

October 21, 2024

Sent via e-mail

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

On behalf of Southwestern Vermont Medical Center (SVMC), I request formal clarification of the standard budget language, as adopted by the Green Mountain Care Board (GMCB) on September 13, 2024, and included in the 2025 budget orders, released October 1, 2024 (see, Order, Paragraph B, FY2025 Budget Decision and Order). This was first brought up by myself in public comment of the GMCB board meeting on September 6, 2024, as well as an October 3, 2024 letter from Michael Del Trecco from VAHHS on behalf of all Vermont hospitals.

As currently written, setting the “change in charge” and the “commercial negotiated rate increase” to the same percentage does not tie back to the GMCB order with respect to Net Patient Revenue Growth (see Order, Paragraph A, FY2025 Budget Decision and Order). Although the GMCB has approved specific revenue for each organization through the NPR/FRP, those revenue levels will not be reasonably attainable if the change in charge and commercial negotiated rate increase are held to the same percentage. We acknowledge that the Net Patient Revenue Growth is a cap per the GMCB, but the wording in Paragraph B makes reaching the Net Patient Revenue Growth benchmark an impossibility and violates the health care reform principle at 18 V.S.A. § 9371 that “the system... must enable health care professionals to provide, on a solvent basis, effective and efficient health services that are in the public interest.”

This situation is leading to extremely challenging circumstances for SVMC where we are currently not being paid for FY25 claims, pending an agreement to terms for FY25.

This letter is not the first instance of SVMC raising concerns about the lack of clarity pertaining to this language in Paragraph B. In SVMC’s public comment on 9/6/2024, I expressed our concerns related to the deliberations specific to net patient service revenue and specifically asked for SVMC’s budget orders to specify the difference.

SVMC respectfully requests this issue be addressed as soon as possible through the following amendment to Paragraph B:

B. [Hospital]’s ~~overall change in charge and~~ commercial negotiated rate increase is 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.

Thank you for your attention to this matter. Please feel free to contact me for further discussion.

Sincerely,



Robert Laba
Chief Financial Officer
Southwestern Vermont Medical Center