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This act summary is provided for the convenience of the public and members of the General Assembly. It is intended to provide a general summary of the act and may not be exhaustive. It has been prepared by the staff of the Office of Legislative Counsel without input from members of the General Assembly. It is not intended to aid in the interpretation of legislation or to serve as a source of legislative intent.

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**Act No. 49 (H.482). An act relating to Green Mountain Care Board authority to adjust a hospital's reimbursement rates and to appoint a hospital observer**

**Subjects: Health; Green Mountain Care Board; hospitals; health insurers; hospital observer**

This act allows the Green Mountain Care Board (GMCB) to reduce a domestic health insurer's reimbursement rates to one or more Vermont hospitals if the insurer is facing an acute and immediate threat of insolvency. The GMCB may only reduce rates to a hospital that meets certain fiscal criteria and only to the extent necessary to address the threat to the insurer's insolvency. The act directs the GMCB, in setting hospital budgets, to account for any significant deviation in a hospital's revenue during the prior fiscal year in excess of the budget approved by GMCB and allows the GMCB to adjust a hospital's commercial health insurance reimbursement rates at any time during the year to ensure that a hospital stays within its approved budget. The act also allows the GMCB, upon finding that a hospital has made a material misrepresentation in information or documents it provided to GMCB, or is materially noncompliant with its approved budget, to appoint an independent observer for the hospital. The observer may monitor the hospital's operations, obtain information from the hospital, and report findings and recommendations to the GMCB, and the GMCB may order a hospital to pay for all or a portion of the costs of the observer. The GMCB's authority to appoint a hospital observer is repealed on January 1, 2030.

Effective Date: June 5, 2025