shumlin says he was spending "too much energy" on the specific issues and he wants keep his focus on his plan to implement a single payer health care system as soon as possible.

VPR's Bob Kinzel reports.

(Kinzel) Over the past few weeks, many members of the state's business community have complained that the Governor's plan for 2012 was inflexible and would end up raising premiums. In a surprise move, Shumlin made the changes that these business leaders are seeking.

Beginning in 2014, all small businesses and people in the individual market will be required to purchase their policies from a new health care Exchange.

Under federal law, states can decide to require businesses with fewer than 100 employees to be in the exchange or a state can draw the line at companies with fewer than 50 employees.

Shumlin initially backed the larger number to include as many businesses as possible but he says he's now ready to support the lower number and he's willing to let the Exchange offer high deductible, lower premium policies. Why the change? The governor says this fight with the business community wasn't worth it.

*(Shumlin) "We're spending an awful lot of energy on something that isn't going to solve all of Vermont's problems and our energy would be better spent in other ways."*

(Kinzel) Shumlin says the fight that he is willing to take on is the implementation of a single payer system in the next few years.

*(Shumlin) "Vermont is trying to do something that frankly as of America should be trying to do which is to deliver a quality health care system, where health care is a right and not a privilege and where we use our health care dollars to make people healthy again not insurance company profits."*

(Kinzel) Betsy Bishop is the president of the Vermont Chamber of Commerce. She says Shumlin's changes are good news for her 1,500 members.

*(Bishop) "The practical impact is that by giving employers more choices similar to what they're used to that you will get them to utilize the exchange in a way that will help the state reform health care."*

(Kinzel) Shumlin's plan means that a company with between 50 and 100 employees won't be able to be part of the Exchange until 2016. And the Exchange is where there are millions of dollars in federal tax credits and premium subsidies. House Speaker Shap Smith says it was a tough choice to make.

*(Smith) "This was a hard decision. This was a very hard decision because there are people who will not have the opportunity to get into that market and they'll have to wait two years and their employees will have to wait two years as well. So it wasn't an easy decision and there were differences of opinion on this one."*

(Kinzel) Smith wants the House Health Care committee to take a final vote on the entire health care bill in the next two weeks.

## **VTDIGGER:**

### **Shumlin bends on health benefits exchange BY ALAN PANEBAKER**

In a substantial policy shift, the Shumlin administration announced a proposal Monday to include "bronze" plans in the health benefits exchange and exempt larger employers from the insurance marketplace.

The decision came after business owners testified last week to House and Senate health care committees, many of whom expressed concern that the administration's original proposal would increase the cost of doing business in Vermont by disallowing high-deductible plans for employees. At a press conference, Gov. Peter Shumlin told reporters that the exchange is merely one part of his signature health care reform effort.

"We feel strongly that the exchange is not the answer to all of Vermont's health care problems," Shumlin said. "If we just passed the exchange, we would not contain costs adequately and be able to provide universal access."

The exchange, he said, should provide maximum flexibility and ensure that patients have many of the same insurance options they have now.

The federal government requires states to set up electronic marketplaces for individuals and small groups to purchase health insurance by 2014.

The federal health care reform law sets basic requirements for an exchange, but states have authority to decide matters such as essential benefits insurance companies in the exchange must cover. In 2016, all businesses with 100 or fewer employees must purchase insurance through these exchanges. For 2014 and 2015, states can decide whether to include businesses with 100 or fewer or 50 or fewer employees.

The administration's original proposal, embodied in House Bill 559, included larger employers and allowed only plans rated "silver" and above by the federal government. The bill also requires these companies to buy insurance in the exchange — a requirement that would remain for smaller businesses and individuals under the governor's proposal.

Plans are rated by the value of health care benefits they covered compared to what individuals end up paying. Bronze is the lowest level plan under federal law.

While the exchange has been pitched as a stepping stone to a universal health care system that the state could implement in 2017 with a federal waiver, Shumlin emphasized Monday it is not the fix for all of the state's health care problems.

What the exchange will do, Shumlin said, is allow businesses and individuals to access huge tax subsidies. It also allows the state to draw down millions of dollars in federal funding for things like technology to coordinate health care providers and reduce administrative costs.

"The exchange is helpful to Vermont to bring us federal dollars to achieve our single payer goal," Shumlin said. "The exchange itself is not the panacea to all our problems and challenges in Vermont. It is a helpful tool but by no means a solution to Vermont's challenges."

The exchange will help Vermonters save millions of dollars they spend on insurance brokers who help employers choose insurance plans and help insurance companies assess risks, Shumlin said.

Speaker of the House Shap Smith told reporters Monday the choice to propose bronze plans and exclude larger businesses was a "very hard decision."

"I don't think businesses speak with one voice on this issue," Smith said.

## **Opposing views in the business community**

Reactions to the governor's announcement resonated that message.

Betsy Bishop, president of the Vermont Chamber of Commerce, gave legislative testimony last week advocating for inclusion of a "bronze" plan, excluding businesses with 50 to 100 employees and allowing an off-exchange market.

Bishop praised the governor and the Speaker of the House for a proposal that would allow more choice for businesses.

"By allowing bronze plans, those employers being forced into exchange will have a greater choice of what to purchase," Bishop said.

The Chamber has worked with Sens. Hinda Miller and Vince Illuzzi to introduce legislation that would limit the exchange to smaller employers, include bronze plans and make the exchange voluntary by allowing an outside market for individuals and small groups.

"We're still hoping to see some movement along making the exchange voluntary," Bishop said.

Allowing this separate market would allow more options for employers in 2014, Bishop said. If the exchange provided attractive, cost-effective options, people would choose it over other plans, she said.

Meanwhile, Vermont Businesses for Social Responsibility expressed disappointment in the governor's announcement.

Andrea Cohen, the organization's executive director, said the group has a preference for including the larger businesses in the exchange and restricting it to higher level plans.

These will both create a more vibrant exchange and provide higher quality plans for Vermonters, she said.

Vermont Businesses for Social Responsibility's end goal, she said, is decoupling work from employment, and the exchange does not do that. It can be a means to an end, however.

"We just want to see good progress," she said.

Cohen said businesses that don't offer health care are more competitive because they save money on labor costs, while companies that offer insurance pick up the tab not only for their own employees but also higher premiums for the uninsured.

Cassandra Gekas, a health care advocate for the Vermont Public Interest Research Group, said including high-deductible "bronze" plans in the exchange would increase the number of underinsured Vermonters.

People with high-deductible plans are more likely to forgo preventive and primary care, which can lead to catastrophic illnesses and increased costs for the system as a whole, Gekas said.

Dr. Deb Richter has been advocating for a publicly finance universal health care system for years. She said the governor's proposal was "not a catastrophic decision, but it's not a good trend."

High deductible plans appeal to healthy people and result in insurance companies cherry-picking healthy individuals, she said.

Patients insured with high-deductible plans cannot afford to get sick, Richter said. When people cannot afford to pay their medical bills, hospitals are forced to increase costs to make up for that undercompensation. This costs are then shifted to other payers.

Under the "bronze" plan, an insurer has to pay for 60 percent of the cost of care. In theory, if a patient had a catastrophic illness and incurred \$100,000 in medical bills, his or her liability would be \$40,000. Out-of-pocket limits would, however, cap an individual's personal costs to a little under \$6,000 or slightly less than \$12,000 for a family under the federal law.

Darcie Johnston of Vermonters for Health Care Freedom, a group that opposes the state's health care reform effort, said provisions of H.559 still in place remain problematic for businesses.

"It's a problem, and we need to find more money," said Kirk, a political science and wellness and alternative medicine double major who will have an estimated \$12,000 debt when he graduates.

Jeb Spaulding, secretary of administration, said the Shumlin administration understands the problem.

"We hear what they're saying, and they make a very good point," said Spaulding.

The administration has proposed level-funding higher education's annual appropriations this year, said Spaulding.

This may not seem like enthusiastic support, Spaulding said, but he pointed out that other cash-strapped states are making cuts to higher education.

The administration also has proposed an \$8 million one-time investment to be split between the Vermont State Colleges and UVM. Some of that money would go toward a program that allows high school seniors to enroll at a state college.

Shumlin said he also wants to expand dual enrollment, which is another program that uses education fund money to pay for high school students to take college classes.

If high school students are using public money to take college classes, it can reduce the scale of the loans they need to take out, Spaulding said.

And as the economy improves, the administration hopes to provide "a little better treatment" to higher education, Spaulding said.

### **New insurance proposal wins over some, alienates others**

By Peter Hirschfeld

Vermont Press Bureau - Published: February 8, 2012

MONTPELIER — The list of health care-related demands to which Gov. Peter Shumlin capitulated Monday may have won over key segments of the business community. But the concessions have sounded alarm bells among reform advocates, many of whom say they've begun to question the administration's commitment to a single-payer system.

Shumlin and Democratic leaders in the House and Senate convened a news conference Monday morning to announce major policy shifts surrounding the so-called health benefits exchange.

Likened to a health insurance version of the Hotwire travel-deals website, the federally mandated exchange will create a highly regulated marketplace designed to offer consumers an array of high-quality, affordable options.

Though the federal Affordable Care Act mandates the establishment of an exchange by 2014, Congress has given states latitude over who will be forced to purchase insurance from the exchange. Until Monday, the Shumlin administration had said it wanted to use the exchange as a bridge to single payer by unifying as much of the population as possible inside it.

Shumlin, however, veered from that tack this week when, at the prodding of business leaders, he withdrew a provision that would have required businesses with 50 to 100 employees to purchase



Prohibiting individuals and businesses with 50 or fewer employees from purchasing insurance outside the exchange will limit competition and increase costs, she said.

"I think it's critical for people to buy insurance off the exchange," she said. "If the exchange has merit, it will stand on its own."

## **Campbell says union tactics go too far**

**BY ALAN PANEBAKER**

A bill that would allow early childhood educators to bargain collectively with the state is stalled in the Senate.

Sen. John Campbell, president pro tem of the Senate, said he does not anticipate seeing the bill come out of the rules committee.

Campbell said he is not anti-labor, and he wants the state to do what it can to help child-care providers, but he has serious reservations about H.97. He said a labor group has gone too far with its hard-ball lobbying tactics.

The legislation also has created a schism among some child-care providers and resulted in a behind-the-scenes political struggle.

The bill would allow providers to bargain with the state for child-care subsidy rates and reimbursement from the Vermont Department for Children and Families. The bill that was approved by the House, on a vote of 90-54, included an exemption for large child-care centers, removed health care and other benefits, and limited the right to bargain over the rates and reimbursement for subsidy payments through the state's child-care financial assistance programs.

The American Federation of Teachers, which is affiliated with the AFL-CIO, has lobbied tirelessly for the bill. The Vermont Early Educators United, an affiliate of the AFT and the AFL-CIO, has embarked on a campaign to organize child-care providers and encourage them to contact their legislators directly. It plans a lobby day at the Statehouse in Montpelier on Feb. 7.

Campbell said he received countless calls, many from people who had been patched through to his phone by union representatives.

Things came to a head, Campbell said, when he met with Ben Johnson, the president of the Vermont AFL-CIO. Campbell claims Johnson attempted to intimidate him by sliding a piece of paper across his desk that showed how much money the union had spent on political action committees that supported Campbell and his party and asking him to support the bill.

Union representatives told him if he does not support House Bill 97, he does not support collective bargaining.

"The reason why I believe this bill does not have the right to go forward is the tactics used to intimidate myself and this body are so against what good clean government is about, I think it would be rewarding bad behavior," Campbell said.

Johnson called allegations that the union has tried to intimidate politicians "ridiculous."

"That's an attempt to change a subject from whether low-income women have the right to organize," he said.

Johnson said the bill would ensure that child-care providers receive fair treatment in their negotiations with the state.

"There are women in many cases that have been in the field for 30 or 40 years and never had a way to have a voice that counted in their working lives," Johnson said.

He said the lobbying effort is a result of thousands of child-care providers coming together to find a way for their voices to be heard. The opposition, Johnson said, is to be expected to some degree.

The House bill would allow child-care providers to form a union and bargain with the state over rates and reimbursement practices for payments that subsidize child-care services for low-income, wage-earning parents.

Typically, union employees bargain with employers for wages and benefits.

"My fear is not against the union or organizing," Campbell said. "If we extend collective bargaining to someone who just receives a subsidy, hundreds of other groups could do the same thing."

Cathi Ste. Marie, a home child-care provider in North Troy, has been in the field for about 10 years and is an active member of the union's organizing committee.

Ste. Marie says the bill will enable early childhood educators to provide "substantive" input in the state process for setting reimbursement rates and increase the quality of child care in the state.

Childcare businesses have a high turnover rate, she said, because of low reimbursement rates.

"The provider turnover rate can be bettered and reduced if educators are validated, supported and respected in what we do," Ste. Marie said.

Shifting child care providers, she said, can lead to disruptions in the crucial early years of children's development. If child-care providers have a seat at the table with the state, educators will be able to provide better services, Ste. Marie said.

"The importance right now in early education is high quality programs where children best thrive," Ste. Marie said. "This bill gives us the collective bargaining rights to sit and discuss it and be taken seriously. We are no longer just a suggestion box."

Ste. Marie said she and other child care providers would like to see the large child-care centers back in the bill.

The Boys & Girls Club of Burlington opposed the bill and successfully lobbied to be removed from it last year. Representatives of the center declined to be interviewed on the record for this story.

Smaller child-care providers have also opposed the bill.

Elsa Bosma is a registered home provider in Shelburne. She has taken the lead in organizing another grassroots group of child-care providers who are opposed to the bill.

Bosma said she feels the bill, which requires bargaining units to select an "exclusive representative," will prohibit her from working directly with state officials with whom she has built good relationships. Perhaps the most fundamental issue for Bosma, she said, is the negative interactions some providers have had with the union. Bosma said she received 80 emails with complaints. The pressure to support the bill is what bothers her, she said.

"We haven't asked for anyone to advocate on our behalf," Bosma said.

It's also unclear how much dues would cost, she said.

Bosma's final concern is a "scholarship" offered by the union to attend the event in order to hire a substitute or close up shop for the day. She is funding her efforts out of her own pocket. Ste. Marie denies that organizers have paid child-care providers to come to lobbying events. An online invitation to Tuesday's lobbying day, however, includes a line for scholarships of up to \$100 to help providers cover the cost of hiring a substitute or close for the day.

While the drama plays out over House Bill 97, a parallel bill, S.29, is sitting on another shelf in another committee.

The Senate bill still includes the large centers. It is pending in the Senate Economic Development, Housing and General Affairs Committee. Sen. Vince Illuzzi, R-Essex-Orleans, chairs the committee, and he says the bill stands little chance of coming off the wall.

## **Manwaring: What we still don't know about education funding in Vermont**

*Editor's note: This op-ed is by Rep. Ann Manwaring, D-Wilmington. She is a member of the House Appropriations Committee.*

From the recently released study done by Lawrence O. Picus and Associates, a study commissioned by the Legislature last spring, we know that how the money gets into the Education Fund is equitable across all Vermont towns and cities, that a penny on the tax rate does indeed raise the same amount of money in all towns. We also know that when money is distributed on an equalized per pupil basis that spending also has achieved equity.

But we do not know from the Picus study whether that equity of input of money to the Education Fund purchases equal educational opportunity for all Vermont's children as required by the Supreme Court in "Brigham," "that to fulfill its constitutional obligation the State must ensure substantial equality of educational opportunity throughout Vermont."

To address that question, the towns of Dover and Wilmington, home of some of Vermont's many, many small schools, believe from the many years of crafting their school budgets under the constraints of Act 60/68 that the equity of input to education funding does not buy equal education opportunity for its children. Therefore, the two towns commissioned a study by Northern Economic Consulting of Westford, Vt., to find out. That study was released on Jan. 16. Among its findings are that:

- While under Act 60/68 the same school tax rate will allow the same dollar spending per pupil across Vermont towns, the same school tax rate does not lead to equal education opportunities.
- It also found that since 1997-98 per pupil spending nationally rose 30 percent, but in Vermont it rose 60 percent.
- And, finally, it found that student performance did not improve during the years when Act 60/68 governed, when compared with like demographic in other states.

What both studies tell us is that outcomes for all Vermont children are not consistent with the amount of money we spend. What the studies do not tell us is why, for all the money we spend, we don't provide a world-class education for all Vermont children.

What else don't we know about our education funding system?

For one, where is accountability in this system for outcomes and how is it linked to how much has been and needs to be spent? Under Act 60/68 the state has taken over the financing of education, yet has failed to establish the link to accountability for outcomes. At the state level, we are reduced to "asking" school budgets to remain level without any idea of what that means to the education outcomes of our children.

Why have we not put in place a uniform code of accounts for all schools so that we might finally be able to establish how the \$1.3 billion in the education fund is really being spent and how that relates to student achievement.

If we continue on the track we've been on where the economic principle of economy of scale drives decisions at the state level, which now holds the power of the purse, at the same time local schools and their voters are driven by the commitment to the best education for their children, we will remain in the current status where there exists an abyss between the state and local school districts where the levers of accountability between spending and outcomes simply don't exist.

No amount of moving the pieces of the system around, say fewer supervisory districts or having the commissioner of Education report to the governor or creating Regional Education Districts (REDs) or other such districts will solve that problem.

We simply have put in place a system of funding education, while equitable in raising the money that goes into the Education Fund, has not gone the next step of putting in place a system from the state on down to local schools of delivering education where there is direct accountability between the decision to raise and spend and the results for our children.

### **DeWalt: The fight's not over**

*Editor's note: This op-ed is by Dan DeWalt, who writes for [ThisCan'tBeHappening.net](http://ThisCan'tBeHappening.net).*

Defying the will of Vermonters, Entergy Nuclear has successfully won the first stage of its trial to allow it to break its word and to usurp the rights of the Vermont Legislature. Judge J. Garvin Murtha effectively delivered a slap in the face to the people of Vermont by saying that [contrary to prior Supreme Court judgements] the Legislature has no right to regulate the operation of the Vermont Yankee nuclear reactor. The Public Service Board is now the only state entity that has the power to decide Vermont Yankee's future.

The judge also bought Entergy's argument that he should base his judgement not upon the written legislation in question, but rather by retroactively reading the minds of the legislators to judge what they were thinking at the time.

This ruling goes hand in glove with current federal policies that enrich the 1% and keep power firmly in the hands of America's largest corporations. It affirms that corporate profits trump the interests of the citizenry. It attempts to belittle the state Legislature and misrepresents their legislation while defending the laughable notion that only the federal government can be trusted to keep us safe from radiological accidents caused by corporate malfeasance and profit-driven lax practices.

More significantly, the ruling should serve as the catalyst to spark Vermonters who have been watching this struggle from the sidelines to join the citizen effort to shut down Vermont Yankee before an accident shuts it down for us.

The executives of Entergy have lied under oath repeatedly to the Vermont Legislature, tried to bribe the Legislature (in Louisiana talk, they called it a gift offer) and have run roughshod over every aspect of the state's self governance, relying on their tight association with the Nuclear Regulatory Commission, which abets rather than regulates the industry, to ensure that their reprehensible actions are allowed to occur unchecked.

The State of Vermont can fight back, trying to rein in this corporate behemoth, but federal law and the courts are limiting the state's possible responses.

A majority of Vermonters know that Vermont Yankee has run its course and needs to be shut down as originally licensed. Now people are turning to their neighbors to organize. Affinity groups are forming throughout the region. Sagealliance.net <http://sagealliance.net/> is providing non-violence trainings to people who are willing to risk arrest.

March is going to be a month for taking action. Students at Greenfield Community College are organizing a walk from GCC to the reactor on March 3. On March 11, the anniversary of the ongoing Fukushima nuclear disaster in Japan, commemorations will be held at the reactor and various locations throughout the state. There will be a shut it down rally at the Statehouse with our state representatives on March 21. On April 1, a major rally (without a civil disobedience component) will be held in Brattleboro, where Vermonters will make clear our support for the state's right to regulate our utilities. Civil disobedience and direct action will be doubtlessly be directed towards Entergy Nuclear if they continue to operate past the March 21 license expiration date.

Our state will continue to assert its right to control our energy generating future, but it needs our help. Only with a strong partnership of people power and government action will we be able to achieve victory over the entrenched interests of the money powered corporate oligarchy.

Vermonters are determined to thwart those who would put us at risk for the sake of their profits. The Arab Spring and the Occupy movement have shown us the potential power of the people. When we stand by and watch our leaders lead, we often find ourselves in peril. When we assert our own sovereign power we take the first step towards building a better future for us all.

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Monday, February 06, 2012 11:46 AM  
**To:** Allen, Susan  
**Subject:** Gov. Shumlin and Legislative Leaders propose inclusion of 'bronze plan'

**For Immediate Release**

**Feb. 6, 2012**

Contact: Susan Allen, 802-279-8493  
Tom Cheney, 802-828-2245

**Gov. Shumlin and Legislative Leaders propose inclusion of 'bronze plan'**

*Will allow businesses with more than 50 employers to remain outside the Exchange until 2016*

**MONTPELIER** -- Gov. Peter Shumlin and legislative leaders today announced the inclusion of a "bronze plan" and a proposal to allow businesses with more than 50 employers to remain outside the Exchange until 2016. The Governor, Senate President Pro Tem John Campbell and House Speaker Shap Smith made the announcement today.

"Vermont is creating the first single payer plan in America that will make health care a right and not a privilege, contain costs and make Vermont the affordable health care state," Gov. Shumlin said. "Our goal is to have as much choice in the exchange as federal law allows, allowing Vermont employers to shop for health care there."

"Some Vermont small businesses are offering plans that may not meet the gold and silver plan standards but provide coverage for their employers," he added. "We want the exchange to offer the same flexibility while we continue to design a single payer system that brings our skyrocketing health care costs under control. Our goal is to build an exchange that offers consumers maximum flexibility as allowed under federal law."

The Governor said moving forward quickly on the reform plan is imperative, and ensuring businesses are comfortable with the plan is important.

"There is broad consensus that the current health care system we have is broken," said Speaker Smith. "The health benefits exchange is a small step forward in curbing costs and increasing coverage. It makes sense to phase in these key changes, giving businesses and individuals additional choice and predictability within the exchange."

The Legislature established a Vermont Exchange last year to reorganize how people purchase private health insurance in the current market. It should allow for easier, one-stop consumer shopping compared to the frustrating jumble of choices people now experience. The Governor's ultimate goal is to move beyond private insurance schemes and implement publicly-financed coverage for all Vermonters.

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Monday, February 06, 2012 8:26 AM  
**To:** 'Thomas Cheney'; 'AGrant@leg.state.vt.us'; Lofy, Bill; MacLean, Alex  
**Subject:** Latest Draft of press release with Bill, Robin and Governor's edits.

Tom and Ashley will get me a quote (hopefully!). Everyone send other changes. Thanks. Sue

**For Immediate Release**  
**Feb. 6, 2011**

Contact: Susan Allen, 802-279-8493  
Tom Cheney, 802-233-1378  
Ashley Grant, 802-

**Gov. Shumlin and Legislative Leaders respond to business's concerns on health exchange**  
*Allow 'bronze plan' to expand options for small employers*

**MONTPELIER** — Addressing concerns about the health care exchange raised by small business owners, Gov. Peter Shumlin and legislative leaders today announced the inclusion of a "bronze plan" and a proposal to allow businesses with more than 50 employers to remain outside the Exchange until 2016. The Governor, Senate President Pro Tem John Campbell and House Speaker Shap Smith made the announcement today at the State House.

"Some Vermont small businesses want to offer plans that may not meet the gold and silver plan standards but provide coverage for their employers," Gov. Shumlin said. "They should have the flexibility to do so while we continue to design a single payer system that brings our skyrocketing health care costs under control. Adding a bronze plan and allowing businesses with 50 or more employers to remain outside the exchange until 2016 will provide those businesses with additional choices."

John Campbell quote

Shap Smith quote

The Governor said it is important for lawmakers to move quickly on reform plans, adding, "Vermont is creating the first single payer plan in America that will make health care a right and not a privilege, contain costs and make Vermont the affordable health care state. Our goal is to have as much choice in the exchange as federal law allows, allowing Vermont employers to shop for health care there."

The Legislature established a Vermont Exchange last year to reorganize how people purchase private health insurance in the current market. It should allow for easier, one-stop consumer shopping compared to the frustrating jumble of choices people now experience. the Governor's ultimate goal is to move beyond private insurance schemes and implement publicly-financed coverage for all Vermonters.

**London, Sarah**

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**From:** Lunge, Robin  
**Sent:** Saturday, February 04, 2012 9:13 AM  
**To:** Kimbell, Steve; Larson, Mark; MacLean, Alex  
**Subject:** Fwd: rebuttal to McClaughry's piece  
**Attachments:** mcc rebuttal.doc; ATT00001..htm

FYI

Sent from my iPad

Begin forwarded message:

**From:** Peter Sterling <[peter@healthcaresecurityvt.org](mailto:peter@healthcaresecurityvt.org)>  
**Date:** February 4, 2012 8:26:03 AM EST  
**To:** "Lunge, Robin" <[Robin.Lunge@state.vt.us](mailto:Robin.Lunge@state.vt.us)>  
**Subject:** rebuttal to McClaughry's piece  
**Reply-To:** Peter Sterling <[peter@healthcaresecurityvt.org](mailto:peter@healthcaresecurityvt.org)>

sending to the media that ran his piece-- times argus, rutland herald, bennington banner and vt digger

the level of rhetoric from the business types like Keller and Shouldice and now McClaughry is amazing to me for its lack of accuracy. intentionally confusing SP and the Exchange is one thing but misrepresenting basic facts is a whole 'nother level

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Thursday, February 02, 2012 6:07 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR THURSDAY, FEB. 2:

**VTDIGGER:**

**Proposal to replace Vermont State Hospital with a 25-bed facility approved by committees**

**BY ANNE GALLOWAY**

In spite of pressure from the Shumlin administration, the House Corrections and Institutions Committee passed a bill that would expand the size of the replacement facility for the Vermont State Hospital from 16 beds to 25 beds.

Some mental health advocates and psychiatrists testified in hearings that it would be difficult for the state to create a therapeutic environment with 16 patients.

The federal government doesn't like to fund institutions of mental disease, or residential psychiatric treatment programs that are larger than 16 beds. Though Vermont has a special waiver through 2013 that allows the state to operate a so-called IMD with 17 or more beds, if the government doesn't renew the waiver operating costs associated with nine additional beds could be appreciable.

The political ramifications were borne out in House Appropriations on Wednesday afternoon. Members of the budget-writing committee grudgingly supported the bill that had already advanced through the Corrections and House Human Services Committees.

The GOP has agreed to suspend the rules and the House will take up the bill on Thursday.

**House passes redistricting plan 138-4**

**BY ANNE GALLOWAY**

Redistricting is one of the most contentious, political processes lawmakers face. But on Thursday, the Vermont House of Representatives managed to bypass the partisan rancor that typically accompanies the messy process of resetting the boundaries for legislative districts.

