

Modernizing Primary Care Reimbursement in Vermont

Vermont has a strong primary care foundation — but the current system is not fully achieving its goals. We need a path forward to modernize reimbursement, align payment with outcomes, and strengthen accountability across the system.

The Problem We Are Solving

Key Challenges

- Primary care is underfunded relative to its role in managing population health
- Payment remains too reliant on fee-for-service, incentivizing volume over value
- Blueprint challenges with community health team measurement
- Limited alignment between state programs and payer models
- Care coordination resource alignment

The Opportunity

Modernize primary care reimbursement to:

- Strengthen access and sustainability
- Align payment with outcomes
- Improve accountability
- Maintain affordability

Guiding Principles for Modernization



Patient-Centered Care



Team-Based, Integrated Delivery



Data-Driven Improvement



Access and Equity



Alignment Across Payers



Affordability and Sustainability

Key Addition: Stronger linkage between payment and measurable outcomes.

Blueprint: Strong Foundation, Next Phase Needed

Core Elements

- **PCMH:** Team-based, coordinated care supported by PMPM payments
- **CHTs:** Multidisciplinary teams supporting complex patients and social needs

BCBSVT Contribution

- \$91M+ invested since 2008
- ~\$6M annually

What's Working

- Broad primary care participation
- Care coordination infrastructure
- Alignment across payers

Where the Model Needs to Evolve

- Improve outcome measurement and accountability
- Improve and align standardized performance metrics

Opportunity: Modernize Blueprint into a measurable, accountable, value-driven model.

Core Concept: Three Payment Buckets

Primary care reimbursement can be organized into three payment buckets — all of which BCBSVT already operates.

1. Fixed / Prospective

PCP capitation supports access, infrastructure, and population health management. Incentivizes preventive and non-visit-based care.

2. Variable / Value-Based

BCBSVT and Blueprint incentivize quality and performance.

3. Fee-for-Service

Services outside capitated arrangements, Pays for discrete clinical encounters and incentivizes access and higher utilization.

The opportunity is to **rebalance** how dollars flow across these three buckets.

Role of Measurement in Variable Payments

Variable payments should be driven by a clear, aligned, and meaningful set of measures — particularly those relevant to primary care for both Medicaid and commercial child and adult populations.

SAMPLE EXAMPLES

Preventive Care

- Cancer screenings
- Immunizations
- Annual wellness visits
- Child metrics

Chronic Disease Management

- Diabetes control & monitoring
- Hypertension control
- Asthma medication management
- Kidney health evaluation

