



State of Vermont
Agency of Human Services
280 State Drive
Waterbury, VT 05671-1000
www.humanservices.vermont.gov

Jenney Samuelson, *Secretary*
[phone] 802-241-0440
[fax] 802-241-0450

Date: June 29, 2023

Re: All Public Comments Received on Global Commitment Resister (GCR) Policy [23-025: RBRVS Fee Schedule Update](#)

Comment 1:

To whom it may concern:

I am writing to voice my opinion against GCR 23–025 and any policy change that would reduce the fees paid to Vermont Medicaid providers during a time of economic hardship and high inflation.

Please give this the due consideration that it deserves.

Best,

Mariko Middleton

Comment 2:

My concern about the allowed amount for CPT code 90837 does not focus on a specific claim discrepancy. Apparently on 03/15/2023, the reimbursable allowed amount for that code dropped from \$123. to \$121.70. Thus the amount a clinician receives per client using VT Medicaid dropped from \$93.56 to \$92.50. In the years that I have provided mental health services to people using various health insurance providers (BCBS, Cigna, United, MVP, VT Medicaid), I have never experienced a decrease in pay. I'm choosing to refrain from sharing all my thoughts and feelings about this and instead ask a question.

Can you help me understand how VT Health Access justifies reducing the amount of reimbursement provided to mental health counselors? From where I sit, that is wrong in so many ways.

Amy Emler-Shaffer, LCMHC

Comment 3:

I am against GCR 23–025 and any policy change that would reduce the fees paid to Vermont Medicaid providers during a time of economic hardship and high inflation.

Comment 4:

I found out from the remittance advice I received from Vermont Medicaid that my rates were suddenly being reduced at a time when inflation is soaring and the need for mental health providers is rising.

What are the consequences of this? When therapists are paid low rates, they are forced to choose between an income reduction or seeing more patients. The rate increase in 2022 enabled me to continue paneling with Medicaid and providing services to those with lower incomes. But without consistent cost-of-living raises, that is temporary at best. Already, that rate increase has lost value due to continued inflation and continually rising cost of living. Now, staring at a rate reduction during a time when basics like milk, eggs, and meat are making the news for record-high prices, gas is often fluctuating close to \$4.00, and housing has increased 15% in 2022 (that's not even looking at the inflation of the previous years), I'm once again forced to choose between accessibility to lower income patients and paying my bills and expenses.

This is a time when the state should be investing more in mental health care and access, not less. Cost- saving measures shouldn't come at the expense of the providers, the FRONT LINE WORKERS, working hard to care for patients.

If the state claims to care about mental health, they need to back that up. As a state agency, saving \$380,551 by taking that away from the providers who use that money to make ends meet is the exact opposite of caring about mental health and access. Ultimately, it won't be a form of saving, but a throwing away of quality, care, and accessibility.

Therapists often quip that they didn't enter this profession to get rich, and that's true. We're not getting rich from our rates. But we did enter this profession to make a living. Otherwise, it's not a sustainable profession. And I will be forced (along with my six supervisees who see 20+ Medicaid clients under my license) to cancel my contract with Medicaid by the end of this year. What a shame that would be.

Barbara Boutsikaris, MS LCMHC

Comment 5:

Please reconsider the rate decrease for mental health providers. The demand for services has not decreased, and the lower payment rates, along with the inability to charge late or no-show fees, is leading more and more providers to stop taking Medicaid. The services we provide are in high demand and are valuable and should be treated as such.

Kristin C. Sopronyi, MS

Comment 6:

Hello,

I am writing to advocate against the rate decrease for Medicaid. This decrease conveys that the work clinicians are doing in this difficult time is not necessary nor critical, especially for MFTs. This juxtaposes the long waitlists and urgency to get people into treatment, particularly for youth and families. As such, clients with Medicaid (many of whom hold marginalized identities) may not be prioritized because of this lower rate, further increasing outrageous wait times for both private practice and understaffed community mental health centers. The rate decrease perpetuates systemic oppression in VT systems of care by decreasing access to necessary therapeutic services, and has negative (if not dire) effects on those with marginalized identities.

