Testimony of Deb Richter, MD
On Wednesday February 4, 2026
To the Senate Health and Welfare Committee
In Regards: Bill S.197

For the record, my name is Deb Richter. I am a family physician and addiction medicine specialist and I have practiced in Vermont for about 26 years. I'm a past president of the Physicians for a National Health Program and I have also been deeply involved in supporting health reform efforts at the state and level, always with the aim of creating a system that ensures access and affordability to all Vermonters , and saves money while delivering quality care. Thank you for the opportunity to testify on S.197. My comments are my own and not from my employer

In summary, I support the bill, and I also have a suggestion for making it better able to address the health care crisis we are facing.

First let me say I think paying primary care providers by risk-adjusted capitation is reasonable because everyone needs some measure of primary care on a fairly regular basis, and the primary care needs of the average patient are far more predictable than a person's need for specialty or hospital care, which can be substantial or non-existent from year to year. Barring a public health catastrophe such as an epidemic, the less volatile nature of primary care demand makes it simpler to set an adequate rate that would enable a primary care provider to treat all the patients coming through its doors, without having to bill for individual services. That is of course as long as the capitated payment is adequate

The advantage of S.197 from a provider's point of view would be relief from the administrative burden of billing insurance companies, public programs, and patients for each service.

The advantage from the patients' point of view would be the elimination of cost-sharing for primary care. The elimination of cost-sharing, in my view, would be an enormous step forward that would end the deplorable situation we have in which patients avoid timely care because they can't afford the out-of-pocket cost. That is neither good for individual patients nor for the overall health system because when care is delayed it can be far more expensive to treat.

As we know, primary care saves lives; it also saves money for taxpayers and health insurance customers.

I also support the effort to increase the primary care spend rate. The U.S. lags far behind other developed nations in the percent of its health expenditures for primary care. We are top heavy on the most expensive care and we under-invest in primary care and this contributes to our substandard health indicators compared to other countries in areas such as maternal and infant mortality, life expectancy, and chronic disease morbidity.

I listened to the outstanding testimony of Dr. Altman of Tufts University last week, and he listed all the components of the Massachusetts legislation that are mirrored in S.197, and he said the one missing component in S.197 was the Primary Care Stabilization Fund. I do understand that S.197 would aggregate the insurer payments into a fund, but I think the purpose of the Massachusetts Stabilization Fund is to go beyond that, to ensure the financial stability of primary care practices so they can offer care to all patients and be relieved of billing insurance companies for primary care.

My concern is that as currently written, S.197 does not go far enough in addressing what I perceive to

be the moral imperative to end treating primary care as a commodity that some can afford and others cannot, and instead make it a public good, financed like roads and bridges, public safety, and public education.

We should not forget that two actions of the federal government are undoubtedly increasing the number of uninsured Vermonters. One is the end of federal subsidies under the Affordable Care Act. The other is changes to eligibility for Medicaid. We also have a growing problem of Medicare beneficiaries on traditional Medicare who cannot afford a commercial supplement to cover primary copays.

Billing the uninsured and the underinsured is not a welcome task at primary care clinics. We must recognize that our friends and neighbors who have lost insurance but do not qualify for Medicaid, also need payment reform! Without a stabilization fund, primary care practices—especially in rural areas—will be unable to serve the uninsured and stay afloat financially because these patients are outside the payment streams imagined in S.197

I do not have suggested financing for a Primary Care Stabilization Fund. You would have to work with JFO and your other committees to develop that.

Alternatively, in S.197 you could require a study by the Green Mountain Care Board in consultation with JFO and DVHA, to scope out how a uniform, publicly financed universal primary care program would integrate with the capitated payment mechanism you are proposing in S.197. A study of publicly financed universal primary care was done in 2015 by the Agency of Administration. That study could be updated, with particular emphasis on current cost, financing options, and implementation measures. I have submitted language that you could add to S.197 to require such a study. If passed, the next Legislature could then decide if it wished to proceed on the basis of the study's findings.

Public financing would enable us to invest in primary care at levels that make the most sense for public health. In other words, we'd have an intentional system of care with a reliable funding stream. Another advantage relates to the primary care workforce. A system of care with sustainable funding would attract primary care practitioners to all parts of the state, not just to the areas with the best payer mix and the least number of uninsured.

My last point is just to emphasize, as I'm sure you're aware, that existing Vermont law Act 48-commits the state to the removal of financial barriers to care and to facilitating universal access. My suggested additional language references these statutes and would be a step toward fulfilling their mandates through the vehicle of S.197.

I have provided a copy of my proposed language to your committee assistant and I will also provide written text of my testimony. Thank you again for inviting me and for your great work on these difficult issues. I'm happy to answer any questions.