

THE GREEN MOUNTAIN PHYSICIAN

A PUBLICATION OF THE VERMONT MEDICAL SOCIETY

"Not for ourselves do we labor"

May/June
2013

LEGISLATURE ADJOURNS AS PRESCRIPTION MONITORING, PHYSICIAN ASSISTED SUICIDE AND OTHER HEALTH CARE BILLS PASS INTO LAW

A legislative session that saw a number of predictable, as well as a few surprising issues, adjourned last month as the Vermont General Assembly wrapped up the 2013 session.

Among the predictable issues, in light of numerous comments both public and private made by the Shumlin Administration regarding prescription drug abuse, was legislation attempting to deal with this important public health and safety issue.

Among the issues that received considerable attention both in and out of the statehouse was physician assisted suicide. Replacing 2012's immunization debate as the most emotional issue of the session, the legislation spurred heated reactions from both sides before ultimately passing and earning Vermont national attention as one of three states in the country to allow physician assisted suicide.

In countless cases, VMS members greatly aided in the Society's efforts and the cause of medicine in the statehouse by providing expert testimony, responding to inquiries from VMS staff and contacting their legislators to advocate policy positions. This assistance is invaluable and is a testament to the quality of people/physicians we are lucky to have in the state. The Society thanks you for your efforts.

Below is a summary of five key bills passed during the 2013 session. For more information about these and other bills, visit www.leg.state.vt.us.

Prescribers now required to register and query VT Prescription Monitoring System

A bill responding to increased opioid addiction and methamphetamine abuse in the state passed the House and Senate. As the bill moved through the legislature, VMS worked closely with VAHHS and the Department of Health to amend and narrow the requirements to check the VPMS database. The final version of the bill requires prescribers to check the VPMS data base in four circumstances:

- (1) at least annually for patients who are receiving ongoing treatment with an opioid Schedule II, III, or IV controlled substance;
- (2) when starting a patient on a Schedule II, III, or IV controlled substance for non-palliative long-term pain therapy of 90 days or more;
- (3) the first time the provider prescribes an opioid Schedule II, III, or IV controlled substance written to treat chronic pain; and
- (4) prior to writing a replacement prescription for a Schedule II, III, or IV controlled substance pursuant to section 4290 of this title.

The bill requires all prescribers to register with the VPMS on or before Nov. 15, 2013. Log-in information is available at healthvermont.gov/adap/VPMS.aspx.

Physician Assisted Suicide becomes legal in Vermont

On the day before adjournment, the Vermont legislature approved S.77 – a bill that would allow physicians to prescribe lethal doses of medication to terminally ill patients in order for the patient to end their lives. By a 75-65 vote, the House concurred with a Senate version of the bill that passed 17-13. The legislation largely mirrors a similar law in Oregon law for first three years and then shifts to a system with less government monitoring. However,

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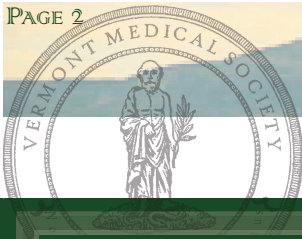
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FROM THE PRESIDENT'S DESK

By Norman Ward, M.D.



Welcome to the latest edition of the Green Mountain Physician. The 2013 legislative session has come to a close and once again health care was one of the General Assembly's most discussed topics (see page 1 for a summary of key health care bills passed in 2013). And once again, the Vermont Medical Society was well represented in the halls of the Statehouse. I'd like to thank Paul, Madeleine and Stephanie for their tireless efforts on the behalf of the state's physicians and our patients.

I'd also like to thank the numerous members who took time out of their busy schedules to testify before committees, write letters, provide input to VMS staff via email and phone, and contact their elected officials.

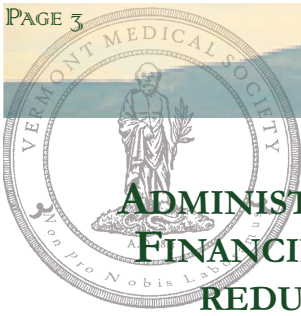
While the last session has concluded, it's never too early to begin thinking about the next one. The VMS Council members and physician leaders are invited to do exactly that by attending the annual VMS planning retreat, August 10, at the home of Paul Harrington in Middlesex, Vt.

