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**Short Term Stabilization Drives FY 2023 Hospital Budget Decisions
Long Term Hospital Sustainability Work on the Horizon**

Montpelier, VT – Today, the Green Mountain Care Board completed its review and approval of the Fiscal Year 2023 budgets for Vermont’s 14 community hospitals.

“Like households and other businesses, Vermont hospitals have been challenged by historically high inflation rates, supply chain breakdowns, and workforce shortages,” said Jessica Holmes, Interim Board Chair. “The continuing impacts of COVID-19 have led hospital costs to outpace revenues, with 9 of our hospitals currently experiencing operating losses. Every year, we work hard to balance cost containment with the need to ensure that Vermont’s hospitals have the resources necessary to provide high-quality care in their communities. This year, we paid close attention to restoring the financial stability of the hospital system and preserving access to care.”

During two weeks of hearings, hospital leaders presented their budgets, highlighting both the financial headwinds they face and the initiatives underway to mitigate cost growth and improve health outcomes in their communities. Both the hearings and the Board’s deliberations were online and open to the public. Written public comment was also encouraged and welcomed.

The Board approved each hospital’s net patient revenue as submitted, with an average increase of 10%. Newly projected increases in Medicare reimbursement and additional financial support from the Department of Vermont Health Access led the Board to reduce the commercial rate payers’ share of the budgets by approximately \$31.7 million.

During the deliberations, Board members raised growing concerns about two critical areas – the impact of health care costs on Vermont’s commercial rate payers and patients’ access to care. The Board emphasized the critical importance of its upcoming hospital sustainability work to help address those challenges. Under [Act 167](#), passed by the Legislature and signed by the Governor this year, the Board, working closely with the Agency of Human Services, will engage directly with hospitals and their communities to identify opportunities to ensure the long-term sustainability of the hospital system while enhancing affordability, equitable access, and the improvement of health outcomes for Vermonters.

The Board will issue written hospital budget orders no later than October 1, 2022. Information about the hospital budget review process and materials submitted by each hospital are available on the Board’s website at <https://gmcboard.vermont.gov/FY23HospitalBudgets>.

