

ABOUT HEALTHFIRST



- IPA established in 2010 whose mission is to promote and foster long-term success of independent practices
- Non-profit taxable organization of physician members that is governed by a Board of Directors elected by its members
- 62 member practices located throughout VT and representing more than 30 specialties
- These small businesses care for thousands of patients and employ hundreds of Vermonters

NETWORK DEMOGRAPHICS (as of Jan 2023)



62 Practices

- 26 primary care (42%)
- 36 specialty care (58%)

131 Physicians

- 62 primary care (47%)
- 69 specialty care (53%)

70 NPs/PAs*

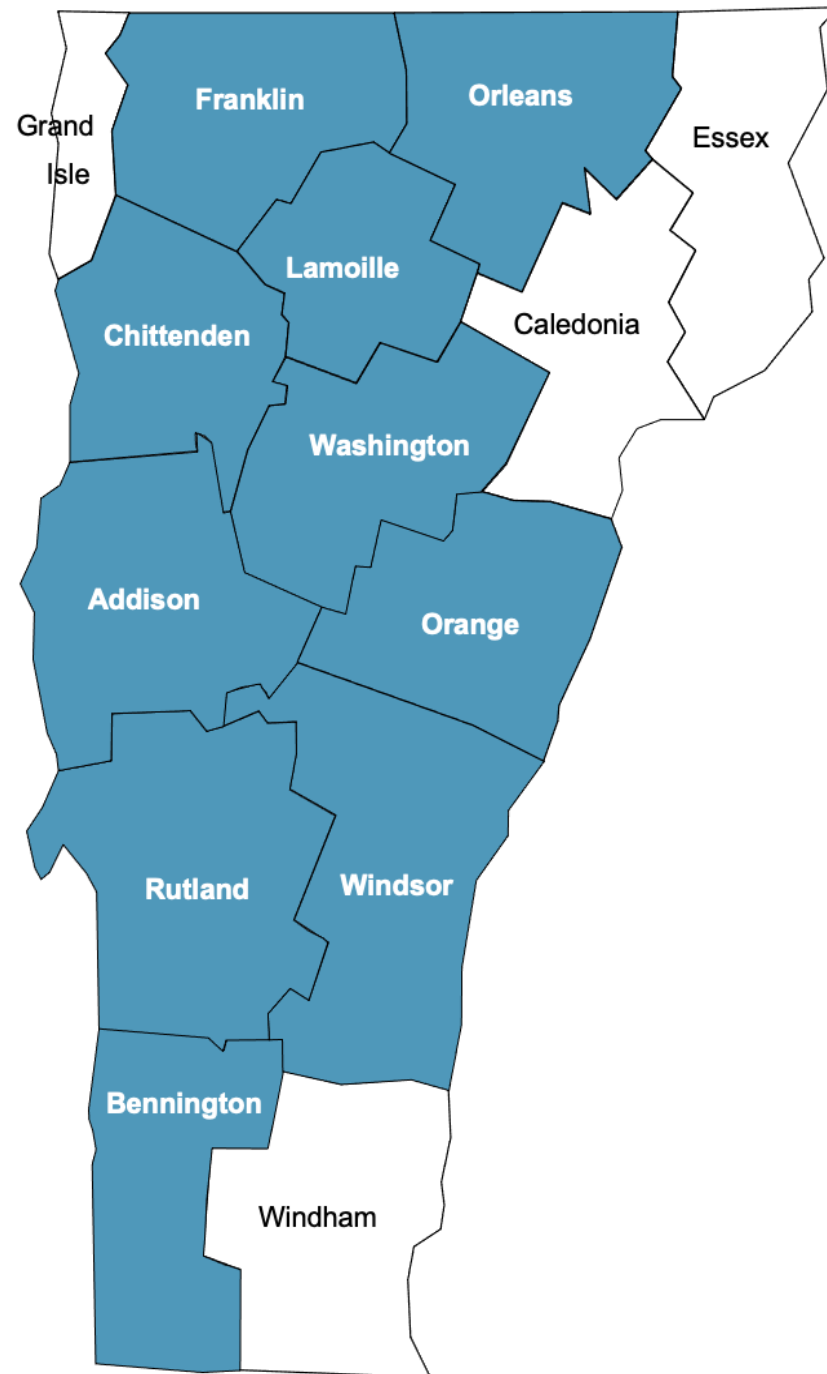
- 48 primary care (69%)
- 22 specialty care (31%)

