Con Hogan – Seasoned Elder of Green Mountain Care Board

by Roberta Nubile

Cornelius Hogan is a modern renaissance man. His experiences range from being a corrections officer to a musician, from published writer to corporate head, from horse farmer to government official. Widely known in Vermont by his nickname Con, Hogan is now the wise and seasoned elder of the Green Mountain Care Board, helping to turn Vermont's burgeoning health care reform into public reality.

When I drove up to Con and Jeannette Hogan's home on a dirt road in Plainfield, I looked for the horses I had read about on Con's website. Seeing none, I assumed he no longer had time for horses. In fact, the couple still runs East Hill Farm's boarding and training stable with their daughter, Ruth Hogan-Poulsen and trainer Kamont children and their families." The program's measurable outcomes included the number of home visits after birth offered to every Vermont mother, increased numbers of Vermont children with health insurance, a decrease in child abuse and a decrease in children's lead levels. Lead is known to affect brain development in children, and lead paint is often found in Vermont's old houses.

It Takes a Village

One unique aspect of Success by Six was its goal to engage the larger community, including churches and schools, to help achieve the state's desired outcomes. Hogan said, "If you can break info down to local communities, so they can begin to grapple with the problems, so problems are not all being dumped on the dumped-on front door of government agencies, then you have done something important."

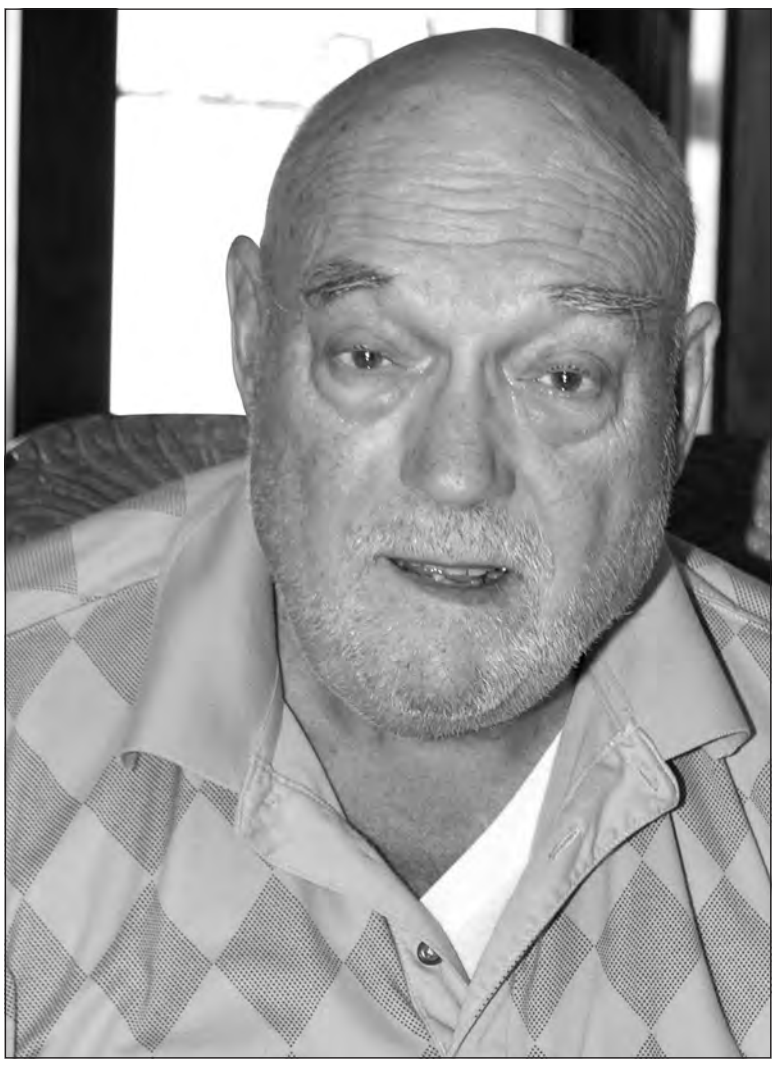

photo: Jan Doerler
Con Hogan pauses for a chat in his home office in Plainfield.

