

APPENDIX 3

EXEMPTION FROM PUBLIC HOSPITAL BUDGET HEARING

Subject to its discretion, the Green Mountain Care Board (GMCB or the Board) may exempt no more than four hospitals from annual public budget hearings provided those hospitals' proposed budgets comply with established benchmarks. GMCB Rule 3.000, § 3.304. Recognizing the value of a transparent budget review process, this document details the Board's criteria and procedure for determining such exemptions.

A. Criteria for Exemption

A hospital that timely submits its budget may qualify for exemption from public hearing if it satisfies the following criteria:

1. The hospital is not one of the four largest hospitals based on the prior fiscal year's Net Patient Revenue/Fixed Perspective Payment (NPR/FPP).
2. The budget complies with all content and submission requirements.
3. The budget assumptions are reasonable.
4. All related budget schedules can be reconciled.
5. The hospital has not undergone significant organizational changes or restructuring during the prior fiscal year.
6. The budget meets the NPR/FPP growth limits established by the Board.
7. The hospital has met its approved NPR/FPP limit in two of the last three years.
8. The hospital was not exempted from public hearing for both of the prior fiscal years.
9. The hospital did not experience an operating loss during the past two complete fiscal years and is not projected to experience an operating loss during the current fiscal year.

B. Application for Exemption

1. A hospital that believes it meets Criteria 1-9 must include a written request for exemption from public hearing with its budget submission. That request must specifically describe how the hospital meets each criterion.
2. If more than four hospitals request and qualify for an exemption, the Board shall determine which, if any, hospitals will be exempted.