If VT Medicaid maintains the rate decrease, this has greater systemic impacts and influences on reimbursement rates across the state, and the country. What could these negative implications mean for mental health in VT: less clinicians accepting Medicaid, longer waitlists, less clinicians practicing in VT, decreased quality of life for communities, and worsening mental health during a mental health crisis.

I hope that you (VT Medicaid) reconsider the decrease in reimbursement rates and what precedence you are setting for the value of mental health care, locally and nationally. VT is a wonderful state and it seeks to support others. You have an opportunity to support mental health access, not hinder it. I hope you choose the former.

Thank you for your time and consideration,

Molly

--

Molly Bowen, BA (she/her)

Graduate Intern, Rostered Non-Licensed Non-Certified Psychotherapist

Comment 7:

Hello,

I am reaching out to say that **I am against GCR 23–025 and any policy change that would reduce the fees paid to Vermont Medicaid providers** during a time of economic hardship and high inflation. I have always had positive experiences working with Vermont Medicaid, and know the program is important and necessary to many people. Similarly, mental health services are important and necessary to Vermonters, perhaps now more than ever, so it would

be a shame to decrease reimbursement to these vital providers. As such, I sincerely hope that GCR 23-025 does not become law.

Thank you,

Sarah Paquette

Chittenden County

Comment 8:

To whom it may concern:

With Medicaid reducing reimbursement rates, how does a fee reduction protect consumers in finding skilled and experienced therapists? It's concerning given how many therapists are no longer working with insurances due to the low rates. I am one of those therapists who no longer works with private insurance due to low pay rate and time intensive administrative needs; however, I continue to work with Medicaid for the purpose of being as inclusive as I can while meeting my own financial needs. I want to continue being available to those who have Medicaid, but these reduced rates require me to reduce my capacity for Medicaid clients.

Does Medicaid take into consideration the expense of running a practice, such as its overhead, insurance needs, and CEU requirements let alone the cost of disability insurance and retirement contributions?

With the understanding and nature of complex trauma, anxiety, and depression, does Medicaid take into consideration how many experienced therapists are available to provide comprehensive psychotherapy?

I appreciate your time,

Valerie

--

Valerie Racine, LCMHC, TCTSY-F

She/Her/Hers

Private Practice Psychotherapist & TCTSY Facilitator

Comment 9:

To Whom It May Concern,

Vermont Medicaid has decreased the reimbursement rates very recently. This came as a surprise to many providers, including myself, although I do read the banner notifications regularly each week. This specific notification was not stated clearly in a way to appropriately notify providers.

Further, I am disappointed to learn of this as it will impact my personal and business income, as well as that of many other providers. More saliently, reducing already low reimbursement rates for mental health services does not send the message that mental health care is a priority when need would indicate otherwise. Low rates will discourage providers from participating in Medicaid, further limiting the available mental health care services. Without appropriate access to mental health care, unnecessary Medicaid dollars are spent on higher levels of care, including hospitalization and emergency services.

In summary, please reconsider this change as it has a huge potential for negative impact on all Vermonters.

Sincerely,

Callia Zimmerman

Comment 10:

I am against GCR 23–025 and any policy change that would reduce the fees paid to Vermont Medicaid providers during a time of economic hardship and high inflation.

Comment 11:

To Whom It May Concern,

I'm reaching out to provide a comment on the recent rate decrease for Medicaid services.

As a therapist who provides services to Medicaid clients, I have significant concerns about this recent change. Although the decrease in pay rate has not yet created a significant financial burden for me as a therapist, it has made it more difficult for me to justify continuing to provide services to Medicaid clients, which is a decision that I do not take lightly. The rate of reimbursement for Medicaid was already only approximately 3/4 of my typical fee, and many of my clients with Medicaid have some of the greatest needs. These clients rely on Medicaid to access the mental health services that they need, and I worry that this decrease will make it more difficult for them to receive the care that they require.

I understand that there may be budget constraints and other factors that have led to this decrease in pay rates. However, I strongly believe that investing in mental health services is crucial for the well-being of our communities. I urge you to reconsider this decision and find a way to ensure that therapists are fairly compensated for their services.

