



Springfield Hospital

Where People Come First

May 24, 2023

Owen Foster, Chair
Green Mountain Care Board

RE: 2024 Budget Guidance Issued to Vermont Hospitals

Dear Chair Foster,

I am writing on behalf of the Springfield Hospital Board of Directors to express my concern with the 2024 Budget Guidance issued to Vermont hospitals.

As you know, Springfield Hospital has come through some very challenging times and, while still in a very fragile financial position, we have accomplished a remarkable recovery over the past 24 months. That said, important and critical work remains.

The 8.6% two-year budget cap quite frankly is an unachievable goal and does not align with the needs of Springfield Hospital as it works to prepare a sustainable budget. The relentless challenge of balancing high inflation, unbudgeted supply chain increases, extraordinary traveler costs, increasing labor and benefits costs, and mounting pharmaceutical costs with ongoing volume volatility requires strict daily management. Most of these climbing expenses are simply beyond our control.

We share the GMCB's goal of hospital sustainability, for Springfield Hospital and all Vermont hospitals. We are proud of the progress we've made to date but remain cognizant of the need to strengthen our fragile financial condition while we operate in an unpredictable environment.

We strongly urge the Board's recognition and agreement that flexibility in budget guidance is absolutely critical given the unprecedented financial and workforce pressures hospitals are currently facing.

We must have the ability to forecast what we believe is a realistic operating budget – one that is responsive to our communities' needs and allows us to fulfill our fiduciary responsibilities.

Respectfully,

James Rumrill
Springfield Hospital
Board Chair