

May 20, 2020

Kevin Mullin, Green Mountain Care Board Chair
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Dear Chair Mullin:

Thank you for the ongoing dialogue and collaboration with VAHHS and our members. In such a challenging and uncertain time, we appreciate your team working with hospitals to understand all the issues facing our health care system right now.

I am writing to follow up on 2021 hospital budgets. The current draft guidance represents solid progress toward a simpler format. The uncertainty created by COVID-19, however, makes budgeting assumptions nearly impossible, as GMCB members have repeatedly acknowledged.

Given this reality, I am proposing—as I have in earlier conversations—that the annual budget process be temporarily suspended. Instead of the standard progression of submissions, hearings and orders, the GMCB would continue to monitor hospital performance as it is now and stay in close contact with leadership to understand rapidly changing conditions.

Hospitals are already providing weekly updates and month-end reports to the Board about their financial health and status. This data represents the best information that can be shared, certainly more useful than any projections. Put simply, the annual budget exercise makes little sense in the current environment. And Act 91 gives the Board the authority to postpone or significantly amend it.

If you elect to move forward with the prescribed budget process, the simplified guidance should include:

- No enforcement for 2020 or 2021.
- No revenue cap for 2021 given the likelihood of continued uncertainty.
- No attestation. Hospital leaders should not be required to attest to the accuracy of any submitted projections. Even in the best of times, budgets are best-guess estimates; this year, they are even more volatile and subject to change.

I know you and your team have been working hard to support hospitals, and it is clear that our collective focus is on near-term recovery and strengthening our health care system for the future.

Thank you as always for the kind consideration.

Sincerely,



Jeff Tieman
President & CEO