



Memo: Senate Health & Welfare Committee
From: Vermont Medical Society
Date: February 15, 2018
S.53 – Universal Primary Care

On behalf of our 2,000 physician and physician assistant members of the Vermont Medical Society (VMS), we are providing these comments to the Senate Health and Welfare Committee on S.53. VMS would first like to underscore our support for expanded access to primary care in Vermont, sustainable reimbursement rates for primary care and any policy that can reduce the administrative burden primary care practices currently experience.

VMS suggests that the most immediate way to preserve access to primary care services is to avoid setbacks in the already modest reimbursement rates and workforce development investments. As you are aware, the FY19 Governor's Budget proposal includes two cuts to primary care services: (1) eliminating the \$2.50 PMPM Primary Care Case Management Fee (a \$3.3 million dollar cut) and (2) defunding the AHEC Loan Repayment Program. VMS believes restoring funding for these programs is a critical first step towards ensuring primary care access in Vermont.

VMS recognizes the goal of S.53 is to create a publicly-financed, universal primary care system (UPC) able to provide first-dollar coverage for all Vermonters. However, as written, we do have concerns regarding the implementation of a separate payment system focused on funding only one category of health care services.

VMS Concerns

- *Included Services* - With 15 categories of services being covered under this system, which according to the [2015 Universal Primary Care Report](#), would represent approximately 60% of primary care practice claims, we are concerned about how clinicians and their patients will know what services are included and excluded. The potential for disputes with patients and/or having to spend significant time educating patients on these coverage differences is worrisome. VMS and our primary care specialty partners: Vermont Chapter of the American College of Physicians (ACP), the Vermont Academy of Family Physicians (VTAFP) and the American Academy of Pediatrics - Vermont Chapter (AAPVT), would like to be part of the discussion in determining what primary care services are covered through the UPC. If the Committee is creating work groups to further study these issues, the above organizations would ask to have representation.

- *Administrative Burden* – Primary care clinicians have testified to the Committee that this proposal is only tenable for practices if it reduces current administrative burdens. Adding a new payment system for only a sub-section of primary care services, amidst Blueprint case management obligations, extensive Medicare Quality reporting systems and new reporting requirements for the All-Payer Model, could be significantly cumbersome. It is unclear how practices will handle the burden of coordinating benefits with what appears to be a new insurance system.
- *ACO/All Payer Model* - Many of our members have committed to Vermont's most recent payment reform model and are willing partners in the ACO. It is crucial that the UPC system integrates with the quality incentives and payment reform systems included in the All Payer Model.
- *Reimbursement Rate* – Primary care clinicians are very concerned that the Committee has not defined the reimbursement rate for UPC. The need for a comprehensive and sustainable funding mechanism is imperative for this proposal to succeed. The 2015 Report envisioned a blended, capitated rate for primary care practices. However, many primary care practices are not prepared to move to a fully capitated funding model and there are many questions about how capitated payment would be risk and payer adjusted and if it is a realistic model for practices in Vermont.
- *Marketplace Stabilization* – Physicians are concerned with how UPC will interact with the current private insurance marketplace. More specifically, physicians are concerned that Vermonters will drop private insurance and only use the UPC program for primary care services because deductibles for private insurance remain high and they don't anticipate needing specialty care. This could create disruption in the care delivery system and put more pressure on uncompensated care for specialists and hospitals.

Thank you for considering our concerns. VMS and our primary care partners are available to you to continue to find ways to increase access to primary care services and to provide feedback on proposals that your Committee is considering. Please let VMS know if you have any questions regarding our comments.

Sincerely,

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