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**FOR IMMEDIATE RELEASE: September 14, 2017**

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### **GREEN MOUNTAIN CARE BOARD SETS FY 2018 HOSPITAL BUDGETS BELOW TARGETED INCREASE**

**Montpelier, VT** - The Green Mountain Care Board (GMCB) today approved FY 2018 budgets for Vermont's 14 community hospitals. The Board provided the hospitals with instructions this spring that outlined budget parameters and guidelines for their submissions, and targeted a net patient revenue (NPR) cap of 3.0% over FY 2017 budgets, and an additional 0.4% allowance for new health care reform activities. The 14 hospitals' initial July 1<sup>st</sup> requested increase in NPR was 3.6%, or a roughly \$87M increase to health care costs within our state. After a thorough review and public discussion, the Board approved a system-wide increase in NPR of 3.01%, and a weighted average rate increase of 2.08%.

"I was pleased to see that many of the hospitals' budget submissions were below our requested net patient revenue cap, while also making investments that will improve the quality of care for patients," said Board Chair Kevin Mullin. "While this year's increases continue the trend of historically low growth, I believe there is much still to do to make health care more affordable and accessible for Vermonters, and to continue to improve the quality of care Vermonters receive at our hospitals."

Over the last several years, the Board has worked to align its regulatory processes in an effort to control costs that impact Vermont health care consumers, in part by adjusting commercial insurance rate increases to more directly reflect the slowed growth of hospital budgets. In August, the Board ordered that insurers offering coverage on Vermont's health benefit exchange further trim their proposed rates for 2018, resulting in increases well below the double-digit rate growth many other states are facing.

The Board will continue to work with the Agency of Human Services, providers, payers, members of the public and their advocates to monitor and contain health care spending as the State moves away from a fee-for-service reimbursement model to a value-based model as outlined in the All-Payer ACO Model Agreement, which begins its first full year of implementation on January 1, 2018.

Written hospital budget orders, detailing the Board's decisions, will be issued no later than October 1st. 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/content/fy-2018-hospital-budget>

