

HB2200 Stakeholder Workgroup Meeting Minutes
October 12th, 2023 – 10:30 AM
Webex & 5th Floor Conference Room, James Madison Building

Attendees: Dr. Richard Ingram (Virginia Association of Hematologists and Oncologists), Kelsey Wilkinson (MSV), Kathy Smith (Virginia Oncology Associates), Joel Andrus (Kemper Consulting), Allison Rollins (US Oncology), Kyle Russell (VHI), Joe Flores (VML), Sandra Serna (VDH), Joseph Hilbert (VDH), Vicki Zwicker (VDH), Katie Boyle (Virginia Association of Counties), Dr. John Morgan (DMAS), Maryann McNeil (DMAS), Tiaa Lewis (DMAS), John Ringer (VDH), Rebecca Brookman (VDH), Emily Lafon (VHHA), Dawniece Trumbo (VHI)

Welcome & Introductions

Mr. Hilbert called the meeting to order at 10:32 am. He provided background and led introductions.

Preliminary Cost Analysis of Office Administered Cancer Drugs in Virginia

Kyle Russell presented the results of the preliminary Cost Analysis of Office Administered Cancer Drugs in Virginia. He concluded that reimbursement could vary significantly depending on who the payor is and that the reimbursement rate variation for J9000-J9999 codes is immense.

Allison Rollins asked if the fee-for-service and managed care plans were separated out for Medicaid or if they were combined in this analysis. Mr. Russell stated that they were averaged out for Medicaid overall.

Dr. Richard Ingram stated that, from the provider perspective, there is an emergent cost shifting to the patient overtime, especially with the rising cost of oncological drugs. The one to two percent of cost that is the patient's responsibility can be detrimental. Mr. Russell agreed and noted that the percent of the cost that is the patient's responsibility is a large number state-wide.

Ms. Rollins asked if Virginia Health Information (VHI) could determine which J-codes tend to vary significantly over time between Medicaid and Medicare. Mr. Russell stated that VHI could analyze that given sufficient time.

Joe Flores noted that the challenge is cost of services or medication for the provider in comparison to reimbursement. Mr. Flores asked if there is a way to determine which J-codes are driving the high cost. Dr. John Morgan mentioned that Department of Medical Assistance Services (DMAS) could review exactly how the reimbursement rates for J-codes are set and follow-up. Ms. Rollins, however, emphasized that some of the high-cost drugs are not the ones providers are typically prescribing. Ms. Rollins noted that she didn't want to exclude something in the analysis that may be most impactful for small practices.

Mr. Flores asked if there is a way to tease out the anomalies between the different fee schedules, since there is such a large range. Mr. Russell stated that VHI would have to review claims to then determine what is driving the fee schedule; however, they can't do that for TRICARE.

Kathy Smith emphasized that the cost of the drugs is only a piece of this puzzle – operating expenses (i.e., providing clean rooms, facility costs, use of robotics in the mixing of chemotherapy drugs to protect employees) are critical to provide quality care but are not reimbursed. In addition, oncological facilities are providing this care regardless of the patient's ability to pay.

Mr. Hilbert asked who the regulatory agency is that oversees oncology centers. Ms. Rollins stated that it is DMAS, Board of Pharmacy, and Board of Medicine.

Joel Andrus stated that challenges with managing this population have increased over the years. The benefit of oncology centers is that patients can get their care in one location at an independent, physician-owned practice. Doctors have no idea if the patient can pay or who their payor is and the goal is that they would never know, but paying for the payor patients is becoming increasingly more expensive and difficult.

Mr. Andrus mentioned that one possibility to cut costs is to look for the Business, Professional, and Occupational Licensing tax (BPOL) exemptions for infused medications, since paying this tax on top of the other expenses becomes even more burdensome. Mr. Andrus highlighted that the main goal is to determine how oncology facilities can continue provide the resources necessary to their patients, so patients are not limited in their care options.

Mr. Flores stated that it is informative that the General Assembly decided to remove any reference to taxation from the final approved version of HB2200. He noted that the General Assembly could have directed the Secretary of Finance to convene the workgroup, but instead chose to direct the Secretary of Health and Human Resources to convene the workgroup.

Mr. Andrus mentioned that, outside of reimbursement, patient transportation is always an issue and not just for oncology. Kelsey Wilkinson agreed and stated that certain areas in Virginia rely very heavily on public transportation.

