

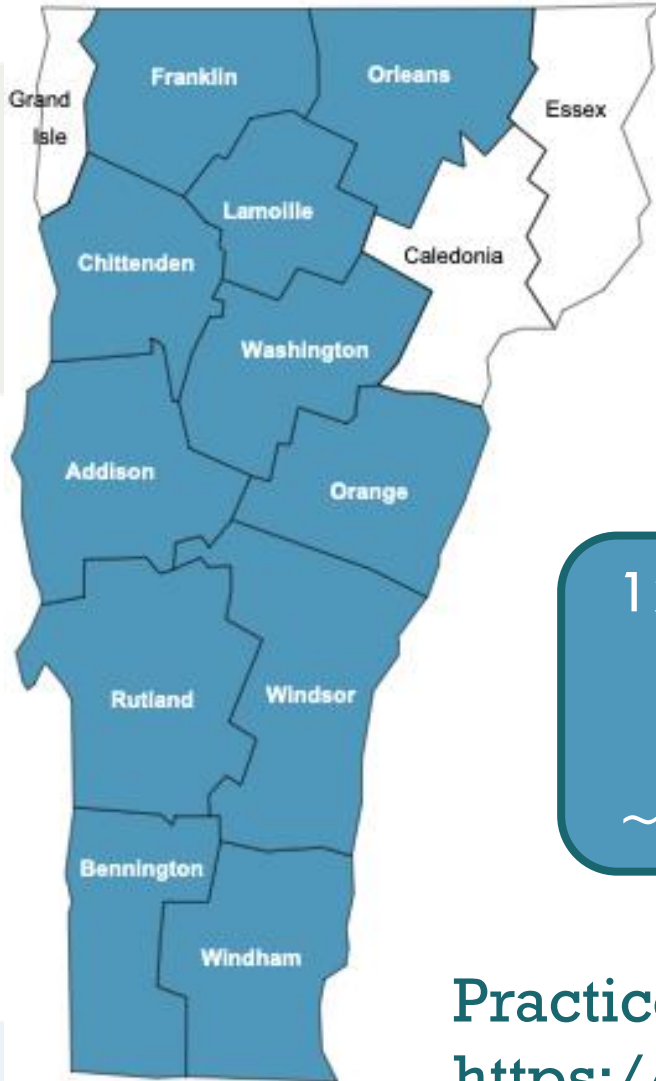


## S.197 – An Act Relating to establishing a primary care payment reform program

Susan Ridzon – Executive Director  
[sr@vermonthealthfirst.org](mailto:sr@vermonthealthfirst.org)  
January 27, 2026



# HealthFirst



66 primary & specialty care practices in 11 counties

21% Direct Care or Concierge

127 primary care clinicians caring for ~90,000 patients

108 specialists offering 25<sup>+</sup> specialty care services

Practice directory:  
<https://vermonthealthfirst.org/directory.php>



Green Mountain Surgery Center

**VERMONT EYE LASER**  
AT  
*New England*  
VISION



**VERMONT  
DIAGNOSTIC  
IMAGING**

# HealthFirst Supports Primary Care & S.197



## The Solution – Increase Access & Funding to Primary Care

More investment in primary care will increase access to affordable healthcare for all Vermonters.

## The Problem – Vermont's Healthcare System is in Critical Condition






*For every dollar spent on primary care, there is a potential return of \$13 in overall healthcare savings. (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

Vermont only allocates **10 cents of every healthcare dollar** to primary care. ([GMCB Report 2020](#))

- ✓ **Health Insurance Crisis**  
Skyrocketing premiums are making commercial health insurance increasingly unaffordable for individuals, families, and employers;
- ✓ **Limited Patient Access and High Costs**  
Lack of access to primary care pushes patients to urgent care, and emergency departments, resulting in fragmented care and overall higher healthcare costs;
- ✓ **Excessive Administrative Burden**  
Primary care clinicians spend roughly 50% of their time on documentation and desk work, diverting time from patient care and reducing practice satisfaction
- ✓ **Misaligned Incentives and Underinvestment**  
Reimbursement structures often favor procedures and interventions over primary care. In 2020, only 10.2% of total health care spending in Vermont was allocated to primary care;
- ✓ **Workforce Crisis**  
The primary care workforce shortage is increasing due to stagnant reimbursement, administrative burden and high burnout rates. Vermont will be short 370 PCPs by 2030.

 Primary Care Investment Target	 Primary Care Payment Reform	 Primary Care Workforce
<ul style="list-style-type: none"><li>• <b>Reallocate VT's Health Care Dollars to Primary Care:</b> Increase the percentage of health care spending to meet a primary care investment target of 15% of total health care spending by January 1, 2029.</li></ul>	<ul style="list-style-type: none"><li>• <b>Pay PCPs to deliver care:</b> Invest primary care spending in a voluntary payment reform program with global payments funded by commercial premiums and, if permitted, Medicare and Medicaid funds.</li><li>• <b>No out-of-pocket costs for patients</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Primary Care Scholarship and Loan Repayment:</b> Invest in primary care incentive scholarship and loan repayment for medical students who commit to practicing primary care in Vermont</li></ul>

# S.197 Cheers

- Thank you for attention on primary care!
- Focus on capitated payments
  - Mention of hybrid capitated + FFS payment model
- Reducing admin burden, no patient cost sharing
- Considers unique needs of all practice types
- Requirement to update reports on VT clinician landscape & site neutral reimbursements (even better: adopt H.585 site neutral language)
- Elimination of sunset of PCP scholarship program (even better: add loan forgiveness)

# S.197 Suggested Considerations

- Name AHS as coordinator instead of DVHA
- Remove mandated participation
- Emphasize PC Steering Committee's critical role in defining program details
- Ensure there is ample support for program & participating practices