> **"The cost of healthcare has risen so fast . . . it is on the edge of affecting the quality of healthcare. We haven't felt it yet, but it is coming."**
>
> *—Con Hogan*

thie Moulton. I got to see the horses after the interview, pastured just down the road.

I was there to ask Hogan to help *Vermont Woman* readers more deeply understand the current health care crisis, and whether he could interpret new terminology. He perhaps knew how the board intended to fix the crisis and, frankly, whether it was really fixable. What immediately becomes apparent when talking to Hogan is the breadth of experience that informs his reflective wisdom.

Losing Flexibility

Hogan's version of the health care crisis goes like this: "The cost of health care has risen so fast," he told me, "it is on the edge of affecting the quality of health care. We haven't felt it yet, but it is coming. There are still thousands of people in Vermont who have no coverage. Those who have coverage are being priced out of it. And they don't have 'comprehensive care' anymore. It is so big that it represents $5.2 billion dollars a year in Vermont. That's money out of our wallets—20 percent of Vermont's total economic activity. The cost of health care is now squeezing out wages, childcare, programs for the poor. Vermont is losing its flexibility to deal with problems it has."

Hogan knows Vermont's problems firsthand, as the longest-standing head of Vermont's Agency of Human Services, from 1991 to 1999, working first with Republican Gov. Richard Snelling and then with Democratic Gov. Howard Dean. "Due to heath care costs," Hogan said, "we are losing the ability to stay even, or make progress. Not just in human services, but all government."

Looking at the scope of Hogan's work in human services and other areas, we see his leadership: his ability to think out of the box, and his courage to try new approaches to old problems. This is heartening, as this practiced leader takes on health care. One example of Hogan's leadership is in his passion: children's welfare.

"I was unexpectedly asked to head up Dick Snelling's transition team, and he asked me to take on human services," said Hogan. He didn't think he was qualified, or more accurately, he wasn't willing to simply slash budget items. So he asked himself, "Was there a way to broaden our focus? To have an impact with long term results?'"

Out of those questions came the program, "Success by Six," described in the 2004 Agency of Human Resources annual report as "a unified strategy to promote better outcomes for all Vermont children and their families." The program's measurable outcomes included the number of home visits after birth offered to every Vermont mother, increased numbers of Vermont children with health insurance, a decrease in child abuse and a decrease in children's lead levels. Lead is known to affect brain development in children, and lead paint is often found in Vermont's old houses.

Hogan said his longevity as secretary of Vermont Human Services accounts for the Success by Six program. "I had a chance to really work with folks. It started as a theory, but I could follow it through."

Hogan eventually took this collaborative form of work into communities abroad. He travelled with Jeannette to Norway, Israel, Northern Ireland, Scotland, Chile and Australia, introducing this fresh idea of shared responsibility, dealing with community issues.

The concept of shared responsibility permeates much of Hogan's work, and we can see it in his view of health care reform. Community is his bottom line.

Hogan said that three opportunities influenced him, combining to create his present work's perspective. First came his efforts during the Dean administration to help establish the Vermont Health Access Plan (VHAP). Next came the influential book, *At the Crossroads: The Future of Healthcare in Vermont,* co-authored with Deb Richter, M.D., of Montpelier, former president of Physicians for a National Health Program, and her advocate husband, Terry Doran. Hogan also began to spend time consulting in other countries.

"I came out of that period with a great sense of frustration and foreboding—that this thing is out of control, and would get worse," he said about writing the book, which was published in 2006. "I spent ten years working overseas, mostly in Europe. Every country had some form of single payer universal health care system—all different. Their per capita costs were about half of ours, and the quality of care was better.

"The work in healthcare reform during the Douglas administration by Peter Welch and others was influenced by At the Crossroads. Every committee member was carrying that book; it was underlined, and people tabbed it. People got it." (Legislator Peter Welch of White River Junction, first elected in 2006, now sits in Vermont's sole seat in the U.S. House of Representatives.) That experience, along with unique perspectives he gained, has shaped Hogan's present view of what is not working in Vermont health care, and how it can be improved.