Thank you for taking the time to consider my concerns. I look forward to hearing from you soon.

Sincerely,

Luke Lewis

Comment 12:

Please pass on that this decrease by medicaid is an insult to the hard work that providers do. Medicaid reimbursement is already very low for masters level providers, particularly couples and family therapists in the state. Daily our system turns away clients due to the shortage of time and availability. Calls for referrals for young children and families that cannot find providers, as well as teens and adults that are reporting more intense symptoms for many reasons, one being that they have been hanging on by a thread for a long period of time searching for help as symptoms intensify. Medicaid is creating barriers to care. The formula doesn't take into account the challenging work that is being provided. When was the last time the administrators saw a decrease?

Leora Black, Ph.D, LCMHC, LMFT

Comment 13:

In regards to the rate changes for mental health providers,

I run a practice of 12 therapists. We currently see 86 clients who have Medicaid. In the past 2 years we have provided services to nearly 220 clients with Medicaid. A reduction in our reimbursement rate for that many clients would have an impact on our ability to keep our practice running without taking cost-saving measures. More importantly, and unfortunately, this will mean we will not be taking on new Medicaid clients, and will need to reevaluate our in-network status with Medicaid. Plain and simply put, a rate reduction costs the people using Medicaid their providers and/or access to adequate care.

Please reconsider a rate reduction as its impact will harm providers and patients alike.

Thank you.

Be well.

Benjamin Houchen, LCMHC

Comments 14 - 36:

This email is in regards to the rate decrease for mental health counseling reimbursement codes (90832, 90834, and 90837).

The prices of goods and services in Vermont have increased dramatically across 2021 and 2022. As the cost of living has increased, the strain on the state's mental health system has also increased. Much of that burden is being carried by clinicians in private practice, who were already managing a need for mental health services that far outpaced the capacity of therapists in Vermont.

The self-employed individuals who choose to work with Medicaid clients do not do so because it is lucrative, but because it is important to us to address the inequity in our healthcare system

in ways that are available to us, and to serve clients who are unable to afford out-of-pocket costs.

In the midst of an increase in both the costs of living and the strain on the system we work within, it is insulting to experience a wage decrease that was advertised through a listserve that is not well-known, and without clarification that this is a wage decrease.

More importantly, we are concerned that decreased rates will cause even more clinicians to end their contracts with Medicaid. It is already difficult to find clinicians with openings who accept Medicaid. More providers ending their relationship to Medicaid will lead to longer wait times, and ultimately, more insurance dollars being spent on hospital admissions and intensive programming, at cost to VT Medicaid and the clients who depend on Medicaid.

The change might seem minor, but we are working Vermonters with families who already struggle to manage rising costs, without the privilege of negotiating rate increases or earning a higher income based on experience or training. Our rates are determined entirely by insurance companies, and already do not adequately reflect the training, skill level, and demanding work environment required to be a successful psychotherapist. This decrease is a clear communication that our services are not valued by VT Medicaid, and it is more important to cut costs than to provide a stable income for Vermont therapists in private practice.

Please consider a different course of action.

Denisha Arsenault, LCMHC

P.O. Box 728, Saint Albans, VT 05478 |802-782-4154|denisha.arsenault1995@gmail.com

4/5/2023

Medicaid Policy Unit

280 State Drive, Center Building Waterbury,

VT 05671-1000

Comment 37

To whom it may concern,

I received news that Medicaid will be reducing the mental health provider's fee by \$1.00. While this may not seem like much of a reduction to some, it has a significant financial impact on mental health providers. I currently have thirteen clients out of 41 clients who use their Medicaid insurance for mental health services. This would mean that I would lose between \$52-\$65 a month if the fee reduction takes place. That is money that goes towards my rent, utilities, and other expenses. I did not go into the mental health field for the money; however, this is my livelihood. I have always been a proponent of accessible mental health care and due to this potential decrease I would have to change who I accept into my practice solely based on the financial aspect. I cannot simply just work more to make up for the decrease in fees as I am already working ten-hour days. I also need to attend to my own needs so that I can show up for my clients. I am sure most know the high turnover rates in the mental health field due to burn out. Now more than ever, we need providers, and we need accessibility to mental health services. I worry that with this fee decrease myself and my colleagues will not be able to accept Medicaid clients simply because we won't be able to afford too. Currently, the non-profit mental health agencies are not able to employ enough staff members to meet the needs of the community. Imagine the crisis that will unfold if private practice therapists are no longer accepting Medicaid. The waitlists for agencies and even private practice therapists are long, as there are just not enough of us. Medicaid would be creating longer lists and we would most likely see more crisis within the communities because of lack of access to mental health resources. I implore Medicaid to be thoughtful and consider the impact this fee adjustment may have on not only providers but on their clients. We are all trying to make a living during a time of inflation and economic crises.

