



S.211 Testimony

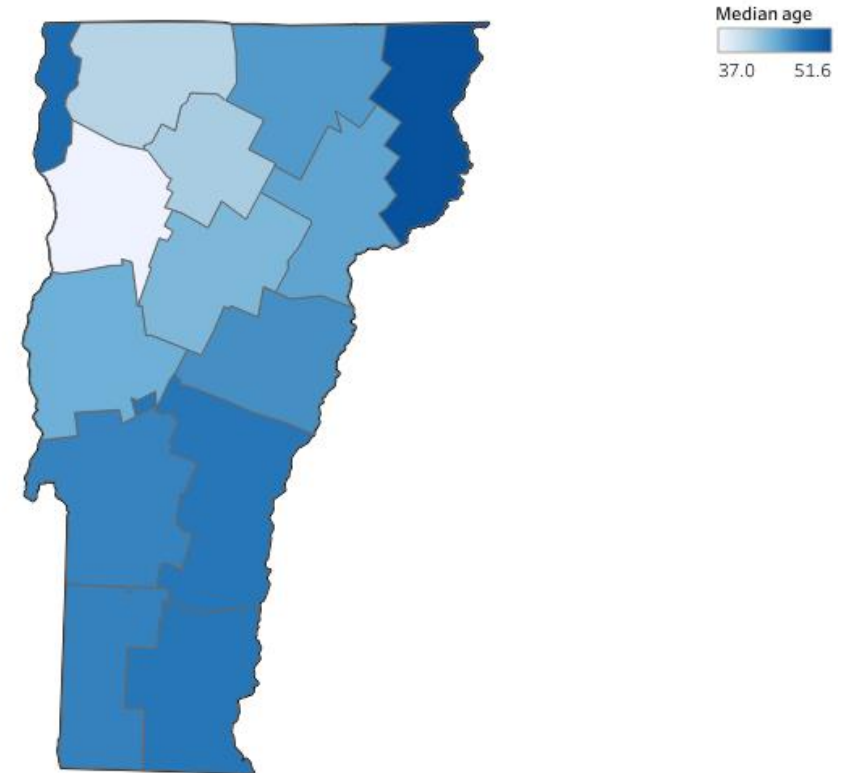
Devon Green, Vice President of Government Relations

January 19, 2024

Vermont Landscape: Rural and Aging Population

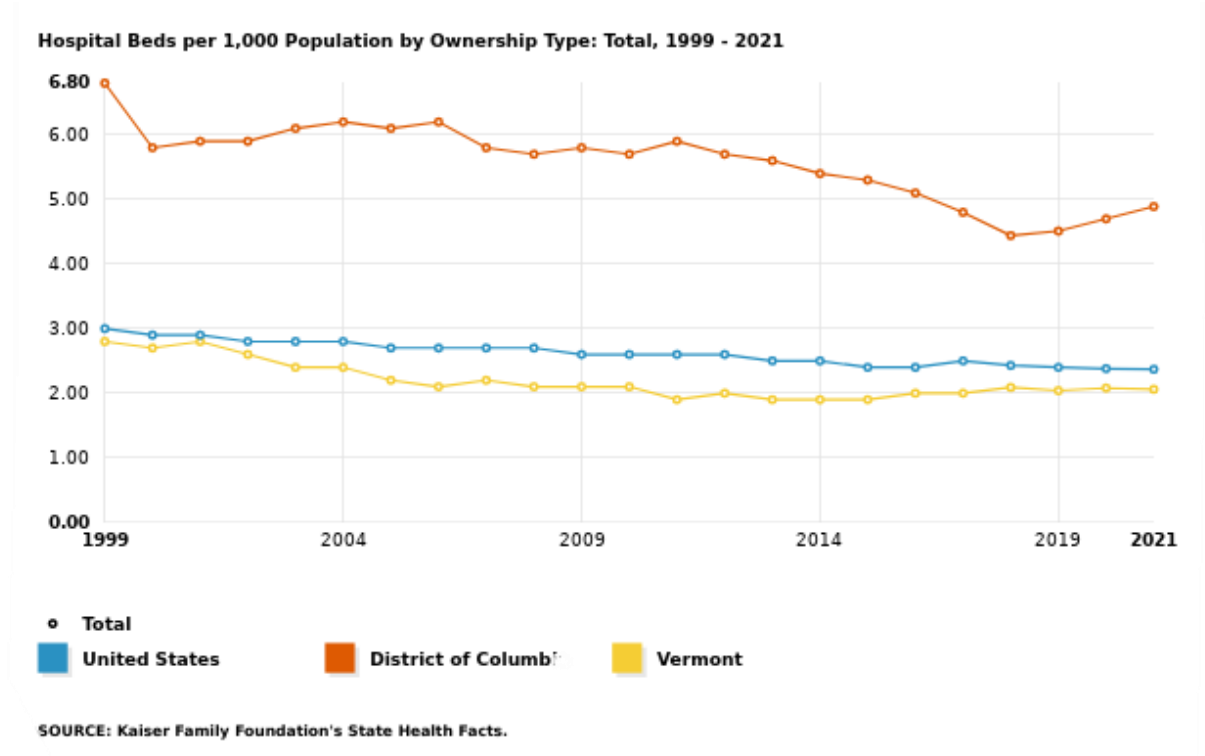
- According to the 2020 census, Vermont is the most rural state in the nation, with 65% of population residing in rural areas
- Vermont is also one of the oldest states in the nation with aging individuals disbursed throughout the state

