

Green Mountain Care Board

Owen Foster, Board Chair

Jean Stetter, Administrative Services Director

March 26, 2024



About Us

- Established in 2011 (Act 48)
- 5 Board Members
- 6-Year Staggered Terms
- The GMCB is an independent Board that is part of state government
- Quasi-judicial

THE BOARD & EXECUTIVE DIRECTOR



Owen Foster, JD
GMCB Chair



Jessica Holmes, PhD
GMCB Member



Robin Lunge, JD, MHCDS
GMCB Member



David Murman, MD
GMCB Member



Thom Walsh,
PhD, MS, MSPT
GMCB Member



Susan Barrett, JD
GMCB Executive Director

Guiding Values



Non-Partisan

Six-year terms which span gubernatorial election cycles

Transparent

Decisions and supporting analysis conducted in public

System-wide View

Integrated regulatory approach to account for cross-system impacts

Public-Interest

Informed by agency partners, a broad spectrum of stakeholders, and public

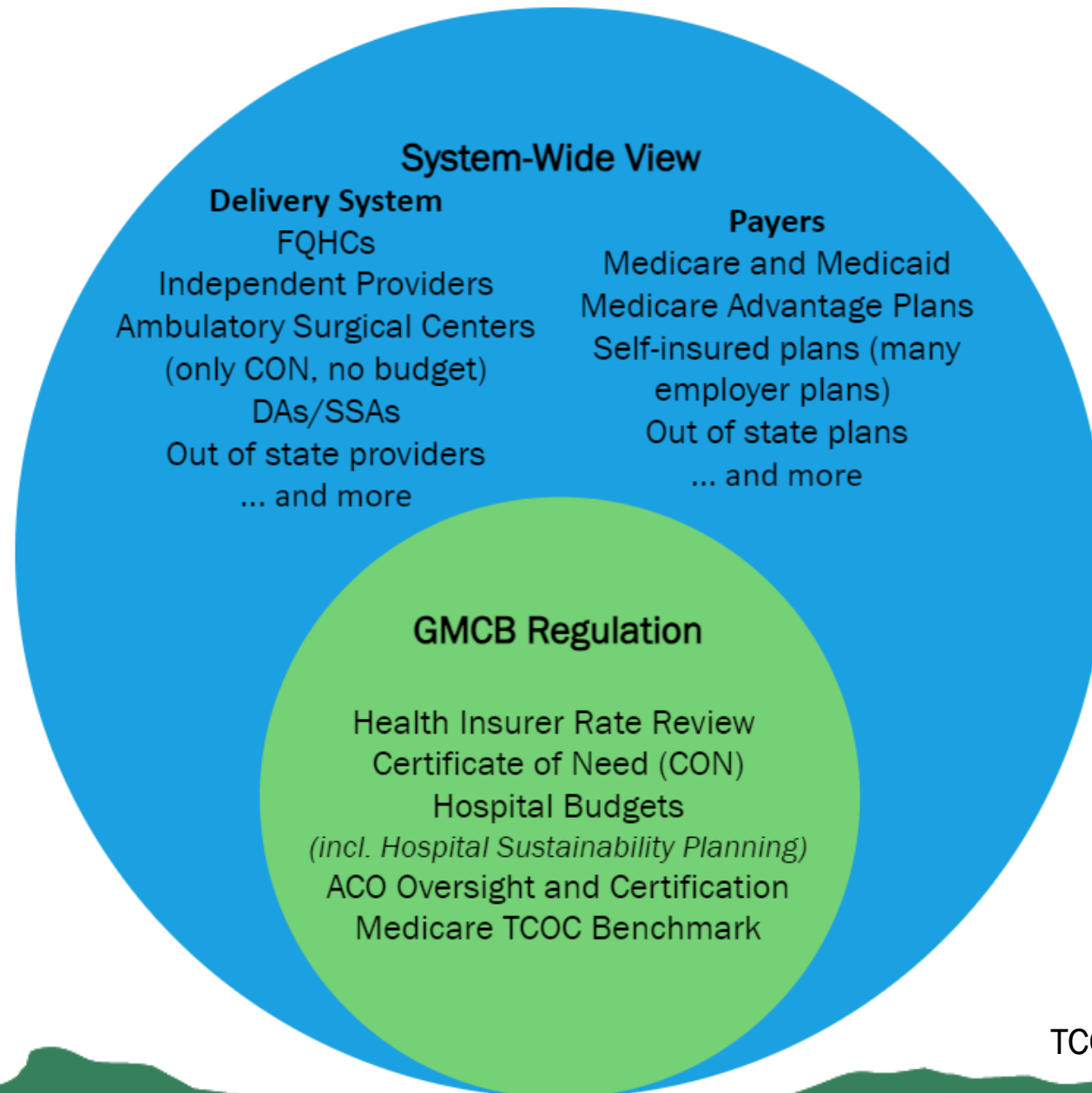
Accountable

Understand the impact of its decisions on Vermonters

Data-Driven

Timely, consistent, and actionable analyses; data stewardship

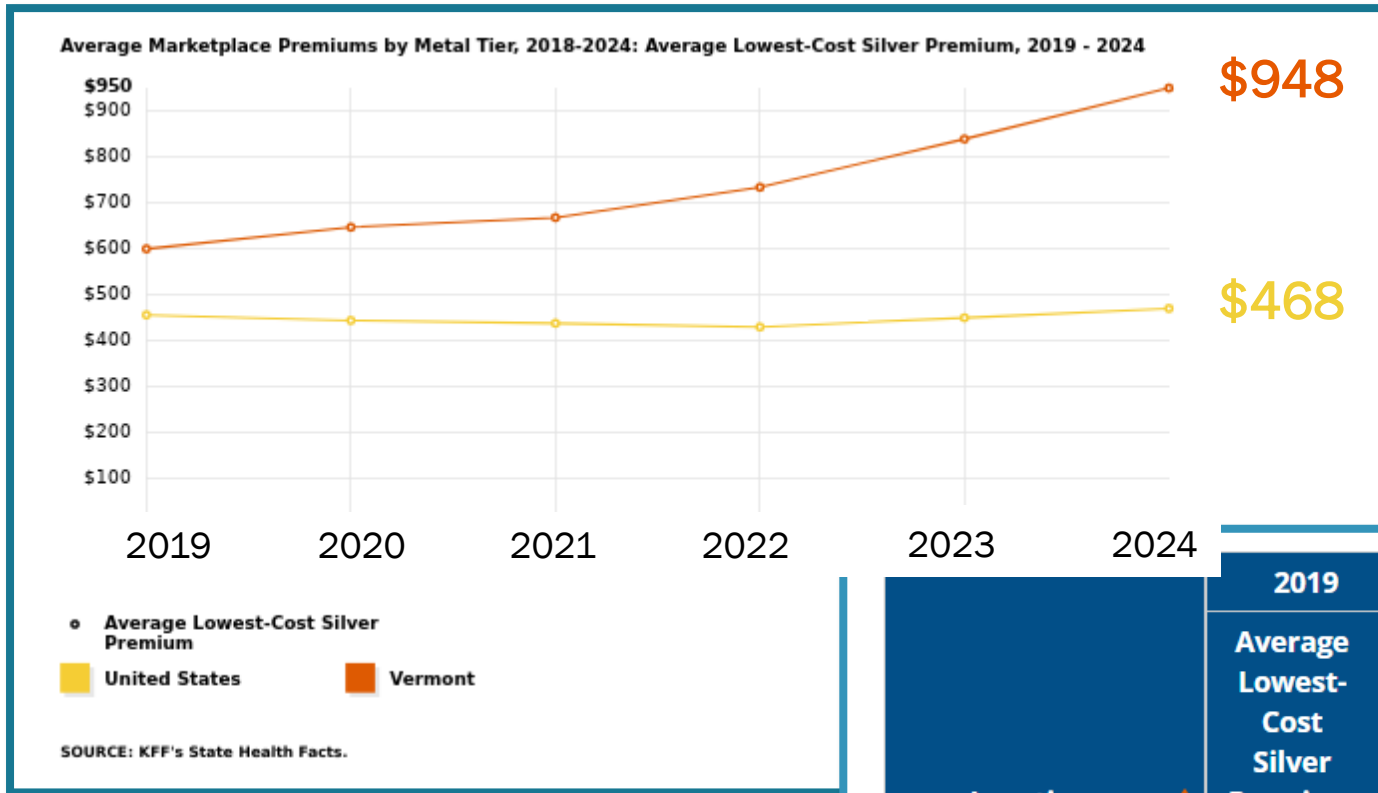
Role of GMCB



TCOC: Total cost of care

Marketplace Premium Averages

Vermont is Higher than National Average



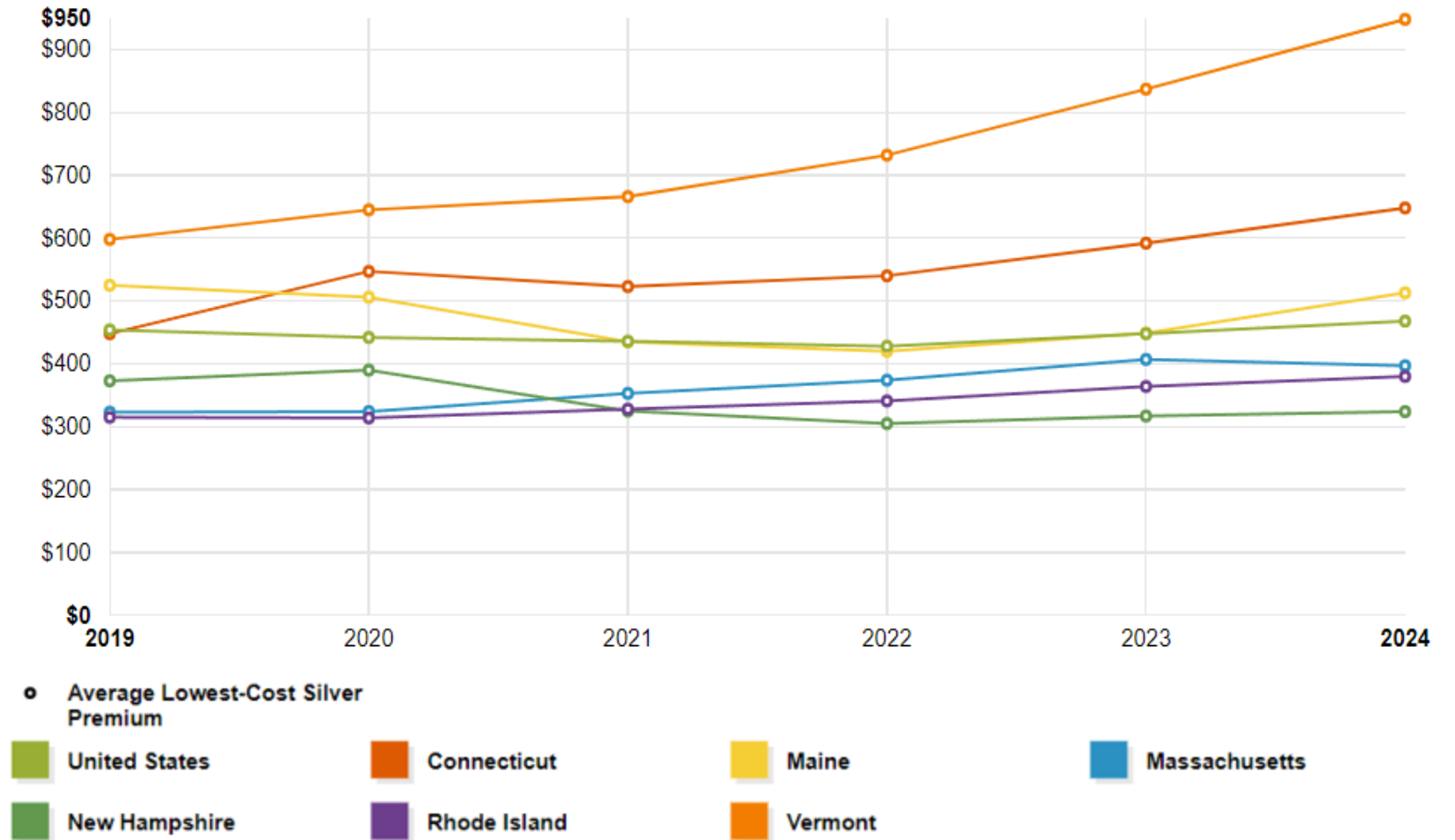
	2019	2020	2021	2022	2023	2024
Average Lowest-Cost Silver Premium	\$454	\$442	\$436	\$428	\$448	\$468
United States	\$454	\$442	\$436	\$428	\$448	\$468
Vermont	\$598	\$645	\$470	\$732	\$837	\$948

Source: KFF [Average Marketplace Premiums by Metal Tier, 2018-2024](#)

New England AGE/QHP INCREASES



- ME: 45 (1)
- NH: 43.1 (2)
- VT: 43 (3)
- CT: 41.2 (7)
- RI: 40.3 (9)
- MA 39.7 (17)



