MVP HEALTH CARE
625 State Street
Schenectady, NY 12305-2111
mvphealthcare.com

February 16, 2024

House Committee on Health Care
Vermont State House
115 State Street
Montpelier, VT 05633-5301

Re: H.766 Draft No. 2.1: Concerns and Opposition to Current Proposals

Dear Chair Houghton and Committee Members:

On behalf of MVP Health Care ("MVP"), these comments memorialize my testimony from February 14 concerning H.766 Draft No. 2.1.

In recent weeks, MVP engaged with Committee Members and stakeholders on potential bill amendments. We value the platform to voice our concerns, solicit clarifications, and participate in the amendment process reflected in the updated draft. That said, MVP continues to strongly oppose mandatory prior authorization alignment with Vermont Medicaid and rigidly defined claims edit standards. If enacted, these proposals will drive substantial new costs for MVP members without enhancing patient access or care quality.

MVP's stance on notable sections of the bill is summarized below:

Claims Edit Standards – Oppose
MVP has been candid about the pivotal role claims edit standards play in insurance management, efficiency, cost-effectiveness, compliance, and patient care quality. These standards safeguard against improper charges for care and ensure services happen in suitable settings.

While comfortable with other changes in H.766 Draft 2.1 Section 2 on claims processing and adherence to coding rules, we strongly oppose Section 2, subsections (b)(1) and (2) starting on page 4. These subsections would limit MVP's discretion in claims processing in favor of Medicare-standardized edit methods.

Although MVP integrates Medicare guidance into our claims processing systems and edit standards, we also use widely recognized industry standards to address the distinctive needs of commercial insurance beneficiaries, who differ from Medicare recipients in their healthcare coverage needs and profiles, as well as their benefit designs. Curtailing the use of industry-wide standards in favor of solely Medicare-based ones will likely inflate care costs and member premiums.

Moreover, complying with this new directive would take extensive overhauls in IT and claims processing systems—immense expenses and added administrative burden that will increase MVP members' premiums and out-of-pocket costs.

Prior Authorization (PA) Alignment with Vermont Medicaid – Oppose
MVP is equally opposed to Section 3, subsections (c)(1) and (2) on page 10, starting with line 14, which call for harmonizing commercial insurance PA policies with Vermont Medicaid.
MVP strives to minimize the administrative complexities of PA requirements. The company has eliminated numerous PAs in recent years and only applies them when there is substantial member clinical and financial benefits. Should a PA not meet our threshold of cost-benefit efficiency, it is either not implemented or promptly removed.

Recent Committee discussions highlighted instances of denied PA requests adversely affecting patient health. MVP agrees that these are unacceptable outcomes, recognizing that denied access to necessary services can escalate healthcare costs and deteriorate patient outcomes and experience. Towards this end, MVP uses prior authorization as a gateway, not a barrier. For example, when a PA is required for medication, we aim to confirm its necessity over more cost-effective alternatives, not to deny essential treatment. In line with this philosophy and approach, the company also strives to request the minimal clinical documentation from physicians and providers to render a PA decision.

Because Vermont Medicaid's PA requirements are designed for a different population set and predicated on lower reimbursement rates, this proposal would hike health care costs and premiums for Vermont's employers and families in the commercial health insurance markets. Transforming our systems to match Medicaid's PA standards would also be a costly and time-consuming effort, potentially amounting to millions of dollars.

Conclusion
Based on these concerns, MVP urges the Vermont Legislature to reject these proposals. Instead of reducing complexity, they would likely amplify administrative burdens, forcing an increase in health care premiums without measurable benefits to health outcomes or quality of care.

Please contact me with questions or for further discussion.

Sincerely,

Jordan T. Estey
Senior Director, Government Affairs
MVP Health Care