

Payment Reform Advisory Group
November 16, 2010
4 – 5:30
Meeting Minutes

Attendees: Richard Slusky, Susan Besio, Steve Maier, Barbara Drapola, Cliff Frank, Michael Del Trecco, Peter Cobb, Lou Di Nicola, Susan Elliot, Joe Zimmerman, Al Gobeille, Christina Colombe, Larry Goetschius, Jackie Majoros, Trinkia Kerr, Tom Torti, Denis Barton, Andrew Garland, Gerhild Bjornson, Meg O'Donnell, Bard Hill, Pheline Taormina, Lynn Nonnemaker, Alex Forbes, Julie Tessler, Paul Harrington, Don George, Bill Little,

Richard Slusky welcomed the group and thanked them for participating on the Advisory Committee. Following introductions, Richard provided a presentation which included the purpose of the committee, the role and responsibilities of the Director of Payment Reform, current reform initiatives in Vermont, a discussion of payment and delivery system reform options, and some examples of potential payment models. (Please let Sarah Gregorek know if you would like an electronic copy of the presentation)

Susan Besio announced that Vermont had been selected by the Center for Medicare and Medicaid Services (CMS) to participate in a demonstration project to evaluate the effectiveness of doctors and other health care professionals across the care system working in a more integrated fashion and receiving more coordinated payments from Medicare, Medicaid and private health plans. Vermont, along with seven other states, will participate in the Multi-Payer Advanced Primary Care Practice Demonstration that will ultimately include up to approximately 1200 medical homes serving up to one million Medicare beneficiaries in the eight states.

This project will be housed in the CMS Innovation Center which may provide the states more flexibility in changing and implementing their reform initiatives.

This demonstration project will allow Medicare to participate fully in the Blueprint sites as they are expanded throughout the state. Many thanks to Craig Jones and Lisa Dulsky Watkins for their efforts to make this CMS award possible, and thanks to all of the providers, insurers and support staff who have made this effort possible. This is a very big achievement for the state.

Following Richard's presentation, the committee members had a number of questions and suggestions:

- Peter Cobb asked if we had decided where the pilot projects might be located. Richard responded that no decisions have been made in that regard, but there are a number of practices throughout the state that have begun to structure themselves to manage different payment methodologies and clinical relationships.
- Dr. DiNicola felt strongly that the medical home concept does work and he urged us to build on the work that was already going on in Vermont. He also referenced an article "Megatrends in Pediatrics" which he thought would be useful to the group. He will send the article to Richard for distribution.

- A question was asked about the need for tort reform if the payment system might encourage fewer tests. Richard noted that this was something that needed to be looked at, because we didn't want to penalize providers for being reasonably cautious in their use of imaging and/or lab tests.
- Mike Del Trecco noted that VAHHS membership generally supported efforts to change the payment system, but that consideration should be given to the demographics of the population and that costs will continue to grow. He also noted that consumer expectations of the health care system need to be addressed.
- Cliff Frank noted that there had not been much discussion regarding the reimbursement of specialists which he noted was a very expensive part of the delivery system. The costs of the specialty care, imaging, and high-end pharmaceuticals are inflating at rates of 7-10% per year. We need to address those points of the system or we will not be able to make significant progress. He also agreed that tort reform was an important issue.
- Julie Tessler expressed concerns that budget reductions in mental health services results in reduced access which could actually result in higher system costs.
- Dr. Bjornson suggested that we might want to create smaller work groups to focus on areas such as malpractice reform, consumer education, etc. as a means to address the many issues that might impact payment reform.
- Don George reminded the group that some of these related issues like medical malpractice are being addressed by other groups.
- Dennis Barton asked about future meetings and, given the short time frame, whether the group should meet twice a month at least until February. He also suggested that Richard and/or group members begin structuring questions that we could discuss at future meetings.

Next Steps:

1. Richard will prepare and distribute some questions for the group to consider prior to the next meeting. Group members were also encouraged to send questions they would like addressed to Richard.
2. The group agreed to hold two meetings in January. The proposed schedule is:

Thursday, December 16th from 3-4:30 p.m.

Thursday, January 13th from 3 – 4:30 p.m.

Thursday, January 27th from 3 – 4:30 p.m.

All meetings will be held at the Department of Vermont Health Access, 312 Hurricane Lane, Large conference room, Williston.

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