



Owen Foster, Chair
Green Mountain Care Board
Via email to GMCB.Board@Vermont.Gov

May 24, 2023

Dear Chair Foster:

The Vermont Medical Society (VMS) submits these comments in response to the FY24 Hospital Budget Guidance. VMS is the largest physician membership organization in the state, representing over 2400 physicians, physician assistants and medical students across all specialties and geographic locations. The mission of the VMS is to optimize the health of all Vermonters and the health care environment in which Vermont physicians and physician assistants practice medicine.

Because we represent individual clinicians in all practice settings rather than employers or employer types, we have rarely commented on the hospital budget process. However, we submit these comments this year with concern for the FY24 Hospital Budget Guidance, which would set a 2-year 8.6% net patient service revenue (NPSR) growth rate with only a .1% growth rate for FY24.

All medical practices have faced unprecedented financial and workforce pressures in the past few years. Labor costs have escalated, waves of respiratory illnesses - not just COVID-19- have forced in-patient and out-patient practices to expand capacity, and patients are presenting with increasing mental health and chronic health needs. We support the efforts of AHS and the GMCB to work towards longer term sustainable payment models for hospitals and other clinical services. However, in the short term, our hospitals need to remain available to address the range of Vermonter's acute, specialty and primary care medical needs. We are concerned that an unsustainably low growth target will force hospitals to reduce real clinical services exacerbating issues the state has worked hard to address, like ED wait times for mental health services and wait times for specialty care. We also note that in many areas of the state hospitals own and operate primary care practices, meaning that unsustainable hospital budgets also jeopardize primary care services as well as other critical but historically money losing services such as obstetrics and psychiatry.

We urge the GMCB to work with the hospitals to create a more workable budget framework for FY24 while also continuing to work towards longer term payment models that balance the resource needs of the entire health care system.

Please let me know if you have any questions or need additional information.

Sincerely,

A handwritten signature in cursive script that reads "Jessa Barnard".

Jessa Barnard
Executive Director