



Rural Health Services Task Force

ACT 26 OF 2019
REPORT AND RECOMMENDATIONS
JANUARY 10, 2020

Introduction: The Task Force & Report

Membership

Robin Lunge, J.D., MHCDS, Board Member, GMCB – Task Force Chair
Ena Backus, Director of Health Care Reform, Agency of Human Services
Dr. Rick Barnett, Licensed Psychologist-Doctorate, Licensed Alcohol/Drug Counselor
Dan Bennett, Present & CEO, Gifford Medical Center
Kate Burkholder, LADC, Treatment Associates, Inc
Dillon Burns, Director, Mental Health Services of Vermont Care Partners
Michael Fisher, Chief Health Care Advocate, Office of the Health Care Advocate
Steve Gordon, President & CEO, Brattleboro Memorial Hospital
Jill Olson, Executive Director, VNAs of Vermont
John Olson, M.Ed., Chief, State Office of Rural Health & Primary Care, VT Dept. of Health
Tony Morgan, Executive Director, The Rutland Free Clinic; **Steve Maier**, Executive Director, VT Coalition of Clinics for the Uninsured
Dr. Paul Parker, Richmond Pediatric & Adolescent Medicine
Laura Pelosi, Policy and Regulatory Affairs, Vermont Health Care Association
Dr. Melissa Volansky, MD, Stowe Family Practice, Executive Medical Director, CHSLV

Meetings

10 meetings from June – January, including one [public forum](#) in St. Johnsbury and one workforce meeting in Brattleboro

Vote on Final Report

The **Task Force** voted 12-0-2 in support of the final report (2 absences)

The **Green Mountain Care Board** voted 3-0-2 in support of the final report (1 absence and 1 abstention)

Note: Steve Maier was appointed designee for Tony Morgan effective December 6, 2019

Introduction: National Trends & Pressures Impact Vermont

Vermont health care providers are not immune from national pressures focused on reducing reimbursements in fee-for-service and destabilizing the Affordable Care Act

High Deductible Health Plans & Increasing Cost Sharing

- Value (Cost x Quality) More Important to Patients
- Uncompensated Care again on the rise
- Source: [The New Future of Rural Healthcare Strategies for Success, Stroudwater presentation to the Green Mountain Care Board 4/3/2019](#)

Medicare Policy Shifts

- Centers for Medicare & Medicaid Innovation programs (bundles; ACOs; medical home);
- Reduced FFS payment (MACRA; Sequestration) and Value Incentives (MIPS)
- New Payment Models (e.g. SNF, home health)
- Source: [The New Future of Rural Healthcare Strategies for Success, Stroudwater presentation to the Green Mountain Care Board 4/3/2019](#)

Medicaid Budget Neutrality

- Federal Medicaid budget neutrality requirements for 1115 waivers could limit federal resources for addressing provider financial sustainability
- Source: AHS Presentation to Task Force, Dec 5, 2019

Shifts in Care Delivery

- Hospital inpatient care moving to outpatient settings
- Primary Care medical home programs expanding (Majority of practices in Blueprint for Health in Vt)
- Expansion of telehealth
- Focus on Integrated Care
- Source: [The New Future of Rural Healthcare Strategies for Success, Stroudwater presentation to the Green Mountain Care Board 4/3/2019](#)

