

Final Proposed Filing - Coversheet

Instructions:

In accordance with Title 3 Chapter 25 of the Vermont Statutes Annotated and the “Rule on Rulemaking” adopted by the Office of the Secretary of State, this filing will be considered complete upon filing and acceptance of these forms with the Office of the Secretary of State, and the Legislative Committee on Administrative Rules.

All forms shall be submitted at the Office of the Secretary of State, no later than 3:30 pm on the last scheduled day of the work week.

The data provided in text areas of these forms will be used to generate a notice of rulemaking in the portal of “Proposed Rule Postings” online, and the newspapers of record if the rule is marked for publication. Publication of notices will be charged back to the promulgating agency.

**PLEASE REMOVE ANY COVERSHEET OR FORM NOT
REQUIRED WITH THE CURRENT FILING BEFORE DELIVERY!**

Certification Statement: As the adopting Authority of this rule (see 3 V.S.A. § 801 (b) (11) for a definition), I approve the contents of this filing entitled:

GMCB Rule 3.000: Hospital Budget Review

_____/s/ Owen Foster_____, on 3/18/2026
(signature) (date)

Printed Name and Title:

Owen Foster, GMCB Chair

RECEIVED BY: _____

- Coversheet
- Adopting Page
- Economic Impact Analysis
- Environmental Impact Analysis
- Strategy for Maximizing Public Input
- Scientific Information Statement (if applicable)
- Incorporated by Reference Statement (if applicable)
- Clean text of the rule (Amended text without annotation)
- Annotated text (Clearly marking changes from previous rule)
- ICAR Minutes
- Copy of Comments
- Responsiveness Summary

1. TITLE OF RULE FILING:

GMCB Rule 3.000: Hospital Budget Review

2. PROPOSED NUMBER ASSIGNED BY THE SECRETARY OF STATE

25P044

3. ADOPTING AGENCY:

Green Mountain Care Board

4. PRIMARY CONTACT PERSON:

(A PERSON WHO IS ABLE TO ANSWER QUESTIONS ABOUT THE CONTENT OF THE RULE).

Name: Julia Corlman

Agency: Green Mountain Care Board

Mailing Address: 112 State St., 5th Floor, Montpelier, VT
05602

Telephone: 1-802-505-3055 Fax:

E-Mail: julia.corlman@vermont.gov

Web URL *(WHERE THE RULE WILL BE POSTED)*:
gmcboard.vermont.gov/proposed-rules

5. SECONDARY CONTACT PERSON:

(A SPECIFIC PERSON FROM WHOM COPIES OF FILINGS MAY BE REQUESTED OR WHO MAY ANSWER QUESTIONS ABOUT FORMS SUBMITTED FOR FILING IF DIFFERENT FROM THE PRIMARY CONTACT PERSON).

Name: Matt Sutter

Agency: Green Mountain Care Board

Mailing Address: 112 State St., 5th Floor, Montpelier, VT
05602

Telephone: 1-802-461-6027 Fax:

E-Mail: matt.sutter@vermont.gov

6. RECORDS EXEMPTION INCLUDED WITHIN RULE:

(DOES THE RULE CONTAIN ANY PROVISION DESIGNATING INFORMATION AS CONFIDENTIAL; LIMITING ITS PUBLIC RELEASE; OR OTHERWISE, EXEMPTING IT FROM INSPECTION AND COPYING?) No

IF YES, CITE THE STATUTORY AUTHORITY FOR THE EXEMPTION:

PLEASE SUMMARIZE THE REASON FOR THE EXEMPTION:

7. LEGAL AUTHORITY / ENABLING LEGISLATION:

(THE SPECIFIC STATUTORY OR LEGAL CITATION FROM SESSION LAW INDICATING WHO THE ADOPTING ENTITY IS AND THUS WHO THE SIGNATORY SHOULD BE. THIS SHOULD BE A SPECIFIC CITATION NOT A CHAPTER CITATION).

18 V.S.A. § 9375(b)(7), 18 V.S.A. § 9380, and 18 V.S.A. § 9453(b)

8. EXPLANATION OF HOW THE RULE IS WITHIN THE AUTHORITY OF THE AGENCY:

Under 18 V.S.A. § 9380, the Green Mountain Care Board ("GMCB" or "Board") is authorized to adopt rules as necessary to carry out the provisions of Title 18, Chapter 220 ("Green Mountain Care Board").

