



February 12, 2019

The Honorable Mitzi Johnson
Speaker
House of Representatives
115 State Street
Montpelier, VT 05633

The Honorable William Lippert Jr.
Chair
House Committee on Health Care
115 State Street
Montpelier, VT 0563

Dear Representatives,

On behalf of the American Academy of Family Physicians (AAFP), which represents 131,400 family physicians and medical students across the country, and our state chapter, the Vermont Academy of Family Physicians, which represents 346 family physicians and medical students in Vermont, I write in support of House Bill 89.

This legislation would increase health care spending investment and transparency in primary care. Although primary care is critical, the percentage of our health care dollar supporting it is not well known. Studies suggest that the amount spent on primary care only accounts for 5-8% of overall health care expenditures, currently.

House Bill 89 would require the Green Mountain Care Board to develop a definition of primary care and determine the proportion of health care spending allocated to primary care. Stakeholder consultation is required, and the process will lead to a definition that is inclusive of provider types and defined services. House Bill 89 would require primary care spending to reach 12 percent by 2025. The legislation would project avoided costs and then direct payers to provide a plan for achieving the allocation.

There is a growing body of evidence proving the value of increased investment in primary care. According to the Center for Evaluative Clinical Sciences at Dartmouth (now called the Dartmouth Institute for Health Policy and Clinical Practice), U.S. states that rely more on primary care have lower Medicare spending (inpatient reimbursements and Part B payments); lower resource inputs (hospital beds, intensive care unit [ICU] beds, total physician labor, primary care labor, and medical specialist labor); lower utilization rates (physician visits, days in the ICU, days in the hospital, and patients seeing 10 or more physicians); and better quality of care (fewer ICU deaths and a higher composite quality score).¹ Extensive worldwide research supports the value of a primary care based health care system in which all people enjoy adequate and affordable coverage.² The framework is grounded in the documented value of

¹ Dartmouth Atlas of Health Care Working Group. The care of patients with severe chronic illness: an online report on the Medicare program by the Dartmouth Atlas Project. 2006.

² Patient-Centered Primary Care Collaborative. Results and evidence. <https://www.pcpcc.org/results-evidence>

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primary care in achieving better health outcomes, higher patient satisfaction, and more efficient use of resources.

Programs similar to that which would be established by House Bill 89 have been implemented in Oregon and Rhode Island. These initiatives have led insurers to respond by spending more on primary care medical homes, accountable care organizations, performance incentives, and “common good” services such as health information technology, practice transformation, and loan repayment programs.

The results are clear: in Rhode Island, primary care spending increased while overall medical expenditures decreased. Additionally, Rhode Island was the only state in New England to increase its supply of primary care physicians per capita over this period, while per capita spending by commercial health insurers grew more slowly than in any other New England state.

A fundamental change in the health care system to prioritize a primary care-based system is essential to improvements in access, quality, and cost. It’s time we discuss the importance of primary care, evaluate our current spending, and invest in this priority. We urge Vermont to pass House Bill 89.

We appreciate the opportunity to provide our support for this legislation. Please contact Fay Homan, MD, Board Member of the Vermont Academy of Family Physicians, at fay.f.homan@dartmouth.edu, or Robert Hall, JD, Director of Government Relations at AAFP at rhall@aafp.org, with any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Michael Munger MD". The signature is written in a cursive style with a distinct "M" and "D" at the end.

Michael L. Munger, MD, FAAFP
Board Chair