



March 26, 2019

Via Email and US First Class Mail

Donna Jerry
Senior Health Policy Analyst
Green Mountain Care Board
144 State Street
Montpelier, Vermont 05620

Re: Green Mountain Surgery Center GMCB-010-15con – Response to request for information dated March 22, 2019

Dear Donna,

Thank you for your letter of March 22, 2019. I am writing to provide you with updates on our conversations with OneCare Vermont to date, our plan to demonstrate compliance with Condition 12 of our CON, and to provide you with information regarding ownership of the real property. I have also enclosed copies of the Free and Discounted Care policies from the University of Vermont Medical Center and Northwest Medical Center as downloaded from those institutions' websites between January and March 2019.

Our discussions with OneCare Vermont have been on-going since the beginning of last year. In January 2018, I met with former CEO Todd Moore to discuss potential contracting relationships between the ACO and Green Mountain Surgery Center. We then exchanged drafts of potential MOU language that would satisfy both parties and the requirements of our CON. These exchanges resulted in the signed MOA dated April 18, 2018 that I submitted to the Board. Since that time, we invited members of the ACO leadership team from the finance, strategy and planning department to our offices to meet with new members of our team, including myself and our Administrator, during the summer of 2018, and we discussed in more detail how our future contracting relationship might develop. It was decided that it is premature to discuss the specific elements of potential fixed payment contracting relationships until the surgery center has some operating history. At the moment, it remains to be seen the extent to which, and the rate at which, surgeries will transition to the surgery center, and we have no data to make informed estimates regarding how many beneficiaries attributed to the ACO will be receiving services at the ASC.

However, we are continuing to share information with OneCare Vermont and keep them informed of our progress. Our Clinical Director and I met earlier this month with a OneCare Vermont board member and members of the UVM Medical Center's leadership team to discuss this, and several other ways in which the hospital and the surgery center plan to collaborate in the near term, and eventually contract in the future. We plan to have another meeting with personnel



at OneCare Vermont before our April 17 hearing, and hope to have more to report to the Board regarding our evolving discussions at that time.

I now turn to CON Condition 12, which requires GMSC to accept reimbursements for procedures/surgeries that are below the reimbursements paid to hospitals for the same services. Our conversations with commercial payers have indicated that reimbursements paid to hospitals for providing outpatient surgical services, inclusive of recovery room and medication charges (which would be the equivalent comparison reimbursements to use for services to be provided at the ASC), are highly variable and a result of specific agreements that payers negotiate separately with each hospital. This finding is in keeping with findings from the Blueprint for Health's Price Variation Analysis Reports (some of which were prepared for the Green Mountain Care Board),¹ which all show significant price variation among hospitals for outpatient surgical procedures.

Therefore, while there seems to be no community standard hospital reimbursement level that we may compare to our reimbursements, in order to satisfy Condition 12, we plan to ask commercial insurers that we contract with to provide us with a letter stating that reimbursements that will be paid to GMSC for procedures/surgeries are below the average equivalent reimbursements paid to hospitals for providing the same services. We then plan to show these letters to the Board to demonstrate that we have satisfied Condition 12 before we become operational. We started conversations with Blue Cross Blue Shield regarding contracting arrangements and reimbursements during the summer of 2018. We plan to finish up the contracting process with Blue Cross Blue Shield and other commercial payers before we open to the public later this summer.

Finally, with respect to the ownership of the real property, I have reviewed a list of owners in the business entity owning the building and underlying land and can confirm that none of them are also owners of the Green Mountain Surgery Center. I can also confirm that none of the owners of the building and land are physicians. However, our landlord declined to provide me with the names and ownership percentages held by each owner of the real estate.

Thank you for your consideration of these matters.

Sincerely,

Amy Cooper
Manager
Green Mountain Surgery Center

¹ <https://blueprintforhealth.vermont.gov/reports-and-articles/price-variation-reports>