The planning retreat serves as a brainstorming and discussion session in which members can bring attention to any issues and concerns they have about health care public policy. Simply put, this is where the rubber hits the road. Input from the meeting is directly used to develop resolutions voted upon by members at the annual meeting, setting the course for the Society for the year to come.

Sincerely,

A handwritten signature in cursive script, appearing to read "Norman Ward".

Norman Ward, M.D., VMS President



ADMINISTRATION RELEASES SINGLE-PAYER FINANCING PLAN: ALL SAVINGS BASED ON REDUCED PAYMENTS TO PROVIDERS

Earlier this year the Shumlin administration released its long-awaited financing plan for Green Mountain Care (GMC) – the proposed publicly financed single-payer health care system. The study projects that under GMC Vermont would save \$34 million in 2017 in funding the state’s \$6.0 billion health care system. The report’s savings appear to be achieved solely by reducing provider payment rates by \$155 million.

The University of Massachusetts Medical School and Wakely Consulting Group were paid \$300,000 to provide the cost estimates and to draw up two financing plans for the state. One plan was for the state’s single-payer system scheduled for 2017, and the other was for funding the state’s new health insurance exchange, which will go into effect in 2014, as required by the federal Affordable Care Act (ACA). The consultants worked directly with members of the administration to develop the report and the plan’s cost components.

A federal waiver from the requirements of the ACA is necessary for implementation of the single-payer health care system in 2017. An ACA Section 1332 waiver from the federal Secretary of Department of Health and Human Services would allow Vermont to opt out of specific exchange-related provisions of ACA beginning on Jan. 1, 2017, if it ensures that the state’s residents would have access to high quality affordable health insurance by alternative means. The plan indicates that the State of Vermont would receive \$267 million in federal funds to support the single-plan as a result of the waiver.

The plan estimates \$1.61 billion in new tax revenue would be required to replace the insurance premium portion of the \$6.0 billion in total system costs in 2017. And while \$1.61 billion may seem like a very large amount, it would have been a much greater sum if the plan did not propose setting provider reimbursement at a low level.

Unexpectedly, the Act 48-mandated financing plan lacked any specific proposals for how the state would generate the \$1.61 billion in publicly financed revenue for the new single-payer system. However, it is important to note that the 2017 ACA single-payer waiver from DHHS is not dependent on the enactment by the Vermont Legislature of new taxes in order to move to a single-payer system, but does require a 10-year budget.

It will be extremely difficult for the legislature to enact broad-based taxes in 2015 sufficient to generate \$1.6 billion in new revenue due to the potential impact on the state’s economy. The Vermont Medical Society believes it is entirely plausible that the state’s single-payer plan in 2017 will continue to rely on a combination of existing Medicaid revenues and subsidized premiums from beneficiaries to fund the state’s single-payer plan. It is clear from the report that a major focus of GMC beginning in 2017 will be the implementation of a state-established uniform reimbursement methodology for the health care services provided to the vast majority of Vermonters who are under 65.

Of great concern to VMS is that the report’s \$34 million in savings for the 2017 plan appear to be achieved solely by reducing provider payment rates by \$155 million. The plan states “[A]nd health care providers will receive the same and adequate rates for all their patients, calculated at 105 percent of Medicare payments.” The financing plan further indicates that private insurance reimburses providers at 155 percent of Medicare and that the number of individuals covered by private insurance will be reduced in 2017 from 343,085 to 39,499. The plan therefore anticipates a 32-percent cut in provider reimbursement in providing care for the 303,585 Vermonters who were formerly covered by private insurance.