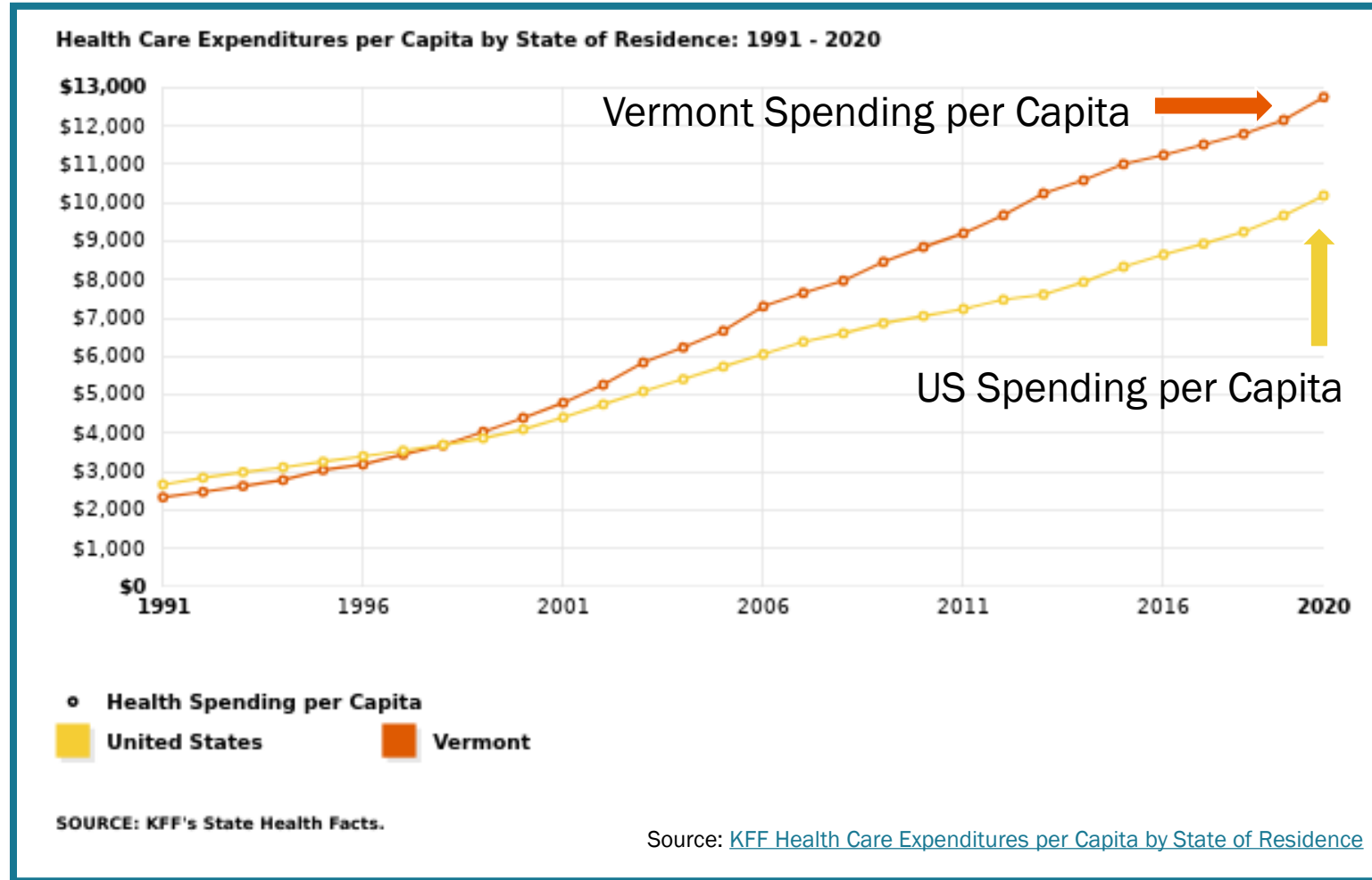
NEW ENGLAND QHP



Location	2019	2020	2021	2022	2023	2024
	Average Lowest-Cost Silver Premium	Average Lowest-Cost Silver Premium	Average Lowest-Cost Silver Premium	Average Lowest-Cost Silver Premium	Average Lowest-Cost Silver Premium	Average Lowest-Cost Silver Premium
1. Vermont	\$598	\$645	\$470	\$732	\$837	\$948
2. Connecticut	\$448	\$547	\$523	\$540	\$592	\$648
3. Maine	\$525	\$506	\$342	\$420	\$449	\$513
United States	\$454	\$442	\$436	\$428	\$448	\$468
4. Massachusetts	\$323	\$324	\$340	\$374	\$407	\$397
5. Rhode Island	\$315	\$314	\$469	\$341	\$364	\$380
6. New Hampshire	\$373	\$390	\$388	\$305	\$317	\$324

Health Care Spending per Capita

Vermont Outpaces National Trends



Notes

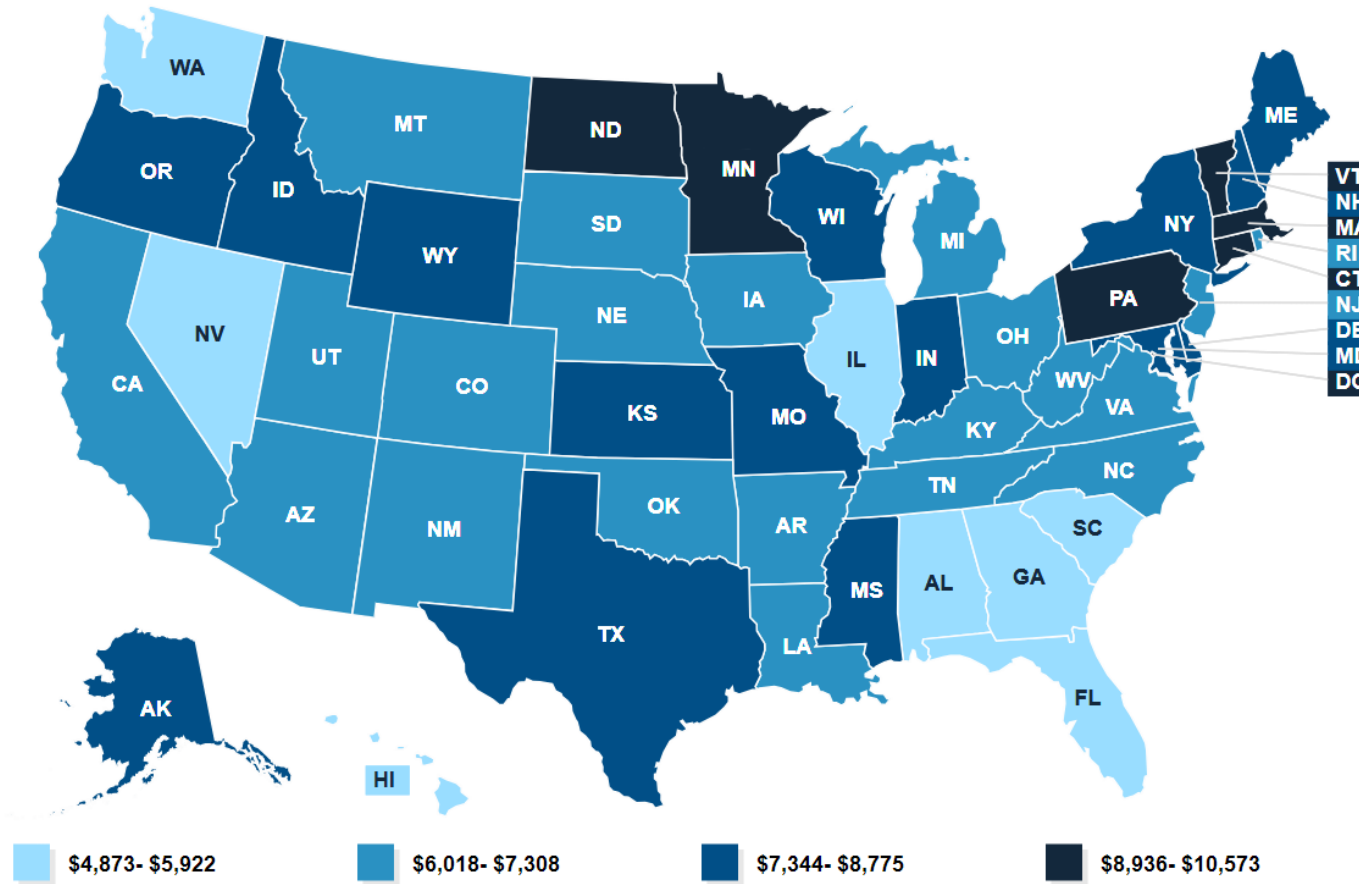
The Centers for Medicare and Medicaid Services (CMS) Office of the Actuary produces Health Expenditures by State of Residence and Health Expenditures by State of Provider every five years. The State Health Expenditure Accounts are a subcomponent of the National Health Expenditure Accounts (NHEA), the official government estimates of health spending in the United States. Additional information on data and methods is available [here](#).

