

Good Morning. My name is Susan Ridzon & I'm the Executive Director of HealthFirst, Vermont's Independent Practice Association. Thank you for the opportunity to share our thoughts today. We find S.290 to be an ambitious and multi-faceted bill that seems as if it's aiming to address some of the inequities and perverse incentives inherent in our current health care system. We applaud and appreciate that effort.

We are generally supportive of the provisions of S.290 that aim to address fair & equitable payments, increased transparency and inclusion of a clinician on the GMCB. My comments today are limited to the sections of the bill that pertain to these areas.

Fair & Equitable Payments

HealthFirst believes that the following sections of the bill promote, or could promote, if edited, fair and equitable payments:

- Pg 3, lines 11-17. This section requires the ACO to establish mechanisms to receive and distribute payments to its participants in a fair & equitable manner. We whole-heartedly support the intent here but suggest using stronger & more specific language. For example, line 14 could be modified to require that the ACO, as well as **commercial payers**, work together to **eliminate**, rather than just minimize, differentials in the FFS rates that underpin the ACO payments to participating practices. We ask for these changes due to the challenges we've faced during our last concerted attempts to advance the issue of pay equity. At that time, we were told by some regulators, payers and legislators that the issue of pay inequity would be solved through the ACO /APM. However, when we discussed this at the ACO level, we were told that it was out of their control to address the FFS-based inequities that underpin the ACO payments to practices. Clearly, there needs to be focused collaboration and real transparency to make meaningful progress in this area.

We also suggest that the bill include language that requires verification of UVMHC's and BCBSVT's claims about alignment of pay differentials as stated in the GMCB Fair Reimbursement Report Oct 1 2017 FINAL. (specifically, the hospital review section that starts on page 12). An easy way to verify these assertions would be for BCBSVT to provide the actual paid difference between UVMHC vs independent fee schedule for following five codes:

99214 established moderate visit

99396 adult preventive visit

20610 aspirate or inject large joint

45378 screening colonoscopy no biopsy

93306 echocardiogram

These three need to compare total billed charges including facility fee, if extra.

Examination of the payment differences for these codes would close a loop on the 2017 Fair Reimbursement report. Accordingly, we'd like to see this language included in S.290.

- Pg 13, lines 17-18: GMCB review of health care contracts. We wondered about this section as it seems untenable for the GMCB to review every contract of every health care provider in the state. We also had questions such as: what criteria will the GMCB apply to approve or disapprove a contract? What happens if GMCB rejects a contract that was mutually acceptable to the two parties? We would like to better understand the intent of this review. If the intent is to reduce inequities, there are likely easier ways to achieve this goal.

We are happy to work with you and other stakeholders in crafting potential alternative solutions.

- Pg 14, lines 1-14: HealthFirst generally supports what's outlined in this section regarding payments to healthcare professionals in a manner that is equitable, site neutral, and sufficient enough to support the availability of services without the need to cost shift.
- Pg 14, lines 15-21 and into pg 16: HealthFirst likes the intent of requiring site-neutral rates but more clarity is needed. For example, what is a "reasonable" rate? How would it be determined? What if there's disagreement on what is deemed reasonable? What options do providers have to negotiate or appeal? Again, we are happy to participate in a discussion to help clarify this section, if desired.
- Pg 16, lines 12-17: Healthcare contract review. If GMCB will be taking on the task of reviewing all health care contracts, we believe it is imperative to have a physician on the Board for this review. Also, we wondered how contract "fairness" would be judged? We believe this needs more specificity.

Increased Transparency

There are sections of the bill that appear to be aimed at increasing transparency. HealthFirst appreciates this effort and strongly supports price transparency. We believe it's an essential step toward fixing our broken health care system. We also support efforts that help to uncover where Vermonter's health care dollars are going, as seems to be the intent in the following sections of the bill:

- Pg 6, lines 10-11: Requires data on ACO administrative costs, including salaries. We think it's important to understand how our health care dollars are spent and this is part of it.
- Pg 8, lines 1-8: It appears that this section is intended to uncover cost drivers and services prone to cost shifting. We strongly support this type of inquiry. However, you may get more revealing data if you ask for the specific health services that constituted 80% (or some other majority percentage) of the increases and decreases in commercial rates during the previous fiscal year rather than a specific number of services (3 in this case).

GMCB Membership

HealthFirst supports inclusion of a licensed clinician on the GMCB as outlined on pg 12, lines 14-19, though our preference is to limit inclusion to an MD or DO. We also believe that the person should have in-depth knowledge and understanding of the health care system nationally, and in Vermont.

In summary, we appreciate the legislature's efforts in addressing pay inequities, transparency and clinician inclusion on the GMCB and we're supportive of legislation to advance these goals. Thank you.