



PARTNERS *in* CARE

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From the Desk of the Medical Director

*By Dr. James A. Duncan
Medical Director*



Drug Costs as a Health-Care Barrier

Anyone who’s read a newspaper, let alone anyone in health care, knows that prescription drugs are expensive and getting more so. Spending on prescription drugs accounts for 15% of health costs and is increasing at twice the rate of health care in general. This is often seen as a problem for people without health insurance, yet those with insurance are also affected.

Patients’ share of drug costs can be considerable due to steep co-pays or co-insurance, tiered benefits with higher costs for brand-name or non-preferred drugs, or benefit limits on total costs. The out-of-pocket cost can be high enough to cause non-compliance due to not filling prescriptions, cutting the dose, or skipping doses to postpone buying a refill. This can lead to adverse health outcomes and higher overall medical costs.

The evidence:

- (1) A Harvard study in 2000 tracked employee drug utilization when an employer increased co-pays. Various drug-class use dropped up to 32%.
- (2) A nationwide web-based self-reporting survey of 4000 people found that 15% of those taking drugs for a chronic condition were non-compliant due to cost.
- (3) Among diabetics, hospitalization rate was 13% for highly-compliant patients, and 30% for poorly-compliant (with double the overall cost).
- (4) Total medical cost savings for every additional \$1 spent on medication:
 - Hypertension \$4
 - Hypercholesterolemia \$5
 - Diabetes \$7

Possible solutions:

- (1) Talk to your patient. The second study above found that, of non-compliant patients, 2/3 didn’t tell their doctor that they were non-compliant and 1/3 didn’t discuss costs. A separate study showed that patients with high trust in their doctor are more compliant with prescriptions (as well as other care).
- (2) Benefit-based co-pay (BBC). Some insurers and employers have drastically reduced the out-of-pocket costs for drugs seen to be of high clinical benefit, in the belief that this will result in improved health and lower overall costs. Pitney-Bowes instituted such a program, and found that, for their diabetics:
 - Medication compliance increased
 - Glucometer test-strip use doubled
 - ER visits dropped 26%
 - Total pharmacy costs dropped 7%
 - Overall healthcare costs dropped 6%

Vermont Managed Care is exploring the feasibility of designing a similar program in cooperation with the appropriate pharmacy benefits manager. We hope to have this instituted in the near future.

We encourage our readers to call or write us with your feedback about our newsletter.

Contact Roberta Mitchell at 847-2528 or email to:

roberta.mitchell@vtmednet.org

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VMC PT/OT

By Roberta L. Mitchell, VMC

Article assembled from 9/19/05 VMC letter to Primary Care and Orthopaedic Providers

VMC periodically conducts a review of its clinical expenses as compared to regional actuarial norms. In our last two reviews, Physical and Occupational Therapy has stood out as a high utilization and high cost area. VMC has watched the trend over time, hoping this was an aberration, but the data shows that VMC as a network has an ongoing problem with PT/OT utilization and cost.

VMC notified (initial notification July 1, 2005 and details were provided September 1, 2005) all VMC participating physical and occupational therapists about this problem and provided them with two forms of data:

- 1) network-wide PT/OT data on utilization and cost and
- 2) their own provider specific data on utilization and cost.

As VMC reviewed this data, most therapists were close to the average visits per case of their colleagues. However about 15% of the therapists are providing services at double the frequency of their colleagues for similar diagnoses. The VMC PT/OT actual referral rate per thousand in 2003 was 89 and in 2004 was 91. The actuarial expected referral rate per thousand is between 40 and 50.

As a result, VMC is spending over

\$2.5 million annually on PT/OT services as compared to an expected amount, based on regional actuarial benchmarks, of about \$600,000. The impact of this variability is significant to all providers in the VMC network as it represents a figure amounting to the difference of returning 80% versus 100% of withhold to all providers in the network.

