Sen. Sirotkin - provider payment parity proposal with findings

* * * Provider Payment Parity * * *

Sec. A. FINDINGS

The General Assembly finds:

(1) Serious disparities exist between the amounts commercial health insurers in Vermont reimburse health care professionals for the same services in different settings. The differences are particularly significant for the amounts paid for the services of a health care professional practicing at an academic medical center and those of a health care professional in an independent medical practice or community hospital setting. For example, in January 2015, BlueCross BlueShield of Vermont provided the following reimbursement amounts for physician services:

(A) for an office consultation visit for an established patient, CPT code 99213, $78.00 for a physician in an independent practice and $177.00, or 2.3 times that amount, for a physician employed by the University of Vermont Medical Center (UVMMC);

(B) For a diagnostic, screening colonoscopy, CPT code 45378, $584.00 for a physician in an independent practice and $1,356.00, or 2.3 times that amount, for a physician employed by UVMMC; and

(C) For removal of a single skin lesion for biopsy, CPT code 11000, $109.00 for a physician in an independent practice and $349.00, or 3.2 times that amount, for a physician employed by UVMMC.

(2) Community hospitals in Vermont face disparities in their physician reimbursement rates that are similar to those of independent practices.

(3) Low reimbursement rates have placed burdens on health care professionals in independent practices, causing many of them to close their practices or affiliate with academic medical centers or other hospitals.

(4) The General Assembly asked the Green Mountain Care Board, the commercial insurers, and others to address the issue of the disparity in reimbursement amounts to health care professionals in 2014 Acts and Resolves No. 144, Sec. 19; 2015 Acts and Resolves No. 54, Sec 23; and 2016 Acts and Resolves No. 143, Sec. 5, but little progress has been made to date.

Sec. B. GREEN MOUNTAIN CARE BOARD; HEALTH CARE PROFESSIONAL PAYMENT PARITY WORK GROUP

(a) The Green Mountain Care Board shall convene the Health Care Professional Payment Parity Work Group to determine how best to ensure fair and equitable reimbursement amounts to health care professionals for providing the same services in different settings.

(b) The Work Group shall be composed of the following members:

(1) the Chair of the Green Mountain Care Board or designee;

(2) the Commissioner of Vermont Health Access or designee;

(3) a representative of each commercial health insurer with 5,000 or more covered lives in Vermont;

(4) a representative of independent physician practices, appointed by Health First;

(5) a representative of the University of Vermont Medical Center;

(6) a representative of Vermont's community hospitals, appointed by the Vermont Association of Hospitals and Health Systems;

(7) a representative of Vermont's federally qualified health centers, appointed by Bi-State Primary Care Association; and

(8) the Chief Health Care Advocate or designee from the Office of the Health Care Advocate.

(c)(1) The Green Mountain Care Board, in consultation with the other members of the Work Group, shall develop a plan for reimbursing health care professionals in a fair and equitable manner, including the following:

(A) proposing a process for reducing existing disparities in reimbursement amounts for health care professionals across all settings by at least 40 percent over four years, beginning on or before January 1, 2018, which shall include:

(i) establishing a process for and evaluating the potential impacts of increasing the reimbursement amounts for lower paid providers and reducing the reimbursement amounts for the highest paid providers;

(ii) ensuring that there will be no negative net impact on reimbursement amounts for providers in independent practices and community hospitals;

(iii) ensuring that there will be no increase in medical costs or health insurance premiums as a result of the adjusted reimbursement amounts;

(iv) considering the impact of the adjusted reimbursement amounts on the implementation of value-based reimbursement models, including the all-payer model; and

(v) developing an oversight and enforcement mechanism through which the Green Mountain Care Board shall evaluate the alignment between reimbursement amounts to providers, hospital budget revenues, and health insurance premiums;

(B) identifying the time frame for adjusting the reimbursement amounts for each category of health care services; and

(C) enforcement and accountability provisions to ensure measurable results.

(2) The Work Group shall also consider the circumstances, if any, under which a health plan should be permitted to impose a co-payment or coinsurance requirement for a service in excess of 50 percent of the amount that the plan reimburses health care professionals for providing that service.

(d)(1) The Green Mountain Care Board shall provide an update on its progress toward achieving provider payment parity at each meeting of the Health Reform Oversight Committee during the 2017 legislative interim.

(2) On or before November 1, 2017, the Green Mountain Care Board shall submit a final timeline and implementation plan, and propose any necessary legislative changes, to the Health Reform Oversight Committee, the House Committee on Health Care, and the Senate Committees on Health and Welfare and on Finance. On the same date, the Board shall also submit to the same Committees the Work Group's findings and recommendations regarding cost-sharing requirements that exceed 50 percent of the reimbursement amount for the service.

Sec. C. SITE-NEUTRAL PAYMENT AMOUNTS

(a)(1) Health care provider practices newly acquired by or affiliated with hospitals on or after October 1, 2017 shall be reimbursed on the same basis as they were prior to the date of the acquisition or affiliation.

(2) On and after October 1, 2018, health care provider practices newly acquired by or affiliated with hospitals between November 2, 2015 and September 30, 2017 shall be reimbursed as though the acquisition or affiliation had not occurred.

(b) Beginning on October 1 2017, for each nonemergency evaluation and management office visit code, all health insurers shall modify their payment rates to health care professionals across all settings in Vermont to the amount of the insurer's average payment for that code across all settings in Vermont on January 1, 2017. On and after October 1, 2017, the payment rate for each nonemergency evaluation and management office visit code shall be the same regardless of the health care setting in which the service is provided.