

## Newsletter for October 30, 2026: Thinking Outside the Box

Albert Einstein supposedly said, “We cannot solve a problem with the same level of thinking that created the problem.” Many others have said that to solve problems, you need to think outside the box, which amounts to the same thing.

Today in Vermont we have a host of problems that need to be solved: property taxes are too high and going up, healthcare and health insurance are too expensive, and going up even faster, housing is too expensive for both renters and buyers, energy – especially gasoline, diesel and heating oil – are stretching everyone’s budget to the breaking point, climate change is creating extreme weather events leading to forest fires at one extreme and flooding at the other, and the government in Washington seems to be out of control, threatening the very basis of our democracy.

These aren’t party issues – Republicans versus Democrats – they affect all of us, and for the most part both sides agree on what the problems are. But to be perfectly honest, neither party has done a lot to help this situation. I see denial on a massive scale: global warming is a hoax, we can’t afford to provide universal healthcare, we just need to spend less and everything will be okay, the “free market” will fix everything if we just leave it alone, cutting taxes for the wealthy will create more jobs, there’s no need to worry about runaway AI, drill, baby drill and so on.

I won’t argue that spending isn’t too high. It is. I won’t argue that taxes aren’t too high. They are. I cannot, however, believe that those are the only two factors that have caused our current plight. Anyone who tells you that the solution is just to cut spending – or raise the tax rate – isn’t telling you even half of the story. The truth is, it’s more complicated than that.

Here’s the problem: if the only tool you have is a hammer, everything looks like a nail. If that hammer is cutting spending and you apply it to everything, you are going to break a lot of stuff. Change that last sentence to say “raising taxes” instead of “cutting spending” and you don’t have to change anything else for the sentence to still be true. If you break stuff, you’d better be ready to replace it with something that will work better. Cutting spending or raising taxes is not a

solution. It is, at best, a tool – as a hammer is a tool – that you can use to build what you really need. But if your toolkit only has a hammer, you are going to have a tough time building anything.

So let's apply that thinking – that we need new tools in our toolkit – to the problems we now see in Vermont. Let's start with healthcare (and, by extension, health insurance). No one can argue that both are far too expensive. We spend more per person on healthcare than any other developed country in the world, about \$5 trillion each year. Even with all of that spending, we have millions of people without health insurance. A recent study from Yale University School of Public Health determined that if we implemented a universal, single-payer system for health insurance – call it “Medicare for All” if you like that name – we would spend only \$4 trillion per year. That's still a lot of money, but note the word “universal”: unlike our current system, everyone would be covered.

How can that be? The study's authors did in fact answer that question. Much of the savings would result in lowered costs for drugs. A national single payer would have the leverage to bargain down the price of pharmaceuticals. It wouldn't keep drug makers from making a profit, and it would still give them funding for research that would let them create newer and better treatments. The truth is, we already pay for much of the basic research behind today's medicines via grants to drug companies and universities (or at least we did before the Trump administration started slashing spending for scientific research).

But drug prices are only part of the story. The report's authors also claim that administrative costs would be reduced. That means more of the money you do pay for insurance (remember, Medicare is not free) would go to providing health care, and less of it would be paying for people who now have to fill out (at the hospital or doctor's office) and review/approve those forms (at the insurance company). Those forms would be simpler and consistent across all patients (remember, “single-payer”) which would make it easier to identify incorrect or fraudulent claims, another savings noted by the authors.

Let's talk for a minute about that overhead. Recently I had a conversation with representatives from the Green Mountain Care Board (GMCB). The GMCB regulates pricing for medical care for a portion of Vermont's citizens. When I asked them about that overhead and its effect on the cost of care, I was told that

“insurers spend \$0.97 of every dollar they receive from insurance premiums to pay for medical care received by patients they insure.

Now that is a remarkable number: supposedly insurers collect premiums and process those payments, receive, review and process claims, maintain their computer systems and software, pay their taxes, pay for the real estate their business occupies (most commercial real estate is leased, not owned), pay their employees salary and benefits, pay bonuses to executives, pay for staff training, energy costs, office supplies and everything else. All of this costs only 3% of what they collect from insurance premiums. Oh, and there is also the profit, which gets shared with their investors, either as dividends or through appreciation in the value of their stock. That is nothing short of amazing.

Why would anyone start a company where the return on investment all had to come out of less than 3% of gross income? I’m not saying the folks at GMCB are wrong. But on a purely business level, it doesn’t make a lot of sense.

Who would lose if we were able to transition to a universal, single payer system? Well, drug companies would see their profits fall somewhat. Investors in those companies might see a smaller return on their investments. The same might be true for insurance companies, who would presumably still be able to sell supplemental insurance policies (think “medigap”). Given their apparently minute profit margins now, who is to say if they would be better or worse off. Balance that against all of the American citizens who would have affordable and accessible healthcare.