In September, VMC shared this information with referring VMC Primary Care and Orthopaedic Providers as well. VMC has notified the PT/OT providers of reimbursement adjustments and precertification requirements which were effective November 1, 2005. VMC has also met with several individual Physical Therapists and their representatives, at their request. VMC will continue to monitor PT/OT services going forward and we will review our data for other areas where we may be able to make a positive impact. We do this in an effort to be a "good steward" of our Network's resources.

Please contact Martita Giard, VMC Director of Provider Relations and Network Development at 800.639.3881 or 847.8065 if you have any questions or would like to discuss this further.

2006 Fletcher Allen Preferred Medical Plan Changes

By Roberta L. Mitchell, VMC

(taken from 2006 FAHC Open Enrollment Update)

The Plan sponsor, Fletcher Allen Health Care, has implemented the following changes in the Fletcher Allen Preferred (FAP) Medical Plan which will be effective January 1, 2006.

Co-pay for PT/OT/ST

The co-pays for physical, occupational and speech therapy will decrease from the current \$25 to \$10 for participants who use a Fletcher Allen

Health Care PT/OT/ST provider.

If a participant sees a non-Fletcher Allen provider the co-pay remains \$25.

Co-pay for Fletcher Allen Health Care Walk in Care Center (WICC)

The co-pay for services rendered at the FAHC WICC will increase from \$10 to \$25 to coincide with the charges for other urgent care facilities.

Electronic Health Record Grants

By Kevin W. O'Neal, Provider Relations Specialist, VMC

You may have noticed a sharp increase lately in both the local and national media of information and discussion around Electronic Health Records (EHR's). Beginning in the spring of 2004, with the Federal Government's stated vision of interoperable EHR's within 10 years, the Healthcare and Information Technology industries have begun to focus their attention on bringing the United States' EHR capabilities up to speed with other industrialized countries.

Vermont Managed Care (VMC) has always been a strong advocate of the development of information technology in the physician office. VMC is quite excited about this new focus and momentum in the development of EHR. On May 10th of this year, the VMC Care Management Committee approved grant awards of \$5,000 to be awarded to selected physician offices for the implementation and development of EHR systems.

After an extensive application and review process, we are pleased to announce that the following provider groups have been chosen to receive grant awards:

- Community Health Center of Burlington, Inc.
- Primary Care Health Partners
- Copley Professional Services Group, Inc.
- Evergreen Family Health
- Green Mountain OB/Gyn



Through an on-going collaborative effort between VMC and EHR Grant recipients, we hope to achieve the following primary goals.

- Financially assist VMC physician offices with the implementation and development of EHR systems.
- Develop a comprehensive understanding of how EHR's can minimize administrative difficulties in provider offices and positively impact VMC's administrative capabilities and costs.
- Develop a detailed database on EHR's, EHR implementation, and best practices and resources that will aid the rest of the Network in the development of EHR systems.

We are excited to begin working with our grant recipients who are leading the way in EHR development and look forward to sharing our experiences and lessons learned with the entire VMC Network. Questions, comments and ideas can be directed to Kevin O'Neal, Provider Relations Specialist, at 802-847-8358.

TVHP

CVPHO Network Walls

By Roberta L. Mitchell, VMC and Rebecca Bowen, CVPHO Executive Director

Effective July 1, 2005, Central Vermont Provider Hospital Organization (CVPHO) Network has an open specialist network for all TVHP members (except for those members who are covered under the Central Vermont Medical Center (CVMC) or CVPHO group plans).

All CVPHO network members, except subscribers in groups 81035 and 81036 (CVMC and CVPHO groups), may access the entire TVHP network of specialists without requiring an approved referral from the CVPHO Medical Director. Members in groups 81035 and 81036 still have access to the entire TVHP network with Medical Director approval. The TVHP prior-authorization requirements for select medical procedures and durable medical equipment still apply.

