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Robin Lunge, Director

February 25, 2016

Senator Claire Ayer
Senate Committee on Health and Welfare
Vermont State House
115 State Street
Montpelier, Vermont 05633

Dear Senator Ayer:

Thank you for contacting me for further details on costs for the report proposed in Section 4 of S. 245. This report requires review of all affiliations between independent physicians or group practices and hospital systems during calendar years 2012-2016 to determine whether physician acquisition by a hospital system increases the amounts patients pay for outpatient health care services.

This report will require extensive data collection and actuarial analysis. We will have to pull data from VHCURES, which will likely cost \$15,000. We will then need to match this data to all of Vermont's health care plans, which will require working with insurers and self-insured to obtain plan designs. When we did this for the Public Employees' Health Benefit Study, it cost about \$100,000 to obtain and analyze plan designs that were limited to State employees, school employees, municipal employees, and State and teacher retirees. To obtain and analyze plan designs from all insurers and self-insured in Vermont will likely cost \$185,000. As a result, the total appropriation needed to do this report is estimated at \$200,000.

Please feel free to contact me with further questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to be "RL", with a long horizontal flourish extending to the right.

Robin Lunge
Director of Health Care Reform
Agency of Administration