

February 4, 2026

Senate Health and Welfare Committee:

Thank you for the opportunity to speak with you today regarding Senate Bill S.197

I am Toby Sadkin. I am family physician and have been practicing in St. Albans for over 33 years. I am also the Chair of Primary Care Health Partners since our group was formed, 26 years ago. In the context of thinking about the proposals in S. 197, I can share with you the experience our group has had with the comprehensive payment reform program through OneCare Vermont and our thoughts on potential future capitated payment reform programs.

Primary Care Health Partners is the largest physician-owned independent primary care group in Vermont. We take care of over 30,000 Vermonters. We have 10 practice sites in Vermont (encompassing Family Medicine, Pediatrics, and Adult Medicine) with locations in Enosburg Falls, St. Albans, Milton, Burlington, South Burlington, Bennington, and Brattleboro. We have 24 physician partner-owners and employ approximately 200 people.

Primary Care Health Partners faces the challenges shared by all independent primary care practices:

- We struggle to negotiate adequate primary care reimbursement with the commercial insurers
- We encounter difficulty recruiting/retaining staff –both physician/practitioner staff and support staff (as we cannot offer salaries/benefits that can compete with those offered by hospital-based practices and FQHCs).
- Our expenses continue to increase far faster than any adjustment in reimbursement (including health insurance premiums for our staff as well as things like utilities, supplies, rent, insurance)

For years, our offices struggled to make ends meet. There were times when our physician partners took drastic cuts in their own compensation, paying themselves only enough to cover minimal living expenses and health insurance, just to keep the practice open. Just as we were facing the difficult reality that some of the offices may need to be closed, ACOs were created and offered alternative payment models.

In 2014, we made the decision to join the OneCare Vermont ACO. Through OneCare Vermont (OCV) we saw the first real investment in primary care, especially the comprehensive payment reform program for independent primary care practices. This investment into independent primary care included:

- Monthly capitated base payments which offered enhanced reimbursement paying more than we would have received on a fee for service basis
- Additional funding beyond the base capitation for a mental health initiative focused on better access to mental health services for our patients
- Population health model with opportunity for incentive payments based upon achieving quality targets for things such as preventive visits, blood pressure control, ER follow up, and depression screening

This payment reform model with monthly capitated payments for independent primary care allowed us to expand our services and supports to our patients through care coordination, community health workers, and increased mental health services. *Very importantly, the model included both family medicine and pediatrics.*

Across our ten Vermont practice sites, we realized \$3 million more than we would have received on a fee for service basis from Medicare and Medicaid. Considering the funding from Blueprint and the State Mental Health Expansion funds, this number was close to \$5 million.

The loss of this payment reform program has left independent primary care practices facing serious challenges. At the very least, we will not be able to continue some crucial services for our patients (e.g., care coordination, access to mental health services). Certainly, our pediatric practices find themselves with no alternative options, as the national ACOs that might be available for potential Medicare shared savings are only available for Medicare patients. Without ongoing mitigation of these losses, some of our offices may not survive---primary care offices could close, leaving patients without access to primary care and leaving our employees without jobs or health insurance.

The stable, predictability of monthly capitation payments makes it possible for independent primary care practices to budget more accurately and to staff appropriately to provide the best care for our population of patients. With proper investment into primary care, this type of payment reform creates a culture in healthcare that recognizes the value of primary care and places trust in primary care providers to use their expertise to create the team-based care that provides coordinated, meaningful, quality care to their patients. Ultimately, this leads to more access, better care, and better health for Vermonters. No less importantly, a payment reform program with significant investment in primary care sends a long overdue message to primary care providers in Vermont that the work they do to take the best care of Vermonters every day is valued.

S. 197 is a good step in that direction. There is a lot in the bill and many details to be worked through, yet it does give independent primary practices some hope for the future, and we are grateful for that.

Respectfully,



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