HEALTH SPENDING PER CAPITA INCREASES



Location	2000	Location	2018	2019	2020
	Health Spending per Capita				
1. Massachusetts	\$5,171	1. Massachusetts	\$11,746	\$12,729	\$13,319
2. Connecticut	\$5,166	2. Vermont	\$11,521	\$12,159	\$12,756
3. Rhode Island	\$4,772	3. Connecticut	\$10,989	\$11,831	\$12,489
4. Maine	\$4,638	4. Maine	\$10,399	\$11,488	\$12,077
5. Vermont	\$4,398	5. New Hampshire	\$10,573	\$11,310	\$11,793
6. New Hampshire	\$4,236	6. Rhode Island	\$10,290	\$10,988	\$11,694

Medicaid Spending per Full-Benefit Enrollee



(as of 2019) Vermont has the 5th highest spend on Medicaid per full-benefit enrollee at \$9,712

Cumulative Average Change to QHP Rates

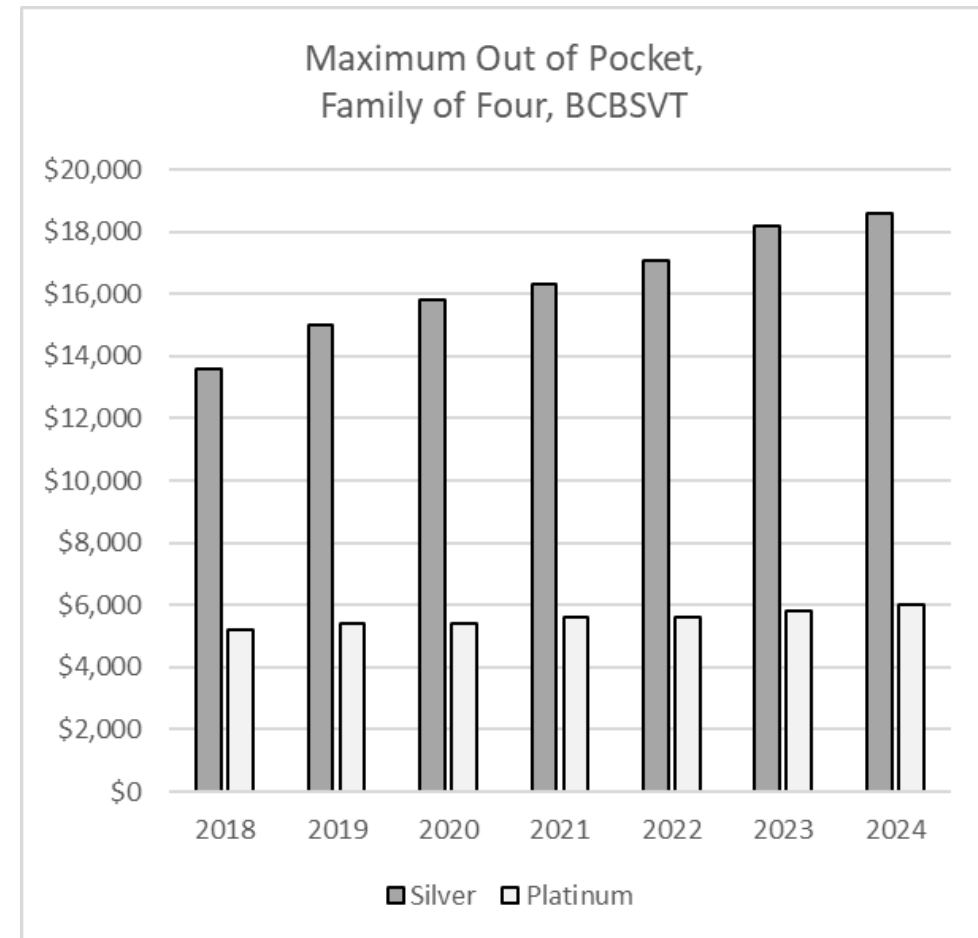
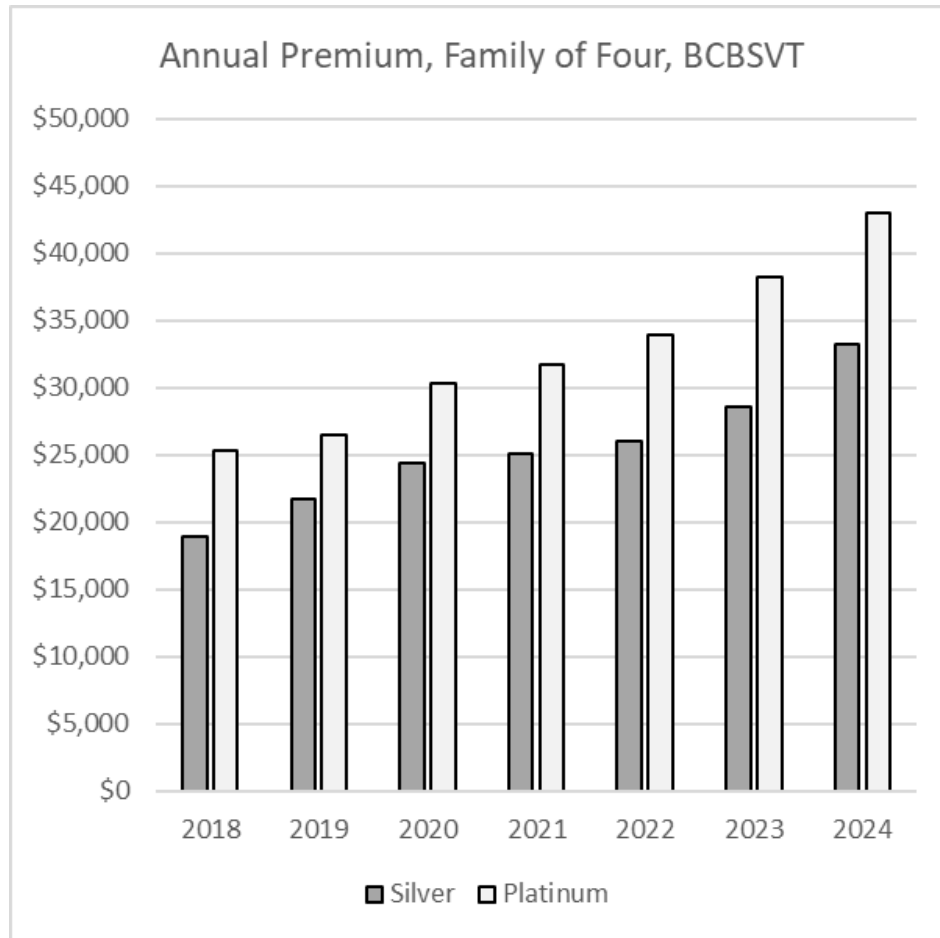


