Why a Resolution on Universal Primary Care is Town Business

By Mike Palmer, Cornwall

Across Vermont, dozens of residents in at least seven towns have collected over 1,000 signatures to warn a resolution for Town Meeting Day that calls on the Legislature to act on H.433, a bill designed to implement universal primary care. The resolution is straightforward (emphasis added):

> Shall the voters of [the Town] call upon the General Assembly to **discuss, take testimony, and vote** on H.433 during the 2026 session? H.433 is an Act Relating to Incremental Implementation of Green Mountain Care that would establish publicly financed universal primary care, mental health services, and substance use treatment as a first step in phasing in universal health care for all Vermont residents.

After obtaining signatures of more than 5% of voters, organizers in some towns learned that local officials had decided that their selectboard did not need to vote on whether to warn the resolution, having concluded that it did not concern "town business."

This conclusion is wrong. In 2026, the rising cost of health insurance is not just a matter of social policy; it is the single most volatile line item in the municipal ledger. Thus, the town's selectboard has a duty under 24 V.S.A. § 872 to attend to it as part of its "general supervision of the affairs of the town."

The Municipal Ledger: A Case Study. To understand why the cost of health care is town business, let's look at the budget for the Town of Middlebury.

In Middlebury's FY 2027 budget, the cost for employee medical and dental insurance stands at over $1.3 million. $1.3 million is 8.3% of the town's total expenses, making it the second-largest line item after salaries.[1]

While Social Security rose by 3.4% from last year to this, our town's health costs are moving at almost *four times* that rate. A **26% surge** from 2024 to now isn't just inflation; it's a runaway cost matched by no other line item in the budget. This double-digit inflation is unsustainable. It consumes tax dollars that should be paving roads, maintaining bridges, enhancing the library, or funding the fire department.

If universal primary care could reduce this burden by even 5%, Middlebury would save nearly $65,000 annually—enough to fully fund its canine program, safety training, dog warden, health and social services, and "other charges" combined.

[1] Middlebury's proposed General Fund Budget for FY2026 is available on the Town's website.

Eliminating the "Waste Tax." Towns are **market participants**. They purchase insurance just like they purchase road salt or police services. With health care, they are being forced to buy a defective product.

According to major studies, roughly **25%** of U.S. healthcare spending is **waste**.[2] This isn't money buying better health; it is money lost to administrative complexity, pricing failures, and fragmented care. In the private sector, this is called inefficiency. In the public sector, it is a waste of taxpayer money.

Universal primary care will reduce waste and lead to better health and health care for Vermonters. For example, Vermont's own **Blueprint for Health** delivers whole-person primary care that focuses heavily on chronic disease management and prevention. A study of Blueprint for Health concluded that "overall medical expenditures **decreased by around $5.8 million for every $1 million spent** on the Blueprint."[3]

Despite treating a population with higher clinical complexity (social drivers of health, lower income), the **11 Federally Qualified Health Centers** (FQHCs) in Vermont operate on a model that integrates mental health, dental, and primary care under one roof—the exact "coordinated care" model that researchers have identified as necessary to stop fragmentation waste. And it works! Research published in the *American Journal of Public Health* found that care provided at FQHCs **reduced total medical spending by 24%** compared to other providers, primarily by preventing expensive hospital visits.[4]

The Oliver Wyman Report identified **over $300 million** in potential savings from expanding access to primary care, thereby preventing avoidable emergency department visits.[5]

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[2] *See* William H. Shrank, Teresa L. Rogstad, and Natasha Parekh, "Waste in the US Health Care System Estimated Costs and Potential for Savings," 322 *J. Amer. Med. Ass'n* 1501 (Oct. 7, 2019). This study, which has been cited 1,317 times, is based on the groundbreaking study by Donald Berwick and Andrew Hackbarth, "Eliminating Waste in US Health Care," *J. Amer. Med. Ass'n* 1513 (April 11, 2012), which has been cited 2,557 times.

[3] *See, e.g.,* Linda McCauley, *et al.*, *Implementing High-Quality Primary Care: Rebuilding the Foundation of Health Care* 149 (The National Academies Press, 2021).

[4] *See* Robert S. Noco, *et al.,* "Health Care Use and Spending for Medicaid Enrollees in Federally Qualified Health Centers Versus Other Primary Care Settings," 106 *American Journal of Public Health* 1981 (November 1, 2016)(total spending for Medicaid patients treated at FQHCs was 24% lower than for similar patients treated elsewhere; savings were driven by a **33% lower spending on specialty care** and **25% fewer inpatient admissions**). *See also* Vicki Fung, *et al.*, "Opportunities and Challenges for the Federally Qualified Health Center Program: A Critical Review," 47 *Annu. Rev. Public Health* 3.1, 3.5 (2026)(FQHCs help to reduce costly ED visits, particularly for nonemergent conditions that can be treated in office-based settings).

[5] Oliver Wyman, "Act 167 Community engagement: Recommendations," Green Mountain Care Board 14 (August 2024).

Because **187,800 underinsured Vermonters** cannot afford to pay the out-of-pocket costs of primary care, minor issues become major emergencies.[6] The cost of those emergencies is passed on to employers—including towns—in the form of higher premiums.

H.433 proposes a universal primary care model that would eliminate the administrative churn and focus resources on keeping all Vermonters well and preventing highly expensive chronic illnesses, unnecessary surgeries, fragmented care, and other forms of waste. For towns, asking the legislature to take testimony on this bill is not political advocacy; it is an attempt to stop imposing a "waste tax" on local residents.

The Two Pockets Problem. Finally, we must acknowledge the broader tax crisis. While the Town and the School District are separate legal entities, they draw from the same wallet: the property taxpayer.

Rising healthcare costs are a primary driver of **school budget increases**. Consider the Addison Central School District, where health insurance consumes nearly $5 million—over 12% of the budget. When school taxes must rise to cover these premiums, the town's own fiscal capacity shrinks. Taxpayers, tapped out by school costs, become hostile to necessary municipal bonds or just taxes in general.

The selectboard has a fiduciary duty under **24 V.S.A. § 872** to supervise the town's financial affairs. When a broken state-level market threatens the town's tax base, asking the General Assembly to take testimony on a bill that could solve the problem is a discharge of that duty.

Conclusion. The proponents of the H.433 resolution are not asking our selectboards to solve the healthcare crisis. We are asking them to use the only tool they have—a formal resolution—to demand that the state fix a market that is bleeding local budgets dry.

Voters have a right to weigh in on how their money is spent. And right now, far too much of it is being spent on the waste and inflation of a broken healthcare system. That is, undeniably, town business.

[6] Vermont Department of Health, 2025 Vermont Household Health Insurance Survey 48 (May 2025).