



April 21, 2021

Senator Virginia Lyons, Chair
Senate Committee on Health and Welfare
State House
Montpelier, VT 05633

Dear Senator Lyons,

Thank you for the opportunity to testify regarding S. 120 and related topics in health care reform. Presently, I serve as Chief Executive Officer of Northern Counties Health Care in St. Johnsbury, which is a health system consisting of a Federally Qualified Health Center with five primary care sites, three dental sites, and an express care clinic, and a Medicare certified Home Care and Hospice agency. Also, I serve on the Board of Directors of the Bi-State Primary Care Association, VNAs of Vermont, Vermont Association of Hospitals and Health Systems, and OneCare Vermont ACO. Prior to this role, I served as Deputy Commissioner of the Department of Vermont Health Access during the present administration, and part of my duties was to bring to life DVHA's health reform efforts. Also, I served as Deputy Director of Health Care Reform for Governor Peter Shumlin, which included being on the negotiating team for the Vermont All-Payer ACO Model Agreement, and working on the Green Mountain Care and Universal Primary Care studies among others.

I left the Department of Vermont Health Access for the following reason: after years of working on Vermont's vision for health care reform, and time implementing that vision at Medicaid, I wanted to be involved at the point of care. The pivot from focusing on our health reform vision to execution has been illuminating, instilling an extraordinary amount of humility. I think of the term *delivery system reform* differently now that I have been responsible for our team caring for people 365 days a year, watching our clinicians, nurses, and personal care attendants care for people who are frail, elderly, and sometimes really scared. The experience has not dimmed my belief in the need for reform; however, it has made me appropriately respectful of the scope of the project.



Compassionate Care in Our Home or Yours

The transition to value-based payments that allow us to focus on how to make communities physically healthy, mentally-healthy, well-housed, well-nourished, and financially secure requires time, trust, and effective risk management. Each day, as CEO, I have to decide how aggressive or conservative I want to be about transitioning Northern Counties to value based care. Specifically, I have to decide what portion of our time, money, and talent, and my own credibility as a leader, is allocated to reform. The health care reform bills this session, and recent comments by the State's chief health care regulator, have a chilling effect on our reform efforts at the provider organization level. I am left to wonder whether the present approach will continue or whether Vermont will find a new vision for health care reform. The uncertainty serves to make me more cautious in my approach. It creates real dilemmas:

- Do I work with OneCare on a capitated payment model for FQHCs for 2022, or do I wait until a new agreement is signed?
- Do I invest in population health management, or do I invest in a new electronic health record while the State determines the new way forward?
- Do I add more staff for wrap around services, or do I remain cautious because we may lose the OneCare Vermont funding that supports several staff members?
- Do I add a clinical pharmacist that would reduce visit volume, good for patients, and good for us in a value-based world, or do I wait to see whether the State renews its existing commitments to avoid being stuck in fee for service medicine with expensive new costs?

These are only a few of the tradeoffs that exist given uncertainty about the future of reform.

Vermont is rightly viewed as a leader in thinking about creating a more just and equitable health care system. Yet, policy vision is only as good as the execution by health care organizations. I respectfully ask the Committee to consider the chilling effect on health care leaders and organizations of diverting attention away from the important work of the All-Payer Model and considering a new way forward.

Thank you for your consideration and all you do for Vermont and Vermonters.

Michael Costa, CEO

Northern Counties Health Care, Inc.