



Board of Directors

Bruce Bullock, M.D.
Family Medicine, Rutland

Armando Ciampa, M.D.
Pathology, Morrisville

Robert Giering, M.D.
Physical Medicine & Rehabilitation,
Manchester Center

Robert Areson, M.D.
Family Medicine, Richmond

Allison Christie, M.D.
Family Medicine, Morrisville

Philip Kiely, M.D.
Family Medicine, Morrisville

Julie Lin, MD
Dermatology, St. Albans

Susan MacLennan, M.D.
Plastic Surgery, Colchester

Michael Johnson, M.D.
Family Medicine, Williston

Judy Orton, M.D.
Pediatrics, Bennington

Andrew Haig, M.D.
Physical Medicine & Rehabilitation,
Williston & Middlebury

Dan Huber, M.D.
Family Medicine, Middlebury

Jennie Lowell, M.D.
Obstetrics & Gynecology,
South Burlington

David Bisbee, M.D.
Family Medicine, Stowe

David Schwartz, M.D.
Gastroenterology, Colchester

Paul Reiss, M.D.
Chief Medical Officer
Family Medicine, Williston

Staff

Susan Ridzon, M.S.
Executive Director

Rick Dooley, PA-C
Clinical Network Director

March 21, 2023

Dear Chair Foster and Members of the Green Mountain Care Board,

First, we want to acknowledge the very difficult work you and your staff regularly face as regulators and to thank you for your attention on improving the access and affordability of health care in Vermont. We are writing on behalf of our 62 physician-owned primary and specialty care practices to comment on GMCB's FY24 Hospital Budget Guidance.

We acknowledge that we lack expertise on hospital budgeting. We are interested in this topic because we do know that increases in hospital budgets, and payer rates, have downstream negative effects on community-based practices and their patients. As regulated and dominant entities command more system dollars, there is little left to pay sustainable rates to community-based providers who face many of the same headwinds. As a result, independent practices go out of business, as evidenced by the 12 practice closures our network has seen in the past five years. This makes the overall system weaker and worsens health care access and affordability for patients as more care must be provided in higher-cost hospital settings.

While we are aware that hospital budget review is a core function of the GMCB, we struggle to understand how it helps to drive the changes necessary to improve health care access and affordability. We would like to see a process that, at its core, includes an unquestionable focus on these components. The Board discussion surrounding the proposed budget guidelines included mention of access and affordability but the proposed process itself seems focused only on hospital sustainability. Furthermore, the current level of hospital-centricity in our system is not questioned by the budgeting process. Instead, the process seems to assume that we need to sustain hospitals at their current levels, and with hospitals providing care that would be less expensive and more accessible if delivered by non-hospital entities. We would like to see a process that drives us toward a paradigm shift in that regard.

P.O. Box 2124, South Burlington, VT 05407-2124

802-878-8811 (voice) contact@vermonthealthfirst.org www.vermonthealthfirst.org

We would be more confident of positive change if regulatory processes included: a) Measurement and promotion of proven ways to cut costs while improving health b) Measurement and discouragement of low value care and other factors that increase cost, such as consolidation c) Real accountability to access and affordability goals and, d) Consideration of how budgets will impact the sustainability of community-based practices who play a large role in ensuring an accessible and affordable system.

We also urge the use of much more price and cost information into your regulatory processes. We believe this information must be utilized to arrive at a better system as it will provide meaningful insight to where money is going and if it is being spent in line with the needs of the community. As independent practice owners we find Cost Accounting to be a very effective tool to gain insight into the true cost of providing goods and services and to determine whether base budgets are reasonable. We encourage the Board to utilize these tools to help guide decision-making.

Furthermore, we encourage the Board to compare charges and contract rates of provider types across the system. Comparing rates relative to percentage of Medicare will help identify those that may be unjustifiably low or high. This in turn will help the Board set floor and ceiling rates that will promote the accessible, affordable, high-quality health care system we all seek.

Thank you for your consideration.

Sincerely,

HealthFirst Board of Directors