

# FY25 Standard Budget Conditions



- A. [Hospital]’s FY25 NPR/FPP (“NPR”) budget is approved at a growth rate of not more than [X]% over its FY24 budget, with a total NPR of not more than \$[X] for FY25.
- B. [Hospital]’s overall change in charge and commercial negotiated rate increase are approved at not more than [X]% over current approved levels, with no commercial negotiated rate increase for any payer at more than [X]% over current approved levels. The commercial negotiated rate increase overall or with respect to any payer may be less than [X]% as negotiated between the hospital and payer.
- C. The commercial rate increase cap in Paragraph B is a maximum and is subject to negotiation between [Hospital] and commercial insurers. [Hospital] shall not represent the maximum commercial rate increase approved by the GMCB in Paragraph B or the expected commercial NPR based on that rate increase as the amounts set or guaranteed by the GMCB in the hospital’s negotiations with insurers.
- D. The commercial negotiated rate cap in Paragraph B shall not apply to Medicare Advantage plans.
- E. [Hospital]’s expected commercial NPR, based on its budget as adjusted in this Order, is \$[X]. [Hospital] shall report its actual expected commercial NPR not later than March 15, 2025, or such later date as specified by the Director of Health Systems Finance and explain any variations from the expected commercial NPR.
- F. [Hospital] shall file an updated Rate Decomposition Sheet with the Board no more than 30 days after its FY25 contracts have been finalized with commercial payers.
- G. [Hospital] shall make any necessary changes to its methods of data collection such that it can report revenues segmented by the following payer types starting FY25: (1) Medicare, (2) Medicare Advantage, (3) Medicaid, (4) commercial health insurance, (5) Vermont-specific commercial payers, (6) non-Vermont commercial payers, and (7) all other payers (e.g. self-pay, workers’ compensation, etc.), for which data collection and reporting may be combined. The GMCB shall provide definitions for each payer type by October 1, 2024, so hospitals can uniformly implement this change.

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- G. Beginning on or before November 20, 2024, and every month thereafter, [Hospital] shall file with the Board the actual year-to-date FY25 operating results as of the end of the prior month. The report shall be in a form and manner as prescribed by GMCB staff.
- H. On or before January 31, 2025, [Hospital] shall file with the Board, in a form and manner prescribed by GMCB staff, such information as the Board determines necessary to review the hospital's FY24 actual operating results.
- I. [Hospital] shall file with the Board one copy of its FY24 audited financial statements and associated management letter(s), as well as the parent organization's audited consolidated financial statements, if applicable, 15 days after the hospital receives its statements, or by January 31, 2025, whichever is earlier.
- J. [Hospital] shall file with the Board its actual year-to-date FY24 operating results on April 30, 2025 for October 1, 2024 through March 31, 2025. The report shall be in a form and manner as prescribed by GMCB staff.
- K. [Hospital] shall participate in check-ins to be scheduled at the discretion of the Director of Health Systems Finance based on the hospital's FY25 year-to-date operating performance.

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- L. Beginning on or before November 20, 2024, [Hospital] shall include with each year-to-date monthly report a letter, if applicable, identifying any material changes to its FY25 budgeted revenues and expenses, or to the assumptions used in determining its budget, including: A. changes in Medicaid, Medicare, or commercial reimbursement; B. additions or reductions in programs or services to patients; and C. any other event that could materially change the approved NPR budget.
- M. [Hospital] shall develop and maintain a system to be able to measure and report to the GMCB the referral lag and the visit lag for each hospital-owned primary and specialty care practice as well as the top five most frequent imaging procedures. Referral lag means the percentage of appointments scheduled within 3 business days of referral (percentage of all referrals where the clinic or hospital has completed scheduling an appointment within 3 business days of receiving the referral, regardless of the date on which the appointment will take place). Visit lag means the percentage of new patient appointments scheduled for the patient to be seen within 2 weeks, 1 month, 3 months, and 6 months of their scheduling date (the scheduling date is the date the hospital or practice schedules the appointment, not the date the referral was received or the date the patient will be seen).
  - a) [Hospital] shall report to the GMCB the referral lag and the visit lag for each hospital owned primary and specialty care practice as well as the top five most frequent imaging procedures on April 30, 2025, for February and March 2025, and as required by the GMCB's FY26 hospital budget guidance.

