



May 23, 2023

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

I am writing on behalf of our 62 physician-owned primary and specialty care practices to comment on VAHHS's request for amendment to FY2024 hospital budget guidance. As noted in our March [comments](#), 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, these high value providers go out of business, making the overall system weaker and worsening healthcare access and affordability for patients as more care must be provided in higher-cost hospital settings. This is one reason why we urge the GMCB to limit the continued growth of hospital budgets, as outlined in the FY2024 Hospital Budget Guidance.

Continued hospital budget growth is unsustainable for Vermonters so it's imperative that we work toward a more efficient system that is free of unnecessary administrative costs, waste, and low value and avoidable care. Requiring hospitals to stay within their budgetary constraints will help to promote such efficiency. Independent practices, small businesses, and every day Vermonters have all had to make do with less over the past several years as most of us haven't seen anywhere near the budget growth awarded to hospitals. Certainly, there are opportunities for hospitals to decrease unnecessary spending and to operate more efficiently.

We acknowledge how difficult it is to improve access to affordable, high-quality healthcare while also ensuring the sustainability of Vermont's much needed hospitals and community providers. Indeed, that is a delicate balance to achieve. We thank you for your hard work on the board in pursuit of these goals.

Sincerely,

Susan Ridzon
Executive Director
HealthFirst