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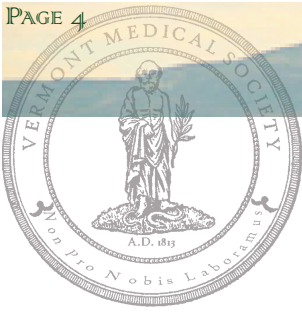
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VMS JOINS IN REBUTTAL TO NEJM'S VERMONT HEALTH CARE REFORM ARTICLE

In the April 4th issue of the New England Journal of Medicine, Texan physician Laura K. Grubb, M.D., pointed to Vermont as an example that other states should follow in their health care reform efforts.¹

While many of Dr. Grubb's points were accurate, her article, Lessons from Vermont's Health Care Reform, Dr. Grubb, painted what many consider to be an overly optimistic view of Vermont's reform efforts.

VMS Executive Vice President Paul Harrington, along with two other influential business and health care leaders, submitted the below letter to the editor to the Journal in order to clarify the state of reform in the Vermont, however, the Journal chose not to publish it.

TO THE EDITOR:

In her perspective on Vermont, Dr. Grubb concludes the state provides valuable lessons for other states in implementing ACA reforms. By expressing only the views of state officials, she missed warning signs from those providing and paying for care.

On January 24, the administration released its financing plan² for the proposed single-payer system. The study projects 2017 savings of \$34 million in funding the \$6.0 billion health system. The savings are achieved solely by reducing provider payment rates by \$155 million.

2017 Single-payer Financing Plan

Single-payer funding unclear	\$1.6B gap (3 times total state income tax)
Single-payer reimbursement	105% of Medicare resulting in reductions of 20-25%
Not a true single-payer system	Multiple payers including Medicare, ERISA, out of state

While Vermont is aggressive in developing health policy ideas; it is behind on implementation and developing plans that finance these ideas. Federal funding covers the exchange start up but by 2015 Vermonters will pay the highest costs per capita in the country. Meanwhile, the state's provider community is leading delivery system change through such efforts as creating a statewide ACO. The exchange and single-payer plan's potential for unintended economic displacement to businesses and the erosion of our state's health care system are very real.

Bea Grause, president and CEO of Vermont Association of Hospitals and Health System

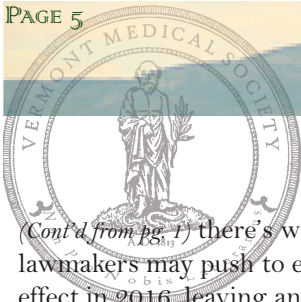
Paul Harrington, EVP, Vermont Medical Society

Lisa Ventriss, president of the Vermont Business Roundtable

References:

¹<http://www.nejm.org/doi/pdf/10.1056/NEJMp1212974>

²http://hcr.vermont.gov/sites/hcr/files/2013/Health%20Care%20Reform%20Financing%20Plan_typos%26formatting%20corrected_012913.pdf



LEGISLATURE ADJOURNS

(Cont'd from pg. 1) there's widespread expectation that lawmakers may push to eliminate the changes set to take effect in 2016, leaving an Oregon-style law in place. Governor Shumlin signed the bill into law as Act 39.

The legislation creates a new chapter 113 in Title 18 of Vermont Statutes Annotated entitled "Patient Choice at End of Life." The two key provisions of the bill are found in section 5283 that establishes the fifteen requirements for legal immunity if a physician prescribes lethal doses of medication for a patient to self-administer, and in section 5285 that states a physician shall not be under any duty, by law or contract, to participate in the provision of a lethal dose of medication to a patient. These provisions go into effect once the bill has been signed into law by the Governor.

Under section 5283, a physician would not be subject to any civil or criminal liability or professional disciplinary action if the physician prescribes to a patient with a terminal condition medication to be self-administered for the purpose of hastening the patient's death and the physician affirms by documenting in the patient's medical record that all of the following fifteen requirements occurred, including a series of oral and written requests from the patient, opportunities for the patient to rescind their request, diagnosis of a terminal condition, second opinions regarding diagnosis, and a determination of patient's state of mind.

