

Gregory McCormick, MD
Ophthalmologist
Ophthalmic Consultants of Vermont
The Eye Surgery Center
May 1, 2019

First, I'd like to thank you for inviting me to share my perspective with you today. My name is Greg McCormick. I'm an ophthalmologist practicing at Ophthalmic Consultants of VT in South Burlington. I also operate at and am one of the owners of The Eye Surgery Center in South Burlington, the only ambulatory surgery center currently operating in Vermont. My thoughts that I will share with you are formed by a variety of perspectives. First, having grown up in rural VT with a father who was a small business owner and a mother who was a career special educator. My dad used to tell me that a hand shake in VT is legally binding. I have no idea if that has any historical truth but that philosophy has always guided me.

I'll keep my comments relatively focused in the interest of time, but first, I'd like to emphasize the big picture. I operate in three locations: my office, The Eye Surgery Center, and UVM Medical Center. Of note, my office is not required to have a CON. Similarly, oral surgery centers are not required to obtain a CON or a license in Vermont or pay a provider tax even though they provide general anesthesia and arguably do more invasive surgeries than at The Eye Surgery Center. Between an office, an oral surgery center and a hospital, the most similar surgical environment to the Eye Surgery Center would be an oral surgery office. We are restricted to eye surgery. Our budget is comparable to my medical office not that of a hospital. Regulating us as a hospital surrogate is misguided and will be harmful to our small business. We don't have a single full time administrator at our ASC or a lobbyist. That is why my patients are sitting in my waiting area right now while I give this testimony and why Dr. Lane had to cancel a half day of patients in order to testify last week. Our managers are working nurses taking care of patients in addition to managing. We are simply not equipped to being treated like a hospital by regulators and there is no need to do so as our roughly decade long track record has proven. Most of our patients have Medicare and it is a matter of public record that we provide their services at about half the cost of a hospital and with undisputed excellent outcomes. I'll gladly put my surgical outcomes to an independent review against any hospital in Vermont for both quality and cost.

As you know, last year, ASC licensing legislation was presented in S.278. After significant discussion, it was determined that more information was needed. Then, H 912 called for the Agency of Human Services to pull together a workgroup to develop recommendations for the regulation of freestanding healthcare facilities and their role in a coordinated and cohesive health care delivery system. Two doctors from our center, Dr. Juli Larson and myself, regularly took time away from patient care to participate in the workgroup along with our managers. The workgroup ended with a consensus about how best to move forward and we support the new licensing requirements as passed by the Senate in S.73 which

accurately reflects the results of that collaborative effort. New provisions proposed to modify S.73 in the House Health Care Committee were revised and considered after feedback from interested parties. After all that, I learned after surgery yesterday that the provider tax, which has been introduced and then removed already multiple times, is suddenly back in the bill. We do not feel this will serve the interest of Vermonters as it will not improve the quality of care and it will only serve as a penalty to providing low cost care by double taxing low cost providers while channeling high reimbursement to providers exempt from most taxes.

Our tiny center is able to do good things. Our budget of several million dollars is sufficient to allow us to restore vision to thousands of eyes each year while saving the health care system in Vermont several million dollars per year by virtue of the fact that we are able to deliver care at roughly half the price. For most of our years of operation we publicly reported implementation reports, allowing you to have a good understanding of our finances. I believe you have Nolan Langweil, Senior Fiscal Analyst from the Joint Fiscal Office with you today. If I recall correctly, Mr. Langweil looked at our implementation reports last year and acknowledged to the health care committee in the Senate that the provider tax could be a significant burden for our organization. Unlike hospitals, we pay income tax on any earnings from our center and property tax on our facility. A provider tax being added on top of the income and property tax would be an unfair double standard. Meanwhile, our physician leadership is unpaid while that is certainly not the case at a hospital. We are doing our fair share in terms of value, quality and taxes, while delivering unsurpassed services at half the price. We urge you not to create a double standard and double tax the already vulnerable community of independent physicians that are already offering tremendous value in VT health care. We strongly oppose the potential Ambulatory Surgical Center provider tax that is being discussed at this hearing.

We all know that most independent doctors have already been forced out of private practice in Vermont. Fortunately, we have felt that in our specialty, with the efficiency we bring to patient care in our offices and at the Eye Surgery Center, that we can make the choice that allows us to best serve Vermonters and still remain viable. In the end, my partners and I decided that if we offer the best care at the best price we should be able to trust that the government will value our services to Vermonters, rather than undermine our good work. At some point in life, we all need to have faith. We've put our faith in you, that you will not threaten the viability of one of the greatest examples of success in Vermont health care. The Eye Surgery Center – with unsurpassed outcomes at a savings of approximately 50% to the health care system – improving vision in thousands in a safe and comfortable environment. This proposed late-in-the-game change in rules is unfair to our doctors, who have taken personal financial risk and who may be significantly harmed by this legislation despite the wonderful outcomes our center is providing Vermonters. Please help us continue the good work independent doctors are doing are doing by saying “no” to the provider tax.

On a final note, we would like to express our genuine desire to continue to promote high quality, low cost, accessible care for Vermonters. As you know, The Eye Surgery Center is a rare example of health care at its best. I would welcome any of you to visit our center so that you can better understand how one little place can help so many people at substantial savings with outstanding outcomes. We're proud of what we have accomplished and would welcome you any time.