



Date: January 29, 2024

To: Chair Houghton & Members of House Health Care Committee

From: Susan Ridzon, HealthFirst Executive Director, sr@vermonthealthfirst.org

Re: H.721 Testimony

Thank you for the opportunity to testify on H.721, Medicaid Expansion Act of 2024. We are commenting on behalf of our 62 physician-owned primary care and specialty care practices located across Vermont.

HealthFirst appreciates the committee's thoughtful work, and we strongly support H.721's intent to improve access and affordability. We also appreciate the potential reduction in administrative burden associated with having a larger proportion of Vermonters covered under one plan. We are interested in learning more about this potential for expanded coverage for Vermonters. In thinking about this possibility, some questions and thoughts come to mind:

- What percentage of Vermonters would ultimately be covered by Medicaid? How many would be in each age bracket/status categories? Would these individuals be previously uninsured or coming from the Exchange or other commercial plans? Understanding more of those details would help practices with different payer mixes evaluate potential impact to their practices.
- We appreciate your recognition that expansion at current Medicaid rates would be unsustainable for providers. To truly improve access to primary care and specialists, reimbursement rate will likely need to be more closely aligned to commercial rates to ensure provider sustainability. Additionally, as the bill is currently written, there is a one-year gap between the beginning of the expanded coverage and increased reimbursement for primary care; the gap for specialists is even longer. Our practices – particularly the specialty practices - have significant concerns that this might put them out of business.
- What disincentives or cost-sharing will there be to discourage inappropriate use of high-cost care? The very small co-pays associated with the current Medicaid program, while understandable for those truly in poverty, could be problematic if applied to more middle-income folks.
- How will this impact the Exchange, where many independent practices purchase health insurance for themselves and their employees. Would the potential loss of Vermonters on Exchange plans end up driving up the cost of health insurance for these small businesses? Independents would potentially be (further) squeezed from both sides if reimbursement rates aren't high enough.
- Will there be ongoing assessments of program effectiveness and of the impact to providers and patients?