The Democratic majority won the day when House GOP leadership, which raised questions about gerrymandering in Rutland County, overwhelmingly supported the bill. Though the Republicans initially had qualms about a reconfiguration of Castleton, once the town was made whole in a broadly supported amendment, they fully backed the legislation.

The upshot? A landslide vote of 138-4 in favor of a plan that, with the exception of a half dozen changes, left most existing districts in tact.

The new map adds one seat to the Burlington district and eliminates a half seat from Windsor County and a half seat in Rutland County.

The adjustments were made in a once a decade exercise that realigns districts in response to demographic shifts reported by the U.S. Census Bureau.

Amendments and questions on the floor, which lasted for several hours, came from Democrats who saw their districts expand into new areas and/or shift from single member districts to two-seat districts. The debate largely centered on the difficulty of reaching new constituents who in some cases live literally around the mountain.

House Speaker Shap Smith held a press conference after the vote and used the opportunity to publicly thank the Republicans, Progressives and Democrats who worked together in the House Government Operations Committee to create a map that a majority of all three parties could agree to.



"People who have been around this process before understand how different the one that happened this year was from past years," Smith said. "The redistricting process in many states is the most political of political battles and it is because it defines what the map is going to look like for the next 10 years. What was different this process is, the committee remembered who this was really about. It's about the people of the state of Vermont. It's not about the politicians."

Rep. Donna Sweaney, D-Windsor, chair of the House Government Operations Committee, who led the effort said now she could go to sleep at night without visions of multi-colored redistricting maps flashing through her mind.

"We redrew the map and my whole thoughts were to Cola Hudson ... who chaired the committee 10 years ago when that map was drawn," Sweaney. "And granted we worked very hard and to have a vote that's 138 yes and 4 no really gives tribute to the committee ... and to all the members here. It is the Vermont way. We had every representative in our committee from Rutland County. We had members from Windsor County, from Lamoille. We brought people in and talked and discussed. We were determined to make this as fair as possible."

Sweaney's own district was affected by reapportionment. Now Sweaney who has served in the House for 16 years, will be in a two-seat district.

"It's been real easy," Sweaney said. "For 10 years I've been in a single-member district. I have to ask myself, am I psyched up to add 400 more people to my life, but there's two of us and we can campaign together. It might not be all bad."

In an interview, she said the change in her own district helped her lead the committee through the difficult process of redrawing lines that shifted groups of voters from one town into another to satisfy proportional representation requirements under federal law.

Sweaney said the last time the Legislature went through the redistricting process in 2002, the process was more contentious.

"My determination was we weren't going to go back there again," she said. "We were going to come at this that every member has a voice and we're going to work hard to make sure we're fair and I did say to the committee when I came in there are 149 people I care about and respect and I want 149 of them back here if that's possible."

The most controversial map drawing was in the Republican stronghold of Rutland. The GOP accused the Dems of gerrymandering when Castleton State College, located in the village of Castleton was added to a new district. The move led to an impasse between the two parties over the weekend. House GOP majority leader Don Turner said his fears were allayed on Tuesday when Sweaney brought a new map to the table that kept Castleton whole and backed away from a plan that would have pitted three Republicans against one another in a two-member district.

"We appreciate the effort of the majority leader and the speaker to allow us to work with them to obtain a reasonable resolution to the redistricting puzzle that although not perfect does meet most of the objectives our caucus had set forth at the beginning of this process," Turner said. "This plan keeps towns whole and provides most Vermonters an opportunity for fair representation for the next decade."

The committee reviewed more than 40 maps together. In past years, lawmakers said the boundary lines were often drawn in closed door meetings.

*Editor's note: This story was updated at 5:47 a.m.*

## **Businesses divided on health care exchange legislation**

**BY ALAN PANEBAKER**

The business community sent a mixed message to lawmakers Wednesday about the future of health care for their employees.

Some business owners are concerned that they will have to give up the health insurance plans they have worked hard to set up as the state transforms its health care system.

Others feel their costs of paying for health care are breaking the bank, and they want everyone to pay into a program that provides care for everyone.

Both camps gave testimony Wednesday before two legislative committees that will consider pending legislation to set the stage for health care reform in Vermont. By the end of the legislative session, lawmakers plan to have a road map for how they will set up a health benefits exchange.

The exchange is a federal mandate that requires states to set up virtual marketplaces for individuals and small groups to purchase health insurance. The 2010 federal health care reform law allows some wiggle room for states to tailor their own systems.

For businesses, the main issue is whether they will be required to buy an insurance policy through a health benefits exchange. Under House Bill 559, businesses with 100 or fewer employees must purchase health insurance through what will be the virtual marketplace.

Under the federal Affordable Care Act, the decision whether to treat businesses with up to 50 or up to 100 employees as "small" for 2014 and 2015 is up to the states. Starting in 2016 employers with 100 or fewer employees will be considered "small" and eligible for the exchange.

Some businesses have been rattled by the state's decision to prohibit larger employers from purchasing insurance outside the exchange.

Nigel Mucklow, owner of New England Floor Covering in Burlington, said the plan he buys for his employees has a \$2,500 deductible. He said the flexibility he has with his insurance provider enables him to keep costs down.

"We don't want you to box us in to a certain category and a certain way of doing business," he said.

Mucklow said he was skeptical of the state's ability to control costs.

"We're scared you're going to make us have a product that costs a lot," he said. "We are responsible people, and we don't necessarily need you guys to tell us how to run our businesses."

One consistent concern from many businesses is the lack of high-deductible, low-premium plans in which employers contribute to health savings accounts. These plans, which most likely will not meet the qualifications the legislation proposes, save business owners money.

Craig Fuller of the Employer Health Alliance, which lobbies on behalf of businesses, expressed concerns that such plans may be illegal under the administration's proposal.

Tom McKeown, executive director of Business Resource Services, polled his business owner clients and he says more than 90 percent believe that so-called "bronze" plans should be offered in the exchange.

The concept behind the federal health care law, McKeown said, is to offer choices. He said businesses want more choice to choose their own plans, inside or outside the exchange.

"The current system is working," he said. "Don't disrupt what's happening."

Sara Byers, vice president of Leonardo's Pizza, echoed that the state should be hesitant to move forward too quickly. Byers said the state should keep the exchange limited to smaller groups in order to avoid "unintended complications and kinks."

The administration's proposal will likely increase the costs of providing insurance for companies with 51 to 100 employees who "shouldn't cross-subsidize smaller businesses," Byers said.

But not all businesses think the state should put the brakes on health care reform.

Bram Kleppner, CEO of Danforth Pewter in Middlebury, hopes bringing larger businesses into the exchange will level the playing field.

Like many businesses, Kleppner said he has been forced to pass on high health care costs on to his employees. "It has caused significant suffering for these people and their families," he said.

Kleppner said he hopes bringing more people into the exchange will lower costs for employers collectively as more businesses share the costs.

Michael Roche, an arborist who owns Stowe Tree Experts, agrees. Roche employs five people. He says the cost of paying for their health insurance puts him at a competitive disadvantage against other employers who don't offer the benefit.

Roche said even with the modest insurance plan he offers, he can't charge enough for his services to cover the cost. With a \$12,000 premium for each employee, Roche estimates it costs around \$200 a day.

If he charges \$1,000 for a service, and another employer who does not offer insurance charges \$800, he said, "A customer might look at me and say, 'Mike, I really like your social responsibility but I want the \$200.'"

For this reason, Roche said he wants everyone to have skin in the game.

"I want everybody in because everybody's got to feel the pain," he said.

Some single-payer advocates have also expressed concerns that the state is "herding" small businesses into the exchange. According to John Franco, a Burlington attorney and proponent of health care reform, the mandate to require employers with 100 or fewer employees to purchase health insurance on the exchange will affect about one quarter of the 355,000 Vermonters with private insurance.

These individuals, Franco said, will be forced to cover the administrative costs of the exchange while large businesses and those with grandfathered plans will not be in. Furthermore, Franco asserts, more people in the exchange does not create a larger risk pool necessarily because each insurance carrier will have its own pool.

"The exchange is a shopping mall, not an insurance pool," Franco said. Single-payer, he says, is a uniform benefit package provided through a single insurance fund. They are not the same idea, he said.

Franco said the whole point of the exchange as it relates to a universal health care system is to encourage individuals to enroll and receive federal subsidies for their health insurance. This will set the bar for a block grant that the state can receive in 2017 when it aims to request a waiver from the federal law to implement its universal system. Franco adds that he is not trying to attack the administration for its proposal but rather save it from a bad policy decision.

Bill Driscoll, vice president of Associated Industries of Vermont, said the business community reiterated the concern with limiting choices and flexibility. He said he is concerned the state may do away with things like high deductible plans which have saved money for the past 20 years. Bringing in larger businesses, he said, could eliminate the benefit for some of the largest cost-savers.

Plans with health savings accounts, Driscoll said, help to decrease the costs of health care utilization because people have to pay for services out of their own pockets.

"We have to be able to have to link to some degree health care consumption choices with the cost of those choices," he said.

Peter Sterling, executive director of the Vermont Campaign for Health Care Security, helps people get on plans like Catamount Health and the Vermont Health Access Plan. He said while these high deductible plans may save money for employers, he fields calls constantly from employees trying to get off them and onto the more robust state plans. The problem, he said, is that employees are not eligible in some cases because they have not met a requirement that they be uninsured for one year.

## **Advocates press for expanded autism coverage**

**BY ALAN PANEBAKER**

Parents and lobbyists held a press conference Wednesday promoting a bill that would expand private insurance coverage for people diagnosed with autism spectrum disorder to include those older than 6 years.

In 2010, Vermont passed Act 127, which mandates that private insurance companies and Medicaid cover diagnosis and treatment for autism spectrum disorders for children from the age of 18 months to 6 years or when the child enters first grade.

The private insurance aspect of the 2010 law went into effect in October. The Medicaid part has yet to be implemented.

Sen. Anthony Pollina, the lead sponsor of the new bill, said the idea is to require insurance companies to treat people with autism the same as those with other health problems.

Only covering children up to age 6 is not sufficient, he said. His bill requires insurers to pay for services for autism regardless of the patient's age.

"If you don't continue beyond 6, you can lose a lot of ground," he said.

Judith Ursitti, the regional director of state government affairs for Autism Speaks, praised the state for the 2010 law but said Vermont should do more.

"People benefit from early intervention, but autism doesn't disappear once you reach age 6," she said.

According to claims data from states that mandate insurance coverage, Ursitti says, on average private insurance company policyholders would only have to pay about 25 cents more each month to cover expanded services.

One insurance company, MVP Health Care, has estimated that the current law mandating covering up to age 6 would increase its premiums across the board 0.5 percent to 1 percent — enough to cause those on the edge of being able to afford insurance to drop coverage. Unlike other states, Vermont puts no cap on the dollar amount that insurance companies will have to pay per individual.

Parents of children with autism, however, say lack of private insurance coverage creates a burden for them. Claudia Pringles has a 12-year-old daughter with autism. She dropped private insurance coverage for her daughter to receive assistance through the Medicaid's Early Periodic Screening, Diagnosis, and Treatment Program. Still, most of the services her daughter receives come through school.

"After 3, I have no access to treatment," Pringles said.

Pringles' daughter is one of 183 children in Vermont who receive Medicaid assistance through what is called a Katie Beckett waiver, which disregards a parent's income for a child with a certain degree of disability. Switching to Medicaid is common practice for parents with children with autism since private insurance will not cover specialized services after age 6. Until October, when Act 127 went into effect, they would not cover any specialized services for autism.

Vermont's 2010 law is the only one among the 29 states that mandate autism coverage to require expanded Medicaid coverage to the same level of private insurance. Essentially, in Vermont, Medicaid will have to cover the same services as private insurance. In other states, this is not the case.

Expanding that coverage for children up to age 6, the state Agency of Human Services estimated in a report, would cost \$10 million. Ursitti said her group is working with the state to revamp that analysis to only include medically necessary treatments, which, she says will cost much less.

Gov. Peter Shumlin has proposed postponing these payments to save the state money.

Pollina said his bill focuses on private insurance, but it would require Medicaid coverage for children up to age 6. After 6, the mandate is only for private insurance.

In the Senate Committee on Health and Welfare Wednesday, Sen. Kevin Mullin, R-Rutland, questioned whether it is hypocritical for the state to require private insurance to cover services that the government will not cover through Medicaid.

### **Assisted suicide law sends contradictory message**

*Editor's note: This op-ed is by Guy Page, a parent and resident of Cambridge.*

In the Jan. 19 mail I received a letter from Lamoille Union High School, where my daughter is enrolled. It begins with the following sentence: "Over the last few years Vermont has seen an increase in suicide among young people." It went on to describe a school initiative to hopefully address this awful development. I hope they are successful. All of my children have friends, or friends of friends, who have taken their own lives. My eldest son, Tim, was a constant suicide risk through his teens. Through the wise, compassionate help of state social workers, Tim escaped his teen years alive. I can tell you that he was personally shaken by the implications, to him, of the proposed assisted suicide law several years ago. When he heard about it, my brilliant, troubled son began to shake in anger and almost despair. "Those hypocrites," he said. "They've been telling me all this time that suicide is never OK." It didn't matter when I said the law is meant to address another set of problems — his teenaged hypocrisy-o-meter had already pegged assisted suicide as another example of "do as I say, not as I do, it's all right for adults, not OK for kids."

Recently I researched teen suicide in Oregon, where assisted suicide became legal in 1998. According to the Oregon health department website, there were more teen suicides after the law passed than before — 1999: 29 suicides. 2000: 44 suicides. 2001: 31. 2002: 37. 2003: 46. 2004: 52. The last two years were the highest two-year period in their survey. Furthermore, 94 percent of teen suicide attempts leading to hospitalization were caused by ingesting drugs — the only form of assisted suicide permitted by Oregon state law. Kids learn from their elders.

Does this "prove" a link between the Oregon physician-assisted suicide law and teen suicide? No. But the burden of proof is on those who say, "Don't worry, it will all be OK, none of our teens will think that." As a parent of an at-risk child, I think this law may unintentionally tell other troubled teens "when it gets too hard it's

okay to end it all.” As the letter from my daughter’s high school says, the real world is a very hard place for some teens right now, and I think this law will just make it harder.

There are plenty of other reasons to oppose this bill. Before my wife passed in February 2011, she was appalled and upset at end-of-life questions asked of her in the ICU that to her seemed motivated by hospital cost-control. It drove a (thankfully temporary) wedge of distrust between her and her caregivers. So Vermont Insurance Commissioner Steve Kimball’s newspaper comments connecting this end-of-life issue with the high cost of health care were chilling. By contrast, Orange County Sen. Mark MacDonald’s daughter was one of Diane’s nurses and provided skilled, affirming care that should be the goal of the state’s health policy. But for me the teen suicide connection is reason enough for the Senate to drop this bill before it does irreversible harm.

### **Critics say rule that would allow teachers to opt out of health care exchange is unfair**

Sen. Vince Illuzzi said he is concerned that large businesses will have a wider variety of plans to choose from while choices for small businesses will be limited.

(NOTE: THIS STORY HAS NOT BEEN POSTED IN FULL YET; WILL BE IN AFTERNOON CLIPS)

## London, Sarah

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**From:** Johnson, Harriet  
**Sent:** Wednesday, February 01, 2012 11:46 AM  
**To:** Allen, Susan; Bartlett, Susan; Berry, Patrick; Boes, Richard; Borie, Lou; Bothfeld, Diane; Candon, Tom; Chen, Harry; 'Cimaglio, Barbara'; Clasen, Michael; Cohen, Jeff; Cook, Steve; Deal, Howard; Dolan, Tracy; Duffy, Kate; Flood, Patrick; Flynn, Keith; Henry, Dixie; Hetzel, Christine; Hofmann, Sarah; Hogan, Mike; Hollar, Jennifer; Ide, Robert; Johnson, Harriet; Johnson, Justin; Kimbell, Steve; Knopf, Rae; LaClair, Jolinda; Larson, Mark; Lofy, Bill; Love, Wendy; Mackay, Noelle; MacLean, Alex; Markowitz, Deb; Reid, Martha; Mears, David; Menard, Lisa; Miller, Elizabeth; Miller, Lawrence; Minter, Sue; MoultonPowden, Pat; Mousley, Gregg; Murphy, Reeva; Noonan, Annie; Obuchowski, Mike; Oliver, Christine; Pallito, Andy; Peterson, Mary; Provost, David; Racine, Doug; Reardon, Jim; Recchia, Chris; Ross, Chuck; Royar, Kim; Sandretto, Tom; Searles, Brian; Shems, Ron; Smith, Megan; Snyder, Michael; Spaulding, Jeb; Talbott, Bill; Tucker, David; Vilaseca, Armando; Walcott, Cindy; Wallack, Anya; Wengroff, Ariel; Wood, John; Yacovone, Dave; Yandow, Alan; Zeller, Susan; Thompson, Darwin  
**Subject:** Statewide Strategic Plan  
**Attachments:** 0199\_001.pdf; State of Vermont Strategic Plan Statewide Jan 2012.pdf

Please find the attached memo and Statewide Strategic Plan from Secretary of Administration Jeb Spaulding.

Harriet Johnson | Agency of Administration  
109 State Street | Montpelier, VT 05609-0201  
ph: 802.828.3322 | fax: 802.828.3320

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**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Wednesday, February 01, 2012 6:20 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR WEDNESDAY, FEB. 1:

**BRATTLEBORO REFORMER:**

**Brat area chamber eager to put 2011 behind**

BRATTLEBORO -- After suffering through what has been arguably the most challenging year ever for downtown Brattleboro and all of Windham County, members of the Brattleboro Area Chamber of Commerce met Tuesday to look back on 2011 with a hopeful eye toward 2012.

The Chamber held its annual meeting Tuesday morning at the Brattleboro Retreat Education Conference Center.

For the first time in many years, membership was down in the Chamber and the organization suffered a loss of about \$11,000 in 2011.

Membership dropped about 3 percent last year, falling from 579 to 560.

Brattleboro Area Chamber of Commerce Treasurer Drew Richards said there was probably a different story behind each decision by a business owner to drop their chamber membership.

But after the Brooks House fire, Tropical Storm Irene and a national economy that continued to drag, Richards said the slight 3-percent drop could have been much worse.

"I think it mirrors what is going on all over Vermont," said Richards. "The economy is not growing. Vermont demographics are not growing. Businesses have to make tough decisions, and a 3-percent drop is not the end of the world."

Throughout the meeting Tuesday, chamber leaders talked about the particularly challenging year. While membership was down, the tragedy at the Brooks House and then Tropical Storm Irene put a strain on the Chamber's marketing budget.

Chamber Director Jerry Goldberg talked about trying to figure out the organization's place following the fire and then flooding. As leader of the downtown business group, Goldberg initially felt the pull to help the firefighters and business owners at the Brooks House.

And then when Irene hit, Goldberg tried to determine how the Chamber should act during cleanup and recovery.

Goldberg said he came to realize that the Chamber's role was to continue publicizing the region, especially as it became important to put the word out to the rest of the state, and to the world, that southeastern Vermont was open for business.

"There was never a time when anyone wanted to put the brakes on," Goldberg said. "Even after the year we just went through, I think we have come out remarkably well, and everyone is looking forward to moving forward."

Some of Brattleboro's longest lasting organizations and businesses were recognized at the Chamber breakfast Tuesday.

The Brattleboro Outing Club celebrated its 90th anniversary; River Valley Credit Union was recognized for its 65 years of doing business in Windham County; and Marlboro Music was highlighted for its six decades of bringing world class chamber music to the area.

FiberMark was noticed for its 50 years of doing business in Brattleboro; Rescue Inc. Chief of Operations Mark Considine picked up a plaque for the organization's 45 year anniversary; and Brattleboro Community Television was recognized for 35 years of service.

Campbell & Boyd Insurance and the Neighborhood School House each celebrate 30 years this year, while Vermont Country Deli and the Windham & Windsor Housing Trust have been doing business in the area for 25 years.

Howard Printing and Mocha Joe's are celebrating two decades of business, while the Brattleboro Literary Festival was congratulated on passing its first 10 years of running what has become Vermont's largest celebration of the written word.

*Howard Weiss-Tisman can be reached at [hwtisman@reformer.com](mailto:hwtisman@reformer.com) or 802-254-2311, ext. 279.*

## **Entergy CEO asks PSB to reconvene**

BRATTLEBORO -- During a quarterly earnings conference call Tuesday, Entergy Nuclear CEO J. Wayne Leonard said a motion had been filed with the Vermont Public Service Board asking for permission for the continued operation of the Vermont Yankee nuclear power plant.

Members of Entergy's legal team filed the motion asking the PSB to issue a final decision and order by either amending the existing certificate of public good or issuing a new one.

To motion follows a Jan. 19 ruling made by Judge J. Garvan Murtha, which stated that Vermont Act 160 and a provision of Act 74 were preempted by the Federal Atomic Energy Act because they were passed with the intent to regulate radiological safety, the sole purview of the Nuclear Regulatory Commission.

"With the judge finding there's no nuclear safety or power contract issues that can be the basis for the denial, we believe there is nothing standing in the way of issuing the CPG," Leonard said during the call. "We believe the evidence is complete and supports the decision to allow continued operation."

He added that the law states the plant is allowed to continue to operate if a ruling on a new or revised CPG isn't completed before March 21.

According to the motion filed by Entergy's lawyers, the PSB "has a fully sufficient record, without taking any additional evidence" to make a decision on whether the plant can operate past its original closure date of March 21.

When

asked about the PSB process and the possible outcomes, Leonard said that Entergy's officials have had many discussions.

"I'm not going to speculate about that," he said. "We expect that they will follow the law, we expect that they will follow the record ... I expect that there will be pressure to let the appeal -- get the appeal exhausted before they make that decision. But we're just going to have to wait and see first of all whether the state decides to appeal."

The state has until Feb. 21 to file an appeal with the Second Circuit Court of Murtha's decision, but according to court documents until burden of proof is overturned, the plant will be allowed to continue to operate because of Murtha's permanent injunction.

Vermont Attorney General William Sorrell and his staff have met with legislators as well as Gov. Peter Shumlin, but no decision on whether to appeal has been made at this time.

Raymond Shadis, technical adviser with the New England Coalition, told the Associated Press on Tuesday that the board should consider several issues before issuing the certificate sought by Entergy.



"The parties, New England Coalition in particular, have no intention of allowing Entergy a free pass in this process," Shadis said. "All the information flowing into the case ended in early 2009. All the testimony is stale. There have been many so-called watershed events since then."

Among the unresolved issues, Shadis said, were misstatements Vermont Yankee employees allegedly made to the board during earlier stages of the case in which they said the plant did not have the sort of underground piping that carried radioactive materials. In early 2010, it was revealed that such pipes not only existed, but were leaking tritium, a radioactive isotope of hydrogen, into soil and groundwater surrounding the plant.

Shadis also pointed to the nuclear disaster triggered by the earthquake and tsunami last March in the Japanese region of Fukushima, where three of six reactors melted down, there were multiple hydrogen explosions and widespread contamination of the surrounding region.

The Fukushima reactors were the same make and about the same age as Vermont Yankee. The NRC has been considering what physical changes U.S. boiling water reactors like Vermont Yankee might need to make following the experience in Japan.

"There are several physical, mechanical fixes that might be required," Shadis said. "We don't know the shape of them yet."

Leonard took time during the conference call to address the numerous complaints by anti-nuclear groups before and throughout the court proceedings.

"Over the last few years nearly constant Entergy bashing in Vermont and among other things, our company's integrity and our trustworthiness," Leonard said. "We have chosen not to engage those attacks in the media."

He added that Murtha's decision rejected the state's assertion that "Entergy comes to the court with unclean hands."

*The Associated Press contributed to this report.*

*Josh Stilts can be reached at [jstilts@reformer.com](mailto:jstilts@reformer.com), or 802-254-2311 ext. 273.*

## **Vt. lawmakers push for closer health financing due date**

BRATTLEBORO -- A small group of lawmakers are pushing for the state's administration secretary to release the financial report four months earlier than expected to allow more time for voter review. State Rep. Patti Komline, R-Dorset, is one of two GOP House members sponsoring legislation to move the due date for Democratic Gov. Peter Shumlin's Administration up from Jan. 15, 2013, to Sept. 15 of this year.

The measure, also sponsored by two Democrats, is designed to have any recommendations to the Legislature addressed prior to the November elections, thus providing Vermonters the opportunity to decide if they support the proposal.

Komline said too many lawmakers are walking away with more questions than answers when they dig deeper into the financing or management issues. Vermonters should know how much the health care proposal will cost before they head to the polls this November, she added.

However, the legislation has been sent to committee and is unlikely to make it on the House floor unless it is incorporated as an amendment into another bill.

State Rep. Rep. Cynthia Browning, D-Arlington, signed onto the bill because she said there is enough information available now for the Green Mountain Care Board to provide an analysis of possible costs and financing mechanisms.

"Vermonters need to have this information sooner rather than later in order to make plans for their own affairs and in order to make decisions about which approaches to support. I do not see how they will have all that much more information a few months later, given the manifest uncertainties of

the federal waivers and funding," she said. "It is in the interests of transparency and accountability that I supported this bill."

Browning has also sponsored another health care-related measure similar to a Senate bill requiring flexibility and choice within the Health Benefits Exchange, but also asks the Joint Fiscal Office to do its own analysis of possible costs and financing mechanisms, using the state employees insurance program as a proxy for the benefits package, by September 2012.

"The idea is that if Green Mountain Care is not ready, the Joint Fiscal Office can show us how different taxes or different flows of federal funds or premiums might cover the costs of the proposed state run insurance system," she added. "Again, the motivation is transparency and accountability and providing analysis to support our ongoing public discussion of these matters."

Last session, Vermont's Democratic-majority backed a health care reform bill that will push the state toward a universal access system. To pay for such a program, the administration secretary will have to recommend sustainable financing plans for the proposed Green Mountain Care.

Jeb Spaulding, the current secretary of administration, said the timeframe set forth by the Legislature is appropriate and provides the "most workable" approach.

"The schedule we have in place is still the formal position of the state of Vermont, so we don't plan to alter our timeframe," he said.

"There's still a lot of work to be done in advance to be able to get to the point where we can make the recommendations on the financing. There's still work to be done by the administration, by the Green Mountain Care Board, and we're going to get some expert help here to really do a through analysis of what the financing options are and the impact on the various sectors of our communities," Spaulding added. "And I don't think it would be possible to get it done before the timeframe that was originally set out."

Shumlin's office was contacted for comment but could not be reached before presstime.

*Chris Garofolo can be reached at [cgarofolo@reformer.com](mailto:cgarofolo@reformer.com) or 802-254-2311 ext. 275.*

## **BENNINGTON BANNER:**

### **MAU budget raises tax rate 11 cents**

BENNINGTON -- Mount Anthony Union warned a fiscal year 2013 budget Monday that will increase the district's tax rate more than 11 cents if approved by voters in March.

