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Written Testimony on FY2026 Adjustment Act
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Madame Chair and members of the committee, thank you for the opportunity to testify today about funding currently included in the FY2026 Budget Adjustment Act. As Bi-State Primary Care Association's Director of Vermont Public Policy, I represent our members including Vermont's Federally Qualified Health Centers (FQHCs), Vermont Free and Referral Clinics, and Planned Parenthood of Northern New England. Bi-State Primary Care Association is a nonprofit organization established in 1986 to advance access to comprehensive primary care and preventive services for anyone regardless of insurance status or ability to pay.

I specifically would like to express my support for the Budget Adjustment Act including an inflation adjustment to Medicaid FQHC rates. The state has annually applied the Medicare Economic Index (MEI) inflation adjustment factor to FQHC rates since Congress established the current FQHC payment model in 2000. This adjustment is critical to ensure that Medicaid rates remain in line with the cost of providing care to Medicaid enrollees.

Last session, legislators demonstrated their support for FQHCs and the comprehensive primary and preventive care they provide by increasing FQHC rates last July after several years of underfunding. For that, we thank you! Adjusting FQHC rates by the MEI in the BAA ensures that we do not lose the ground we gained this past year, especially in the face of federal policies jeopardizing several other funding sources for FQHCs.

Vermont FQHCs serve approximately 1 in 3 Vermonters by providing physical, mental, and oral health services. Their continued financial stability is essential to maintaining access to care that has a substantial impact on keeping the overall cost of care low by helping Vermonters avoid the need for high cost, acute care.

Bi-State and our members thank the members of this committee for the support you showed last session and ask for your continued support in the Budget Adjustment Act.