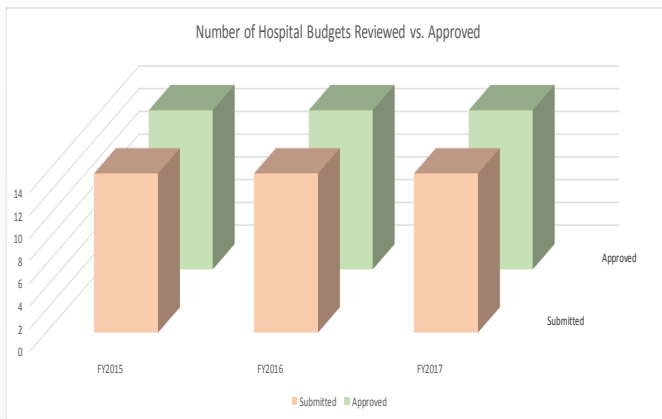


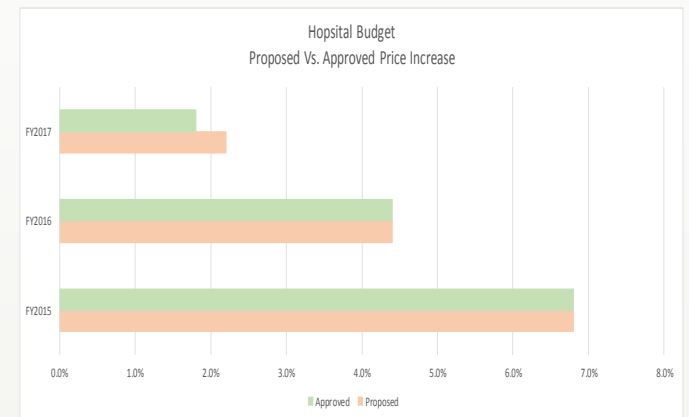
Results Base Accountability

Hospital Budget Review

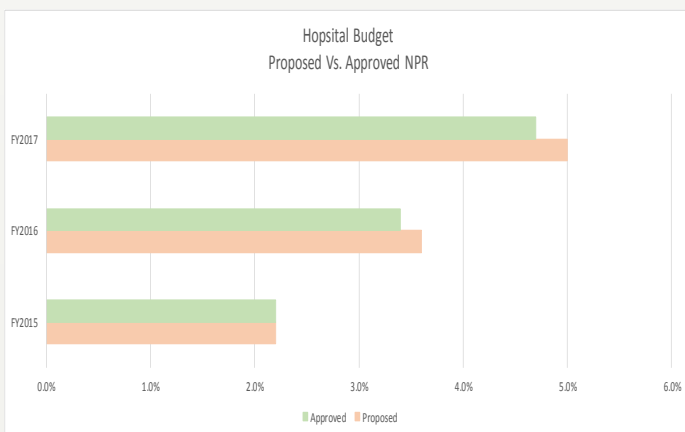
In 2013, the GMCB implemented a set of principles to govern the hospital budget review process for federal fiscal years 2014 through 2016. These policies have been updated by the Board for FY17, establishing a net patient revenue (NPR) target rate of 3.0% overall for hospital rate increases and an additional NPR allowance for FY17 of up to 0.4% for “credible health reform proposals.” NPR is a key indicator used to assess changes in hospital budgets because it closely tracks hospital expenditures - NPR includes payments received from patients, government, and insurers for patient care, but does not include hospital revenues from activities such as cafeterias, parking, and philanthropy. Annual hospital commercial weighted average rate increases have continued to slow, which has a direct effect on insurance rate increases, and a positive impact on the Vermont economy.



The Green Mountain Care Board reviews hospital budgets for all 14 hospital systems in Vermont.



GMCB limits hospital budget net patient revenue growth using a target of 3.5% overall. This includes both price and utilization change.



Limiting annual hospital rate (price) increases will save Vermonters an estimated \$4 million in federal fiscal year 2017.