Budget up 1.85 percent

The \$26,158,000 budget is up \$475,000 or 1.85 percent, from fiscal 2012, including the money MAU raises on behalf of Southwest Vermont Career Development Center. The technical center budget of \$3,430,000, which was also warned Monday, is voted on separately but taxes to support the CDC are collected by MAU.

The MAU budget with CDC expenses that will appear on the March 6 ballot is \$23,900,000 -- a 1.45 percent increase from fiscal 2012. Expenditures are actually lower in the proposed budget than they were in both fiscal 2011 and 2009, and are level with fiscal 2010.

When the board finalized the budget last week the announced increase was less than 1 percent, but Monday Finance Committee Chairman Timothy Holbrook said there was an error in the previous formula.

Even though the increase in spending is less than 2 percent, the increase in the amount to be raised by taxes is expected to increase the district's tax rate 11.65 cents, or about 9 percent.

The major reason is three-fold -- a decrease in fund balance, decrease in state and federal aid and a decrease in enrollment. Together, those factors make a perfect storm.

"Those three factors, along with others, have caused us to have to go back to the taxpayers to make up the difference," Holbrook said.

The district has attempted to control costs by reducing a net 4.5 positions from the middle and high school, including the assistant to the school-to-work coordinator, a special education teacher, a half-time guidance counselor and half of a physical education teacher position at the high school. Cuts at the middle school include half an applied technology teacher position, a Turning Points facilitator and the family and consumer science teacher and program. The middle school is also adding a sixth grade teacher due to a large incoming class.

The tax rate is not final because the state has yet to set the base tax rate or cost per pupil amount. Based on current projections, the MAU tax rate would increase to \$1.27 for every \$100 of assessed property value.

MAU member towns of Bennington, North Bennington, Pownal, Shaftsbury and Woodford pay education tax rates prorated on the percent of students from each town that attend MAU and the towns' elementary districts. Based on calculations presented by administration, education tax rates in each of MAU's member towns will go up.

The most dramatic increase is in Woodford, which is projected to be up 10 cents, then Bennington at 9.4 cents, Pownal at 6.6 cents, Shaftsbury ID district at 5.9 cents, North Bennington at 5.7 cents, and Shaftsbury at 4.6 cents.

In addition to warning the budget, the board also warned three separate advisory ballot questions voters in each town will be asked to weigh in on. One question is whether sixth grades from each town should attend Mount Anthony Union Middle School. Currently, only sixth grade students from Bennington attend the middle school.

The second question is whether school boards in all five towns should be urged to take actions necessary to form a single, consolidated K-12 district that would replace the five elementary school districts and school boards as well as the MAU district and board.

The third question is whether voters support building a concession building with bathroom facilities near the fields at the middle school at a cost of up to \$75,000. If the question passes the facility likely would not be constructed until fiscal 2014 at the earliest because there are not funds available for it in the approved 2013 budget.

All three questions are non-binding.

Contact Dawson Raspuzzi at [draspuzzi@benningtonbanner.com](mailto:draspuzzi@benningtonbanner.com)

## **RUTLAND HERALD:**

### **Woman pleads guilty in PAVE embezzlement**

Woman admits stealing from PAVE

BENNINGTON — A Pownal woman pleaded guilty on Monday to embezzling from donors to the Project Against Violent Encounters last year.

Deborah A. Stanlewicz, 45, of Pownal, had been working for PAVE as a transitional housing advocate and her responsibilities included soliciting donations for PAVE clients.

In June, PAVE's director contacted police and said she believed Stanlewicz was contacting donors and asking for money for clients who didn't exist or no longer worked with PAVE. Police said they believed that the donors would be asked to write checks to specific banks which Stanlewicz would arranged to

have picked up instead of sent.

In an affidavit, police said the loss to donors was about \$22,000.

Stanlewicz was arraigned in Bennington criminal court on a felony charge of embezzlement in October. On Monday, she pleaded guilty to the charge but wasn't sentenced.

There is no agreement between the state and Stanlewicz about the length of the sentence or restitution. The Vermont Department of Corrections has been ordered to conduct a pre-sentence investigation of Stanlewicz.

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Saturday, January 28, 2012 6:28 AM  
**To:** Allen, Susan  
**Subject:** MEDIA CLIPS FOR SATURDAY, JAN. 28:

**VTDIGGER:**

**Panel backs Shumlin plan for state hospital replacement, but with 25 bed facility  
BY ANDREW NEMETHY**

MONTPELIER – A major shift in Vermont's mental health system toward vastly expanded community treatment was given near-unanimous backing by a key House panel Friday afternoon.

By a 9-1 vote, the House Human Services Committee approved plans by Gov. Peter Shumlin to overhaul the mental health system following the closure of the 54-bed Vermont State Hospital in Waterbury after it was flooded in tropical storm Irene.

However, the House panel diverged from Shumlin in one key aspect, recommending a new 25-bed state hospital be built in central Vermont instead of the 16-bed facility the governor proposed. The panel backed the rest of Shumlin's replacement plan for the state hospital, which proposes a four-year contract for six acute-care beds at the Rutland Regional Medical Center and 14 at the Brattleboro Retreat, as well as five beds for those held in the department of corrections at a yet-to-be-determined site.

The fast-tracked bill is a response to the crisis in treatment created by the closure of the state hospital, which removed 54 acute-care beds from the system, creating a space squeeze for acute-care beds and severe disruption in private hospital psychiatric wards and treatment centers around the state.

But it also marks a pronounced shift – which many advocates say is long overdue – to more community oriented mental health care, with peer services, housing subsidies, early intervention, and three new intensive residential recovery facilities (one with 15 beds, two with eight) located in Northwestern, southeastern and either central or southwestern Vermont. Four short-term crisis beds in underserved areas and a five-bed residence for those seeking to avoid medication are also set out in the proposal.

The complex 36-page bill that emerged from the committee also sets up strong oversight and coordination for the new decentralized system, calls for monitoring reports, sets out legal protections for patients involuntarily committed and spells out the "no refusal" rules under which Rutland Hospital and the Retreat agree to treat acute care patients.

Separately Friday, Mental Health Commissioner Patrick Flood said the state is exploring use of the former Genesis Nursing Home in Morrisville to help ease the crunch in intensive psychiatric care on a temporary basis. The 90-bed facility shut down as a nursing home in 2007 but is being used as office space and already meets the state's stringent safety needs.

Flood said it could provide from 6-8 beds to as many as 20, including a secure ward for patients under court-ordered evaluation or supervision, one of the state's most severe needs now. However he cautioned that many other sites have been evaluated and fallen through since the state hospital closed, comparing the process to "pulling rabbits out of a very deep hat."

The bill passed in committee Friday includes a last-minute provision that would permit a contract with an interim site like the Genesis facility.

The late afternoon vote came after several days of wading through both minutiae and large policy questions, not to mention a multitude of dollar figures which weren't filled in until the last minute. Many lawmakers involved have described the process as unprecedented in scope and urgency. Rep. Sandy Haas, P-Rochester, recalled for fellow committee members that the state has been trying to close the antiquated state hospital building in Waterbury and revamp care for nine years without success.

"Today I get to do that and I am very proud," she said.

Topper McFaun, R-Barre Town, agreed, saying, "I feel very positive about we're about to do for the people of the state of Vermont."

Chairwoman Ann Pugh, D-South Burlington, noted the intense pressure on the panel to move a bill and find compromise on a host of complicated issues.

"The committee process is a darn messy process, but it sure beats any alternative," she said, calling the bill a workable "middle ground."

The lone dissenting vote was cast by Rep. Tom Burditt, R-West Rutland, who praised the committee's work though he disagreed with its decision to bump the acute care beds from 16 to 25. Burditt said he was concerned that would mean a \$10 million jump in operating costs for the new hospital, and also said based on testimony he was not convinced the extra beds were needed.

State building officials have said the new hospital, targeted for two potential sites near Central Vermont Medical Center in Berlin, will not be built for at least three or more years. Its cost is expected to be around \$25 million. The state expects state insurance and FEMA funds to provide much of the funding for the three hospital facilities that comprise the new acute-care system. However there is considerable uncertainty about how much of its operating costs, estimated at \$12.5 million, will have to be paid by the state under federal Medicaid regulations.

The bill now moves on to two other committees. House Appropriations will take a crack at the dollar figures and Institutions and Corrections will add its voice to the decisions on the new facilities proposed, both early next week. The bill is scheduled to be reported to the floor for debate by Thursday.

Rep. Anne Donaghue, R-Northfield, said the decision to increase the beds in the central Vermont acute care facility to 25 is a cautionary move that allows the state some flexibility. If the new community system reduces the need for intensive care beds, the psychiatric hospital's size can be scaled back. Donaghue said she agreed with testimony from many mental health professionals who said a larger hospital was needed to meet Vermont's needs and would also best serve the clinical needs of patients and staff.

She downplayed any conflict with the governor over the hospital's size, saying "I believe he is, like most of us, mostly interested in a positive outcome" for Vermonters.

Donaghue, a strong advocate for mental health patients, said the pressure to vote out the bill preempted more detailed discussions and language on legal protections that she would have liked in the "ideal world." But she said she felt confident patients were protected by language added to the bill requiring the mental health department to continue to work on the issue and report back to the panel.

"It's a very early step. There's a long way to go," she said.

**Vets make prison gang list; docs say not so fast on emergency rule; midwifery bill gets fix**

**BY ALAN PANEBAKER**

**Judiciary committee hears about gangs, including vets**

Faithful members of the Vietnam Veterans Motorcycle Club may be a little surprised to find themselves on a list of "security threat groups" offered by the Department of Corrections to the Senate Judiciary Committee on Thursday.

Whether the aging vets at the local watering hole constitute a gang comes down to a definition from the Department of Justice.

According to information offered to the Senate Judiciary Committee, a gang designation is appropriate for a group three or more people with a common identifying sign, symbol or name who individually or collectively engage in criminal activity which creates an atmosphere of fear and intimidation.

Sen. Alice Nitka wasn't so sure that the retirees of the motorcycle club in Windsor are a menace to society.

Why shouldn't the club be lumped in with the home-grown Chittenden County White Boys or "Anybody Can Get It" (commonly-known as ACG-137 according to the department), or maybe even the Bloods and the Crips?

If all it takes for a "gang" to make the list is for a few members of a group to commit a crime, Sen. Jeanette White asked, will the Boys and Girls Club be next?

### **Vermont Medical Society to Green Mountain Care Board: Not so fast**

The authority for the Green Mountain Care Board to create emergency rules has the Vermont Medical Society asking them to slow down.

A provision in House Bill 559 allows the board to fast-track rules regarding insurance rate review and hospital budget review.

"In general, the medical society opposes emergency rules," said Paul Harrington, executive Vice President of the Vermont Medical Society. "However, I think the administration has tried to address some of those concerns by allowing for additional comment and review."

Harrington said the group is stinging from an experience in December, when the Department of Vermont Health Access proposed reducing Medicaid reimbursements for radiologists with a 10-day notice period during the holidays.

Georgia Maheras, executive director of the Green Mountain Care Board, said the emergency rule authority is necessary to allow the board to get rules in place and work with hospitals to set up a structure for their budgets. Assuming H.559 passes in the spring, under traditional rulemaking, it could take until the end of the year before a rule emerged.

"The intent is not to shorten or limit public input but really provide guidance for the interim period," Maheras said.

The usual notice and comment process for regulations would be 30 days, Maheras said, and the proposed bill limits that to 10 days. It could be as short as five days, but the board was not comfortable with that, Maheras said. She said the board will also go through the traditional rulemaking process simultaneously.

### **Fix in midwifery bill could ensure coverage**

Negotiations with insurance companies, lawmakers and midwives have led to what could be an agreement ensuring coverage for home births.

A law passed last year requires private insurance companies to cover home births, but some families were finding midwife services were not covered based in large part on the fact that many midwives do not carry malpractice insurance.

Proposed language by Blue Cross Blue Shield of Vermont would prohibit an insurance company from requiring that a midwife meet the insurance plan's network requirements, including malpractice insurance. It does attach other strings, however, like cost-sharing and benefit plan limitations.

"We're working towards a compromise that honors the intent of the law and works with Blue Cross Blue Shield's standards and policies, which is the best solution for Vermont families," said Cassandra Gekas, a lobbyist for the Vermont Public Interest Research Group.

Leigh Tofferi, director of government relations for Blue Cross Blue Shield, said the next step is to figure out how the Legislature wants to proceed and notify others who have a stake in the matter and were not part of the discussion.

Rep. Chris Pearson, P-Burlington, who presented the bill to the Senate after it passed the House last year, said he is still skeptical.

The piece of the original legislation that caused the original problem, Pearson said, was included at the request of the insurance companies.

"They've really broken trust with spirit of what we're trying to do, and they were a collaborative part of that," Pearson said. "We have no choice but to be really skeptical and really dig in to make sure they follow the law and follow the intent of law."

### **Keller: Painting ourselves into a health care corner**

*Editor's note: This op-ed is by Jeanne Keller, president of Keller and Fuller, a Burlington-based consulting firm. This piece first appeared on [campaignforvermont.org](http://campaignforvermont.org).*

In 2010 President Obama signed the Affordable Care Act, requiring states to establish health insurance "exchanges" for individuals and small businesses by Jan. 1, 2014. Federal regulations define the state exchange as a "robust marketplace," designed to "increase choice" among "competing health issuers and health plans."

But Vermont's new health law, Act 48, sets our state on a radically different course. Instead of restructuring the individual and small group health insurance market and forcing insurers to actively compete on service, cost and coverage, our governor and Legislature intend to choose one or two carriers, design a single plan for us (with a choice of deductibles only), and prohibit the sale of any other plans to individuals and small businesses.

Further, our leaders want to apply these rules to all employers from 1 to 100 employees. This means that any employer of that size will have no choices except what is offered through the exchange, and will be charged the same community rate, rather than a rate based upon the employer's own experience, wellness and incentive programs, etc.; something businesses with 50-100 employees now benefit from.

The result: The exchange would be the only venue to purchase insurance for 98 percent of Vermont businesses and 65 percent of Vermont employees, and their only choice will be between two levels of deductible.

Vermont's exchange, in other words, effectively eliminates choices and prohibits alternatives that may suit individual and company needs better or are more affordable than what the state can offer. Our leader's goal is to use Vermont's exchange as "a stepping stone to single payer." Their plan will collapse virtually all private insurance into a single carrier (maybe two) with a single-plan design with two deductibles.

This may appear reasonable at first, but what is not being discussed is the enormous risk created by locking the state into a monolithic program with nowhere else to obtain private insurance.

The Shumlin administration says if costs cannot be contained and federal waivers aren't obtained, Vermont won't move to a single payer in 2017. If that's the case, the exchange won't be a stepping stone; it will be the final destination. It would be the only place to buy private insurance. One must ask: What if the 2014 exchange plans aren't affordable? What if the one or two carriers can't satisfy



patients and providers with timely and accurate administration of claims? What if people demand richer benefits, driving up costs and subsidies and in the end, taxes? What's Plan B?

Instead of painting ourselves into a corner, Vermont should develop an exchange that delivers on President Obama's vision of giving consumers better choices. The exchange should offer a robust selection of plans competing for your business on cost, service, quality of providers, and reforms that reward high quality providers and innovative prevention and wellness benefits. Carrier and plan choices should be compared and presented with total transparency, and consumer protections enforced. If individuals and small businesses don't like the new choices available on the exchange, they should have the opportunity to purchase plans which meet state and federal requirements outside the exchange.

The administration is now telling legislators that federal rules mean there would be no difference between inside and outside the exchange. That's just not so. The federal rules say all plans (inside or outside) have to meet federal minimum requirements; it does not say plans have to be identical. The federal rules also say that the same premium has to be charged for the same plan inside and outside of the exchange. It doesn't say the same premium has to be charged if the plans are different.

If there's no difference between inside and outside of the exchange, it's because that is the way the administration has designed it, to force everyone into the exchange. Plans outside the exchange can be different, and therefore have different premiums. If exchange plans are better, people will choose them. If plans outside provide better value, wouldn't that compel exchange plans to improve?

I'm reminded the bumper sticker that appeared when Haagen Dazs tried to stop grocers from stocking Ben & Jerry's in their freezers: "What's the Dough Boy Afraid Of?"

If the Green Mountain Care Board successfully contains costs and designs an affordable single payer for implementation in 2017, steps can be taken to modify the exchange between 2015 and 2017. However, it is too risky to plan the exchange now, assuming it's only a temporary solution, when it may become the only game left.

We can design the exchange for 2014 to force changes that favor consumers and businesses, and provide incentives for innovation, cost control and choice. If the exchange works, we will all flock to it; but if it doesn't work, we need a safety value and the option to go elsewhere.

While Act 48 has laudable elements, the approach taken for the health insurance exchange must be amended this legislative session to take full advantage of the federal law so those depending upon private insurance are not exposed to the risky one-size-fits-all approach now pursued by Gov. Shumlin and the Legislature.

## **PRESS RELEASES:**

### **CCTA improves afternoon LINK Express to Waterbury and Montpelier**

Rose Getch  
Public Affairs & Marketing Manager  
Chittenden County Transportation Authority  
(802) 864-CCTA  
[rose@cctaride.org](mailto:rose@cctaride.org)

The Chittenden County Transportation Authority (CCTA) is improving LINK Express service to Waterbury and Montpelier by dividing one current homeward bound LINK Express trip to Montpelier, which is currently standing room only, into two separate trips, one now ending in Waterbury and one ending in Montpelier. The Waterbury run will be leaving Burlington at 4:00 PM, stopping at FAHC at 4:07 PM, while the Montpelier run will be leaving Burlington at 4:10 PM, stopping at FAHC at 4:17 PM. Destination arrival times will remain the same. All other LINK Express buses will operate on the

same schedule they currently do. For more information on this and other CCTA bus routes, please visit [cctaride.org](http://cctaride.org) or view routes and schedules on [facebook.com/CCTAride](https://facebook.com/CCTAride).

## **Governor's Highway Safety and the Department of State's Attorneys and Sheriffs announces new traffic safety resource prosecutor**

### **For immediate release**

January 26, 2012

#### **Contact**

Ted Minall, Governor's Highway Safety Program (GHSP) Chief – 802-872-4057

James P. Mongeon, Department of State's Attorneys and Sheriffs Executive Director – 802-828-2891  
Waterbury, VT – 01/26/12 – The Vermont Governor's Highway Safety Program (GHSP) Chief Ted Minall and Department of State's Attorneys and Sheriffs Executive Director James P. Mongeon today announced the appointment of Gregory Nagurney as the Traffic Safety Resource Prosecutor (TSRP). Nagurney has worked as a Deputy State's Attorney in Chittenden County since 2008 where he was a specialist in DUI enforcement.

"Greg's previous experience makes him perfectly suited to advancing Vermont's traffic safety efforts," said Executive Director Jim Mongeon about Nagurney's recent decision to accept the position. "We have discussed an expansion of the level of services that the TSRP will provide to Vermont prosecutors. Greg has enthusiastically accepted this and the work that comes with it."

Working directly for the Department of State's Attorneys and Sheriffs, the TSRP is 80% funded by GHSP. The TSRP supports the legal system of enforcement and prosecution that provides swift and sure consequences for those that endanger the public with their unsafe impaired driving behaviors. The TSRP provides research, training, legal support, policy and procedure guidance to the public safety field, as well as education concerning Vermont laws on impaired driving, graduated driver licensing and other traffic safety issues to the public.

On being hired this week as Traffic Safety Resource Prosecutor Gregory Nagurney said, "I look forward being part of Vermont's comprehensive traffic safety program and partnering with education, engineering, and enforcement officials in making Vermont roadways safer."

Nagurney will transition to the position on February 6, 2012. The previous TSRP, Stuart Schurr, left in December for another attorney position in state government.

## **Bruce Shields named president of Ethan Allen Institute**

### **Contact**

John McClaughry

[ethanallen@kingcon.com](mailto:ethanallen@kingcon.com)

Dr Bruce Shields of Eden is the new President and CEO of Ethan Allen Institute. Bruce has a long record of leadership and service to a wide range of Vermont organizations. He has served 10 years as Eden town moderator, 15 years as lister, and three years on the Lamoille North Supervisory District School Board.

Bruce, a family tree farmer, has been active in farm and forestry work for many years. He has served as state treasurer of the Vermont Farm Bureau since 1994 and as vice president and president of the Lamoille County Farm Bureau for 13 years.

He has been active for many years in leadership positions in the Vermont Timber Truckers and Producers Association, the Vermont Sugar Makers Association, the Vermont Forestry Foundation, and the Vermont Forest Products Association.

Bruce's small business experience includes managing the Morrisville Agway store for five years and a partnership in the Demeritt Lumber Company of North Wolcott. Bruce graduated from Harvard,

earned a diploma in literature at Edinburgh University in Scotland, and received M.A. and PhD degrees from Rutgers. He has taught at Russell Sage College, Norwich University and Johnson State College.

"The election of a man as qualified, experienced and well known as Bruce Shields to be EAI President will launch EAI into a new phase in our effort to become a more influential force in Vermont for liberty, community, limited and solvent government, competitive enterprise, and economic opportunity", said Board chair Jack McMullen of Burlington.

London, Sarah

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**From:** Lunge, Robin  
**Sent:** Thursday, January 19, 2012 7:33 AM  
**To:** Miller, Lawrence  
**Cc:** MacLean, Alex; Kimbell, Steve  
**Subject:** Re: MEDIA CLIPS FOR WEDNESDAY, JAN. 18:

We have used the usual insurance language which transitions people when their contracts are renewed. I am checking with the Feds to make sure we can do that.

Agreed about need to be ready by mid 2013. That is the plan. And I have clearly stated to the folks in charge of the build the need for a plan b and plan c just in case. We need to have it completed and in addition have a contingency plan to be thorough and cautious.

Sent from my iPhone

On Jan 19, 2012, at 7:03 AM, "Miller, Lawrence" <Lawrence.Miller@state.vt.us> wrote:

> A question that is coming up in the last few days is can the exchange be technically ready, and the observation that businesses and associations turn their attention to selection starting in early October so getting the system ready by October 2013 will be important. Also, if the whole market is in the exchange will participating insurers be able to migrate their customers into the exchange.

>

> --

> Lawrence Miller, Secretary  
> Agency of Commerce and Community Development National Life Building,  
> Sixth Floor Montpelier VT 05620-0501  
> (802) 828-5204

>

> From: MacLean, Alex  
> Sent: Wednesday, January 18, 2012 9:06 PM  
> To: Lunge, Robin; Kimbell, Steve  
> Cc: Miller, Lawrence  
> Subject: RE: MEDIA CLIPS FOR WEDNESDAY, JAN. 18:

>

> Thanks, helpful.

>

> Alexandra MacLean  
> Secretary of Civil and Military Affairs  
> 1-802-272-0443

>

> From: Lunge, Robin  
> Sent: Wednesday, January 18, 2012 6:02 PM  
> To: MacLean, Alex; Kimbell, Steve  
> Cc: Miller, Lawrence  
> Subject: RE: MEDIA CLIPS FOR WEDNESDAY, JAN. 18:

>

> The short answer is that the affordable act requires changes in plans in 2014, even if people like their plans. So that train is coming regardless of our little bill. We can approach this like a community & go into it together, or we can continue to fragment the insurance market causing some people to see much higher rates than others.

>

> I don't know the total number of employers in Vermont to do that math, but here are the numbers on how many people would be in the exchange if they go w/ the bill:

>

> 56,000 lives in the small group & association market if employer is defined as 50 or fewer - based on 2010 data. We can't track that directly back to employers, but 2009 (last data available on employers) there were 7514 firms that offered insurance w/ 50 or fewer lives. They would be in, unless they dropped insurance.

>

> An additional, 76,000 if employer size is defined as 100 or fewer. There are 539 firms that offer insurance (in 2009) assuming they kept insurance.

>

> Large employers & self-funded employers are not included in 2014. I don't know how many employers there are, but that represents approximately 234,000 people in insurance or self-funded plans (BISHCA data). I find it hard to believe that 2% of the employers employ that many people.

>

> On choice - the covered services a) are set by the feds, b) are mostly the same in Vermont plans now. so, where is the "competition" now? cost-sharing. there actually may be more choice in the exchange, because we'll also have 2 national plans in the Exchange. could be insurers not in Vt now (although it could be - we won't know until after it is put out to bid by the feds).

>

> Robin J. Lunge

> Director of Health Care Reform,

> Agency of Administration

> (802) 828 0566

> (802) 505 0626 (cell)

>

> Visit Governor Shumlin's Online Resources:

> Website | Facebook | Twitter | YouTube

>

>

> -----Original Message-----

> From: MacLean, Alex

> Sent: Wednesday, January 18, 2012 8:06 AM

> To: Lunge, Robin

> Subject: FW: MEDIA CLIPS FOR WEDNESDAY, JAN. 18:

>

> Is this true?

>

> Under the bill, 98% of employers that provide health care coverage now for their workers will be forced into the government system even if they like their current plans. The government-designed Exchange plan being developed now by Department of Vermont Health Access and the Green Mountain Care Board, will offer only a choice of out-of-pocket exposures (e.g. level of deductible and co-payment), but according to Shouldice that's no substitute for real competition.

>

> Alexandra MacLean

> Secretary of Civil and Military Affairs

> 1-802-272-0443

>

> From: Allen, Susan

> Sent: Wednesday, January 18, 2012 6:25 AM

> To: Allen, Susan

> Subject: MEDIA CLIPS FOR WEDNESDAY, JAN. 18:

>

> VTDIGGER:

>

> Report: Task force identifies post-Irene legal issues BY ANNE GALLOWAY

>

>

> Tropical Storm Irene upended houses, personal property and lives in Vermont. The natural disaster, which destroyed more than 700 homes and caused hundreds of millions of dollars in damage to state and local roads, also led to unprecedented legal questions.

>

> Vermonters, in some cases, not only lost their belongings and homes, but also their land. Should towns redraw property boundaries in situations where a former dooryard has been reduced to river bed?

>

> Other residents faced the sure knowledge that they would never repay hundreds of thousands of dollars on mortgages for properties that no longer exist. In rare instances, victims of the raging floodwaters faced both stark realities. What, if anything, can banks and municipalities do if residents walk away from their mortgage obligations?

>

> Meanwhile, mobile home owners are unable to take on more debt because their housing devalues quickly over time and they don't have asset capacity.

>

> Though the state's community banks have been quick to respond, certain out-of-state banks, namely Bank of America, have not been as generous with property owners' who face foreclosure, according to Senate President Pro Tempore John Campbell.

>

> "There are going to be individuals out there who still have a large mortgage," Campbell. "Bank of America has not been keen to rush in to help."

