

---

# S245 Notice of Provider Affiliations

**Amy Cooper, Executive Director**  
**HealthFirst**

Vermont's Independent Practice Association

04/07/2016

# About HealthFirst

---

HealthFirst is Vermont's Independent Practice Association representing health care practitioners working at physician-owned practices throughout the state.

Key stats:

- 72 Member Practices
- 34 Primary Care Sites
- 86 Primary Care and 73 Specialist Physicians
- Over 250 Practitioners, including 159 MDs/DOs, NPs, PAs and RNs
- Located across 10 counties: Addison, Bennington, Chittenden, Franklin, Lamoille, Orange, Rutland, Washington, Windham and Windsor

Many HealthFirst physicians participate in ACO Shared Savings and patient-centered medical home programs. Participation in such programs is not a requirement of joining HealthFirst.

# Independent Practice Landscape

---

- Nationally estimates show ~40% – 60% of physicians are practicing in independent (physician-owned) practices
- In Vermont, approximately 20% of physicians are practicing in independent practices (best guess)
  - Assuming 1100 Hospital-Employed, from budget submissions
  - 100-150 in FQHCs, from their websites
  - 300 independents, from HF membership and other known independents

# Independent Practices Continue to Close

---

- In January 2016, HealthFirst lost 11 primary care members (3 practices) in Franklin County
  - 4 left the community, 5 joined NMC, 2 joined the FQHC
- In April/May 2016, HealthFirst loses 7 specialty care members
  - 1 general surgeon leaving the state, 4 orthopedic surgeons join UVMMC, 2 orthopedic surgeons join CVMC

# Why Is It Hard to Have an Independent Practice in Vermont?

---

- Relatively large portion of population on Medicaid and high % of independent doctors see Medicaid patients
  - 95% according to HF and national surveys
- Lack of commercial insurance companies who want to contract with independent physician network
  - BCBS has 70 – 80% market share
- Lack of physician-owned urgent care clinics and ambulatory surgery centers

# What's So Great About Having Independent Practices?

---

- Innovators
  - First practice to achieve EHR “meaningful use,” first Blueprint Pilot practices, first ACO was opened by independent practices in 2012
- Small and responsive to patients
  - Experimenting with open scheduling through the website, doulas/midwives on staff at ob practices, many procedures done conveniently “in office”
- Gives patients choices

# Why HealthFirst Supports this Legislation

---

- When an independent physician practice is acquired by a hospital, higher fees are charged for the same services
- Currently patients are not notified that higher charges may apply, but are often required to pay the higher fees out of pocket, if deductibles or co-insurance applies
- Patients have brought complaints and evidence of increased bills from hospital-affiliated practices to their doctors, who are our members
- Patients ought to be notified if they will have to pay more for the same service
- Patients ought to be notified when they have an option to visit a lower-cost provider (shared-decision making)

# Hospitals may charge additional fees to commercial and public payers

<u>Payment Source</u>	<u>Independent Physicians</u>	<u>Hospitals</u>	<u>Academic Hospitals</u>
<b>Professional Fees</b>			
Commercial Payers	✓	✓	✓
Medicare	✓	✓	✓
Medicaid	✓	✓	✓
<b>Facility Fees</b>			
Commercial Payers			
Medicare		✓	✓
Medicaid		✓	✓
<b>Medical Education Payments</b>			
Medicare DIRECT Grad Med Education payments			✓
Medicare INDIRECT GME augmentation			✓
Medicaid Fixed Annual Payment to UVMHC			✓
Medical School Tuition from Students			✓
Medical School Endowment + Donations			✓

- Independent physicians are a critical component of a high-quality, lower cost health care system
- Hospitals may also bill commercial insurers separately for ancillary services provided concurrently with doctor's office visits
- 95% of independent physicians in VT see patients with all insurance and the uninsured, often with sliding fee schedules and no ability to "cost-shift"
- Independent physicians also teach medical students voluntarily