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- N. [Hospital] shall participate in the Board's work, including the community engagement process, pursuant to Act 167.
- O. [Hospital] shall timely file all forms and information required for practice acquisitions and/or transfers as determined by GMCB staff, if applicable.
- P. [Hospital] shall file all requested data and other information in a timely and accurate manner.
- Q. [Hospital] shall report on any changes it makes to the methods it uses to calculate information it reports to the GMCB. Any such report shall include a detailed explanation as to the reason for the change and the inclusion of a comparison report that shows the results using the hospital's prior method of calculation.
- R. After notice and an opportunity to be heard, the GMCB may amend the provisions contained herein, and issue an amended order, consistent with its authority as set forth in 18 V.S.A. Chapter 220, Subchapter 1, 18 V.S.A. Chapter 221, Subchapter 7, and GMCB Rule 3.000.
- S. All materials required above shall be provided electronically, unless doing so is not practicable, as determined by the Director of Health Systems Finance.
- T. The findings and orders contained in this decision do not constrain the Board's decisions in future hospital budget reviews, future certificate of need reviews, or any other future regulatory or policy decisions.

# Paragraph B – Proposed Language



- On September 10, at 5:15pm, UVMHN submitted written objections to the GMCB concerning numerous items. One objection is to the language proposed in Paragraph B.
- With this objection UVMHN requested a modification as follows:
- *[Hospital]'s total change in charge and aggregate commercial negotiated rate increase are approved at not more than [x]% over current approved levels, with no change in charge or aggregate commercial negotiated rate increase for any payer at more than [x]% over current approved levels. Aggregate commercial negotiated rate increase refers to the net changes in allowed amounts for services and items, recognizing that some service or item prices may decrease and others may increase to achieve the aggregate adjustment. Allowed amounts refers to the amount to be paid to the hospital (insurance payments plus patient cost share). The total change in charge and aggregate commercial negotiated rate increase overall or with respect to any payer may be less than [x]% as negotiated between the hospital and payer.*

# Standard Budget Conditions



## Suggested Motion Language (modify as needed):

Move to approve the Standard Budget Conditions as presented to the Board [with any modifications discussed today] to be included as the default conditions for the FY25 hospital budget orders, subject to any changes to the budget conditions or additional conditions approved by the Board for any specific hospitals.

# Motion to Amend Tabled Motions



## Suggested Motion Language (modify as needed):

I hereby move to amend all tabled motions currently under this Board's consideration that concern either (1) individual hospital budgets or (2) individual hospital enforcement actions, such that the language in these motions conforms to the language taken up by this Board in Paragraph B of the Standard Budget Conditions, as discussed today.

# Suggested Motion Language

## Approve Budget with Modifications (modify language as needed):

Move to approve SVMC's budget with modifications as follows:

1. With FY25 NPR approved at a growth rate of not more than 3.5% over its FY24 approved budget and a commensurate reduction in operating expenses;
2. With FY25 overall change in charge and commercial negotiated rate increases approved at no more than 3.4% over current approved levels (reduced from 3.5%), with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.



# Suggested Motion Language

## Approve Budget with Modifications (modify language as needed):

Move to approve RRMC's budget with modifications as follows:

1. With FY25 NPR approved at a growth rate of not more than 5% over its FY24 approved budget (reduced from 6.1%) and a commensurate reduction in operating expenses;
2. With FY25 **overall change in charge and commercial negotiated rate increases approved at no more than 2.8% over current approved levels**, with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.

# Suggested Motion Language

## Approve Budget with Modifications (modify language as needed):

Move to approve GCH's budget with modifications as follows:

1. With FY25 NPR approved at a growth rate of not more than 6% over its FY24 approved budget (reduced from 12%) and a commensurate reduction in operating expenses;
2. With FY25 **overall change in charge and commercial negotiated rate increases approved at no more than 2.5% over current approved levels**, with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.