Cumulative Average Change to Rate (2018 base year)				
	MVP - I	MVP - SG	BCBS - I	BCBS - SG
2019	6.6%		5.8%	
2020	17.4%		18.9%	
2021	20.5%		23.9%	
2022	35.8%	21.5%	29.7%	15.6%
2023	61.9%	60.6%	44.5%	29.1%
2024	80.4%	60.2%	64.6%	46.2%

QHP = Qualified Health Plan
 I = Individual
 SG = Small Group

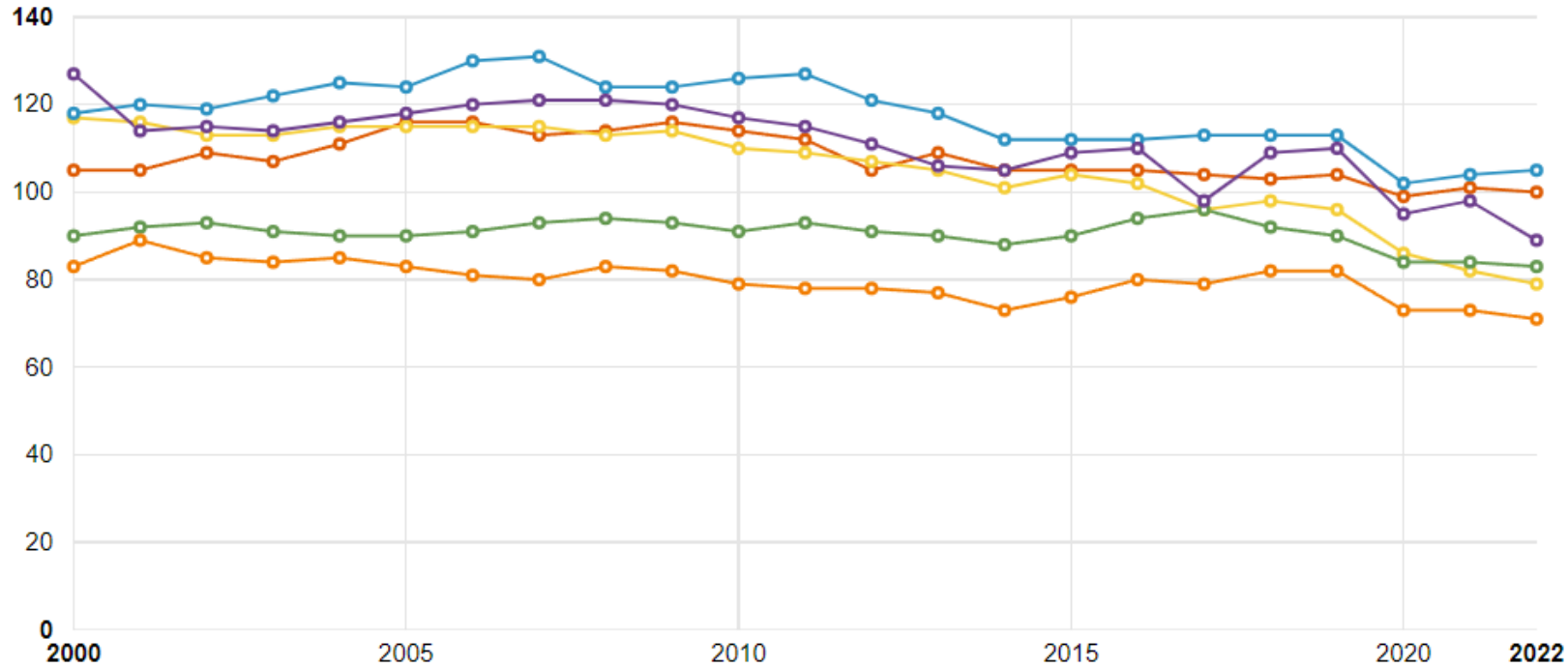
Health Care Landscape Trends

Affordability



Note. Most VHC users are eligible for subsidies or tax credits. Most uninsured Vermonters are for VHC plan subsidies. Enhanced subsidies from APRA will continue through 2025.

