

Green Mountain Care Board
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Kevin Mullin, Chair
Jessica Holmes, PhD
Robin Lunge, JD, MHCDS
Maureen Usifer
Tom Pelham
Susan Barrett, JD, Executive Director

March 29, 2019

RE: FY 2020 Hospital Budget Guidance and Reporting Requirements

Dear Hospital CEO:

At its March 27, 2019 public meeting, the Green Mountain Care Board (GMCB) established a maximum growth target of 3.5% for individual hospitals' Net Patient Revenue and Fixed Prospective Payments (NPR/FPP) for FY 2020 (over FY 2019 budgeted). Should hospital budgets appear to be trending in 2019 and 2020 in alignment with the overall All-Payer Model target, the GMCB also established a tentative maximum NPR/FPP growth target of 3.5% for FY 2021 (over FY 2020 budgeted). Each hospital is required to submit an annual budget for each of the two fiscal years, by July 1 of the preceding year. In addition to considering the FY 2020 growth target, the GMCB will consider, and each hospital should carefully consider, the hospital's specific financial circumstances, including its Actual FY 2018 NPR/FPP and Expenses and its Year-to-Date and Projected FY 2019 NPR/FPP and Expenses; its historical ability to manage to its budget; its community needs; its operational investments for successful participation in the ACO program; and other relevant circumstances. *See* Guidance at p. 9, attached.

The FY 2020 Hospital Budget Guidance requests that hospitals review and respond to questions about the relative magnitude and growth of the per capita Total Cost of Care (TCOC) in their health service areas (HSAs). *See* Appendix XI, attached. If your hospital would like to participate in a working group with data analytics experts to better understand how the TCOC is calculated and what might be driving variations in TCOC across the state, please contact Harriet Johnson at Harriet.Johnson@vermont.gov, by April 15, 2019.

The hearing schedule for FY 2020 budget presentations is attached. Board staff will contact you when the Adaptive program is ready to start accepting FY 2020 budget submissions.

On behalf of the hospital budget team and members of the GMCB, I'd like to thank you and your staff for your valuable input and participation throughout this process. If you have any questions regarding the attached Guidance, please feel free to contact Lori Perry, Kelly Theroux or Agatha Kessler (802) 828-2177.

Sincerely,

s/ Kevin Mullin

Kevin Mullin, Chair, Green Mountain Care Board

cc: Hospital CFO
Mike Barber, General Counsel, Green Mountain Care Board
Michael Fisher, Health Care Advocate
Michael DelTrecco, VAHHS

