

Current Challenges to Vermont's Health Care System



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April 8, 2025



What Are We Trying to Achieve?



- “The state of Vermont must ensure universal access to and coverage for high-quality, medically necessary health services for all Vermonters. Systemic barriers, such as cost, must not prevent people from accessing necessary health care. All Vermonters must receive affordable and appropriate health care at the appropriate time in the appropriate setting.” (§ 9371 Principles for health care reform)

The Current State of VT's Health Care System



- Blue Cross Blue Shield of Vermont has serious solvency concerns
- Numerous FQHCs and independent providers on verge of bankruptcy / closure
- At least 6 Vermont hospitals reported negative operating margins + at risk of requiring major restructuring/closure
- University of Vermont Health Network OG reported \$259 million dollars of excess revenue over expenses in 2024
- At least 44% of privately insured Vermonters are underinsured (VT Household Health Insurance Survey, 2021)

How Have We Tried To Achieve It?



- Create + fund Green Mountain Care Board: 2011-present
- Attempt taxpayer financed payment reform: 2011-2014
- Create + fund OneCare Vermont + All-Payer Model: 2017-2025
- AHEAD Model (?): 2026-?

Common Explanations for the Crisis

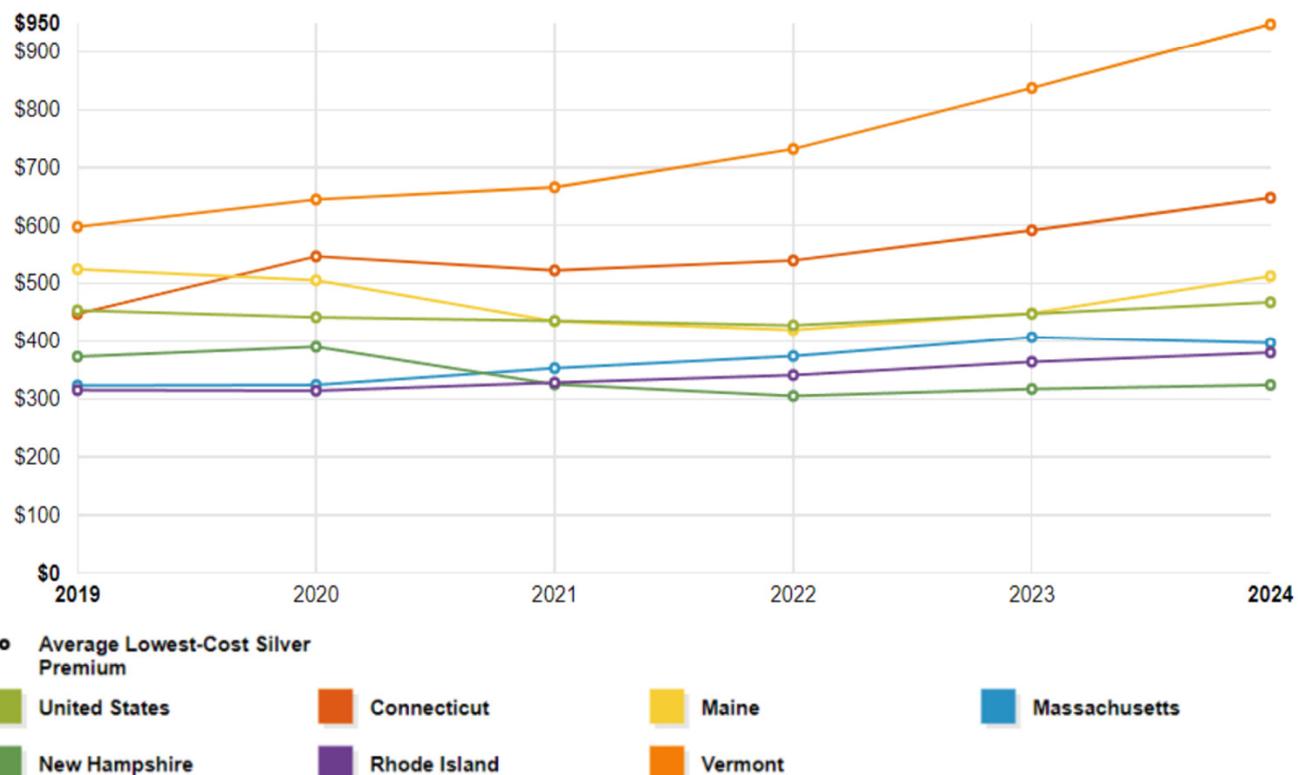


- Demographics: we are too old
- Hospital utilization is too high
- We are too rural
- We use community rating for health insurance instead of age rating
- Public payers are "bad" payers
- Our hospital service areas are highly concentrated
- OneCare Vermont / APM did not live up to expectations

