Testimony of Kym Boyman, MD
Health Reform Oversight Committee – September 16, 2016

I own and practice at Vermont Gynecology, a three physician, one nurse practitioner gynecology-only practice in South Burlington. We stand at the juncture between primary care and specialty care. For many women, we are the only providers they see on a regular basis, and we also serve as specialist consultants to many referring providers, and have a busy and complex surgical practice. Since its inception in January 2011, Vermont Gynecology has served over 11,000 patients.

I want to emphasize three points in my remarks: First, independent health care providers are a valuable and critically important component of Vermont's health care system, and insurance payment practices that have the practical effect of forcing many of these providers to close our doors are bad for Vermonters and undermine the goals of health care reform. Second, the disparities in insurance reimbursements (and patient out-of-pocket costs for patients with deductibles) for services provided by independent providers versus those who work for large institutions are enormous. Third, independent providers are willing and ready to enhance coordination and information sharing to improve patient care, but we don't need to all work for a single employer to accomplish this.

I. Independent Health Care Providers Are Vital For Vermonters

First and foremost, independent physicians offer Vermonters a meaningful choice by offering varying approaches to meet diverse Vermonters' needs. In our case, we have an intense focus on personalized patient care. At Vermont Gynecology, for example, we spend more time with our patients, free of the institutional pressures to move them in and out of our offices at the same rate as many large institutions require. Offering that kind of time and attention to our patients doesn't just lead to more patient satisfaction; it leads to especially high quality health care. Vermonters deserve a health care system that leaves space for diverse offerings and practices like ours, which focuses on individualized patient care and has a passion to serve historically marginalized communities, maintains an openness to evidence-based integrative approaches, and provides greater access to providers. Each independent practice has its own distinguishing features that provide a valuable variety of choices for Vermonters.

Second, and closely related, friendly competition can promote better service by all providers by ensuring that no Vermont providers can take their patients for granted.

Third, and critically important: independent providers offer cost-effective care. I'm sure you all have read by now the op-ed published in July in the Wall Street Journal in which Dr. Bob Kocher, special assistant to President Obama for health care and economic policy reform from 2009 to 2010, acknowledges that he got it wrong in believing that the consolidation of doctors into larger physician groups was desirable under the ACA.[1] He disavowed his prior medical journal article that advocated integration across the

[1] Bob Kocher, How I was Wrong About ObamaCare, Wall Street Journal, July 31, 2016. Attached as exhibit 1.

continuum of care, and concluded that he and his colleagues were wrong to favor consolidation. Although he continues to support information sharing and coordination of care, he has concluded on the basis of published research over the past five years that "savings and quality improvement are generated much more often by independent primary-care doctors than by large hospital-centric health systems." These studies suggest that small practices have a much lower rate of preventable hospital admissions than larger practices,[2] and that hospital-employed physicians drive up medical costs.[3]

Our own experience bears this out. Last year we got a report from MVP Health Care comparing area Ob/Gyn practices on two axes: effectiveness and efficiency. Our practice rated the highest of the 25+ practices on the effectiveness metric, and in the top 7 on the efficiency axis. (The efficiency axis measured cost of care with reference to the average allowed amount per episode.) We and other independent providers are providing high quality and cost-effective health care services for dramatically lower reimbursements than our large institutional counterparts. As small practices, we can be nimble. I can meet a patient at the office for a quick examination in the middle of the night or on a Saturday rather than sending her to the emergency room. I can add a patient to the end of my scheduled workday to catch a problem before it worsens. And as a practice we can identify inefficiencies and change our processes quickly without review by multiple committees and the inertia that inevitably plagues larger organizations. The bottom line is that any health care reform plan that aspires to lower the cost of care and improve efficiencies must promote smaller scale, independent providers.

I want to be clear about one thing. I'm not here to bash UVM Medical Center or other large institutions. I am proud to say that I trained at the University of Vermont, both for medical school and residency; I am on faculty at the University of Vermont—meaning I am involved in training medical students and residents; I serve on multiple UVMMC provider committees; I operate in the ORs at UVMMC, staffed by UVMMC personnel; and I admit patients to UVMMC. I also currently serve as the President-Elect of the Medical Staff at UVM Medical Center. Like independent providers, UVM Medical Center has a very important role to play, and the institution's survival is also in everyone's interests. But UVMMC's survival does not, and should not depend on driving independent providers out of practice. We all have something important to contribute to the public good, and Vermonters will be better off with a system in which all providers, large and small, can contribute to better health.

