State of Vermont
Senate Committee on Health and Welfare
February 28, 2025
Testimony – Jon Asselin, Chief Operating & Financial Officer
Primary Care Health Partners

Financial Condition Pre-CPR	• In 2018, OneCare Vermont introduced the Comprehensive Payment Reform Program. • OneCare recognized the dire financial state of independent primary care practices. • Leading up to 2018, the financial condition of our practices was deteriorating. • Because of lower payments, it was effectively a financial penalty to treat Medicare and Medicaid patients. The more you had, the worse off you were financially. • Programs like Blueprint were important, but not enough. • By 2017, I could see a few practices where I questioned whether they would last one more year. When you have a physician cut his personal compensation just to pay his benefits, that is obviously not sustainable. • Physician burnout was a growing crisis. Running harder to see more patients with administrative burdens imposed by carriers.
The Benefit of OCVT & CPR	• Approaching 2018, we found ourselves on a financial cliff. • Again, to OneCare's credit, they saw the crisis and implemented support programs including the CPR program. • In coordination with hospitals throughout the State and Vermont Medicaid, meaningful investments were made in primary care. • OneCare's CPR program along with population health payments coupled with the State's Blueprint programs including Expanded CHT and DULCE helped stabilize our practices. • OneCare effectively removed the penalty in seeing Medicare and Medicaid beneficiaries.
Independent Primary Care in a Tailspin	• With OneCare announcing their closure at the end of 2025 and Vermont delaying the start of AHEAD until 2027, we find ourselves in a tailspin. We see a significant hole in our financial situation and fear a return to pre-CPR days. • Enhancements from the capitation payments are lost. • Continuation of the population health payments are uncertain. • Questions regarding the continuation of Blueprint especially the Expanded Community Health Team and DULCE programs are circling.

Our Appeal	• We are desperately seeking funding to fill the void left by OneCare's closure including the CPR program and population health payments. • As we assess the impact, we are working with OneCare to understand the amount of funding attributed to the hospitals versus Vermont Medicaid. • It is important to note with OneCare's closure, there is no longer a vehicle for hospitals to provide support to independent primary care. • We hope the State continues supporting Blueprint including Expanded CHT and DULCE. • Without replacement funds, we have practices that could lose up to 1/3 of their income and will likely not survive.

VT Medical Society Appeal Efforts	• The Vermont Medical Society has been highlighting 2026 Budget needs including the following:
	  ○ $5.5 Million for population health and CPR to address the funding gap between the closure of the ACO and the delayed start of AHEAD.
	  ○ $10.8 Million in lost Medicare payments to the Blueprint for Health Community Health Teams, Patient Centered Medical Homes and the SASH program.
	  ○ Continuation of the Blueprint for Health expansion pilot to assist practices to address mental health, SUD, and SDOH needs ($3.1 Million for Blueprint MH and SUD supports and $635,000 for DULCE supports).
	  ○ Increase the Medicaid professional fee schedule to account for the Medicare Economic Index inflation measure of 3.5%.
	• In addition the points listed, we hope Vermont Medicaid continues to maintain its investments in primary care despite the ACO's closure.

primarycare
HEALTH PARTNERS

February 14, 2025

Sen. Ginny Lyons
Chair – Senate Health and Welfare Committee
241 White Birch Lane
Williston, VT 05495

Dear Senator Lyons:

We are writing to share our concerns regarding the state of primary care in Vermont especially regarding independent practices. We are reaching out on behalf of Primary Care Health Partners which is the largest primary care group in Vermont providing care to over 30,000 Vermonters. Since 2018, we have been fortunate to participate in the Comprehensive Primary Care Program ("CPR") implemented by OneCare Vermont. CPR has enabled desperately needed investments in primary care and enhanced collaboration between participating organizations including hospitals and independent practices.

On several occasions, we have spoken to the Green Mountain Care Board as to the great value the CPR program has provided. Despite our advocacy efforts, any optimism for our future has been shattered by the announcement OneCare will be shuttered at the end of 2025. We also recently learned the CMS AHEAD model will not be implemented in Vermont until 2027. While we did not expect AHEAD to fully replace the financial support provided through CPR, any financial assistance would have been better than none in 2026.

Across our ten Vermont practice sites, in terms of payments flowing through OneCare, we realized $3 million more than we would have received on a fee for service basis from Medicare and Medicaid. This funding enabled investments in various programs including mental health initiatives and provided funding to retain and recruit practitioners and other medical support staff. In short, CPR preserved the existence of our practices as well as many other independent primary care practices. Independent primary care practices provide care for tens of thousands of Vermonters. Without these practices, patients would need to seek care at other higher-cost healthcare facilities.

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With the loss of CPR and with no other support on the horizon, we're faced with making tough decisions. While we endeavor to always provide the highest quality care possible, without funding, changes will be necessary. Programs will be eliminated, or worse yet, offices may need to close. Since the All-Payer Model is ending, it is clear there is no hope of saving CPR so we are appealing for your support to fund programs which invest in primary care.