Premium Growth: Age does not explain VT vs. New England trends



ME: 45 (1)
 NH: 43.1 (2)
 VT: 43 (3)
 CT: 41.2 (7)
 RI: 40.3 (9)
 MA: 39.7 (17)



Cost of Health Insurance By NE+ States 2020-2025



	2020	2021	2022	2023	2024	2025
Location	Average Lowest-Cost Gold Premium					
1. Vermont	\$652	\$464	\$752	\$894	\$1,018	\$1,139
2. New York	\$706	\$518	\$724	\$799	\$911	\$1,018
3. Connecticut	\$533	\$489	\$511	\$577	\$627	\$723
4. Maine	\$609	\$327	\$482	\$507	\$586	\$625
5. Massachusetts	\$386	\$370	\$450	\$522	\$485	\$519
United States	\$501	\$482	\$462	\$472	\$488	\$507
6. Rhode Island	\$325	\$513	\$349	\$379	\$395	\$416
7. New Hampshire	\$456	\$661	\$354	\$359	\$354	\$354



Vermont vs. New England: Inpatient & Outpatient Volume

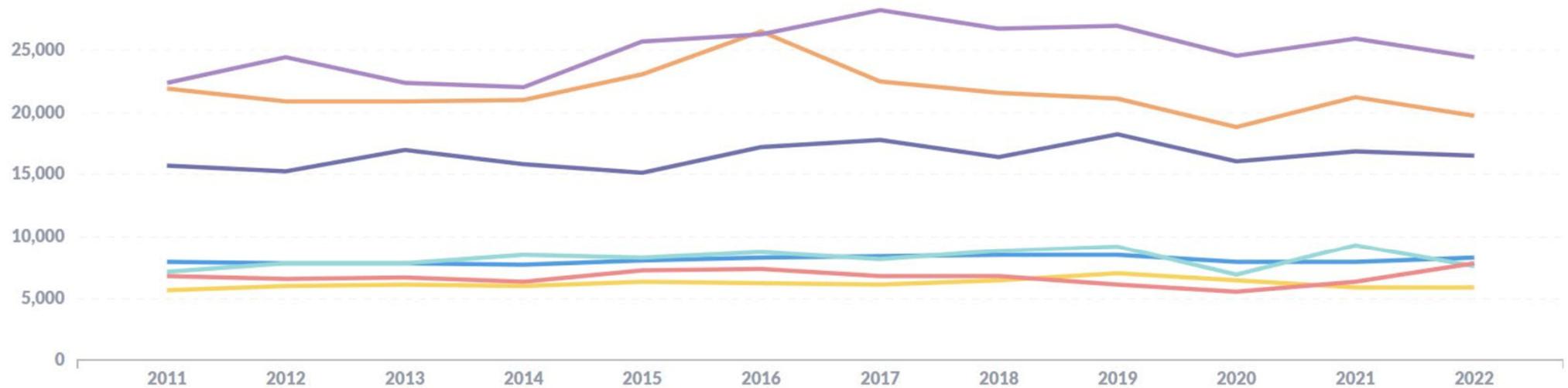


Adjusted Patient Discharges

The calculated inpatient and outpatient patient discharges indicating the hospital's total patient volume for the reported period. Using the adjusted patient discharges to standardize hospital-level metrics allows comparison of hospitals of various sizes.

Median adjusted patient discharges

● National
 ● Connecticut
 ● Maine
 ● Massachusetts
 ● New Hampshire
 ● Rhode Island
 ● Vermont