Additionally, under 18 V.S.A. § 9453, the GMCB is authorized to adopt rules to carry out the provisions of Title 18, Chapter 221, Subchapter 007 ("Hospital Budget Review"). Rule 3.000 relates to the GMCB's duty to review of hospital budgets under 18 V.S.A. § 9375(b)(7) and 18 V.S.A. § 9456.

9. THE FILING HAS CHANGED SINCE THE FILING OF THE PROPOSED RULE.

10. THE AGENCY HAS INCLUDED WITH THIS FILING A LETTER EXPLAINING IN DETAIL WHAT CHANGES WERE MADE, CITING CHAPTER AND SECTION WHERE APPLICABLE.

11. SUBSTANTIAL ARGUMENTS AND CONSIDERATIONS WERE RAISED FOR OR AGAINST THE ORIGINAL PROPOSAL.

12. THE AGENCY HAS INCLUDED COPIES OF ALL WRITTEN SUBMISSIONS AND SYNOPSES OF ORAL COMMENTS RECEIVED.

13. THE AGENCY HAS INCLUDED A LETTER EXPLAINING IN DETAIL THE REASONS FOR THE AGENCY'S DECISION TO REJECT OR ADOPT THEM.

14. CONCISE SUMMARY (150 WORDS OR LESS):

This proposed hospital budget review rule amends the existing rule to conform to statutory amendments made with the passage of Act 49 (2025), Act 62 (2025), and Act 68 (2025). These Acts set forth revised standards and processes by which hospital budgets are reviewed, established, and monitored by the GMCB. The proposed rule also streamlines and simplifies certain parts of the hospital budget review process. The proposed rule clarifies hospital budget submission obligations, the process for requesting that information be exempt from

public inspection and copying, and the Board's ability to disclose this information. The proposed rule revises the Board's process for exempting hospitals from public hearings, the process for reviewing mid-year budget performance, the process for reviewing significant deviations from established budgets, and the process for reviewing hospital applications for budget adjustment.

15. EXPLANATION OF WHY THE RULE IS NECESSARY:

Revision to Rule 3.000 is necessary due to the passage of Act 49, Act 62, and Act 68 which make changes to the GMCB's authority over hospital budget review. Revision is also necessary to streamline and improve the budget review process. The Board has not revised this rule since its adoption in 2013.

16. EXPLANATION OF HOW THE RULE IS NOT ARBITRARY:

The proposed rule is not arbitrary as defined in 3 V.S.A. §801(b)(13)(A) because many of the revisions are necessary to conform the rule to statutory amendments. The other revisions set forth rational standards and processes that will improve the Board's review of hospital budgets.

17. LIST OF PEOPLE, ENTERPRISES AND GOVERNMENT ENTITIES AFFECTED BY THIS RULE:

1. Vermont general and psychiatric hospitals.
2. The Office of the Health Care Advocate.

18. BRIEF SUMMARY OF ECONOMIC IMPACT (150 WORDS OR LESS):

The hospital budget review process set forth in the rule will be revenue-neutral to the State because it will be accomplished with existing personnel and resources. The proposed rule directly impacts hospitals regulated by the GMCB, as the Board is required to annually review and establish budgets for each hospital. However, the proposed rule does not impose any new economic cost to hospitals. It revises processes that the Board uses to establish budgets and monitor budget performance.

19. A HEARING WAS HELD.

20. HEARING INFORMATION

(THE FIRST HEARING SHALL BE NO SOONER THAN 30 DAYS FOLLOWING THE POSTING OF NOTICES ONLINE).

IF THIS FORM IS INSUFFICIENT TO LIST THE INFORMATION FOR EACH HEARING, PLEASE ATTACH A SEPARATE SHEET TO COMPLETE THE HEARING INFORMATION.