*Count includes only those who work 20+ hours/week

Practices located in 10 counties

61% (38/62) in
Chittenden County

39% (24/62) outside
of Chittenden County



HEALTHFIRST PRIMARY CARE PRACTICES

26 Primary Care practices* collectively care for an estimated 85,200 patients

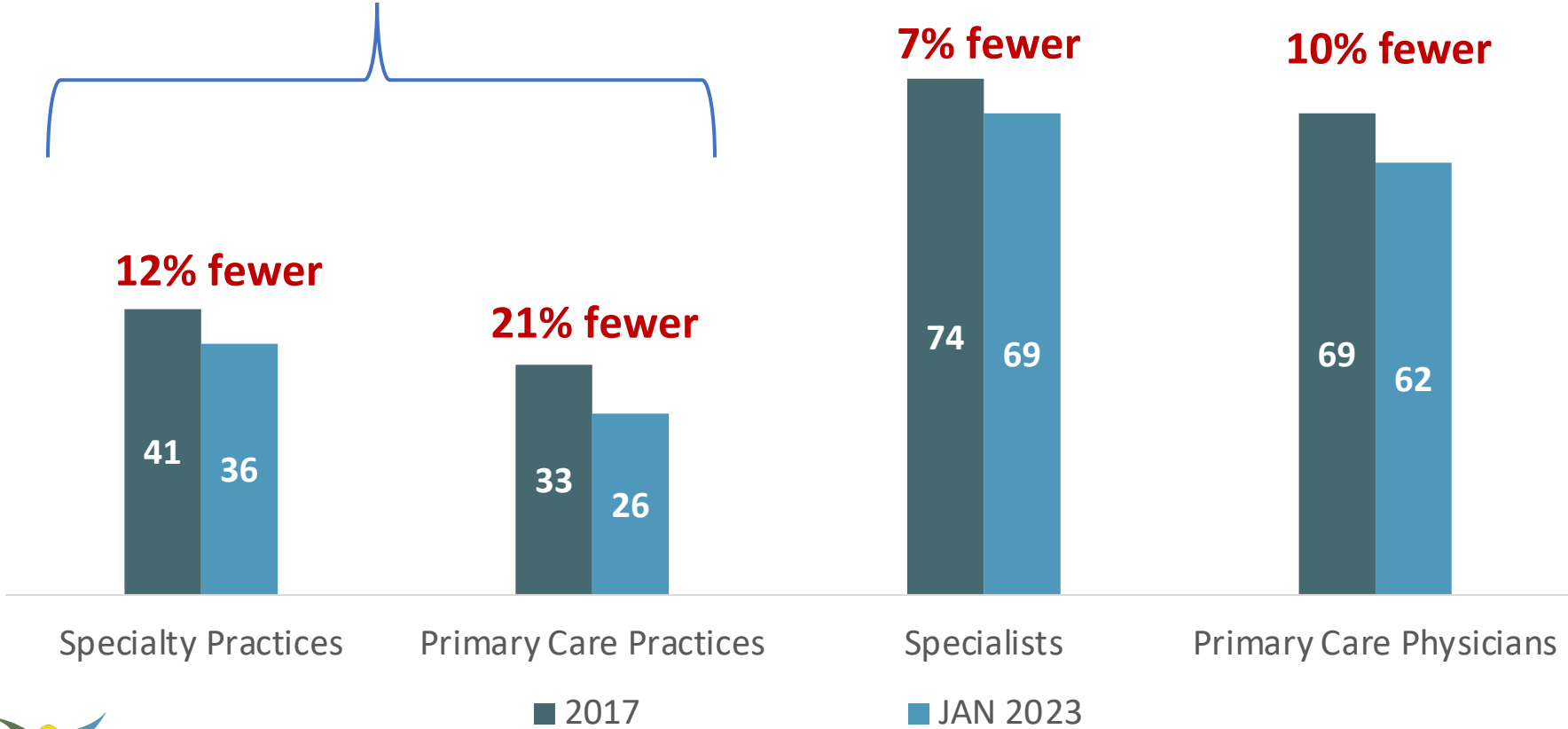
- 11 of those practices are in Chittenden County & care for over 56,000 patients - almost 34% of the Chittenden County population*
- 15 of those practices are in more rural areas & care for over 28,000 patients
- 15 practices participate in OneCare; 7 of those are in CPR program. Participating practices care for 94% of the 85k+ patients cared for by our PCPs.