VMS will continue to be actively engaged in promoting initiatives that assure all dying Vermonters receive good, comprehensive palliative care. These include ensuring that all members of the Society become educated in the goals and techniques of palliative care and that all members become adept at dealing with the dying patients' special needs. The Society believes that such care and training will provide a strong alternative for patients who ask for assisted suicide.

The Vermont Department of Health has developed a number of documents related to Act 39:
healthvermont.gov/family/end_of_life_care/patient_choice.aspx.

Three percent Medicaid increase to take effect in Nov.
 The FY 2014 budget passed by the Vermont legislature and signed by Governor Peter Shumlin included a three percent Medicaid reimbursement increase, although the implementation of the increase was delayed one month – from October to November 2013. The Senate added language requiring the administration to develop measures to account for the results of cost shift investments. The language will require the Green Mountain Care Board to maintain and report on its dashboard of key indicators “a comparison of the difference between Medicaid and Medicare provider reimbursement rates and additional measures as determined to create standard transparent measurement of a reduced cost shift.”

VMS has requested that DVHA use the three percent increase to eliminate the additional two percent cut that DVHA applies to all professional services except the evaluation and management codes and then to adopt Medicare's Part B RBRVS reimbursement system with a single conversion factor at 100 percent of Medicare. DVHA has indicated willingness to consider applying this methodology to the extent possible.

Adding “APRN” to laws that refer to “physicians” or “doctors”

A bill that proposed to add “APRN” to all statutory references to “physician” or “doctor” was not introduced or passed by the legislature this year.

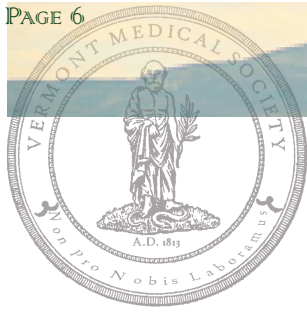
VMS will work with the licensing boards, professional associations and other interested stakeholders to review this proposal before the next legislative session. This proposal touches a very broad range of issues, for example: disability certification, mental health (involuntary treatment), guardianship, education (ability to attend school), public health, regulated drugs, sterilization reports, motor vehicles (handicap tags, school bus drivers), municipalities, corrections, and child abuse. Please let VMS know if you would be willing to help with this proposal.

Prior authorization, step therapy, eliminating prior authorization and standardization of edits and payment rules addressed in passed legislation

A bill passed this session that addresses a number of issues that add administrative burdens to providers and at times interfere with proper care and physician/patient relationship.

The bill, H.107:

- Shortens the time for health plans to respond to requests for non-urgent requests for prior authorization from 120 hours to two business days. A law passed last year requires insurers to respond to urgent requests for prior authorization in 48 hours;
- Prohibits health insurers that use step therapy from requiring patients to fail on the same medication more than once. Health insurers may continue to use tiered co-payments when drugs are not subject to a step-therapy protocol;
- Calls for a pilot program that will measure changes in system costs within primary care associated with eliminating prior authorization requirements; and,
- Requires the Green Mountain Care Board (GMCB), in consultation with the Department of Vermont Health Access (DVHA) to develop a complete uniform set of standardized edits and payment rules.



SINGLE-PAYER FINANCING PLAN

(Cont'd from pg. 3) As devastating as a \$155 million cut in payments would be, VMS believes the plan underestimates the reduction in payments to providers in 2017. The plan indicates the total reduction in payments from private insurance companies would actually be \$469 million and that this amount would be offset by an increase in Medicaid payments in 2017 of \$314 million -- with a net reduction of \$155 million. However, the plan fails to acknowledge the increase in 2013 and 2014 of Medicaid payments to primary care physicians to 100 percent of Medicare that was mandated by the ACA and overstates the savings of any hypothetical increased Medicaid payments in 2017. There is also no guarantee that the legislature would approve such an increase in Medicaid reimbursement.

