

State of Vermont
Senate Committee on Health and Welfare
February 28, 2025
Testimony – Toby Sadkin, M.D.
Executive Committee Chair
Primary Care Health Partners



Thank you for the opportunity to speak with you today to share our grave concerns about the future of independent primary care in Vermont.

I am Toby Sadkin. I am family physician and have been practicing in St. Albans for 32 years. I am also the Chair of Primary Care Health Partners since our group was formed, 25 years ago.

Primary Care Health Partners is a large group. We take care of a lot of Vermonters. We are passionate about our work, and we are profoundly concerned that the upcoming loss of funding for independent primary care in 2026 could threaten our very existence and impact access to primary care for many Vermonters.

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 23 physician partner-owners and employ approximately 200 people.

To understand more about who we are, it is important to know something about our history, which goes back to the 1980's when the physicians who would become the founding partners of Primary Care Health Partners were part of Community Health Plan (CHP), a regional HMO which later merged with Kaiser-Permanente for a short time. This history as part of an HMO has made us familiar with quality initiatives and capitated payments from way back.

When Kaiser-Permanente decided to exit the Northeast market, we were left with a decision to make about our future. We could stay together in a new entity, or we could all go our separate ways. A core group decided to stay together. We did not want to work for an insurance company, or a hospital, or an FQHC. We wanted to form an independent physician-owned primary care group, and this is how Primary Care Health Partners began.

Our group was formed in 2000, and everything we have done has been guided by our mission, vision, values, and culture. The essence of our mission is about working collaboratively to take the best care of our patients. Our vision highlights our commitment to remaining adaptable, resilient, and fiscally responsible; staying at the forefront of primary care using an evidence-based approach; embracing quality tools and new technologies; and advocating for independent primary care at local, state, and national levels.

With these guiding principles we entered the world of fee-for-service medical practice, and we faced the challenges shared by all independent primary care practices:

- We struggled to negotiate adequate primary care reimbursement with the commercial insurers
- We encountered difficulty recruiting/retaining staff –both physician/practitioner staff and support staff (as we could not offer salaries/benefits that could compete with those offered by hospital-based practices and FQHCs).
- Our expenses continued 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. Some of our physician partners took drastic cuts in their own compensation, paying themselves only enough to cover minimal living expenses and health insurance, in order to just 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, including value-based care.

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 was a return to a partially capitated model with focus on quality-based measures, something we were familiar with from the old CHP/HMO days. This investment into independent primary care included:

- Monthly capitated payments
- Extra funding 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, Depression screening

This investment by OCV into independent primary care helped to stabilize our practices and allowed us to expand our services and supports to our patients through care coordination, community health workers, and increased mental health services. In addition, participating in the ACO satisfied our CMS MIPS reporting requirement, alleviating a significant administrative reporting burden.

Now with OCV ending at the end of this year, the decision of the State to delay the CMS AHEAD model until 2027, as well as the likely loss of some of the Blueprint funded programs, we find our future uncertain and tenuous as we face a looming disaster for independent primary care in 2026.

For 2026 we are facing losses of:

- ACO funded programs including
 - Comprehensive Payment Reform
 - Population Health Model value -based care
 - Mental Health Incentive funds

(In addition, without the ACO we will also lose the exemption from the MIPS reporting requirements and will have to resume this expensive and time-consuming administrative burden)

- Blueprint funded programs
 - CHT
 - Mental Health expansion funds
 - Dulce program for some of our pediatric practices

Taken together across all our PCHP offices, these programs fund nearly \$5 million. Without these funds we face serious consequences. At the very least, there will be loss of some crucial services for our patients (e.g. care coordination, decreased access to mental health services). Our biggest concern is that without mitigation of these losses, some of our offices will not survive---primary care offices will close, leaving patients without access to primary care and leaving our employees without jobs or health insurance.

Ongoing investment in primary care and especially independent primary care is essential. We are looking to you to help to mitigate this looming crisis by finding ways to support independent primary care. This serious and imminent, and the healthcare of Vermonters is at stake.

Thank you again for the opportunity to speak with you
I sincerely hope you can help.

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