

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, as of 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 (UVMCMC);

(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 UVMCMC; 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 UVMCMC.

(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 unnecessary 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) 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:
- (1) proposing a process for reducing the disparities in reimbursement amounts for health care professionals across all settings by at least 10 percent per year for at least the next four years, to begin on or before January 1, 2018, which shall include:
- (A) a process for increasing the reimbursement amounts for lower paid providers and reducing the reimbursement amounts for the highest paid providers;
- (B) ensuring that there will be no negative net impact on reimbursement amounts for providers in independent practices and community hospitals; and
- (C) ensuring that there will be no negative impact on health insurance premiums as a result of the adjusted reimbursement amounts;
- (2) developing a timeline for implementation of the provider payment parity plan, including identifying the time frame for revising the reimbursement amounts for each category of health care services; and
- (3) enforcement and accountability provisions to ensure measurable results.

(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.

Sec. C. SITE-NEUTRAL PAYMENT AMOUNTS

(a) 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.

(b) 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.