More importantly, by setting the single-payer reimbursement at 105 percent of Medicare, the single-payer plan would permanently tie its physician and hospital reimbursement to any future increases (or decreases) in Medicare reimbursement. Over the next 20 years, the federal government will continue its efforts to constrain the cost of Medicare in order to ensure its sustainability with the enrollment of the Baby Boomer generation. For example, since 2001, due to Congress' inability to address the Sustainable Growth Rate (SGR), Medicare payments for physician services have only increased by four percent, while the cost of caring for patients as measured by the Medicare Economic Index (MEI) has increased by more than 20 percent.

Correspondence dated Jan. 21, 2013, between the administration and their consultants makes it clear that the single-payer plan's "ongoing savings comes from keeping provider rates at the rate of increase of Medicare rates which is lower than the current growth in health care costs."

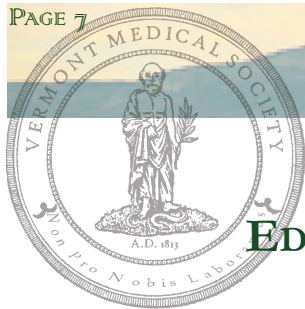
The UMass study's estimates are based on the assumption that all Vermont residents would be automatically enrolled in the single-payer plan in 2017. Using the plan's mid-level estimates, 437,500 Vermonters would have GMC as their primary insurance, and provider reimbursement would be at 105 percent of Medicare; 70,000 individuals would continue to receive their insurance from their employers, and provider reimbursement would be at 155 percent of Medicare, and 129,000 seniors would be covered under Medicare, and provider reimbursement would be at 100 percent of Medicare.

Using the plan's estimates, on a population basis, the average reimbursement in Vermont for the entire population would be 109 percent of Medicare. However, due to the higher utilization rates in the Medicare population and the GMC population, the average state-wide reimbursement would be lower. By way of contrast, DVHA currently reimburses federally qualified health centers (FQHCs) on a cost basis at 125 percent of Medicare -- a cost-based reimbursement rate that is 19 percent higher than the 105 percent of Medicare rate established in the financing plan.

In response to these concerns, the Vermont Medical Society, the Vermont Business Roundtable, Blue Cross and Blue Shield of Vermont, Fletcher Allen Health Care, the Vermont Chamber of Commerce, Vermont Assembly of Home Health and Hospice Agencies and the Vermont Association of Hospitals and Health Systems have jointly contracted with Avalere Health, LLC, to provide an assessment and health delivery system impact of the Health Care Reform Financing Plan. Avalere will provide an expert assessment of the Financing Plan, its assumptions and models, and its impact on health care provider economics, businesses and consumers of health care and service delivery.

Each of these organizations shares a commitment to the goals of universal access and coverage; to providing the highest-quality care; and, to delivering this with the greatest cost efficiency in a way that is financially sustainable for the state and its citizens. The group believes these health care reform goals can only be achieved through a collaborative, transparent and meaningful public/private relationship that builds on our state's existing strengths and assets and achieves mutual accountability for their outcomes.

The period of time between today and 2017 will be critical for the future of Vermont's health care system. VMS will strive to keep its members informed of the various health care initiatives as they become available and it will continue its advocacy on behalf of all physicians and their patients.



UPDATE ON VERMONT MEDICAL SOCIETY EDUCATION & RESEARCH FOUNDATION ACTIVITIES

Physicians Foundation Awards 2nd Leadership Grant

The Physicians Foundation awarded a competitive \$75,000 grant to the VMS Foundation to support activities designed to develop and assist Vermont physician leaders. The 12 month grant cycle started February 1st, 2013. The grant funding allows continuation of activities supported by the initial \$130,000 award in September 2011 including: 1) a second and third statewide conference highlighting physician roles in health care reform; 2) two physician leadership communities of practice; and 3) collaboration with other physician leadership programs in the region.

Green Mountain Care Board Supports Physician Leaders

The Green Mountain Care Board has generously complemented the Physician Foundation with funds to support the two physician communities: 1) the Vermont Region Hospitalist Leaders; and 2) the Vermont Rural Physician Leaders. Both communities have committed to conducting interviews with their peers about approaches to defining core clinical services in each community and appropriate ways to allocate health service resources across the state; 2) identifying effective and efficient measurement and information about patient care; and 3) pros and cons of new state and federal payment pilots.