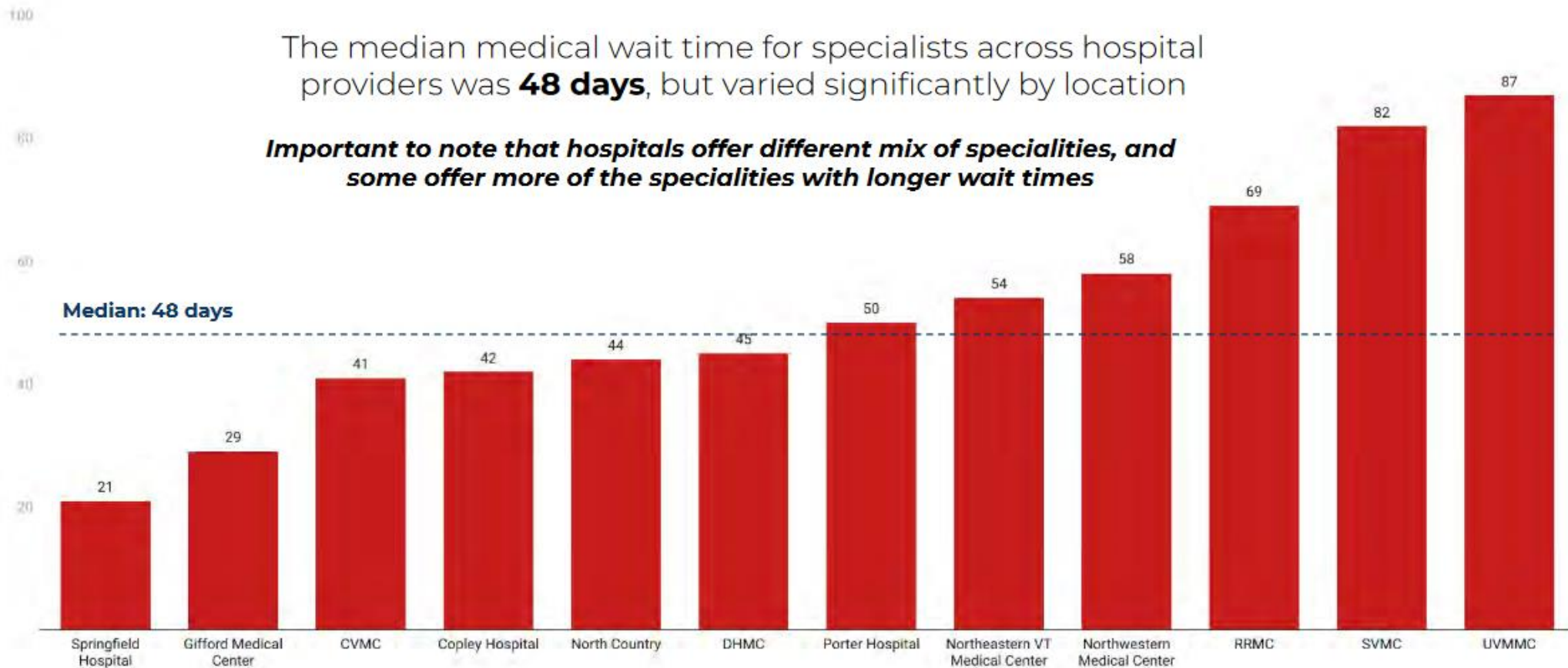
NE HOSPITAL UTILIZATION



Access to Vermont Hospitals: Median Wait Times

Secret Shopper: Wait Time for Specialist Appointment by Site

Median wait time in days



Rising Health Care Costs Are Impacting Property Taxes



Key Considerations from the Administration's Point of View

For Vermonters and policymakers concerned about property taxes, housing affordability, or overall tax burden, this letter should sound a major alarm.

Even applying a projected \$37 million surplus (including \$13 million set aside from last year's surplus) to help offset rates this year in the Education Fund, **this forecast indicates average property tax bills will increase by approximately 18.5 percent for FY25.** Without the surplus, average property tax bills would be projected to increase by about 20 percent.

It is driven predominately by an estimated 12% increase in school spending. Information gathered by the Agency of Education in its survey of school districts indicates this estimated increase in school spending can primarily be attributed to:

1. The ending of one-time Federal ESSER funds – Many districts used those one-time funds to add new services and personnel to recover from the pandemic. A large portion of those districts believe these services continue to be necessary. That requires replacing those one-time federal dollars with state education funds.
2. A 16%+ increase in health care benefits – The vast majority of school employees receive health benefits. An increase of that magnitude in the cost of those benefits is approximately 3% in overall education spending for a district alone.
3. Overall inflation increasing the price of operating, living, and working in Vermont – fuel, electricity, buses, equipment, supplies, etc.
4. Debt service to new capital projects or renovations – Vermont's aging fleet of schools is becoming more expensive to maintain and repair as they continue to age.

Average property tax bills will increase by approximately 18.5% for FY25

Increase in school spending can be primarily attributed to 16%+ increase in health care benefits

Source: [Dept. of Taxes Education Tax Rate Letter](#) Nov. 30, 2023

NPR + FPP Approved vs. Submitted



Hospitals	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Brattleboro Memorial Hospital	-	(164,000)	-	(97,012)	(18)	(1,323,196)	(1,283,242)	(1,820,443)	-	(2,469,448)	-	-
Central Vermont Medical Center	-	(809,000)	-	-	(1,389,660)	(31,044)	-	-	(932,382)	(1,917,742)	-	(16,919,056)
Copley Hospital	(384,572)	-	-	(482,052)	-	(1,638,974)	(1,836,660)	-	(368,445)	(734,249)	-	-
Gifford Medical Center	-	-	-	-	-	16,619	-	-	-	-	-	-
Grace Cottage Hospital	-	-	-	-	-	-	-	(998,848)	(362,846)	(281,500)	-	-
Mt. Ascutney Hospital & Health Ctr	-	-	-	-	-	287,028	-	(1,251,758)	-	-	-	-
North Country Hospital	-	-	-	-	-	(596,182)	-	-	-	(895,024)	-	(496,000)
Northeastern VT Regional Hospital	-	(344,315)	-	(392,000)	-	(190,101)	(411,692)	(186,650)	-	-	-	(8,381,484)
Northwestern Medical Center	-	-	-	(475,500)	(931,081)	(1,375,708)	-	-	(4,677,512)	-	-	-
Porter Medical Center	(465,931)	-	-	-	1	463,665	-	-	-	-	-	-
Rutland Regional Medical Center	-	-	-	-	-	(583,948)	-	-	-	-	-	-
Southwestern VT Medical Center	-	-	-	-	(429,951)	-	-	-	-	-	-	-
Springfield Hospital	-	-	(292,000)	-	-	-	-	10,000	(918,621)	(2,990,690)	-	(516,000)
The University of Vermont Medical Center	-	(3,772,014)	-	-	(2,451,429)	(1,255,121)	-	(3,076,000)	(9,317,899)	-	-	-
Total Submitted	2,123,718,898	2,186,359,996	2,229,352,637	2,308,927,609	2,421,244,641	2,502,528,545	2,611,028,468	2,724,666,167	2,807,046,674	2,968,094,825	3,274,821,586	3,604,812,678
Total Approved	2,122,868,395	2,181,270,667	2,229,060,637	2,307,481,045	2,416,042,503	2,496,301,583	2,607,496,874	2,717,342,468	2,790,468,969	2,958,806,172	3,274,821,586	3,578,500,138
Percent Approved	99.96%	99.77%	99.99%	99.94%	99.79%	99.75%	99.86%	99.73%	99.41%	99.69%	100%	99%

