

THE LEGISLATIVE BULLETIN

A PUBLICATION OF THE VERMONT MEDICAL SOCIETY

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DEPARTMENT OF HEALTH SFY 2010 BUDGET CUTS, LOAN REPAYMENT AND TOBACCO PROGRAMS

New Commissioner of Health Wendy Davis, M.D., presented her department's SFY 2010 budget to the House Appropriations Committee on Monday, Feb. 2, 2009. Responding to the dramatically reduced state revenues caused by the current economic recession, the budget included serious reductions for important programs for physicians – the educational loan repayment program, the tobacco control program, the Area Health Education Centers program and the Vermont Academic Detailing Program.

Educational Loan Repayment

The administration's SFY 2010 budget proposes to reduce funding for educational loan repayment for health care professionals by over 50 percent. The reduction will make it increasingly difficult to recruit and retain physicians in Vermont, particularly in view of the fact that the Freeman Foundation, which for the last 10 years has generously funded scholarships and loan repayment for physicians and nurses, has been winding down its extremely generous gift.

State funding for educational loan repayment, which totaled about \$1,400,000 in SFY 2009, is proposed to be reduced to approximately \$700,000 in SFY 2010 for all professionals broken out as follows:

	SFY 2009	SFY 2010
Primary care practitioners <i>(Includes family physicians, general internists, pediatricians, obstetrician-gynecologists, and psychiatrists, as well as physician assistants, nurse practitioners and nurse midwives.)</i>	\$700,000	\$350,000
Nurses	\$400,000	\$200,000
Dentists	\$195,000	\$97,000
Nurse Faculty	\$115,000	\$37,500
Other professionals	\$25,000	\$12,500

VMS is very concerned about this proposed loss in funding due to the fragile state of the primary care workforce in Vermont and the state's aging population, which faces increasing chronic diseases rates. Even with full funding of the loan repayment program, Vermont hospitals, clinics and practices have been finding it increasingly difficult to recruit physicians to come to a state where physician salaries are lower than the national average, reimbursements for public programs do not cover practice costs, eligibility for public programs is high, and a large percentage of practice patients, particularly in rural areas of the state, are enrolled in Medicaid and other state-supported programs. Clearly, this reduction in loan repayment will only worsen an already difficult situation.

Area Health Education Center (AHEC)

The Department of Health's SFY 2010 budget includes a 20-percent reduction for each of four Area Health Education Centers (AHEC) – the University of Vermont's AHEC Program and three independent, non-profit regional AHECs – reducing their state funding from \$125,000 each to \$100,000. The AHEC programs administer the State

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DEPARTMENT OF HEALTH BUDGET CUTS

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Educational Loan Repayment Program and offer a range of other important programs that support pipeline development, recruitment and retention of Vermont's health care workforce. This proposed 20-percent reduction in AHEC funding comes at a time when Vermont needs to preserve its current health care workforce, and work hard to ensure that the next generation of health care professionals will be there to serve Vermonters.

Tobacco Control Programs

The administration's SFY 2010 budget proposal also included a 50-percent cut to all components of the Vermont Tobacco Control program. The total amount of the tobacco control program spending in SFY 2009 was about \$4 million and the administration proposes to reduce that spending in SFY 2010 to less than \$2 million. The programs include funding for community coalitions, public education and media, smoking cessation services, provider education, and surveillance and evaluation. The Tobacco Evaluation and Review Board would be charged with determining how the approximately \$2 million reduction will impact the five programs.

Although Vermont has made significant strides in reducing the toll tobacco takes in the state, the Department of Health says that smoking-related illnesses still resulted in 800 deaths in 2006 and cost the state at least \$233 million per year, \$72 million of that total in Medicaid funds alone. While Vermont's youth smoking rate declined dramatically from 1995 to 2007 – 38 percent to 16percent – young adults ages 18 to 24 still have a high smoking rate of 27 percent. The tobacco control programs threatened by these funding cuts have included important tools that have been shown to decrease tobacco use in the state, which ultimately will reduce future health care costs.