Three Vermont Physician Leaders Participate in Maine's Leadership Curriculum

Josh Plavin and Mike Rousse, the champions of the Foundation's two Communities of Practice, and Cy Jordan, Foundation Director, are members of the second group of physicians enrolled in a 12 month physician executive leadership curriculum at the Daniel Hanley Center for Health Leadership, <http://www.hanleyleadership.org/>, Physician Foundation grant funds are supporting the tuitions for the three physicians.

VMS Annual Meeting Session on Physician Leadership – Friday October 18th

All three Vermont physicians participating in the Maine program will be joined by a Maine physician and the faculty chair, Professor Jon Chilingirian of Brandeis University speaking at the opening session of the VMS Annual Meeting about the genesis and goals of the effort, making the case for establishment of a similar program for Vermont physicians. This event and other related portions of the VMS Annual Meeting are being supported with Physician Foundation funds.

Conference on Improving Access and Quality of health services to Children and Families – January 25th, 2014

The Vermont Department of Health, the Vermont Academy of Family Physicians and the VMS Foundation are collaborating on a half day Saturday conference focusing on defining core health care services, measurement and best approaches to payment reform focusing specifically on children and families. Funding is being contributed by the Department of Health.

Cranial CT Scan Utilization and Best Practice Initiative

The Vermont Radiological Society and Green Mountain Care Board are collaborating on an initiative focused on understanding and optimizing the use of cranial CT scans for headaches across the state. The VMS Foundation has been contracted by the GMCB to administer the effort including helping with analyses of the state's all payer data base accessing its utility in describing utilization patterns of CT scans across the state. The goals of the effort are to both optimize the use of CT scans for the specific diagnosis of headache, test the accuracy and utility of the state's all payer data base and develop a model for developing clinical decision support to optimize the use of imaging services across the state.

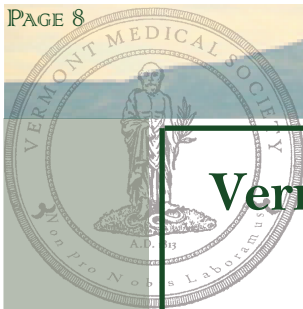
Antibiotic Stewardship

The Vermont Department of Health in collaboration with the CDC, the Association of State and Territorial Health Officers and Blue Cross Blue Shield of Vermont has contracted with the VMS Foundation to interview physicians in each hospital service area in the state on barriers and aids to promote antibiotic stewardship particularly the use of antibiotics for upper and lower respiratory tract infections. The goal of the effort is to design and promote materials and resources useful for both practitioners and patients. The Vermont effort is being coordinated with a national CDC effort, Get Smart <http://www.cdc.gov/getsmart/index.html>. This work is being supported by a contract with the Health Department. The source of the Department's funding is a competitive ASTHO grant.



VMS Education & Research Foundation

helping physicians help patients & communities



Vermont Medical Society 200th Annual Meeting

October 18 & 19, 2013

Basin Harbor Club and Resort, Vergennes, Vt.

“BE PART OF THE FUTURE”

Friday’s afternoon session is designed specifically for physicians and their employers with the authority to influence organizational investments in physician leadership. Saturday’s morning session is designed for any and all physicians who need to know more about the coming new payment models from both CMS and the State of Vermont. A plenary speaker will share their experience with ongoing federal and out of state payment experiments. The presentation will be followed with smaller discussion groups to allow active participation and the opportunity to get up close and personal with the issues.

The promise and challenges of Vermont’s 3 new payment models – P4P, Bundled Payments and ACO’s – will be hammered out. Invited speakers will share their insight with existing payment reform initiatives in other states. Effects on organizational operations, regional integration, quality and safety of care and physician roles will be examined in detail.

THERE WILL BE SOCIAL EVENTS FRIDAY AND SATURDAY EVENING
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