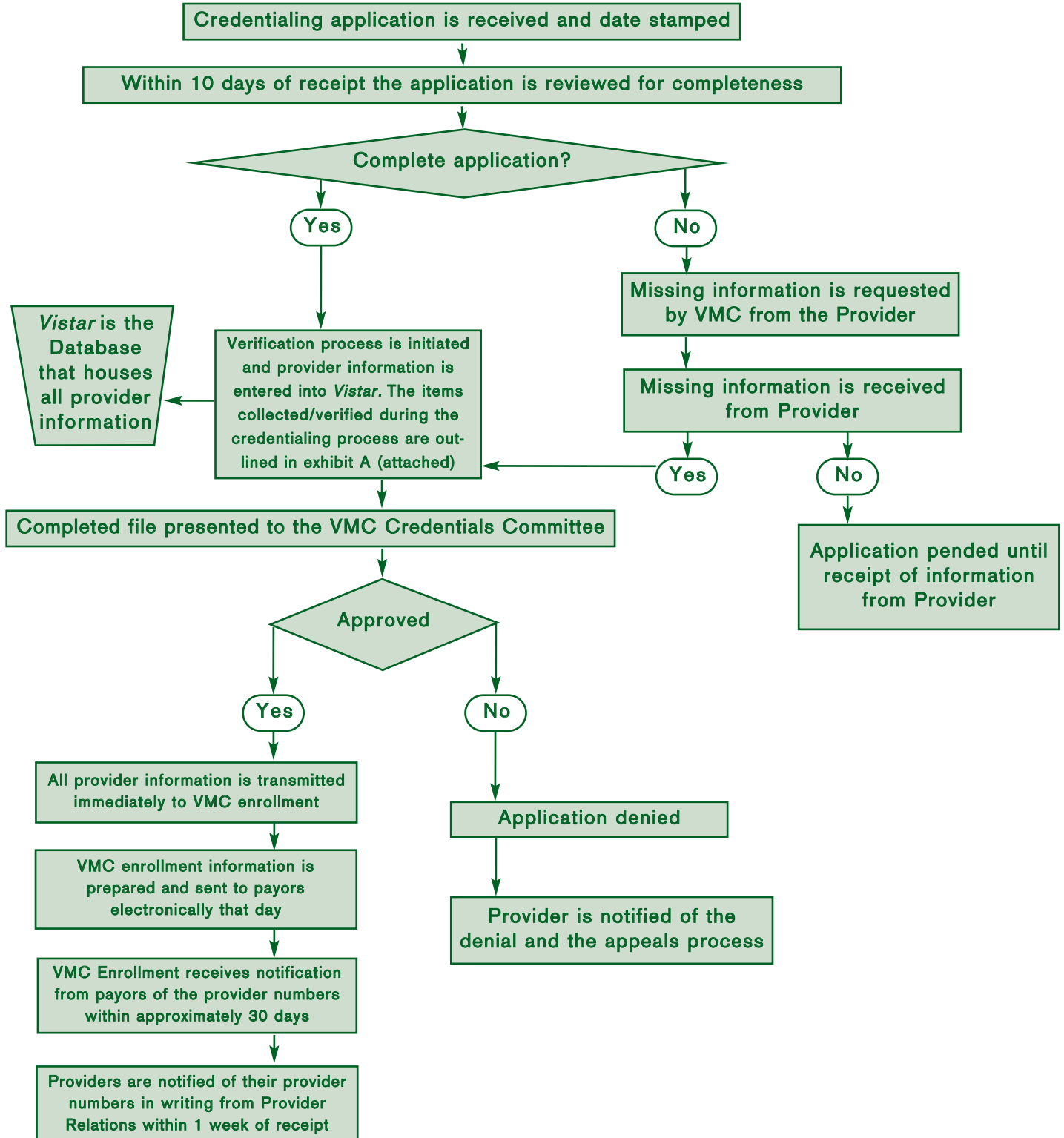
If a subscriber/employee of CVMC or CVPHO, groups 81035 or 81036, selects a PCP who is not a CVPHO provider, the member has access to the entire TVHP network. The closed network only applies to those employees who select a PCP in CVPHO's network.