Date: 2/18/2026

Time: 10:30 AM

Street Address: 112 State St., 5th Floor, Montpelier, VT

Zip Code: 05602

URL for Virtual: <https://gmcboard.vermont.gov/2026-meetings>

Date:

Time: AM

Street Address:

Zip Code:

URL for Virtual:

Date:

Time: AM

Street Address:

Zip Code:

URL for Virtual:

Date:

Time: AM

Street Address:

Zip Code:

URL for Virtual:

21. DEADLINE FOR COMMENT (NO EARLIER THAN 7 DAYS FOLLOWING LAST HEARING):

2/25/2026

KEYWORDS (PLEASE PROVIDE AT LEAST 3 KEYWORDS OR PHRASES TO AID IN THE SEARCHABILITY OF THE RULE NOTICE ONLINE).

hospitals

hospital budget

health care

GMCB

Green Mountain Care Board

Adopting Page

Instructions:

This form must accompany each filing made during the rulemaking process:

Note: To satisfy the requirement for an annotated text, an agency must submit the entire rule in annotated form with proposed and final proposed filings. Filing an annotated paragraph or page of a larger rule is not sufficient. Annotation must clearly show the changes to the rule.

When possible, the agency shall file the annotated text, using the appropriate page or pages from the Code of Vermont Rules as a basis for the annotated version. New rules need not be accompanied by an annotated text.

1. TITLE OF RULE FILING:

GMCB Rule 3.000: Hospital Budget Review

2. ADOPTING AGENCY:

Green Mountain Care Board

3. TYPE OF FILING (*PLEASE CHOOSE THE TYPE OF FILING FROM THE DROPDOWN MENU BASED ON THE DEFINITIONS PROVIDED BELOW*):

- **AMENDMENT** - Any change to an already existing rule, even if it is a complete rewrite of the rule, it is considered an amendment if the rule is replaced with other text.
- **NEW RULE** - A rule that did not previously exist even under a different name.
- **REPEAL** - The removal of a rule in its entirety, without replacing it with other text.

This filing is **AN AMENDMENT OF AN EXISTING RULE** .

4. LAST ADOPTED (*PLEASE PROVIDE THE SOS LOG#, TITLE AND EFFECTIVE DATE OF THE LAST ADOPTION FOR THE EXISTING RULE*):

Secretary of State Rule Log: #12-048

Title: Rule 3.000: Hospital Budget Review

Effective Date: January 1, 2013

Economic Impact Analysis

Instructions:

In completing the economic impact analysis, an agency analyzes and evaluates the anticipated costs and benefits to be expected from adoption of the rule; estimates the costs and benefits for each category of people enterprises and government entities affected by the rule; compares alternatives to adopting the rule; and explains their analysis concluding that rulemaking is the most appropriate method of achieving the regulatory purpose. If no impacts are anticipated, please specify “No impact anticipated” in the field.

Rules affecting or regulating schools or school districts must include cost implications to local school districts and taxpayers in the impact statement, a clear statement of associated costs, and consideration of alternatives to the rule to reduce or ameliorate costs to local school districts while still achieving the objectives of the rule (see 3 V.S.A. § 832b for details).

Rules affecting small businesses (excluding impacts incidental to the purchase and payment of goods and services by the State or an agency thereof), must include ways that a business can reduce the cost or burden of compliance or an explanation of why the agency determines that such evaluation isn’t appropriate, and an evaluation of creative, innovative or flexible methods of compliance that would not significantly impair the effectiveness of the rule or increase the risk to the health, safety, or welfare of the public or those affected by the rule.

1. TITLE OF RULE FILING:

GMCB Rule 3.000: Hospital Budget Review

2. ADOPTING AGENCY:

Green Mountain Care Board

3. CATEGORY OF AFFECTED PARTIES:

LIST CATEGORIES OF PEOPLE, ENTERPRISES, AND GOVERNMENTAL ENTITIES POTENTIALLY AFFECTED BY THE ADOPTION OF THIS RULE AND THE ESTIMATED COSTS AND BENEFITS ANTICIPATED:

(1) State of Vermont: The revisions to the hospital budget review process included in this proposed rule will be revenue-neutral to the State because the budget review process will continue to be accomplished with existing personnel and resources. This proposed rule does not alter resources or personnel needed.

(2) Vermont general and psychiatric hospitals: This rule does not materially impact the cost of the hospital budget review process for Vermont hospitals. Hospitals are directly affected by the adoption of the rule because they must adhere to the revised processes contained within. However, the proposed rule does not alter the statutory factors the Board must consider when establishing hospital budgets.

(3) The Office of the Health Care Advocate: The Office of the Health Care Advocate has the right to receive copies of hospital budget materials and participate in hospital budget hearings. See 18 V.S.A. § 9456(d)(3). This revised rule does not materially impact the cost to the Office of the Health Care Advocate to perform these duties.

