62 Merchants Row
Williston, VT 05495-4476
mvphealthcare.com

March 15, 2017

The Green Mountain Care Board
89 Main Street
Montpelier, VT 05620

VIA E Mail

RE: The Green Mountain Care Board's report "The Advisability and Feasibility of Expanding to Commercial Insurers the Prohibition on Any Increased Reimbursement Rates or Provider-Based Billing for Health Care Providers Newly Transferred to or Acquired by a Hospital

Dear Green Mountain Care Board (GMCB):

Attached please find MVP Healthcare's response to the GMCB February 1, 2017 Memorandum addressing the feasibility of a proposed Vermont provider reimbursement site neutral practice, as described in the attachment to that memo.

Please do not hesitate to call me should you have any questions.

Sincerely;

Craig W. Jasenski
Director, Networks
MVP Healthcare
62 Merchant's Row
Williston, VT 05495

Attachment.

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MVP Response to the GMCB's report "The Advisability and Feasibility of Expanding to Commercial Insurers the Prohibition on Any Increased Reimbursement Rates or Provider-Based Billing for Health Care Providers Newly Transferred to or Acquired by a Hospital", dated February 1, 2017

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MVP fundamentally agrees with the intent of the GMCB's report "The Advisability and Feasibility of Expanding to Commercial Insurers the Prohibition on Any Increased Reimbursement Rates or Provider-Based Billing for Health Care Providers Newly Transferred to or Acquired by a Hospital", dated February 1, 2017 ("Report"). The cost of care should not increase solely due to a physician office being acquired by a new entity. Specifically, in the instances cited by the above Report, MVP supports that hospitals should not be reimbursed more for the same service solely because that office was purchased and then became a clinic of the hospital. That type of change of affiliation/ownership should not be a reason for increased costs.

However, CMS Medicare and Vermont Medicaid each have single state-wide outpatient fee schedules for Vermont providers, both physician and facility, which makes the CMS Site Neural Rule easier to implement. Neither CMS nor The State of VT have the complexity of multiple contracts and their associated fee schedules that exist in Commercial Payor agreements with those same Vermont providers. Commercial Payors hold multiple provider contracts: with physicians, with medical groups, with hospital-employed physicians (both community hospitals and academic medical centers) as well as separate hospital contracts for the hospital outpatient services. Across the state there are multiple fee schedules, and potentially discount off charges methodology, under negotiated and executed provider and facility contracts. In addition to the contractual complexities outlined herein, Payor system configurations and payment protocols add to the challenge of advancing the Report's recommendations prior to completing a thorough and exhaustive review and analysis.

In summation, while MVP is supportive of the MedPAC recommendations as outlined in the Report, the operational and contractual complexities inherent in the recommendations for Commercial Payors require significant time and resources to fully evaluate the organizational capabilities required to advance the MedPAC recommendations. Therefore, MVP proposes to initiate a thorough review of the Report's recommendations that will take into consideration:

- Consistency with standard billing and coding guidelines;
- MVP's system configuration requirements;
- MVP's internal payment protocols and processes; and
- Existing, executed and legally-binding in-force provider contracts.

After completing this comprehensive review and analysis, MVP will be able to assess the overall impact and timeframe for making the operational and contractual modifications required to implement the recommendations in the Report.