



To : Chair Owen Foster & Members, Green Mountain Care Board
Secretary Jenney Samuelson, Agency of Human Services
Chair Lori Houghton & Members, House Health Care Committee
Chair Virginia Lyons & Members, Senate Health & Welfare Committee
From: Jessa Barnard, Vermont Medical Society, jbarnard@vtmd.org
Date: January 20, 2023
RE: Impacts of BCBSVT Withdraw from OneCare Vermont Programs on Primary Care

The Vermont Medical Society, Vermont Academy of Family Physicians and American Academy of Pediatrics Vermont Chapter collectively represent over two thousand physicians and primary care clinicians in Vermont. Our members provide primary care services in hospital-based practices, Federally Qualified Health Centers and independent practices. **We are writing today to express our deep concern regarding the impacts of Blue Cross Blue Shield Vermont (BCBSVT) deciding to not participate in OneCare Vermont (OCV) programs for 2023** – notably, after medical practices have already committed to participating in OCV and set their own 2023 facility and practice budgets.

Having listened to many Green Mountain Care Board and legislative hearings regarding Vermont's All Payer Model and statewide ACO we understand that the benefits of Vermont's health reform efforts can at times seem opaque. **However, the loss of BCBSVT participation clearly illustrates the concrete benefits that OCV programs bring to the sustainability of primary care in Vermont.**

It appears that there will be two areas of major impact on primary care practices from the loss of BCBSVT participating:

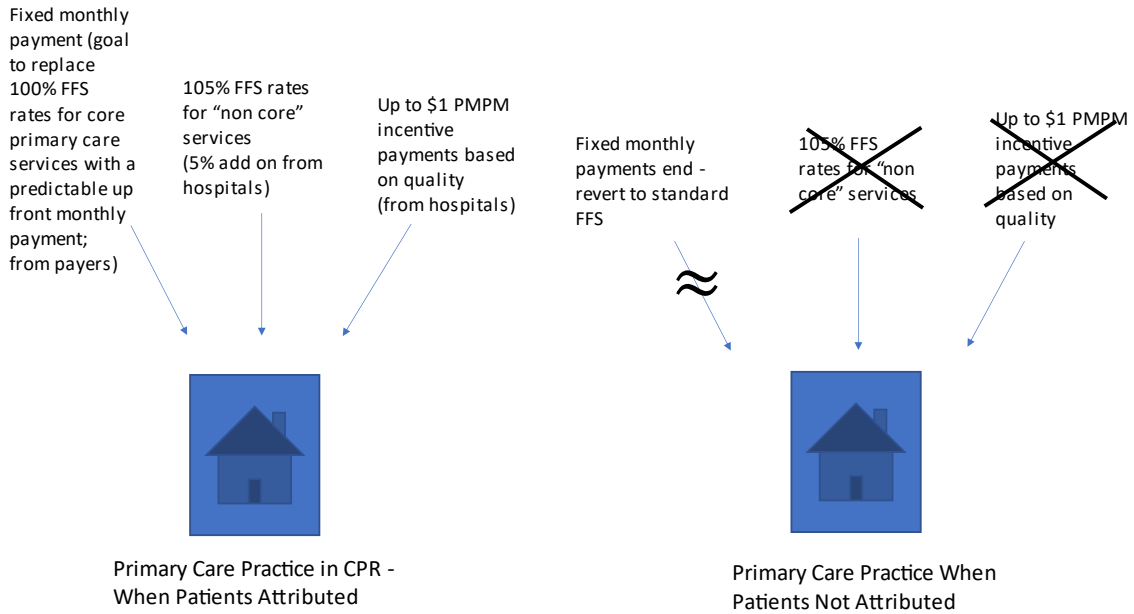
1. For Comprehensive Payment Reform (CPR) practices

- a. This is OneCare's program to help transition independent primary care practices from volume to value-based payment by replacing fee-for-service payments from multiple payers with a fixed monthly payment.¹ Payments to practices come from several funding streams, including payers and hospital contributions.
- b. For those patients who were attributed to BSBSVT, practices will now be losing fixed monthly payments for core primary care services, which **will revert to fee-for-service**; while this should not change overall revenue, this will change the timing and reduce the predictability of payments.
- c. Practices **will also be losing a \$5 PMPM CPR payment, as well as a 5% add-on payment above fee-for-service rates for "non-core" services** (like radiology & labs) – these payments are supported by hospital dues for attributed patients.
- d. **Practices will also see reduced alignment in payer programs** such as quality measures and goals.

