



Date: April 8, 2026
To: Chair Ann Cummings and members of the Senate Finance Committee
From: HealthFirst, Susan Ridzon, Executive Director, sr@vermonthhealthfirst.org
Re: H.585 - An act relating to health insurance reforms

Thank you for the opportunity to testify. My name is Susan Ridzon and I'm speaking on behalf of Vermont HealthFirst Independent Practice Association. We represent over 250 clinicians working at 66 clinician-owned independent primary care and specialty care medical practices across Vermont. (See attached slide at the end of this document for an overview of our network.)

I am here in support of the House passed version of H.585, particularly the sections pertaining to Expanded Access to Association Health Plans and Site Neutral Billing.

HealthFirst Supports Expanding Access to Association Health Plans

Small businesses have been saddled with double digit premium increases for several years and need more options for lower cost health insurance for their businesses. While we recognize the potential threat to the ACA risk pool, the very high cost of health insurance is an existential threat to our independent medical practices. When these practices go out of business, the risk pool shrinks AND Vermonters are left with fewer high value healthcare options. This limits access and increases costs.

HealthFirst Strongly Supports the Concept of Site Neutral Billing

This is a longstanding issue for independent practices and one that we've repeatedly sought to remedy. Currently the same service can cost dramatically more simply because it's performed in a hospital-owned outpatient department rather than an independent physician office. The clinical work, staff, and equipment are often identical, yet hospitals are reimbursed at higher rates for professional fees and also can charge additional facility fees. **This causes patients, payers and employers to pay wildly different prices for identical services. It is also unfair and weakens independent practices who struggle to compete with better resourced entities.**

Site Neutral Billing would:

- Correct an unfair and illogical reimbursement practice.
- Lower costs for patients, employers, tax payers, insurers, and the healthcare system.
- If done in a balanced way - i.e. modestly increase independents' rates rather than just bringing hospitals down to the independents' rate - it would help to sustain struggling community-based practices and access to the high value healthcare services they provide.
- Discourage further healthcare system consolidation, which has been associated with higher costs.
- Better align payment with value and outcomes, not the setting where care is delivered.

Suggested Amendments to Strengthen H.585 to Encourage Future Expansion of Site Neutral Billing

HealthFirst understands the intent to initially limit Site Neutral Billing to PT, OT and AT codes. This limited approach is reasonable and sets the stage for expansion of this common-sense reform strategy to additional outpatient services over time. To ensure the policy evolves over time, we suggest the following language.

1) Add Legislative Intent to Section 1 or to the beginning of Section 7.

Legislative Intent.

It is the intent of the General Assembly to promote affordability, transparency, and fairness in commercial health insurance reimbursement by aligning payment rates for equivalent services across care settings. The General Assembly further intends that site-neutral reimbursement be implemented in a phased, data-driven manner, with appropriate safeguards to ensure patient access to care, particularly in rural and underserved areas.

2) **Allow for expandable authority by adding to Section 7.**

(d) Authority to designate additional services.

The Commissioner of Financial Regulation, in consultation with the Green Mountain Care Board, may by rule designate additional outpatient services for which health insurers shall apply site-neutral reimbursement, provided that:

- (1) The service is commonly and safely delivered in multiple outpatient settings, including non-hospital settings; and*
- (2) There exists a measurable difference in reimbursement rates across sites of service for the same or substantially similar service.*

3) **Amend Sec. 8 reporting requirements.**

(c) Recommendations for expansion.

The report required under this section shall include:

- (1) Identification of outpatient services with the greatest variation in reimbursement rates across sites of service;*
- (2) An estimate of potential cost savings associated with applying site-neutral reimbursement to such services;*
- (3) An assessment of access, quality, and utilization impacts; and*
- (4) A prioritized list of specific services or billing codes recommended for future application of site-neutral reimbursement.*

(d) Rulemaking following report.

On or before January 15, 2028, the Commissioner shall initiate rulemaking to consider expansion of site-neutral reimbursement to additional services identified pursuant to subsection (c), unless the Commissioner determines, based on the report, that such expansion would materially adversely affect access to care.

Suggested Amendment to Also Include a Short List of E/M Codes Now

While we understand the wish to start small, a few Evaluation & Management (E/M) could be added without too much effort. Site neutral billing for routine office visit E/M codes is logical as they involve the same clinician, the same visit, the same care, with no dependency on the location type. In short, there is zero clinical reason for different prices. Accordingly, we highly recommend inclusion of such codes now and offer the following modifications to include them.

1) **Modify Section 7 to Expand “Designated Services”.**

(1) Required site-neutral services. For purposes of this section, “designated services” means: (A) physical therapy, occupational therapy, and athletic training services; and (B) evaluation and management services and preventive medicine services, including: (i) CPT codes 99202–99205 and 99211–99215; and (ii) CPT codes 99381–99387 and 99391–99397.

Site Neutral Billing Summary

Vermonters currently often pay more, sometimes much more, for the same outpatient service simply because it is delivered in a hospital-owned setting rather than an independent clinic. The price difference is not determined by better outcomes but by an unfair and illogical billing structure. The current version of H.585 takes a reasonable focused first step by applying site-neutral reimbursement to a defined set of physical therapy-related services. But there is opportunity here. By adopting our first set of suggested amendments, Vermont can preserve this careful approach while ensuring that site neutral billing evolves over time without requiring the Legislature to revisit the issue service-by-service. We also support adding a few more codes now, which would continue to keep this first step focused and also be more impactful for Vermonters. Either approach would

move Vermont in the right direction in terms of protecting Vermonters from unnecessary costs and leveling the playing field for independent providers, while preserving access to care. We ask that you support the suggested amendments so that site neutral billing is not just a pilot study but a durable, scalable reform effort.

Thank you for your consideration in this important topic. Please reach out to me at sr@vermonthealthfirst.org or Christina McLaughlin cm@vermonthealthfirst.org if we can be of assistance.

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### About the HealthFirst Network