4. IMPACT ON SCHOOLS:

INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON PUBLIC EDUCATION, PUBLIC SCHOOLS, LOCAL SCHOOL DISTRICTS AND/OR TAXPAYERS CLEARLY STATING ANY ASSOCIATED COSTS:

No impact anticipated.

5. ALTERNATIVES: *CONSIDERATION OF ALTERNATIVES TO THE RULE TO REDUCE OR AMELIORATE COSTS TO LOCAL SCHOOL DISTRICTS WHILE STILL ACHIEVING THE OBJECTIVE OF THE RULE.*

No impact anticipated.

6. IMPACT ON SMALL BUSINESSES:

INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON SMALL BUSINESSES (EXCLUDING IMPACTS INCIDENTAL TO THE PURCHASE AND PAYMENT OF GOODS AND SERVICES BY THE STATE OR AN AGENCY THEREOF):

No impact anticipated. Vermont hospitals are not small businesses as defined at 3 V.S.A. § 801(b)(12).

7. SMALL BUSINESS COMPLIANCE: *EXPLAIN WAYS A BUSINESS CAN REDUCE THE COST/BURDEN OF COMPLIANCE OR AN EXPLANATION OF WHY THE AGENCY DETERMINES THAT SUCH EVALUATION ISN'T APPROPRIATE.*

No impact anticipated

8. COMPARISON:

COMPARE THE IMPACT OF THE RULE WITH THE ECONOMIC IMPACT OF OTHER ALTERNATIVES TO THE RULE, INCLUDING NO RULE ON THE SUBJECT OR A RULE HAVING

SEPARATE REQUIREMENTS FOR SMALL BUSINESS:

Revision to this rule is necessary to conform the rule to statute. This revised rule is not expected to create a new economic benefit or cost to hospitals. Potential alternatives to these hospital budget review processes would not change the economic benefits or costs.

9. *SUFFICIENCY: DESCRIBE HOW THE ANALYSIS WAS CONDUCTED, IDENTIFYING RELEVANT INTERNAL AND/OR EXTERNAL SOURCES OF INFORMATION USED.*

Prior to pre-filing this rule, the GMCB sent a draft of the rule to hospitals regulated by the GMCB, to the hospital lobbying association, and to the Office of the Health Care Advocate. The GMCB also posted the draft rule for a special public comment period and held two public meetings to take public comment on the rule before the Board approved it for pre-filing with ICAR.

Environmental Impact Analysis

Instructions:

In completing the environmental impact analysis, an agency analyzes and evaluates the anticipated environmental impacts (positive or negative) to be expected from adoption of the rule; compares alternatives to adopting the rule; explains the sufficiency of the environmental impact analysis. If no impacts are anticipated, please specify “No impact anticipated” in the field.

Examples of Environmental Impacts include but are not limited to:

- Impacts on the emission of greenhouse gases
- Impacts on the discharge of pollutants to water
- Impacts on the arability of land
- Impacts on the climate
- Impacts on the flow of water
- Impacts on recreation
- Or other environmental impacts

1. TITLE OF RULE FILING:

GMCB Rule 3.000: Hospital Budget Review

2. ADOPTING AGENCY:

Green Mountain Care Board

3. GREENHOUSE GAS: *EXPLAIN HOW THE RULE IMPACTS THE EMISSION OF GREENHOUSE GASES (E.G. TRANSPORTATION OF PEOPLE OR GOODS; BUILDING INFRASTRUCTURE; LAND USE AND DEVELOPMENT, WASTE GENERATION, ETC.):*
No impact anticipated.

4. WATER: *EXPLAIN HOW THE RULE IMPACTS WATER (E.G. DISCHARGE / ELIMINATION OF POLLUTION INTO VERMONT WATERS, THE FLOW OF WATER IN THE STATE, WATER QUALITY ETC.):*
No impact anticipated.

5. LAND: *EXPLAIN HOW THE RULE IMPACTS LAND (E.G. IMPACTS ON FORESTRY, AGRICULTURE ETC.):*
No impact anticipated.

6. RECREATION: *EXPLAIN HOW THE RULE IMPACTS RECREATION IN THE STATE:*
No impact anticipated.

7. *CLIMATE: EXPLAIN HOW THE RULE IMPACTS THE CLIMATE IN THE STATE:*

No impact anticipated.

