

Sent: Tuesday, February 24, 2015 4:00 PM
To: Donahue, Anne
Subject: RE: professional rates – [Rates for Health Care Professionals]
Follow-up from testimony Feb. 18, 2015
Filed 3/10/15, under Al Gobeille and Green Mountain Care Board

Dear Anne,

Thank you again for your email and your thinking on this topic. Just to make sure I'm addressing your question, I believe you're pointing to my testimony about value-based payment. And by that I mean payment methodologies that incentivize good outcomes instead of incentivizing the provision of individual services (and more of them). Value-based payment is an alternative to our current fee for service model.

I believe that the language currently in statute (put there by Act 48) gives the Board the flexibility it needs to move towards value-based payment. Specifically, 18 V.S.A. § 9376(b) instructs and empowers the Board to “set reasonable rates for health care professionals . . . in order to have a consistent reimbursement amount accepted by these persons.” That statute also gives the Board discretion to set rates for different groups of providers at different times, and to consider “legitimate differences in costs” among providers. In this way, current law recognizes the need for the Board to be able to develop rate-setting methodologies that reward providers for delivering value (good outcomes) while at the same time setting fee for service rates for those providers that do not or cannot participate in a value-based model.

Current law also enables us to define our rate-setting authority through rulemaking. We believe that is the right approach—rather than trying to build certain methodologies into statute. For example, the legislature provides flexibility to the Public Service Board by directing only that its rate-setting that it be “just and reasonable,” and specifies broad factors that the PSB must take into consideration—similar to the approach in 18 V.S.A. § 9376.

As for the “get a move on” language in the administration’s proposal, we do not support putting a deadline on our rate-setting authority. We prefer the approach in current law (via Act 48) that leaves when and how to exercise this authority to the Board’s discretion, which allows the complex policy planning and scaling-up of capacity necessary to this task to develop prudently.

I look forward to discussing this with you further, and again thanks very much for your questions and your interest in this important aspect of the Board’s work.

Al

From: Anne Donahue [counterp@tds.net]
Sent: Thursday, February 19, 2015 9:46 AM
To: Gobeille, Al
Subject: professional rates
Hello Al,

As you know, the governor's proposed Health Care language includes some "get a move on" language about setting professional provider rates.

I was intrigued by your testimony yesterday about what you think a better approach (what you would want to do) in addressing that. I'm not sure the current Act 48 language would even permit that, but in addition, the current language is an issue of great concern to many providers, including the potential factor of "scaring away" providers from coming to Vermont, and including the uncertainty around what it might mean and how it might be implemented.

I would like to propose to my committee that we revise the current language to some that is broad enough to incorporate your ideas – and some added flexibility as it may evolve – to replace the current rate-setting directive.

Would you be able to give me a few sentences that would express the concept you described, or in the broad sense, what kind of language it would require? Not legal or statutory language (I can get leg counsel to do that), but purely conceptual. We'll be at the bill language point next week, so if a quick turnaround on this request would be much appreciated.

Thanks,

Anne