Thank you for your consideration,

Denisha Arsenault, LCMHC

Greenlight Counseling

Rachel Oblak, LCMHC

8031 Williston Rd. Suite 2, Williston, VT 05495 | 802-238-6695 | rdoblak@gmail.com

3/25/2023

Medicaid Policy Unit
280 State Drive, Center Building
Waterbury, VT 05671-1000

To Whom It May Concern:

On March 20, 2023, President Biden invited the cast of Ted Lasso to attend the White House to promote mental health. On that same day, I found out from the remittance advice I received from Vermont Medicaid that my rates were suddenly being reduced. To my knowledge, this is happening to all within the pay bracket that I as an LCMHC fall into based on GCR 23-025.

The nation, and Vermont specifically, are in a mental health crisis. I could talk about that crisis, but since that has already been well represented in national and local news, instead I'm choosing to talk about another one—that of mental health providers.

I've been in practice since 2017. One of my values when I started my private practice was to be accessible to those with limited means. Taking Medicaid is part of that. However, in that time, Medicaid never once raised its reimbursement rates to account for cost of living increases until January 2022.

Now, despite exponentially high increases in cost of living and inflation in the state of Vermont, I find that my rate is being decreased. I'm trying to imagine how anyone else would react to finding out that they are getting a pay reduction during this time period. Quite frankly, it's a devastating feeling, a defeating one. It tells me that DVHA is either too disconnected from the knowledge that this "budget" item is actually people's livelihoods or, worse, that DVHA doesn't care.

Life has felt like a game that was switched from "normal" difficulty to "impossible" in the last three years. I, as a provider, dealt with similar stressors to my patients when the pandemic began. I was not immune to the fears, the isolation, the uncertainty. I haven't been exempted from the housing crisis as I attempted to buy my first home in 2020 and 2021, finally settling for a condo because houses had increased beyond hope of competing with those from out of state able to offer above asking price, sight-unseen. Yet amidst all that, I found purpose and meaning and even a sense of grounding in being able to offer support to those struggling with pre-pandemic as well as pandemic difficulties.

It's not often that providers will talk about fees. As caretakers, we tend to be uncomfortable with inserting our own needs into therapeutic spaces, even to the point of avoiding advocating for ourselves to insurance companies and the state. That being said, a pay reduction has a number of consequences on the therapist, but ultimately also on the patients. What are the consequences of this move?

When therapists are paid low rates, they are forced to choose between an income reduction or seeing more patients. However, there's a tipping point for every therapist. People bring their darkest moments into the room with us. We sit with them through stories of abuse, rape, death, loss, medical crisis. We help

them find their ways out of their own darkest moments. It's a job that has tremendous emotional reward, but it also comes at an emotional cost, especially when it ties in with things we might be experiencing ourselves simultaneously as the pandemic has made inevitable.

At some point, having too many patients puts a therapist at risk for burnout, compassion fatigue, and secondary traumatic stress. When a therapist's caseload isn't balanced, the quality of their care can decrease, sometimes at the risk of missing important elements of a patient's experience or care. Being over-extended can lead to *harm* to patients. This is why professional ethics codes mandate self-care. However, when work-load balance and self-care are pitted against the therapist's own financial needs, that balance can become nearly impossible to achieve. The choice between burnout to pay the mortgage and keeping a workload balance at the cost of the bills isn't really a choice. Pushed too far in a Hobson's choice, therapists are forced to consider the only real option: to stop taking Medicaid.

