

Date: February 25, 2026

To: House Appropriations Committee

From: HealthFirst, Susan Ridzon, Executive Director, [sr@vermonthealthfirst.org](mailto:sr@vermonthealthfirst.org)

Re: FY 2027 Funding Request

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Please accept these comments from HealthFirst, Vermont's independent practice association representing 66 clinician-owned independent primary care and specialty care practices located across Vermont. Our mission is to support and foster the long-term success of independent practices, so these high value healthcare options remain available for patients and clinicians.

We are writing to express significant concerns about the Governor's proposed FY27 budget and to ask you to maintain funding to support already strained independent practices. We do not make this request lightly as we recognize the significant budgetary challenges. However, the proposed budget will likely result in primary care practices having to cut staffing and services and could very well force some of them to close. Loss of more independent practices will worsen healthcare access and affordability as patients have fewer options and are forced to get care in significantly more expensive settings.

Accordingly, we ask that you please:

- **Restore the cut to the DVHA Medicaid alternative payment to primary care** of \$4.75 PMPM (\$2.01M GF/\$5M gross). This is particularly important for pediatric and rural primary care practices who tend to have high percentages of Medicaid patients and operate on very thin margins.
- **Continue the Comprehensive Payment Reform (CPR) payments to independent practices** for January through June 2027 (\$1.75M GF). This will allow independent practices to continue to receive the capitated payments they received through the OneCare program that helped to stabilize and sustain them.
- **Restore the .04% decrease in the DVHA RBRVS professional fee schedule** by providing a 2.76% inflationary adjustment<sup>1</sup> (\$3.31M gross). This will help sustain practices in the face of increasing costs for staff, insurance and medical supplies.
- **Repeal the statutory sunset for the VT AHEC Scholars Medical Incentive Scholarship program** (\$0 requested).

We have intentionally narrowed our request to only include the above items in recognition of the tight budget environment. However, there are other very important supports left out of

the proposed budget. These include the AHEC primary care workforce programs that are essential to help address the current and growing shortage of primary care clinicians. Loan repayment programs, in particular, are extremely valuable to attract clinicians into primary care. Primary care practices also will be missing out on population health payments that they had been getting through OneCare. These losses are significant to individual practices and will undo some of the payment reform progress Vermont has made over the past decade.

The GMCB/UVMMC settlement money and the Rural Health Transformation funds do not and likely cannot completely fill the significant 2027 gap that underfunded primary care practices face. Failing to properly support independent practices - some of the highest value healthcare choices in our system - will negatively affect access, cost, and Vermont's healthcare workforce.

Thank you for considering our comments. Please contact me at [sr@vermonthealthfirst.org](mailto:sr@vermonthealthfirst.org) or Christina McLaughlin at [cm@vermonthealthfirst.org](mailto:cm@vermonthealthfirst.org) if you have questions.

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<sup>i</sup> Based on the [Medicare Economic Index \(MEI\)](#)