



BlueCross BlueShield of Vermont

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September 28, 2017

Via Email Only

Chairman Kevin Mullin
Green Mountain Care Board
89 Main Street
Montpelier, VT 05620-3601

Subject: Response to Chairman Mullin 09/18/17 Letter re: Implementation of UVMMC E/M Fee Schedule Adjustment

Dear Chairman Mullin,

Initial analysis by Blue Cross and Blue Shield of Vermont (BCBSVT) of the Green Mountain Care Board's (GMCB) ordered reduction of the professional reimbursement for the University of Vermont Medical Center (UVMMC) shows that effective January 1, 2018, the differential between the academic medical center E/M code reimbursement and the BCBSVT Community PCP and Specialty Fee Schedule will be reduced by approximately 34%. Detailed analysis is included in Confidential Attachment A to this letter. Please note that because BCBSVT is not the only health plan impacted by the ordered reduction of \$11.3 million to UVMMC's professional reimbursement, \$8 million is included in BCBSVT's analysis, the remaining \$3.3 million is associated with other payers.

We wish to reiterate BCBSVT's commitment to implementing the GMCB's ordered reduction through negotiation with UVMMC and have in fact already begun working with them to implement the reduced E/M reimbursement. BCBSVT and UVMMC have worked together successfully to lower E/M code reimbursement over the past three negotiation cycles, but the reduction to UVMMC's professional fees ordered by the GMCB will accomplish in one move what we thought might take years.

Aligning UVMMC and community provider E/M reimbursement, regardless of whose name is on the door, will significantly improve the experience of our members. As of January 1, 2018, our members will experience significantly lower out-of-pocket costs when they have E/M services at UVMMC. Similarly, as they move around in the healthcare system and receive care and later bills from new practitioners, they will no longer be surprised by dramatically different reimbursement for the same fundamental healthcare practices. These changes will make it easier for our members to get the care they need when and where they need it.

If you have any questions please feel free to contact me.

Sincerely,

Sara Teachout
Director, Government, Public and Media Relations

cc: Judy Henkin, Esq., General Counsel, GMCB
Don George, CEO, BCBSVT
Andrew Garland, Vice President, Client Relations and External Affairs, BCBSVT
Kelly Lange, Esq., Director of Health Care Reform, BCBSVT