

March 29, 2022

Kevin Mullin, Chair, Green Mountain Care Board  
via email

Hello Chair Mullin and Green Mountain Care Board Members:

I am writing to follow up on the GMCB's ongoing budget guidance discussion.

### Wait Times

In the VAHHS press conference on February 16, hospitals readily acknowledged the importance of Vermonters not waiting too long to receive the care they need. We stand ready to work with the GMCB on addressing this challenge but hope to do so in the most productive and valuable way.

As we expressed in both a previous letter and public comment, hospitals continue to be extremely busy with daily operations alongside their regulatory obligations. Therefore, any new reporting on wait times for specialty care should not be rushed into budget guidance. Instead, it would be a better use of time and resources to develop a process to identify the best and most productive information to collect.

There are simply too many variables, many of which have already been named, to sort through before quickly deciding on which measures to solicit from hospitals and in what time frame. For that reason, and to ensure hospitals are not burdened by gathering inconsistent or unhelpful information, it would be best to work through a collaborative process rather than impose new requirements as part of FY2023 budget submissions.

Hospitals continue to be challenged by workforce shortages and ongoing pandemic recovery work. Efforts to streamline and simplify the budget guidance are much appreciated, especially in areas where new mandates like wait time data need more careful consideration.

### Other Sections of the Guidance

We appreciate that each year during the guidance process there is a good faith attempt to: 1) explain how the data collected will be used in the budget decision making process and 2) minimize new or additive sections. This year, the draft guidance has expanded to include two multi-part items related to ACO reporting and supplemental data reporting. Specifically:

- The supplemental data section asks many specific questions related to market share, variation and demographics. It does not seem necessary for all hospitals to complete all of this work. A helpful adjustment would be to give hospitals the flexibility to discuss these factors if they materially affect budget development.
- The extensive "value-based care participation" section could be shortened to focus on the most important or valuable elements.

We also believe HCA questions should be limited to those that are relevant and not duplicative. Many of the HCA inquiries are answered during budget presentations and/or within the hospital narratives.

Proposed Change to Budget Amendments and Adjustments Policy

The Hospital Budget Statute, 18 VSA Section 9456(f), sets the standard for any amendment to an established budget to be based upon a showing of “exceptional or unforeseen circumstances.”

The Board’s proposed amendment to the Budget Amendments and Adjustments Policy, incorporated in the Appendices to the FY2023 Hospital Budget Guidance, would require hospitals—without statutory authority—to take prior action to notify “applicable” private commercial insurers before seeking any budget amendment which includes a rate adjustment request.

The Board’s decision-making jurisdiction is to determine whether the request is supported by exceptional or unforeseen circumstances—not whether private third-party insurers will support it. Such a requirement establishes new arbitrary barriers to budget and rate relief and promotes the interests of commercial insurers, which are not a party to the hospital budget process, over the interests of hospitals. The requirement seeks to have the Board interfere directly with private proprietary agreements, which would tip negotiating leverage to commercial insurers and fall outside the Board’s statutory review standard.

Thank you for listening. We look forward to discussing this further.

Sincerely,



Jeff Tieman  
President & CEO, VAHHS