

## Mack Molding hosts governor for firsthand look at business

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ARLINGTON -- Governor Peter Shumlin toured Mack Molding headquarters in Arlington Monday and later talked to company officials about the challenges businesses face and the rising cost of health care.

Between its three Vermont plants -- two in Arlington and one in Cavendish -- Mack Molding employees about 400 people in the state. It also has operations in the Carolinas, but is primarily a Vermont company that focuses on making complex, hard to ship parts for various products and high-end medical equipment.

Shumlin said he'd come to get an idea of the difficulties Mack Molding is confronting. One of the main topics was the rising cost of health care.

Kevin Dailey, director of Mack's Human Resources Department, said the company has been proactive in keeping the cost of health care down. For the past three years it has used high-deductible plans with health savings accounts, along with a number of wellness incentives, to keep costs lower.

Shumlin said that while Mack's efforts are commendable, there will come a point when there is a "plateau," and no matter how healthy its employees are, costs will rise. "You won't be able to drive them down," he said, adding that by 2015, increases in costs alone will amount to about \$2,500 per Vermonter.

He said the bill passed in the last legislative session calls for a five-member panel to be appointed, which will then work out the details of health care reform.

Shumlin said his general intentions are to separate health care coverage from employment and have

Vermonters in one system, with some variations.

Shumlin said he wouldn't implement a plan that didn't save money, and added that even critics of his idea admit the current system is unsustainable.

Dailey, who also sits on the board of trustees at Southwestern Vermont Health Care, the parent company of Southwestern Vermont Medical Center in Bennington, said there is a "cultural problem" with health care that drives up costs. Dailey said a while ago he injured his toe and was encouraged to have an X-ray taken to determine if it was broken. He said he learned the treatment was the same either way and opted out of the X-ray.

"We can tell these stories a thousand times," Shumlin said, relating that a family member of his was diagnosed with liver cancer at a hospital in Vermont, then when he went for a second opinion, other doctors wanted new rounds of the same tests.

Dailey said part of Mack Molding's strategy, while it sounds "cruel," is to get employees to think more about their health. He said a concern of his was that if the state insurance plan would simply cover everything and anything, employees would have no incentive to stay healthy or resist unnecessary procedures.

He said the changes have worked for Mack Molding, which has space for an employee gym, offers yoga classes, and recently developed a community garden.

Shumlin said that what many people fear will happen

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under health care reform has already occurred, or will.

Other factors driving up costs, Shumlin said, are administrative in nature. He said about nine cents on every dollar is spent collecting that dollar, and he would like to see medical records made electronically accessible by a person's health care providers.

Jeff Somple, president of Mack Molding Northern Operations, said that aside from health care, Mack Molding has trouble hiring qualified people for its high-tech engineering jobs. To counteract the nationwide shortage of people trained in science, math and engineering, Mack has reached out to local colleges with internships and recently hired a former intern at a full-time position.

Somple said the name "Mack Molding" sounds low-tech, and Vermont's image doesn't conjure up thoughts of high-tech manufacturing either.

Shumlin said last week a program was created to offer engineers up to \$1,500 per year on student loans if those people agreed to work in-state. Shumlin said there has also been somewhat of a revival in Vermont manufacturing based on what he's seen statewide.

As far as national issues go, Shumlin told the Banner that he and other governors were contacted by the White House Sunday night after congressional leaders and the president reached a deal to raise the federal debt ceiling and make long-term budget cuts.

"Many us left with more questions than answers," Shumlin said, adding that what was conveyed to him was that those on Medicare, Medicaid, and Social Security would not suffer reductions immediately; however, those with the highest incomes would not be paying more in taxes, either.

"As is the nature of compromise, it's not what everybody was looking for," he said.

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