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H.228

Introduced by Representatives Cole of Hartford and Cordes of Bristol

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 and to make current compensation information available to the Board throughout the year. The bill 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 employee compensation 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, with information that includes
16 and excludes the salary amounts for faculty medical education and fellowships
17 and income related to research projects reported separately for all employees
18 who receive compensation for such activities; and

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

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

1 (c) Hospitals shall make current information regarding base salaries and
2 total compensation, including bonuses, variable pay, investments on behalf of
3 employees and administrators, and benefits available to the Green Mountain
4 Care Board upon request throughout the fiscal year.

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

6 § 9456. BUDGET REVIEW

7 (a) The Board shall conduct reviews of each hospital’s proposed budget
8 based on the information provided pursuant to this subchapter and in
9 accordance with a schedule established by the Board.

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

11 * * *

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

15 (13) consider the salaries for the hospital’s executive and clinical
16 leadership and the hospital’s salary spread, including a comparison of median
17 salaries to the medians of northern New England states and a comparison of
18 the base salaries and total compensation for the hospital’s executive and clinic
19 leadership, excluding salary amounts for faculty medical education and
20 fellowships and income related to research projects, with those of the

1 hospital's lowest-paid employees who deliver health care services directly to
2 hospital patients; and

3 (14) consider the number of employees of the hospital whose duties are
4 primarily administrative in nature, as defined by the Board, compared with the
5 number of employees whose duties primarily involve delivering health care
6 services directly to hospital patients, as well as national average staffing ratios
7 for hospitals of a similar size and with a similar number of locations and
8 industry best practices for such hospital staffing ratios.

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

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

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

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

18 (4) reflect budget performances for prior years;

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

1 (6) demonstrate that they support equal access to appropriate mental
2 health care that meets standards of quality, access, and affordability equivalent
3 to other components of health care as part of an integrated, holistic system of
4 care; and

5 (7) limit the base salaries and total compensation for the hospital's
6 executive and clinic leadership, excluding salary amounts for faculty medical
7 education and fellowships and income related to research projects, to not more
8 than 10 times that of the hospital's lowest-paid employees who deliver health
9 care services directly to hospital patients.

10 * * *

11 Sec. 3. EFFECTIVE DATE

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