BlueCross BlueShield of Vermont
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February 25, 2026

Senate Committee on Health and Welfare
Vermont General Assembly
115 State Street
Montpelier, VT 05633-5301

Re: S.197 testimony

Chair Lyons and Members of the Committee,

Thank you for the opportunity to testify this morning on S.197 and the future of primary care reform in Vermont.

At its foundation, this bill reflects goals that we strongly share. Investing in primary care to improve health outcomes. Expanding access so Vermonters can see a provider when and where they need one. Making care more affordable and building a healthier population over time. That is fully aligned with our mission at Blue Cross and Blue Shield of Vermont to make health care work better for all Vermonters.

We are hopeful about the direction of this legislation. We have been encouraged by our conversations with the Agency of Human Services, with the Medicaid team at DVHA, with the Department of Financial Regulation, and with hospitals and other insurers. There is genuine alignment around the idea that primary care must be the foundation of a more stable and sustainable health care system.

That said, if we are going to focus on solutions, we also need to acknowledge current realities.

Blue Cross and Blue Shield of Vermont is the largest contributor to the Blueprint for Health, accounting for more than one third of total investment. We are proud to do our part. However, we have struggled to obtain sufficient transparency into how our Blueprint dollars, particularly those supporting community health teams, translate into measurable outcomes for our members. We have also reviewed recent reporting on quality performance and believe that honest reflection on current outcomes must be part of this conversation.

This is not about assigning blame. It is about accountability and modernization. Increased spending alone does not guarantee better outcomes. Investment must be tied to clear, measurable improvements in access, quality, and affordability.

For that reason, we believe elongating the implementation timeline in S.197 would be a wise and strategic adjustment. Transforming primary care cannot happen overnight. Extending the timeline would allow:

- Thoughtful coordination with the Rural Health Transformation Program
- Meaningful provider planning and operational readiness

- Deeper engagement with communities to understand real barriers to primary care access
- Clear identification of quality measures and accountability standards

If we are redesigning the Blueprint, we should design it not just for 2025 or 2026, but for where Vermont needs to be ten years from now.

We also believe this moment presents an opportunity to learn from other states. Massachusetts, for example, has implemented tiered capitation models that adjust payment based on the level of services and infrastructure a primary care practice provides. That approach aligns payment with capability and outcomes rather than simply increasing across-the-board funding. There are years of data and evaluation we can examine to determine whether elements of that model could work in Vermont.

At Blue Cross and Blue Shield of Vermont, we are already investing above and beyond Blueprint payments through additional per-member-per-month quality payments to providers. We do this because we want to ensure our members receive the right care, at the right time, in the right place. We are seeing progress in some of those programs. But we also know that in partnership with AHS, hospitals, providers, and other insurers, we can do better.

Modernizing the Blueprint must be grounded in measurable outcomes. That means:

- Clear quality metrics
- Transparent reporting
- Defined access targets
- Shared accountability across payers and providers

It also means being honest about where we are today. Transformation requires data transparency, even when the data is uncomfortable. If we are willing to ground our planning in that honesty, we can set meaningful objectives and build a system that delivers real change.

Primary care is the foundation of affordability. When Vermonters can access high-quality primary care, downstream costs decrease. Emergency department utilization declines. Chronic conditions are managed earlier. Avoidable admissions are reduced. That is where affordability and accessibility intersect.

We believe S.197 has the potential to put Vermont on a better path. But it must be structured so that investment is tied to outcomes, accountability is clear, and implementation is deliberate.

Blue Cross and Blue Shield of Vermont brings data infrastructure, quality analytics, and transparency tools that can meaningfully support this work. We have shared data with the Committee over the past week and remain

committed to being a constructive partner. Our statutory and mission-driven obligation is to act in the best interest of Vermonters.

If this legislation continues to move toward:

- A focus on measurable quality outcomes
- Improved access to primary care
- Transparent use of investment
- Long-term affordability

Then we are fully supportive.

We are optimistic. We believe that if we work collaboratively, grounded in data and shared accountability, we can look back a few years from now and be proud of what we built together.

Thank you for your leadership and for the opportunity to participate in this conversation. I am happy to answer any questions.

Sincerely,

Courtney Harrness
Director of Legislative and Government Affairs
Blue Cross and Blue Shield of Vermont