**PROFESSIONAL FEES ONLY ARE COMPARED ON THE FOLLOWING SLIDES**



# BCBS of Vermont pays UVMHC-affiliated practices twice as much for primary care services

## 2014 Data from Blue Cross Member Website

Common PC CPT Codes	Description	Ind. Physician	UVMHC-Affiliated Practice	VAR %
99213	15 minute low complexity office visit	\$78.00	\$177.00	227%
99214	25 minute moderate complexity visit	\$117.00	\$261.00	223%
90471	Vaccine Admin	\$25.00	\$43.00	172%
99396	Preventive Exam	\$149.00	\$307.00	206%
90472	Additional vaccine admin	\$15.00	\$46.00	307%
99395	Preventive and screening	\$135.00	\$287.00	213%
87880	Rapid Stress Test	\$25.00	\$49.00	196%

**Comparing Professional Fees  
ONLY for these codes**

*Average Variation 220%*

# Payment Variations in Specialty Codes are Even More Severe

**Comparing  
Professional Fees  
ONLY for these  
codes**

## 2014 Data of Specialty Procedural Codes From BCBS Website

CPT Code	Specialty	Ind. Physician	Academic Hospital	VAR %
45378	Gastroenterology - Dx Colonoscopy	\$584	\$1,356	232%
45385	Gastroenterology - Colonoscopy with removal of tumor, polyp, or lesions	\$765	\$1,819	238%
20610	Pain Med - Drain and/or injection of major joint or bursa	\$116	\$235	203%
92012	Ophthalmology - Eye Exam Est Patient	\$84	\$278	331%
11000	Dermatology - Skin Biopsy Single Lesion	\$109	\$349	320%
17000	Dermatology – Destruction Of Premalignant Lesion	\$83	\$273	329%

Average Variation

275%

## For More Information...

---

- For national studies documenting increases in commercial premiums and total costs see please HealthFirst's Public Comment on GMCB FY2017 Hospital Budget Guidance
  - HF\_GMCB\_hospital\_consolidation\_public\_comment\_02\_10\_2016.pdf
- For discrepancy in Medicare Payments to Hospital-owned practices based on professional and facility fees, please see the above:
  - Reference 5 "Medicare: Increasing Hospital-Physician Consolidation Highlights Need for Payment Reform." U.S. Government Accountability Office, December 2015

# 2014 Data Comes From BCBS Website

**BlueCross BlueShield of Vermont**  
An Independent Licensee of the Blue Cross and Blue Shield Association.

**We'll see you through.**  
Contact us: (800) 247-2583

Message Center: 5 New  
Welcome **AMY COOPER**

**Tools, Resources, Media, and News:**  
Here you will find tools and resources to help assist you with:

- Policy related questions
- Links to helpful resources
- Transaction Tools to help you manage your policy

Other important notifications and newsletters will also be found here.

**Still have questions?**  
Send us an e-mail and we will be happy to assist you! [My Inbox](#)

**My Profile**  
Update your address or phone number, order an ID Card, or Print a Proof of Coverage letter.

**Price and Quality Tools**  
Use these tools to research price and quality information associated with your health care coverage.

**My Permissions**  
Control what information is visible.

**Member Center**  
Visited Nov/Dec 2014

**BlueCross BlueShield of Vermont**  
An Independent Licensee of the Blue Cross and Blue Shield Association.

### Detailed Price Report by Code

**John Doe, MD**

		VHP
Category/Code	Description	Provider's Median Price*
<b>Professional Services</b>		
99213	OFFICE/OUTPATIENT VISIT ESTABLISHED PATIENT - 15 MINUTES	\$177.00
99214	OFFICE/OUTPATIENT VISIT ESTABLISHED PATIENT - 25 MINUTES	\$261.00
99243	OFFICE CONSULTATION - 40 MINUTES	\$301.00
99396	PREVENTIVE VISIT - AGE 40 THROUGH 64 YEARS	\$307.00