

## **UVM Health Network**

Additional follow-up questions from GMCB

September 8, 2023

***1. Describe the impact your CMI improvement efforts will have on reimbursements from private payers, including the amount of additional reimbursement you would receive from private payers if your case mix index went to 2.3.***

With UVMHN appropriately capturing diagnosis codes to reflect accurate patient severity, it will impact commercial payers that reimburse on a DRG basis. The high level estimate, which will not all be realized in FY24, could be in the \$10M per year range.

***2. Identify the commercial payers that may be impacted by your CMI improvement efforts.***

Any of our payers that reimburse on a DRG basis may be impacted by our CMI improvement efforts. Reimbursement terms are subject to confidentiality under the terms of our provider participation agreements.

***3. Describe the impact your CMI improvement efforts will have on Medicare Advantage plans.***

Medicare Advantage plans have premiums that are set by CMS. Premiums take into consideration the risk of the population through accurately coded claims. Medicare Advantage plans routinely audit providers to inspect and ensure accurate coding by providers. Traditionally our Medicare Advantage payers have conducted external coding reviews, but we have received no insight into the results of those audits or how they may have impacted CMI. We have various Medicare Advantage plans that have both coding and quality components as part of our performance based contracts, as customary. For direct impact to Medicare Advantage plans, we suggest that the GMCB inquire to the payers.

***4. Identify all revenue obtained in connection with your relationship with a Medicare Advantage plan, and all costs (whether FTE hours or otherwise) that you contribute to a Medicare Advantage plan.***

We are contracted with seven Medicare Advantage payers. The FY24 budgeted net revenue for those plans for UVMHC, CVMC and PMC is \$198M, which is 8.6% of our total patient revenue. UVMHN has costs associated with negotiating, supporting and administering participation in these plans, and we cannot identify costs attributed to any one Medicare Advantage plan. Instead, we rely on the same staff who manage all commercial payer contracts, payer policies, claims processing, appeals, ACO contracts, value and quality contracts and strategic planning.

***5. What changes to reimbursement do you expect to see from non-governmental payers when Iodine is fully implemented?***

Iodine is not the only change that will impact CMI. There are other process and educational efforts that will also have an impact. The estimated impact is provided in question #1 above.