# Suggested Motion Language

## Approve Budget with Modifications (modify language as needed):

Move to approve Gifford's budget with modifications as follows:

1. With FY25 NPR approved at a growth rate of not more than 3.5% over its FY24 approved budget (reduced from 8.2%) and a commensurate reduction in operating expenses;
2. With FY25 **overall change in charge and commercial negotiated rate increases approved at no more than 3.4% over current approved levels** (reduced from 6.8%), with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.

# Suggested Motion Language

## Approve Budget with Modifications (modify language as needed):

Move to approve NCH's budget with modifications as follows:

1. With FY25 NPR approved at a growth rate of not more than 1.6% over its FY24 approved budget and a commensurate reduction in operating expenses;
2. With FY25 overall change in charge and commercial negotiated rate increases approved at no more than 3.4% over current approved levels (reduced from 4.7%), with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.

# Suggested Motion Language

## Approve Budget with Modifications (modify language as needed):

Move to approve BMH's budget with modifications as follows:

1. With FY25 NPR approved at a growth rate of not more than 2.5% over its FY24 approved budget and a commensurate reduction in operating expenses;
2. With FY25 overall change in charge and commercial negotiated rate increases approved at no more than 3.4% over current approved levels (reduced from 4.7%), with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.

# Suggested Motion Language

## Approve Budget with Modifications (modify language as needed):

Move to approve NVRH's budget with modifications as follows:

1. With FY25 NPR approved at a growth rate of not more than 3.5% over its FY24 approved budget (reduced from 3.9%) and a commensurate reduction in operating expenses;
2. With FY25 overall change in charge and commercial negotiated rate increases approved at no more than 3.4% over current approved levels (reduced from 4.5%), with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.

# Suggested Motion Language

Approve Budget with Modifications (modify language as needed):

Move to approve Springfield Hospital's budget with modifications as follows:

1. With FY25 NPR approved at a growth rate of not more than 6% over its FY24 approved budget (reduced from 13%) and a commensurate reduction in operating expenses;
2. With FY25 overall change in charge and commercial negotiated rate increases approved at no more than 2.2% over current approved levels, with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.

# Suggested Motion Language

## Approve Budget with Modifications (modify language as needed):

Move to approve UVMCMC's budget with modifications as follows:

1. With FY25 NPR approved at a growth rate of not more than 3.5% over its FY24 approved budget (reduced from 9.3%) and a commensurate reduction in operating expenses;
2. With FY25 overall change in charge and commercial negotiated rate increases approved at no more than 3.4% over current approved levels (reduced from 6.8%), with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.



# Suggested Motion Language

## Approve Budget with Modifications (modify language as needed):

Move to approve CVMC's budget with modifications as follows:

1. With FY25 NPR approved at a growth rate of not more than 6% over its FY24 approved budget (reduced from 11.9%) and a commensurate reduction in operating expenses;
2. With FY25 overall change in charge and commercial negotiated rate increases approved at no more than 3.4% over current approved levels (reduced from 5.5%), with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.

# Suggested Motion Language

## Approve Budget with Modifications (modify language as needed):

Move to approve NMC's budget with modifications as follows:

1. With FY25 NPR approved at a growth rate of not more than 6% over its FY24 approved budget (reduced from 6.8%) and a commensurate reduction in operating expenses;
2. With FY25 **overall change in charge and commercial negotiated rate increases approved at no more than 3.4% over current approved levels** (reduced from 6.4%), with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.

# Suggested New Motion Language



## Approve Budget with Modifications (modify language as needed):

Move to approve NMC's budget with modifications as follows:

1. With FY25 NPR approved at a growth rate of not more than **6.8%** over its FY24 approved budget;
2. With FY25 **overall change in charge and commercial negotiated rate increases approved at no more than 3.4% over current approved levels** (reduced from 6.4%), with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.

# Suggested Motion Language

## Approve Budget with Modifications (modify language as needed):

Move to approve Copley's budget with modifications as follows:

1. With FY25 NPR approved at a growth rate of not more than 6% over its FY24 approved budget (reduced from 11.8%) and a commensurate reduction in operating expenses;
2. With FY25 **overall change in charge and commercial negotiated rate increases approved at no more than 6.4% over current approved levels** (reduced from 10.5%), with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.