Tiaa Lewis stated that, coming out of the pandemic, it has been difficult for DMAS's transportation vendors to onboard drivers; however, DMAS is steadily making progress with changes and improvements regarding transportation plans.

Mr. Andrus asked if there is anything the Workgroup can put together to help DMAS improve. Ms. Lewis stated that DMAS would like to hear feedback on the use of non-traditional transports (i.e., Lyft and Uber). Ms. Lewis also said that DMAS has been able to get a good idea of where the problem areas are in Virginia.

Dr. Ingram noted that a hospital-based system would be more expensive for the payor (in-patient versus out-patient) and it would create fragmented care for the patient.

Discussion of Selected Topics

Mr. Hilbert asked Mr. Andrus if there were other topics that he wanted to discuss in addition to what had already been covered.

Mr. Andrus highlighted the following additional topics:

- Changes in patient coverage during open enrollment (authorization under one plan but patient switches plans and is then billed under the new plan)
 - Providers have to do a lot to get reimbursed.
 - Concerns regarding continuity of care while figuring out the payment – moving patients into a different setting during this time defeats the purpose of oncology centers.
- Consideration of reimbursement for operating costs that increase quality of care, which are not currently reimbursable.

- Workforce issues – All medical services have challenges with staffing now. How do organizations attract and retain good nurses?

Changes in Patient Coverage During Open Enrollment

Ms. Lewis stated that it is extremely important for providers to use the tools that DMAS has available and suggested checking patients' eligibility monthly. She also mentioned that there are mechanisms in place to ensure that there isn't a disruption of care; however, it seems there still is a disruption. Dr. Morgan mentioned that it seems that providers can get authorization onto the new plan but only after an unreasonable amount of effort has been put into sharing information. Dr. Morgan mentioned that reaching out to DMAS and providing that detail will allow them to look to identify specific issues.

Consideration of Reimbursement for Operating Costs

Dr. Morgan stated that DMAS is committed to ensuring that members can be paid for the services provided. Again, Dr. Morgan and Ms. Lewis mentioned that they could analyze how the J-code reimbursement rates are calculated and follow-up with the Workgroup.

Dr. Morgan also noted that if there are non-J-Code costs that tend to be reimbursed by other payors but not by DMAS, then DMAS would be happy to review why they are or are not willing to reimburse those and provide an overview of what steps would need to be taken to allow for reimbursement.

Mr. Andrus asked if or how other states are reimbursing these costs. Dr. Morgan stated that DMAS often reviews how other states determine reimbursements for those codes and if they are including administrative costs.

Maryann McNeil asked if oncology is working with other commercial payors on value-based contracts. Ms. Smith stated that centers must provide certain services and perform at a certain level in order to participate in values-based contracts with commercial payors; for example, the Anthem Medical Homes program has very specific criteria oncology providers must meet. Dr. Ingram described the Enhancing Oncology Model (EOM) and Oncology Care Model (OCM) value-based programs from Medicare, and said that these programs have affected the reimbursement of services by Medicare. Dr. Ingram noted that the EOM program has obligatory upside and downside risk for providers. Dr. Ingram also said that inflation and rising labor costs have never been reflected in Medicare reimbursements.

Workforce Issues

Workgroup members agreed that this issue is affecting all areas of healthcare and that bolstering primary care will in turn bolster specialty care. For this population, if patients can get into primary care for early diagnosis then not only will cost of care be cheaper but patient outcomes will be significantly better as well.

Dr. Morgan stated that DMAS is willing and happy to help provide technical assistance. Sandra Serna also noted that the VDH Office of Health Equity, working closely with the Virginia Nursing Association, offers a vast number of nursing programs and she would be happy to share information regarding them.

Discussion of Next Steps

Mr. Hibert reviewed the main topics of discussion and reminded the Workgroup that a report needs to be prepared and submitted to the General Assembly by November 15th, 2023.

Based on the discussion, Workgroup members will send the information that they would like to see included in the report to Mr. Hilbert by October 20th, 2023. Mr. Hilbert will use those submissions to compile a draft report. The draft report will be shared with the workgroup members, prior to being sent to the Secretary of Health and Human Resources for further review and approval prior to submission to the General Assembly.

Meeting Adjourned: 12:03 PM