Medicaid to Medicare Reimbursement Ratio



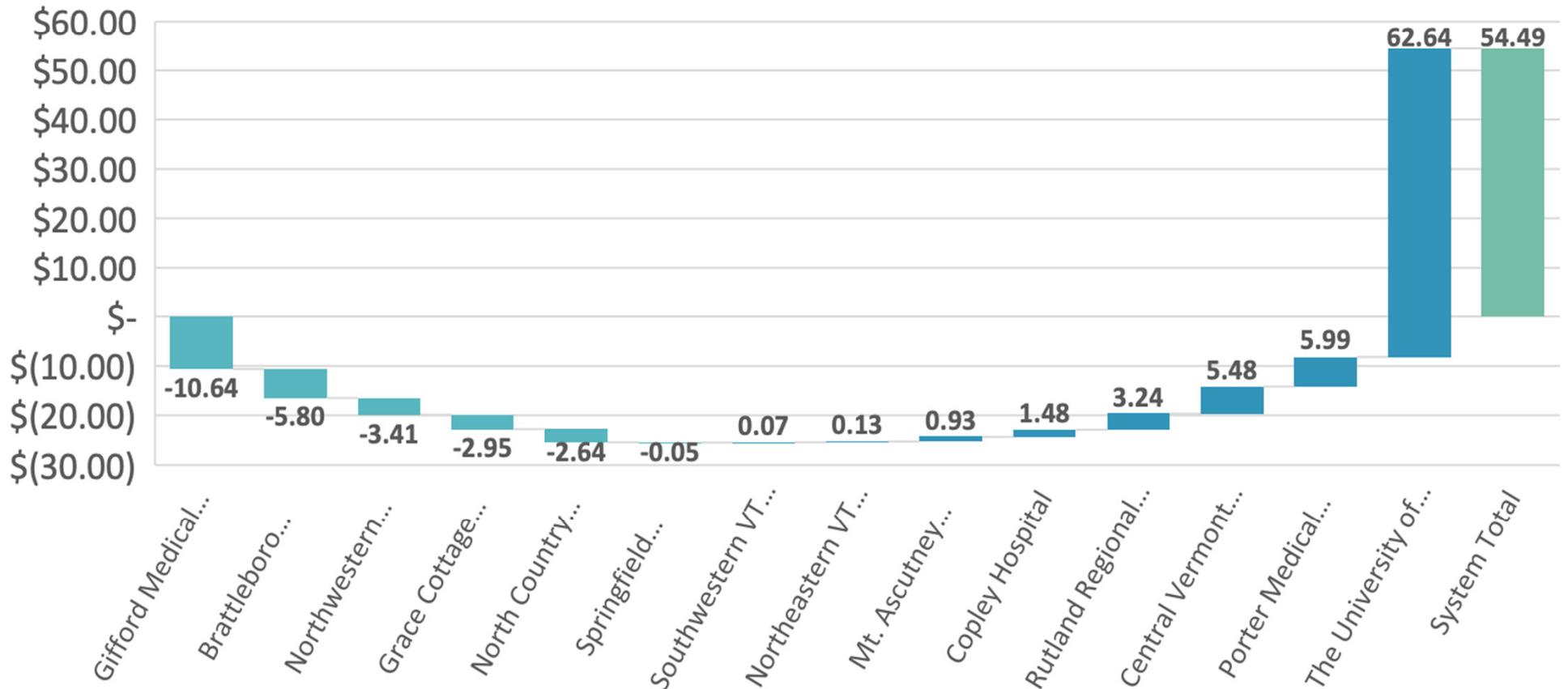
Location	All Services	Primary Care
1. Vermont	0.86	0.89
2. Massachusetts	0.78	0.71
3. Connecticut	0.75	0.75
4. Maine	0.66	0.63
5. New Hampshire	0.57	0.55
5. New York	0.57	0.43
7. Rhode Island	0.37	0.32

Operating Income of All VT Hospitals in FY24



FY24 Operating Income (\$M)