If you have any questions please contact Rebecca Bowen, CVPHO Executive Director, at (802) 371-5370 or Rebecca.bowen@hitchcock.org.

VMC Provider Credentialing and Enrollment Process

By Terry Collette, CPCS, Supervisor Credentialing, VMC

VMC seeks to provide a systematic, efficient method for evaluating the qualifications of providers seeking participation in the VMC Provider Network and to establish basic criteria for acceptance and continued participation in the VMC Provider Network. VMC will endeavor to comply with applicable regulatory and review standards including NCQA and Rule 10.000.



Credentialing Process Exhibit A

Items verified (within 180 days)/completed/present	Verification source
Completed application	Application
Complete work history	Application
Signed authorization/attestation	Authorization and Attestation
Current VT State Licensure	VT State Medical Board
Current DEA registration	Copy of Registration
Current professional malpractice coverage with appropriate limits (1M/3M)	Copy of Certificate
Graduation from accredited school	AMA profile
Accredited post graduate internship and residency	AMA profile
Board certification/eligibility	Certifacts
NPDB	National Practitioner Data Bank
Privileges at primary admitting in network facility	Application & privileges letter from facility
Three (3) peer references	Letters from peers
24 hour 7 day a week in network coverage	Application
Sanction history in Medicare/Caid program	Office of the Inspector General
Procurement of information relating to affirmatively answered questions on the application	Provider
Coordination of site visit if applicable	Care coordinators

VMC Care Management Note

Synagis Dosage Schedule Revised

By Dr. James A. Duncan,
Medical Director VMC

In the past, Synagis has generally been administered for a total of 5 doses (in our geographic area, for appropriately selected patients). FAHC has reviewed the epidemiology of proven RSV from last year and cases were seen later in the year than anticipated. Therefore, for the upcoming season, it is clinically appropriate to give a total of 6 doses of Synagis.

Spotlight on the VMC Web Site

VMC Provider Manual is now on the VMC Web Site

By Kevin W. O'Neal, Provider Relations Specialist, VMC

The VMC Provider Manual is now available on the VMC Web Site www.vermontmanagedcare.org! Click on "Provider Section", and then on the left hand tab titled "Provider Manual". To allow for faster download of information, we have separated the manual into its individual sections. Each "section" page will offer details on content and then a link to launch the applicable section in Adobe format. The individual section pages will also list any pertinent updates that have occurred since the last distribution of the manual, in CD format, to the Network. If you have any questions, please don't hesitate to call Kevin O'Neal, Provider Relations Specialist, at 847-8358, or click on "ASK VMC!"



Physicians Hold Great Influence Over Tobacco Cessation Patient Interactions

Tobacco Cessation Programs across the continuum of Care offered through the Fletcher Allen Wellness Program

By Evelyn A. Sikorski, CSW, CEAP

Health Management Coordinator, Tobacco Treatment Specialist Community Health Improvement, FAHC