These impacts are illustrated below.

¹ See a detailed description of the CPR program from 2018-2022 here:

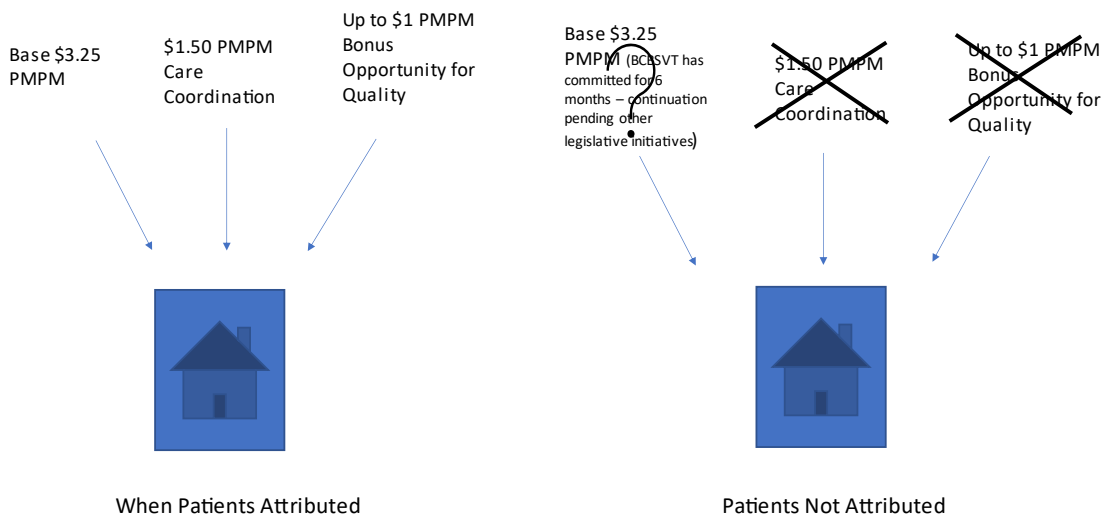
https://gmcboard.vermont.gov/sites/gmcb/files/documents/OCV_FY22-2021-CPR-Report_07-27-2022_0.pdf



2. For all other primary care practices

- a. Primary care practices participating in OCV programs are eligible for the Population Health Management program for attributed patients.²
- b. Practices will lose (for formerly BCBSVT-attributed patients):
 - i. A \$1.50 PMPM care coordination fee;
 - ii. Eligibility to earn up to \$1 PMPM in value-based incentive payments;
 - iii. And have an uncertain future for \$3.25 PMPM payments. BCBSVT has stated to VMS that they will continue these payments for the first six months of 2023 but continuing payment beyond that point is contingent on any legislative action that may increase other costs to BCBSVT.

Population Health Management Program for Primary Care



The collective impact of both of these changes could be well over \$2 million to primary care. This comes on top of a 2% cut in the 2023 Medicare physician fee schedule,³ and potential impacts of the Medicare reduction on Medicaid payments for primary care in 2023.⁴ At a time when primary care practices are still struggling to maintain staff, meet inflationary pressures on their own staff wages and benefits, and address overwhelming patient need with winter respiratory illnesses, the collective impact of these cuts is untenable.

We call on BCBSVT to remain at the negotiating table and find a path forward to participate in OCV programs for 2023, given their announcement of nonparticipation came only days before the start of the program year. In the absence of this, we have had several recent conversations with OCV and understand they are developing plans to try to minimize the extent of the losses for primary care practices. We similarly ask Vermont's health care regulators and legislators to work with BCBSVT to put forward plans to mitigate remaining financial losses and backsliding in payment reform models for primary care.

Please reach out to me at jbarnard@vtmd.org or 802-917-1460 if we can answer further questions.

³ <https://www.ama-assn.org/practice-management/medicare-medicaid/medicare-physician-pay-cuts-underscore-need-fix-broken-system>

⁴ Because Vermont Medicaid typically matches 100% of the Medicare fee schedule in the Medicaid Resource Based Relative Value Scale (RBRVS) fee schedule paid to most primary care practices, a cut to the Medicare fee schedule translates to a cut to the Medicare fee schedule.