>

> The Post-Irene Property Law Task Force attempted to address questions about foreclosures, boundary lines and practical steps to secure federal flood insurance over the course of two months of research and meetings. The task force was divided into five subgroups that tackled legal issues around foreclosures, finance and insurance, hazard mitigation, flood insurance, public records and housing. Members of the task force represented Vermont Legal Aid, the Vermont League of Cities and Towns, the Vermont Bar Association and the Vermont Bankers Association.

>

> Lawmakers and experts in municipal and property law who were enlisted in the effort went back to the green books, and they found, to their surprise, that case law and legislation developed in the 19th century covered most of the bases.

>

> Instead of wholesale changes to existing legislation, the task force recommends tweaks to holdover bills from last session and modifications to the body of state statutes that comprise property law.

>

> The report is a 10-page rundown of recommendations tacked onto a half-inch thick booklet that includes all of the relevant statutes, old legislative studies and records of the task force meetings.

>

> Here are a few of the recommendations to lawmakers:

>

- > \* More expansive mediation program options for property owners that face foreclosure;
- > \* Creation of a state-run hazard mitigation program (a buyout of personal property in the flood plain)
- > \* An examination of the banking industry's response to Irene
- > \* Mandated "tie-downs" for propane tanks
- > \* Creating a single point of contact for Vermonters seeking private, government and nonprofit resources in the wake of a natural disaster;

- > \* Incentivizing municipal participation in the National Flood Insurance Program;
- > \* Analysis of the expedited permitting process post-Irene
- > \* A standardized approach across municipalities for the long-term preservation of public records
- > \* The creation of a rental housing registry/database;
- > \* How to address topsoil losses, rebuilding issues on the floodplain and the cleanup of unclaimed debris on private property.
- >
- > In a procedural move that hadn't been invoked since 1965, Senate President Pro Tem John Campbell called for a *Committee of the Whole* so that task force representatives could present their findings to the full Senate.
- >
- > A PDF of the report has not yet been posted on the Vermont Legislature or Joint Fiscal Office websites.
- >
- > Legislation that could be affected by task force recommendations include:
- >
- > H.403, a foreclosure bill
- >
- > H.776,
- >
- > H.272
- >
- >
- >
- >
- >
- >
- > Shumlin administration unveils health care "exchange" legislation
- >
- > BY ALAN PANEBAKER
- >
- >
- >
- > Legislation introduced Tuesday could lay the groundwork for the first phase of substantive health care reform in Vermont as the state inches toward universal health care.
- >
- > Rep. Mike Fisher, D-Lincoln, and Rep. Ann Pugh, D-South Burlington, introduced H.559, <http://www.leg.state.vt.us/docs/2012/bills/Intro/H-559.pdf> legislation from the Shumlin administration that would set out the ground rules for a health benefits exchange that the state is required to put into effect in 2014.
- >
- > The two controversial aspects of the legislation include a requirement that small employers only buy insurance through the exchange. In addition, the definition of a small business under the Shumlin administration plan would be a company with 100 or fewer employees.
- >
- > Last year, Anya Rader Wallack, then a special assistant to the governor, pushed for one insurer in the exchange. Act 48 was amended to include one or more, but critics have alleged that the exchange would likely only include two insurers. The state currently has three health insurance companies.
- >
- > The exchange is a federal mandate for states to develop a marketplace for individuals and small groups to purchase health insurance. Plans in the exchange must offer what are called "essential benefits" that states will flesh out, subject to a minimal federal baseline. For 2014 and 2015, states have the choice between defining "small employers" as those with 50 or fewer employees or 100 or fewer. In 2016, states must include employers with 100 or fewer employees in the exchange, and in 2017, the state hopes to obtain a waiver from the federal government to enact a universal health care system.
- >

> Which employers to include in the exchange has created a tension throughout the health care reform process with bills in the House and Senate that would require the state to only include businesses with 50 or fewer employees.

>

> Robin Lunge, director of health care reform, said including the larger businesses would add roughly an additional 20,000 lives to the insurance "pool" in the exchange.

>

> "The general rule in insurance coverage is that a larger pool creates more stability," Lunge said.

>

> The legislation and accompanying reports also propose that insurance companies will not be able to sell plans for the individual and small group markets outside the exchange. This will allow for a more simplified administrative process, Lunge said, by requiring only one set of rules. If plans were sold outside the exchange, she said, there would be different sets of rules for plans inside and for those outside.

>

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> What happens to people on these low-income plans still concerns Peter Sterling, director of the Vermont Campaign for Health Care Security.

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> Sterling has been raising the issue of what will happen to low-income Vermonters in 2014 when these programs, as they are now, will go away. The feds will offer subsidies for people who make up to 400 percent of the federal poverty level to buy insurance in the exchange, but Sterling has expressed concerns that low-income Vermonters could still see increased out-of-pocket costs and premiums.

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> Green Mountain Care Board votes to rescind RFP for communications

> services consultant

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> BY ALAN PANEBAKER

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> In what it called a move to avoid distractions from the important work of health care reform, the Green Mountain Care Board voted to withdraw its request for proposal for a communications services consultant.

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> In a 4 to 1 vote, the board opted not to pursue what became a controversial move.

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> Media coverage played up critiques of the decision last week<<http://vtdigger.org/2012/01/13/margolis-when-any-pr-is-bad-pr/>> to hire a communications specialist, and, according to some board members, distracted from the real work of the board to inform the public about health care reform and implement change in the state's health care system.

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> Amid the flurry of news reports and editorial critiques of the proposal, Gov. Peter Shumlin informed the independent board that he did not support the idea, although he could not order it to rescind the RFP, given the independent status of the group.

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> While the proposal caught criticism for its "public relations" strategy, the board members maintained that they need to explain to inform Vermonters about health care reform.

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> Members of the board maintained the decision to rescind the the request for proposal was a means of quelling the political and media distraction that ensued, and the decision to withdraw came begrudgingly.

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> Allan Ramsay, the only member of the board to vote against rescinding the RFP, said he was "offended" that anyone would make a statement that the board would use taxpayer money to do anything other than further its legislative mandate under Act 48, the state health care reform law that created the board.

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> "We are not spin doctors," she said. "We are independent thinkers who take very seriously our responsibility to inform the public. We're making a concerted effort to reach out to Vermonters."

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> "If we vote to rescind, the need is still there," he said.

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> PRESS RELEASE:

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> Contact: Shawn Shouldice, 802-498-0059

>

> Health Care Exchange Bill would Limit Choices, Increase Costs for

> Small Business

>

> Montpelier (January 17, 2012) – Legislation introduced today filling in some of the blanks in the state's Health Care Exchange does not create the "robust marketplace" promised by the federal reform but a narrow cattle shoot into which the state will herd small businesses toward a limited choice of plans that will cost more, said the National Federation of Independent Business (NFIB) today.

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> "The mechanism the Legislature and Governor have outlined will collapse the remaining private market in Vermont and leave us with no escape hatch," said NFIB Vermont State Director Shawn Shouldice. "It's an "all-in" proposal that puts us in a very dangerous position."

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> Jim Eckhardt, an NFIB/VT member and a member of the House Legislative Committee on Health Care said, "I agree with NFIB's assessment of the health care exchange legislation, but would also point out this plan leaves the average person with no skin in the game, no personal responsibility for their health care and the costs associated with it."

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**London, Sarah**

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**From:** Miller, Lawrence  
**Sent:** Thursday, January 19, 2012 7:01 AM  
**To:** MacLean, Alex; Lunge, Robin; Kimbell, Steve  
**Subject:** RE: MEDIA CLIPS FOR WEDNESDAY, JAN. 18:

A question that is coming up in the last few days is can the exchange be technically ready, and the observation that businesses and associations turn their attention to selection starting in early October so getting the system ready by October 2013 will be important. Also, if the whole market is in the exchange will participating insurers be able to migrate their customers into the exchange.

--  
Lawrence Miller, Secretary  
Agency of Commerce and Community Development National Life Building, Sixth Floor Montpelier VT 05620-0501  
(802) 828-5204

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**From:** MacLean, Alex  
**Sent:** Wednesday, January 18, 2012 9:06 PM  
**To:** Lunge, Robin; Kimbell, Steve  
**Cc:** Miller, Lawrence  
**Subject:** RE: MEDIA CLIPS FOR WEDNESDAY, JAN. 18:

Thanks, helpful.

Alexandra MacLean  
Secretary of Civil and Military Affairs  
1-802-272-0443

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**From:** Lunge, Robin  
**Sent:** Wednesday, January 18, 2012 6:02 PM  
**To:** MacLean, Alex; Kimbell, Steve  
**Cc:** Miller, Lawrence  
**Subject:** RE: MEDIA CLIPS FOR WEDNESDAY, JAN. 18:

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Robin J. Lunge  
Director of Health Care Reform,  
Agency of Administration  
(802) 828 0566  
(802) 505 0626 (cell)

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Sent: Wednesday, January 18, 2012 6:25 AM  
To: Allen, Susan  
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VTDIGGER:

Report: Task force identifies post-Irene legal issues BY ANNE GALLOWAY

Tropical Storm Irene upended houses, personal property and lives in Vermont. The natural disaster, which destroyed more than 700 homes and caused hundreds of millions of dollars in damage to state and local roads, also led to unprecedented legal questions.

Vermonters, in some cases, not only lost their belongings and homes, but also their land. Should towns redraw property boundaries in situations where a former dooryard has been reduced to river bed?

Other residents faced the sure knowledge that they would never repay hundreds of thousands of dollars on mortgages for properties that no longer exist. In rare instances, victims of the raging floodwaters faced both stark realities. What, if anything, can banks and municipalities do if residents walk away from their mortgage obligations?

Meanwhile, mobile home owners are unable to take on more debt because their housing devalues quickly over time and they don't have asset capacity.

Though the state's community banks have been quick to respond, certain out-of-state banks, namely Bank of America, have not been as generous with property owners' who face foreclosure, according to Senate President Pro Tempore John Campbell.

"There are going to be individuals out there who still have a large mortgage," Campbell. "Bank of America has not been keen to rush in to help."

The Post-Irene Property Law Task Force attempted to address questions about foreclosures, boundary lines and practical steps to secure federal flood insurance over the course of two months of research and meetings. The task force was divided into five subgroups that tackled legal issues around foreclosures, finance and insurance, hazard mitigation, flood insurance, public records and housing. Members of the task force represented Vermont Legal Aid, the Vermont League of Cities and Towns, the Vermont Bar Association and the Vermont Bankers Association.

Lawmakers and experts in municipal and property law who were enlisted in the effort went back to the green books, and they found, to their surprise, that case law and legislation developed in the 19th century covered most of the bases.

Instead of wholesale changes to existing legislation, the task force recommends tweaks to holdover bills from last session and modifications to the body of state statutes that comprise property law.

The report is a 10-page rundown of recommendations tacked onto a half-inch thick booklet that includes all of the relevant statutes, old legislative studies and records of the task force meetings.

Here are a few of the recommendations to lawmakers:

- \* More expansive mediation program options for property owners that face foreclosure;
- \* Creation of a state-run hazard mitigation program (a buyout of personal property in the flood plain)
- \* An examination of the banking industry's response to Irene
- \* Mandated "tie-downs" for propane tanks
- \* Creating a single point of contact for Vermonters seeking private, government and nonprofit resources in the wake of a natural disaster;
- \* Incentivizing municipal participation in the National Flood Insurance Program;
- \* Analysis of the expedited permitting process post-Irene
- \* A standardized approach across municipalities for the long-term preservation of public records
- \* The creation of a rental housing registry/database;
- \* How to address topsoil losses, rebuilding issues on the floodplain and the cleanup of unclaimed debris on private property.

In a procedural move that hadn't been invoked since 1965, Senate President Pro Tem John Campbell called for a Committee of the Whole so that task force representatives could present their findings to the full Senate.

A PDF of the report has not yet been posted on the Vermont Legislature or Joint Fiscal Office websites.

Legislation that could be affected by task force recommendations include:

H.403, a foreclosure bill

H.776,

H.272

Shumlin administration unveils health care "exchange" legislation

BY ALAN PANEBAKER

Legislation introduced Tuesday could lay the groundwork for the first phase of substantive health care reform in Vermont as the state inches toward universal health care.

Rep. Mike Fisher, D-Lincoln, and Rep. Ann Pugh, D-South Burlington, introduced H.559, <<http://www.leg.state.vt.us/docs/2012/bills/Intro/H-559.pdf>> legislation from the Shumlin administration that would set out the ground rules for a health benefits exchange that the state is required to put into effect in 2014.

The two controversial aspects of the legislation include a requirement that small employers only buy insurance through the exchange. In addition, the definition of a small business under the Shumlin administration plan would be a company with 100 or fewer employees.

Last year, Anya Rader Wallack, then a special assistant to the governor, pushed for one insurer in the exchange. Act 48 was amended to include one or more, but critics have alleged that the exchange would likely only include two insurers. The state currently has three health insurance companies.

The exchange is a federal mandate for states to develop a marketplace for individuals and small groups to purchase health insurance. Plans in the exchange must offer what are called "essential benefits" that states will flesh out, subject to a minimal federal baseline. For 2014 and 2015, states have the choice between defining "small employers" as those with 50 or fewer employees or 100 or fewer. In 2016, states must include employers with 100 or fewer employees in the exchange, and in 2017, the state hopes to obtain a waiver from the federal government to enact a universal health care system.

Which employers to include in the exchange has created a tension throughout the health care reform process with bills in the House and Senate that would require the state to only include businesses with 50 or fewer employees.

Robin Lunge, director of health care reform, said including the larger businesses would add roughly an additional 20,000 lives to the insurance "pool" in the exchange.

"The general rule in insurance coverage is that a larger pool creates more stability," Lunge said.

The legislation and accompanying reports also propose that insurance companies will not be able to sell plans for the individual and small group markets outside the exchange. This will allow for a more simplified administrative process, Lunge said, by requiring only one set of rules. If plans were sold outside the exchange, she said, there would be different sets of rules for plans inside and for those outside.

One report from the administration notes that premiums for employers with between 50 and 100 employees will likely increase once the exchange goes into effect. Insurance premiums for individuals and those in the small group market will likely decrease. While premiums for low-income plans like the Vermont Health Access Plan and Catamount will also rise, Lunge said the bulk of these costs will fall to federal tax credits and subsidies that will be offered through the exchange.

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Sterling said he hopes to learn more of the details, which are sure to come when the federal government outlines what exactly it plans to subsidize. He said he hopes lawmakers and the administration avoid a "cliff" where people's premiums and out-of-pocket costs shoot up at a certain income level. This steep rise in costs can cause people not to enroll in insurance plans, leaving a smaller insurance pool and more uninsured residents.

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BY ALAN PANEBAKER



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#### PRESS RELEASE:

Contact: Shawn Shouldice, 802-498-0059

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**London, Sarah**

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**From:** Lunge, Robin  
**Sent:** Wednesday, January 18, 2012 6:03 PM  
**To:** MacLean, Alex; Kimbell, Steve  
**Cc:** Miller, Lawrence  
**Subject:** RE: MEDIA CLIPS FOR WEDNESDAY, JAN. 18:

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Secretary of Civil and Military Affairs  
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Other residents faced the sure knowledge that they would never repay hundreds of thousands of dollars on mortgages for properties that no longer exist. In rare instances, victims of the raging floodwaters faced both stark realities. What, if anything, can banks and municipalities do if residents walk away from their mortgage obligations?

Meanwhile, mobile home owners are unable to take on more debt because their housing devalues quickly over time and they don't have asset capacity.

Though the state's community banks have been quick to respond, certain out-of-state banks, namely Bank of America, have not been as generous with property owners' who face foreclosure, according to Senate President Pro Tempore John Campbell.

"There are going to be individuals out there who still have a large mortgage," Campbell. "Bank of America has not been keen to rush in to help."

The Post-Irene Property Law Task Force attempted to address questions about foreclosures, boundary lines and practical steps to secure federal flood insurance over the course of two months of research and meetings. The task force was divided into five subgroups that tackled legal issues around foreclosures, finance and insurance, hazard mitigation, flood insurance, public records and housing. Members of the task force represented Vermont Legal Aid, the Vermont League of Cities and Towns, the Vermont Bar Association and the Vermont Bankers Association.

Lawmakers and experts in municipal and property law who were enlisted in the effort went back to the green books, and they found, to their surprise, that case law and legislation developed in the 19th century covered most of the bases.

Instead of wholesale changes to existing legislation, the task force recommends tweaks to holdover bills from last session and modifications to the body of state statutes that comprise property law.

The report is a 10-page rundown of recommendations tacked onto a half-inch thick booklet that includes all of the relevant statutes, old legislative studies and records of the task force meetings.

Here are a few of the recommendations to lawmakers:

- \* More expansive mediation program options for property owners that face foreclosure;
- \* Creation of a state-run hazard mitigation program (a buyout of personal property in the flood plain)
- \* An examination of the banking industry's response to Irene
- \* Mandated "tie-downs" for propane tanks
- \* Creating a single point of contact for Vermonters seeking private, government and nonprofit resources in the wake of a natural disaster;
- \* Incentivizing municipal participation in the National Flood Insurance Program;
- \* Analysis of the expedited permitting process post-Irene
- \* A standardized approach across municipalities for the long-term preservation of public records
- \* The creation of a rental housing registry/database;
- \* How to address topsoil losses, rebuilding issues on the floodplain and the cleanup of unclaimed debris on private property.

In a procedural move that hadn't been invoked since 1965, Senate President Pro Tem John Campbell called for a Committee of the Whole so that task force representatives could present their findings to the full Senate.

A PDF of the report has not yet been posted on the Vermont Legislature or Joint Fiscal Office websites.

Legislation that could be affected by task force recommendations include:

H.403, a foreclosure bill

H.776,

H.272

Shumlin administration unveils health care "exchange" legislation

BY ALAN PANEBAKER

Legislation introduced Tuesday could lay the groundwork for the first phase of substantive health care reform in Vermont as the state inches toward universal health care.

Rep. Mike Fisher, D-Lincoln, and Rep. Ann Pugh, D-South Burlington, introduced H.559, <http://www.leg.state.vt.us/docs/2012/bills/Intro/H-559.pdf> legislation from the Shumlin administration that would set out the ground rules for a health benefits exchange that the state is required to put into effect in 2014.

The two controversial aspects of the legislation include a requirement that small employers only buy insurance through the exchange. In addition, the definition of a small business under the Shumlin administration plan would be a company with 100 or fewer employees.

Last year, Anya Rader Wallack, then a special assistant to the governor, pushed for one insurer in the exchange. Act 48 was amended to include one or more, but critics have alleged that the exchange would likely only include two insurers. The state currently has three health insurance companies.

The exchange is a federal mandate for states to develop a marketplace for individuals and small groups to purchase health insurance. Plans in the exchange must offer what are called "essential benefits" that states will flesh out, subject to a minimal federal baseline. For 2014 and 2015, states have the choice between defining "small employers" as those with 50 or fewer employees or 100 or fewer. In 2016, states must include employers with 100 or fewer employees in the exchange, and in 2017, the state hopes to obtain a waiver from the federal government to enact a universal health care system.

Which employers to include in the exchange has created a tension throughout the health care reform process with bills in the House and Senate that would require the state to only include businesses with 50 or fewer employees.

Robin Lunge, director of health care reform, said including the larger businesses would add roughly an additional 20,000 lives to the insurance "pool" in the exchange.

"The general rule in insurance coverage is that a larger pool creates more stability," Lunge said.

The legislation and accompanying reports also propose that insurance companies will not be able to sell plans for the individual and small group markets outside the exchange. This will allow for a more simplified administrative process, Lunge said, by requiring only one set of rules. If plans were sold outside the exchange, she said, there would be different sets of rules for plans inside and for those outside.

One report from the administration notes that premiums for employers with between 50 and 100 employees will likely increase once the exchange goes into effect. Insurance premiums for individuals and those in the small group market will likely decrease. While premiums for low-income plans like the Vermont Health Access Plan and Catamount will also rise, Lunge said the bulk of these costs will fall to federal tax credits and subsidies that will be offered through the exchange.

What happens to people on these low-income plans still concerns Peter Sterling, director of the Vermont Campaign for Health Care Security.

Sterling has been raising the issue of what will happen to low-income Vermonters in 2014 when these programs, as they are now, will go away. The feds will offer subsidies for people who make up to 400 percent of the federal poverty level to buy insurance in the exchange, but Sterling has expressed concerns that low-income Vermonters could still see increased out-of-pocket costs and premiums.

Under the proposed bill, the administration could go in two directions, Sterling said. It can offer a basic health plan that covers individuals up to 200 percent of the federal poverty level (Catamount covers people up to 300 percent) or offer state subsidies to "wrap around" the federal money.

"We don't know about people who are in that 200 to 300 percent range," he said.

Sterling said he hopes to learn more of the details, which are sure to come when the federal government outlines what exactly it plans to subsidize. He said he hopes lawmakers and the administration avoid a "cliff" where people's premiums and out-of-pocket costs shoot up at a certain income level. This steep rise in costs can cause people not to enroll in insurance plans, leaving a smaller insurance pool and more uninsured residents.

While Sterling is concerned with low-income Vermonters, other lawmakers have expressed concerns over what the exchange will mean for the business community.

Sen. Vince Illuzzi, R-Essex-Orleans, has co-sponsored a bill in the Senate that is mirror opposite of the administration's proposal. It would only require employers with 50 or fewer employees to be in the exchange, and it would allow insurance to be sold outside the exchange. Given the vast majority of Democrats in the Senate who support the Shumlin administration, he admits his bill does not stand much of a chance. He said the goal of his legislation was to protect businesses from unintended consequences that could result from an overhaul of the health care system when a single-payer system might never happen.

"There's no evidence that groups of 50 or greater experiencing problems," Illuzzi said. "Let's walk and not run. Let companies that are successful at managing 50 to 100-employee plans keep doing good work."

While health care reform in Vermont is moving ahead, some things are still up in the air. A Supreme Court case could overturn the so-called individual mandate in the federal health care law that everyone have health insurance and possibly overturn the entire law. While this could throw a monkey wrench into the state's plans, Vermont could implement its own mandate. Other details, like what benefits insurance plans must cover will be decided this year.

Green Mountain Care Board votes to rescind RFP for communications services consultant

BY ALAN PANEBAKER

In what it called a move to avoid distractions from the important work of health care reform, the Green Mountain Care Board voted to withdraw its request for proposal for a communications services consultant.

In a 4 to 1 vote, the board opted not to pursue what became a controversial move.

Media coverage played up critiques of the decision last week<<http://vtdigger.org/2012/01/13/margolis-when-any-pr-is-bad-pr/>> to hire a communications specialist, and, according to some board members, distracted from the real work of the board to inform the public about health care reform and implement change in the state's health care system.

Amid the flurry of news reports and editorial critiques of the proposal, Gov. Peter Shumlin informed the independent board that he did not support the idea, although he could not order it to rescind the RFP, given the independent status of the group.

While the proposal caught criticism for its "public relations" strategy, the board members maintained that they need to explain to inform Vermonters about health care reform.

Members of the board maintained the decision to rescind the the request for proposal was a means of quelling the political and media distraction that ensued, and the decision to withdraw came begrudgingly.

Allan Ramsay, the only member of the board to vote against rescinding the RFP, said he was "offended" that anyone would make a statement that the board would use taxpayer money to do anything other than further its legislative mandate under Act 48, the state health care reform law that created the board.

Board member Con Hogan criticized the media for alleging that the communications specialist would be used to spread propaganda or improve the images of people on the board.



"This kind of environment is geared to cause us not to move forward," Hogan said. "It throws sand in the gears of our attempts to meet our terms."

Hogan said he voted to rescind the RFP but not without considerable trepidation. The hype caused a harsh reaction from the Shumlin administration.

"It caused an environment where, as far as I'm concerned, the administration completely overreacted," he said.

However, a split with the administration at this point in the game did not make sense from a practical standpoint since the board needs to coordinate with the administration to get its work done, Hogan said.

Anya Rader Wallack, the chair of the board, recommended withdrawing the request. She said she did not make the recommendation because the governor or anyone else contacted her about their concerns.

"This has become a distraction. We don't have time for distractions," Wallack said. "We have more important work to do than defending this decision."

She said the intention of the RFP was misconstrued. While the media played up the idea of hiring a consultant as a public relations stunt, in reality, it was a means of gathering more public input and communicate about the complex issues involved in health care reform.

"We are not spin doctors," she said. "We are independent thinkers who take very seriously our responsibility to inform the public. We're making a concerted effort to reach out to Vermonters."

Board member Al Gobeille said he was not initially thrilled with the idea of hiring a consultant to do public relations work for the board, but he felt compelled by the language in Act 48 to vote for it since it would be an almost overwhelming task to take on the public engagement aspect required by the legislation.

"If we vote to rescind, the need is still there," he said.

#### PRESS RELEASE:

Contact: Shawn Shouldice, 802-498-0059

#### Health Care Exchange Bill would Limit Choices, Increase Costs for Small Business

Montpelier (January 17, 2012) – Legislation introduced today filling in some of the blanks in the state's Health Care Exchange does not create the "robust marketplace" promised by the federal reform but a narrow cattle shoot into which the state will herd small businesses toward a limited choice of plans that will cost more, said the National Federation of Independent Business (NFIB) today.

"The mechanism the Legislature and Governor have outlined will collapse the remaining private market in Vermont and leave us with no escape hatch," said NFIB Vermont State Director Shawn Shouldice. "It's an "all-in" proposal that puts us in a very dangerous position."

Under the bill, 98% of employers that provide health care coverage now for their workers will be forced into the government system even if they like their current plans. The government-designed Exchange plan being developed now by Department of Vermont Health Access and the Green Mountain Care Board, will offer only a choice of out-of-pocket exposures (e.g. level of deductible and co-payment), but according to Shouldice that's no substitute for real competition.

"Just look at the choices you now have from many of the business associations, and wave good-bye," said Shouldice. "This legislation does not outline the federally promised 'robust marketplace.' In fact, won't meet the definition of a marketplace at all."

Shouldice said the Exchange could be effective if the government plan offered honest to goodness choices that would result in competition from carriers, making them work with providers and consumers to bend the cost curve.

"Without competition among private carriers there will be no incentives for the government system to be efficient or responsive to consumer demand," she said.

Another glaring flaw in the bill puts a tight cap on the savings that employers can generate by emphasizing wellness and prevention.

Jim Eckhardt, an NFIB/VT member and a member of the House Legislative Committee on Health Care said, "I agree with NFIB's assessment of the health care exchange legislation, but would also point out this plan leaves the average person with no skin in the game, no personal responsibility for their health care and the costs associated with it." Eckhardt continued, "Health Savings Accounts have been popular with small businesses and their employees in Vermont, why eliminate incentives to prevention and healthy lifestyles."

"Many businesses in Vermont have been able to control their costs by helping workers improve their health and get preventative care before they need more costly acute care," said Shouldice. "This legislation dumps everyone into the same risk pool and caps the discounts for wellness in prevention; resulting in disincentives for employers to continue to investment in those programs."