Hogan's Road to Health

Catamount Health Care, which came out of that time, wasn't all that was hoped for by those in favor of affordable health care for all in Vermont, and a proposed single payer bill failed. But these early efforts, and rumblings and yearnings for reform, led the way for the controversial health care design study by Harvard economics professor and health policy expert Dr. William Hsiao. Hogan was instrumental in suggesting the Hsiao study, which provided three options for health care: no change, pure single-payer health care, and modified single payer.

"The general gist of the study," said Hogan, "is that if it were a pure single-payer system we would have $500,000 savings off the cost of $5.2 billion. And it would be comprehensive care. Hsiao's mistake," Hogan continued, "was that he promoted a particular way to pay for it. He proposed a 12-14 percent payroll tax, and politically that didn't fly, and it got put aside. Act 48, the healthcare reform bill that passed in 2011, establishing a single payer system [in 2017], was then created with Anya Rader Wallack doing that work. It's a really powerful piece of legislation."

Wallack went on to become the chair of the Green Mountain Care Board (GMCB); she will step down in September, replaced by fellow GMCB member, Al Gobeille.

One of the tenets in Hogan's *At the Crossroads* book is that health care is a shared service, that it is population-based, not individually based—more like police, emergency or roads than private enterprise. It is a huge concept and, according to Hogan, "A lot of people have trouble crossing that bridge. Health care is a public good. And if you can accept that we are all in this together—sometimes we are healthy, and sometimes we are unhealthy—then you are in a position to talk about really covering everyone with comprehensive care. It's a different ballgame than the way health care started in this country." After World War II, when companies were having trouble hiring people, they started offering health care as a benefit to attract the workers they needed. That worked for a while, but in the last 20 years, as costs have increased, benefits start to slide, priced out of the market.

Hogan said, "Businesses began cutting their care benefits. The government is not paying its fair share. If we can get to the point where Vermont has a system that controls costs and keeps quality, you couldn't keep business out of Vermont. We would have the greatest economic renaissance the state has ever seen. Suddenly business won't have to pay the primary cost of health care for all their employees." Hogan believes businesses would then be freer to reward workers with pay raises.

"The multiple payment system we use today requires a horrendous amount of transactions, paperwork, and represents total administrative costs of 20 percent of health care; 10 percent is for transaction costs, alone. Just finding out how people pay [for health care], costs approximately over half-a-billion dollars." With annual healthcare costs of $5.2 billion, Vermont could find that extra money

Real Benefits, Not Lip Service

Karen Hein, M.D., another of the five Green Mountain Care Board members, explained "community benefit" and why that term matters to hospitals. In order to be granted non-profit status by the IRS, which exempts an organization from paying taxes, a hospital must say how its work provides "a community benefit." Until recently, this term was vague and unenforceable at the federal level; the line between a non-profit and a for-profit hospital became increasingly blurred.

While a "community health needs assessment (CHNA)" has been required for years, prior to Obamacare in 2010 the form the CHNA took has been highly variable: everything from a quick and dirty survey at the admissions desk to extensive online community surveys.

The way a hospital applied its CHNA research to specific community goals also varied from hospital to hospital. It got administered less than uniformly; how accountable the hospital was to some measure of specific "community benefits" also was spotty.

Now, there is increased scrutiny and focus on non-profit hospitals and the CHNA must demonstrate itself in a more standardized way on the federal tax form. All 14 hospitals in Vermont are non-profits, said Hein, adding that Vermont has enlisted help from Sara Rosenbaum, a George Washington University health policy lawyer and expert in CHNAs, to form a more standardized and measurable approach in Vermont. GMCB recently approved the wording for providing guidance for hospital reporting around CHNAs.

Hein said she is "excited by the potential for improved patient care. This is a great opportunity for a hospital not to just say you are for the public good, but you have to demonstrate it. That's what is new and different." Hospitals will be charged with finding a way to tap into their communities, give an indication that they have thought about what they learned, find a way to implement a strategy to address the identified needs, and show in their hospital budget going forward where they are doing this.

Hein said the healthcare reform board provides guidance to the hospitals in all of these steps. She reports the Vt. Health Department has stepped in to provide seed money to hospitals to get teams together to think about the new CHNA process.

comes in handy.

The Dread Word

How is this going to be paid for? With taxes?

