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GMCB ESTABLISHES DATA-DRIVEN HOSPITAL BUDGET GUIDANCE FOR FY25 THAT PROMOTES AFFORDABLE, ACCESSIBLE HEALTHCARE FOR VERMONTERS

Montpelier, VT – Today, the Green Mountain Care Board (GMCB) voted unanimously to establish data-driven [hospital budget guidance for fiscal year 2025](#) (FY25) that promotes affordability and access to care for Vermonters. The FY25 hospital budget guidance builds on GMCB’s work to expand its data-driven budget review process and was developed over a monthslong process with significant input from the public, the Office of the Health Care Advocate, hospital leaders, and industry representatives.

Through the hospital budget guidance, GMCB directs hospitals to limit their FY25 budget net patient revenue growth to 3.5% and to restrain commercial insurance price increases to 3.4%.

“Vermonters are feeling the pain of runaway healthcare costs in their insurance premiums, their property taxes, and in out-of-pocket medical costs,” said Owen Foster, GMCB Chair. “Hospital price increases play a major role, and this year’s guidance sets the expectation that hospital growth should not continue to outpace Vermonters’ ability to cover the tab.”

GMCB considered and evaluated the challenging dynamics across Vermont’s healthcare system in establishing the FY25 hospital budget guidance and determined that hospital growth consistent with reasonable inflationary metrics promotes affordability while ensuring access to high-quality care in Vermont:

- Hospital budget increases are a major driver of health insurance premium growth and in recent years Vermont’s per capita healthcare spending and qualified health plan premiums have significantly outpaced national and regional trends.
- As of 2021, 44% of privately insured Vermonters under 65 were considered underinsured, meaning their medical expenses are more than they can afford ([2021 Vermont Household Health Insurance Survey](#)).
- Rising healthcare costs are contributing to Vermonters’ property tax increases through school budgets. For FY25, health care benefits for school employees are projected to increase 16%+ ([Dept. of Taxes Education Tax Rate Letter](#)).

Hospitals will submit their FY25 budgets to GMCB by July 1, 2024. If a hospital’s budget request exceeds GMCB-established benchmarks, hospitals will need to provide GMCB with credible evidence sufficient to justify the excessive growth. GMCB will consider requests above guidance benchmarks consistent with GMCB’s mission to ensure affordable, accessible, high-quality healthcare.

About: The Green Mountain Care Board (GMCB) is a 5-member, independent Board with a vision of a sustainable and equitable health care system that promotes better health outcomes for Vermonters. The GMCB was created in 2011 with an ambitious mission to drive system-wide improvements in access, affordability, and quality of health care to improve the health of Vermonters. Through public meetings, the GMCB ensures a transparent approach to health care regulation and a





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voice for stakeholders, including health care organizations, clinicians, and members of the public. With a holistic, data driven approach, the GMCB carries out its regulatory duties, supports innovation in health care delivery and payment reform, and serves as an important resource for independent, transparent analyses of Vermont's health care system performance.

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