Note: approved amounts include adjustment for transfers and mid-year modifications

FY2024 Hospital Budget Decisions



Charge Increases					
Hospital	FY23 Approved	FY24 Submitted	FY24 Approved	2-Year Submitted	2-Year Approved
System-Wide	10.5%	10.6%	4.1%	21.1%*	14.6%*
Brattleboro Memorial Hospital	14.6%	1.5%	1.5%	16.1%	16.1%
Central Vermont Medical Center (CVMC)**	10.0%	10.0%	5.0%	20.0%	15.0%

Charge Increases (continued)					
Hospital	FY23 Approved	FY24 Submitted	FY24 Approved	2-Year Submitted	2-Year Approved
Copley Hospital	12.0%	15.0%	8.0%	27.0%	20.0%
Gifford Medical Center	3.7%	3.6%	3.6%	7.3%	7.3%
Grace Cottage Hospital	5.0%	4.0%	4.0%	9.0%	9.0%
Mt Ascutney Hospital and Health Center	4.7%	5.1%	5.1%	9.8%	9.8%
North Country Hospital	12.2%	4.5%	4.0%	16.7%	16.2%
Northeastern Vermont Regional Hospital (NVRH)	10.8%	15.0%	8.0%	25.8%	18.8%
Northwestern Medical Center	9.0%	6.0%	6.0%	15.0%	15.0%
Porter Hospital**	3.5%	5.0%	3.1%	8.5%	6.6%
Rutland Regional Medical Center	17.4%	5.6%	5.6%	23.0%	23.0%
Southwestern Vermont Medical Center	9.5%	6.6%	6.6%	16.1%	16.1%
Springfield Hospital	10.0%	7.0%	6.0%	17.0%	16.0%
University of Vermont Medical Center (UVMHC)**	10.1%	10.0%	3.1%	20.1%	13.2%

GMCB made adjustments to seven hospitals' budgets to limit the rate increases that impact commercially insured patients, representing a **7.8% reduction (\$145 million)** from submitted budgets.

Source: Press Release [GMCB ESTABLISHES FY24 HOSPITAL BUDGETS BALANCING AFFORDABILITY AND SUSTAINABILITY](#)

*The 2-year Medicare inpatient market basket growth is 7.0% from FY22-FY24. The 2-year median wage growth in Vermont is 8.6% from CY22-CY24. The weighted system-wide 2-year GMCB-approved charge increases from FY13-FY22 (including mid-year) is 8.8%.
 ** For FY23, the UVMHC hospitals used commercial effective rates as their approved rate increases, which were: 12.50% for CVMC, 11.50% for Porter Hospital, and 14.77% for UVMHC.

Year	Median Household Income (VT)	Medicare Market Basket: Inpatient Hospital	Inflation (Hospital PPI*)	System-Wide Hospital Rate Requests**
2021	3.2%	4.9%	4.6%	6.8%
2022	5.5%	5.7%	2.1%	6.0% [†]
2023	4.7%***	3.4%***	3.2%	10.6%
2024	3.9%***	3.0%***	n/a	10.6%

[†] Initial change in charge requests. Three hospitals (Rutland, UVMHC, and CVMC) submitted mid-year requests. Factoring in those requests, the overall requests for 2022 were 12.2% for system-wide and 16.1% for UVMHC.

*US Bureau of Labor Statistics, Series PCU622110622110. Provider Price Index industry data for General medical and surgical hospitals, not seasonally adjusted

** Change in Charge Requests

*** Forecasted Values.

Sources: Median Household Income for 2021-2022 is from the U.S. Census Bureau and 2023-2029 forecasted by Moody's Analytics. Medicare Market Basket Data is sourced from the IHS Global Inc. (IGI) 2023Q1 Forecast released by CMS, OACT, National Health Statistics Group.

Vermont Hospital System



	FY2022 Actuals	FY2023 Budget	FY2023 Actuals	Budget to Actuals	Actuals to Actuals
Gross Patient Care Revenue	6,878,329,462	7,616,737,157	8,062,873,019	5.9%	17.2%
Net Revenue Deductions	(4,230,004,112)	(4,727,659,168)	(5,120,668,342)	8.3%	21.1%
Net Patient Revenue (NPR)	2,648,325,350	2,889,077,989	2,942,204,677	1.8%	11.1%
Fixed Prosp. Payments (FPP)	369,427,371	384,388,601	401,878,399	4.6%	8.8%
NPR + FPP	3,017,752,720	3,273,466,590	3,344,083,076	2.2%	10.8%
Other Operating Revenue	438,983,916	384,049,750	426,793,222	11.1%	-2.8%
Total Operating Revenue	3,456,736,636	3,657,516,340	3,770,876,297	3.1%	9.1%

	FY2022 Actuals	FY2023 Budget	FY2023 Actuals	Budget to Actuals	Actuals to Actuals
Salaries, Benefits (non-MDs)	1,560,459,507	1,578,404,530	1,635,649,438	3.6%	4.8%
Fees, Salaries, Benefits (MDs)	454,089,379	500,385,181	483,485,057	-3.4%	6.5%
Other Operating Expense	1,183,053,973	1,172,560,078	1,295,580,144	10.5%	9.5%
Health Care Provider Tax	172,567,880	187,764,892	176,861,506	-5.8%	2.5%
Depreciation Amortization	126,016,538	125,382,213	127,172,867	1.4%	0.9%
Interest	22,012,682	21,930,797	22,730,583	3.6%	3.3%
Total Operating Expense	3,517,931,374	3,586,427,691	3,741,390,066	4.3%	6.4%

Operating Income (61,194,739) 71,088,650 29,486,231
Operating Margin -1.77% 1.94% 0.78%

