

April 24, 2017

DELIVERED ELECTRONICALLY AND BY FIRST CLASS MAIL

Donna Jerry
Senior Health Policy Analyst
Green Mountain Care Board
89 Main Street, Third Floor City Center
Montpelier, VT 05620

**Re: Docket No. GMCB-010-15con, Proposed Ambulatory Surgery Center
Response to Board Member Lunge's Request for Supplemental Information**

Dear Donna:

The following is ACTD LLC's response to Board Member Lunge's request for supplemental information:

In our response to Q002, dated March 31, 2016, we identified on page 10 certain types of colonoscopies expected to be performed at the Green Mountain Surgery Center by their ICD-10 ("ICD") classification and reported the expected volumes for each type. ICD codes are used to describe a disease and identify the diagnosis of a particular medical condition. They are intended to describe a patient's health problem or disease with specificity, so that the patient and physician, as well as the insurance provider, can better comprehend the medical condition being treated. ICD codes typically do not have any reimbursement amounts attached to them; instead ICD codes are an internationally recognized way of identifying and cataloguing disease diagnoses, symptoms, and progression. When a provider submits a claim to an insurer, the CPT code will be identified for payment purposes, and ICD codes may also be supplied for diagnosis and disease description purposes.

On page 25 of our initial application, we identified procedures reimbursed by Medicare using CPT codes and compared the rate that Medicare reimburses freestanding ambulatory surgery centers ("ASCs") and the rate Medicare pays Hospital Outpatient Departments ("HOPDs"). For a colonoscopy and biopsy, CPT code 45380, Medicare reimburses ASCs \$401.76 and HOPDs \$717.43. The rate paid to the ASC is 56% of the rate paid to the HOPD. It is important to note that the Medicare rate paid to ASCs is not *always* 56% of the rate paid to HOPDs for *every* CPT code; however, when the universe of comparable ASC and HOPD CPT codes is reviewed, as it has been recently by MedPac (2013, 2014), Rand (2011), the Ambulatory Surgery Center Association (2016), and the Office of the Inspector General (2014), the general consensus is that ASCs are paid on average somewhere between 50 – 56% of what HOPDs are paid when offering the same services.

We used the 56% ratio and applied it to all of our projected Medicare revenue (from Table 7 on page 28 of the original application) in our presentation of April 13, 2017 to come up with estimated Medicare savings as a result of the ASC of approximately \$2 million per year. We used the 56% ratio across the board because we predict that CPT Code 45380, which does have a Medicare ASC/HOPD

payment ratio of exactly 56%, will be one of the highest volume procedure codes used at the center, and given the range of recent estimates explored by the sources above, 56% seemed the most conservative (highest ratio) savings estimate to use.

Please let us know if you have any additional questions or need clarification regarding any of these responses.

Sincerely,

A handwritten signature in black ink that reads "Eileen Elliott". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Eileen Elliott, Esq.
Dunkiel Saunders Elliott Raubvogel & Hand, PLLC

cc: Judy Henkin, Esq., General Counsel, Green Mountain Care Board
Marisa Melamed, Health Policy Analyst, Green Mountain Care Board
Noel Hudson, Esq., Health Policy Director, Green Mountain Care Board
Lauren Layman, Esq., Vermont Association of Hospitals and Health Systems
Anne Cramer, Esq., Vermont Association of Hospitals and Health Systems
Jill Berry Bowen, CEO, Northwestern Medical Center
Jonathan Billings, V.P. of Planning & Community Relations, Northwestern Medical Center
Lila Richardson, Esq., Office of the Healthcare Advocate
Kaili Kuiper, Esq., Office of the Healthcare Advocate



Form A – Verification Form

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

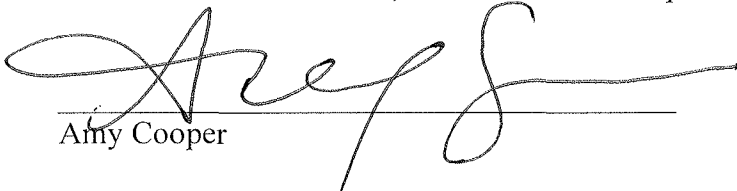
In re: ACTD LLC MULTI-SPECIALTY)
AMBULATORY SURGERY CENTER) Docket No. GMCB-010-15con
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Verification Under Oath:

ACTD LLC Response to Board Member Lunge’s Request for Supplemental Information

Amy Cooper, being duly sworn, states on oath as follows:

1. My name is Amy Cooper. I am the manager of ACTD LLC. I have reviewed the Response submitted with this Verification to support the Certificate of Need Application for the Green Mountain Surgery Center (“Response”).
2. Based on my personal knowledge, after diligent inquiry, the information contained in the Response is true, accurate and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact necessary to make the statement made therein not misleading, except as specifically noted in the Response.
3. In the event that the information contained in the Response becomes untrue, inaccurate or incomplete in any material respect, I acknowledge my obligation to notify the Green Mountain Care Board and to supplement the Response, as soon as I know, or reasonably should know, that the information or document has become untrue, inaccurate or incomplete in any material respect.



Amy Cooper

On April 21, 2017, Amy Cooper appeared before me and swore to the truth, accuracy and completeness of the foregoing.

Notary public 

My commission expires February 10, 2019