Mental Health and Substance use Integration

- Depression screening & follow-up
- Substance use disorder treatment engagement

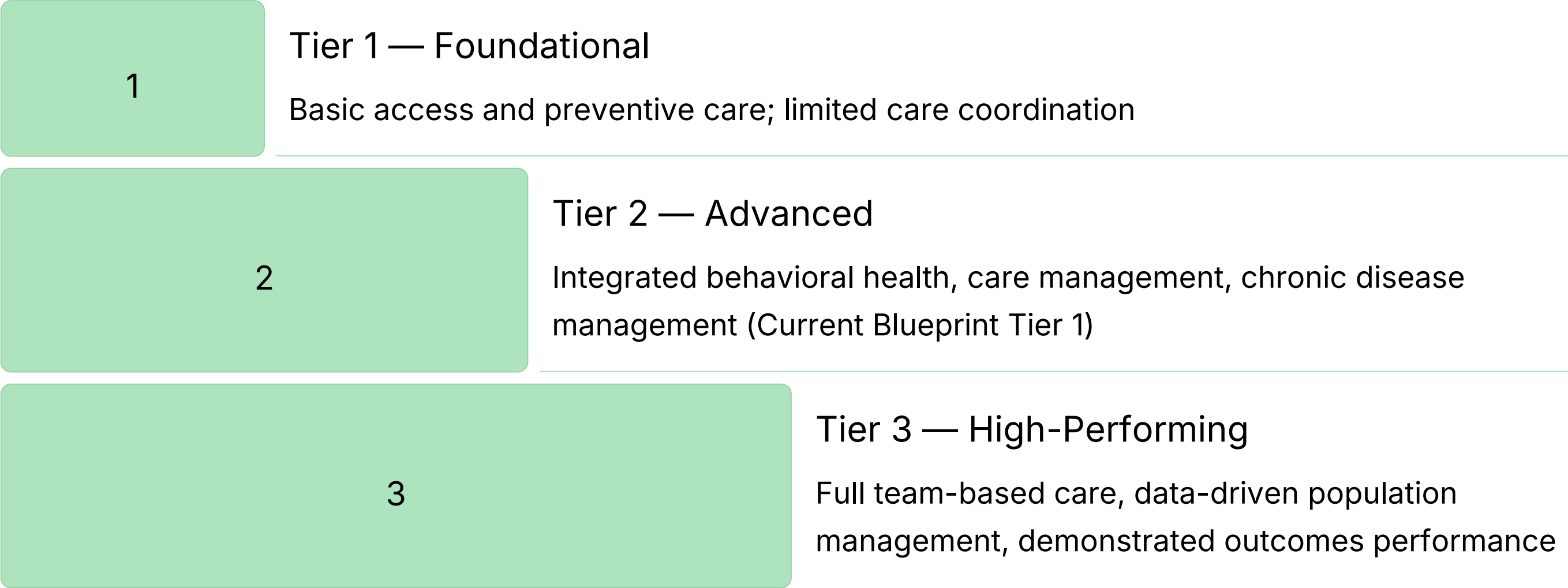
Access & Care Experience

- Timely access to care
- Continuity of care
- Patient engagement

Create a consistent statewide measurement framework supporting both Medicaid and commercial populations, focused on primary care impact.

PCP Tiering: Aligning Fixed Payments with Services

Primary care practices can be tiered based on capabilities and services offered. Higher tiers receive higher fixed and variable payments, incentivizing capability development and progression.



Need tier alignment and implementation timeline

Enabling PCP–Specialist Collaboration in Value-Based Care

What Enables It (Payment Model Design)

- Prospective primary care funding (capitation / PMPM) supports non-visit work like eConsults and coordination
- PCPs partner with select specialists (cardiology, endocrine, orthopedics, dermatology) using defined consult pathways to enable co-management instead of full referral
- Flexible benefit design allows reimbursement for virtual consults and care team integration
- PCP–specialist partnerships supported by shared outcome measures align incentives around cost, access, and quality
- Alignment across payers reinforces consistent provider behavior

Why It Works for Payers

- Keeps more care in primary care (lower cost, high-value setting)
- Reduces unnecessary specialty referrals, imaging, and procedures
- Improves access to specialists by reserving capacity for higher-acuity patients
- Strengthens PCP role as the manager of total cost and care decisions
- Creates a scalable path to affordability without restricting access

Bottom Line: Shifts the model from referral and handoff → consultation and co-management, improving access, lowering cost, and maintaining quality

Aligning Care Coordination

Vermont currently has multiple care coordination resources supporting similar patient populations:

Current Challenge

- Overlapping roles and workflows
- Limited visibility into who is managing which patients
- Potential duplication of outreach and services
- Inconsistent measurement of outcomes and ROI

Opportunity: Align into a coordinated, complementary model

- Clear role definition across teams
- Patient-level coordination to avoid duplication
- Shared care plans and communication pathways (EMRs, vendor opportunities, VITL feeds)
- Track interventions with CPT code or claim modifier
- Aligned outcome measurement and accountability

Workstreams Ahead & Key Design Decisions

Payment Model Design

Define mix across fixed, value-based, and FFS payment buckets

Establish tiering structure and attribution methodology

Set initial payment levels and approach for evolving over time

Measure Alignment & Incentives

Align Blueprint and BCBSVT measures

Expand adult and outcome-based measures

Tie payments clearly to performance and use of funds

Financial Modeling

Quantify shifts across payment buckets

Identify offsetting savings to support affordability

Ensure rate filing viability

Provider Engagement

Expand participation beyond current Blueprint practices

Communicate model changes and share performance insights

Governance & Accountability

Define performance expectations across programs

Monitor CHT activity and support evaluation of impact

Clarify roles across case management entities

Align payment, measurement, and care delivery to strengthen primary care while maintaining affordability.