■ Increase ■ Decrease ■ Total



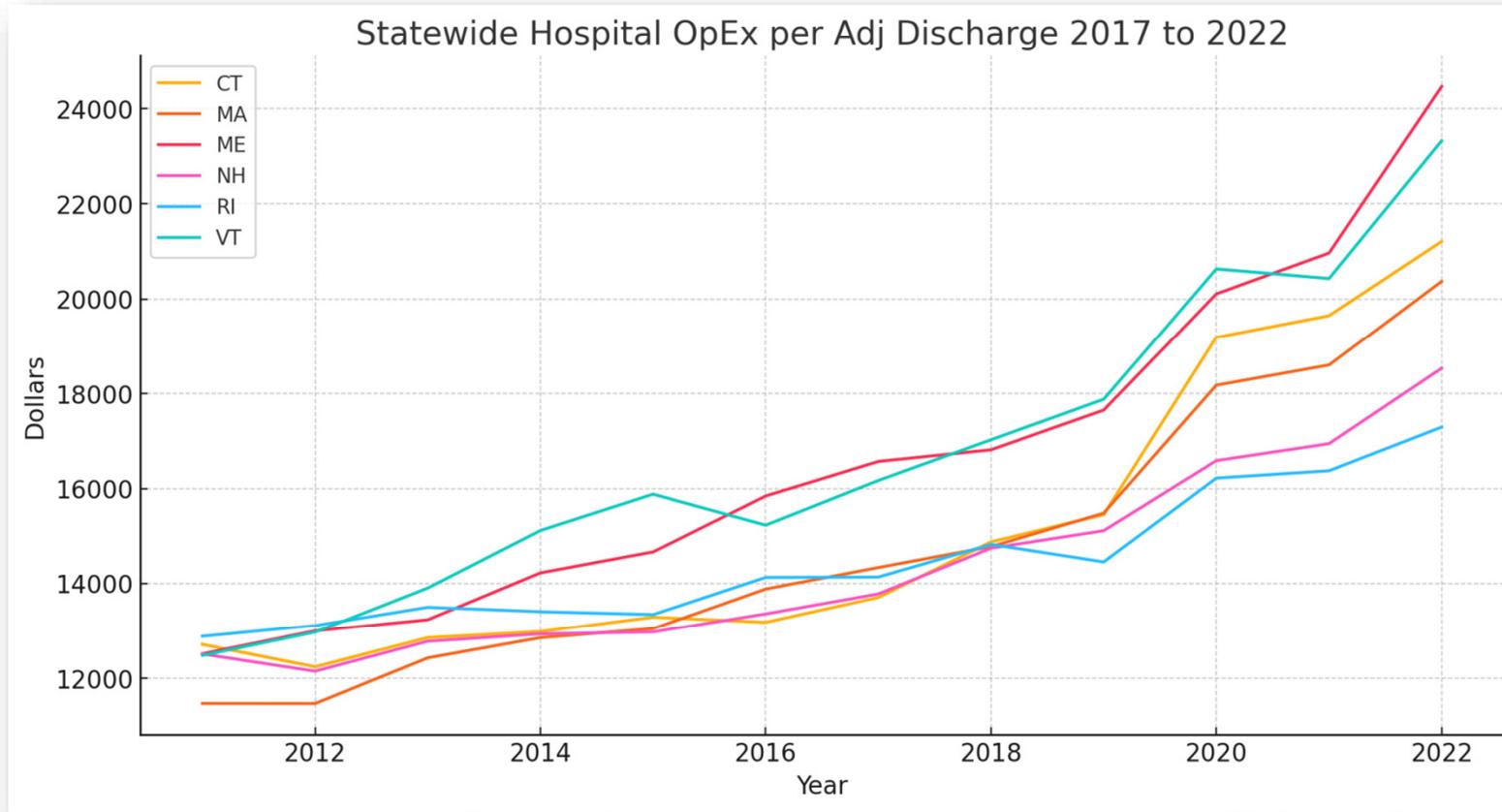
Vermont Hospital Prices



Hospital	IP Standardized Price	IP Standardized Price Decile	OP Standardized Price	OP Standardized Price Decile
Brattleboro	\$19,264	3	\$456.48	8
Copley	\$16,127	2	\$314.51	6
CVMC	\$19,902	4	\$419.26	7
Gifford	\$22,530	5	\$544.04	9
Grace Cottage			\$547.50	9
Mt. Ascutney	\$42,223	10	\$543.10	9
North Country	\$26,877	8	\$605.88	10
Northeastern VT	\$25,134	7	\$522.44	8
Northwestern	\$16,572	2	\$307.97	5
Porter	\$21,403	4	\$423.38	7
Rutland	\$24,645	6	\$399.37	6
Southwestern VT	\$23,165	6	\$438.21	8
Springfield	\$14,290	1	\$374.38	6
UVM	\$31,753	9	\$556.73	10



Vermont vs. New England States: OpEx Growth per Adj Discharge



← Vermont

Most recent available data from NASHP are from 2022.

We Need a New Way Forward



Courage to admit when ideas have not succeeded and why



Courage to look directly at the core drivers of the crisis:
Excessive hospital prices and provider consolidation



Courage to exercise regulatory enforcement authority



Courage to enact new binding legislation for reform

Summer 2025



- May: Insurance carriers submit rate requests to GMCB
- July 1st: Hospitals submit proposed budgets to GMCB
- July: GMCB Deliberates and Issues Rate Review Decisions
- August: GMCB Hospital Budget Hearings
- October 1st: GMCB Issues Hospital Budget Orders