

May 26, 2023

Owen Foster, J.D., Chair  
Jessica Holmes, Ph.D.  
Robin Lunge, J.D., MHCDS  
David Murman, M.D.  
Thom Walsh, Ph.D., MS, MSPT

Green Mountain Care Board  
144 State Street  
Montpelier, VT 05620

Dear Members of the Green Mountain Care Board,

Blue Cross and Blue Shield of Vermont urges you to consider the impact of increasing the hospital budget guidance on our state's employers and Vermont families who pay these bills. Hospital budgets and the corresponding commercial prices for inpatient and outpatient services and drugs are the main factor driving premium increases. Individuals and employers with commercial health insurance directly bear the financial burden of covering these escalating costs.

Health insurance premiums are the total medical and administrative costs calculated by actuaries for the covered population in a year. The single largest expense – approximately 40% of each premium dollar – in our state health care system is the amount charged by hospitals for their services. Over the past two years, the hospital budget increases approved by the Green Mountain Care Board have accounted for the majority of the rate increases for the Vermonters who pay for health care.

Every household and Vermont employer is struggling with the same economic factors – inflation and workforce challenges – and must manage both the revenue and expense sides of their budgets. On behalf of Vermonters, we are asking you to please balance the hospital budget increases that are considered today with the out-of-pocket costs for patients, claims costs for employers, and the premium increases that will follow this decision.

Sincerely,

Sara Teachout  
Corporate Director, Government and Media Relations