8. *OTHER: EXPLAIN HOW THE RULE IMPACT OTHER ASPECTS OF VERMONT'S ENVIRONMENT:*

No impact anticipated.

9. *SUFFICIENCY: DESCRIBE HOW THE ANALYSIS WAS CONDUCTED, IDENTIFYING RELEVANT INTERNAL AND/OR EXTERNAL SOURCES OF INFORMATION USED.*

Prior to pre-filing this rule, the GMCB sent a draft of the proposed rule to hospitals regulated by the GMCB, to the hospital lobbying association, and to the Office of the Health Care Advocate. The GMCB also posted the draft rule for a special public comment period and held two public meetings to take public comment on the rule before the Board approved this proposed rule for pre-filing with ICAR.

Public Input Maximization Plan

Instructions:

Agencies are encouraged to hold hearings as part of their strategy to maximize the involvement of the public in the development of rules. Please complete the form below by describing the agency's strategy for maximizing public input (what it did do, or will do to maximize the involvement of the public).

This form must accompany each filing made during the rulemaking process:

=====

1. TITLE OF RULE FILING:

GMCB Rule 3.000: Hospital Budget Review

2. ADOPTING AGENCY:

Green Mountain Care Board

3. PLEASE DESCRIBE THE AGENCY'S STRATEGY TO MAXIMIZE PUBLIC INVOLVEMENT IN THE DEVELOPMENT OF THE PROPOSED RULE, LISTING THE STEPS THAT HAVE BEEN OR WILL BE TAKEN TO COMPLY WITH THAT STRATEGY:

Prior to pre-filing this rule, the GMCB sent a draft of the proposed rule to hospitals regulated by the GMCB, to the hospital lobbying association, and to the Office of the Health Care Advocate. The GMCB also posted the draft rule for a special public comment period and held two public meetings to take public comment on the rule before the Board approved this proposed rule for filing with ICAR. These public meetings were held on November 5, 2025, and November 19, 2025. A public comment period was held from November 3, 2025, to November 17, 2025.

After receiving public comment, the GMCB incorporated some public suggestions into the proposed rule, which were discussed by the Board at the November 19 public meeting. The Board voted publicly to direct GMCB staff to proceed through the rulemaking process.

The GMCB will email the entities identified above when the next opportunity for public comment becomes available.

Public Input

4. BEYOND GENERAL ADVERTISEMENTS, PLEASE LIST THE PEOPLE AND ORGANIZATIONS THAT HAVE BEEN OR WILL BE INVOLVED IN THE DEVELOPMENT OF THE PROPOSED RULE:

No other organizations or people are involved in the development of this proposed rule.

Interagency Committee on Administrative Rules (ICAR) Minutes

Date/Time: December 8, 2025, 2:00 PM

Location: Virtually via Microsoft Teams

Members Present: Nick Kramer, Jared Adler, John Kessler, Natalie Weill, Michael Obuchowski, John Kessler, Jennifer Mojo

Members Absent: Diane Sherman, Nicole Dubuque

Minutes By: Chrissy Gilhuly

- ▶ 2:02 p.m. meeting called to order
- ▶ Review and approval of minutes from the November 17, 2025 [meeting](#).
- ▶ No additions/deletions to agenda. Agenda approved as drafted.
- ▶ No public comments were made.
- ▶ Presentation of Proposed Rules with recommended changes on pages to follow:
 - 1) Vermont Department of Labor (VDOL) – Vermont Workers’ Compensation and Occupational Disease Rule 1-27.
 - a. These rules are for the purpose of carrying out the provisions of the Workers’ Compensation Act and are consistent with the Act’s processes and procedures.
 - 2) Vermont Department of Labor (VDOL) – Unemployment Insurance Self-Employment Assistance Program
 - a. The rule adds procedure for application of benefits through the Employment Assistance Program, as well as what criteria will be considered by the Commissioner in determining eligibility and whether to approve the program.
 - 3) Agency of Natural Resources (ANR) – Vermont Use of Public Waters Rules
 - a. These rules clarify the petition submission and review process and clarifies the procedures for municipal delegation under 10 V.S.A. § 1424 by authorizing full or partial delegation of State oversight, auditing, and revocation authority.