2020 Census, Median Age

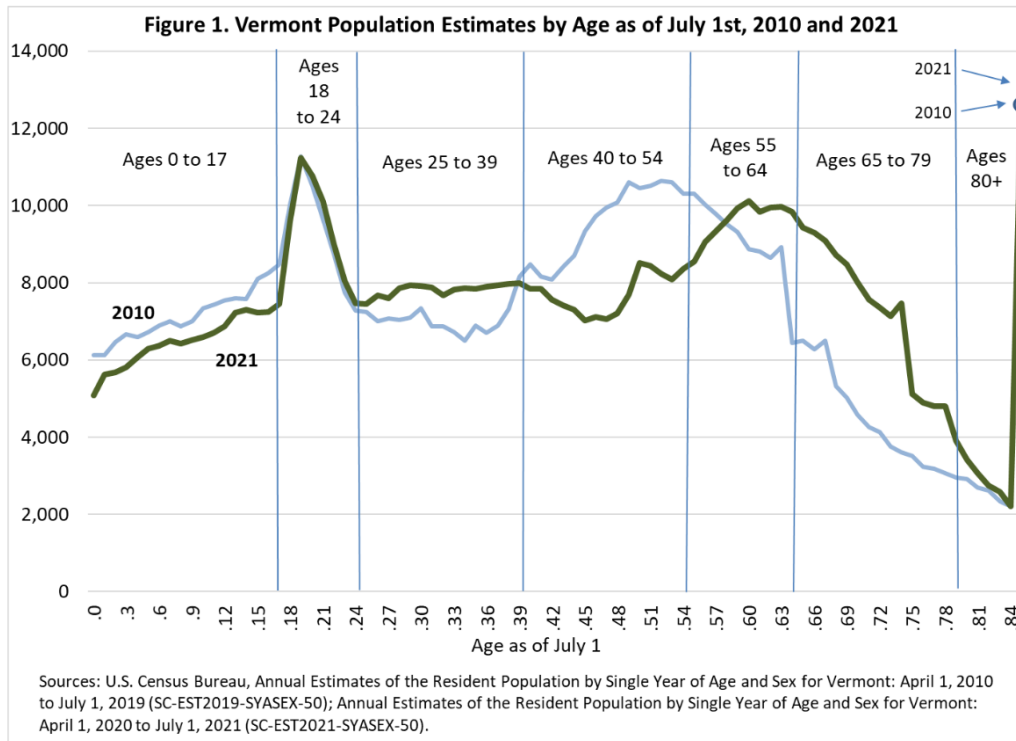


Vermont's Hospitals in Context

- Half the beds per capita of Washington D.C.
- Lower than the national average
- Vermont consistently ranks as one of top five healthiest states