The biggest concern for small businesses, however, is the potential for the whole experiment to fail without a backup plan. As proposed, as many as 100,000 people could be depending on the Exchange for their coverage, and trying to sign up all those people in a three-month enrollment period could be catastrophic.

"We're taking a very big leap of faith here that government can run a health insurance system better than the private sector," said Shouldice. "If it fails, there won't be a private sector left in Vermont to pick up the pieces."

London, Sarah

---

From: Wallack, Anya  
Sent: Thursday, January 12, 2012 3:24 PM  
To: Lunge, Robin  
Cc: MacLean, Alex  
Subject: Fwd: Governor's Health Care Reform Bill

I know how you love this stuff!

Begin forwarded message:

From: Craig Fuller <[cfuller@keller-fuller.com](mailto:cfuller@keller-fuller.com)>  
Date: January 12, 2012 2:55:11 PM EST  
To: [anya](#) [REDACTED]  
Subject: Governor's Health Care Reform Bill  
Reply-To: [cfuller@keller-fuller.com](mailto:cfuller@keller-fuller.com)

Having trouble viewing this email? [Click here](#)



## Employers Health Alliance

January 12, 2011

It is expected that Governor Shumlin's health care reform bill for this legislative session will be introduced tomorrow.

It is also expected that the Governor will recommend that employers with less than 100 employees be compelled to purchase health insurance plans through the Vermont Health Benefits Exchange and prohibit plans being sold to those groups outside of the exchange.

The Alliance, the Vermont Chamber of Commerce, the Lake Champlain Regional Chamber, Business Resource Services and many other employer groups have previously announced their opposition to this proposal.

The Alliance will provide analysis as details become available but until then here's a preview of an article by health policy analyst, Jeanne Keller, on the risks involved in redefining Vermont's small group market as proposed by the Governor.

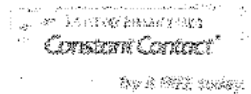
*"Yes, we all would like smaller businesses to be able to pay less, but is this the time to set up this cost shift? Or do we try to contain costs for another two years before forcing the Rhinos of the world into the Exchange?"*

***The Administration has not shown yet that the Exchange plans will cost less than what anyone could get outside the Exchange."***

To read the full article [click here](#).

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[Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#)  
Employers Health Alliance | PO Box 943 | Burlington | VT | 05402

---  
Anya Rader Wallack, Ph.D.  
Chair  
Green Mountain Care Board  
89 Main Street  
Montpelier, VT 05602  
[Anya.Wallack@state.vt.us](mailto:Anya.Wallack@state.vt.us)

**London, Sarah**

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**From:** Lunge, Robin  
**Sent:** Tuesday, January 10, 2012 4:02 PM  
**To:** Allen, Susan; MacLean, Alex  
**Cc:** Kimbell, Steve  
**Subject:** RE: Making sure you saw this from newport express:

Thanks. I was thinking we'd substantive frame our position in conjunction with the bill/report roll out next week --what do you think?

Illuzzi is simply incorrect about the one insurance company thing in the exchange. Act 48 requires two insurers (which means 6 plans at least, because there are 3 levels of coverage) in the exchange in 2014 & the federal proposed regs also require 2 insurers in the small employer exchange. and I've been talking with employers about how many plan designs are enough & how many are too many, so we are getting input on number of plans.

Robin J. Lunge  
Director of Health Care Reform,  
Agency of Administration  
(802) 828 0566  
(802) 505 0626 (cell)

Visit Governor Shumlin's Online Resources:

[Website](#) | [Facebook](#) | [Twitter](#) | [YouTube](#)

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**From:** Allen, Susan  
**Sent:** Tuesday, January 10, 2012 3:05 PM  
**To:** MacLean, Alex; Lunge, Robin  
**Subject:** Making sure you saw this from newport express:

## **Illuzzi Proposes Alternative to Healthcare Model**

**January 9, 2012**

By  
Christopher Roy

MONTPELIER - The 2012 Legislative session is only a week old and Sens. Vince Illuzzi, R-Essex/Orleans, and Hinda Miller, D-Chittenden, are working on a bill that would make some changes to the healthcare reform bill enacted into law last year.

Illuzzi is concerned the 2011 law, which sets up the federally required health exchange, will effectively eliminate all but one insurance provider, leaving only Blue Cross and Blue Shield of Vermont. Other private companies that have substantial health insurance businesses in Vermont, MVP and CIGNA, would most likely be forced out of the state.

According to Illuzzi, the Shumlin Administration said the different companies have to be collapsed into one so the state will set the stage for a single payer system. "The governor says the health exchange can be used as a stepping stone to single payer," Illuzzi said. "That creates uncertainty and concern in the business community. My argument is that it's not necessary to do that because what we're doing is destroying the private insurance

market we now have in place. Until we're ready to implement single payer, we really should leave those insurance plans that are working up and running."

Illuzzi's proposed bill allows the Health Exchange to comply with federal law but take advantage of different options like allowing companies to continue to use health savings accounts (HSAs).

An HSA allows an employer to purchase a high deductible plan from an insurance company, Illuzzi explained. An employer may offer a plan with a \$10,000 deductible, but in turn put \$10,000 into each employee's health savings account. This type of plan would not be expensive and the money that companies put into a health savings account is a business deduction. "There are benefits on both sides."

However, the law Vermont legislators passed last year "all but makes HSAs unlawful in Vermont, because it doesn't allow plans to be sold at the bronze level."

Illuzzi also said lawmakers have found that companies with at least 50 employees have done a good job at managing health premium costs by providing healthy life style initiatives, preventative programs at no charge to the employees and encouraging employees to take part in preventive exams and testing. These types of plans "save the employer money and keeps insurance premium increases at below average," the senator said.

The healthcare reform bill legislators passed last year only allows insurance to be sold on the Health Exchange, which means the policy holder will have a plan with defined benefits, something some employers may not want. Some may want different benefits, more benefits or less benefits.

If insurance is not available off the exchange, employers can't tailor their plans to their employees' needs, Illuzzi said. "We're proposing that be authorized."

The issue around Essential Health Benefit Package, said Illuzzi, is to ensure whatever benefits are mandated in the state plan don't end up costing employers and employees more money than what they currently pay. Illuzzi wants to make sure Vermonters don't have more expensive and less available healthcare.

According to Illuzzi, some medical specialists have threatened to leave the state if their reimbursements are further decreased. Vermont Medicaid now cost shifts expenses to the private sector insurance companies. "What if the private insurance companies are no longer doing business in Vermont?" he asked.

"We have to be careful that we don't disenfranchise the specialists who are in the state," Illuzzi said.

"Everybody wants the best medical care for themselves and their family, but when you look at the numbers, the way you cut back costs is to cut back on benefits, reduce the number of doctors and reduce the number of preventative tests like MRIs."

Other states that have already enacted the Health Exchange, like California, Maryland and West Virginia, have done so in a way that offers several carriers, several plans and insurance can be purchased off and on the exchange.

"The other states have increased opportunities for employers and individuals," Illuzzi said. "In Vermont, we're decreasing options and essentially corraling everybody into one plan and, in my judgment, one size doesn't fit all."

The Vermont Chamber of Commerce Stated in a press release:

As the Legislature moves forward in making key decisions regarding Act 48, the state's health care reform bill enacted in the 2011 session, the Vermont Chamber will be advocating for more choice for employers in this new marketplace. The key decisions being discussed and debated this year will be the size of businesses, essential health benefits, types of plans and the off-exchange market.

Susan Allen  
Special Assistant to the Governor  
802-828-3333

**London, Sarah**

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**Sent:** Tuesday, January 10, 2012 3:05 PM  
**To:** MacLean, Alex; Lunge, Robin  
**Subject:** Making sure you saw this from newport express:

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Susan Allen  
Special Assistant to the Governor  
802-828-3333



London, Sarah

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**From:** Heidi Tringe <heidi@mmrvt.com>  
**Sent:** Wednesday, January 04, 2012 4:29 PM  
**To:** MacLean, Alex  
**Subject:** HCR Presentation  
**Attachments:** MMR\_HCR\_presentation 010412.pdf

Hi Alex, attached is the powerpoint. Again and by way of background, we put this together for several of our Vermont-based clients, to help them begin to understand changes coming down the road as a result of both federal and state reforms. In addition, we also wanted to make sure they were aware of upcoming decision points –in the Administration, Green Mountain Care Board and the legislature – so that if our clients or other businesses were interested in weighing-in on any decisions they had the necessary information. We worked hard to make it as objective and informative as possible. And again, we have presented the briefing to businesses around the state, through 5 forums organized through AIV/AGC/other regional business organizations.

Tomorrow's presentation is at 4:30pm in Room 11.

Great seeing you – best of luck tomorrow!  
-Heidi



Heidi Mohlman Tringe  
MacLean, Meehan and Rice, LLC  
45 Court Street  
Montpelier, VT 05602  
(802) 225-3100 x113 (office)  
[REDACTED] (cell)  
[heidi@mmrvt.com](mailto:heidi@mmrvt.com)

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London, Sarah

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**From:** Amy Maxwell <Amy.Maxwell@dutkoworldwide.com>  
**Sent:** Tuesday, July 26, 2011 2:37 PM  
**To:** MacLean, Alex  
**Subject:** FW: NGA Meeting Request

Hi Alex, hope you're doing well. I'm just following up on the email I sent last week about connecting me with Anya Rader. Would you be able to connect me with her via an email introduction and I can take it from there? Sorry to pester you with this. The PSI folks are just eager to touch base with her. Thanks so much for your help.

All best,  
Amy

---

**From:** Amy Maxwell  
**Sent:** Tuesday, July 19, 2011 9:53 AM  
**To:** 'MacLean, Alex'  
**Subject:** RE: NGA Meeting Request

Hey Alex,

Thank you so much for setting up the meeting with Governor Shumlin and the PSI folks. Margaret Laub, CEO of PSI was thrilled to meet the Governor and found the conversation to be helpful. She would love an opportunity to chat further with Anya Rayder. Margaret would be interested in learning more about the state's plans are with regard to the implementation of the exchange and to offer up ways that PSI might be able to help. Anya has spoken with Doug Miller previously but that was some time ago now. Would it be possible for you to connect me with Ms. Rayder via email so that I might set something up? Let me know what you think.

All my best,  
Amy  
202-479-7165 Office  
[REDACTED] Mobile

---

**From:** MacLean, Alex [mailto:Alex.MacLean@state.vt.us]  
**Sent:** Wednesday, July 13, 2011 10:21 AM  
**To:** Amy Maxwell  
**Subject:** Re: NGA Meeting Request

Hi Amy,

Our scheduler will be in touch with a time slot. We won't be able to do a full 30 minutes but she is working on a shorter slot now and will be in touch.

Best,

Alex

---

**From:** Amy Maxwell <Amy.Maxwell@dutkoworldwide.com>  
**Date:** Wed, 13 Jul 2011 09:52:09 -0400

To: Alex MacLean <[alex.maclea@state.vt.us](mailto:alex.maclea@state.vt.us)>

Subject: NGA Meeting Request

Hi Alex,

Hope you're doing well. I wondered if it would be possible to get some time on Governor Shumlin's schedule during the summer meeting in Salt Lake. I've got a client, PSI that is very interested in meeting with him. The purpose of the meeting is to share with the Governor a little bit about what they do and how they could be helpful to the state of Vermont as the state prepares for the launch of its health exchange. If we could have just 30 minutes we would be so grateful. Please let me know what you think.

PSI is a Colorado-based company with a 25-year mission of doing "socially useful work." They are a national leader in cost-effective administration of public programs that include public health insurance, child support enforcement, and workforce development. Their role is start-to-finish access management for public programs.

This role encompasses:

- Performing outreach activities to identify and inform citizens that they may be eligible for services and encouraging them to apply as appropriate
- Determining their eligibility for services
- Enrolling them in the program
- Managing their cases to ensure they receive the assistance that they require, achieve the outcomes that policymakers intended, and remain in the program for as long as they are eligible
- Monitoring and analyzing performance data to enable policymakers to make informed policy changes that achieve optimal results and exercise fiscal discipline

PSI administers the full access management lifecycle with a beneficiary-focused, data-driven approach that enables us to:

- Build positive relationships across the entire lifecycle
- Manage and control program costs
- Support changes to access rules flexibly and affordably

Amy E. Maxwell  
Vice President  
Dutko Worldwide  
202-479-7165 Office  
[REDACTED] Cell

412 First Street, SE  
Suite 100  
Washington, DC 20003

London, Sarah

---

**From:** Amy Maxwell <Amy.Maxwell@dutkoworldwide.com>  
**Sent:** Tuesday, July 19, 2011 9:53 AM  
**To:** MacLean, Alex  
**Subject:** RE: NGA Meeting Request

Hey Alex,

Thank you so much for setting up the meeting with Governor Shumlin and the PSI folks. Margaret Laub, CEO of PSI was thrilled to meet the Governor and found the conversation to be helpful. She would love an opportunity to chat further with Anya Rayder. Margaret would be interested in learning more about the state's plans are with regard to the implementation of the exchange and to offer up ways that PSI might be able to help. Anya has spoken with Doug Miller previously but that was some time ago now. Would it be possible for you to connect me with Ms. Rayder via email so that I might set something up? Let me know what you think.

All my best,  
Amy  
202-479-7165 Office  
[REDACTED] Mobile

---

**From:** MacLean, Alex [mailto:Alex.MacLean@state.vt.us]  
**Sent:** Wednesday, July 13, 2011 10:21 AM  
**To:** Amy Maxwell  
**Subject:** Re: NGA Meeting Request

Hi Amy,

Our scheduler will be in touch with a time slot. We won't be able to do a full 30 minutes but she is working on a shorter slot now and will be in touch.

Best,

Alex

---

**From:** Amy Maxwell <Amy.Maxwell@dutkoworldwide.com>  
**Date:** Wed, 13 Jul 2011 09:52:09 -0400  
**To:** Alex MacLean <alex.maclea@state.vt.us>  
**Subject:** NGA Meeting Request

Hi Alex,

Hope you're doing well. I wondered if it would be possible to get some time on Governor Shumlin's schedule during the summer meeting in SaltLake. I've got a client, PSI that is very interested in meeting with him. The purpose of the meeting is to share with the Governor a little bit about what they do and how they could be helpful to the state of Vermont as the state prepares for the launch of its health exchange. If we could have just 30 minutes we would be so grateful. Please let me know what you think.

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Amy E. Maxwell  
Vice President  
Dutko Worldwide  
202-479-7165 Office  
[REDACTED] Cell

412 First Street, SE  
Suite 100  
Washington, DC 20003

London, Sarah

---

**From:** MacLean, Alex  
**Sent:** Saturday, July 16, 2011 9:43 AM  
**To:** Trombley, Shana  
**Subject:** Re: NGA Meeting Request

Did u ever talk to her? Do you want me to call her?

Sent from my iPhone

On Jul 15, 2011, at 8:43 AM, "Trombley, Shana" <[Shana.Trombley@state.vt.us](mailto:Shana.Trombley@state.vt.us)> wrote:

Messages got crossed... when Amy Maxwell calls me back I will ask about any pending bids and then give her your number to set us time/location, okay?

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**From:** Lofy, Bill  
**Sent:** Friday, July 15, 2011 9:43 AM  
**To:** Trombley, Shana; MacLean, Alex  
**Subject:** Re: NGA Meeting Request

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**From:** "Trombley, Shana" <[Shana.Trombley@state.vt.us](mailto:Shana.Trombley@state.vt.us)>  
**Date:** Fri, 15 Jul 2011 09:39:33 -0400  
**To:** "MacLean, Alex" <[Alex.MacLean@state.vt.us](mailto:Alex.MacLean@state.vt.us)>, Bill Lofy <[bill.lofy@state.vt.us](mailto:bill.lofy@state.vt.us)>  
**Subject:** RE: NGA Meeting Request

Did we decide IF we can meet with these people?

---

**From:** MacLean, Alex  
**Sent:** Thursday, July 14, 2011 4:34 PM  
**To:** Trombley, Shana  
**Subject:** Fwd: NGA Meeting Request

Sent from my iPhone

Begin forwarded message:

**From:** Amy Maxwell <[Amy.Maxwell@dutkoworldwide.com](mailto:Amy.Maxwell@dutkoworldwide.com)>  
**Date:** July 14, 2011 3:40:51 PM EDT  
**To:** "MacLean, Alex" <[Alex.MacLean@state.vt.us](mailto:Alex.MacLean@state.vt.us)>  
**Subject:** RE: NGA Meeting Request

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London, Sarah

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**From:** MacLean, Alex  
**Sent:** Friday, July 15, 2011 10:44 AM  
**To:** Trombley, Shana  
**Subject:** Re: NGA Meeting Request

Ok

Sent from my iPhone

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**From:** Lofy, Bill  
**Sent:** Friday, July 15, 2011 9:43 AM  
**To:** Trombley, Shana; MacLean, Alex  
**Subject:** Re: NGA Meeting Request

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**To:** "MacLean, Alex" <[Alex.MacLean@state.vt.us](mailto:Alex.MacLean@state.vt.us)>, Bill Lofy <[bill.lofy@state.vt.us](mailto:bill.lofy@state.vt.us)>  
**Subject:** RE: NGA Meeting Request

Did we decide IF we can meet with these people?

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**From:** MacLean, Alex  
**Sent:** Thursday, July 14, 2011 4:34 PM  
**To:** Trombley, Shana  
**Subject:** Fwd: NGA Meeting Request

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**From:** Amy Maxwell <[Amy.Maxwell@dutkoworldwide.com](mailto:Amy.Maxwell@dutkoworldwide.com)>  
**Date:** July 14, 2011 3:40:51 PM EDT  
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Washington, DC 20003

**London, Sarah**

---

**From:** MacLean, Alex  
**Sent:** Friday, July 15, 2011 10:41 AM  
**To:** Trombley, Shana  
**Cc:** Lofy, Bill  
**Subject:** Re: NGA Meeting Request

Wait! Hold please this may already be done

Sent from my iPhone

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London, Sarah

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**From:** MacLean, Alex  
**Sent:** Wednesday, July 13, 2011 10:21 AM  
**To:** Lofy, Bill; Trombley, Shana  
**Subject:** Re: NGA Meeting Request

How do we do that?

---

**From:** "Lofy, Bill" <[Bill.Lofy@state.vt.us](mailto:Bill.Lofy@state.vt.us)>  
**Date:** Wed, 13 Jul 2011 10:19:06 -0400  
**To:** Alex MacLean <[alex.macleam@state.vt.us](mailto:alex.macleam@state.vt.us)>, "Trombley, Shana" <[Shana.Trombley@state.vt.us](mailto:Shana.Trombley@state.vt.us)>  
**Subject:** Re: NGA Meeting Request

Need to make sure PSI doesn't have a pending bid – if they do, can't meet w them.

---

**From:** "MacLean, Alex" <[Alex.MacLean@state.vt.us](mailto:Alex.MacLean@state.vt.us)>  
**Date:** Wed, 13 Jul 2011 10:16:58 -0400  
**To:** Bill Lofy <[bill.lofy@state.vt.us](mailto:bill.lofy@state.vt.us)>, "Trombley, Shana" <[Shana.Trombley@state.vt.us](mailto:Shana.Trombley@state.vt.us)>  
**Subject:** FW: NGA Meeting Request

Ugh.

---

**From:** Amy Maxwell <[Amy.Maxwell@dutkoworldwide.com](mailto:Amy.Maxwell@dutkoworldwide.com)>  
**Date:** Wed, 13 Jul 2011 09:52:09 -0400  
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PSI is a Colorado-based company with a 25-year mission of doing "socially useful work." They are a national leader in cost-effective administration of public programs that include public health insurance, child support enforcement, and workforce development. Their role is start-to-finish access management for public programs.

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- Determining their eligibility for services
- Enrolling them in the program
- Managing their cases to ensure they receive the assistance that they require, achieve the outcomes that policymakers intended, and remain in the program for as long as they are eligible
- Monitoring and analyzing performance data to enable policymakers to make informed policy changes that achieve optimal results and exercise fiscal discipline

PSI administers the full access management lifecycle with a beneficiary-focused, data-driven approach that enables us to:

- Build positive relationships across the entire lifecycle
- Manage and control program costs
- Support changes to access rules flexibly and affordably

Amy E. Maxwell  
Vice President  
Dutko Worldwide  
202-479-7165 Office  
[REDACTED] Cell

412 First Street, SE  
Suite 100  
Washington, DC 20003

**London, Sarah**

---

**From:** MacLean, Alex  
**Sent:** Wednesday, July 13, 2011 10:19 AM  
**To:** Trombley, Shana  
**Subject:** Re: NGA Meeting Request

Yup

---

**From:** "Trombley, Shana" <Shana.Trombley@state.vt.us>  
**Date:** Wed, 13 Jul 2011 10:18:29 -0400  
**To:** Alex MacLean <alex.maclea@state.vt.us>  
**Subject:** RE: NGA Meeting Request

Do you want me to give 'em 20?

---

**From:** MacLean, Alex  
**Sent:** Wednesday, July 13, 2011 10:17 AM  
**To:** Lofy, Bill; Trombley, Shana  
**Subject:** FW: NGA Meeting Request

Ugh.

---

**From:** Amy Maxwell <Amy.Maxwell@dutkoworldwide.com>  
**Date:** Wed, 13 Jul 2011 09:52:09 -0400  
**To:** Alex MacLean <alex.maclea@state.vt.us>  
**Subject:** NGA Meeting Request

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**Date:** Wed, 13 Jul 2011 09:52:09 -0400  
**To:** Alex MacLean <[alex.maclea@state.vt.us](mailto:alex.maclea@state.vt.us)>  
**Subject:** NGA Meeting Request

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Washington, DC 20003



## **London, Sarah**

---

**From:** Allen, Susan  
**Sent:** Tuesday, April 12, 2011 6:48 AM  
**To:** Allen, Susan  
**Subject:** Media clips for April 12:

### **BENNINGTON BANNER:**

#### **Forum on health bill to feature top officials**

##### **MARK E. RONDEAU**

SHAFTSBURY -- Two commissioners of state departments and the medical director of the Bennington Free Clinic will discuss the state universal health care bill at a forum at Cole Hall on Monday, April 18.

The forum will run from 6 to 7:15 p.m. before the regular Shaftsbury Select Board meeting.

State Rep. Alice Miller, D-Shaftsbury, and Sue Andrews, executive director of Greater Bennington Interfaith Community Services, which includes the Bennington Free Clinic, organized the event.

The panel will consist of Harry Chen, M.D., commissioner of the Vermont Department of Health, and Steve Kimbell, the commissioner of the Vermont Department of Banking, Investment, Securities and Health Administration. The panel will also include local primary care physician Richard Dundas, medical director of the Bennington Free Clinic.

"Essentially we're promoting it as an opportunity for the people of Shaftsbury, but I think it will attract other people, to become educated by the commissioners of these two state-level agencies about what's in the bill," Andrews said. It will answer such questions as "what's not in the bill, who is it supposed to serve, what's a health exchange, what are the next steps beyond this," she said.

The universal health care bill has just gone through the state House and is now in the Senate. Andrews, a Shaftsbury resident, will moderate the discussion.

"I ... will be basically asking Dr. Dundas as a practitioner, both in private practice and the free clinic, about the need for health care," Andrews said, "and then Dr. Chen and Mr. Kimbell about the bill and what it involves."

#### **Shumlin aims to avoid 55-cent charge on electric bills**

##### **DAVE GRAM**

MONTPELIER -- Vermont Gov. Pete Shumlin on Monday unveiled his plan to pay for promoting renewable energy development without relying on a surcharge to customers.

The governor said he wants to use money in the Clean Energy Development Fund to pay for the up-front grants, rather than tax credits.

Twenty-three Vermont renewable energy developers got a total of about \$8.5 million in tax credits to be taken over five years. Now, Shumlin said he wants to give them an option: the tax credit or half as much money in the form of an up-front cash payment when their project is up and running.

The governor and Administration Secretary Jeb Spaulding said they expected enough developers would take the up-front cash to save the fund between \$2.7 million and \$3 million. That's more than the \$2.38 million that would have been raised by a proposed 55-cent electric bill surcharge.

Shumlin said the fund would have sufficient cash "without raising 55 cents a month on Vermonters' electric bills at a time when Vermonters are hard-pressed to pay their bills and afford \$4-a-gallon gas."

"Works for us financially"

Leigh Seddon, vice president of Alteris Renewables, a solar energy developer that has been working on a project in the southwestern Vermont of Pownal, said his company and its financing partners had welcomed the chance to take payment up front, even if smaller, rather than the tax credit over five years.

"When this proposal came to us from the administration, would you accept \$450,000 instead of the \$900,000 tax credit so you could get it this year when you want to build the plant, not over five years, the investment people ... said that works for us, financially. That works for us to have the cash up front and the certainty, and we will go along with it," Seddon said.

The scramble to find the right source of money comes as what has been the Clean Energy Development Fund's main funding source, the Vermont Yankee nuclear plant, is slated to close down next March. Shumlin and lawmakers had been looking for a one-year bridge to get from that funding source to a new one.

The governor said Monday he still hoped to get money for the fund from Vermont Yankee's owner, New Orleans-based Entergy Corp. Shumlin said he wants lawmakers to pass a new tax on spent nuclear fuel being stored in the state.

Vermont Yankee's spent fuel storage pool is nearly full and the plant has begun storing some of its spent fuel in concrete cask outside its reactor building in Vernon. Like other nuclear plants around the country, Vermont Yankee has been hard-pressed to find a place to send its highly radioactive waste. The federal government, so far, has not fulfilled a promise, made in a law passed by Congress two decades ago, to take the waste from reactors to a national disposal site.

The electric bill surcharge would have amounted to \$6.60 per year and became a hotly debated issue in the Legislature last week. Some lawmakers argued it would be an extra cost ratepayers don't need; others said it would be regressive, since both rich and poor ratepayers would be charged the same amount.

Shumlin told reporters on Monday the surcharge had been "not my idea," but Rep. Tony Klein, chairman of the House Natural Resources and Energy Committee, said it did come from the administration, in the person of now former Deputy Commissioner of Public Service Stephen Wark.

Told the governor was saying the idea didn't come from him, Klein scoffed.

"It didn't (come from Shumlin) but it came from his Department (of Public Service) and that's close enough for me," he said. "It came from the department and they work for him."

## **BRATTLEBORO REFORMER:**

### **Students will take energy ideas to D.C.**

By JOSH STILTS / Reformer Staff

Tuesday April 12, 2011

PUTNEY -- With so much uncertainty about the country's future energy production, 16 students from The Putney School are determined to do something about it.

Led by science teacher and faculty sponsor for the sustainability squad, Dawn Zweig, her husband, Nathan Zweig, an English and philosophy teacher, and Alice Roby, a graduate student at Antioch University New England who is interning with the school during the spring trimester, the students will travel to Washington, D.C., to take part in an energy conference.

