

FOR IMMEDIATE RELEASE  
September 15, 2023

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## **GMCB ESTABLISHES FY24 HOSPITAL BUDGETS BALANCING AFFORDABILITY AND SUSTAINABILITY**

**Montpelier, VT** – The Green Mountain Care Board (GMCB) approved hospital budget increases of 6.6% system-wide Net Patient Revenue (NPR) over current year projected results, representing an increase of \$218 million in revenue across the 14 community hospitals. The two-year NPR increase (FY22 Actuals - FY24 approved budget) is 18.2% system-wide (\$548 million), compared to the 8.6% guidance set by GMCB. In FY24 decisions, GMCB made adjustments to seven hospitals' budgets to limit the rate increases that impact commercially insured patients, representing a 7.8% reduction (\$145 million) from submitted budgets.

"The hospital price increases are more than double medical inflation over the last two years," said Owen Foster, GMCB Chair. "While we recognize the extreme costs these increases impose on Vermonters, it is important we invest in and support our hospitals. Where appropriate, the Board limited hospital price increases and required additional reporting and planning to promote efficiency and access."

GMCB approved seven hospital's budgets as submitted and required adjustments to seven hospital's budgets, focusing on a reduction in the change in charge and commercial rate increases for those hospitals (see table below).

This year GMCB reviewed each hospital's budget against the revenue growth guidance that GMCB established in its hospital budget guidance, along with the other factors in the guidance and criteria set by statute. In determining which hospitals' budgets warranted reductions, GMCB considered the factors outlined in its hospital budget guidance, including those relating to hospital expense management, standardized pricing, reimbursements, utilization, efficiency, past budget performance, public comment, administrative costs, as well as GMCB's mission to improve access, affordability, and quality.

This year also marked the first year of GMCB's new evidence-based tools to examine expense growth against established national and regional benchmarks. This approach allowed GMCB to evaluate how rising hospital costs impact charges that are passed on to Vermonters with commercial insurance.

<b>Charge Increases</b>					
<b>Hospital</b>	<b>FY23 Approved</b>	<b>FY24 Submitted</b>	<b>FY24 Approved</b>	<b>2-Year Submitted</b>	<b>2-Year Approved</b>
System-Wide	10.5%	10.6%	4.1%	21.1%*	14.6%*
Brattleboro Memorial Hospital	14.6%	1.5%	1.5%	16.1%	16.1%
Central Vermont Medical Center (CVMC)**	10.0%	10.0%	5.0%	20.0%	15.0%



Charge Increases (continued)					
Hospital	FY23 Approved	FY24 Submitted	FY24 Approved	2-Year Submitted	2-Year Approved
Copley Hospital	12.0%	15.0%	8.0%	27.0%	20.0%
Gifford Medical Center	3.7%	3.6%	3.6%	7.3%	7.3%
Grace Cottage Hospital	5.0%	4.0%	4.0%	9.0%	9.0%
Mt Ascutney Hospital and Health Center	4.7%	5.1%	5.1%	9.8%	9.8%
North Country Hospital	12.2%	4.5%	4.0%	16.7%	16.2%
Northeastern Vermont Regional Hospital (NVRH)	10.8%	15.0%	8.0%	25.8%	18.8%
Northwestern Medical Center	9.0%	6.0%	6.0%	15.0%	15.0%
Porter Hospital**	3.5%	5.0%	3.1%	8.5%	6.6%
Rutland Regional Medical Center	17.4%	5.6%	5.6%	23.0%	23.0%
Southwestern Vermont Medical Center	9.5%	6.6%	6.6%	16.1%	16.1%
Springfield Hospital	10.0%	7.0%	6.0%	17.0%	16.0%
University of Vermont Medical Center (UVMHC)**	10.1%	10.0%	3.1%	20.1%	13.2%

\*The 2-year Medicare inpatient market basket growth is 7.0% from FY22-FY24. The 2-year median wage growth in Vermont is 8.6% from CY22-CY24. The weighted system-wide 2-year GMCB-approved charge increases from FY13-FY22 (including mid-year) is 8.8%.

\*\* For FY23, the UVMHCN hospitals used commercial effective rates as their approved rate increases, which were: 12.50% for CVMC, 11.50% for Porter Hospital, and 14.77% for UVMHC.

*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 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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