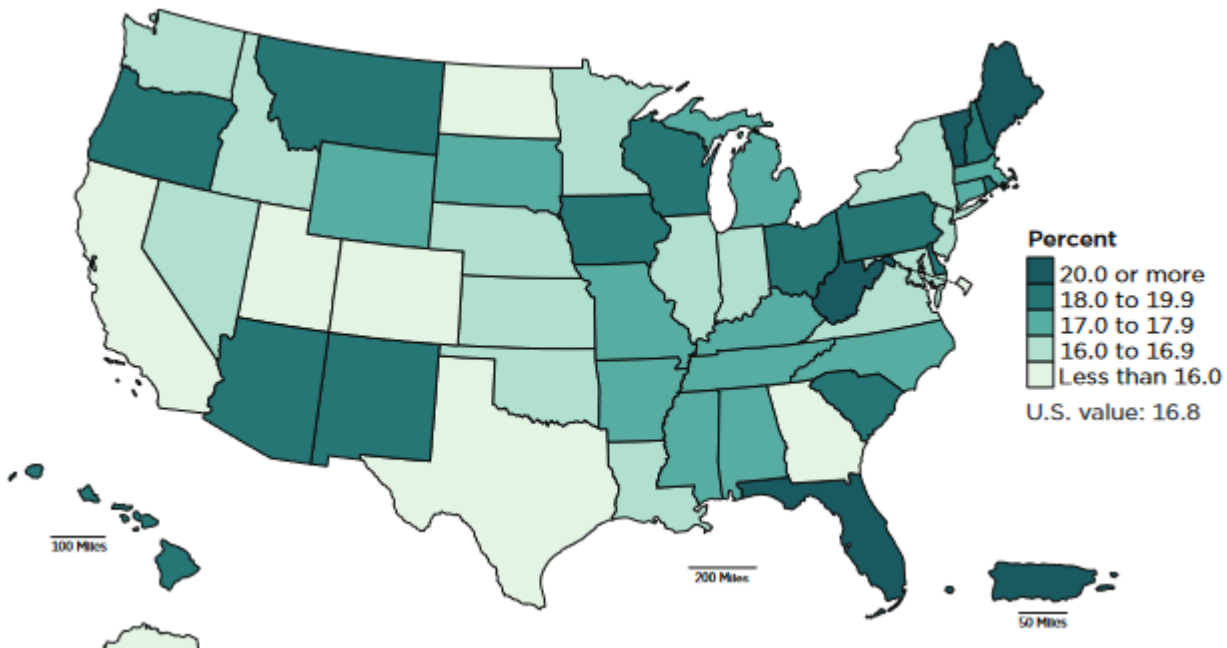
65-79 Age Group Increase in Last Decade



- The 65-to-79 age group saw an increase of about 40,000 from 2010 to 2021
- That increase is the largest of any age group and more than double the overall population gain of about 19,600 people
- 2021: 70 people waiting for post-hospital placement
- Today: 142 people waiting

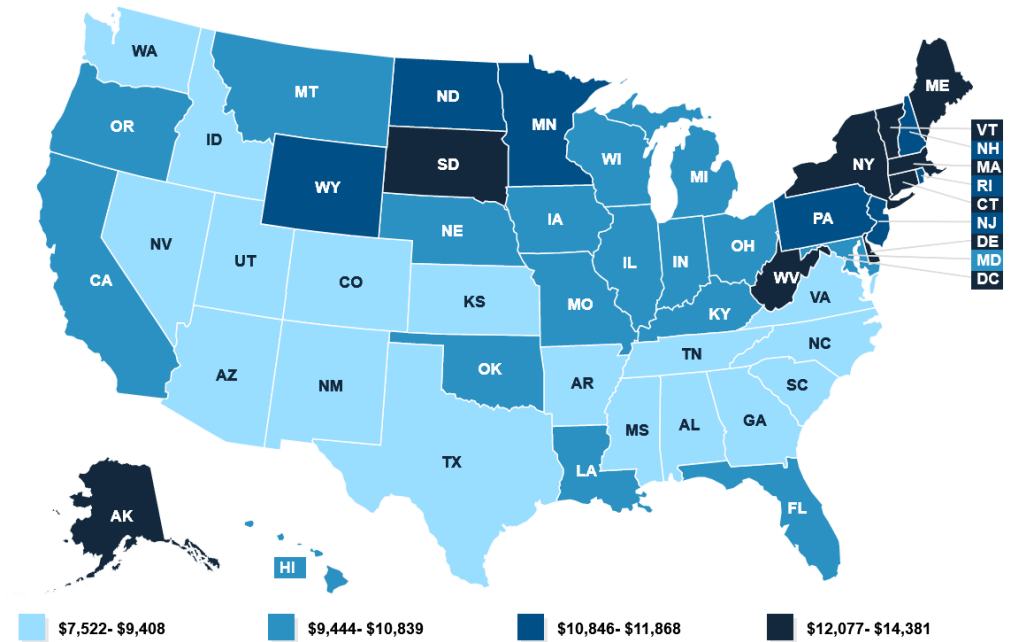
National Context on Aging and Costs

Age: 65+



Source: [US Census, Percentage of Population 65 Years and Over, 2020](#)