More than 10,000 students are expected to converge on the nation's capital from April 15-18 during the 2011 Power Shift, a project from the Energy Action Coalition, held at the Walter E. Washington Convention Center.

"You can see our concern for the environment in most of what we do, from striving to become a net-zero campus to incorporating activities and projects in our curriculum that are designed to teach students about sustainability through a variety of lenses," Dawn Zweig said.

Since the idea of limiting their impact on the planet has become such an integral part of the students' learning, a sustainability squad was created, she said.

"These students volunteer their time to work on sustainability initiatives at the school and seek to raise general awareness about some of the world's most pressing environmental issues through presentations, emails and other similar avenues," Zweig said.

Students ranging from freshman to seniors have agreed to spend the four days learning how to reclaim the country's democracy from big corporations and push the nation to move beyond dirty energy sources, which are harming the health of people and the planet, she said.

Throughout the weekend, students can listen to environmental leaders, including keynote speaker Al Gore. Those attending the even can also participate in discussions about how to build a clean energy economy, according to the event's website.

"As the largest generation in American history, we are ready to build the green economy city by city, to transform higher education, to join forces on the ground with our religious and local community leaders to together we can build the future we know is essential for our long term success as a nation," the event's mission statement states.

For freshman Beatrice Butler, she's attending the event because the issues facing the environment aren't being taken seriously.

"We need to start taking responsibility for this earth and start cleaning up this huge mess we've made," Butler said.

Nearly every student said that the idea of creating sustainable solutions is what got them interested in the event.

"I've seen the advantage of sustainability at the Putney School, like not using Styrofoam cups and I'm excited to hang out with like minds," said Mollie Goldblum, a junior.

Ellie Berler, a sophomore student from San Francisco, said taking care of the environment has been something she grew up with.

"It's hard to know what else I can do," Berler said. "I'm excited to get a fresh perspective and new ideas."

The event will also give students the opportunity to network with other schools, get training in how to be a successful leader and take the concept of sustainability beyond just recycling and composting, Zweig said.

"Having this many students committed to making a difference is very encouraging," she said.

*Josh Stilts can be reached at [jstilts@reformer.com](mailto:jstilts@reformer.com), or 802-254-2311 ext. 273.*

## **Saxtons River re-elects trustees, who vote to buy Sandri station**

By HOWARD WEISS-TISMAN / Reformer Staff

Tuesday April 12, 2011

**SAXTONS RIVER** -- Saxtons River residents re-elected a slate of incumbent trustees at the village annual meeting held Monday night at the Saxtons River Elementary School.

About two dozen people showed up for the meeting, and Louise Luring, Timothy Clark and Matthew Brennan were all returned to the board by unanimous votes.

Voters at the annual meeting also approved the \$54,150 budget, which includes \$2,000 for planning for the new fire station and \$5,000 for the new proposed park at the Sandri gas station site.

Village Trustee Chairwoman Luring announced that the trustees were ready to move ahead with the purchase of the former Sandri gas station, which the village wants to turn into a park.

The trustees have been waiting for the results from the latest environmental test.

Luring said that while the tests found lead, arsenic and contaminants associated with a burn, officials from the Windham Regional Commission recommended that the village move ahead with the purchase.

The village holds the option to purchase the property for \$1, and Luring said the village is ready to finalize the deal.

Trustee Ryan Ostebo said now that the village knows there are contaminants, the planner who is working on the design of the park can work with environmental officials to determine the best way to work around the contaminated areas.

Further tests will determine where the contaminants are located in the area, and Ostebo said the designer could simply not upset the contaminated area, though more tests need to be done.

Still, Luring said Windham Regional Commission staff said the village could move ahead with the purchase.

The village recently won an \$18,360 grant to pay for planning.

At the meeting Monday the trustees also talked about the status of the Saxtons River Recreation area.

The town of Rockingham, which supplied the lifeguards for the pond, has told the recreation area board that it will not send lifeguards this summer unless the area gets liability insurance.

The recreation area board has been operating the swimming pond without insurance.

Laurie Rowell, who has been working with the recreation area board, said the board wants to turn the property over to the village of Saxtons River, so the village can use its liability insurance to cover the area.

The trustees will ultimately decide, but they wanted to gauge the interest of the annual meeting before taking on the responsibility. The recreation area board will hold its annual meeting in the coming weeks, and the Saxtons River trustees will take up the issue after that.

Michael Ghia also gave a report on the status of the Saxtons River Fire Station, which the village has been trying to deal with for a number of years.

Ghia said the village might be able to build on the existing site, though additional tests have to be completed before it is clear whether the riverside site can be stabilized enough to build a new station there.

Jim McCaffrey, a member of the fire station committee, said Harold Buchner might be interested in offering space behind the Warner Center for a new fire station.

Saxtons River Elementary School Principal David Lesser also told the meeting that the schools won a \$200,000 federal grant to help pay for a new sidewalk from Main Street to the school.

*Howard Weiss-Tisman can be reached at [hwtisman@reform-er.com](mailto:hwtisman@reform-er.com) or 802-254-2311, ext. 279.*

## **ASSOCIATED PRESS:**

MONTPELIER, Vt. — The Vermont House is set to take up legislation that would give citizens greater ability to participate in state environmental enforcement actions.

The bill, up for House action on Tuesday, calls on the Agency of Natural Resources to provide public notice of a proposed penalty against a polluter, and allows members of the public 30 days to comment on the proposed enforcement actions.

Supporters of the bill say it is designed to change a current practice in which penalties are often negotiated by state officials and polluters behind closed doors, with little input from the public.

Members of the public wishing to weigh in would have to show they had been harmed by the illegal pollution.

## **BURLINGTON FREE PRESS (CON'T):**

### **University of Vermont committee considers 5.8 percent tuition hike**

A proposed tuition increase of 5.8 percent at the University of Vermont edged closer to approval Monday.

The tuition increase is part of a budget plan for 2011-12 that assumes no salary increases for UVM employees.

That budget proposal could require readjustment, the UVM administration acknowledged, depending on the outcome of collective bargaining with three unions this spring.

A board of trustees committee discussed, but took no action on, the administration's recommended budget of \$297 million, up 2.8 percent from the current year. Final action by the full board will take place at the trustees' pre-commencement meeting next month, but the tenor of the discussion in the Budget, Finance and Investment Committee appeared to bode well for the administration's proposal.

Of the tuition increase, various trustees expressed support, caution and uncertainty, but no one spoke in opposition. The committee comprises half the board's membership.

The proposed budget relies on several assumptions to address a \$5.3 million shortfall, Richard Cate, vice president of finance, told the gathering. Those assumptions include:

- The 5.8 percent tuition increase.
- An increase in financial aid of \$11.8 million, which would raise UVM's total aid expenditure to 35 percent of what the university receives from tuition.
- No salary increase for all employees, which reduces the budget \$3.5 million below what the university would spend if all employees received a 2 percent pay raise.

Plans also call for a \$2.9 million cut in operating expenses across the university. This would be done by leaving about a dozen vacant staff positions unfilled and by possibly laying off a few administrative employees, Cate said.

Those plans and the no-salary-increase scenario together would fill the budget gap with about \$1.1 million to spare, officials say. That amount would be spent on four "academic initiatives," including programs that aim to increase student retention and recruitment of international students.

(Page 2 of 2)

How realistic the zero-percent-salary-increase assumption is remains an open question. This spring, UVM will negotiate with three unions -- United Academics (faculty), United Electric Workers (service employees) and Teamsters (police) -- on contracts that expire June 30. Salary increases for any of those employees -- or for non-unionized staff, whose salary levels likely won't be set until after union negotiations conclude -- would require compensating budget reductions.

"The bottom line is, we'll have to cut somewhere else," Cate said in response to a question about the ramifications of salary increases.

The 5.8 percent increase would raise tuition to \$12,888 for Vermonters, and to \$32,528 for out-of-staters. Room and board costs would go up 3.8 percent, bringing the increase in total cost of attendance to \$24,492 for Vermonters, up 4.6 percent; and to \$44,132 for out-of-staters, up 5.1 percent.

Trustees Samuel Bain and Susan Hudson-Wilson said they support the proposed tuition increase. David Daigle expressed discomfort at an increase that exceeds the rate of inflation, and Carolyn Branagan described herself as "on the fence" and not sure how she would vote in May.

Committee Chairwoman Deb McAneny pointed out that UVM trustees over the past decade have kept tuition increases lower than at many peer institutions, but she acknowledged that tuition deliberations are never easy. "I've tried to find a better solution and can't come up with one," she said of the proposed tuition increase.

Since 2001, UVM's non-resident tuition has risen 5.2 percent a year, on average, compared with 4.9 percent at the University at Albany, 6.3 percent at the University of Massachusetts-Amherst, 6.6 percent at the University of Connecticut and 7.6 percent at the University of Maine at Orono.

As for expected tuition increases for 2011-12, UVM's 5.8 percent falls in the middle range for its public peer institutions. In New England, prospective increases range from 2.5 percent at the University of Connecticut to 9 percent at the University of Rhode Island.

UVM's budget difficulties have been compounded by a diminishment of state support (\$2.5 million less next year) and the surge in financial need that accompanied the recession. UVM expects to spend \$22.7 million on financial aid for the fall's entering class -- about \$11 million more than will be going to the senior class, which matriculated before the recession.

UVM's total financial aid outlay next year is projected at \$73.2 million. As President Dan Fogel pointed out, that's about four times the amount of the state's annual appropriation for need-based grants administered by the Vermont Student Assistance Corp.

Contact Tim Johnson at 660-1808 or [tjohnson@burlingtonfreepress.com](mailto:tjohnson@burlingtonfreepress.com).

**Suspended state employees put to work at other jobs**

Two longtime employees of the Governor's Highway Safety Program who were suspended almost a year ago are back at work -- at least temporarily -- but not at their old jobs.

Program coordinator Jeanne Johnson and Alcohol Safety Program coordinator Stephen Reckers are now working in other parts of the Department of Public Safety, Commissioner Keith Flynn said Monday. Johnson, who is paid \$69,888 a year, and Reckers, who earns \$60,340, were placed on paid administrative leave in mid-May by then-Public Safety Commissioner Thomas Tremblay.

Johnson is assigned to the Office of Emergency Management under the supervision of its new director, Mike O'Neil, said Francis Aumand III, the director of criminal justice services.

Reckers is assigned to the information technology office under State Police Lt. Mike Macarilla, Aumand said. Johnson and Reckers resumed work for the state March 28. Since mid-May they had been paid to stay home while the internal investigation was under way.

Officials have declined to disclose the nature of the internal investigation, but Winooski Police Chief Steve McQueen, president of the Vermont Police Chiefs Association, has said grants for the Governor's Highway Safety Program are being scrutinized.

McQueen made the comment in June after a public records request by the Burlington Free Press revealed that the two administrators were on paid leave.

Flynn, who took over the Public Safety Department in January, said the case had lingered too long. The former Orleans County state's attorney said he is trying to give it a top priority now that he is settling into his job.

"It had gone on long enough," said Flynn, who said he is still sorting out all the needs of the department. The department has 650 employees, including the Vermont State Police, the Division of Fire Safety, Vermont Emergency Management and Criminal Justice Services.

Flynn said Johnson and Reckers could be performing other duties pending the completion of the internal investigation.

"We have plenty of work to be done around here," Flynn said.

Flynn said he hopes to have a resolution to the case soon.

Phone calls to the office extensions for Johnson and Reckers indicate they are unavailable and refer callers to another highway safety employee.

*Contact Mike Donoghue at 660-1845*

### **Leahy studying spending compromise**

WASHINGTON — Sen. Patrick Leahy, D-Vt., is reviewing how he will vote on an 11th-hour compromise to fund the government for the remainder of this fiscal year.

Leahy said over the weekend that he will decide after closely examining the agreement to cut \$38.5 billion from current federal spending — the largest spending cut in American history, according to his spokesman.

"Enough common sense and statesmanship finally prevailed in Congress over a 'my way or no way' agenda by some that was driven by ideology, not budget issues," Leahy said in a statement. "In pushing the nation to the brink of a government shutdown, they were willing to run roughshod over the interests of the rest of their fellow Americans."

The high-stakes negotiations became a game of political brinkmanship Friday night, with House Speaker John Boehner and President Barack Obama announcing a deal just an hour before the government was scheduled to shut down.

The deal requires cuts across the government, including \$13 billion in cuts to the Departments of Labor, Education and Health and Human Services and \$8 billion in cuts to state and foreign operations.

It bans federal funding of abortion in the District of Columbia, but it preserves federal funding for Planned Parenthood, a provider of cervical and breast cancer screenings and family planning care.

Leahy said in his statement, "It would especially have been a travesty to allow the gutting of health services to women that literally have meant the difference between life or death for countless women."

London, Sarah

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**From:** MacLean, Alex  
**Sent:** Sunday, April 10, 2011 8:25 AM  
**To:** Wallack, Anya  
**Subject:** Re: and while I have you on my mind...

Hood, thanks,

Sent from my iPad

On Apr 9, 2011, at 8:54 PM, "Wallack, Anya" <Anya.Wallack@state.vt.us> wrote:

> Here is the link to projo coverage of RI abortion clause in their exchange bill. Might help convince some that we need to do defense.

>

> [http://www.projo.com/news/content/HEALTH\\_EXCHANGE\\_ABORTION\\_04-07-11\\_HONDUBF\\_v8.1af7866.html](http://www.projo.com/news/content/HEALTH_EXCHANGE_ABORTION_04-07-11_HONDUBF_v8.1af7866.html)

>

>

> —

> Anya Rader Wallack

> Special Assistant to the Governor for Health Care Reform

> (802) 828-1350

> Anya.Wallack@state.vt.us

>

>

>

>



**London, Sarah**

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**From:** Wallack, Anya  
**Sent:** Saturday, April 09, 2011 8:55 PM  
**To:** MacLean, Alex  
**Subject:** and while I have you on my mind...

Here is the link to projo coverage of RI abortion clause in their exchange bill. Might help convince some that we need to do defense.

[http://www.projo.com/news/content/HEALTH\\_EXCHANGE\\_ABORTION\\_04-07-11\\_HONDUBF\\_v8.1af7866.html](http://www.projo.com/news/content/HEALTH_EXCHANGE_ABORTION_04-07-11_HONDUBF_v8.1af7866.html)

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Anya Rader Wallack  
Special Assistant to the Governor for Health Care Reform  
(802) 828-1350  
[Anya.Wallack@state.vt.us](mailto:Anya.Wallack@state.vt.us)

London, Sarah

---

**From:** Anya Rader Wallack <[REDACTED]>  
**Sent:** Monday, April 04, 2011 1:43 PM  
**To:** Lofy, Bill; MacLean, Alex; Kimbell, Steve; Lunge, Robin  
**Subject:** Fwd: A Must Read From The Owner of One of Vermont's Best Known Businesses  
**Attachments:** IBM Coalition Letter.doc; ATT00005..htm; Why we need changes to VT Benefit Exchange.pdf; ATT00006..htm; Recommended Amendments to H 202 and s 57.pdf; ATT00007..htm; John Campbell.vcf; ATT00008..htm

Anya Rader Wallack, Ph.D.  
Arrowhead Health Analytics, LLC  
56 North Main Street  
Suite 303  
Fall River MA 02720  
Office: 508.567.1375  
Cell: [REDACTED]

Begin forwarded message:

**From:** "John Campbell" <[JCampbell@leg.state.vt.us](mailto:JCampbell@leg.state.vt.us)>  
**Date:** April 4, 2011 12:14:32 PM EDT  
**To:** "Anya Rader Wallack" <[REDACTED]>  
**Subject:** Fwd: A Must Read From The Owner of One of Vermont's Best Known Businesses

Anya

I have already talked to some Senators that were worried about this email. I believe a number of the questions have been answered, but I want you to know that this is being heavily circulated.

I hope you enjoyed the weekend.

Ashley

John F. Campbell

President Pro-Tempore  
Vermont State Senate  
The State House  
115 State Street  
Montpelier, VT 05059

**IMPORTANT NOTICE REGARDING THIS ELECTRONIC MESSAGE:**

This message is intended for the use of the person to whom it is addressed and may contain information that is privileged, confidential, and protected from disclosure under applicable law.

If you are not the intended recipient, your use of this message for any purpose is strictly prohibited. If you have received this communication in error, please delete the message and notify the sender so that we may correct our records.

>>> "Jeff Marble" <[jeff@vbsbenefits.com](mailto:jeff@vbsbenefits.com)> 4/4/2011 11:45 AM >>>

Dear Legislator:

No doubt you are being bombarded by e-mail regarding H202 and Health Care reform in general. This message from Stacy Manosh of Johnson Woolen Mills, Inc. of Johnson Vermont is a must read!

Other attachments are for your consideration.

Jeff Marble

---

**From:** Jeff Marble  
**Sent:** Monday, April 04, 2011 11:07 AM  
**To:** 'Stacy Manosh'  
**Cc:**  
**Subject:** RE: H202 - Health Care Legislation That Needs

Thanks Stacy. I knew you'd take advantage of this opportunity. You're company is one of those that represents the very soul of Vermont's business...like Maple Syrup producers.

You'll be apprised as we move forward.

Thanks.

Jeff

---

**From:** Stacy Manosh [mailto:woolens4u@[REDACTED]]  
**Sent:** Monday, April 04, 2011 10:57 AM  
**To:** Jeff Marble  
**Cc:** 'Shasteen'; 'John des Goseilliers'; 'Gloria Buck'; 'pine888'; 'Polly'; sutter [REDACTED] 'Catherine Fay'; maryann [REDACTED]; mtdogdaycare [REDACTED]  
**Subject:** RE: H202 - Health Care Legislation That Needs

Yes, I will join anything that stops this band of fools from taxing us out of business. You will have to visit me in jail, because I will not pay this. They will miss Johnson Woolen Mills when we're gone!

I'll copy others to see if they will support too!

---

**From:** Jeff Marble  
**Sent:** Monday, April 04, 2011 10:44 AM  
**To:** Stacy Manosh  
**Subject:** H202 - Health Care Legislation That Needs

Hello Stacy,

As the attached Word document (IBM Coalition Letter) states, we would love to have your company name added to the list of our clients that just want the H202 legislation slowed down and correctly assembled. Whether one supports a single-payer system or not, this legislation is being rushed through because politically... something has to be passed.

Please take a moment to read the letter and let me know if you would agree to join other Vermont companies that have endorsed this effort. Use the e-mail link in the letter to send me your response. Please feel free to give me a call if you would like to discuss this further.

Best always,

Jeff Marble

[REDACTED]

mal>

[REDACTED]

**London, Sarah**

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**From:** Allen, Susan  
**Sent:** Wednesday, February 16, 2011 6:04 AM  
**To:** Allen, Susan  
**Subject:** Media clips for Wednesday, Feb. 16 (FINAL)

BENNINGTON BANNER:

Beaver Wood defends permit Attorney: No need for Act 250; Act 248 covers everything we need KEITH WHITCOMB JR.  
Posted: 02/15/2011 10:57:51 PM EST

Tuesday February 15, 2011

POWNAI – Attorneys for a Maine developer seeking to build a biomass plant and integrated wood pellet manufacturing facility at the former Green Mountain Race Track filed statements late Monday in response to comments calling for the project to go through two sets of major permits.

Jurisdiction question

Beaver Wood Energy, LLC's, 29.5 megawatt biomass facility must get a certificate of public good from the Public Service Board, as must all power generation projects in the state. The question the Beaver Wood project raises is this: Does the pellet plant require a separate Act 250 hearing, or does Section 248 give the PSB have jurisdiction over both it and the biomass?

A number of entities have sent letters asking the PSB to find that it only has jurisdiction over the electrical generation, including the Pownal Planning Commission, the Public Service Department, the Natural Resources Board, as well as Williams College in Williamstown, Mass., and the citizens group Southern Vermont Citizens for Environmental Conservation & Sustainable Energy Inc.

The response, filed by Beaver Wood's attorney, Hans Huessy, of the Rutland firm Kenlan, Schwiebert, Facey, & Gross, P.C., cites what he feels are legal precedents for the PSB having authority over the entire project.

He mentions a decision made by the PSB in 1993 in regard to a docket involving a defunct power plant in Rutland. According to Huessy, the Meridian Group Advertisement Quantcast wished to revitalize the plant, which burned trash, but the first phase of the project required building a trash separator to sift light material from heavy. The plant would have also functioned as a transfer station, Huessy said.

Huessy said the separator and the trash burner are akin to Beaver Wood's pellet production and biomass plant in terms of permitting. He said the trash separator, if built on its own, would have required an Act 250 process.

He said the project was planned in phases, and permission was sought for the separator to be built first.

"Despite that fact, and despite the fact that the petitioner was seeking approval of phase one only, the hearing officer nonetheless held that because it was a key component of the overall project, which involved a generation facility, the trash separation equipment was subject to PSB jurisdiction," Huessy said, adding that the decision directly contradicted the Natural Resource Board's views on what the PSB is limited to.

Beaver Wood has argued that "waste heat" from the biomass burning would be used to dry pellets in the pellet plant, while bark from the pellet operation would be burned for electricity, thereby making a more efficient use of the wood resource.

Huessy said such an arrangement directly speaks to the public good, which the PSB considers when judging projects. He also argued in the response that Section 248 and Act 250 requirements address the same environmental concerns, and that having Beaver Wood do both would stifle future efforts by other companies to combine facilities for efficiency's sake.

He said Beaver Wood will likely drop the wood pellet plant should it have to get a separate permit, and that would lead to the biomass facility employing fewer people and charging more for its energy.

According to comments filed by the Natural Resources Board, through its general council John Hasen, the pellet plant is no more a part of the biomass plant than a housing development would be that made use of the plant's heat. Furthermore, if the wood pellet plant had a solar panel it, it wouldn't be a power plant under Section 248.

Huessy argued that in those cases, it will be clear when a power plant is a true power plant, and the PSB taking jurisdiction over the Beaver Wood pellets would not lead to any kind of a "slippery slope" in which petitioners could effectively avoid one permit process or the other by adding a secondary electrical generating component to their project.

His argument also states that Vermont, in past decisions and policies, has encouraged projects with environmental impacts to be reviewed under one forum.

Huessy said in an interview that it's difficult to predict the time frame for PSB decisions, but wouldn't expect it to be longer than a month, and possibly within the next two weeks.

Beaver Wood is also seeking a permit for a similar project in Fair Haven. For the purposes of the Section 248 question, the dockets are being considered jointly.

Contact Keith Whitcomb at [kwhitcomb@benningtonbanner.com](mailto:kwhitcomb@benningtonbanner.com).

Shires Byway plan well launched  
NEAL P. GOSWAMI  
Posted: 02/15/2011 10:57:52 PM EST

Tuesday February 15, 2011

**BENNINGTON** -- An effort to create a scenic byway along Route 7A in Bennington County is off to a good start, according to the state official who oversees the grant applications.

A local group supports having a "Shires of Vermont Byway" designated by the state. The effort recently received preliminary approval from the Bennington Select Board. Support from all of the towns along the Pownal-to-Manchester Route must be secured, according to John LaBarge, the state byway program manager who oversees the grants in Vermont.

**Pownal to Manchester**

The byway route would start in Pownal and run through Manchester, with several side routes along the way. In Pownal, visitors could follow a route along the Hoosic River. In Bennington, a side route would explore covered bridges. Another

side trip along the Batten Kill would be designated in Arlington, and yet another along the Kelly Stand Road in Sunderland.

LaBarge said the Vermont Byways Program that he oversees is part of the National Byway Program. An approved byway could lead to more federal highway funding along the route.

The effort follows an unsuccessful recent effort by the Bennington County Regional Commission to have a Bennington County byway designated. Bennington Economic and Community Development Director Scott Murphy said a diverse, grassroots group has since taken on the task.

"They didn't get the funding for it so they couldn't lead the charge for Advertisement Quantcast it, so these guys kind of picked it up," Murphy said of the BCRC effort.

Murphy said the town of Bennington is "fully supportive of their efforts."

"Basically, it's a great marketing tool. It's an official, nationally recognized program," he said. "We support it. We'll support it any way we can. We'll be part of the marketing they do."

Murphy said the state's six approved byways generate up to 1,200 calls each month from potential visitors. "People want to travel. They're coming to Vermont, yes, but they don't want to come to Vermont and do the same old thing -- ride the highways. They want to look at the signs and find new things," he said.

LaBarge said organizers must now get approval from the additional municipalities. Once approval is granted, a corridor management plan must be developed and sent back to the municipal governments for approval. The plan is then sent along to the Vermont Scenery Preservation Council which reviews the plan and holds a public hearing to determine public support, he said.

If the council determines there is sufficient support and all towns approve the plan is sent on to the Vermont Transportation Board, which holds its own public hearing," LaBarge said.

"I know it seems redundant but the program was really set up to make sure there was local support and local approval," he said.

LaBarge said the proposed Shires Byway is "doing pretty well" and is well organized.

"I think it will make a tremendous byway with Hildene there and the Equinox and the historical value," he said. "There's a really good opportunity, there's a lot of history and there's a really nice story to tell the visitor if it's put together and marketed properly."

Contact Neal P. Goswami at [ngoswami@benningtonbanner.com](mailto:ngoswami@benningtonbanner.com)

BRATTLEBORO REFORMER:

Vt., two states sue NRC over waste storage By BOB AUDETTE / Reformer Staff

Wednesday February 16, 2011

BRATTLEBORO -- A generic review of the on-site storage of nuclear waste at Vermont Yankee nuclear power plant in Vernon is just not good enough, said Bill Sorrell, Vermont's Attorney General.



"A nuclear waste facility in the middle of the desert is very different from storing nuclear waste on the banks of a large river near heavily populated areas in the Northeast," said Sorrell.

Sorrell and the attorneys general of New York and Connecticut are asking a federal appeals court to force the Nuclear Regulatory Commission to reconsider a decision it made regarding its waste confidence rule.

The three-member commission of the NRC ruled in December 2010 that nuclear waste could be stored in pools or dry casks at the nation's 100-plus nuclear sites for 60 years after a reactor shuts down. Until then, the limit was 30 years.

In the lawsuit, the AGs claim the NRC violated federal laws requiring a site-by-site review of health, safety and environmental hazards.

The NRC rules state that a generic finding of "no significant impact" on the environment is all that is necessary, and a site-specific review of on-site waste storage is not necessary.

For the NRC to say "one-size-fits-all" without regard to any number of environmental issues is simply not acceptable, said Sorrell.

The lawsuit challenges two decisions by the NRC -- the "Temporary Storage Rule" and its accompanying "Waste Confidence Decision Advertisement Quantcast Update."

"Calling this a 'temporary' storage rule does not reflect reality when the rule allows spent nuclear fuel to be stored within Vermont's borders for several generations to come," said Sorrell. "To call 60 to 90 years temporary storage ... in our view, that's ridiculous. The NRC has to do a lot more homework to support this rule."