*Family medicine, pediatric & adolescent medicine, and some internal medicine practices are counted as primary care. It does not include OB or GYN practices.

DECLINE IN NUMBER OF INDEPENDENT PRACTICES AND PHYSICIANS

16% decline in total number of practices

8% decline in total number of physicians



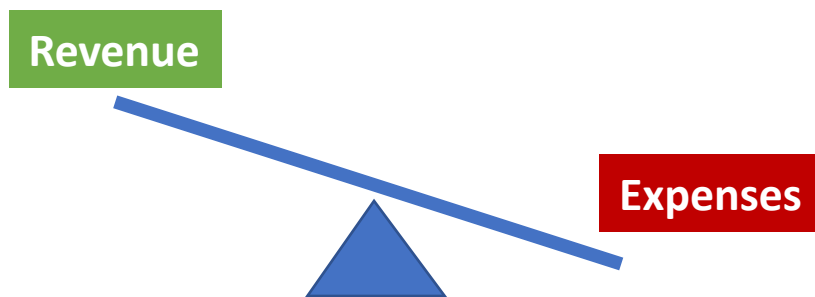
Why Maintaining Access to Independent Providers is Good for Patients

- Independent practices consistently demonstrate that they deliver high quality care while keeping the overall cost of patient care low
- The experience of care at small, community-based, practices is different
 - Very personalized and responsive
 - Efficient, nimble, less costly
 - More accessible, typically have shorter wait times
- Patients want options for care -- health care services are personal, tailored services unique to different individuals
- Having independent practice as a viable option attracts physicians to Vermont, allowing Vermonters better access and choice of providers
- Having a diverse array of providers increases overall system resiliency

Patient Story

TOP BARRIER TO INDEPENDENT PRACTICE VIABILITY

- Reimbursements that don't keep pace with expenses and little to no ability to negotiate



- From 2001 to 2021:
 - Practice costs increased 39%*
 - CMS increased physician pay by only 11% (a 20% reduction after adjusting for inflation)*
 - More cuts in 2023

PROFESSIONAL FEES ARE THE ONLY REVENUE SOURCE FOR INDEPENDENT PROVIDERS

PAYMENT SOURCE	INDEPENDENTS	HOSPITALS	ACADEMIC HOSPITALS
Professional Fees			
Commercial Payers	Y	Y	Y
Medicare	Y	Y	Y
Medicaid	Y	Y	Y
Facility Fees			
Commercial Payers		Y	Y
Medicare		Y	Y
Medicaid		Y	Y
Medical Education Payments			
Medicare DIRECT Grad Med Education payments			Y
Medicare INDIRECT GME augmentation			Y
Medicaid Fixed Annual Payment to UVMHC			Y
Medical School Tuition from Students			Y
Medical School Endowment + Donations			Y

Independents have little to no negotiating ability with payors, especially in a market with a dominant health system.

As a result, rates essentially remain flat or increase at a rate well below the pace of rising costs.

How To Help

- Support legislation that aims to provide independents with fair and adequate reimbursement
 - Eliminate the wide variations in reimbursement for professional fees – “equal pay for equal work”
- Strengthen primary care (and women’s health)
 - Preserve Medicaid payments for primary care at $\geq 100\%$ of 2022 Medicare rates and build in inflationary adjustments
 - Increase overall primary care spending to at least 12%, as has been done in other states and countries
- Workforce support
 - Continue funding for primary care loan repayment and scholarships
 - Dissemination of recruitment and retention funds

How To Help

- Decrease administrative burden, especially prior authorizations
 - Have payers expand Gold Card programs so that there's no PA required for those with >90% approval rating (like TX)
- Help to recruit independent docs to VT and make VT more favorable to independents
 - Eliminate or significantly simplify CON laws to encourage more competition, independent ASCs, imaging centers, etc.
 - Ensure that our system recognizes and encourages independent practices

Getting in Touch



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Practice directory at
https://www.vermonthhealthfirst.org/physician_directory.php