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**FOR IMMEDIATE RELEASE: March 30, 2023**

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**GREEN MOUNTAIN CARE BOARD FINALIZES FY24 HOSPITAL BUDGET GUIDANCE,  
REVIEWS FY22 YEAR-END ACTUALS**

**Montpelier, VT** – On March 29, 2023, the Green Mountain Care Board (GMCB) voted unanimously to approve hospital budget guidance for the 2024 Fiscal Year (FY). The approved hospital budget guidance maintains an ambitious two-year revenue growth cap of 8.6% for Vermont hospitals and adds objective, national benchmarks for evaluating hospital budget requests. The GMCB also reviewed FY22 year-end actuals for Vermont’s 14 community hospitals.

**FY24 Hospital Budget Guidance:** The FY24 guidance is part of a continuing effort to improve the GMCB’s regulation of hospital budgets. Through its hospital budget process, the GMCB measures hospitals’ performance and financial health and controls the growth of hospital spending. Last year, the GMCB adopted a two-year revenue trend, which was carried forward in the FY24 guidance. In accordance with the approved guidance, the GMCB will consider factors driving hospital expense growth, hospitals’ ability to manage those expenses, and how Vermont hospitals perform relative to peers based on national benchmarks.

“This guidance is an important step toward improving our regulatory process to provide for a predictable and evidence-based review of hospital budget requests,” said Owen Foster, Chair of the GMCB. “The GMCB is continually focused on promoting affordability, access, and quality of care for Vermonters. The guidance adopted by the Board allows us to better achieve those goals.”

**FY22 Year-End Actuals:** Vermont hospitals continued to face significant financial challenges. In FY22, 9 out of 14 Vermont hospitals had negative operating margins. Increasing expenses associated with labor and staffing as well as medical supplies continued to stress hospital finances. Increasing labor expenses is a national trend, and “approximately half of U.S. hospitals finished [2022] with a negative margin as growth in expenses outpaced revenue increases,” according to a report by Kaufman Hall.<sup>1</sup>

Due to the financial results and outlook for the hospital sector in Vermont and nationally, the GMCB declined to pursue any enforcement action based on FY22 performance.

*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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<sup>1</sup> [Kaufman Hall, January 2023. National Hospital Flash Report.](#)