Moreover, even if a therapist can "get by" on a lower rate with a caseload that barely pays the bills but doesn't overextend their energy, other necessary components of quality practice will have to give way. Part of the professional responsibilities of being a therapist is continuing to seek training, continuing education, and supervision. All of these cost money. Professional development is costly. Supervision is costly. High quality trainings are costly. Therapists often have student loans to pay off in addition to continuing education and professional development responsibilities. One of the long-term effects of lower rates is that therapists have less capacity to seek the kinds of trainings and supervision that would truly enhance their care of their patients.

Before the rate increase last year, I was in a place where I was having to consider whether it was financially wise for me to continue taking Medicaid. At the time, the rate I got was almost half of my actual fee, and I had lost hope that there would be any reasonable cost-of-living raises in the foreseeable future. The rate increase enabled me to continue paneling with Medicaid and providing services to those with lower incomes, but I'm still aware that without consistent cost-of-living raises, that is temporary at best. Already, that rate increase has lost value due to continued inflation and continually rising cost of living. Now, staring at a rate reduction during a time when basics like milk, eggs, and meat are making the news for record-high prices, gas is often fluctuating close to \$4.00, and housing has increased 15% in 2022 (that's not even looking at the inflation of the previous years), I'm once again forced to choose between accessibility to lower income patients and paying my bills and expenses.

This is a time when the state should be investing more in mental health care and access, not less. Cost-saving measures shouldn't come at the expense of the providers working hard to care for patients. If the state claims to care about mental health, they need to back that up. As a state agency, saving \$380,551 by taking that away from the providers who use that money to make ends meet is the exact opposite of caring about mental health and access. Ultimately, it won't be a form of saving, but a throwing away of quality, care, and accessibility.

Therapists often quip that they didn't enter this profession to get rich, and that's true. We're not getting rich from our rates. But we did enter this profession to make a living. Otherwise, it's not a sustainable profession.

Sincerely,

Rachel Oblak



To: Medicaid Policy Unit, AHS.MedicaidPolicy@Vermont.gov
 From: Jessa Barnard, Vermont Medical Society, jbarnard@vtmd.org
 Date: April 6, 2023
 RE: GCR 23-025, Proposed RBRVS Fee Schedule Update

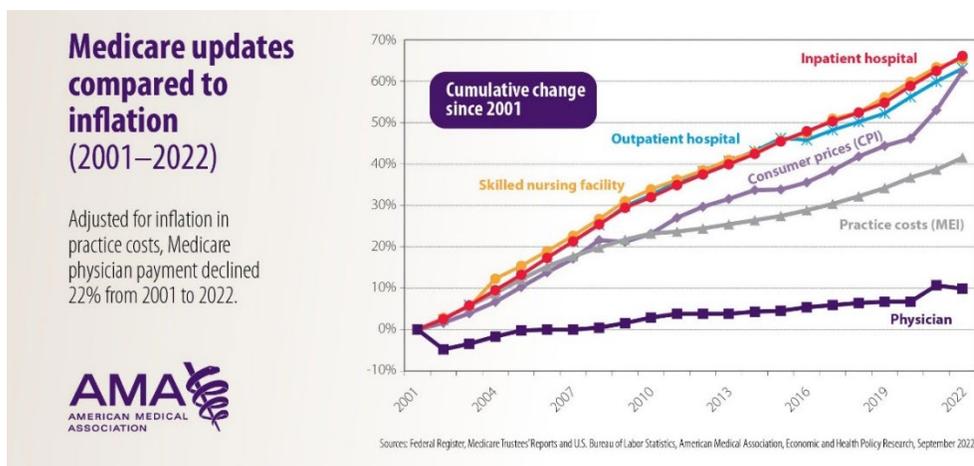
Comment 39

The Vermont Medical Society, Vermont Academy of Family Physicians and American Academy of Pediatrics Vermont Chapter submit these comments in response to GCR 23-025, Proposed RBRVS Fee Schedule Update, which the GCR notes went into effect on March 15, 2023. **We write with opposition to the proposed \$380,551 cut to the professional services fee schedule and ask DVHA to commit to a positive inflationary adjustment in Medicaid rates. We also ask that DVHA pause implementation of any rate reductions until the legislature has finalized their SFY24 budget deliberations.**

Our organizations appreciate the work of DVHA to professionalize and standardize DVHA’s fee schedules. However, as our organizations have noted in comments on the RBRVS fee schedule for several years in a row, there are drawbacks to Vermont’s reimbursement rates being tied to the federal Medicare Physician Fee Schedule (PFS), over which Vermont has no control. We repeat our comments from last year and ask that DVHA not just adopt the Medicare PFS formula, but commit to long term sustainability of rates for medical services, which may require deviations from the PFS.

