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S.25

Introduced by Senators Vyhovsky, Clarkson, Gulick, Hardy, Perchlik, Watson
and White

Referred to Committee on

Date:

Subject: Health; hospitals; hospital budgets; Green Mountain Care Board;
executive compensation; administrative staffing ratios

Statement of purpose of bill as introduced: This bill proposes to require
hospitals to provide information about employee compensation and
administrative staffing ratios to the Green Mountain Care Board as part of the
Board's hospital budget review process. It would also direct the Board to
ensure that the ratio of administrative employees at each hospital to employees
delivering health care services directly to patients is aligned with national
averages for similar hospitals and that the compensation for a hospital's
executive and clinic leadership does not equal more than 10 times that of the
hospital's lowest-paid employees who deliver health care services directly to
hospital patients.

An act relating to hospital salaries and administrative staffing ratios

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 Sec. 1. 18 V.S.A. § 9454 is amended to read:

3 § 9454. HOSPITALS; DUTIES

4 (a) Hospitals shall file the following information at the time and place and
5 in the manner established by the Board:

6 * * *

7 (6) known depreciation schedules on existing buildings, a four-year
8 capital expenditure projection, and a one-year capital expenditure plan; ~~and~~

9 (7) the number of employees of the hospital whose duties are primarily
10 administrative in nature, as defined by the Board, and the number of
11 employees whose duties primarily involve delivering health care services
12 directly to hospital patients;

13 (8) information regarding base salaries and total compensation for the
14 hospital's executive and clinical leadership and for its employees who deliver
15 health care services directly to hospital patients; and

16 (9) such other information as the Board may require.

17 (b) Hospitals shall adopt a fiscal year that shall begin on October 1.

1 Sec. 2. 18 V.S.A. § 9456 is amended to read:

2 § 9456. BUDGET REVIEW

3 (a) The Board shall conduct reviews of each hospital's proposed budget
4 based on the information provided pursuant to this subchapter and in
5 accordance with a schedule established by the Board.

6 (b) In conjunction with budget reviews, the Board shall:

7 * * *

8 (12) review the hospital's investments in workforce development
9 initiatives, including nursing workforce pipeline collaborations with nursing
10 schools and compensation and other support for nurse preceptors; ~~and~~

11 (13) consider the salaries for the hospital's executive and clinical
12 leadership and the hospital's salary spread, including a comparison of median
13 salaries to the medians of northern New England states and a comparison of
14 the base salaries and total compensation for the hospital's executive and clinic
15 leadership with those of the hospital's lowest-paid employees who deliver
16 health care services directly to hospital patients; and

17 (14) consider the number of employees of the hospital whose duties are
18 primarily administrative in nature, as defined by the Board, compared with the
19 number of employees whose duties primarily involve delivering health care
20 services directly to hospital patients, as well as national average staffing ratios

1 for hospitals of a similar size and with a similar number of locations and
2 industry best practices for such hospital staffing ratios.

3 (c) Individual hospital budgets established under this section shall:

4 (1) be consistent with the Health Resource Allocation Plan;

5 (2) take into consideration national, regional, or in-state peer group
6 norms, according to indicators, ratios, and statistics established by the Board,
7 and ensure that the ratio of administrative employees at each hospital to
8 employees delivering health care services directly to patients is aligned with
9 national averages for a hospital of a similar size and with a similar number of
10 locations;

11 (3) promote efficient and economic operation of the hospital;

12 (4) reflect budget performances for prior years;

13 (5) include a finding that the analysis provided in subdivision (b)(9) of
14 this section is a reasonable methodology for reflecting a reduction in net
15 revenues for non-Medicaid payers; ~~and~~

16 (6) demonstrate that they support equal access to appropriate mental
17 health care that meets standards of quality, access, and affordability equivalent
18 to other components of health care as part of an integrated, holistic system of
19 care; and

20 (7) limit the base salaries and total compensation for the hospital's
21 executive and clinic leadership to not more than 10 times that of the hospital's

1 lowest-paid employees who deliver health care services directly to hospital
2 patients.

3 * * *

4 Sec. 3. EFFECTIVE DATE

5 This act shall take effect on January 1, 2026 and shall apply to hospital
6 budgets for fiscal years 2027 and after.