Thank you for your time in reading this letter. We would welcome the opportunity to further discuss our concerns with you.

Sincerely,

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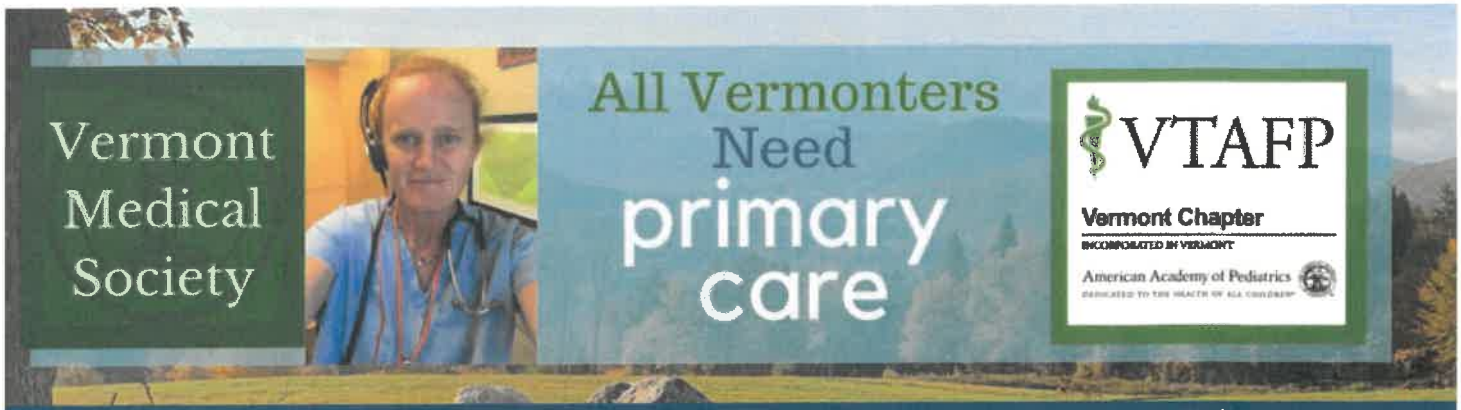

FY 2026 Budget Needs February 2025

Primary care in Vermont has been in a precarious position due to systemic underfunding and workforce challenges. We face a new one-time cliff in 2026 – a loss in over $15 million of primary care dollars due to delaying the start of the AHEAD Model. The legislature has the opportunity to stabilize and invest in the future of primary care in Vermont through innovative workforce development initiatives and sufficient ongoing payments.

ONE-TIME FUNDING

- **Practice Sustainability/Health Reform - Fill the SFY2026 $5,514,308 primary care funding gap**
  - This gap is created by Vermont deciding not to join the AHEAD Model until 2027, which creates a gap in funding for primary care practices between the end of the ACO and start of the AHEAD Model.
  - This ask includes filling one fiscal year's loss of Population Health Model (PHM) Program funding for all OneCare Participating primary care practices ($4,678,966) and the Comprehensive Payment Reform independent primary care prospective payment program ($835,342).
- **Workforce - Support the Maple Mountain Consortium family medicine residency program**
  - The program creates a new primary care pipeline and will train 4 family medicine trainees per year between Gifford and Lamoille Health Partners/Copley Hospital starting in July 2026. $4.06 million total is needed in one-time funding over SFY2026-2028. Likely matchable by Global Commitment.
- **Fill the $10.8 million in lost Medicare payments to Blueprint for Health Community Health Teams, Patient Centered Medical Homes and the SASH program.**
  - We support the Governor's SFY2026 Recommend, which includes this funding.

BASE FUNDING

- **Workforce - Continue the Medical Student Incentive Scholarship Program**
  - Provides scholarships for up to 10 third- and fourth-year UVM medical students who commit to practicing primary care outside of Chittenden County. To date 22 scholarships have been awarded. The program is scheduled to sunset July 1, 2027. Please remove the 2027 sunset and invest $500,000 per year for this vital recruitment and retention tool.
- **Practice Sustainability/Health Reform -**
  - **Continue the Blueprint for Health expansion pilot to assist practices to address mental health, SUD and SDOH needs**
    - The pilot funding will end this year absent legislative action. While the Governor's SFY2026 Recommend allows carry over funding to be used for the pilot for a third year, there is no funding allocated and it is unclear how much carryover is available – this pilot is needed, including support for existing DULCE practices.
  - **Adjust fee schedules for the cost of providing care:**
    - The Medicaid professional (RBRVS) fee schedule should adjust to account for the Medicare Economic Index inflation measure of 3.5% and FQHC encounter rate should reflect the cost of care.

Bi-State Primary Care Association — Serving Vermont & New Hampshire — Improving Access to Primary Health Care Since 1986 | HEALTH FIRST | VNPA Vermont Nurse Practitioners Association | VAHHS

For more information contact jbarnard@vtmd.org or jsudhoffguerin@vtmd.org