Vermont Academic Detailing Program

Finally, the administration's SFY 2010 budget proposal does not include any funding for the Vermont Academic Detailing Program, funded at \$100,000 in FY2009, pending resolution of a lawsuit challenging the pharmaceutical manufacturer fee created to support this program. The University of Vermont College of Medicine Office of Primary Care operates the Vermont Academic Detailing program, a university-based educational outreach for health care professionals. The program promotes high-quality, evidence-based, patient-centered, cost-effective medication treatment decisions. In its educational sessions, it presents an objective overview of the evidence from studies of various drugs used to treat a particular medical condition. VMS recommends that state the funding be continued in SFY2010 to enable this program to continue its operations until the manufacturer fee is available.

REFER PATIENTS TO 2-1-1 FOR SOCIAL SERVICE ASSISTANCE

Last week VMS joined Gov. James Douglas in announcing a member-supported initiative that enlists members in helping to assess patients' heating, food, transportation and other basic needs. If a patient is found to have a social service need, physicians are encouraged to refer them to Vermont's 2-1-1 system.

Vermont 2-1-1 is a simple number your patients can dial to receive information about numerous health and human services, including:

- Child Care Resource and Referral
- Domestic and Sexual Violence Services
- Food Shelves and Nutrition Programs
- Alcohol and Drug Programs
- Transportation
- Housing (*Homeless Prevention, Shelter, Tenants' Rights*)
- And much more ...
- Crisis Services
- Employment Services
- Health Care Services
- Mental Health Care and Counseling
- Utility Assistance
- Youth and Family Services

To learn more about 2-1-1, visit www.Vermont211.org. To request brochures for your office call 2-1-1.

UPDATE: GOVERNOR PROPOSES TO CUT MEDICAID REIMBURSEMENT TO PHYSICIANS BY 8 PERCENT

VMS encourages you to contact members of the House and Senate appropriations committees and ask them to oppose these physician reimbursement cuts in order to preserve patient access to health care services - Governor Douglas' state fiscal year 2010 (SFY10) budget proposes to cut physician Medicaid reimbursement in three areas by a total of \$6.6 million, effective July 1st. This represents an eight-percent cut, based on \$81.7 million in projected physician payments in SFY10.

Since Medicaid is paid for jointly by the federal government and state government, any reduction in payments to physicians would be significantly less than the savings to the state. With the additional federal financial support in the stimulus bill, Vermont would only save \$0.33 in state expenditures every \$1.00 reduction in physician Medicaid reimbursement. The \$6.6 million cut in reimbursement to physicians would only save the state \$2.2 million in expenditures.

4-percent cut in physician reimbursement for all non-evaluation and management procedures. Total reduction impact \$1.7 million (\$0.6 million state savings) - OVHA has recommended that Medicaid reimbursement for all non-evaluation and management procedures be reduced by 4 percent. This 4-percent reduction is on top of the 7.5-percent reduction for the same procedures that took place on July 1, 2005 (there has not been an increase for these procedures since that date).

Reduce Primary Care and Case Management fees. Total reduction impact \$2.6 million (\$0.9 million state savings) - OVHA has recommended that the Primary Care and Case Management fees paid to primary care physicians be cut from five dollars per month to \$2.50 per month. This reduction will put at risk the primary care case management program in which 60,000 beneficiaries select their Primary Care Provider.

20-percent cut in reimbursement for most procedures for Medicare/Medicaid eligible patients. Total reduction impact \$2.3 million (\$0.8 million state savings) - OVHA has recommended paying crossover-claims at the Medicaid rate in instances where the patient is covered under both Medicare and Medicaid. Under this proposal, the state's Medicare 20 percent beneficiary co-insurance payment on behalf of the patient would be limited to the Medicaid amount. For procedures where the Medicaid fee schedule is less than 80 percent of Medicare, physicians would receive no payment for the 20 percent co-insurance amounts paid by patients under Medicare Part B. The policy change could also result in an even greater cut in payment for psychiatric services, since the Medicare beneficiary co-insurance amount for these procedures is 50 percent. Under the proposed policy, primary care physicians would receive a 12-percent cut in their reimbursement for most routine office visits, since Medicaid is paying 88 percent of the current Medicare rate for 99213, the most frequently billed evaluation and management code.

