



Vermont Businesses
for Social Responsibility

Wednesday February 25th, 2026

Primary Care Policy Priority Access Program : Bill S.197/H.680

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Dear Senate Health and Welfare Committee:

Thank you for the opportunity to testify today on S.197, a bill to expand access to primary care in Vermont. My name is Johanna de Graffenreid and I am here today as the Public Policy Manager of Vermont Businesses for Social Responsibility. VBSR supports investing in primary care by establishing a streamlined primary care payment system that will promote the public good. We believe that increasing access to primary care improves the health of Vermonters and reduces overall health care system costs.

VBSR businesses, employees and communities are facing serious challenges in accessing affordable health care. As Vermonters, we all know family members or neighbors who have had challenges finding a primary care provider (PCP). This is why we signed on earlier in the session in support of S.197 with the Vermont Medical Society, Vermont Nurse Practitioners Association, VTAFP, the Vermont Chapter of the American Academy of Pediatrics, and Health First in support of primary care access in Vermont. The primary care workforce shortage is increasing due to stagnant reimbursement, administrative burden, and high burnout rates. At current staffing rates, Vermont will be short 370 primary care providers by 2030.

With changes to federal programs, 2027 will reveal new healthcare access challenges for Vermonters — especially those who rely on Medicare and Medicaid. Some data points from Representative Balint’s office’s website breakdown Medicaid in Vermont¹:

MEDICAID IN VERMONT:

- *Vermont receives \$1.3 billion dollars in federal Medicaid funding.*
- *168,000 Vermonters – 26% of the state’s population -- get their health insurance through Green Mountain Care, the VT Medicaid program.*

¹<https://balint.house.gov/biguglybill/#:~:text=Cuts%20funding%20for%20the%20Supplemental,%2C%20etc%E2%80%93will%20lose%20eligibility.>

- 75% of all adults who are covered by Medicaid in Vermont are working.
- In Vermont, Medicaid covers:
 - 37% of all births,
 - 41% of all children,
 - 21% of adults ages 19-64,
 - 53% of working-age adults with disabilities,
 - 17% of Medicare beneficiaries, and
 - 62% of nursing home residents.
- **POTENTIAL LOSSES TO VERMONT:**
 - **Up to 45,000 Vermonters are at risk of losing their health insurance or having their premiums increase dramatically, whether they are covered by Green Mountain Care (VT Medicaid) or Vermont Health Connect (Vermont's ACA health insurance marketplace).**
 - *It is estimated that this bill could cause Vermont's uninsured rate (one of the lowest in the nation) to almost double from 3.3% to 6%.*

It is with this context with which we meet with you. Our hope is to address some of these challenges with S.197 in the goals of expanding affordable, crucial, healthcare in Vermont. VBSR specifically would like to comment on the following sections of the bill:

721. PRIMARY CARE PAYMENT REFORM PROGRAM

(a)(1) The Department of Vermont Health Access, in coordination with the Green Mountain Care Board and the Blueprint for Health and in consultation with the Vermont Steering Committee for Comprehensive Primary Health Care and other interested stakeholders, shall develop and implement a primary care payment reform program that will promote the public good by investing in primary care and reducing administrative burdens in order to increase access to care and reduce health system costs.

The primary care payment reform program shall initially be voluntary for primary care practices and shall be funded by allocating a portion of commercial health insurance premiums; a portion of premium equivalents from other participating payers; and, to the extent permitted by federal law, waivers of federal law, and federal initiatives, public funds from Medicare and Medicaid."

“(4) the Department shall use a definition of primary care services that aligns with the definition used in the 2020 report determining the proportion of health care spending in Vermont that is allocated to primary care, which was submitted to the General Assembly by the Green Mountain Care Board and the Department of Vermont Health Access in accordance with 2019 Acts and Resolves No. 17, 10 Sec. 2, and with the definition of primary care services used by the New England States Consortium Systems Organization (NESCSO).”