II. The Reimbursement Disparities Are Enormous

Setting aside the question of "facility fees" (i.e. add-on reimbursements paid to hospitals for all services, including outpatient visits in offices that are indistinguishable from my

[2] Lawrence P. Casalino, Michael F. Pesko, Andrew M. Ryan, Jayme L. Mendelsohn, Kennon R. Copeland, Patricia Pamela Ramsay, Xuming Sun, Diane R. Rittenhouse, and Stephen M. Shortell, Small Primary Care Physician Practices Have Low Rates of Preventable Hospital Admissions, *Health Affairs*, no. (2014). Abstract attached as exhibit 2.

[3] Hospital-Employed Physicians Drive Up Costs, Say 16 States. *Medscape*. Sep 02, 2014. Attached as exhibit 3.

own), the gap between reimbursements for services provided through hospital systems and those same services provided by independent doctors is enormous. Our ability to understand these differences is complicated by the lack of transparency in insurance reimbursements, as well as fears that physicians will be penalized for sharing information about our reimbursements by insurers who seek to gag us from doing so.

In trying to illustrate the problem to you, I didn't look at any information internal to my practice. Instead, in my capacity as an insured of BlueCross and BlueShield, I accessed their online database for patients to determine the price the insurer would pay different providers for the same services. I compared the payment ranges listed in the BlueCross database for services provided by me with those for a generalist Ob/Gyn at University of Vermont Medical Center. Across the board, Vermont Gynecology reimbursements are well less than half of what the insurer pays to UVMMC for the same thing. Here's a sampling:

Type of Service	Payable to UVMMC	Payable to Vermont Gynecology
Adult check-up (age 18-39)	$262-$290	$125-$139
Physician Office visit	$186-$300	$76-$136
Specialist Office Visit	$408-$480	$171-$269
Physician Office Visit (40 minutes)	$321-$355	$148-$164
Uterus Biopsy (Simple)	$633-$973	$222-$446

These disparities have a significant and direct impact on Vermont health care consumers. In a world of high deductibles, ordinary Vermonters pay for many of their health care expenses out of pocket. Most patients don't realize that when they choose to see a doctor in a hospital-owned practice, they will be required to pay much more than if they see an independent physician.

The disparities also jeopardize the survival of practices like ours. As more independent physicians are forced to close their doors, shifting those patients to large institutional providers who garner much higher reimbursements for the same service, the consequence over time of insurers' disparate payment practices will likely be an overall *increase* in the costs of patient care in this state. Again, that's even setting aside the facility fee.

It's also just not fair. Any suggestion that the disparity is justified by services institutional providers perform apart from direct patient care misses the vital role that many independent physicians play in our medical communities. In my practice, we train medical students and resident physicians, in our office as well as in the operating room, and in didactic instruction. I have been a long term member of the UVMMC Women's Healthcare Service Quality Assurance & Improvement committee, and I serve on a host of other standing and ad hoc committees at the hospital. There's simply no basis for the dramatic disparity in reimbursements for identical services.

III. We Can Promote More Efficient Care Without Destroying Independent Providers

Some suggest that it's simply too hard to figure out how to reimburse independent providers in a world that will rely on capitation or global payments for health care services. But let's not throw out a very valuable baby with that bathwater. Mechanisms for sharing information and coordinating care do not require having only a single provider in Vermont. Payment strategies that emphasize metrics and reward efficient and effective care can work with independent providers without jettisoning our state's most efficient providers and unacceptably narrowing the range of patient choices.

I would be happy to talk more with any of you about this vital issue. I care very deeply about the practice of medicine and the wellbeing of my patients, whom I feel I can best serve by remaining independent; and I care very deeply about optimizing health care in this state. It's crucial that Vermont's decision makers understand the value of our independent practices, and to preserve the strong and unique contributions of my independent colleagues, who are among the most devoted and hard working health care providers you'll ever meet. We still have a lot to offer the state of Vermont, and many of us are trying hard to survive despite devastating pay disparities, but we need a lifeline before it's too late.

Preserving independent medical practices is in all of our best interests. But the gross inequities in payment must be remedied – and soon – for us to survive.

Thank you.

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