

Thank you Chairwoman Lyons and Committee Members:

9.8.20

I appreciate the opportunity to submit comments regarding the issue of decreased population health payment from OneCare to primary care providers in Vermont for the upcoming year. I am an independent pediatrician with a practice in South Burlington and a member of HealthFirst. It is difficult to find the right words to express how I felt Friday evening when I learned about your joint committee meeting and goal of passing legislation that supported practices like mine – thank you.

Since I came to Vermont in 1998 as a pediatric resident and joined my current practice in 2001, I have seen a lot of changes to the healthcare landscape. There have been a lot of ideas put forth, enacted, and discarded. All along, independent primary care offices have put in the work to provide the highest quality of medical care at the lowest costs. Over the past two decades, I have seen the expansion of Medicaid with little increase in reimbursement. I have seen the number of insurers shrink and have been unable to negotiate increased rates because we are too small to matter. I have watched practices being taken over by UVMMC and overnight visits double or triple in cost for patients because of facility fees and higher negotiated insurance payments; while their promises of savings by economies of scale go unrealized. All along I have tried to understand why practices like ours which set the standards for care and cost effectiveness were not being held up as an example and valued. For the first time in a very long time I feel like somebody recognizes our value – thank you.

Practices like mine have cut cost and increased efficiency even as our administrative burdens have increased overhead in ways we can't control. OneCare approached independent primary care offices at its conception with promises to partner with our practices. The ACO was going to help to stabilize our incomes; primary care was going to be prioritized and valued because that was what the state wanted. We were skeptical, we saw another layer of bureaucracy between us and our patients. We learned it would be owned by two nonprofits: UVMMC and Dartmouth but would be a for profit business. The board structure allowed for independent primary care practices to be represented and have a voice – but not too much of one with the chair being the CEO of UVMMC. The money flowed in to OneCare to the tune of 1.45 billion dollars with an administration budget of 19 million dollars for a staff of 77. There wasn't another choice for us, we could take the 3.25 per member per month and enter data into Care Navigator for patient management fees and see how things went or we could not participate. We were made to feel like we should be thankful this money was being made available when we knew it was a slight of hand; these payments are not money on top of equitable payments with the hospital practices for the same services. This is money we had not been getting for years because insurers have not increased rates to our practices while the hospital has been granted increases year after year while maintaining many other revenue streams not available to us.

The COVID-19 pandemic arrived - an unprecedented event. Everybody has been affected, not just in healthcare but in all walks of life and in all places. I am proud of how our hospital responded and prepared for a possible surge and adjusted to the needs of the people of Vermont. I felt the same fear as others - what if I became ill and needed a ventilator? Would I get the care I needed - the answer was yes - I knew I would receive world class care at UVMMC. I want to thank them for that peace of mind personally. Adversity brought people together as it often does. Our practices put in countless hours to adjust to the new reality and develop our telehealth systems to serve patients remotely; just as the hospital did. We stayed open, saw patients and continued to vaccinate. We knew our hospital colleagues in the emergency department and throughout the building were under enormous pressure too and we wanted to do our part. We applied for PPP loans and filed for grant money during our weekends and vacations. I am proud to say we did not furlough or lay off any of our employees - paying them their wages even when they were at home not working. We have brought back our staffs to pre-COVID levels and have ramped up seeing almost all patients in person. We made hazard payments to employees that did not qualify for the front line hazard payment grant through the state. Just this week we received our first shipments of flu vaccine and are ready to take on the task of vaccinating our patients as we anticipate a challenging fall and winter with COVID.

I share this so you have context around the inexplicable timing and rationale of OneCare to cut payments to primary care offices. The response from OneCare to our inquiries was that now was simply the time for us to be placed at risk. They pointed out that we had an "opportunity" to earn more with this model. Nobody looking at the Vermont healthcare landscape can make a cogent argument that this is the time to place primary care at increased risk by cutting back on their year to year revenue. Holding money that would have been distributed to us while introducing uncertainty regarding how we can earn the higher payment simply does not work for our practices. The math around the savings for the ACO and by extension the Vermont healthcare system as a whole versus the negative impact on practices ability to operate simply does not make sense. Placing independent practices at risk of closure which would drive patients toward higher cost options does not make sense.

This led to the letter created and signed by 14 participating primary care practices indicating an intention to not participate in OneCare due to this change. We had no further recourse, no leverage to negotiate with other than our attributable lives. The response on August 25<sup>th</sup> from OneCare came from the chair of the OneCare board Dr. Brumsted who is also CEO of UVMMC. The letter from Dr. Brumsted outlined the position of the ACO and did not compromise in regard to the decreased population health payment. This response led to our efforts to work with the legislature and bring the issue to the public through available media outlets; and in turn has led to this testimony.

I conclude my testimony once again with two words – thank you. Thank you for taking the time to understand our position and our value to the people of Vermont. Thank you for taking this issue seriously and treating it with your undivided attention. And thank you for renewing my optimism around the future of independent primary care in Vermont. This support comes at a most opportune time for me on a personal note. I have recently been approached by two residents completing their pediatric training at the medical center. They are both interested in staying and practicing in Vermont. After what I have seen and heard from you, I can unequivocally recommend starting a medical career in Vermont!

Sincerely,

Bradley T. Friesen, MD