

May 24, 2023

Green Mountain Care Board

Attention: GMCB Members

144 State St.

Montpelier, VT 05602

Dear Members of the Green Mountain Care Board,

As President and COO of Central Vermont Medical Center, I wish to address the GMCB's proposed FY24 budget guidance, which has significant implications for the delivery of quality healthcare services to our communities.

The FY24 budget guidance, with its effective statewide hospital growth rate of 0.1%, has left us deeply concerned. Amidst rising costs due to national staffing shortages, increased inflation, and an amplified demand for patient care, this guidance threatens our ability to maintain the necessary levels of service and care our community needs.

The 2-year 8.6% net patient service revenue (NPSR) growth rate does not keep pace with the escalating operational expenses we are encountering. Costs associated with salary inflation, contract labor, and pharmaceutical increases, particularly for oncology and specialty drugs, are soaring. In light of an 8% general inflation rate, even the procurement of basic supplies now demands a significant portion of our budget.

Nevertheless, we continue to uphold the highest standards of patient care. CVMC, the largest employer in Central Vermont, is deeply invested in our community. Our dedication to providing excellent care has been acknowledged on a national level, with CVMC receiving a five-star rating from the Centers for Medicare & Medicaid Services for the third consecutive year, and recognized by U.S. News & World Report for our high quality orthopedic and pulmonary care.

Since 2018, we have responded with innovative workforce development programs in an attempt to address the national workforce shortage. These programs were developed in partnership with Community College of Vermont and Vermont Technical College. These initiatives are essential to cultivating our own frontline caregivers, while helping to remove common barriers to education and workforce entry.

However, without a reconsideration of the NPSR growth rate, our statewide system of not-for-profit hospitals risk an estimated \$82 million operating loss. This would further destabilize our health system, undermining our ability to hire and retain staff, meet increasing patient needs, and invest in resources that are crucial for maintaining our services.

Here at CVMC, one area where these financial pressures are most evident is our Emergency Department (ED), which has become the "go-to" resource for our community's most vulnerable members. Our ED is increasingly shouldering the burden of providing care for patients with complex health issues, as well as addressing the intersecting crises of mental health, substance use, homelessness, and food insecurity.

For some psychiatric patients, our ED has transformed into a boarding facility, hosting individuals for weeks after medical clearance, due to a lack of more appropriate post-discharge care settings. This situation strains our resources and personnel and underscores the dire need for sufficient funding.

We strongly urge the GMCB to reconsider its FY24 budget guidance. A budget process that allows us to construct sound, responsible, and expertly developed budgets that place our patients and community needs first is critical. If we are compelled to operate under a guidance that does not account for our increasing costs, we risk jeopardizing the essential services we provide to our already vulnerable institutions and communities.

In closing, we respectfully request your thoughtful consideration of the proposed guidance's far-reaching implications. As a community health system, our mission to provide quality care amid escalating costs and growing demand is profoundly challenged. The future health and wellbeing of central Vermonters depends upon your willingness to reassess this guidance.

Respectfully,

Anna Tempesta Noonan, RN, BSN, MS

President and COO

Central Vermont Medical Center

University of Vermont Health Network