Vermont Agency of Administration

- 4) Green Mountain Care Board (GMCB) GMCB Rule 3.000: Hospital Budget Review
 - a. This rule amends the existing rule to conform statutory amendments made by the passage of Act 29 (2025), Act 62 (2025), and Act 68 (2025), which set forth revised standards and processes by which hospital budgets are reviewed, established, and monitored by the GMCB.

- ▶ Other business – Advice for completing APA forms discussion moved to January 12, 2025, meeting.
- ▶ Next scheduled meeting is January 12, at 2:00 p.m.
- ▶ 3:28 p.m. meeting adjourned.

DRAFT



112 State Street, 5th Floor
Montpelier, VT 05633-3601
802-828-2177

Owen Foster, J.D., Chair
Jessica Holmes, Ph.D.
David Murman, M.D.
Thom Walsh, Ph.D., MS, MSPT
Sara Teachout, M.U.P.
Emily Brown, J.D., Executive Director

DELIVERED ELECTRONICALLY

March 18, 2026

Rep. Trevor Squirrell, Chair
Legislative Committee on Administrative Rules
Vermont State House
Montpelier, Vermont

Dear Representative Squirrell and Committee Members:

In 2013 the Green Mountain Care Board (GMCB) adopted its rule concerning review and establishment of hospital budgets. On December 11, 2025, following the passage of Act 49 (2025), Act 62 (2025), and Act 68 (2025), each of which modified the GMCB's hospital budget review responsibilities, the GMCB filed its proposed amendment to this rule with the Secretary of State. Before filing the proposed rule, the GMCB held hearings and took public comment as it considered a draft proposal. After filing the proposed rule with the Secretary of State, the GMCB then held a public hearing to discuss the proposed amendment and discuss changes. The GMCB held a public comment period through February 25, 2026.

Please find a summary of public comments and GMCB responses below, as well as a list of edits made to the filed proposed rule.

Sincerely,

A handwritten signature in black ink that reads "Julia Corlman". The signature is written in a cursive style.

Julia Corlman, Staff Attorney
Green Mountain Care Board

cc: Secretary of State



Public Comment and GMCB Responses

1. **Comment:** 18 V.S.A. § 9372, which describes the intent of the General Assembly for creating the GMCB, should be referenced at Rule 3.000, § 3.102.
 - a. **Response:** The Board establishes hospital budgets under 18 V.S.A. § 9456. It is required to execute this duty consistent with the principles for health care reform at 18 V.S.A. § 9371. This comment points to 18 V.S.A. § 9372, which sets out the purpose for the General Assembly’s creation of the GMCB. The current hospital budget rule includes reference to this section. In the proposed revision to GMCB Rule 3.000, we removed reference to 18 V.S.A. § 9372. This will not change how the Board regulates hospital budgets. We removed reference to this section because it does not direct how the GMCB must regulate hospital budgets. This is the purpose of this part of the rule: to identify the statutory requirements from which this rule derives.

2. **Comment:** Rule 3.000 should not reference evaluating proposed reductions or eliminations of hospital services because this process is dictated by a different process.
 - a. **Response:** This comment accurately identified language that inadvertently remained in the draft rule and was removed before pre-filing with ICAR.

3. **Comment:** The rule should include a mandate that hospitals within a service area cannot eliminate essential hospital services like pediatric care or birthing centers.
 - a. **Response:** If a hospital proposes to reduce or eliminate any service in order to comply with its established budget, the GMCB may modify the hospital’s budget or take such additional actions as it deems appropriate to preserve access to necessary services. 18 V.S.A. § 9456(e)(2). Currently, the GMCB’s procedures for carrying out this authority are described in its Interim Notice of Service Reduction Policy. Under current law, the GMCB does not have authority to implement rules that unilaterally prohibit hospitals from reducing or eliminating services.

4. **Comment:** The definition of “benchmark” at Rule 3.000, § 3.103(a) should be clarified to avoid any ambiguity with the indicators, ratios, and statistics described at § 3.204.
 - a. **Response:** The GMCB does not see ambiguity between benchmarks, which are used to consider hospital hearing exemptions and approval of a hospital’s proposed budget, and the indicators, ratios, and statistics, which are used to evaluate a hospital’s performance against peers for the purpose of considering adjustment of a hospital’s proposed budget.