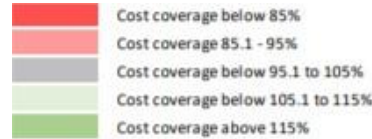
Costs



Source: [KFF Health Care Expenditures per Capita by State of Residence, 2020](#)

Hospital Financial Picture

- 9 out of 14 hospitals have negative operating margins
 - 60% of expenses are labor
 - 30% of expenses are medical and surgical supplies and pharmaceuticals



		Inpatient									Outpatient								
		Medicaid			Medicare			Commercial			Medicaid			Medicare			Commercial		
		HFY17	HFY18	HFY19	HFY17	HFY18	HFY19	HFY17	HFY18	HFY19	HFY17	HFY18	HFY19	HFY17	HFY18	HFY19	HFY17	HFY18	HFY19
Weighted Average		73.1	73.1	72.6	95.4	89.4	81.8	114.5	109.7	109.1	76.0	72.6	71.2	68.7	73.8	75.1	255.6	254.6	204.0
Dartmouth	AMC	Red	Red	Red	Gray	Light Green	Gray	Light Green	Light Green	Light Green	Red	Red	Red	Red	Red	Red	Light Green	Light Green	Light Green
LVMC	AMC	Red	Red	Red	Red	Red	Red	Light Green	Light Green	Light Green	Red	Red	Red	Red	Red	Red	Light Green	Light Green	Light Green
Brattleboro Mem	PPS	Red	Red	Red	Red	Red	Red	Light Green	Light Green	Light Green	Red	Red	Red	Red	Red	Red	Light Green	Light Green	Light Green
Central Vermont	PPS	Red	Light Green	Red	Light Green	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Light Green	Light Green	Light Green
Northwestern	PPS	Red	Red	Red	Light Green	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Light Green	Light Green	Light Green
Rutland	PPS	Red	Red	Red	Red	Red	Red	Light Green	Light Green	Light Green	Red	Red	Red	Red	Red	Red	Light Green	Light Green	Light Green
Southwestern	PPS	Red	Red	Red	Red	Red	Red	Light Green	Light Green	Light Green	Red	Red	Red	Red	Red	Red	Light Green	Light Green	Light Green
Copley	CAH	Gray	Gray	Red	Gray	Gray	Gray	Light Green	Light Green	Light Green	Red	Red	Red	Gray	Gray	Gray	Light Green	Light Green	Light Green
Gifford	CAH	Red	Red	Red	Gray	Gray	Gray	Light Green	Light Green	Light Green	Red	Red	Red	Gray	Gray	Gray	Light Green	Light Green	Light Green
Grace Cottage	CAH	Red	Red	Red	Gray	Gray	Gray	Red	Red	Red	Red	Red	Red	Gray	Gray	Gray	Light Green	Light Green	Light Green
Mt Ascutney	CAH	Red	Red	Red	Gray	Gray	Gray	Red	Red	Red	Red	Red	Red	Gray	Gray	Gray	Light Green	Light Green	Light Green
North Country	CAH	Red	Red	Red	Gray	Gray	Gray	Light Green	Light Green	Light Green	Red	Red	Red	Gray	Gray	Gray	Light Green	Light Green	Light Green
Northeastern	CAH	Red	Red	Red	Gray	Gray	Gray	Red	Red	Red	Red	Red	Red	Gray	Gray	Gray	Light Green	Light Green	Light Green
Porter	CAH	Red	Red	Red	Gray	Gray	Gray	Light Green	Light Green	Light Green	Red	Red	Red	Gray	Gray	Gray	Light Green	Light Green	Light Green
Springfield	CAH	Light Green	Gray	Gray	Gray	Gray	Gray	Gray	Gray	Red	Red	Red	Red	Gray	Gray	Gray	Light Green	Light Green	Light Green

HEALTH MANAGEMENT ASSOCIATES

Health Care System in Crisis 2023



Emergency Dept.

