



Date: January 11, 2024

To: Chair Houghton & Members of House Health Care Committee

From: Susan Ridzon, HealthFirst Executive Director, [sr@vermonthealthfirst.org](mailto:sr@vermonthealthfirst.org)

Re: Follow Up from Jan 10, 2024, Claims Edit Testimony

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Thank you for accepting provider testimony on Jan 10, 2024, regarding the claims editing process that BCBSVT instituted in January 2023. We very much appreciate your time and support on this issue! I'm writing to provide additional information related to the discussion earlier this week.

- **Estimated Costs:** You asked for an estimate of cost to our practices. While we do not have that data across our network, I do have an estimate from another practice, like Dr. Lin's, that routinely uses modifier -25 and whose operations have been seriously impacted by BCBSVT's policy.

When asked in Aug 2023 to estimate the cost & burden to them, this practice reported that two of their administrative staff had spent approximately 84 hours on BCBSVT's edit denials and the practice physicians spent an additional 24 hours. They also reported that they had to absorb at least \$5,000 in costs. (Unfortunately, I do not know over what time span these costs and hours were incurred). These figures do not include the cost of any denied claims. The lift and cost to a small independent practice is very significant and it also usurps resources that might otherwise be devoted to patient care.

- **Provider / BCBSVT Collaboration:** Representative Peterson asked the valid question why providers and BCBSVT don't just talk and work it out. The provider coalition repeatedly asked BCBSVT for data and information to help us understand and address the issues with them. The requests began with informal emails and calls but then progressed to formal letters and the involvement of DFR after getting overall unsatisfactory responses from BCBSVT that offered little insight on the validity and scope of the issue. That ultimately led us to pursue a legislative solution. We are happy to share the correspondence with you if you'd like to see those details.
- **Other Negative Consequences of Cotiviti Claims Edits:** As you heard in testimony, there are many negative effects to providers and patients as a result of BCBSVT's claims edits. One we forgot to mention has to do with an edit driving care to more expensive sites of care, the exact opposite of what we want! Apparently, the edit is denying any lipoma (benign tumor made of fat tissue) removal that is performed in an office setting. According to the affected surgeon, the denials are for lipomas where there is no medical reason why they cannot be performed in the less expensive office setting. While there are some lipomas that should be performed in an ambulatory surgery center (ASC) or hospital operating room (OR), there are many that can be safely performed in an office setting, and

that is a clinical judgement. This edit is driving care to much more expensive settings when it is unnecessary. It also unnecessarily uses precious OR/ASC time, ultimately affecting access. Months after alerting BCBSVT to this issue, they did finally agree to turn off the edit effective Jan 28, 2024. However, the provider still has unpaid procedures that were denied and still no clear path on how to rectify them. This is just one example of an edit that worsens things. There are undoubtedly more that will only be discovered if providers are diligent in identifying the issues and advocating for change within BCBSVT's resolution channels that often come with hours-long wait times. BCBSVT needs/needed to do more to catch and stop these inappropriate edits before they are/were universally applied.

- **Inconsistent Application of Claims Edits:** We mentioned in testimony that BCBSVT's pre-payment denials are not in line with what CMS and other payers are doing. Notably, BCBSVT does seem to align with CMS for its own VT Blue Advantage product (Medicare Advantage plan) in that it does NOT apply the pre-payment claim edit denials for this line of business. This is in contrast to the pre-payment claim edit denials experienced by providers and patients in BCBSVT's commercial lines of business. We suspect this may be because the CMS Ombudsman would not permit it for the Medicare Advantage plans. We believe BCBSVT should align with CMS across all of its lines of business.

I hope this additional information is useful. Feel free to contact me for more information.