



# 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'm writing to share my thoughts and concerns regarding the Green Mountain Care Board's 2024 Budget Guidance.

As I am sure you are aware, Hospitals across the country are now in critical financial jeopardy, including half of the hospitals in Vermont. Springfield Hospital knows that threat firsthand — and we have experience with the realities of Chapter 11.

It is with this perspective, and experience with daily operational realities, that I believe it is imperative that the State of Vermont take action to provide financial relief and support to the State's essential healthcare infrastructure.

The two-year 8.6% NPR budget cap initiated last year is unrealistic given the current economic realities. For example, through six months of FY23, Springfield Hospital continues to face expense challenges that are outside of our control. Some of these variances to budget include 21% in equipment repair costs, 7.2% in maintenance and repairs, 21.5% in traveler costs, 18.2% insurance expense, and 14.1% interest expense.

In addition, over recent years, we have postponed capital improvement that we now find are critical necessities for the coming year. Equipment and building updates are good examples of essential improvements that will place downward pressure on our days cash on hand.

These are just some examples of challenges in operating a Critical Access Hospital in today's world. And while operations are challenging, budgeting is even more so when faced with volatility in the market, increases beyond your control, and Net Patient Service Revenue caps that restrict our ability to recover costs.

On behalf of the Springfield Hospital team and the communities we serve, please reconsider the 8.6% two-year budget cap and allow us to prepare a budget that we believe is operationally sound and allows us to continue our journey to sustainability.

Thank you,

Robert S. Adcock, CEO  
Springfield Hospital