

# VERMONT MEDICAL SOCIETY

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

August 9, 2017

RE: GCR 17-061, PROPOSED RBRVS Fee Schedule Update and Policy Changes

On behalf of the physician and physician assistant members of the Vermont Medical Society (VMS), please accept these comments related to proposed changes in Medicaid's professional fee schedule, effective August 1, 2017.

In general, the VMS is very supportive of the proposal and the VMS commends DVHA for the proposed change to increase Vermont Medicaid reimbursement for primary care to 100 percent of Medicare's RBRVS fee schedule. In addition, the VMS looks forward to working with DHVA to begin raising reimbursement for the non-primary care codes from 80 percent of Medicare to 100 percent of Medicare.

V.S.A. Title 32, § 307(d)(6) calls for the governor's proposed financial plan for the Medicaid budget to include "recommendations for funding provider reimbursement at levels sufficient to ensure reasonable access to care, and at levels at least equal to Medicare reimbursement." Subsection (d) was enacted in 2002 and to the best of the VMS' knowledge this is the first time an Administration has complied with its requirements by using state funds to match federal funds.

Under section 1202 of the amended federal Patient Protection and Affordable Care Act (ACA), Medicaid reimbursement to primary care practitioners who practice family medicine, general internal medicine, and internal medicine for evaluation and management codes and some immunization administration codes was increased for 2013 and 2014 using new federal funds to 100 percent of the Medicare rate.

With the expiration of this Enhanced Primary Care Program (EPCP) and the resulting loss of the federal funding, in 2015 Vermont primary care providers saw their Medicaid reimbursement reduced from 100 percent of Medicare to 80 percent of Medicare – a 20 reduction. DHVA's addressing this reduction effective August 1<sup>st</sup> is a major public policy milestone and, again, the VMS strongly supports the proposal.

The major concern the VMS has with the proposed RBRVS Fee Schedule Update and Policy Changes is the lack of any guidance regarding DVHA's plans for additional changes beginning January 1, 2018, based on changes by CMS in calendar year 2018 to the Medicare RBRVS fee schedule.

CMS' July 17, 2017 Proposed Policy, Payment and Quality Provisions Changes to the Medicare Fee Schedule for Calendar Year 2018 outlines a number of significant proposed improvements to the Medicare fee schedule beginning January 1, 2018. These include: increasing the RBRVS conversion factor by 0.31%; changes in the relative value units of mis-valued codes; providing additional codes for Telehealth Services; adopting new codes for case management services; and, improving payment for office-based behavioral health services.

The VMS therefore requests that DVHA commit to working with the VMS and other organizations in making additional changes to Medicaid's RBRVS fee schedule, effective January 1, 2018 that are consistent with CMS' final changes to Medicare's RBRVS fee schedule for calendar year 2018.

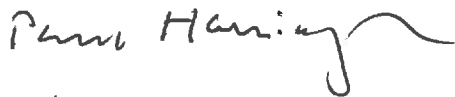
It is estimated that the 2017 Medicare RBRVS conversion factor will be increased in 2018 to 35.99 (2017 conversion factor was 35.89), based on the budget neutrality adjustment and the 0.5 percent update factor. Consistent with the anticipated increased conversion factor, the VMS requests that DVHA revise its fee schedule effective January 1, 2018 in order to preserve the public policy that Vermont Medicaid reimbursement for primary care be at 100 percent of Medicare's RBRVS fee schedule.

In addition, under the proposal CMS has created new codes and higher payments to recognized drug delivery implants utilized by physicians in addressing opioid addiction. CMS has also created a new method to compute practice expense to increase payment for behavioral health services, noting the importance of these counseling services in combating the opioid crisis. These are examples of additional changes to the DVHA RBRVS fee schedule the VMS would support for calendar year 2018.

Again, thank you for collaborating with the VMS in making the proposed fee schedule changes. The VMS looks forward to a continued partnership with DHVA as it makes additional improvements to the RBRVS fee schedule with the mutual goal of ensuring Medicaid beneficiaries access to necessary healthcare services.

Please let me know if you have any questions or if I can be of further assistance.

Sincerely,

A handwritten signature in black ink that reads "Paul Harrington". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Paul Harrington  
Executive Vice President