

Green Mountain Care Board
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June 19, 2019

Amy Cooper
Green Mountain Surgery Center
593 Hercules Drive
Colchester, Vermont 05446

Dear Ms. Cooper:

Thank you for the letters and accompanying information you submitted on June 7 and June 12, 2019. Your June 7 letter demonstrates compliance with Condition 17. When you receive Medicare certification, please notify us and provide documentation so that we can confirm compliance with Condition 7 as well. Your June 12 letter demonstrates compliance with Conditions 1, 2, 8, 9 and 18, but not Condition 12—the only condition apart from Condition 7 that must be satisfied before GMSC can commence operations under the CON. However, since Condition 12 relates solely to commercial insurance reimbursements, we conclude that it should not serve as an obstacle to the GMSC commencing operations for Medicare and Medicaid patients once it receives Medicare certification.

No later than June 26, 2019, please answer the following questions with respect to the information you provided:

1. Have you negotiated reimbursements with any commercial insurers yet?
 - a. If so, whom?
2. Does the “GMSC Charge” column in Table 2 reflect GMSC’s negotiated or expected reimbursements for the listed procedures?
 - a. If not,
 - i. what kind of reimbursement arrangements have you negotiated or do you expect to negotiate with carriers (e.g., percentage off charge or fee schedule)?
 - ii. what are the actual reimbursements you have negotiated or expect to negotiate?
3. In the June 4 Decision & Order, we said that we would find Condition 12 satisfied if GMSC provided attestations or confirmations from commercial insurers that the rates



they pay GMSC for procedures and surgeries are lower than the rates they pay for the same procedures and surgeries when performed in any hospital outpatient setting in Vermont.

- a. Have you asked carriers for such a letter?
 - i. If not, why not?
 - ii. If so, please provide the letters or any documentation you have indicating that the carriers are unable or unwilling to provide them.

4. In prior correspondence, you indicated that you planned to provide letters from carriers comparing GMSC's reimbursements to reimbursements paid to hospitals for providing the same services (inclusive of recovery room and medication charges). In the June 12 letter, you seem to suggest that this kind of analysis (looking at the total cost of a procedure at a hospital) is not feasible for insurers to do, at least not in a reasonable time frame.
 - a. What accounts for the apparent change?
 - b. Please provide any communications from insurers stating they are unable or unwilling to do this kind of analysis.

From your letter, it appears that you may wish to amend Condition 12. If that is the case, please clearly articulate a proposal, including proposed language and a proposed means of verifying compliance. Given the weak relationship between charges and actual reimbursements, we strongly suggest that if you do submit a proposal or proposals, you prioritize those that compare actual reimbursements, not charges.

Sincerely,

/s/ Kevin Mullin

Chair, Green Mountain Care Board