

Vermont's Primary Care Spending: What the Data Show

Testimony Context: S.197 – An Act Relating to Establishing a Primary Care Payment Reform Program

GMCB and DVHA submitted a joint report to the Vermont Legislature pursuant to Act 17 of 2019, which established a stakeholder-driven methodology for defining primary care and measuring its share of total health care spending in Vermont. The report's findings and framework are directly relevant to S.197's goal of reforming primary care payment. A New England-wide report was published by New England States Consortium Systems Organization (NESCO) that compares states on the basis of a narrow and broad definition of Primary Care.

KEY FINDINGS AT A GLANCE (ACT 17 of 2019 – Primary Care Spend Report)

| | |
|--|---|
| 5.9% - 10.2% Total primary care spend* | \$2.63B Vermont total cost of care (TCOC) |
|--|---|

*The low end of the range reflects spend using claims only, while the high-end includes non-claims spend (e.g. Blueprint for Health payments).

BACKGROUND: ACT 17 (2019) AND THE PRIMARY CARE SPEND REPORT

Act 17 of 2019 directed the Green Mountain Care Board (GMCB) and the Department of Vermont Health Access (DVHA) to define primary care and determine how much of Vermont's total health care spending is allocated to it. The resulting 2020 report represents Vermont's first systematic, consensus-based measurement of primary care investment, and provides the baseline from which S.197 seeks to build.

HOW VERMONT DEFINED PRIMARY CARE

Vermont's definitions of Primary Care per the Act 117 report is a consensus-based definition that treats primary care as services delivered by a defined set of providers – including family medicine, internal medicine, general practice, pediatrics, nurse practitioners, physician assistants, naturopaths, OB/GYNs, and osteopaths – across a specified range of services such as office visits, preventive care, care management, and select mental health and substance use disorder services. The definition was developed to reflect a holistic approach to health, inclusive of both physical and mental health, and was aligned with the Milbank Memorial Fund's framework for standardizing primary care spending measurement.

WHAT THE PRIMARY CARE SPEND DATA REVEAL

Vermont Act 17 of 2019 Report

- Overall, 8.9% of the *all-payer* total cost of care (TCOC) was attributable to primary care on a claims basis in 2018, increasing to 10.2% when non-claims payments (Blueprint for Health PCMH, Community Health Teams, Spoke, and Women's Health Initiative) were included.
- *Medicaid* showed the highest primary care share at 22–24% of Medicaid TCOC, driven heavily by mental health and SUD services (\$268 PMPY vs. \$133 for commercial).
- Medicare primary care spend was the lowest at 5.5–6.5% of Medicare TCOC, in part due to data limitations around prospective capitation.

NESCO Primary Care Report

- Vermont has the lowest commercial spend on Primary Care across New England states, 4.9% vs. 8.0% (highest in MA) using the narrow definition, and 7.4 % vs. 11% (highest in MA) using the broad definition.
- Vermont has average- to highest spend on Primary Care for government payers (Medicare, Medicaid) across New England states.

Source: Green Mountain Care Board & DVHA, "Defining Primary Care and Determining Primary Care's Proportion of Health Care Spending in Vermont," Report to the Vermont Legislature pursuant to Act 17 of 2019 (submitted January 15, 2020; resubmitted February 21, 2020). | Current legislative context: S.197, 2026 Vermont Legislative Session.