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Green Mountain Care Board Orders Rate Cuts

Montpelier, Vt. – After careful analysis of their fiscal year (FY) 2016 budget performance, the Green Mountain Care Board today ordered six Vermont hospitals to reduce their rates by a total of approximately \$15 million. In making this determination, the Board and its staff reviewed the hospitals' key performance indicators, past budget performance, staffing needs, operating surplus, capital expenditure needs, and how the hospitals compare with their state, regional, and national peers. The Board took into consideration comments received from members of the public as well as each hospital's unique circumstances, including its health care reform efforts and community needs. Additionally, the Board recognized the ongoing uncertainties that hospitals face as the state and federal governments propose and implement statutory and regulatory changes that affect hospital revenues and financial performance.

The Board's rate decision today, effective in the hospitals' next rate cycle starting October 1, 2017 (with the exception of Rutland Regional Medical Center, which will implement a rate reduction on May 1, 2017), is expected to limit increases in the cost of commercial health insurance premiums for Vermont employers and individuals as they renew their health insurance plans for the coming year. Since the Board took jurisdiction over the hospital budget review process, hospital rate increases have fallen from 7.9% in FY 2013 to 1.8% in FY 2017, the lowest increase on record.

At its weekly public meeting, the Board reaffirmed its commitment to monitor and control hospital spending and revenue growth through close tracking of hospital financial performance, and thanked the hospitals for their cooperation and collaboration as the State works to implement the All-payer ACO Model Agreement and other reform initiatives.

