

Thank you for inviting the Vermont Chiropractic Association to participate in this discussion about fair and equitable payer rate plans for professional services provided by academic medical institutions and other professionals.

We fully recognize the escalating financial cost burdens that Vermonters have with health care costs and would like to help create a solution that lowers Vermonters' health care costs and maintains the highest quality care.

The two main issues that the Vermont Chiropractic Association heard brought up by your committee last month in testimony were:

- 1) How do we objectively define what a truly efficient cost differential would be between academic medical institutions and other professionals? and
- 2) Once we have established an efficient differential by assessing for ways to lower costs, are there alternative ways to fund this differential besides what is being done now by paying higher rates for professional services to academic medical institutions versus other professionals?

There is no debate that this cost differential exists with academic medical centers having marginally higher costs than other professionals, but the question remains: ***what is the breakdown of these costs and can these costs be lowered?*** in other words, what exactly are the increases in payment to academic providers intended to cover and are they all necessary? hospital facilities? research? academic facilities? and how much \$ does each aspect require above and beyond what other professionals are paid?

When we understand what this differential in payment **covers**, we will be able to determine if there is a potential for cost savings. Is the current system the most efficient way to pay for the added costs of operating an academic medical institution?

If the state has not done so already, the VCA is recommending that the state **hire an Independent Health Care Economist** to investigate the answer to these two primary questions. We are also recommending that a public comment period be incorporated into this process to ensure that the independent economist is empowered to best understand of the entire health care environment in Vermont. Based on the determination of the health care economist, potential avenues of savings can be explored and solutions can be provided to lower overall costs to Vermonters.

The second point I would like to make is related to the responses of MVP and BCBSVT regarding their plans submitted to the GMCB for fair and equitable reimbursement.

The proposed BCBSVT "implementation plan for providing fair and equitable reimbursement amounts for professional services provided by academic medical centers and other professionals" includes investigating the reimbursement differentials between academic medical centers and non-academic medical centers, developing a differential factor benchmarked on VT Medicaid and Medicare reimbursements and then applying that differential to Evaluation and Management CPT codes (99201-99499). The original act no. 54 relating to health care passed in the 2015 legislative session called for a plan "for providing fair and equitable reimbursement amounts for professional services provided by academic medical centers and other professionals".

The disconnect here lies in the difference between “professional services” and the limited range of professional service codes defined by BCBSVT to be only Evaluation and Management (E&M) codes (99201-99499). These E&M codes are but a small subset of the entirety of the CPT codes that are defined as “professional services”. Therefore, **the VCA recommends that the application of the approved differential apply to all “professional services” as the original act defines**, and not just the subset 99201-99499.

Additionally, BCBSVT’s current community physician fee schedule does not use a standard percentage of CMS regionally adjusted Medicare fee schedule but instead uses varying percentages of this schedule resulting in some services being undervalued and reimbursed below CMS regionally adjusted Medicare rates.

MVP’s “implementation plan for providing fair and equitable reimbursement amounts for professional services in Vermont” plan requests to move UVMC to a standard fee schedule that is based on Vermont’s regionally-adjusted CMS Medicare fee schedule. CMS’ fee schedules are nationally recognized as the gold standard of acceptable actuarially-determined reimbursement.

The VCA agrees that the MVP plan is a fair and equitable plan. This plan consists of basing a common fee schedule on a fixed single percentage of the CMS regionally adjusted fee schedule which is marginally higher for academic medical centers and at an equal baseline common percentage for all "other providers".

The concern that the VCA has is that even though CMS includes chiropractic physicians in their common CMS regionally adjusted Vermont Medicare physician fee schedule, MVP does not currently include chiropractic physicians in their common community physician “fee-for-service” fee schedule and we want **to make sure that the “other professionals” portion of Act 54 includes chiropractic physicians**.

To summarize:

- 1) The VCA is recommending that the state hire an independent health care economist to evaluate the differential between the academic medical providers and other professionals, include a period for public comment and provide input on potential solutions, if appropriate.
- 2) Regarding the plan submitted by BCBSVT, the VCA is recommending that the common percentage of CMS regionally adjusted Medicare fees for professional services are applied to all professional services, not just the small subset of examination and management codes proposed by BCBSVT.

- 3) Regarding the plan submitted by MVP, the VCA is recommending that the application of a common fee schedule based on a fixed single percentage of the CMS regionally adjusted Medicare fee schedule include chiropractic physicians in "other professionals".

Once again, thank you very much for this opportunity to participate in the discussion of how to lower health care costs for Vermonters by creating a fair and equitable professional service payment model.