



May 30, 2023

Mr. Owen Foster, Chair
Green Mountain Care Board
144 State St.
Montpelier, VT 05602

Dear Chair Foster,

Thank you for the opportunity to provide comment on the FY 2024 Hospital Budget Guidance and Reporting Requirements.

I serve as CEO of Northern Counties Health Care, a federally qualified health center and home health and hospice agency in Vermont's Northeast Kingdom. Also, I am a board member of the Vermont Association of Hospitals and Health Systems. I write to express my concern about the FY 2024 Hospital Budget Guidance and Reporting Requirements that may not allow for a positive operating margin.

Vermont's system of care relies upon hospitals to both treat Vermonters and serve as stable partners to the rest of the local health care system. Regulatory decisions that place hospitals on an unsustainable financial path, including negative operating margins, will eventually destabilize those hospitals and have a negative impact on the entire health care ecosystem.

While my organization does not operate a hospital, we face many similar challenges: an unprecedented rise in staff costs, outrageous rates for contract staff, and huge increases to the costs of materials and supplies. These costs are, by and large, set by regional and national economic forces that operate independent of Vermont's regulatory system. I worry that the tension between market costs and local policy goals could result in a crisis at one of our local hospitals. Also, I worry that the hospital budget guidance drives the overall statewide policy conversation in an unhelpful way. It pits hospitals against everyone whose rates are not set by the Green Mountain Care Board, which obscures what should be our common goal: sufficient payment and collaboration to ensure the survival of a rural health care system.

Thank you for your consideration.

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