Medicaid’s RBRVS Fee Schedule is Based on a Flawed Medicare Formula

While basing the RBRVS fee schedule on the Medicare PFS imports consistency into fee schedule updates, such as Medicare’s changes to how specific billing codes are valued, Medicare’s fee schedule process is flawed. The Medicare PFS is the only Medicare fee schedule that does not receive an inflationary adjustment. Adjusted for inflation, this means that Medicare payments under this fee schedule have declined 22% from 2001 to 2022.



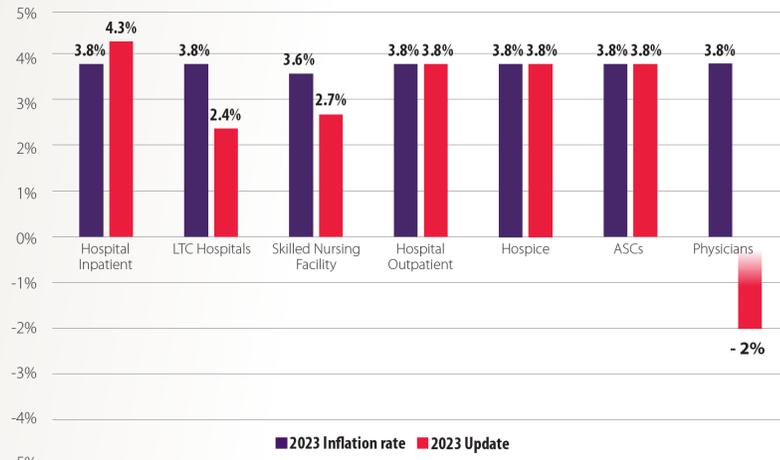
Medicare provider updates for 2023

Note: Rate increases for Medicare Advantage plans are estimated to have an “effective growth rate” of 4.88%, with an “expected average change in revenue” of 8.5%.

Hospital inpatient, LTC hospitals, SNFs, hospice, hospital outpatient and ASC inflation rates reflect market basket less a productivity adjustment.

Physician fee schedule inflation rate is the Medicare Economic Index, which has a productivity adjustment.

Potential adjustments for quality performance omitted for all provider types.



VMS is working with the American Medical Association and our congressional delegation to advocate to fix the PFS formula in future years. However, until inflationary adjustments are included in the Medicare formula and **for the SFY 2024 Medicaid Fee Schedule, our organizations request the RBRVS fee schedule be adjusted based on the 2023 Medicare Economic Index (MEI) inflation factor of 3.8%**. While this is an imperfect and conservative measure of inflation, the MEI does provide a measure of inflation faced by physicians with respect to their practice costs and general wage levels. It includes a bundle of inputs used in furnishing physicians’ services such as physician’s time, non-physician employees’ compensation, rents and medical equipment.¹ At a time medical practices are facing unprecedented financial pressure, this is the minimum needed to help practices continue to stay open and serve Medicaid beneficiaries.

Medicaid’s Rates Should be Set at 110% of Medicare Rates for Primary Care Services

This session, the legislature has heard from three Vermont independent primary care practices regarding their challenge to keep their doors open. As Dr. Connelly shared, in the face of increasingly complex patients with more mental health needs, practices are struggling with stagnant or falling revenue sources, with downstream impacts on difficulty recruiting physicians into primary care, challenges hiring and maintaining staff in primary care practices, and ongoing threats to the sustainability of primary care.² As the independent primary care practice group Primary Care Health Partners stated in a recent letter to the Green Mountain Care Board, **“without an adequate revenue stream, we would need to accept the perseverance is not enough to survive.”** Susan Rizdon with Health First testified at the beginning of session that there are 13 fewer independent primary care practices since 2017.³ The stories are often sadly

