



H.583 Health Care Entity Transactions

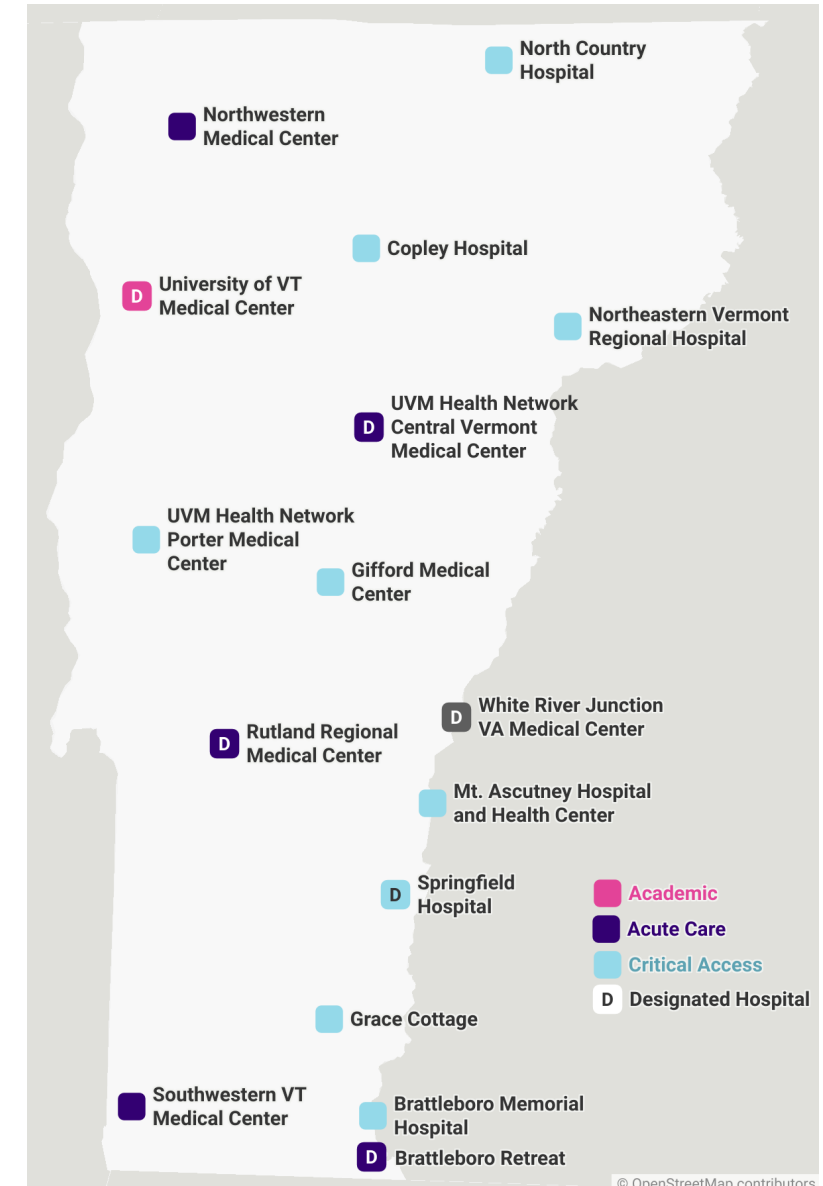
Devon Green, VAHHS

devon@vahhs.org

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Vermont's Nonprofit Rural Hospital System

- 16 Hospitals
- 8 Critical Access Hospitals
- 1 Academic Medical Center
- 4 Inpatient Psychiatric Care
- 1 Veteran's Affairs Hospital
- Find more information about your community's hospital at:
<https://www.vahhs.org/hospitals-101>



Vermont Law: Conversion of Nonprofit Hospitals

18 V.S.A. § 9420

- All conversions of at least \$1M and represents at least 40% of the value of the assets of the nonprofit hospital
 - Exception: nonprofit corporation, but still requires Attorney General notice or approval
- Conversion: Sell, transfer, lease, exchange, option, commit, convey, or otherwise dispose of assets
- Application, hearing, public comment with GMCB and Attorney General
- Approval required by GMCB and either the Attorney General or Superior Court

Vermont Regulation: Reporting

FY 2026 Hospital Budget Guidance

- For hospitals that are part of a network, affiliation, or have a financial arrangement with another legal entity (e.g. nursing home), explain any differences in what is happening at the hospital versus the network level, and quantify any financial impact on the hospital budget as a result of the relationship with any non-hospital entities.
- Explain any changes that occurred to your corporate structure within the last year.
- Explain your approach to considering and participating in any corporate affiliations in which you or the other organization may have a financial stake.

