



Date: February 7, 2024
To: Chair Houghton & Members of House Health Care Committee
From: Susan Ridzon, HealthFirst Executive Director, sr@vermonthealthfirst.org
Re: Medicaid FY2025 RBRVS Fee Schedule

HealthFirst appreciates the opportunity to comment on the SFY2025 budget for Medicaid RCRVS (professional services) fee schedule. Thank you for your hard work on behalf of Vermonters!

As we stated in our [comments](#) submitted with VMS in January, **we request ongoing positive inflationary adjustments in the 2025 Medicaid RBRVS fee schedule that at least equal the Medicare Economic Index (MEI), which is 4.6% for 2024.**¹ We request that the inflationary adjustment be applied to the 2023 RBRVS rates and not the current 2024 RBRVS rates because the 2024 rates declined because of Medicaid's alignment with Medicare's Physician Fee Schedule (PFS) rates.

As we have stated in the past, Medicare's PFS formula is flawed and doesn't include any inflationary adjustments. In addition to not accounting for inflation, the PFS declined 3.4% in 2024. The declines in reimbursement from Medicare over the last several years are a significant concern for independent practices, particularly those who care for many Vermonters covered by Medicare and Medicaid. Independent practices' only source of revenue is payer reimbursement, so practice stability is weakened when rates decline and don't keep pace with inflation.

¹ <https://www.cms.gov/data-research/statistics-trends-and-reports/medicare-program-rates-statistics/market-basket-data> (See box 63, Z in "Actual Regulation Market Basket Updates," file)