Market Profile

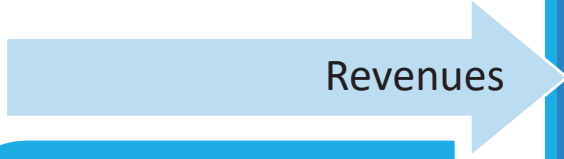
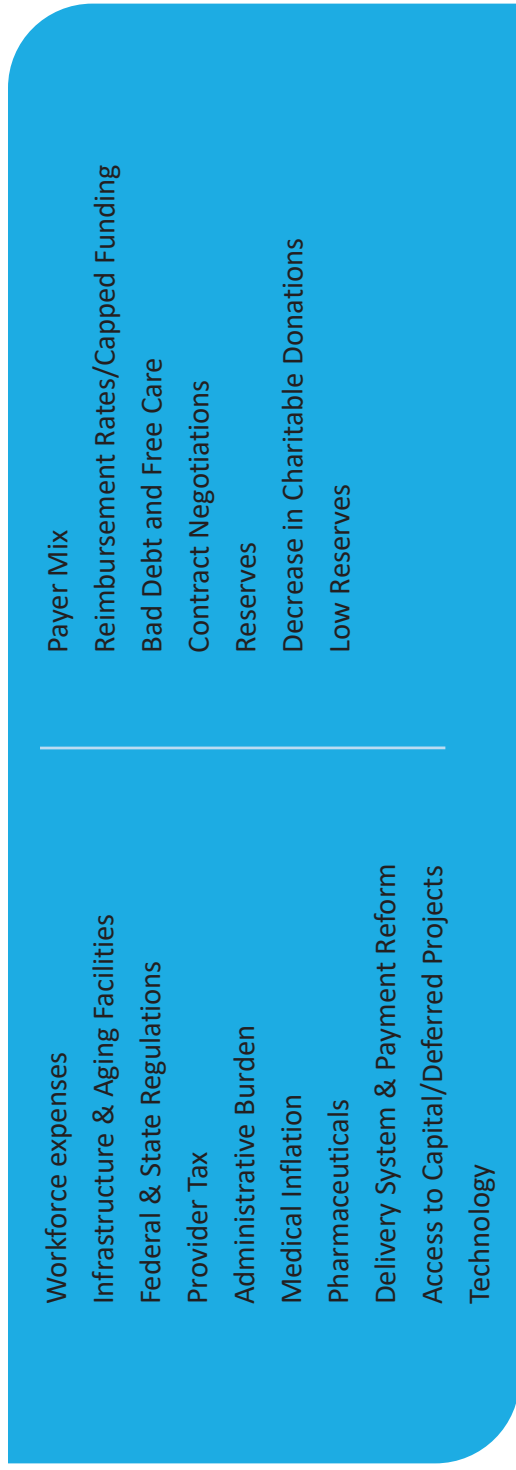
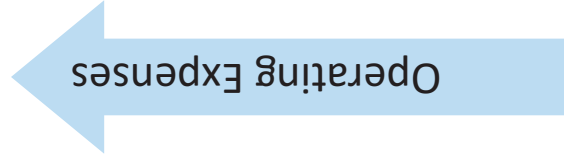
- Vermont hospital system (14 nonprofits) was already highly regulated, non-competitive
- About 2/3 of physicians employed by hospitals
- Source: GIMCB Fair Reimbursement Report
- Vermont insurance also consolidated (2 insurers)
- New entrants (e.g., “minute clinics”; ASC; Walmart; CVS/Aetna) Source: [The New Future of Rural Healthcare Strategies for Success, Stroudwater presentation to the Green Mountain Care Board 4/3/2019](#)

Workforce Shortages

- Largest growing jobs sector in November 2019 Source: CNBC, [Here's Where the Jobs Are](#), 12/6/19
- Tight national and local labor market
- Aging workforce
- Provider burnout
- Rising higher education costs

Revenue Stability: Issues at the Entity Level

**Operating expenses are growing faster than revenues
Reimbursement rates do not cover inflation and personnel cost increases**



Revenue Stability: Independent Providers

- In Vermont, financial metrics and other quantitative evidence of the financial state of independent practices is not available
- In the U.S., one analysis shows:
 - Improvement in total profit per physician over 2017 (from \$2,396 in 2017 to \$2,510), but projected to break even
 - Improvement of operating margin from a loss of over \$13k in 2016 to a profit of \$2,396 in 2017
 - Source: [RevCycle Intelligence, 2019](#); [Fierce Healthcare, 2018](#) [Note: [Original study done by AMGA](#) only available for [purchase](#)]
- Qualitative surveys with physicians' attitudes or perceptions about their financial state and ability to sustain their independent or small practice say:
 - 50% of independent doctors surveyed by TD Bank have or would consider purchasing, buying into, merging or selling their practice, most within four years. Of these, 46% said it's too expensive to run a practice today. Source: [Healthcare Finance News, 2017](#)
 - [GMCB Vermont Clinician Landscape Study](#) identified the following takeaways:
 - Independent clinicians are most frustrated by billing, paperwork, and other administrative burdens, the uncertainty of their income, and the burdens associated with running their own practice and accessing costly technology
 - The top three most commonly cited threats to independent practices are regulatory and administrative burdens, health reform payment models (Federal and/or State), and Medicaid reimbursement



Revenue Stability:

Examples of Targeted Revenue Suggestions

Examples	Hospitals	Designated Agencies	Home Health & Hospice	Long-Term Care	Independent Providers, including mental health and substance abuse providers	FQHCs	Free Clinics
Daily Reimbursement for Emergency Departments for patients in mental health crisis with long stays	X						
Implementation of Act 82 of 2017 to set reimbursement rates that "are reasonable and adequate to achieve the required outcomes for required populations."		X					
Annual inflationary increase per the recommendation of the Older Vermonters Working Group. Approximately \$375,000 Gross (including federal match) per 1.0% of increase	X		X	X			
Review and consider the recommendations in the Ongoing Financial Sustainability section (p. 10) of the Nursing Home Oversight Working Group Report submitted in 2019	X			X (Nursing Homes)			
AHS should evaluate the cost associated with providing Enhanced Residential Care and Assistive Community Care Services relative to Medicaid reimbursement to ensure the rates are adequate to support those services.				X (Residential care homes/ assisted living residences)			
Reinstate Medicaid primary care case management payment to \$2.50 PMPM for any rural primary care practice (legislative change)					X	X	
Reinstate Medicaid vaccine administration rates to 2017 levels					X		X