Neil Sheehan, spokesman for the NRC, said the NRC has carried out numerous studies on the safety of storing spent nuclear fuel at U.S. reactor sites. Studies included a complete re-examination of spent fuel pool safety and security issues following the Sept. 11, 2001, attacks. The evaluations concluded that it is safe to store this material in either circulating water spent fuel pools or in dry casks for at least 60 years beyond a plant's operational life, said Sheehan.

"We believe the Waste Confidence Rule has a solid legal foundation that is well explained in the Commission's decision," he said. "The rule is in full accord with earlier court decisions interpreting the Commission's obligations under the National Environmental Protection Act."

The Commission notified the public in 2009 it was updating the Waste Confidence Decision and received 158 letters containing comments, said Sheehan. The Vermont Attorney General's Office was among those to submit comments, which was responded to in the Federal Register on Dec. 23, 2010.

Sorrell was not happy with the NRC's response.

"They chose to either ignore our comments and suggestions or just didn't feel they were sufficiently serious or weighty enough to change what they wanted," he said.

Larry Smith, spokesman for Vermont Yankee, said the casks containing spent fuel in Vernon are designed and tested to prevent the release of radioactivity under the most extreme conditions -- earthquakes, tornadoes, hurricanes and floods.

He also said the reason the spent fuel has accumulated at sites such as Vermont Yankee is because of the failure of the U.S. Department of Energy to meet its commitment of collecting it and storing it in a national repository.

"Until the DOE takes the used fuel, we can and have been storing the fuel safely with negligible impact on safety or the environment," he said.

Critics of the power plant and the NRC applauded the decision to take the matter to court.

"I continue to believe that Yankee's spent fuel storage is too close to the Connecticut River," said Arnie Gundersen of Fairwinds Associates, a consulting firm tasked by the Vermont Legislature to review the adequacy of Yankee's decommissioning fund. "The site was chosen based on historical flooding, but scientific studies show precipitation will increase in New England in the future as a result of global climate change."

The NRC's waste confidence rule "Makes me wonder who the NRC is really protecting," said David Lochbaum, director of the Union of Concerned Scientist's Nuclear Safety Project.

"Vermont joins a long, long list of people suing the NRC because they are not protecting the public," he said. "Why do states like Vermont and New York have to sue the NRC seeking protection of their citizens?"

#### SEVEN DAYS BLURT BLOG:

##### VT Filmmakers Say Film Commission Is "Failing" at Its Mission

Almost exactly a year ago, the Associated Press ran a widely circulated article about the potential end of the Vermont Film Commission. The tiny state agency, headed by Executive Director Joe Bookchin, was threatened by then-Gov. Jim Douglas' budget cuts.

The VFC was spared. But now it faces a damning critique -- from some of Vermont's most prominent filmmakers.

The diverse group includes John O'Brien (Man With a Plan), Jay Craven (A Stranger in the Kingdom), David Giancola (who directed Anna Nicole Smith in her final role in *Illegal Aliens*) and Rusty "The Logger" DeWees.

This afternoon, a letter signed by 11 filmmakers was sent to Gov. Peter Shumlin and various state legislators. It calls for a "restructuring" (not elimination) of the VFC and opens thus:

We, the undersigned filmmakers, believe that, in its current form, the Vermont Film Commission (VFC) is squandering taxpayers' dollars and no longer effective for filmmakers, or Vermont. We recommend a re-structuring that will save money in the short term and, ultimately, produce new revenue for the state.

What's wrong with the VFC? The letter continues:

The original mission of the Vermont Film Commission was to attract Hollywood feature film productions and TV commercial shoots to Vermont. Over the years, the mission expanded to include the nurturing of in-state film and media production, distribution, and exhibition. Presently, the VFC is failing at both these missions.

Without a state program of tax incentives, the filmmakers point out, Vermont simply can't attract Hollywood folks. It's been over a decade since we hosted a big production. (That would be the Farrelly brothers' comedy *Me, Myself & Irene* and *What Lies Beneath*, both partially shot here in 1999.)

But tax incentives are "not viable at this time," the filmmakers acknowledge. There's no room in the state budget for the sort of perks that have made Boston into a magnet for Hollywood producers. (See *The Town*, *The Social Network*, *Shutter Island* and other big productions with Beantown shoots -- on which some Vermont-based film professionals were employed.)

if it's not luring Hollywood's big money, what's the purpose of the VFC? The letter's signers believe it should be "growing the Vermont filmmaking and new media industry that's here already."

They explain:

The Vermont film community is diverse, talented, far-flung and untapped. It includes: independent filmmakers; editors; actors; cinematographers; film crew professionals; exhibitors (cinema owners); teachers and students of new media (college and high school); inn keepers; restaurateurs; caterers; carpenters; musicians; video game programmers; even wedding videographers.

[...]

Furthermore, this is an industry that doesn't need to be "bribed" to do business in Vermont! Unfortunately, this community, and its potential, is being ignored by the VFC.

True, the VFC boasts a website where local film pros can post their resumes and offer their services. But the commission, the filmmakers say, isn't doing enough to address the nitty-gritty questions:

What can we do to keep our tech-savvy, new media graduates in the state? How can we help the independent Vermont producer make a \$3 million (or \$30,000) movie here, distribute it to 100 theatres around New England, and sell 50,000 DVDs at Vermont general stores? What is it going to take to get Vermont political candidates (or state-funded colleges, or Vermont hospitals, or the Vermont Lottery) to hire Vermont-based production companies to make their commercials?

At a time when online video is the new advertising frontier, the last question is the money shot.

The signers are asking: With a film commission to maintain a database of local talent, why do some big Vermont organizations look out of state for their TV and new-media PR? Do local film pros lack the skills to compete? Or are we selling them poorly?

The letter's signers believe the VFC is the problem, and they word their opinion strongly:

It's time to reform the VFC.

We need new leadership. As it stands now, no VFC would be better than what we have.

So, what's the solution?

The filmmakers offer two concrete proposals. First, they want Shumlin to "[e]liminate the [VFC's] Executive Director position and hire a part-time administrator" who would "start reaching out to the Vermont film industry, 'Hi. We're open for business. How can we help?'"

Second, they want to "[h]old several town meetings where the Vermont film community deliberates [on] the future of the VFC," elect an advisory panel and offer "recommendations for going forward by the start of the next legislative session."

In a nutshell: new leadership, more input from the grassroots filmmaking community. "As Vermonters," the signers write, "we believe that the state government is our government; likewise, as Vermont filmmakers, we believe that the Vermont Film Commission should be our commission."

To some Vermonters, all this may sound like inside baseball. Film and video don't exactly rank with maple syrup among our best-known exports. Still, the letter's signers include some heavy hitters. Besides the aforementioned O'Brien, Craven, DeWees and Giancola, they include

\* Eugene Jarecki and Claudia Becker, who own Waitsfield's Big Picture Theater & Café. Jarecki directed the Sundance Grand Jury Prize-winning documentary *Why We Fight*. His new documentary, *Reagan*, just premiered on HBO, and Deborah Solomon interviewed him in the *New York Times Magazine*.

\* Bess O'Brien, Craven's wife and director of *Shout It Out*, which has been screened at high schools around the state and honored by the National Education Association.

\* Art Bell, founder of Dreamlike Pictures.

\* George Woodard, dairy farmer, actor and director of the local fest favorite *The Summer of Walter Hacks*.

\* Lisa Merton and Alan Dater, Marlboro creators of the documentary *Taking Root: The Vision of Wangari Maathai*.

The signers represent a range of perspectives, too. Giancola, who has brought TV film crews to Vermont with his Rutland-based Edgewood Studios, was vocal in his support for tax incentives when the state legislature considered that option.

"When we bring a production in, not only do we spend a lot of money, but there's a huge trickle-down effect, and there's a tourism benefit," Giancola told me last February in a phone interview. The film industry, he added, is "about as environmentally friendly an industry as you can get. The worst thing we would do is blow up a used car."

Craven, for his part, thinks the state should focus more on fostering indigenous production. In an interview with me last year, he called tax incentives "more an economic development tool than a cultural development tool," adding, "film incentives are good in the absence of a national policy. But, in reality, it just gets the states competing for Hollywood movies."

Clearly, though, both filmmakers -- and their fellow signers -- believe the VFC needs to do more to support Vermont's burgeoning ranks of film and video professionals, or face the prospect of their departure. When I talked to Giancola, he mentioned skilled young people like Nathan Beaman -- who's worked on several of those big Boston productions -- and Mike Turner, who's done makeup effects for Edgewood.

Can the VFC give them reason to stick around? How does Exec Director Bookchin -- who got his job in the wake of a major house cleaning just four years ago -- respond to the filmmakers' broadside? We should find out in the next few days.

Maybe the outspoken Giancola -- who's a fount of anecdotes about the local antics of stars like Morgan Fairchild and James Coburn -- put it best. He said a year ago, "I love my state so much that I don't like where it's going. I'm not going to stop. I'm not going to give up on these guys."

#### Barre City Mayor Proposes New Occupancy Standards in Response to Seven Days Story

This afternoon, Barre City Mayor Thom Lauzon told *Seven Days* that on Tuesday night he intends to present the Barre City Council with new occupancy standards for all rental units in the city, and credits *Seven Days* for bringing the matter to his attention.

Lauzon said he first became aware of Barre City's lack of a maximum-occupancy limit for rental properties after reading a February 2 article in *Seven Days* about four Peruvian workers forced to live in an overcrowded house in Barre for the last three months.

The four Peruvians, all university students from Lima on summer break, expressed bitterness, disappointment and anger at the way they've been treated in Vermont. Each said she paid more than \$3000 for the opportunity to visit the United States under the federal J-1 Summer Work Travel Program, which allows foreign students to work here for as long as four months.

The women, who range in age from 18 to 23, were among 11 foreign workers hired by Fuad Ndibalema, owner of Somosaman Café in Montpelier, and housed in a five-bedroom, one-bathroom house in Barre City. Though men and women shared the house, there were no doors on the bedrooms, and the bathroom didn't have a lock.

Food-samosaman\_0-1

Several of the Peruvians claimed they had to share mattresses on the floor with strangers. One woman claimed that three women were assigned to share one mattress. All four Peruvians have since left the state.

Lauzon said he decided to propose the ordinance, which he modeled after the city of Burlington's, after reading in Seven Days that a Barre fire inspector had visited the house in December in response to a resident's complaint about overcrowding, but couldn't issue a citation because Barre City has no maximum-occupancy standards for homes like this one.

Barre City has been looking to update its housing ordinances for some time, Lauzon added, but he saw this as an easily correctible situation that could prevent future such abuses.

"It's certainly not our intent to discourage big families from living in Barre City," Lauzon said. "But I have an 18-year-old daughter, and I wouldn't want her living in those conditions... We can do better, and we should."

#### VERMONT TIGER:

##### Nuclear Plants Need To Make It On Their Own

Nuclear-costs If we need the energy, then we don't need to subsidize it. We've got better things to do with the money.

by Tom Evslin

Existing nukes are among the cheapest sources of electricity we have. They don't emit CO2 or anything else (other than water vapor) into the atmosphere. There is a solvable (see below) problem with nuclear waste.

So should new nuclear plants be built? The decision should be a scientific and economic and not a political one. New nuclear plants should NOT be subsidized any more than wind turbines and solar panels should be. If safe nuclear plants can't be financed and built economically, then they shouldn't be built. There should be no federal wealth insurance for either investors in nuclear plants or those who lend money to build them.

On the cost side of the ledger, nuclear opponents and proponents of competing forms of energy should not be allowed to impose inflated regulatory costs and unpredictable delays on nuclear construction. Nor should unsubsidized wind, solar, hydro, coal, natural gas, transmission line, or pipeline projects be stalled by serial spurious lawsuits and endless intervention.

Currently subsidies are available for almost every kind of energy project. Very generally speaking, Democrats like to subsidize "renewables" and Republicans like to subsidize oil drilling and nuclear. The compromise has been to "create a level playing field" by subsidizing everything. This approach keeps the campaign funds flowing from the subsidized industries – but is the enemy of both a reasonable budget and a reasonable energy policy based on economics.

There are two major subsidies for nuclear plants: loan guarantees and limitations on liabilities.

In March of 2010 President Obama made a gesture towards Republicans by announcing federal loan guarantees for two nuclear plants planned for Georgia; the guarantees were authorized during the second Bush administration. In theory the guarantees don't cost taxpayers anything because the plant builders pay a fee to the government. But, if the fee were adequate to obtain the loans commercially, there would be no need for the government guarantee. Below from the Washington Post story:

"President Obama seized a key Republican energy initiative as his own Tuesday, promising \$8.33 billion in federal loan guarantees for a pair of Georgia reactors that he said would give new life to the U.S. nuclear power industry and create a surge of high-skill jobs...

"Republicans, who have called for building as many as 100 new nuclear power plants, hailed the president's move as evidence that he has accepted their argument. Sen. Lindsey O. Graham (S.C.) called it a "good first step" that would pave the way for progress on climate and energy legislation....

"Nuclear power plants "are simply not economically competitive now, and therefore they can't be privately financed," said Peter Bradford, an adjunct professor at Vermont Law School and a former member of the Nuclear Regulatory Commission. "There are many cheaper ways to displace carbon, and there are many cheaper ways to provide for electric power supply."

See all the bipartisanship? It's not a good thing in this case. We won't know whether Professor Bradford is right or wrong about nuclear plants being economically viable if we distort the economics and provide wealth insurance to lenders.

The Price-Anderson Nuclear Industries Indemnity Act was first passed in 1957 and last renewed in 2006 for twenty years. It sets up a \$10 billion dollar industry-funded no fault insurance plan for nuclear accidents and says that any amount over \$10 billion will be supplied by the federal government. The rationale is that no company would take on the unlimited liability of a nuclear plant; a single accident could easily bankrupt a plant owner. Sounds right but it's actually nonsense. Investors always face the risk that their investment will disappear; there are lots of kinds of meltdown. The corporate structure protects investors from losing any more than the amount they invested. Investors might demand a higher return without the guarantee; but that's just the economics of the business. Meanwhile the existence of this particular guarantee feeds nuclear paranoia – why should the cap be necessary unless a very big accident has a significant probability? Note also that even the existence of another unwise cap on liability did not protect BP from the full cost of the Gulf spill.

The government certainly has a regulatory role to play with respect to nuclear power and almost all large scale projects. It's more likely to provide objective oversight when it is a neutral third party and does not have a financial stake in the success of the venture. Part of the regulatory role, however, is to say yes or no in a reasonable amount of time and to have that decision be final and actionable – not a prelude to endless litigation. There ought to be standard pre-approved designs for nuclear plants and a reasonable process – at industry expense – for getting a new design approved. Timely permitting alone would be a huge incentive to energy projects – without distorting the economics.

As part of its regulatory role, the government ought to allow the nuclear waste depository at Yucca Mountain – for which we've already paid a fortune – to function. The costs of the plant – other than those caused by politicking – ought to be paid, of course, by the operators of the plant who store waste there. By promising a depository and reneging, the government has left pockets of spent fuel spread around the country and perhaps accessible to terrorists. Failure to follow through on nuclear waste feeds anti-nuclear sentiment, which leads to more delay in licensing which leads to more calls for subsidies.

The first post in this series against federal wealth insurance is about subsidizing mortgages.

Okay. Then Maybe We Will Make a Federal Case Out of It

Attack-fort-sumter

another round is fired in the battle over Vermont Yankee

There will not be another vote in the legislature. And if there were, Vermont Yankee would almost certainly lose. Unless, that is, the one vote in the entire state that counts were to switch sides first. But Governor Shumlin remains opposed to relicensing.

So far.

But, of course, that is not the end of the story. As the CEO of Entergy made clear in a conference call with shareholders and analysts last week. Among what are called the "takeaways":

- \* We are committed to maintaining open and timely communications in Vermont, however great the challenge is for gaining public support in disproving the negative put in the public's mind that the age of the plant is determinant of its condition. That is essentially the position Governor Shumlin took last month when he said, "It was designed to be shut down in 2012, and that 40 years is up in 2012." He went on to say, "It's old, it's tired, and it should be retired."

- \* States or governors are certainly free to voice their opinions, but the NRC, which has jurisdiction on these matters, must deal with the facts. The truth is, what those in the industry already know to be true, that the 40-year license was based on the expected economic life, not the physical life, the nuclear plants were designed for. Recognizing this fact, the NRC set two principals in reviewing license renewal applications. First, that all operating plans provide and maintain an acceptable level of safety; and secondly, each plant's licensing basis is required to be maintained during the renewal term in the same manner and to the same extent as during the original licensing term. To that point, with the constant replacement of equipment and design upgrades, most of the 1970s vintage plants are in excellent operating condition, and Vermont Yankee's operating records certainly supports that fact.

- \* Efforts also continue to secure a new power purchase agreement with the Vermont Utilities. Negotiations had been ongoing for some time now, and we have made progress toward reaching agreement on key terms and conditions that would provide citizens of Vermont continued access to clean and affordable power. However, while we would certainly prefer to sell power in state, that is not a necessary condition, of course.

The CEO of a large, publicly held and traded company cannot say things like this as a mere "Go ahead. Dare you." The prudent course, for Vermont, would be to assume he is serious.

In a paradoxical fashion, we may be moving toward a scenario that doesn't make anyone happy but that everyone can live with. Except, of course, those for whom opposition to nuclear power in general – and Yankee in particular – is an article of faith. Governor Shumlin campaigned on a promise to shut Yankee down. The Senate vote against relicensing was accomplished under his leadership. But as governor, he would surely rather not have to account for the job losses and other economic consequences that would follow a shutdown. Better that he could say, "I did my best but I am not going to fire on Fort Sumter."

As the Brattleboro Reformer pointed out, it isn't as though the state would be getting rid of a clunker:

Over the last five years, Yankee has operated at a 94-percent capacity factor and has had two "breaker-to-breaker" runs. The employees acted in an amazingly rapid manner in finding, stopping and remediating the tritium leak. Entergy has invested millions of dollars in new equipment and performance upgrades. Vermont has one of the lowest electric rates in the country (which keeps large corporations such as IBM from relocating) and has the lowest carbon footprint in the nation. The plant pays 50 percent of the property taxes in Vernon. Its operation contributes \$100 million to Vermont economies.

It is easy to imagine a scenario, then, under which the plant continues to provide power and jobs, without state approval, while opponents remain opposed and supporters keep on quarreling, by habit, like partners in a long, loveless marriage.

It isn't a win-win. Or a win-lose. Or a lose-lose. More like a draw-draw.

There are, of course, other possible scenarios which we will explore in future posts.

VTDIGGER:

Insurance execs tell Committee to go slow on health care reform By Anne Galloway on February 16, 2011

Anya Rader Wallack, center-right, speaking before a joint meeting of the Senate Health and Welfare and House Health Care Committees. Center-left is Robin Lunge, a staff attorney with BISHCA. Photo by Josh Larkin.

Two insurance executives told the House Health Care Committee on Tuesday to go slow on plans for a single-payer health care system.

The committee listened to their testimony as part of their review of H.202, proposed legislation that would radically alter the state's existing medical nexus and move it toward a universal health care system.

Kevin Goddard, vice president for external affairs at Blue Cross Blue Shield of Vermont, said lawmakers ought to "start small and not look to include so many people" as it prepares to adopt legislation that would put Vermont on a path toward a universal medical plan for the state's residents.

See Also

\* Story + video: Bill puts Vermont on a health care budget

The creation of a single-payer health care system is Gov. Peter Shumlin's signature issue. He promised to create a universal insurance plan that would contain costs and provide access to care for all Vermonters.

The plan his administration introduced last week would require that insurance products for certain groups of Vermonters, including employers with fewer than 100 workers, be made available only through a state "exchange."

Goddard recommended that lawmakers start smaller, targeting companies that employ fewer than 50 people. Then, he suggested, they could move ahead with a more ambitious first stage of a three-phase proposal to transition the state from the existing health care delivery system to a single-payer plan.

"We put this out there to suggest to you today that perhaps on this issue you want to slow down," Goddard said.

The bill, H.202, which was introduced last week, sets the stage for the state to provide universal health care benefits to all residents. Health care providers in this system would be reimbursed through a single payment system, according to the bill.

The plan would be phased in over a six-year period, and the transition would occur in three phases.

In the first phase, the Shumlin administration proposes creating a "single-payer" exchange under the federal Affordable Care Act that would require individuals, state and municipal workers, teachers and small businesses to access health care insurance through one "exchange" that would be managed by the Department of Vermont Health Access.

Anya Rader Wallack, the special assistant to Gov. Peter Shumlin charged with creating the foundation for the single-payer system, gave testimony on H.202 last week. In her handout materials, she explained that the exchange would be used as "a platform to bring the benefits of administrative simplification, transparency and cost control to as much of the Vermont population as possible."



In the bill before the Legislature, the administration asks lawmakers for a year to design the exchange, which would include Medicaid, Medicare and workers' compensation, in addition to privately insured individuals and employees of small businesses.

Tom McKeown, executive director of Business Resource Services, an association that provides insurance to its 15,000 members, said the health care insurance system serves businesses with employees in the 50-100 range well.

"In our view it's (the system) not really broken for the 50-100 market, so why merge it?" McKeown said. "It's a functioning part of the market, so why not leave it intact?"

Companies that size prefer to have 12 to 14 different insurance plans to choose from, he said. Under the exchange, there will be two benefit plan options — silver or gold. McKeown complained the exchanges would eliminate incentives for business-based wellness programs.

"In terms of benefit design, we believe the plan should only cover what the federal plans require the state to cover," McKeown said. "This is a big financial risk. The state is required to put up whatever the difference is. There is no federal money.

"We're saying, start to get something that's sustainable," McKeown said. "Make it sustainable."

The committee also needs to consider how much competition the state will allow for insurers outside the exchange, according to McKeown.

Goddard said the Department of Vermont Health Access will be handling health care transactions, and lawmakers should "consider the role of state government in these state transactions."

#### PRESS RELEASE ON BUSINESS WIRE:

#### Vermont Launches Electronic Property Transfer Tax Return Service

MONTPELIER, Vt.--(BUSINESS WIRE)--The Vermont Department of Taxes today announced the launch of a dynamic new electronic service for filing property transfer tax returns (ePTTRs) online. Built at no cost to the state over a two-year period by the state's e-government partner, Vermont Information Consortium, the service incorporated requirements from key stakeholder groups including attorneys and town clerks.

"The new Property Transfer Tax Return service helps us continue our efforts to provide more electronic filing services to Vermonters to create efficiencies for users and the Department"

"The new Property Transfer Tax Return service helps us continue our efforts to provide more electronic filing services to Vermonters to create efficiencies for users and the Department," said Mary Peterson, Commissioner of the Department of Taxes.

The ePTTR service will streamline the property transfer process in Vermont for buyers/sellers and their attorneys, town clerks and the users of property transfer tax data - in several key ways: by providing more accurate and timely information about properties in the transfer of ownership; by allowing multiple parties to work on returns together electronically; and by expediting payment to the State via ACH Debit.

Accessible online 24/7/365 at <https://secure.vermont.gov/TAX/pttr>, the service has processed over 700 returns in its first three weeks. Built under the self-funded model by Vermont Information Consortium (VIC), the application rounds out an impressive suite of online services for the Department of Taxes, including BizFile, VTPay, Tax Refund Status and Homestead Declaration.

Former Orleans County deputy sheriff charged with neglect of duty and criminal trespass

By Press Release on February 15, 2011

FOR IMMEDIATE RELEASE

February 15, 2011

CONTACT:

Ultan Doyle

Assistant Attorney General

(802) 828-5585

Attorney General William H. Sorrell announced today that Russell E. Lindemann, age 39, of Brownington, Vermont was arraigned on February 15, in Vermont Superior Court, Criminal Division, Caledonia County, on one misdemeanor count of Neglect of Duty and one felony count of Unlawful Trespass.

According to papers filed in court, Mr. Lindemann is accused of executing a traffic stop without any lawful purpose while he was in his police cruiser, and entering a residence without the owner's permission. Mr. Lindemann entered a plea of not guilty to both charges. If convicted of Neglect of Duty, he faces up to one year in prison or a fine of up to \$1,000.00 or both, and if convicted of Unlawful Trespass, he faces up to three years in prison or a fine of up to \$500.00 or both. The court imposed standard conditions of release that govern Mr. Lindemann's conduct while his case is pending, including no contact with the alleged victim. Mr. Lindemann is no longer employed by the Orleans County Sheriff's Department.

THE STATE COLUMN:

Sen. Bernie Sanders: Delegation Joins Forces on Home Heating Assistance Sen. Bernie Sanders released the following statement:

BURLINGTON, Vt., Feb. 14 — The Vermont congressional delegation today opposed a White House budget proposal that would nearly cut in half a heating assistance program for seniors and low-income families with children.

Sen. Patrick Leahy (D-Vt.), a senior member of the Senate Appropriations Committee, said "heat in the winter is not a consumer choice. It's not a luxury." Instead of cutting heating assistance, Leahy said Congress should end tax breaks for oil companies that "are just using them to make obscene profits."

Sen. Bernie Sanders was the chief sponsor of a 2008 bill that increased federal heating assistance. He said he was disappointed in the president's budget proposal. "This senator will do everything he can to make sure that the budget is not balanced on the backs of the weak, the vulnerable, the sick or the old who can't afford to heat their homes in the winter," he said.

"This is simply wrong," added Rep. Peter Welch (D-Vt.). "We must not balance the budget at the expense of Vermonters struggling to heat their homes in winter. Instead of turning off the heat, we should be turning off the billions of dollars in subsidies we provide the oil industry."

The delegation led an effort in Congress that doubled funding for the Low-Income Home Energy Assistance Program to \$5.1 billion a year for the past three years. The program provides critical assistance for senior citizens, persons with disabilities, and low-income families with children.

Nationally, more than 8 million Americans rely on the program to stay warm in the winter. If Congress goes along with the president's budget proposal, more than 3 million Americans would be denied the help they need to keep their heat on during the winter.

Vermonters today are paying nearly \$3.50 a gallon on average for heating oil, up more than 70 cents a gallon from last year. At the same time, the average grant for Vermonters is less than it was last year because more families now qualify for help. About 27,000 Vermont households will receive assistance this year, up from 20,350 households last year.

Vermont Natural Resource Council announces staff changes

By Press Release on February 15, 2011

FOR IMMEDIATE RELEASE

February 15, 2011

CONTACT:

Elizabeth Courtney  
Executive Director  
802-223-2328

Montpelier, VT – Vermont Natural Resources Council Executive Director Elizabeth Courtney announced today that VNRC has made several changes to its staff responsibilities and titles.

VNRC's Sustainable Communities program director Brian Shupe has taken over as deputy director from Steve Holmes, who retired from VNRC at the end of 2010. Shupe has been the director of VNRC's Sustainable Communities program since joining VNRC in 2008. He will continue to direct that program in addition to serving as deputy director.

