

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

In re: Blue Cross Blue Shield Vermont)	GMCB-005-21rr
2022 Vermont ACA Market – Individual)	SERF No. BCVT-132829271
Market Rate Filing)	
)	

In re: Blue Cross Blue Shield Vermont)	GMCB-006-21rr
2022 Vermont ACA Market – Small Group)	SERF No. BCVT-132829562
Market Rate Filing)	

**RESPONSE OF BLUE CROSS TO QUESTION 13 OF
JUNE 7, 2021 BOARD QUESTIONS**

Blue Cross and Blue Shield of Vermont provides the following response to Question 13 of the Board’s June 7, 2021 questions:

Question 13

The Board is working to better understand the variability in reimbursements paid to hospitals. How long would it take BCBSVT to calculate the following and does it have any alternative approaches that could be done sooner?

For each Vermont general/community hospital and for Dartmouth-Hitchcock, the ratio of BCBSVT’s inpatient reimbursement to Medicare’s inpatient reimbursement, standardized by MS-DRG relative weights, and the ratio of BCBSVT’s outpatient reimbursement to Medicare’s outpatient reimbursement, standardized by APC relative weights.

Response

Blue Cross commercial contracts are in no way tied to Medicare reimbursement. Neither do we process any claims on the basis of Medicare reimbursement. It is therefore a significant lift to express our commercial contracts as a percentage of Medicare reimbursement.

If we were to pursue expressing reimbursements by facility as a percentage of Medicare, we would need to engage with a consulting firm to perform the necessary analyses. An engagement of this complexity would take at least three months to complete, at a cost in the neighborhood of \$100,000.

We do have an alternative that would act as a means of understanding variability in reimbursements across facilities. We can provide a calculation of relative costs among hospitals for inpatient and outpatient services that we use to inform contracting activities. However, there are significant limitations with the data, which are not intended to be used to form firm conclusions about reimbursement relativities across hospitals with substantially different service offerings and missions.

The information described above could be provided with our other responses on June 25, 2021. That information is proprietary, confidential, and commercially useful information related to contract negotiations that is protected by Exemptions 9 and 15 of the Public Records Act. Should the Board request this information, we ask that the Board maintain its confidentiality.

Dated: June 11, 2021

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that I have served the above Response on Michael Barber, Laura Beliveau, Thomas Crompton, and Christina McLaughlin of the Green Mountain Care Board; and Jay Angoff, Kaili Kuiper, and Eric Schultheis, counsel for the Office of the Health Care Advocate, by electronic mail, return receipt requested, on June 11, 2021.

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