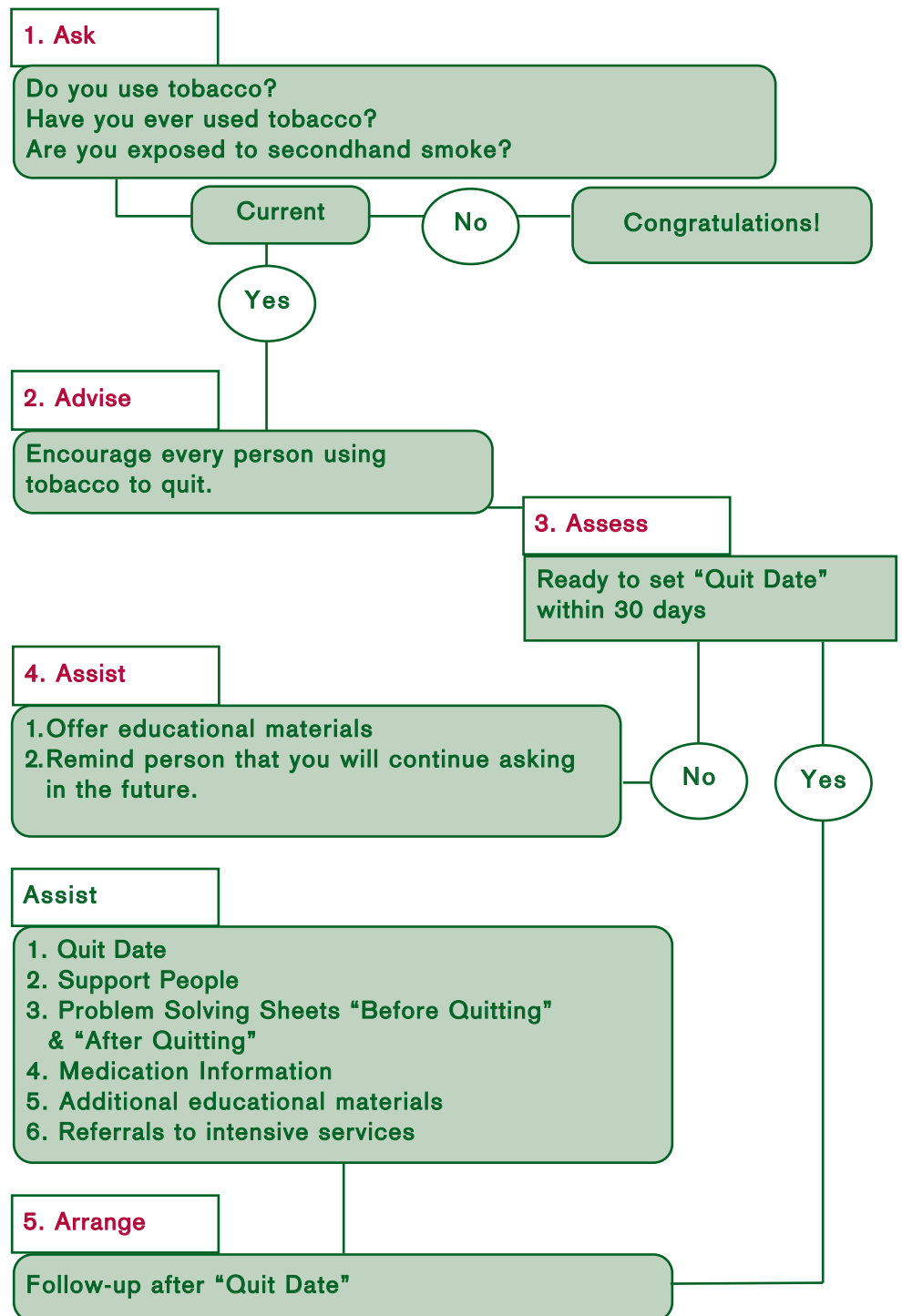
Vermonters who smoke, and/or use other forms of tobacco products, require a combination of proven treatments and counseling interventions in order to wage the lifelong battle against nicotine addiction. Vermont's comprehensive tobacco control program has built capacity to intervene with individuals who smoke and are dependent on tobacco by integrating a web of prevention and service based resources that are available and accessible to Vermont tobacco users. Local tobacco treatment specialists are available to provide counseling and low cost nicotine replacement for your patients. However, health care providers often hold the most influence on smokers wanting to cease using tobacco products.

