

February 25, 2026

Rep. Herb Olson. Addison-4. Bristol, Lincoln, Monkton, Starksboro.

Comments relative to the FY27 Budget

Thank you for the opportunity to highlight certain proposals in the Administration's Budget which I feel are not in the best interests of the State. I appreciate that you have a challenging task: too many needs; too little revenue.

I bring two issues to your attention: first, thinking strategically about primary care to leverage lower inflation trends in State and local health care budget expenses; second, protecting rural designated agency urgent care programs from policy assumptions that are not warranted in a rural State such as Vermont, the consequences of which will result in higher emergency room cost obligations on the State budget.

Primary care. Its important to recognize the strategic value of good access to primary care on State and local budgets. Good access to primary care helps patients, but also lowers inflation trends for budget centers such as Medicaid, teachers' benefits, and State employees' contracts.

Access to primary care in Vermont is bad and getting worse. Wait times to see a primary care practitioner are as high as 180 days. Some practices cannot accept new patients. Meanwhile, we need more primary care practitioners, but older doctors are leaving sooner than in the past, and younger practitioners are not coming into the State fast enough.

Unfortunately, the Administration's budget makes a bad situation worse.

I urge the Committee to make the following changes to the Administration's budget proposal for primary care.

1. Restore the Administration's cuts in our primary care workforce programs: (a) the PCP Loan Repayment Program, \$677,000; (b) the Early Pipeline Program, \$500,000; (c) the MD Placement program, \$50,000.
2. Restore the Administration's cut to the DVHA budget for alternative payment methodologies: the \$4.75 per member per month payment for primary care practitioners meeting program criteria.
3. Acknowledge the reality of inflation. The DVHA budget proposes a .04% decrease to the primary care fee schedules, at a time when Medicare's economic index is increasing by 2.67%. \$788,000 is need to restore the negative impact of these reimbursement cuts on primary care.
4. Remove the July 1, 2027 sunset for the primary care scholarship incentive program. This program is invaluable for encouraging medical students to stay

and practice in rural Vermont. Funds exist in the program. Removing the sunset will prevent diversion of these funds for unrelated purposes.

I appreciate the difficulties of supporting these primary care needs with General Fund dollars. I ask you to consider whether, in a health care system with around \$2.5 billion, yes **billion**, in total costs, some room for reallocation of those costs can be made to support these primary care programs and initiatives.

Rural Urgent Care and Designated Agencies.

- Prevent elimination of care for Addison County residents in need of urgent mental health services by restoring \$350,000 to the budget for rural designated agencies such as the Counseling Service of Addison County.

Designated agencies provide vital mental health and developmental disability services to vulnerable clients throughout Vermont. Urgent care is especially important for clients in crisis. The alternative is much more expensive care in hospital emergency rooms, which directly and negatively impact the State budget.

I represent a legislative district in Addison County. The budget of the Department of Mental Health proposes to eliminate funding for the urgent care program of the Counseling Service of Addison County. There is one other designated agency in rural Vermont facing a similar elimination of urgent care, the details of which I am not familiar with. The Administration appears to want all urgent care programs to meet federal SAMHSA program criteria, which appear to be modeled on urban areas of the United States, and which do not reflect the reality of providing these services in rural counties with relatively low numbers of clients, per capita.

I'm happy to answer any questions concerning the above, or any other matter.

Thanks for listening.

Rep. Herb Olson. Addison-4, Bristol, Lincoln, Monkton, Starksboro.