

House Health Care Committee Members,

My name is Dr. Leah Costello, I live in Hinesburg and I am a physician owner of Timber Lane Pediatrics. We are a Primary Care Health Partners practice. Caring for the children of Vermont is an honor. And as a small business owner it is also an honor to employ 50 Vermonters.

I am writing to share my perspective on several items currently under discussion related to primary care. My comments are as follows:

Implement DVHA's Alternative Payments to Primary Care

The Governor's proposed budget includes a \$2.01M reduction in Medicaid primary care payments following the conclusion of OneCare Vermont. This change would eliminate the \$4.75 PMPM supplemental payment that has previously supported alternative payment models and care coordination structures. Care coordinators in my office support families with new diagnoses of autism connect with services in the community, they act as the liaison between schools and the medical home for medically complex patients, they help to arrange outpatient treatment programs for patients suffering from severe eating disorders and mental health disorders, they reduce use of the ER through supporting patients access to their medical home. This is a small portion of the work they do. This care is essential for our patients who are high utilizers of the medical system and has been shown to reduce the cost of care and lead to improved outcomes.

Include an Inflationary Adjustment to the Medicaid Primary Care Fee Schedule

The Governor's proposed budget does not include the \$3.31M needed to provide an inflationary update to the Medicaid primary care fee schedule. Without this adjustment, reimbursement rates would remain flat despite increasing delivery costs and ongoing sustainability challenges. Strong primary care presence in the community promotes healthy habits, prevents and treats chronic illnesses and reduces the use of the ER. Both of these lead to healthier Vermonters and lower cost of care. But we cannot provide this care without adequate payment. The cost of running a business continues to rise with higher costs to employ adequate numbers of staff, supplies, rent and utilities. We need these inflationary updates to Medicaid payments to stay in business and continue to care for children in Vermont.

Address the Gap Created by the Conclusion of OCV's Population Health PMPM and Community Provider Reimbursement (CPR) Payments

The Governor's proposed budget does not include the \$7.7M needed to cover the projected gap in funding for Population Health and CPR payments from January through June 2027. Without this funding, no designated resources would be available to support scheduled CPR payments during the second half of FY 2027. We are a private practice, we run a tight margin and we provide excellent care to 8,000 children. We keep families out of urgent care and ER. We promote healthy habits. We rely on these funds to keep our doors open. Cutting these funds will have direct impacts on the ability of primary care practices across Vermont to provide care.

Support Funding for the DULCE Program

DULCE (Developmental Understanding and Legal Collaboration for Everyone) is an evidence-informed model that integrates legal, social, and family-support services within pediatric primary care settings. The Governor's proposed budget does not include the \$1M needed to continue this work, which would leave the program without resources to sustain its integrated services for families. At Timber Lane Pediatrics we are proud to be a DULCE site. This program is a truly innovative upstream approach to improved health for all families with newborns. Identifying stressors and connecting families to resources allows new families and infants to thrive. Connection to WIC, SNAP, mental health resources and community support can change lives.

Restore Funding for AHEC Workforce Pipeline Programs

The Governor's proposed budget includes a \$1.27M reduction in funding for the Area Health Education Centers (AHEC) system, which currently supports recruitment, training, and retention efforts for Vermont's healthcare workforce. These reductions would affect workforce pipeline programming, loan repayment programs, and physician placement support.

Continue the Medical Student Scholarship Program

The Governor's proposed budget sunsets the Medical Student Scholarship Program, which currently provides scholarships to up to 10 third- and fourth-year UVM Larner College of Medicine students who commit to practicing primary care outside Chittenden County. Since its inception, the program has awarded 22 scholarships. There is no funding proposed to continue the program after July 1, 2027.

Thank you for prioritizing primary care.

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