¹ <https://www.cms.gov/newsroom/fact-sheets/effect-medicare-economic-index-mei-physician-update>

²

<https://legislature.vermont.gov/Documents/2024/WorkGroups/House%20Health%20Care/FY2024%20Budget/W~Kristen%20Connolly~Written%20Testimony%20in%20Support%20of%20the%20Blueprint%20for%20Health%20Pr oposal~2-17-2023.pdf>

³

<https://legislature.vermont.gov/Documents/2024/WorkGroups/House%20Health%20Care/Orientation/W~Susan%20Ridzon~HealthFirst%20Independent%20Practices%20Overview~1-25-2023.pdf>

similar – clinicians near retirement who are unable to recruit a new physician or primary care clinician to take their place given low reimbursement and high administrative burden or pediatric practices with a high Medicaid volume.⁴ Hospital-owned practices have also faced insufficient revenue to cover the costs of operating a primary care practice.⁵

Primary care practice expenses are up, reimbursement is down, and Medicaid is already one of the lowest payers. Practices are not sustainable with reduced payments from Medicaid.

- ***Inflation:*** The consumer price index, reflecting real expenses facing medical practices such as fuel, electricity and wages, rose 6.5 % from December 2021 to December 2022.⁶
- ***Medicare cuts:*** Practices received a Medicare cut of 2.0% in 2023 and currently face another 1.5% cut in 2024.⁷ Medicare already pays well below commercial fee for service rates.⁸
- ***Medicaid case rates higher:*** With a pause on redeterminations, medical practices are seeing a higher percentage of patients with Medicaid coverage, lowering overall reimbursement.
- ***Blue Cross Blue Shield of Vermont Primary Care Payment Cut:*** The announcement in December by BCBSVT that they are pulling out of One Care Vermont contracts has threatened several streams of per member per month primary care payments. While OneCare Vermont is taking actions to try to avert some of the losses to primary care, VMS understands there will still be some losses across primary care practices.
- ***Physicians Not Eligible for Additional Stabilization Funds*** – In AHS’ most recent Premium Pay grant program, only employees of primary care practices qualify for payments and physicians are not eligible.⁹

Achieving 110% of Medicare rates for primary care will only cost \$763,092 in state funds yet make a significant investment in our primary care system. We call on DVHA to commit to increasing the primary care rates, adjusting the RBRVS fee schedule for inflation and, at a minimum, not implementing fee schedule changes until the start of the new state fiscal year on July 1st, once the legislature has time to fully act on the state budget.

Thank you for your consideration and please reach out for additional information.

⁴ https://www.manchesterjournal.com/local-news/shaftsbury-medical-office-to-close-on-june-30/article_4d7e697c-e75a-11ec-b6db-2b8e1b018b9f.html; <https://www.sevendaysvt.com/vermont/the-doctor-is-out-why-independent-physicians-are-disappearing-from-vermont/Content?oid=34416900>; <https://vtdigger.org/2021/02/24/four-shelburne-primary-care-doctors-to-close-shop-this-spring/>; <https://vtdigger.org/2015/12/12/four-pediatricians-leave-franklin-county-blame-medicaid/>

⁵ <https://vtdigger.org/2022/02/04/northwestern-medical-center-sheds-medicaid-heavy-pediatric-clinic/>

⁶ <https://www.bls.gov/opub/ted/2023/consumer-price-index-2022-in-review.htm#:~:text=Consumer%20prices%20for%20all%20items,for%20food%20away%20from%20home.>

⁷ <https://www.ama-assn.org/practice-management/medicare-medicaid/medicare-physician-pay-system-needs-real-fix-not-more-patches#:~:text=The%20AMA's%20push%20to%20avert,cut%20in%20store%20for%202024.>

⁸ <https://www.cbo.gov/system/files/2022-01/57422-medical-prices.pdf>

⁹

https://humanservices.vermont.gov/sites/ahsnew/files/doc_library/Premium%20Pay%20Program%20Guidance_2.pdf

