



September 2, 2020

Kevin Mullin, Chair
Green Mountain Care Board

Dear Members of the Green Mountain Care Board,

I have spoken with you several times in recent weeks on behalf of Vermont's non-profit hospitals and recognize the difficult but important job you have in deliberating and ruling on their budget requests. I appreciate your time and careful attention as hospitals submitted and presented the budgets needed to continue serving their communities at this challenging time.

On behalf of VAHHS member hospitals, I respectfully request that you approve the budgets as submitted to sustain our vital hospitals and ensure viability of the entire system at such a crucial time. The following factors play prominently in Vermont's ability to maintain its valuable hospital resources:

- Collectively, these budgets represent a thoughtful and responsible approach in a still uncertain environment. In the face of losses exceeding \$220 million in just three months' time, hospitals acted quickly to reduce expenses by \$50 million. Even with federal support, a gap remains.
- Rate requests are required to produce very thin margins between 0 and only 2.5 percent. These margins are essential for recovery, and to ensure hospitals can make critical investments in workforce; telehealth; and equipment, supplies and facilities.
- Hospitals must have the resources to prepare for and face ongoing waves of COVID-19. This means a ready and trained workforce, access to testing supplies, plans for overflow facilities and support and the ability to purchase adequate stocks of personal protective equipment as shortages cause prices to skyrocket.
- Patients and communities depend on receiving hospital services close to home and, in Vermont's rural environment, that means preserving access to critical services including dialysis and cancer treatments at many of our hospitals. Reduced budgets can force hospitals to curtail service lines that may serve few people but are a matter of life and death to those who need them.
- Proper funding is required for our hospitals to invest in technologies that improve access and lower costs, like telemedicine, which is increasingly important now to provide care at a distance when possible and protect vulnerable people as we do.
- It is essential that hospitals continue to support value-based care. Despite the very challenging clinical and financial situation, our hospitals continue to transition away from fee-for-service reimbursement and participate widely in the All-Payer Model. This shift places far more risk on our hospitals but focuses resources and efforts on wellness, chronic care management and prevention, which will pay off in the long term. To be successful contributors to—indeed leaders of—health care reform, hospitals must stay on firm financial footing.

We know there is a need to address the rising costs of health care. These budgets reflect that understanding. They also ensure that we can recover, continue to care for our communities, and



respond as successfully as we did to the first wave of COVID-19 when the next wave – or whatever public health or other crisis – comes our way.

On behalf of Vermont's hospitals, thank you for carefully considering the requests before you.

Sincerely,

A handwritten signature in black ink that reads "Jeff Tieman". The signature is written in a cursive, slightly slanted style.

Jeff Tieman

President & CEO, Vermont Association of Hospitals and Health Systems