

From: John Baumann
Sent: Monday, March 28, 2022 11:18 AM
Subject: UVM Rate Increase Request

Dear Chair Mullin and Members of the Green Mountain Care Board,

I am very concerned to hear about UVM Medical Center's request to increase their rates as of April 1st. After already facing a significant double digit increase in our health care cost when we renewed our 2022 insurance coverages, to permit UVM to increase their rates mid-year after the rates were established and used by the healthcare industry and insurers would be unfair and inequitable to struggling Vermonters and Vermont Businesses. The premiums set for our health insurance plan are predicated on expected claim costs projected on the rates approved by the GMCB for the year, to change those rates midyear after negotiating and establishing our premiums, will drastically impact our claims costs and ability to manage the 2022 healthcare costs that are already out of control each time we face renewal.

I do not understand how UVM's request (or any hospital's request) can even be considered at this point in time. If you allow UVM to increase their rates, I would expect every other healthcare provider to follow suit as well, which will just further exacerbate the unmanageable challenges associated with continuing to afford and manage the cost of health care benefits for our employees and their families. All Vermont businesses have to continually adjust to the changing landscape in our markets, and we expect hospitals to do the same – particularly in light of the profits and significant reserves they maintain. If only the rest of the Vermont businesses had the luxury of just fixing their managerial and operational challenges with the ability to increase their rates and revenues after negotiating contracts and agreeing to rates that are established.

By allowing these rates to increase, after contracts and renewals have been negotiated will also send a very clear message to Vermont businesses that we can't even rely on the outrageous rate increases we see upon open enrollment and renewal and just provide a further disincentive for businesses to even attempt to try and continue providing healthcare coverage to our employees and families knowing that we can't even truly rely on the rates approved by GMCB annually. This is not the message that GMCB wants to be sending to struggling Vermont businesses and will be a grave error in judgement that businesses, taxpayers, and voters won't forget.

Please do not allow any limited remaining confidences we struggle to maintain in Vermont's handling and management of the healthcare industry to be further diminished by allowing this, which ultimately is on the backs of Vermonters and Vermont businesses.

Thank you for your time and consideration.

John W. Baumann
Vice President | Chief Financial Officer

DuBois & King, Inc.