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Green Mountain Care Board  
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Montpelier, VT 05620-3601

July 11, 2016

Dear Members of the Green Mountain Care Board,

Please accept these comments from HealthFirst regarding commercial insurers' plans for providing fair and equitable reimbursement amounts for professional services submitted to the Green Mountain Care Board on July 1, 2016, in accordance with Act 54, Section 23.

Both insurers' plans propose to take corrective steps to bring UVMC's professional services rates either in line with a regional average for academic medical groups, or in line with the current community fee schedule with bonus payments for medical education. MVP's plan advises the GMCB to guard against allowing UVMC to add those revenues through corresponding increases to their facility rates, while BCBS's plan assumes that any reduction in physician payment rates to UVMC will be made up for by a corresponding increase in the medical center's facility rates.

Our overarching recommendation is that instead of transferring money deducted from UVMC's current professional services rates to another part of the UVMC's budget, funds should be used to increase payments in the community fee schedule so that "fair and equitable" payment may actually be achieved, as called for in Act 54. We believe this implementation would align with the letter and spirit of the law. A continuing lack of equitable payment levels to independent providers will decrease Vermonters' access to the unique type of personalized services that small independent medical practices provide.

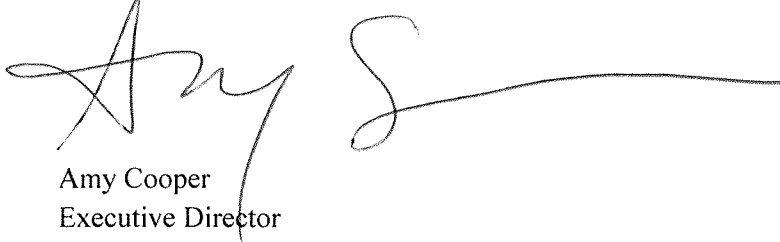
### Specific Recommendations:

- BCBS's plan proposes to limit any adjustments to UVMC's physician fee schedule to Evaluation and Management CPT Codes (99201-99499). Evaluation and Management CPT Codes are only a subset of all the professional services to which Act 54 applies. BCBS should update their plan to include Evaluation and Management codes and procedural CPT codes in order to comply with Act 54 as written. There are already substantial facility charges associated with procedural CPT codes for professional services charged by UVMC, so this is an area where any reduction in payments to UVMC could clearly be redirected to the community fee schedule without dangerous consequences UVMC's overall budget.

- BCBS states they will need a minimum of three contract cycles to implement this plan, whereas MVP proposes to implement the plan within two calendar years (2017 and 2018). BCBS should update their plan to also complete implementation within two calendar years, or by 2018.
- BCBS's plan also does not address the inadequacy of their current payments to independently contracted physicians. BCBS should be asked to provide an explanation of how the current community physician payment rates to independent physicians can be considered "fair and equitable" by any reasonable standard.

Finally, HealthFirst wishes to emphasize how beneficial we believe MVP's additional comments on page 7 will be in aiding the Board in achieving their stated purpose of "reducing the rate of health care cost growth in Vermont while ensuring that the State of Vermont maintains a high quality, accessible health care system." MVP's comments attest that in their 30+ year history as a regional health insurer, their "experience has demonstrated that physician-owned, free-standing outpatient centers provide: the same or higher quality, more geographically accessible services, more highly satisfied members and at significantly lower cost." We urge the Board to keep this perspective in mind when making future determinations about the benefit of allowing more physician-owned outpatient centers to operate here in the state of Vermont.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy S", with a long horizontal flourish extending to the right.

Amy Cooper  
Executive Director  
HealthFirst