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Dear Rep. Houghton and members of the House Health Care Committee,

Vermont's Free and Referral Clinics (VFRC) is a non-profit association supporting the work of the nine healthcare clinics in Vermont that provide services at no cost to patients. Our member clinics are located between Bennington and Burlington, and from White River Jct. to Middlebury. In 2022, we served patients in 224 towns across Vermont. Our clinics provide free medical, dental, and mental health services, as well as insurance enrollment assistance, free medications, case management/care coordination, and connect patients with both medical homes and specialty care services. As such, we have an integral role in the health care system, including increasing access to and equity of care.

In 2022, we cared for 11,547 patients, 4,385 of which were new to the clinics. We provided over 40,000 services, averaging 4 services per patient. These services are in demand; each of these measures has increased steadily over the last 5 years, with a corresponding increase in our overall expenses. We're seeing a rise in underinsured Vermonters and patients arriving at our clinics having delayed care due to cost and limited access, and we expect this to sharply increase as Medicaid redeterminations begin.¹

In the FY2024 budget proposal, the VFRC was level funded at \$1,130,800. We are asking for a \$453,451 increase in the Fiscal Year 2024 budget to continue to address the ongoing healthcare crisis facing the uninsured and underinsured residents of Vermont. This additional funding will allow us to meet the increased demand for our services. As free healthcare clinics, we are unique in that we do not receive payment based on numbers of services or patients. When our patient numbers increase, we must seek additional funding to allow our clinics to continue operating.

Our requested \$453,451 is based on our actual 2022 expenses. We saw our personnel costs increase by 6%, occupancy and office supplies by 5%, and our program costs (patient fund to cover testing and imaging, dental and medical supplies and equipment, purchased medication) increase by 17%.

Not only would granting our FY24 budget request support our crucial role in the Medicaid unwind and help us to remain as a sustainable safety net for Vermonters, it would:

- Invest in capacity building in areas such as oral health, mental health, communications and development, and language access.
- Provide reliable funding for expanded access through mobile clinics, increased office hours, and additional clinic times.
- Expand physical capacity in clinics to accommodate more patients, staff, and volunteers.

¹ <https://www.vnews.com/Some-Upper-Valley-residents-may-lose-Medicaid-coverage-as-pandemic-era-eligibility-rules-end-49753409>

- Support free vaccines for seniors. The Vermont Dept. of Health can no longer provide free shingles, pneumonia, and flu vaccines to Vermonters 65+. The free clinics have pieced together funding to fill this gap but without an increase to our appropriation, it is not sustainable.
- Reduce reliance on short-term, one-time grants and donations to fill funding gaps.
- Create sustainability in our state association, VFRC, to be able to better support the free and referral clinics through fundraising and advocacy.

We are doing everything we can to prepare for the upcoming unwinding of continuous Medicaid coverage as we expect to see significantly increased demand for our clinical care and healthcare navigations. The Vermont Department of Health estimates that tens of thousands of Vermonters will be impacted by income tests returning to Medicaid eligibility. According to a recent Kaiser Family Foundation analysis, roughly two-thirds (65%) of people disenrolled from Medicaid or CHIP became uninsured for part or all of the next 12 months.² **In Vermont, 22,750 patients could become uninsured for all or part of the next two years.** We will be on the front lines of ensuring that Vermonters do not fall through the cracks during this transition. **Even if only one third (7,500) of those patients came to our clinics, our patient numbers would increase by 39%.**

While we have a long history of doing a lot with very little, we too are facing pressures from inflation, delayed care, provider shortages, and other ongoing pandemic disruptions. These factors are profoundly affecting our ability to grow to meet this ever-increasing demand.

Furthermore, supporting our work directly reduces costs elsewhere in Vermont’s healthcare system, including by reducing uncompensated or delayed care. It also invests in a safety net system that for 27 years has cared for some of our most vulnerable community members. For every \$1 invested in our work by the legislature, we save the state \$6 in avoided emergency room costs, as our clinics provide critical preventative care and intermittent disease management that reduces unnecessary and expensive visits.³ In 2022, we provided \$4.4 mil in free medications and leveraged the work of tens of clinical volunteers donating 6,109 hours valued at nearly \$500,000 to provide the majority of our services.

We greatly appreciate the Vermont Legislature’s support last year for a 10% budget increase that went towards helping us maintain our current capacity. Please continue to support healthcare services for vulnerable Vermonters with an additional appropriation of \$453,451 to Vermont’s Free and Referral Clinics association to address our state’s ongoing healthcare crisis.

Thank you for your time,

Olivia Sharrow
Executive Director
Vermont’s Free & Referral Clinics

Samantha Ball
VFRC Board Chair
Valley Health Connections

Dan Barlow
VFRC Board Member
People’s Health &
Wellness Clinic

² <https://www.kff.org/medicaid/issue-brief/what-happens-after-people-lose-medicaid-coverage/>

³ Calculation takes into account average ER visit w/o admission, plus a % of patients that are admitted and incur higher costs.