- 30 people needing mental health care boarding in EDs, half for longer than 24 hours
- 25 patients boarding in ED waiting for a medical surgical bed
- Increase in workplace violence



ICU/Medical Surgical

- Last week, medical surgical beds were over 97% full
- Largest hospitals were at 100% capacity
- 3-6 ICU beds available



Sub-Acute Care

- Last week, 137 patients waiting for discharge because there are no placement options
- Hospitals have seen 35% of inpatient beds filled by patients waiting to be discharged

2024: Update



Emergency Dept.

- 15-25 people waiting for mental health placement on any given day. Wait times have improved, with closer to 50% of patients having waited less than 24 hours at time of reporting.
- 30 patients boarding in ED waiting for a medical surgical bed



ICU/Medical Surgical

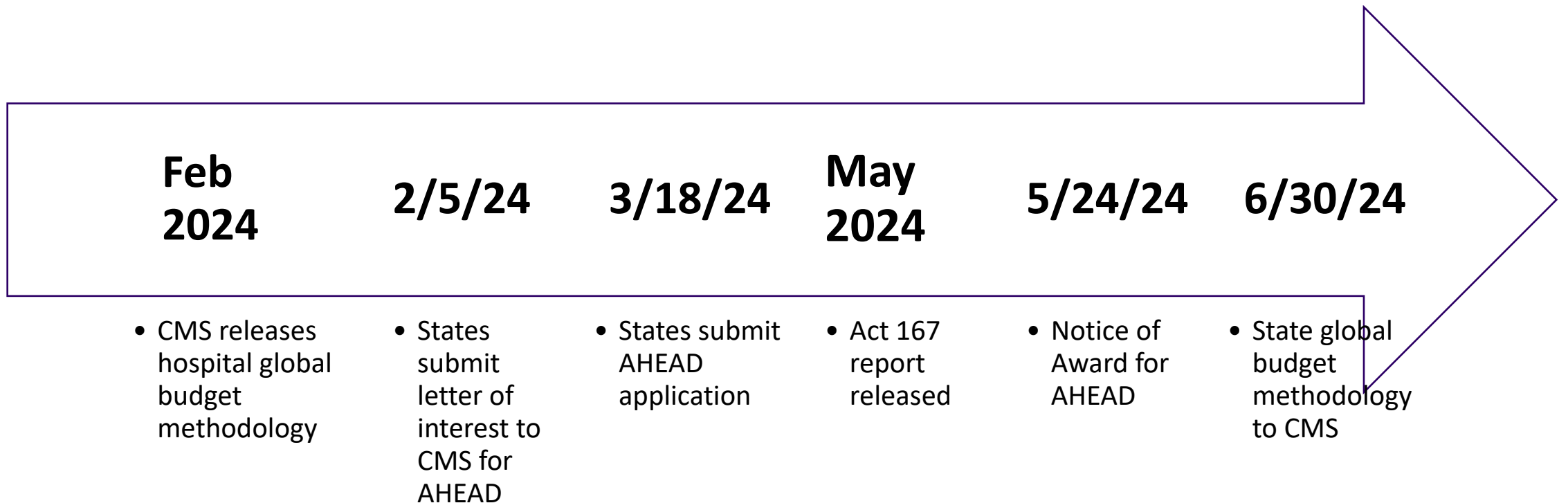
- Largest hospital had 0 medical surgical beds
- 6 ICU beds statewide



Sub-Acute Care

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- Hospitals have seen 35% of inpatient beds filled by patients waiting to be discharged

