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TO: Members of the Senate Health & Welfare Committee

FROM: Charles (“Chuck”) Storrow, on behalf of MVP Healthcare

SUBJECT: S.244, *An act relating to strengthening primary care and primary care providers*

DATE: February 14, 2022

The purpose of this memorandum is to follow up on my testimony on February 9 on behalf of MVP Healthcare (MVP) regarding S.244.

MVP, which is one of the two health insurers who offer individual and small group health insurance policies in Vermont, recognizes the importance of having a sustainable primary care sector in Vermont.

However, MVP does have concerns about S.244’s requirement that insurers reimburse providers for “audio only” health care services at the same level as health care services that are provided on an in-person basis. In that regard I offer the following:

- MVP does not oppose the notion of being required to cover the provision of audio only services even though prior to the COVID emergency there was no requirement to pay for that type of service. MVP recognizes that audio only services both improves access to health care and can, in some situations, also avoid the need for more costly types of health care services.
- MVP recognizes that there are situations where “parity” in reimbursement for audio only services is appropriate. In fact, MVP will continue to reimburse mental health providers for audio only services at parity despite the fact that DFR’s order of June 29, 2021 allows insurers, for plan year 2022, to reimburse providers for audio only services at 75% of the in person reimbursement amount. However, effective March 1, 2022 MVP intends to reimburse providers of audio only medical services at 75% of the in person reimbursement amount.
- MVP does not feel that there should be a permanent 100% parity requirement on an across-the-board basis due to the following considerations:
 - From a clinical perspective the value of audio only services may not be equivalent to in person services as the clinician is unable to take a patient’s blood pressure, monitor their heart rate and gather other information about the patient’s health that requires the patient to be physically present.

- From a patient's perspective the value of audio only services may not be equivalent to in person services.
- It may be the case that the cost to the provider of providing audio only services is less costly than other modalities. If so, it is submitted that reimbursement should reflect that fact.
- In many cases audio only services have traditionally been provided without charge as they are a follow on to an in person visit and the reimbursement for the in person visit included any follow on audio only service.
- Given the fact that many people have deductibles or other types of out of pocket exposure in many situations the cost of audio only services will be borne by the patient.
- Reimbursement of audio only services at parity may cause unnecessary utilization and therefore add unnecessary costs to the health care system.

In sum, MVP feels that there needs to be more experience with the provision of audio only services before the imposition of a one size fits all requirement concerning the level of reimbursement for those services.

MVP also views section 4 of S.244 as being problematic. That section requires insurers and other payers to increase the amount they pay to primary care provider to 12% of their overall spending.¹ However, this provision also provides that an insurer's increased proportional spending on primary care shall not result in higher premiums, be achieved by increased fee for service payments, or increase the insurer's overall health care expenditures. Given those restrictions the only way an increase in spending on primary care can be accomplished is to spend less on other types of providers which, as a practical matter would be difficult to cause,² and which may not be appropriate for a number of policy reasons.

¹ The Green Mountain Care Board's January 15, 2020 [report](#) *Defining Primary Care and Determining Primary Care's Proportion of Health Care Spending in Vermont* indicates that in 2018 the commercial insurers paid primary care providers 9.2% of the overall amount they reimbursed providers. See Table 5 on page 14.

² Insurers are legally obligated to have adequate provider networks. As a result, they are not necessarily able to unilaterally reduce the amount they reimburse a provider like a tertiary care hospital. There are only two tertiary care hospitals that serve Vermont patients and an insurer like MVP needs both of them in its network in order to meet the legal requirement of having an adequate provider network.