

GMCB Act 143 Update

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**BlueCross BlueShield
of Vermont**

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Act 143 Report Status

- BCBSVT submitted original report to GMCB on 7/1/16
 - Proposed gradual process reducing academic medical center professional fee schedule
 - Would incorporate differential between community and AMC similar to that included in Medicare/Medicaid processes
 - Required premiums not to increase and the need to address actuarial value issues
 - Required GMCB oversight and enforcement during the hospital budget process
- GMCB reported to Legislature on 2/1/17 rejecting both MVP and BCBSVT plans
 - Requested payers to submit new plans to GMCB by 3/15/17 evaluating following MedPAC recommendations and Medicare 1/1/17 Reimbursement Policy for “site neutral” payments
 - Requested date for potential implementation and impact analysis of APM
 - Requested impact of ACO payments

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Act 143 Report Status:

BCBSVT 3/15/17 Submission

- BCBSVT response to GMCB request for revised Implementation Plan:
 - Provider practices acquired by a facility subsequent to 10/1/17 shall be reimbursed based on the same terms as applied as of 9/30/17
 - Applies to professional services only
 - Outpatient services are excluded
 - Community hospitals not impacted
 - BCBSVT will create a practice acquisition reimbursement policy establishing notification process etc.
 - BCBSVT may deviate from the proposed plan through deployment of value based/outcome based contracts
 - GMCB shall require compliance of facilities through hospital budget process
 - For practices acquired by facilities prior to 10/1/17, BCBSVT will evaluate the administrative and financial impacts. Due to limited number of practices BCBSVT may request to implement this proposed plan only on a going forward bases.

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Act 143 BCBSVT Submission

Areas for Continued Evaluation

- Premium Impact
 - Transitioning previously acquired practices requires detailed evaluation to ensure premiums are not negatively impacted.
 - If an academic medical centers transition revenue source to OP/IP it can result in increased medical expense and therefore negative impact on premiums
- Administrative Implementation
 - Ensuring stakeholder administrative impacts are accounted for
- APM/ACO Reform Activity
 - If primary care providers are reimbursed in a new outcomes/value based method how does this impact future hospital acquisitions
- Policy implications
 - Implementation will require GMCB enforcement and consideration during the hospital budget process

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