The benefits don’t end there. Right now, everyone pays for health care. Those of us who buy insurance directly will see those premiums drop considerably under a universal single-payer system. If your employer “pays” for your health insurance, it seems fair that some of what they save would be paid to you in additional salary or other benefits. Municipalities and the state government are employers as well and most of their employees receive health insurance as part of their employment benefits package. Same for schools, where around 15% of their budget covers health insurance costs (and that is projected to rise to 20% by the end of this decade).

So if the cost of providing health insurance drops by 20% (remember, \$4 trillion versus \$5 trillion) and health insurance is 15% of the education budget for towns in Vermont, you should expect the education part of property taxes to decrease by 3% (20% of the current 15% it now costs). The same would apply to the cost of state employees, freeing up funds to invest in infrastructure maintenance, tax savings and, well, whatever you can get your legislators to use it for.

So far I have been talking about a national universal single-payer system. Would that work if Vermont tried it on its own? Given that we are a small state, we wouldn't have the leverage with drug pricing that a national program would have. But we might be able to form a regional multi-state "buying club" for pharmaceuticals with enough clout to make that happen.

So far, I've been talking about the cost of healthcare. The other side of that is, of course, availability. We already have a shortage of healthcare providers. Some of that might be addressed by the reduction of administrative work – filing claims for coverage, arguing for treatment the insurance company doesn't want to cover, and so. Ask any doctor: that is their least favorite part of their job. It takes up a lot of their time, and keeps them from being able to spend more time with their patients – the real reason they went into medicine, after all – and reduces the number of patients they can see in a given day.

I doubt that will be enough to make up for the increased demand for services that universal coverage would create. The honest answer is, we need more providers, especially primary care providers: physicians, physicians assistants, nurse practitioners and others. It costs about \$400 thousand to educate and train a primary care physician. At the end of their training, the average physician has around \$200 thousand in student loans. This tells you two things. First, they are going to be looking to practice in an area that pays physicians well; that will likely not be rural Vermont, where the need is greatest. Second, if they came out of college, medical school, internship, etc., having less debt than the cost of their training, they probably got some help along the way. To take on that much debt (\$200k is a lot of money!) most physicians come from families who can support them through their training at least to some extent in the first place. That means that there is a selection process right at the start, and it selects more on ability to pay at least as much as it does on ability to be a good healthcare provider.

Here's my proposal: identify motivated students with a strong interest in biological sciences and a desire to work in healthcare when they are seniors in high school (or during their junior college years) and make them an offer they can't refuse: pay their expenses – tuition and a stipend to help with living expense – through undergraduate and medical school so they don't incur that huge debt.

You'll end up with healthcare providers who don't have to choose where they work based on pay, because they don't have that debt to pay off. You'll also be selecting from a larger and more diverse pool of applicants, meaning you are more likely to be producing physicians who can better relate to a diverse patient pool.

So what happens if they decide not to go into medicine, or flunk out (it happens). The payment they receive will not be an outright gift; it will come with some strings attached. If they drop out, or change career goals to something outside of healthcare, that "free tuition" becomes a low-interest loan. If they move from med school to say, nursing, it still might be a forgivable loan.

I didn't mention the hook: once they are done with their training, they have to stay in Vermont, preferably in a rural area, for at least 10 years. If they decide to leave, the funds they received revert to a loan that is pro-rated based on the number of years they did actually practice in Vermont. While I would sure like to see a universal single-payer plan for healthcare implemented in Vermont, this idea for training healthcare workers does not depend on it. We already have a shortage, this will help alleviate it.

So where do we put all of these newly minted healthcare professionals? I have the perfect place. If you visit Arlington, you'll find the Battenkill Valley Community Health Center. It's a Federally Qualified Health Center (FQHC) so it receives some funding from the Federal government. It also receives funds from patients, according to their ability to pay. Plus, it's a 501(c)(3) non-profit so it receives donations from businesses and individuals. It has a good relationship with Mack Molding who benefits from having a local clinic for their employees and it receives some funding from them as well. It's exactly the kind of public/private partnership that we need more of. In addition to medical care, they provide dental care and behavioral health care. They are also plugged in to all of the other

agencies, non-profit and otherwise, who provide goods and services to those in need. It's an amazing one-stop-shop and a real asset to the community.

What I'd like to do is copy and paste this clinic all over the state. The goal should be that no one has to drive more than about 20 minutes to get to see their primary care provider (or dentist or therapist). It's not a hospital, and won't replace a regional hospital like SVMC in Bennington. But it doesn't have the cost footprint of a hospital, and relies heavily on physicians assistants and nurse practitioners with a primary care physician on site to back them up. It's a great model for providing basic, low-cost primary care.

This isn't everything I have in mind once I am in the legislature (ask me about Public Banking some time) but it's likely the last time I'll be able to sit down and write before the election. I chose healthcare as the topic because its ever-escalating cost underlies the cost of virtually everything else. I wanted to give you an in-depth look at what I am thinking about and why. This is new thinking, not putting a patch on the old system, but designing a solution that meets our needs now and in the future. I hope you give me the opportunity to show you more.