H.583: Prohibited Transactions

- (a)(1) A transaction that would give anyone (including another hospital) ownership of a critical access hospital or FQHC
 - No Gifford Health Care
- (a)(2) Financing the acquisition of a health care entity through the use of debt
 - A hospital could not use bonds or a loan to acquire a health care entity

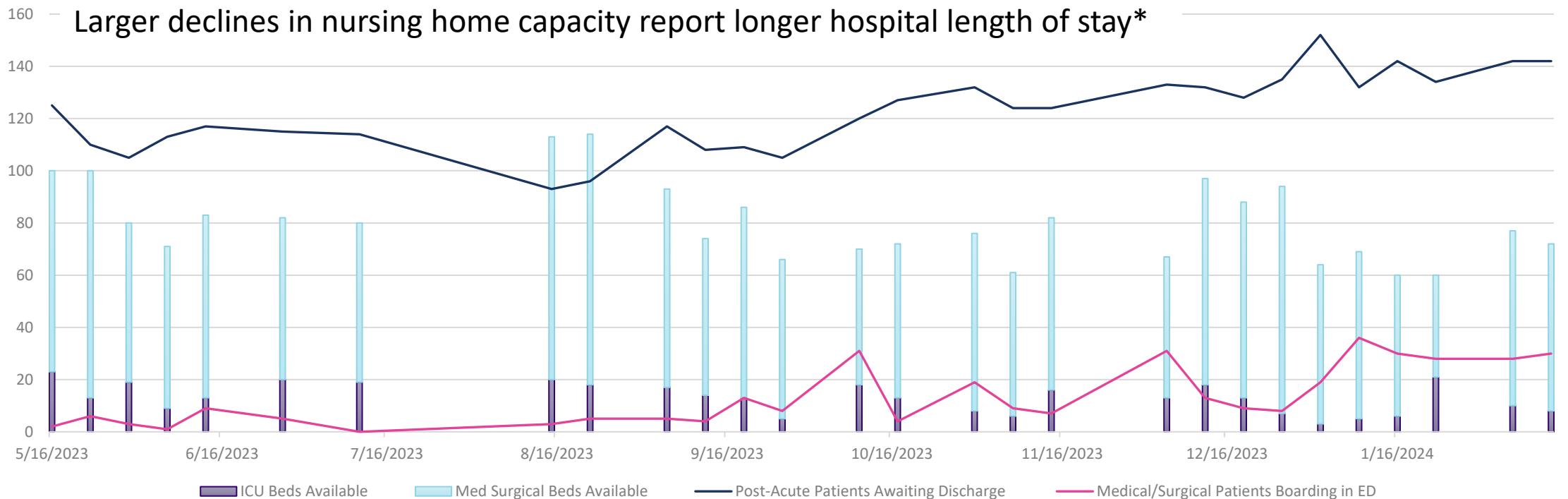
H.583: Prohibited Transactions

- (a)(4) A transaction that involves entering into any contract or services or purchasing arrangement with an affiliated legal entity
 - Exception—arrangements that are
 - Necessary to accomplish the legitimate health care purpose; AND
 - What is legitimate health care purpose? Billing? Laundry? Electronic health records?
 - Contract provides compensation or reimbursement that is consistent with the fair market value of the services or products
 - How does this work with a health system and things like electronic health records ?
- (a)(5) Transaction that results in not accepting Medicare, Medicare Advantage, or Medicaid
 - Gender affirming care?

Hospital Transformation: Recommendations from Experts

- Telehealth
- Group purchasing
- Maximize provider productivity/increase access

Nursing Home Capacity Impacts Hospital



Data Source: Point-in-time data collected from EMResource and reported by Vermont's Medical Operations Network

* McGarry BE, Wilcock AD, Gandhi AD, Grabowski DC, Geng F, Barnett ML. Changes in US Skilled Nursing Facility Capacity Following the COVID-19 Pandemic. JAMA Intern Med. Published online January 12, 2026. doi:10.1001/jamainternmed.2025.7197