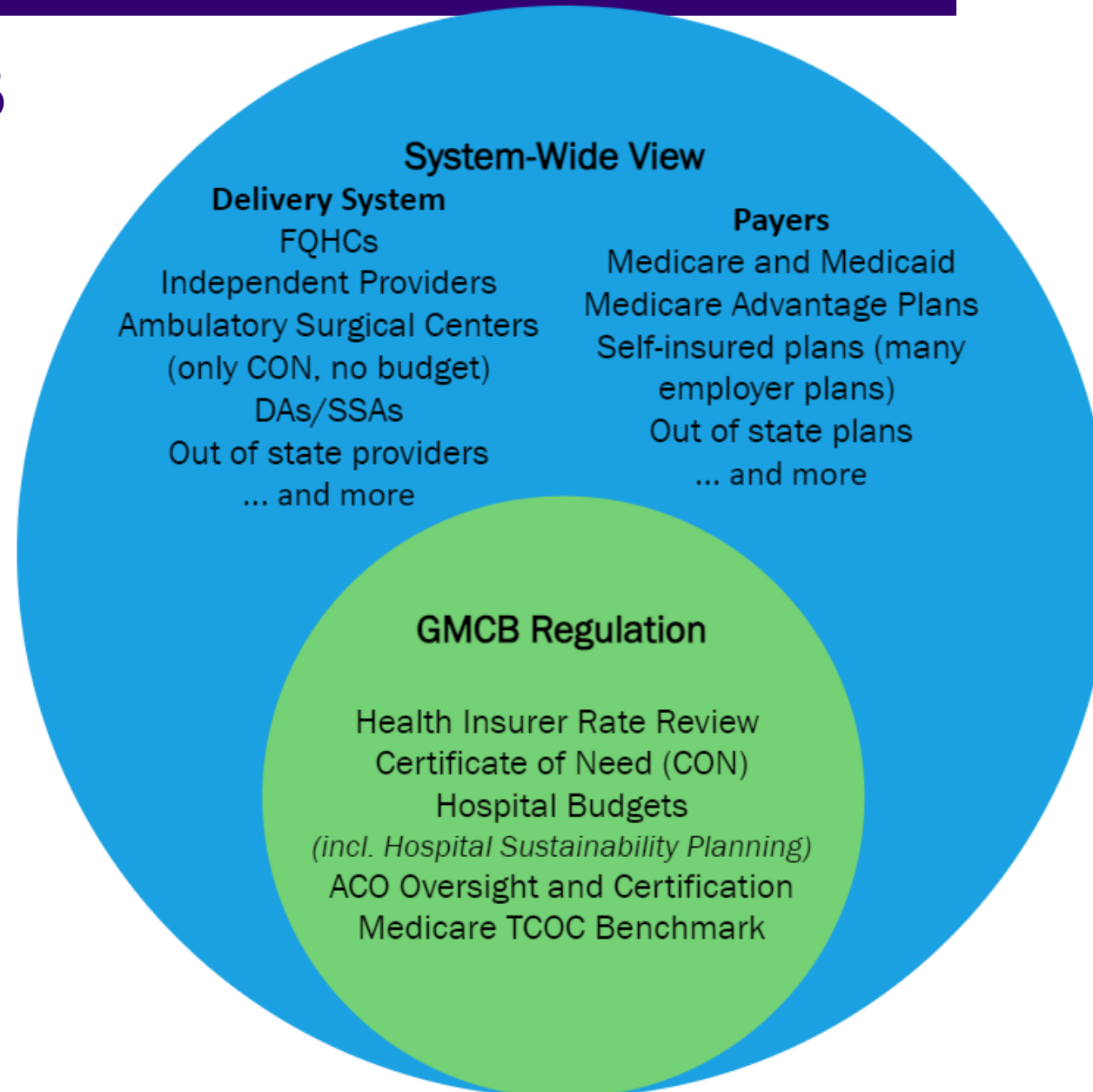
Health Care Reform Timeline



CONDITIONS NECESSARY FOR SUCCEEDING WITH INTEGRATED CARE

- **Tight alignment of financial incentives** among all participants.
- **Sharing of accurate and timely clinical information and financial performance** with all participants
- **Adequate resources for primary care, mental health and preventive services** in the community
- **Availability of referrals to specialists and needed diagnostic tests**
- **Availability of appropriate levels of care other than acute inpatient beds** (inpatient and outpatient mental health services, extended care facilities)
- Ability of Tertiary and other referral facilities to accept patient transfers for needed care
- Availability of appropriate transportation for patients between facilities

Role of GMCB



TCOC: Total cost of care

Principles for Regulation

- Role clarity
- Predictability
- Stakeholder input

Health Care Reform Needs

- Clear definition of roles without duplication of efforts
- Administrative alignment
 - Quality
 - Data
 - Credentialing and enrollment
- Stakeholder representation in global budget setting process
- Payment model governance and fee for service regulation