In order to help ensure that Vermonters covered by the Medicaid program have continued access to medical services, VMS urges physicians to contact members of the House and Senate Appropriations Committees by:

- Calling them at home (see numbers below) or leaving a message at the Statehouse at (802) 828-2228;
- Writing a letter to their home address, (see past issue or go to the VMS website at www.vtmd.org) or to their attention at 115 State Street, Montpelier, VT 05633; or,
- Writing to their e-mail addresses below.

House Appropriations Committee

Rep. Martha Heath, Chair - 893-1291 - mpheath@aol.com
Rep. Mark Larson Vice-Chair, - 862-7596 - mlarson@leg.state.vt.us
Rep. Robert Helm - 265-2145 - rhelm@leg.state.vt.us
Rep. Joe Acinapura - 247-8403 - joeacinapura@verizon.net
Rep. Howard Crawford - 626-8226
Rep. William Johnson, Clerk - 277-8329
Rep. Kathleen Keenan - 524-5013 - kkeenan@leg.state.vt.us
Rep. Ann Manwaring - 464-2150 - amanwaring@leg.state.vt.us
Rep. Alice Miller - 442-9825 - amiller@leg.state.vt.us
Rep. Sue Minter - 244-6229 - sminter@leg.state.vt.us
Rep. John Morley - 754-8450 - jmorley@leg.state.vt.us

Senate Appropriations Committee

Sen. Susan Bartlett, Chair - 888-5591 - sbartlett@leg.state.vt.us
Sen. M. Jane Kitchel, Vice Chair - 684-3482 - jane45@hotmail.com
Sen. Vincent Illuzzi - 334-2807 - villuzzi@leg.state.vt.us
Sen. Hinda Miller - 862-7008 - hmillier@leg.state.vt.us
Sen. Richard Sears - 442-9139 - rsears@leg.state.vt.us
Sen. Peter Shumlin - 387-4447 - senprespt@leg.state.vt.us
Sen. Diane Snelling, Clerk - 482-4382 - dsnelling@leg.state.vt.us

NATUROPATHS SEEK TO ADD MINOR SURGERY TO SCOPE OF PRACTICE

The state's naturopaths have proposed to amend their scope of practice in the Office of Professional Regulation bill, H. 86 to allow them to perform minor surgery. The proposed amendment creates an exception to the prohibition on surgery in current law and would allow them to perform surgical procedures, "such as skin biopsies and lesion destruction, incision or repair that do not involve general anesthesia or respiratory assistance."

The naturopaths state that they are seeking to perform "primary care procedures" that could be considered to be surgery such as a pap smear, removal of hemorrhoids, stitching or gluing skin lacerations and removal of suspicious skin lesions with either a punch or a shave to send to a lab for testing.

VMS members are particularly concerned that malignant lesions need special types of biopsies and performing the wrong type of biopsy would result in an inadequate result and might delay definitive therapy. Physicians are also concerned that there could be a risk of overtreatment or unnecessary biopsies, if the naturopaths were unable to recognize the difference between benign moles or skin tags and cancers.

Physicians reviewing the proposal expressed concern that the naturopaths have not provided any information about their cognitive or technical training with respect to:

- Use of local anesthetics,
- Establishing a diagnosis, or
- Safely and effectively performing the minor surgical procedure.

There is an elective 50-question multiple choice examination in minor surgery that naturopaths can take as part of their education. This elective examination is part of the Naturopathic Physicians Licensing Exam (NPLEX) Part II. VMS has no information about the rigor or content of that examination, but the proposed amendment does not even require naturopaths to take that examination as a prerequisite to performing minor surgery.

Physicians seeking credentialing in a hospital to perform a particular procedure are required to provide evidence of both their technical training and their cognitive education specific to the requested skill for which they are seeking credentialing. A residency committee attests to the physician's skill and training if the physician trained at the hospital. A physician trained at another institution must be observed performing the procedure before receiving unrestricted privileges. Since naturopaths plan to perform these procedures in their offices, at a minimum, the legislature must carefully review the curricula for the cognitive education and technical training with respect to the requested procedures, to ensure that naturopaths have both the education and technical training needed to safely perform these procedures.

VMS urges physicians to contact members of the House Government Operations Committee about this issue by e-mailing them, or leaving a message for them at the Statehouse. (*See VMS website www.vtmd.org for contact information for members of the House Government Operations Committee*). Please copy VMS on your communications.

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