

February 11, 2016

Dear Representatives:

I am a primary care naturopathic physician and have been in practice in Montpelier for 20 years. I am testifying here today on behalf of the Vermont Association of Naturopathic Physicians. We would like to voice our support for the proposed increase in Medicaid reimbursement.

Naturopathic doctors provide care to about 30,000 Vermonters.

The Medicaid cost shift gets a lot of press. What doesn't get a lot of press is that all naturopathic doctors are independent primary care physicians and therefore get reimbursed less than half what physicians (and physician assistants) in hospital owned practices get reimbursed for the same services. While naturopathic doctors (and other independent physicians) do get higher reimbursement from private payers such as Blue Cross Blue Shield than we do from Medicaid, these payments are still much lower than hospital owned practices receive, leaving us with much less opportunity to offset the low Medicaid reimbursements.

The median income for naturopathic doctors in Vermont is \$62,560 (\$46,930 in northern VT) according to the Vermont Department of Labor. This is only slightly higher than the median income of all Vermonters, which is \$52,977. Unlike most Vermonters, however, it costs naturopathic and other physicians \$700,000 or more to get a medical degree to be able to make this living.

Independent primary care practices are already struggling to survive, and hospitals have not expressed any interest in purchasing naturopathic physician practices. Furthermore, Medicaid patients account for 43% of the patients I see in my own practice, resulting in additional financial stress on a small independent practice due to chronic underpayment by Medicaid.

Some specialists in the area have stopped accepting new Medicaid patients in their practices due to the low reimbursement. There are no longer any dermatologists in central Vermont, for example, that accept Medicaid.

Primary care practices have begun to close at least in part due to low Medicaid reimbursement. The closing of 4 pediatric practices in Franklin County in December was well publicized. In addition, I know several naturopathic doctors who are struggling to keep their practices open with the dual challenge of low Medicaid reimbursement and lower private payer reimbursement to independent physicians. I also know at least one physician that is considering going to a cash only practice for the same reasons.

Thank you,

Bernie Noe, ND

802-279-5605

bnoe@GreenMountainHealth.com