



VERMONT ACADEMY OF
FAMILY PHYSICIANS

Vermont
Medical
Society

Vermont Chapter

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American Academy of Pediatrics
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To : Chair Kitchel, Senate Appropriations Committee
From: Jessa Barnard, Executive Director, Vermont Medical Society, jbarnard@vtmd.org
Date: March 30, 2023
RE: Support for Primary Care within SFY2024 Budget

I am reaching out today on behalf of the over 2,600 physician members of the Vermont Medical Society, Vermont Academy of Family Physicians and American Academy of Pediatrics Vermont Chapter.

Our organizations are collectively contacting you to ask for your support of the House Appropriations Committee Recommendation and Health Care Committee's #1 highest priority recommendation – to increase Medicaid rates in FY24 professional medical services (RBRVS) fee schedule. Specifically, the House Appropriations Committee recommends that the fee schedule provides 110% of Medicare rates for primary care services and a 3.8% inflationary adjustment for other medical services contained in the Department of Vermont Health Access RBRVS Fee Schedule (Sections B.301/B.307). 3.8% is the established 2023 Medicare Economic Index (MEI) inflation factor for medical services, a conservative estimate of an increase in costs.

This is compared to a \$380,000 cut to primary care and medical services proposed in the Governor's budget.

There are 13 fewer independent primary care practices in Vermont since 2017. The stories are often sadly similar - clinicians near retirement who are unable to recruit a replacement to take their place given low reimbursement and high administrative burden or pediatric practices who see a high Medicaid volume. **What are some of the pressures medical practices are facing this year in particular?**

- Due to inflation, expenses such as fuel, electricity and wages, are up.
- Practices received a Medicare cut of 2.0% in 2023 and currently face another 1.5% cut in 2024. The DVHA budget is currently built off of a flawed Medicare formula, which does not require inflationary adjustments. (See <https://www.ama-assn.org/system/files/medicare-pay-chart-2021.pdf>)
- With DVHA required to pause eligibility redeterminations during COVID, medical practices are seeing a higher percentage of patients with Medicaid, lowering overall reimbursement.
- In late December, due to BCBSVT pulling out of One Care Vermont, several monthly payments to primary care have been on hold or reduced.

We also ask that you fund for two years the pilot for the Blueprint for Health expansion of Community Health Teams (Sections B.1100(m)(3), B.1100(n)). This one-time funding will provide critical staffing support to help primary care practices meet patient needs for mental health and substance use disorder services. We are concerned that a one-year pilot will not allow enough time to gather data and evaluate success before reporting back to the legislature.

Thank you for your support for primary care. Please reach out with any questions.