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January 13, 2022

Chairs Lyons and Lippert
Senate Health & Welfare and House Health Care Committees

RE: Act 6 Discussion

Dear Chairs Lyons and Lippert and the members of Senate Health & Welfare and House Health Care Committees,

The Green Mountain Care Board generally supports the Act 6 provisions being discussed. For provisions related to the GMCB, I would recommend extending the provisions only through the end of calendar year 2022 for flexibility in the regulatory process.

Previous flexibility granted to the GMCB through **2020 Act 91, Section 5** has worked well during these trying times (see the bottom of page 1 on [Jennifer Carbee's chart](#)). Using this flexibility, the GMCB was able to react to the ongoing COVID-19 pandemic through our hospital budget process by removing the non-financial aspects of the process, shortening the time frame, and reducing reporting requirements for hospitals. Looking ahead, we anticipate applying flexibility to the Certificate of Need process in light of the backlog of projects that were put on hold due to the pandemic. Without reinstating these flexibilities, the GMCB will not have the ability to adjust regulatory deadlines which are set in statute and rule.

When reviewing the [coalition of health care associations leaders' letter](#) to you there is one area that we don't support located at the top of page 2:

- “(b) For hospital budget review, the Green Mountain Care Board shall exempt hospital investments in order to meet labor demands from the budget-to-actual reconciliation process or any budget caps.”

Speaking as one member of the Board only, I believe this language is unnecessary and could result in unintended consequences if there is a blanket exemption for dollars spent on retention and recruitment. The Board always considers factors such as the workforce shortage in our decisions, and this language would limit our ability to fully evaluate a hospital's budget. Specifically, my concerns are that:

- This language would prevent the GMCB from considering how a change in revenue interplays with increased expenses related to workforce investment. For example, some of the workforce investment expense might be offset if there is an increase in volume due to pent up demand for health care services.



- Affordability is one of the triple aims of health care reform in Vermont. This language could impact the Board's decisions regarding changes in charge. Expenses related to the work force could be placed on the backs of a subset of health care consumers – the commercially insured – because workforce investment costs would be offset through premium rate increases. An unintended consequence could be more people dropping coverage or choosing coverage that has high deductibles and copays.

In sum, the GMCB supports flexibility but not rigid language that could result in unintended consequences.

We have a meeting scheduled tomorrow morning with VAHHS leadership per your request.

Sincerely,

Kevin Mullin
Green Mountain Care Board