Holmes remains under contract with VNRC to manage special projects.

Jamey Fidel, VNRC's Forest and Biodiversity program director, will become VNRC's general counsel while continuing to direct forest and wildlife related programs.

Jon Groveman had served as general counsel and water program co-director until January when the Shumlin administration tapped him to serve as the general counsel of the Agency of Natural Resources.

Additional VNRC staff, and their titles include:

- \* Jake Brown, Government Affairs & Communications
- \* Kim Greenwood, Water Program Director
- \* Johanna Miller, Energy Program Director
- \* Stephanie Mueller, Development Director
- \* Nina Otter, Membership & Outreach Coordinator
- \* James Sharp, Office Manager & IT Coordinator

London, Sarah

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**From:** Allen, Susan  
**Sent:** Wednesday, February 09, 2011 6:13 AM  
**To:** Allen, Susan  
**Subject:** RE: Media clips for Wednesday, Feb. 9

**BANNER (CON'T):**

**PSB orders bi-weekly VY reports**

By BOB AUDETTE / Reformer Staff

Wednesday February 9, 2011

BRATTLEBORO -- The Vermont Public Service Board ordered Vermont Yankee's management to submit bi-weekly status reports related to an investigation and any remedial actions taken in response to the recent discovery that samples from another groundwater monitoring well were contaminated with tritium.

The PSB demanded that the reports be in the form of a sworn affidavit, with the first to be submitted on Friday.

Yankee management must continue to submit the reports "until such time as Entergy VY has identified the source and cause of the tritium leaking into the ... well," stated the order, which was issued on Feb. 7. "In its reports, Entergy VY shall address how the presence of the tritium ... relates, if at all, to the leaks now under investigation ..."

A spokesman for the New England Coalition, which opposes the continued operation of the nuclear power plant in Vernon, contended the PSB has ordered Vermont Yankee management to submit sworn affidavits because of its history of giving under oath before the board "false, misleading and inaccurate testimony."

"During January technical hearings ... Entergy witnesses led the board and intervenors to believe they had bound the tritium leaks; the leaks were identified, under control and remediation was going well," stated a press release from NEC.

"We now learn tritium had contaminated more wells than discussed at the hearings."

The well that tested positive for tritium in mid-January is about 150 feet north of a plume of contaminated groundwater that originated in a pipe tunnel associated with the plant's advanced off gas building.

In January 2010, Yankee revealed several groundwater monitoring wells were contaminated with tritium. Tritiated water was leaking from steam trap drain lines in the pipe tunnel. Because a sump pump in the tunnel was clogged with construction debris, contaminated water leaked into the environment through a gap in the tunnel's concrete shell.

In a letter submitted to the PSB on Jan. 28, Yankee management claimed the reason the board wasn't notified during the technical hearings about the discovery of tritiated water in the well north of the plume was "The machine used to analyze well samples was in need of repair."

Entergy wants the PSB to believe that its witnesses didn't know about the expanding contamination at the time of the technical hearings because they didn't have up-to-date sample data, stated the NEC's press release.

"The board appears to have reached its limit with respect to Entergy's 'honest-mistakes and misleading-by-omission testimony,'" said Clay Turnbull, spokesman for New England Coalition. "Entergy has brought this upon themselves. We're pleased the Public Service Board has taken this action."

Larry Smith, Yankee's director of communications, said the PSB's Feb. 7 order was under review and he had no further comment on it at this time.

Docket 7600 was opened by the PSB after the Conservation Law Foundation and the New England Coalition requested Entergy show cause why the plant should not be shut down until the leak was discovered and stopped and all remediation was complete.

The PSB is also investigating whether good cause exists to modify or revoke the power plant's Certificate of Public Good and whether any penalties should be imposed for any identified violations of Vermont statutes or board orders related to the releases.

The discovery of the tritium leak preceded the revelation that Yankee representatives had given inconsistent information to the state and its consultants regarding the extent of underground and buried piping at the plant.

The PSB opened an investigation into whether Yankee representatives knowingly gave inaccurate information to the state and its agents. Entergy also commissioned an independent investigation into the statements made, which absolved its employees of any wrongdoing.

However, five employees were suspended and six others reprimanded as a result of the statements made.

The Vermont Attorney General's office has been in the process of investigating whether false information was knowingly given to the state. The attorney general has not yet indicated when the report will be issued.

Bob Audette can be reached at [raudette@reformer.com](mailto:raudette@reformer.com), or at 802-254-2311, ext. 160.

## **KAISER HEALTH CARE:**

### **Vermont Gov. Proposes Single-Payer Health Plan**

By Aimee Miles

Vermont Gov. Peter Shumlin, who was elected last November after promising to reform health care in the state, unveiled a bill today that would abolish most forms of private health insurance and move state residents into a publicly funded insurance pool.

His much anticipated proposal lays out a strategy that leaves a number of key details—including how to pay for the system—open for debate.

Under Shumlin's "single-payer" system, Vermont residents would receive health benefits paid for by the state, regardless of their employment status or income. The plan is designed to help stem rising health costs, which state officials say have become unsustainable.

"Health care costs are climbing at a rate of more than 12 times the growth of the Vermont economy, and we're not getting the best value for our money," Shumlin said in a prepared statement. "The time for change has come."

Former Vermont governor Howard Dean, who unsuccessfully sought to institute a single-payer system in 1994, praised the effort.

"It makes a lot of sense and it'll save them a ton of money," he said in an interview.

Some Democrats advocated for a national single-payer plan when Congress was debating the federal health overhaul that passed in March, but that plan was never considered politically viable because of widespread opposition and concerns about cost. Even efforts to offer a public option insurance plan that would compete against private insurers for consumers' business failed after conservative Democratic senators refused to support it. Instead, the health law opted for tighter regulation of existing private plans, with a mandate that almost every American purchase health insurance.

Skeptics have questioned whether Shumlin's reform agenda is feasible. Lt. Gov. Phil Scott, a Republican, said before Shumlin's bill was released that he had received letters from a number of state residents who have concerns.

"They've heard about the bill and they've heard the thoughts, but the devil's in the details, and they'd like to see what it means to them," Scott said.

The governor's plan calls for creation of a health reform board this year to make recommendations for the plan. A full single-payer plan would not be operational before 2014.

Shumlin, a Democrat, has garnered some support for a health overhaul in the legislature, where Democrats overwhelmingly control both houses. The legislature had already commissioned its Harvard economist William Hsiao, who helped design Taiwan's single-payer system, along with MIT economist Jonathan Gruber and Vermont policy consultant Steve Kappel to provide recommendations on how to reform Vermont's health care system. Shumlin's plan takes many of those recommendations into account.

But Republicans in the state have raised concerns and business groups have not yet signed on. The state also will need to clear a series of administrative hurdles at the federal level.

#### **The Need For Waivers**

Shumlin's strategy seeks to take advantage of federal resources that will kick in under the new health law in 2014. By that time, every state is expected to have its own "health exchange," an online marketplace where consumers can shop for private health plans that meet new federal standards. Shumlin's proposal involves using federal funding to build and exchange infrastructure that could later be converted to support the single-payer system.

But because a single-payer plan is not sanctioned in the health law, Vermont would also need to secure waivers from the federal government in order to move forward with its plans.

"At each step of the way, we may be dealing with constraints as far as federal law, and march forward," said Anya Rader Wallack, Shumlin's special assistant on health care reform.

The federal health law allows states such as Vermont to request waivers to opt out of many of its requirements starting in 2017, so long as they present an alternative that would achieve the same goals—broader health coverage for more people—with equal or greater success.

But Vermont legislators, fearing that support could shift against single-payer during the next election cycle, don't want to wait another six years to deliver their reforms. They're hoping they'll be able to opt out of the health care law sooner.

That puts Vermont in a delicate position: for now, at least, the state will need to work out a plan to comply with the federal health law while simultaneously laying the groundwork for its own plan. To make matters more complicated, Vermont officials would also have to work with federal officials to make critical payment adjustments within Medicare, the federal health program for seniors and disabled individuals.

#### **Funding Is An Open Question**

The governor's team has not yet devised a way to pay for the new system. They plan to return to the legislature in 2013 with proposals, according to Wallack.

Hsiao and colleagues had earlier recommended that the state levy a payroll tax divided between employers and employees—an idea that raised alarm bells with small business owners.

Among them is Scott, who also owns a construction company. "I understand some of the arguments for this type of system was to take the burden off employers and I guess I'm not seeing where that burden is being moved," Scott said. Rick Rayfield, who owns a bookstore in Waitsfield, is tentatively in favor of a single-payer system—but wants to see how the legislature hammers out key details.

"It seems to me we're trying to develop a philosophy about who pays for healthcare without asking ourselves exactly what we're willing to pay for," he said. "We're being asked if a single-payer system is something we would like without saying what we're going get for it."

Still, Rayfield sees some advantages. "I guess I'm so overwhelmed by the stupid complexity of the (current) system as it is that I just adore the simplicity of the single-payer plan," he said.

Supporters of the change say the need is dire. They point to statistics showing that health spending more than doubled in Vermont between 1992 and 2009. Shumlin's office has estimated the state would save \$500 million in the first year of a single-payer plan.

That would come from reduced insurance marketing and administrative costs. Hospitals and physicians also lose time and money in filling out claims information for every private health plan they bill.

Shumlin's plan recommends paying physicians and hospitals in a way that encourages them to provide higher quality care without providing unnecessary services.

"There's a lot of smart things the governor's doing," Dean said. "The smartest thing of all is that he's ... saying, 'We're not going to come up with funding mechanism until we change the payment system.'"

#### **NEW YORK TIMES:**

##### **Vermont: Pete the Moose's Life Is on the Line, Again**

Patrick Berry, the state's wildlife commissioner, says lawmakers erred when they voted to save Pete the Moose, who gained thousands of online fans but in the process gave the owner of a private game preserve ownership of a wild animal herd. Mr. Berry commented Tuesday as lawmakers considered a bill that would repeal a May vote to save the moose from being euthanized amid concerns that he and other animals in an Irasburg preserve could spread disease. Now, lawmakers say native deer and moose should not be owned by anyone.

#### **BURLINGTON FREE PRESS:**

##### **Hunting park owner holds his ground**

MONTPELIER — An Irasburg businessman told lawmakers Tuesday he doesn't believe the public has any claim on the wild, native whitetail deer and moose trapped inside seven miles of fencing on his land.

A list of witnesses debated that point before the House Fish and Wildlife Committee as it considered the "Pete the Moose Bill," named for a semi-tame moose that lives behind the fence. Pete's fate has become a cause celebre among animal activists.

But Pete was pushed to the sidelines in Tuesday's testimony, as the committee considered broader issues and was treated to two starkly different pictures of Big Rack Ridge.

That's the property where Doug Nelson keeps a herd of imported elk, as well as the native animals including Pete. He sells hunters the privilege to shoot the elk for as much as \$12,500 an animal.

Fish and Wildlife Commissioner Patrick Berry told the committee that Big Rack Ridge is a "captive kill facility." He said the Legislature made a "terrible mistake" last year when it decided to remove his department's authority to regulate the operation and to allow Nelson to sell hunts for the native deer and moose.

"Wildlife is held in public trust for all Vermonters," Berry said. "There was a terrible mistake made last year in granting ownership of native wildlife to a private individual."

Pete, he said, is a "moose illegally taken from the wild."

But Nelson described his operation as a "game park" and tourist attraction and told the committee he has spent as much as \$100,000 a year feeding all his animals, including the natives.

He said Big Rack Ridge is not just for hunting, but has the potential to become the second-largest tourist destination in the Northeast Kingdom after the Jay Peak ski area.

Nelson described Pete as a "lost soul" given refuge at the game park after being abandoned by his mother.

He said he had failed to comply with past state regulations to remove all the native deer and moose because that meant seeing them killed. Although he himself plans to sell hunters the privilege to shoot the whitetails, he said he would continue to resist efforts to remove them by state-ordered killing.

(2 of 2)

The Fish and Wildlife Department, Nelson said, "is going to want to shoot the moose calves and shoot the fawns, and by God, they might have to shoot me."

## **Who owns the herd?**

In addition to running the hunting park, Nelson owns the state's largest dairy operation with 4,000 head, as well as a breeding facility and a restaurant that sells elkburgers.

Some number of wild deer and moose were trapped inside his fences when he started the hunting park a decade ago. He estimated the number at one or two moose and perhaps half-a-dozen whitetails.

Today, he said, there are about 140 whitetail inside the fence, and nine moose.

The Fish and Wildlife Department wants the animals removed because it contends — as do many Vermont hunters — that allowing Nelson to own the wild animals violates the state Constitution and sets a dangerous precedent.

The animals cannot simply be released, because biologists fear they could spread disease to the Vermont deer herd.

Nelson said if the state removed the native animals, "I would probably revert that land back to cornfields. The real lure (for customers) is whitetail and moose. ... I have people come in from Australia to see a moose."

## **Department lost oversight**

The Fish and Wildlife Committee is trying to undo last year's legislative action, in which lawmakers gave Big Rack Ridge special status. They stripped the Fish and Wildlife Department of authority over the operation and transferred oversight to the Agriculture Agency.

Nelson and the department were at a stalemate, with the department insisting the deer and moose must be killed. That also touched off a Save-Pete-the-Moose campaign that attracted national attention.

Last year's measure was drafted in secret and slipped into the must-pass state budget bill on the Legislature's final day. Many in the hunting community were outraged when they learned of the action.

It is a fundamental principle with most hunters that wildlife belongs to all the people. But running through the debate also is the belief of some hunters that captive facilities should not be allowed, because they violate good hunting ethics since the animals cannot escape the fence.

Berry told the committee that Big Rack Ridge always had been "very resistant" to state regulation and never had been in compliance with state rules, despite a decade of operation.

Nelson countered that his elk operation predated the Fish and Wildlife Board's regulation of hunting parks, and that he is "100 percent confident" he is running a clean, humane operation.

Committee Chairman David Deen, D-Westminster, said he hopes the committee can act on the bill next week.

Berry asked the committee to consider adding to the bill a deadline by which all native whitetails and moose would have to be removed — he did not say how — from Big Rack Ridge.

Contact Candace Page at 660-1865 or [cpage@burlingtonfreepress.com](mailto:cpage@burlingtonfreepress.com). To have Free Press headlines delivered free to your e-mail, sign up at [burlingtonfreepress.com/newsletters](http://burlingtonfreepress.com/newsletters).

**London, Sarah**

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**From:** Lofy, Bill  
**Sent:** Tuesday, February 08, 2011 9:41 AM  
**To:** Wallack, Anya; MacLean, Alex  
**Subject:** article

fyi

## **Health Care Showdown: Obama Administration Calls Out GOP Governors**

WASHINGTON -- The Obama administration is showing political tough love with Republican governors who criticized both the constitutionality and funding of the president's signature health care legislation.

On Monday, Press Secretary Robert Gibbs called out GOP leaders who were bemoaning the law -- and threatening to ignore its provisions -- while still taking the funds needed for implementation. Adding a bit of intrigue to the matter, Gibbs hinted that the White House would address some of the top Republican critics during an upcoming conference of governors later this month.

"[T]he implementation of this important law is moving forward," said the departing spokesman. "I don't know that we have had specific outreach [to Republican governors]. I know the governor's association is in town later this month, but our policy has and continues to be that implementation moves forward."

In private, health care policy operatives say, the administration's message has been even more direct. As Republican governors back lawsuits against the legislation, and threaten to return money budgeted for it, the president's team has let it be known that, absent state action, the onus lies on the federal government to implement the law.

"For a lot of things there is a federal backstop," explained one administration official. "States have the first crack at it, for the lack of a better phrase, and states are empowered to take the lead on things, that's what we wanted ... But at the same time we aren't going to allow someone not to get important consumer protections just because he has the misfortune of living in a state that doesn't like the law."

The threat of federal intervention is more motivating than any other card the administration has or can play, and it is felt most acutely with respect to the state-based exchanges, which are required to be operational by 2014.

Len Nichols, a health care policy expert with George Mason University, has consulted a number of state governments on implementing reform. And when he looks at how governors are handling the federal grants coming their way, he offers a simple set of questions:

"Are you confident you can beat Barack Obama in 2012? If the answer is no, and you say, 'I don't want to do reform and bet I can beat him,' if you lose, then Kathleen Sebelius will set up your exchange. Who wants that? No one. Not even Massachusetts."

"What the feds are basically saying is 'okay, fine, if we win then we are doing the exchange,' then every insurer in that state will panic," Nichols added.



Even Republican governors more or less agree. On Monday, Virginia Republican Bob McDonnell sent a letter to Sebelius requesting a series of clarifications as to how his state could opt-out or work around provisions of the Affordable Care Act. His Attorney General, meanwhile, has been at the forefront of lawsuits challenging health care reform's constitutionality, going so far as to request an expedited hearing from the Supreme Court. But until firmer answers are received, the governor is taking the money and working within the parameters of the legislation.

"All states are stuck between needing to implement the law of the land and realizing that parts of it are unconstitutional," explained McDonnell spokesman, Jeff Caldwell. "So what we want, which is what the governor has been pushing for, is a final resolution."

In Ohio, a similar reluctance has overcome the John Kasich administration.

"We cannot let the insurance exchange default to federal control, so we are moving forward with the planning that is required to make the exchange work best for Ohio," said Rob Nichols, press secretary for newly-elected Republican governor.

So far, in fact, only two states have the exchange requirement (Louisiana and Florida). Only one has returned money received for planning and implementing health care reform -- Florida, which sent back a \$1 million check.

Far more common are states (like Oklahoma, Wisconsin, and Alabama) suing to have at least one portion of the law (the individual mandate) overturned, while putting their individual imprints on reform in the meantime. A more clever tack is being taken by McDonnell in Virginia, in which language has been written to sunset the state exchange.

It is, Obama administration officials privately acknowledge, a remarkably wily feature of the legislative language. While the legal drama over health care plays out, state governments, insurers and individuals become more invested in seeing the reforms through. Should Obama lose re-election, circumstances will undoubtedly change. The same holds true if the Supreme Court determines that the individual mandate is unconstitutional.

But even then, the mandate could be severed from the rest of the bill, leaving Republican governors with no additional out from the process of reform.

"While you have this legal theater, the odds are that in the trenches, most states are going to take and spend the money," said Jonathan Oberlander, a health care policy professor at the University of North Carolina. "The further people get invested in this, not just the states but also the health care industry, it becomes harder to roll it back ... the more they get involved, the harder it becomes to reverse."

London, Sarah

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**From:** Allen, Susan  
**Sent:** Tuesday, February 08, 2011 9:22 AM  
**To:** Slota, Bianca; MacLean, Alex; Lofy, Bill; Wallack, Anya  
**Subject:** From today's Valley News (off yesterday's visit):

## **Shumlin To Pitch Health Bill**

### **Governor's Goal Is Single-Payer System**

**By John P. Gregg**  
**Valley News Staff Writer**

**White River Junction** -- Gov. Peter Shumlin today will file legislation to begin moving Vermont toward a single-payer health-care system by capitalizing on some of the reforms, and money available from Washington, in the new federal health care law.

Shumlin, in a meeting with *Valley News* editors, yesterday said his legislation to create a health-insurance exchange by 2014 -- a requirement of the Patient Protection and Affordable Care Act -- would establish a large pool of patients to simplify billing and payment systems while also helping hospitals and other providers obtain new technology to coordinate more seamless care.

As part of the insurance exchange plan, Shumlin also is seeking to establish a Vermont Health Reform Board that would oversee cost containment and payment reform. Shumlin's health-care adviser, Anya Rader Wallack, said some states are doing little with exchanges -- Utah, for instance, has created a website to provide information to consumers -- but that Vermont would be "sort of taking to the limit" what it might do under its exchange.

"We use that exchange as the engine for all sorts of delivery system reform and cost containment and administrative simplification that cuts across everyone who is in the exchange," said Rader Wallack, who also planned to meet with Dartmouth-Hitchcock officials yesterday to discuss Vermont reform plans.

Shumlin's second phase would establish a single-payer exchange, adding as much of the population in Vermont as possible to the pool, with a third phase calling for a waiver from the federal government to make the system publicly financed, rather than relying on health-insurance premiums normally tied to employment.

Shumlin repeatedly cited a recent report from health-care economist William Hsiao, which said Vermont could save \$500 million by moving to a single-payer system and acknowledged he is trying to implement many of the reforms Hsiao suggested.

"What I'm saying is as a governor I see huge opportunities here to take hundreds of millions of federal dollars and implement the reform of health care which a state, and all states, need, which is a single payer system that gets rid of the waste and gets the insurance companies off our providers' backs and allows our health care providers to make people healthy again, instead of simply hounding them to death," Shumlin said.

"That's the first piece. The second piece is we are thinking we can be the first state to reimburse providers based on outcomes, making people healthier, and have a payment system that rewards providers for keeping you healthy, not for the number of tests they run you through."

Shumlin has shied away from discussing how the system would be financed -- saying he first wants to prove to a skeptical business community that his plan will save them money in the long run. With only about 12 weeks left in the legislative session, Shumlin administration officials are seeking passage of a bill to establish the health exchange this year, with financing mechanism and other legislation likely to follow in 2012 or 2013. Federal law calls for the health insurance exchanges to be up and running by 2014.

Shumlin acknowledged that Hsiao's call for a payroll tax, in lieu of healthcare premiums, is a likely avenue to be pursued down the road. "There aren't very many options," Shumlin said. "It's very likely that we would rely on a payroll tax of some kind as part of the mix."

Shumlin spent the day touring the Upper Valley, speaking to a cultural geography class at Hartford High School, visiting the Good Neighbor Health Clinic in White River Junction, touring North Hartland Tool Corp., and seeing the prison work camp in Windsor.

At the clinic, which provides free care to needy and uninsured patients, at least two officials buttonholed Shumlin over a tax on providers that he is seeking to increase in order to leverage more Medicaid money from Washington. The proposal would also expand it to include dentists.

"I inherited a broken system," Shumlin said at one point, noting that he is trying to establish a single-payer system.

James Gold, who recently retired from his dental practice in East Thetford but provides free care at the clinic, told Shumlin the provider tax could prompt many dentists to set up shop in New Hampshire, rather than Vermont.

"Why don't you put in a sugar tax?" Gold said, alluding to the health problems, such as obesity, that are linked to soft drinks.

"Because the consumers will go across the river," Shumlin replied.

At North Hartland Tool, Shumlin visited with many of the machinists working on tools for the aerospace industry, and bantered with Fred Fleming, a quality manager at the plant who lives in Plainfield.

Shumlin thanked him for paying income taxes in Vermont and said he had tried to get New Hampshire Gov. John Lynch, a fellow Democrat, to consider a sales tax for his state.

"I told him 'I'd be happy to help you pass it,'" said Shumlin.

Shumlin's predecessor, Republican Jim Douglas, often also joked about trying to persuade Lynch to abandon his opposition to any new broadbased sales or income tax in New Hampshire during visits to the Upper Valley.

Shumlin yesterday reiterated his opposition to expanding Vermont's sales tax to services, but said he does support the proposal from the Blue Ribbon Tax Structure Commission to eliminate some tax breaks and base state income taxes on adjusted gross income, in return for lowering rates.

*John P. Gregg can be reached at [jgregg@vnews.com](mailto:jgregg@vnews.com) or 603-727-3213.*

London, Sarah

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**From:** Besio, Susan <Susan.Besio@ahs.state.vt.us>  
**Sent:** Friday, January 14, 2011 3:07 PM  
**To:** Anya Rader Wallack; Steve Kimbell; Robin Lunge; Peterson, Cliff; Doug Racine; Chen, Harry; Allen, Susan; MacLean, Alex  
**Subject:** RE: confusion on exchanges  
**Attachments:** image001.gif

Thanks Anya. Very helpful to have.

*Susan*

**Susan W. Besio, Ph.D.**  
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Vermont Health Care Reform  
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**From:** Anya Rader Wallack [mailto: [REDACTED]]  
**Sent:** Friday, January 14, 2011 9:53 AM  
**To:** Steve Kimbell; Robin Lunge; Cliff Peterson; Doug Racine; Chen, Harry; Susan Allen; Besio, Susan; Alex Maclean; Mark Larson; Jane Kitchel; Ayer, Claire  
**Subject:** Fwd: confusion on exchanges

FYI, in case you get the same question.

Anya

Begin forwarded message:

**From:** Anya Rader Wallack < [REDACTED] >  
**Date:** January 14, 2011 9:49:29 AM EST  
**To:** "Oxford, Ellen D." <[oxfeld@ \[REDACTED\]](mailto:oxfeld@ [REDACTED])>  
**Subject:** Re: confusion on exchanges

Ellen,

You are right, there is confusion. I will be writing a piece that tries to clarify soon. Bottom line is there is lots of state flexibility to shape the exchange and use it as the engine for change. We will be trying to take the VT exchange to the outer limits of what is possible.

On your specific questions, under current law there is no waiver from exchange until 2017. Congressional delegation is trying to move up to 2014. Some chance of success, but nowhere near a sure bet.

On second question, the reasons to do a state exchange are:

1. it is the vehicle through which we get federal funds both for development of infrastructure (eligibility and enrollment systems, cost containment mechanisms, etc) and, much more significantly, tax credits to help cover the uninsured. This amounts to hundreds of millions of \$ for VT from the feds.
2. I believe a state exchange can serve as the base for a single payer. There are disadvantages of the exchange (and we are still examining the legal limitations), but I think they are strongly outweighed by the advantages. Federal exchange is still to be defined, and I think it is risky to assume that it will allow us to get where we want to go. It is likely to be much more of the "shopping mall" type of exchange -- like Massachusetts -- and not have great clout, and it will only be available to people eligible for the new federal tax credits. We need something as close to one system, for all Vermonters, as we can get!

Hope this helps.

Anya

On Jan 14, 2011, at 9:29 AM, Oxfeld, Ellen D. wrote:

Hi Anya,

We have all been following the issue of exchanges, and I think there is still much confusion. It would be very good if these two issues could be clarified for the public, or at least those of us following health care, at some point. It would really be quite helpful. I intend to go to Robin Lunge's presentation on waivers on January 21<sup>st</sup>, but it would really be useful to have a framework.

Best wishes,  
Ellen Oxfeld

1. Is it possible to try for a waiver from the exchanges in 2014? That would get us out of the exchanges altogether, but allow us to use the federal \$\$\$ more creatively, as we already do with the global health commitment to health waiver (\$4.26 billion over three years). Bernie Sanders office has vowed to work for waivers if we pass and the governor signs a single payer bill, but not before that.

2. If the answer to Question 1 is NO, and we MUST do an exchange and cannot get a waiver until 2017, but if we also intend to move to an integrated publicly funded health care system for all Vermonters, why not do what Mark Larson asked about yesterday and just let the Feds create an exchange for us, especially if we want a waiver as early as 2017? Is it worth the effort to construct an exchange that we will dismantle three years later if the Feds will do it for us?