# Suggested New Motion Language



Approve Budget with Modifications (modify language as needed):

Move to approve Copley's budget with modifications as follows:

1. With FY25 NPR approved at a growth rate of not more than 6% over its FY24 approved budget (reduced from 11.8%) and a commensurate reduction in operating expenses;
2. With FY25 overall change in charge and commercial negotiated rate increases approved at no more than 3.4% over current approved levels (reduced from 10.5%), with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.

# Suggested Motion Language

## Approve Budget with Modifications (modify language as needed):

Move to approve Porter Medical Center's budget with modifications as follows:

1. With FY25 NPR approved at a growth rate of not more than 3.5% over its FY24 approved budget (reduced from 4.2%) and a commensurate reduction in operating expenses;
2. With FY25 overall change in charge and commercial negotiated rate increases approved at no more than 2.5% over current approved levels, with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.

# Suggested New Motion Language

Approve Budget as Submitted (modify language as needed):

Move to approve Porter Medical Center's budget as follows:

1. With FY25 NPR approved at a growth rate of not more than **4.2%** over its FY24 approved budget;
2. With FY25 **overall change in charge and commercial negotiated rate increases approved at no more than 2.5% over current approved levels**, with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.

# Motion Language - Enforcement

## Suggested Motion Language (modify language as needed):

Finding that RRMC's performance differed substantially from its FY23 budget:

1. Move to deny RRMC's application for retroactive adjustment of its FY23 budget; and
2. Move to enforce this violation by reducing the FY25 **overall change in charge and commercial negotiated rate increases** from **2.8% over current approved levels** to **0.8% under (-0.8%) current approved levels**, with no commercial rate increase for any payer exceeding that amount.



# New Motion Language - Enforcement

## Suggested Motion Language (modify language as needed):

Finding that RRMC's performance differed substantially from its FY23 budget:

1. Move to deny RRMC's application for retroactive adjustment of its FY23 budget; and
2. Move to enforce this **deviation** by reducing the FY25 **overall change in charge and commercial negotiated rate increases** from **2.8% over current approved levels** to **0.4% under (-0.4%) current approved levels**, with no commercial rate increase for any payer exceeding that amount.

# Suggested Motion Language

## Suggested Motion Language (modify language as needed):

Finding that UVMMC's performance differed substantially from its FY23 budget:

1. Move to deny UVMMC's application for retroactive adjustment of its FY23 budget; and
2. Move to enforce this deviation by reducing the FY25 **overall change in charge and commercial negotiated rate increases** from 3.4% over current approved levels to 5.4% under (-5.4%) **current approved levels**, with no commercial rate increase for any payer exceeding that amount.

# Suggested Motion Language

## Suggested Motion Language (modify language as needed):

Finding that Porter's performance differed substantially from its FY23 budget:

1. Move to deny Porter's application for retroactive adjustment of its FY23 budget; and
2. Move to enforce this deviation by reducing the FY25 **overall change in charge and commercial negotiated rate increases** from 2.5% over current approved levels to 8.9% under (-8.9%) **current approved levels**, with no commercial rate increase for any payer exceeding that amount.

# Suggested Motion Language

Approve Budget as Submitted (modify language as needed):

Move to approve Mount Ascutney's budget as submitted:

1. With FY25 NPR approved at a growth rate of not more than 3.2% over its FY24 approved budget;
2. With FY25 overall change in charge and commercial negotiated rate increases approved at no more than 2.2% over current approved levels, with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.

# Suggested New Motion Language

Approve Budget **with Modifications** (modify language as needed):

Move to approve Mount Ascutney's budget **with modifications as follows**:

1. With FY25 NPR approved at a growth rate of not more than 3.2% over its FY24 approved budget (**reduced from 4.3%**) and a **commensurate reduction in operating expenses**;
2. With FY25 **overall change in charge and commercial negotiated rate increases approved at no more than 2.2% over current approved levels**, with no commercial rate increase for any payer exceeding that amount; and
3. Subject to all other standard budget conditions as approved by this Board.