VT Hospital Operating Margin

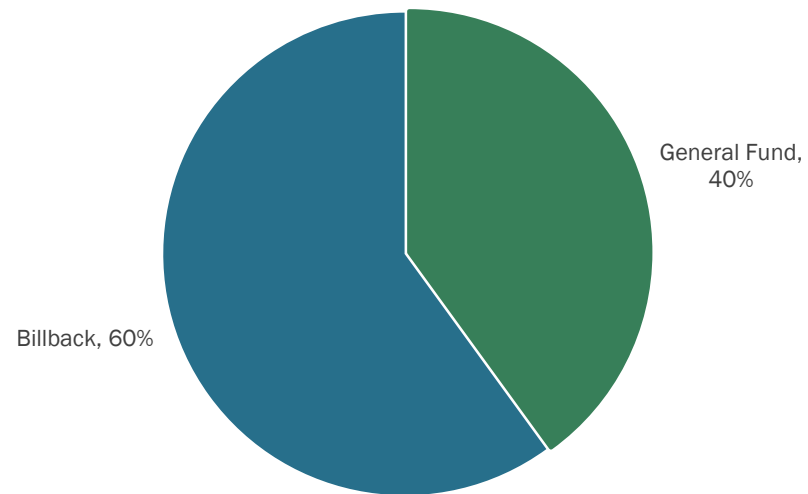


Hospital	FY19	FY20	FY21	FY22	FY23
Brattleboro Memorial Hospital	0.76%	0.55%	-1.71%	-3.81%	-1.73%
Central Vermont Medical Center	-2.09%	-0.56%	-1.02%	-6.51%	-2.59%
Copley Hospital	-3.17%	-3.88%	5.08%	-0.71%	-0.68%
Gifford Medical Center	-0.80%	2.53%	8.78%	6.97%	0.00%
Grace Cottage Hospital	-6.70%	1.07%	8.02%	-6.83%	-2.29%
Mt. Ascutney Hospital & Health Ctr	0.22%	0.72%	9.14%	1.69%	0.89%
North Country Hospital	1.91%	3.74%	4.60%	-10.31%	-3.73%
Northeastern VT Regional Hospital	1.83%	1.29%	2.88%	0.23%	1.14%
Northwestern Medical Center	-8.04%	-0.93%	4.73%	-4.26%	-5.91%
Porter Medical Center	5.14%	4.00%	7.73%	3.07%	8.75%
Rutland Regional Medical Center	0.43%	0.19%	2.24%	-3.76%	1.55%
Southwestern VT Medical Center	3.26%	2.76%	4.50%	-0.17%	-2.46%
Springfield Hospital	-18.39%	-11.24%	1.17%	5.39%	-4.15%
The University of Vermont Medical Center	2.19%	-0.27%	2.27%	-1.24%	3.22%
All Vermont Community Hospitals	0.73%	0.05%	2.77%	-1.77%	1.47%

FY2025 Gov. Rec. Budget

MISSION

Drive system-wide improvements in access, affordability, and quality of health care to improve the health of Vermonters.



FY 2025 BUDGET SUMMARY & STAFF

All Funds +3.0%

- Salary and Fringe 7.4%
 - Salary +2.7% (Vacancy Savings FY24 3.6% to FY25 3.5%)
 - Fringe +15.9%
- Operating Expenses -1.0%
- Contracts -2.1%

5 Board, 6 Exempt, 21 Classified

- 10/23 converted classified position to exempt for Staff Attorney

To Review

- Act 167 and Health System Sustainability
- Data stewardship & governance
- Proposed billback language change
- Space

FY2025 Budget

	General \$\$	Special \$\$	Total \$\$
Approp #1 [3330010000]: Green Mountain Care Board FY 2024 Approp	3,392,339	5,146,894	8,539,233
Other Changes: (Please insert changes to your base appropriation that occurred after the passage of the FY24 budget]			0
FY 2024 Other Changes	0	0	0
Total Approp. After FY 2024 Other Changes	3,392,339	5,146,894	8,539,233
CURRENT SERVICE LEVEL/CURRENT LAW	101,770	154,407	256,177
<i>Personal Services</i>	<i>134,357</i>	<i>201,534</i>	<i>335,891</i>
500000: Salary & Wages: Classified Employees	31,594	47,390	78,984
500010: Salary & Wages: Exempt Employees			
501500: Health Insurance: Classified Employees	75,359	113,038	188,397
501510: Health Insurances: Exempt Employees			
502000: Retirement: Classified Employees	15,148	22,722	37,870
502010: Retirement: Exempt Employees			
All Other Employee Payroll Related Fringe Benefits	3,315	4,972	8,287
504040: VT Family & Medical Leave Insurance Premium	4,578	6,866	11,444
504045: Child Care Contribution	4,068	6,103	10,171
505200: Workers' Compensation Insurance Premium	295	443	738
508000: Vacancy Turnover Savings	0	0	0
			0
<i>Operating Expenses</i>	<i>(32,587)</i>	<i>(47,127)</i>	<i>(79,714)</i>
515010: Fee-for-Space Charge	(39,847)	(59,770)	(99,617)
516000: Insurance Other Than Employee Benefits	(134)	(201)	(335)
516010: Insurance - General Liability	(265)	(397)	(662)
516671: VISION/ISD	82	122	204
516685: ADS Allocated Charge	893	1,339	2,232
519006: Human Resources Services	962	1,443	2,405
523620: Single Audit Allocation	34	50	84
514000: Rental Space	41,042	61,564	102,606
Other Operating Expenses	(4,364)	(6,546)	(10,910)
Contracts	(30,990)	(44,731)	(75,721)
			0
<i>Grants</i>	<i>0</i>	<i>0</i>	<i>0</i>
			0
Subtotal of Increases/Decreases	101,770	154,407	256,177
FY 2025 Governor Recommend	3,494,109	5,301,301	8,795,410



Act 167 of 2022 Sections 1 and 2

Act 167 Sections 1-2

Total Funding: \$5,000,000

Subsequent APM Agreement

AHS Lead, GMCB Collab.

AHS	\$900,000
GMCB	<u>\$550,000</u>
	\$1,450,000

Developing Value-Based Payment Models

Hospital Global Budget Development

GMCB Lead, AHS Collab.

GMCB: \$1,800,000

Evolving GMCB Regulatory Processes

GMCB Hospital Budget Review Process

GMCB

Funding for this work pre-dates Act 167

Community Engagement to Support Hospital Transformation

GMCB Lead, AHS Collab.

GMCB: \$1,750,000

Statewide Community Engagement: Numbers To Date



1800+
Participants

Across all stakeholder types and meetings¹

~52
Participants

On average per community meeting, including state-wide meetings

100+
Organizations

Contacted

93+
Public Comments

Received

Meeting Type	# of Meetings	Estimated # of Attendees ¹
Stakeholder meetings on engagement plan	16	91 ²
Hospital Leadership and Boards	28	235
Diverse Populations	13	96
State Partners	12	18
Community Leaders	3	6
Community Meetings (<i>public HSA level</i>)	18	931
Provider Meetings (<i>public HSA level</i>)	14	460
Provider interviews and sessions	15	128

1: The number of attendees provided is an estimate based on all available attendance reports, but could potentially be higher;

2: The 91 participants are excluded from the 1.8K total as they are accounted for in the other meeting types

Resources



[GMCB Website](#)

[GMCB Overview](#)

[GMCB 2024 Meeting Info.](#)

[2023 Annual Report](#)

[Legislative Reports](#)

- [Billback Reports](#)

[Process Explainers: GMCB Regulatory](#)

- [Data & Analytics](#)
- [Health Insurance Premium Rate Review](#)
- [Hospital Budget Review](#)
- [ACO Oversight](#)

[GMCB All-Payer Model Webpage](#)

[Hospital Sustainability and Act 167](#)

- [Community Engagement to Support Hospital Transformation](#)