VERMONT MEDICAL SOCIETY

Date: **March 29, 2018**

To: **House Health Care Committee**

From: **Jessa Barnard, VMS Executive Director**

Re: **S. 282 - An act relating to health care providers participating in Vermont's Medicaid program**

The Vermont Medical Society appreciates the opportunity to testify before you today regarding S. 282, related to the practices and procedures of the Vermont Department of Health Access (DVHA). The VMS is the state's largest physician membership organization, representing approximately 2000 physicians and medical students and 100 physician assistants across specialties and geographic and practice location.

S. 282 addresses two independent issues of concern that physicians have brought to the attention of VMS regarding DVHA practices.

Section 1 – Medicaid Provider Screening and Enrollment

Section 1 addresses the length of time it takes to enroll a new provider into the Medicaid program. VMS was first made aware of this issue in Summer 2016 when practices reported that it was taking many months to enroll new providers into the program. Delays in enrollment lead to two challenges:

- Delays in payment for providers, who can hold claims but not be reimbursed until final enrollment is completed.
- Patient care concerns, as, per federal regulation, patients cannot fill prescriptions or be referred to other services until the ordering provider is enrolled as a participating provider.

VMS raised the issue with DVHA in 2016, and was told that the increased delay was due to a focus on revalidating existing providers by fall 2016 in order to meet a federal requirement contained in the Affordable Care Act (42 CFR §§ 455.410 and 455.450). DVHA reported to VMS that the Department aimed to reduce the time to enroll new providers to 12 weeks by January 2017. At the time, VMS was aware of reports of enrollment taking as long as five months. Unfortunately, the delay did not appear to improve. As of January 2018, there were currently 115 Vermont providers waiting to be enrolled for over 60 days, and 14 over 120 days.

Vermont law requires private insurers to enroll providers within 60 days of receiving a completed credentialing application. 18 VSA § 9408a. The average processing timeline to enroll new providers in Medicare for Vermont's region is 35 days (23 for web and 43 for paper applications) with a timeliness metric of 45 days for web application and 60 days for paper. Medicaid is currently the outlier, causing both provider and patient hardship.

VMS greatly appreciates DVHA's attention to this issue over the past several months and the steps DVHA and its contractors have been taking to improve the processing time. This includes meeting with a group of provider organizations earlier this month and committing to reaching a 60 days processing time by April 2018 through a combination of prioritizing applications from Vermont and border state

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providers and providing the option of a PDF form application. Further, DVHA has committed to meeting with the stakeholder group again in April and moving to an online application and portal through DXC technology that will further reduce the timeframe for enrollment.

VMS believes that S. 282 complements and supports DVHA's existing efforts to reduce the timeline to enroll new providers into the Medicaid program. It puts into session law a requirement that DVHA enroll providers within 60 days by July 1, 2019 or report to the legislature regarding the status of screening and enrollment efforts. The 60-day requirement is already in law for private insurance carriers, should be achievable given DVHA's ongoing efforts to address this issue, and holds DVHA accountable for the timeframes committed to in conversation with the stakeholder group. Additional members of the stakeholder group are available to testify should the Committee seek further information.

Section 2 – Medicaid Participating Provider Concerns

Section 2 of S. 282 addresses concerns related to DVHA's audit and recoupment processes. Several small practices have contacted VMS regarding their experience with recoupments. One independent pediatric practice, South Royalton Health Center, is an example and has submitted a letter to the Committee. Each case is slightly different but involved a practice contact DVHA, or their contracted provider representatives, for information and guidance about proper billing practices. After receiving information and attempting to comply with the information given, the practices have faced recoupments a year or more after the fact. In several instances these have involved practices working to provide much needed mental health or substance abuse treatment. The amount of money sought can make the difference in whether a small practice can remain in operation serving patients.

Section 2 seeks to bring DVHA to the table in a meaningful way to gather provider input regarding the Medicaid program and its administration, to evaluate the state and federal fraud and abuse programs and assess the feasibility of exceptions to recoupment when the practice has attempted in good faith to comply with statutory requirements or information provided by the Department or its contractors.

Thank you for considering the views of the VMS on these bills and please let us know if we can be of further assistance as you move forward.