"We will be substituting tax money for [privately paid] premiums, and taking advantage of a generous federal bill," said Hogan, admitting, "All the numbers aren't laid out, but there will be substantial tax credits provided as you move down the economic scale. Add that to savings in administrative costs, and our belief is, as initial numbers are showing already, we can cover everyone with universal, comprehensive coverage with the same money we are spending now on an ineffective system."

How do we get from here to there, from theory to practice?

"It is a two-phase process," answers Hogan, whose horsemanship comes into play. "First is getting hold of the existing system. It's like riding a crazy bronco. It's regulating and controlling hospital budgets, insurance costs, certificate of need work—and that is for the existing system.

"Then it's beginning to do the planning and homework for the theoretical new system of 2017" when a single-payer system is projected to be in place in Vermont. "Most of our work up to this point has been, and still is, to bring the numbers down, to very close to or at the level of inflation, to really begin to put together a program for the future," Hogan says.

"A lot of it is not our job," he says on behalf of the five members of GMCB. "We have the Shumlin administration, we have task forces. Our job is virtually at every step, to approve, disapprove, re-adjust. I have been in and out of government, and have never seen a singularity of purpose across the whole horizon as I do now in the health care reform movement."

Hogan admits that no one knows what the collection process for revenue will look like, or how exactly Vermont's health care will be paid for. But he counts this progress: "The thing that has changed in the minds of Vermonters, based on our polling, is that they now understand we cannot keep going the way we are going. There are people who currently have great insurance. Change is hard for everybody. My thinking has not changed, but I am willing to chase this thing—as other board members are—to the best possible situation we Vermonters can get together."

Immediate & Long-Term

While looking at cost containment is the present task of the GMCB, it is already phasing into payment reform studies (see sidebar on page 26) that will provide the infrastructure or system under which to operate most efficiently. "There has never been an infrastructure to do this before," said Hogan. "That is the value of having an independent board. We can chase these things, and see what they mean, and make them bigger.

"One of my passions is the idea of community assessments (see sidebar on bottom of previous page). Why is this important? Because this is a move toward 'population health' in a region. That is the connection we want to make with our hospital budgets."

Under the terms of the federal Affordable Care Act, or Obamacare, Vermont had to make a choice for creating a state exchange for the existing prevalent private insurance programs, rather than immediately installing the single-payer system that Vermont's Act 48 created.

Vermont did not have the option to change its benefits (many of which are funded by the federal programs Medicaid and Medicare,) and won't have the option until 2017. So Vermont's short-term goal is to get the exchange going for 2014. Then as 2015 comes along, when we really start planning for 2017, Vermont may opt to reconstruct the benefit package to work for as many people as it can.

Said Hogan, "For example, right now, we don't have much of a dental program. Each of us board members has a listing of people whom we've talked to, and made requests. In a year or so from now, we will begin to fashion what the information-gathering efforts look like. Some Vermonters are asking for alternative medicine approaches. Our criteria are: Is it scientific? Is there evidence?" Hogan's experience, as Human Services director, looking at measureable outcomes, will count here.

Keeping It Real

One and a half years into the process of reform, I was curious what has surprised Hogan. "I shouldn't be surprised," he said, "but it is how nervous people in the field are. When you start talking about how people get paid, what they get paid, what they get paid for, there are a remarkable number of people that want to see change, but are scared, and afraid of it.

"That's where Anya [Rader Wallack] has done such an amazing job," he said. "I mean that we've been able to conduct this business as close to a collaborative basis as you can. Notice there haven't been any major wars at this stage of the game. Her requirement was that people trust each other as individuals. They may be a little distrustful as to where all this is going to take us, but they know the state is not out to kill them. Change is hard; it's slow, it's difficult. And this is a complex process." But Hogan has been there before. He has faith in that process Vermonters call democracy.

"When we took office, the GMCB was told it was covered by an act that requires 'open meetings,' where if there are more than two people in the room, it is considered a public meeting. I worried we wouldn't have the deliberative opportunities to think things

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In 1991, Hogan (left) was appointed as Secretary of Human Services by Governor Richard Snelling (center). Jeannette Hogan (right) was always at his side.

photo: Jan Doerler

Con and his wife Jeannette stop to visit their favorite horse, Watermark (aka Rain), at their East Hill Farm stable.