



**Vermont Association of
Hospitals and Health Systems**

House Committee on General, Housing, and Military Affairs
State of Vermont
115 State Street
Montpelier, VT 05633-5301

Sent via email to: rwild@leg.state.vt.us

RE: VAHHS Comments on S.23, an Act Related to Increasing the Minimum Wage

Dear Chair Stevens:

Thank you for the opportunity to comment on S.23, an act related to increasing the minimum wage. The Vermont Association of Hospitals and Health Systems represents all of Vermont's hospitals, which are 100 percent nonprofit. Vermont's hospitals are open 24 hours each and every day to take care of Vermonters. Our hospitals strive to give Vermonters the best possible medical care.

We appreciate that livable wages contribute to better health outcomes for Vermonters. We embrace the need for enhanced financial sustainability for our workforce.

For this initiative to succeed, hospitals and other health care providers need the state of Vermont as a payer and partner on these issues by funding Medicaid to reflect the costs of the minimum wage increase.

We estimate that the minimum wage increase would impact several of Vermont's hospitals up to \$2 million. The hospitals seeing the largest impact of \$2 million are small rural hospitals. Our approximation takes into account compression calculations for staff in other pay brackets and their associated benefits.

Vermont hospitals are grappling with the ongoing \$15 million in cuts over the past few years to Medicaid funding. Our state's hospitals are also managing the mental health and the opioid crises which is adding significant non-reimbursed expenses to ongoing operations.

Vermont's hospitals cannot sustain further economic pressure and still meet expectations set by patients, families, the community, and regulators while also investing in health reform, public health and better facilities and equipment. Vermont's hospitals ask that the State of Vermont partner with us on the minimum wage increase through providing commensurate Medicaid funding.

Sincerely,

Devon Green
Vice President of Government Relations
Vermont Association of Hospitals and Health Systems