VBSR supports not only the format proposed in developing a primary care reform program, but also an assessment of the funding landscape for increasing allocations to primary care spending in the creation of a workable and practical program that is right sized for Vermont.

Additionally, for clarity and for purposes of the primary care spending allocation target and consistency with existing state statute, VBSR supports the PCP definition as follows ([outlined in the testimony on S.197 by Jennifer Carbee](#)).

“The primary care spend definition was used to calculate the 2017 TCOC baseline and will continue to be used for All-Payer Model TCOC reporting and monitoring. The final definition utilized by the GMCB for primary care spending in its All-Payer Model TCOC reporting includes the following provider taxonomies:

- *family practice,*
- *internal medicine (no subspecialty),*
- *internal medicine (subspecialty geriatrics),*
- *pediatrics (no subspecialty),*
- *general practice,*
- *nurse practitioner,*

All-Payer Accountable Care Organization Model Agreement. Complete taxonomy table available in Appendix VI. 6 | Primary Care Definition and Spend

- *physician assistant,*
- *naturopath,*
- *osteopath, and*
- *obstetrics/gynecology.*

The final definition utilized by the GMCB for primary care spending in its All-Payer Model TCOC reporting includes the following Current Procedural Terminology (CPT) codes for claims-based spending as follows:

- *office visits,*

- *encounter payments,*
- *preventive visits,*
- *vaccine administration,*
- *care management,*
- *chronic care management,*
- *obstetrics/gynecology,*
- *nursing facility,*
- *home services, and*
- *domiciliary/rest home/custodial care.*

In addition to reviewing the primary care definition and primary care spend measure developed by the GACB and Milbank, working group members reviewed the Department of Financial Regulation's (DFR) guidance on determining mental health/substance use services that should be considered primary care."

(g)(1) "Implementation of the primary care payment reform program shall increase the proportion of total annual health care spending in Vermont that is spent on primary care, with an initial primary care spending allocation target of 15 percent of total Vermont health care spending to be met not later than January 1, 2029. The Department shall establish a transitional schedule that increases the proportion of primary care spending over time in order to achieve the primary care spending target. The increased spending for primary care shall not result in an increase in total health care spending in Vermont."

Reimbursement structures often favor procedures and interventions over primary care. For every dollar spent on primary care, there is a potential return of \$13 in overall healthcare savings according to the Commonwealth Fund. This is because strong primary care leads to:

- Better health outcomes
- Fewer emergency room visits and hospitalizations
- More effective management of chronic conditions

In 2020, only 10.2% of total health care spending in Vermont was allocated to primary care. For these reasons we support the proposal in S.197.

Sec. 7. REGIONAL UNIVERSAL PRIMARY CARE PROGRAM; REPORT

“The Office of the State Treasurer, in consultation with the Agency of Human Services, shall collaborate with other northeastern states to explore the potential to establish a regional universal primary care program that would be available to all residents of the member states. On or before January 15, 2027, the State Treasurer shall report to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding the Office’s outreach efforts, interest from other northeastern states, any legal or regulatory obstacles identified, and recommendations for next steps.”

To continue to advance a clear pathway for universal access to primary care in Vermont beyond 2027, VBSR supports the creation of this report. While we recognize that the healthcare landscape is changing quickly, we believe it is timely to utilize the research that will be done for the 2028 recommendations to inform next steps as an explicit part of this process.

Conclusion

Without affordable, accessible, available healthcare in Vermont, our economy is less stable, and our communities are less vibrant. VBSR works to incentivize and support efforts to promote the development of affordable access to healthcare while remaining focused on our goal of decoupling health insurance from employment. Now is the time to act to prepare for the changes coming in 2027 and ensure we cut costs for primary care while expanding access for working Vermonters. It is for these reasons, and many more as outlined by primary care practitioners themselves in the testimony of S.197, that VBSR supports this bill’s passage into law in 2026.