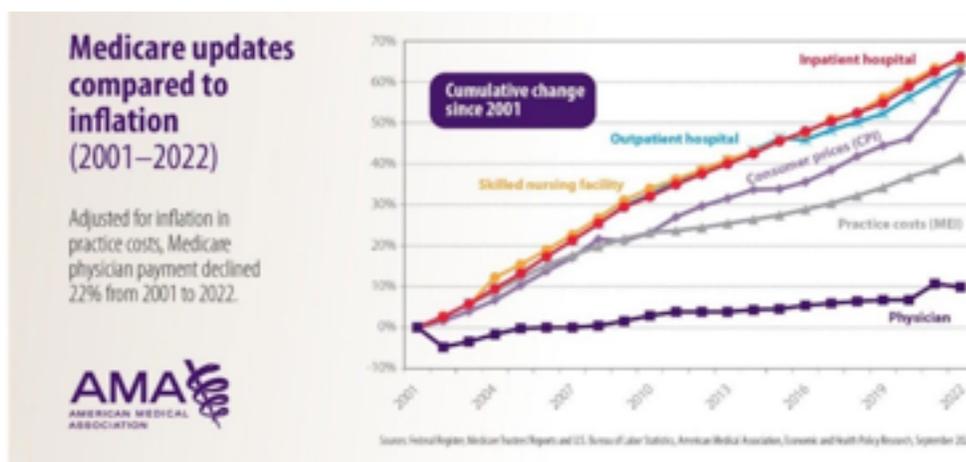
Date: April 7, 2023
 To: Medicaid Policy Unit, AHS.MedicaidPolicy@Vermont.gov
 From: Susan Ridzon, HealthFirst Executive Director,
sr@vermonthhealthfirst.org
 Re: GCR 23-025, Proposed RBRVS Fee Schedule Update



Thank you for the opportunity to comment on Medicaid’s updated reimbursement methodology for Resource-Based Relative Value Scale (RBRVS) payments effective March 15, 2023. We are commenting on behalf of our 62 physician-owned primary care and specialty care practices located across ten counties in Vermont.

We are opposed to the proposed \$380,551 cut to the professional services fee schedule, and we urge DVHA to commit to including positive inflationary adjustments to Medicaid rates. We also ask that DVHA pause implementation of this proposed RBRVS fee schedule update until the legislature has finalized the SFY24 budget deliberations. Additionally, we question and would like to understand the March 15, 2023, implementation date as this appears to be a deviation from DVHA’s usual implementation date of July 1st.

While we appreciate DVHA’s wish for standardization of their fee schedule methodology, there are disadvantages to aligning to the federal Medicare Physician Fee Schedule (PFS). First, Vermont has no control over the federal fee schedule changes. Second, the Medicare PFS is the only Medicare fee schedule that does not receive an inflationary adjustment. As shown in the graph below, Medicare payments under this fee schedule have declined 22% from 2001 to 2022 after adjusting for inflation. Medicaid alignment to this fee schedule means that health care practices will see declining reimbursement rates for both Medicaid and Medicare. This is problematic because independent practices are already struggling to remain financially solvent, and Medicaid is already one of the lowest payers by approximately 30 percent. We ask that DVHA commit to a process that ensures long term sustainability and accessibility of medical services, which may require a departure from the PFS.



A cut in reimbursement is not sustainable for independent practices. Practice expenses are higher than ever before as reflected in the Consumer Price Index (CPI) which increased 6.5 percent from

December 2021 to December 2022. Independent practices are particularly vulnerable to such cost increases because they have little to no negotiating power and their only source of revenue is payer reimbursement (unlike FQHC and hospital-owned practices that have grants, 340b programs, and other sources of income). Note that twelve (12) of HealthFirst's independent practices have closed since 2017, with the primary cause being financial insolvency due to expenses outpacing reimbursements. Every independent practice closure negatively affects access to high value, cost effective care.

In summary, we urge DVHA to commit to increasing reimbursement rates, adjusting the RBRVS fee schedule for inflation and, at a minimum, not implementing fee schedule changes until the start of the new state fiscal year on July 1st, once the legislature has time to fully act on the state budget.