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3 **VMS RESOLUTION**  
4 **PROMPT AND ADEQUATE MEDICAID REIMBURSEMENT**

5 *Adopted at 191st VMS Annual Meeting, October 23, 2004*

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7 WHEREAS, the Vermont Medicaid Program is the largest payer of health care services  
8 to Vermont residents, in 2002 accounting for 25.4% of total Vermont Health Care  
9 Expenditures<sup>1</sup>; and

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11 WHEREAS, Vermont's Medicaid program is more comprehensive in terms of its  
12 eligibility and benefits than other state Medicaid Programs and provides coverage to  
13 some Vermonters with above-median income; and

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15 WHEREAS, Vermont physicians have historically demonstrated a high degree of  
16 commitment to the health of their communities, and despite inadequate reimbursement  
17 levels, Vermont physicians continue to have a high level of Medicaid participation; and

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19 WHEREAS, Vermont physicians shoulder the administrative burden of implementing  
20 and amending the Medicaid preferred drug list (PDL); and

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22 WHEREAS, Vermont physicians care for patients with chronic conditions who require  
23 care coordination and other services that are not reimbursed by Medicaid; and

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25 WHEREAS, the Vermont Medicaid program severely underpays Vermont physicians  
26 and in many cases pays less than their overhead costs; and

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28 WHEREAS, the Vermont Medicaid program does not include regular cost-of-living  
29 increases for physicians in the Medicaid budget; and

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31 WHEREAS, Vermont physicians have experienced increasing difficulty and delay in  
32 obtaining reimbursement from Medicaid; and

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34 WHEREAS, the number of claims held in suspense by EDS and OVHA for long periods  
35 of time is creating financial stress for physician practices; and

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37 WHEREAS, Vermont insurance law requires payment of clean claims within 45 days  
38 and the CIGNA settlement requires payment within 30 days for the first year and after  
39 that within 15 days; and

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41 WHEREAS, OVHA and EDS are implementing Claim Check software and other  
42 programs to automate audits and bundling of claims and to collect physician profiling  
43 and quality data; now therefore be it

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<sup>1</sup> 2002 Vermont Health Care Expenditure Analysis: Initial Release, Department of Banking, Insurance,  
Securities and Health Care Administration, April 2004.

1 **RESOLVED, that VMS work with OVHA/EDS to ensure that all clean claims are**  
2 **paid in 30 days and electronic claims are paid within 15 days; and be it further**  
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4 **RESOLVED that VMS communicate to the Administration its concern about**  
5 **delays in the payment of suspended claims and paper claims designed to manage**  
6 **cash flow; and be it further**  
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8 **RESOLVED, that VMS work with OVHA/EDS to ensure disclosure to physicians**  
9 **of profiling data, quality data, bundling edits and payment logic used by**  
10 **OVHA/EDS or their contractors; including the name and version of any software**  
11 **program used by OVHA/EDS or their contractors; and be it further**  
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13 **RESOLVED that VMS work to inform the Administration and the General**  
14 **Assembly of the need for adequate Medicaid reimbursement and annual cost-of-**  
15 **living increases and importance of preserving access to physician services for**  
16 **Medicaid patients.**