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Name

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Town/City

South Burlington

Topic

Hospital Budgets

Comment

Dear Chair Mullin and Members of the Green Mountain Care Board, Business Resource Services does not support the Green Mountain Care Board's approval of any mid-year hospital rate increases. As a Distributor of a Medical Captive Insurance Plan to hundreds of Vermont employers, we have an intimate view of the instability and harm that mid-year increases would inject into our plan, the participating employers and their employees in that plan.

The hospital budgeting process is designed to permit hospitals, their contractors and their customers to plan for the year. In addition, this process allows them to maintain reserves and surpluses to tide them over should any unforeseen conditions occur, such as those they are experiencing now. The multiplying effects of hospital rate increases should not be underestimated – they ultimately affect every Vermonter – individuals purchasing health insurance, those without health insurance, employers offering health insurance, and their employees. These Vermonters are also struggling with the very same issues that hospitals are, but without the scale, expertise and reserves to support them.

Large and small businesses across the State, from bookstores and corner groceries, to manufacturers and restaurants, as well as the community non-profits that provide critical services to our neighbors do not have these extra resources and are each grappling with crushing inflation and a changing labor force. These organizations are making adjustments for this changing landscape other than simply passing along these costs to their customers. We cannot ask them to shoulder an additional, unplanned 10% increase in their health care costs. Doing so will affect our collective ability to recover at this crucial time amid so much uncertainty.

A mid-year hospital rate increase would require all of our organizations and participants in our captive medical plan to absorb significant unanticipated claim costs – at the same time they are dealing with their own similar, and often times more significant, industry pressures including, availability and cost of staff, availability and cost of materials, Covid disruption, and inflation. These are not the Vermonters we should be asking to bail out the hospitals. We should require hospitals to manage their businesses as others do, particularly considering the reserves, surplus accumulations, administrative staffing and financial expertise they possess.

Considering the above impacts, the GMCB should not entertain mid-year hospital rate increases. However, if it does, the review should be no less rigorous than the standard hospital budget process.

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Yes