

From: [Barrett, Susan](#)
To: [Berube, Alena](#); [Hengstler, Mark](#)
Cc: [Foster, Owen](#); [LaJeunesse, Kristen](#)
Subject: FW: Request from UVMHC CFO
Date: Thursday, September 12, 2024 5:22:09 PM
Attachments: [FY23 Enforcement options.xlsx](#)

Sharing with Mark and Alena, I didn't see them on the original email.

From: Peek-Lee, Judy <Judy.PEEK-Lee@uvmhealth.org>
Sent: Thursday, September 12, 2024 4:42 PM
To: GMCB - Board <GMCB.Board@vermont.gov>; Foster, Owen <Owen.Foster@vermont.gov>; Holmes, Jessica A. <Jessica.A.Holmes@vermont.gov>; Lunge, Robin <Robin.Lunge@vermont.gov>; Walsh, Thom <Thom.Walsh@vermont.gov>; Murman, David <David.Murman@vermont.gov>; Barrett, Susan <Susan.Barrett@vermont.gov>; LaJeunesse, Kristen <Kristen.Lajeunesse@vermont.gov>; hcapolicyteam@vtlegalaid.org
Cc: Leffler, Stephen M. <Stephen.Leffler@uvmhealth.org>
Subject: Request from UVMHC CFO

EXTERNAL SENDER: Do not open attachments or click on links unless you recognize and trust the sender.

Dear Members of the Green Mountain Care Board,

I am writing this email to respectfully request a review of process options related to the FY25 budget and FY23 potential enforcement.

I have reviewed UVMHC's financials for opportunities to improve the organization's financial health since my arrival in October 2022. FY22 was a shock to the healthcare system in Vermont in terms of the losses that were incurred. From that point, we were charged with providing more care and stabilizing our financial health to ensure UVMHC would be here to meet the health needs of Vermonters.

I took this charge to heart and while only here a few months when we began building the FY23 budget, I was impressed by the diligence of the care teams to work to provide additional access to patients seeking services in our hospital. The FY23 budget that was submitted was going to be difficult to achieve and I knew we had major work in front of us. We did the work to open access and in doing so, expenses also increased. At that time costs were rising with inflation on supplies and other expense areas and wage pressures were mounting making the care delivery system more costly. In the FY23 budget hearing, President, Dr. Stephen Leffler, testified to these costs and to the increase in demand for services we were already seeing.

I do not think I could have ever predicted the increase in demand to the levels we saw. Nor could I have budgeted for other payor improvements as they were not in place at the time of submission. We did provide the monthly uploads of financials to ensure transparency and tracking and also provided a FY23 projection in the March-June 2023 quarterly reporting to GMCB through the

Adaptive system. This projection reflected our best estimate of year-end financial status and also provided a narrative as to the drivers. We projected in this quarterly reporting period an NPR+FPP of \$1,722,229,850. We ended FY23 with \$ 1,739,015,783 in NPR+FPP, less than a 1% from our projection conveyed in our submission for Q2 FY23.

The transparency has been a commitment and is reflected in the information provided. As previously indicated, we also saw a rise in provider tax on this additional NPR as well as the associated rise in costs directly related to delivery of care.

I will say that I was proud of what we had done to start to open access and to begin to stabilize the financials for not only UVMMC but for the healthcare system of Vermont.

It is with your help we can work to improve affordability and access by opening up options outside hospital walls to provide care in lower cost settings, but we need a path and strategy forward before destabilizing the current system in place.

With this in mind, I have spent my hours in the last days seeking to understand the current staff recommendations and the Board's current motions for FY23 enforcement and FY25 implementation. I indicated in the September 11, 2024 hearing that I appreciated the Board looking at a 2-year implementation period.

I, along with President Dr. Stephen Leffler, previously appealed to the GMCB Members to allow UVMMC to retain the overage in NPR since it was obtained solely from the volume of care provided and such retention is allowed under the enforcement rule.

It is still our hope that you will waive enforcement since the delivery of care was in the best interest of our communities and state as a whole.

I have further reviewed the FY24 financials and the FY25 budget submission and do have serious concerns about the rapid deployment of rate reduction below zero and NPR % cap in the currently tabled motion. If waiving as requested is untenable, I request that the staff and board members of the Green Mountain Care Board consider some of the options I have listed below and demonstrated in the attached document. I believe that we can create a better path that is less detrimental to the healthcare needed in Vermont.

In the attachment you will see tabs starting right to left:

- Tab: Enforcement per 09 11 motion
- Tab: Enforcement 1 (Enforcement on Commercial portion only)
- Tab: Enforcement 2 (Allow for 1% variance as per GMCB prevue)
- Tab: Enforcement 3 (Allow for 0% to 50% enforcement as GMCB has for other hospitals subject to Enforcement)

I appreciate your consideration and look forward collaborative work to enhance healthcare access and quality for the communities we serve.

With sincerity,

Judy Peek-Lee

Judy Peek-Lee

Chief Financial Officer

The University of Vermont Health Network-The University of Vermont Medical Center

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Judy Peek Lee

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