

GREEN MOUNTAIN CARE BOARD (GMCB)
GMCB Board Meeting Minutes
Wednesday, July 31, 2019
1:00 pm

Attendance

Kevin J. Mullin, Chair
Susan J. Barrett, JD, Executive Director
Lynn Combs, Staff Attorney
Robin Lunge, JD, MHCDS
Maureen Usifer
Jessica Holmes, PhD
Tom Pelham

Executive Director's Report

Kevin Mullin called the meeting to order at approximately 1:00 pm. Susan Barrett announced the decisions for the 2020 Vermont Health Connect insurance rates will be issued in early August 2019. The special public comment period for this is over, but Susan Barrett reminded the public that the Board is always accepting public comment. The public comment page can be found [here](#) on the GMCB website. Susan Barrett announced the Board held a routine visit with representatives of the Center for Medicare & Medicaid Innovation (CMMI) on July 24 and 25, 2019. The All-Payer Accountable Care Organization Model Agreement was signed in 2016 by the Centers for Medicare & Medicaid Services (CMS), the Governor of Vermont, the GMCB, and the Vermont Agency of Human Services (AHS) in 2016. The federal partners were impressed with the innovation in Vermont with rural health care, primary care, and mental health. Susan Barrett announced the [August 2019](#) and [Hospital Budget Hearings](#) schedules are on the GMCB website.

Minutes

The Board voted (5-0) to approve the minutes from July 10, 2019.

FY 2020 Hospital Budget Submissions – Preliminary Review

Lori Perry, Health Finance Analytics Director, GMCB
Agatha Kessler, Health Policy Director, GMCB

Lori Perry presented the FY 2020 systemwide summary and budget analysis, which included a Net Patient Revenue (NPR)/Fixed Prospective Payments (FPP) increase of 4.5% over the FY 2019 budget. Agatha Kessler reviewed the established FY 2020 budget guidance. The NPR and FPP guidance is: 3.5% maximum growth target, 5.0% over FY 2019 projection limit for hospitals with budget-to-projection variance greater than -2.0% (unless justified), and should hospital budgets appear to be trending in FY 2019 and FY 2020 in alignment with the overall All-Payer Model (APM) target the GMCB established a tentative maximum NPR/FPP growth target of 3.5% for FY 2021. New accounts were added for Board designated assets, and the

guidance clarifies terminology: NPR does include FPP, and “rate increase” was changed to “change in charge.” Lori Perry reviewed the GMCB staff questions that the hospitals will receive as follow-up, which will be sent out Wednesday, July 31 or Thursday, August 1, 2019.

Lori Perry presented the considerations for the FY 2020 budget requests and reminded the Board and the public that this report is preliminary. Agatha Kessler discussed the FY 2019 amended budget orders which included two provider transfers and two changes in charge. The deadline for amending a budget order was May 1, 2019, so any requests for adjustments after this were asked to be put in the hospital’s yearly submission for FY 2020.

Agatha Kessler reviewed the FY 2020 budget requests summary. Lori Perry presented the NPR/FPP and operating expenses for the FY 2020 budget requests. The largest drivers in operating expenses were inflation, workforce, and prescription drugs. Capital budgets included 16 Certificates of Need (CONs), which totaled \$94.4 million. Lori Perry then presented the observations on systemwide payer revenue and systemwide operating margin.

Agatha Kessler presented the charts of NPR/FPP in dollars, percent growth, and percent growth with requested adjustments for each hospital. In addition to provider transfers and accounting adjustments, the University of Vermont Health Network (UVMHN) also requested adjustments for changes in “unique patients” and case mix index. The UVMHN attributes these changes to older and sicker patients across the Network. Agatha Kessler discussed the requested provider transfers from four hospitals.

Lori Perry reviewed the annual change in charges since 2016, the estimated weighted average change in charges since 2002 for Vermont community hospitals, the history of NPR/FPP since 2014, and the 5-year average of operating margin. Agatha Kessler explained the FY 2020 utilization and staffing levels and the key financial indicators. Lori Perry reviewed the charts on bad debt, free care, disproportionate share payments (DSH), and provider tax, and Agatha Kessler reviewed the chart on the 340B retail pharmacy program.

Lori Perry presented the slide on Accountable Care Organization (ACO) participation with FPP percentage of total NPR/FPP. The FPP does not include reserves or other payments. FY 2020 contracts with the ACO have not been signed yet. Agatha Kessler reviewed the slide on the APM progress update with the regions participating through one or more payer contracts. The Board asked questions and had a discussion with the presenters. Lori Perry then reviewed the timeline for the FY 2020 hospital budgets, and Agatha Kessler reviewed the next steps: staff analysis and Board review and decisions. The presentation can be seen [here](#) on the GMCB website.

Public Comment

Hamilton Davis
Bob Bick
Dale Hackett

Old Business

None

New Business

None

Adjourn

The Board voted (5-0) to adjourn at approximately 2:05 pm.

Unapproved