As a health care professional, your role is critical in helping your patients stop tobacco use. Forty-two percent of smokers who tried to quit or recently quit, report physicians as the source of quit information (Vermont ATS 2004). Office based smoking cessation interventions using the 5A's and 5 R's do make a difference. The U.S. Public Health Service-sponsored Clinical Practice Guidelines: *Treating Tobacco Use and Dependence* recommends that medical offices include tobacco use as a vital sign. This procedure provides a useful way to ensure proper documentation of tobacco use and smoking cessation counseling in the patient's medical chart.

If a patient is ready to make a quit attempt, use the 5 A's method to increase their chances of making a quit attempt. (See 5 A's *Brief Intervention Flow Chart*)

- Ask about tobacco use.
- Advise the patient to quit. With the person who is already taking action, advise by offering support and encouragement.

Five A's Flow Chart



- Assess willingness to make a quit attempt in the next 30 days.
- Assist the patient with setting the quit date.
- Arrange for a referral to the local Ready Set, STOP Fletcher Allen tobacco free programs or to the Vermont Quit line using the FAX referral form.

Your patients may not be ready to make a quit attempt but may respond positively to a brief intervention using the 5 R's.

- **Relevance:** Encourage the patient to indicate why quitting is personally important
- **Risks:** Ask the patient to identify potential negative consequences to tobacco use
- **Roadblocks:** Ask the patient to identify barriers or impediments to quitting
- **Repetition:** Tobacco users who have relapsed in the past should be told that most people make Repeated quit attempts before they are successful.

More than 75% of adult current smokers saw a physician at least once in the past year (Vermont ATS 2004). Further more, brief interventions during a physician visit increase cessation rate 30-70% (USPHS Guideline 2000, Cochrane Library 2004). As a health care provider, you have a tremendous amount of influence over tobacco use in your patient base. For more information on accessing the Fletcher Allen Ready, Set, STOP program for your patients or to obtain updated patient information or copies of the FAX referral form for your office, please call Evelyn Sikorski, CSW Fletcher Allen Tobacco Treatment Specialist, at 802-847-6540.

VMC Employee Spotlight

Senior Account Representative

By Roberta L. Mitchell, VMC

In recognition of the evolving role of Vermont Managed Care, VMC developed a new position of Senior Account Representative. In August 2005, Roberta L. Mitchell accepted the new position. Roberta has been with VMC since 2002 when she first joined VMC as a Provider Relations Specialist. In her new role, Roberta is the Account Manager for VMC's self-insured account and serves as the Project Manager for various new initiatives at VMC. Please feel free to contact her at roberta.mitchell@vtmednet.org or 802.847.2528.



*Roberta L. Mitchell,
Senior Account Representative VMC*

VMC Care Management Note

Preparation for Allergy Consultation

By Dr. James A. Duncan, Medical Director VMC
and in consultation with Dr. Mark Lazarovich, Timberlane Allergy
and Asthma Associates

Primary care providers often refer patients to an allergist for evaluation of various conditions such as seasonal rhinitis, food or environmental allergies and asthma. In order to maximize the utility of such consultations, it is often advisable to stop selected medications prior to the visit. Although allergy offices try to communicate this to the patient, this might not always be possible. Ideally, primary care providers should be familiar with these recommendations and instruct their patients accordingly. Regular medications, other than the following, should be continued as usual.

- For routine allergy evaluation, all systemic antihistamines should be stopped 5 days prior to the allergy visit.
- For asthma/cough evaluation, inhaled short-acting beta-agonists should be stopped 12-24 hours prior to the visit.

Of course, if there is a concern that stopping any of these would be dangerous to the patient, the medications should be continued.

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Vermont Managed Care Contact Numbers



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Main		
802-847-8161		802-847-6214

Case Managers		
802-847-8369	802-847-4862	802-847-6212

Customer Service		
802-847-8369	802-847-4862	802-847-6213
800-639-3881	866-582-6836	

Provider Enrollment		
802-847-8161		802-847-3427

A complete phone list of all staff is available in the VMC Provider Manual available online at www.vermontmanagedcare.org.

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