

To:

State of Vermont
House Appropriations Committee

From:

Toby Sadkin, M.D.
Executive Committee Chair
Primary Care Health Partners

Date:

March 17, 2025

Subject: Urgent Support Needed to Protect Independent Primary Care in Vermont

Dear Members of the House Appropriations Committee,

I am writing on behalf of Primary Care Health Partners (PCHP) to express our urgent concern regarding the future of independent primary care in Vermont. The looming loss of critical funding in 2026 threatens not only the survival of PCHP but also access to essential primary care services for thousands of Vermonters.

PCHP, established in 2000, is Vermont's largest physician-owned independent primary care group. We provide care to over 30,000 Vermonters across 10 practice sites in Enosburg Falls, St. Albans, Milton, Burlington, South Burlington, Bennington, and Brattleboro. Our group includes 23 physician partner-owners and employs approximately 200 individuals.

A Legacy of Dedication and Resilience

Our roots trace back to the 1980s when our founding partners were part of the Community Health Plan (CHP), a regional HMO, which later merged with Kaiser-Permanente. When Kaiser Permanente exited the Northeast, our physicians chose to establish an independent, physician-owned group to uphold our commitment to high-quality, patient-centered care.

For decades, we have worked tirelessly to navigate the challenges of fee-for-service models, including negotiating fair reimbursement rates, recruiting and retaining staff despite wage competition, and managing rising operational costs. At times, our physicians have made personal financial sacrifices to sustain the practices and serve our communities.

At one point, some of our physician partners took drastic cuts in their own compensation, paying themselves only enough to cover minimal living expenses and health insurance, in order to just keep the practice open.

The Role of ACOs in Stabilizing Independent Primary Care

In 2014, we joined OneCare Vermont (OCV), which introduced innovative payment models such as comprehensive payment reform, capitated payments, and value-based incentives tied to quality metrics. This investment enabled us to expand critical patient services, including care coordination, mental health support, and population health initiatives, while reducing administrative burdens through MIPS reporting exemptions.

With OCV ending this year and the State delaying the CMS AHEAD model until 2027, our practices face the loss of nearly \$5 million in funding. This includes ACO-supported programs (comprehensive payment reform, population health incentives, and mental health initiatives) and Blueprint programs (community health teams, mental health expansion, and pediatric Dulce initiatives). Our practices struggle to make ends meet as is. A loss of this magnitude would be devastating.

The Implications for Vermonters

Without mitigation, this funding gap will lead to significant service reductions, job losses, and the potential closure of primary care offices. Thousands of Vermonters could lose access to essential healthcare services, exacerbating the healthcare crisis in our state.

A Call to Action

We urge you to take immediate steps to support independent primary care and prevent this impending crisis. Sustained investment is critical to safeguarding the health and well-being of Vermonters and ensuring the viability of independent primary care practices like ours.

Thank you for your attention to this urgent matter. We are hopeful for your leadership and action to secure the future of independent primary care in Vermont.

Sincerely,

Toby Sadkin, M.D.

Chair, Primary Care Health Partners

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