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GREEN MOUNTAIN CARE BOARD ANNOUNCES 2017 HOSPITAL BUDGET DECISIONS

Montpelier, VT - The GMCB announced their hospital budget decisions today for Vermont's 14 community hospitals. The FY 2017 budgets are effective October 1st. The Hospitals initially requested a 5% or roughly \$114-million-dollar increase to health care costs within our state. After a thorough review, the Board approved a 3.9% Net Patient Revenue increase. The Board made reductions to budgets for volume overages and bad debt and free care estimates, and adjusted for the hospitals' physician acquisition dollars.

"Vermonters struggling to afford insurance or pay expensive co-pays will not be comforted by talk of multi-million dollar reductions", said Board Chair Al Gobeille, "but we must remember these increases are historical lows. The four-year average hospital net patient growth of 3.3% allowed for the hospitals' low commercial health insurance price increase of 1.75%."

This regulatory work, combined with the Board's commercial insurance rate review, has reduced the premium inflation that Vermonters face when compared to the double-digit growth experienced nationally. For example, MVP's average annual 3% increase over the past two years in the individual and small group market is a direct reflection on this work. As a result, Vermont's rate of premium inflation is one of the lowest in the nation. In fact, this year Vermonters will see one of MVP's silver plans cost less, in real dollar terms than the year before.

Volume of services will continue to be a major driver of health care expenditures and the Board and providers will continue to work together to ensure a system that rewards high quality rather than just volume.

For more information on the GMCB hospital budget review process, including submissions from each hospital and their responses to GMCB questions on those submissions, see the GMCB website: <http://gmcboard.vermont.gov/hospital-budget>.



Vermont Hospitals Commercial Rate (price) Trends