For context, the proposed rule defines benchmarks as “criteria the Board may set in its Hospital Budget Guidance to be used by hospitals in developing and preparing their proposed budgets.” *See* Rule 3.000, § 3.103(a). The Board uses benchmarks to determine whether to exempt a hospital from a public hearing, which results in approval of a budget as submitted, subject to generally applicable conditions and reporting requirements. *See* Rule 3.000, §§ 3.203(b), 3.304. This language is consistent with 18 V.S.A. §§ 9456(e)(4)



and (e)(5), which provide that the Board “may establish a process to define, on an annual basis, criteria for hospitals to meet, such as utilization and inflation benchmarks” and “may waive one or more of the review processes listed in subsection (b) of this section.” These review processes include holding public meetings with the hospitals to review and discuss their budgets. 18 V.S.A. § 9456(b)(8).

By comparison, Rule 3.000, § 3.204(a) provides that on an annual basis “the Board shall establish indicators, ratios, and statistics for use in comparing hospitals and hospital networks to national, regional, or in-state peers.” These indicators, ratios, and statistics shall be used in comparing hospitals to a peer group and determining whether to adjust a hospital’s budget. *See* Rule 3.000, § 3.204(b). This language is consistent with 18 V.S.A. § 9456(c)(3), which requires the Board to establish budgets that “take into consideration national, regional, or in-state peer group norms, according to indicators, ratios, and statistics established by the Board.” Taken together, 18 V.S.A. § 9456 makes a cogent distinction between benchmarks and indicators, ratios, and statistics. This distinction is carried forth into the GMCB’s proposed rule.

5. **Comment:** The definition of “hospital” should not include “hospital network.”
 - a. **Response:** Under the proposed rule, “hospital network” is not currently included in the definition of “hospital”; instead, the rule defines both “hospital” and “hospital network” (terms which are both used within the rule) as having the same meanings as in 18 V.S.A. § 9451.
6. **Comment:** The rule should prohibit additions, changes, or deletions to Hospital Budget Guidance after the document is issued on or before March 31 of each year.
 - a. **Response:** This proposed rule requires that the GMCB issue Hospital Budget Guidance, including the ratio, indicators, and statistics used for budget review, by March 31 of each year. *See* Rule 3.000, § 3.203(a). The rule also allows for the possibility that the Hospital Budget Guidance may be revised after March 31, with all additions, changes, or deletions catalogued in a public change log. *See* Rule. 3000, § 3.103(i). Examples of prior revisions can be found on the GMCB’s website. *See* “FY2026 Change Log for Budget Guidance.”¹

It is sometimes necessary to revise Guidance documents to address problems that would otherwise arise during the hospital budget review process. Examples include:

- i. hospitals changing their designation type after Guidance is issued (which would necessitate a change to the hospital’s peer group as defined in Guidance);
- ii. incorporating more accurate data that becomes available after Guidance is issued (which would require a change to the metrics inventory included in Guidance);
- iii. addressing errors or omissions in the uniform reporting worksheets that hospitals must submit; or
- iv. responding to legislation ratified after Guidance is issued but before the GMCB conducts hospital budget review.

¹ <https://gmcboard.vermont.gov/FY2026GuidanceMaterials>



This practice is consistent with the Vermont Administrative Procedure Act, which provides that guidance documents “shall be maintained by the agency in an official current compilation that includes an index. Each addition, change, or deletion to the official compilation shall also be dated, indexed, and recorded.” 3 V.S.A. § 835(a).

7. **Comment:** The rule should further define “significant deviation” to include a specific limit in rule.

- a. **Response:** Pursuant to 18 V.S.A. § 9456(h)(2)(B), the GMCB may order a hospital to take necessary corrective measures to remediate a deviation from its budget, “provided such a deviation from the budget is material.” If the GMCB does not take action under this subsection, it must “account for any significant deviation in revenue during the most recently completed fiscal year in excess of the budget established for the hospital.” 18 V.S.A. § 9456(c)(5). Taken together these subsections ensure that significant deviations from GMCB revenue orders are corrected or accounted for.

The proposed rule is consistent with these subsections. A significant deviation is defined as “actual year-end budget performance, as measured by net patient revenue, commercial net patient revenue, or another metric, that is higher than the limit established in the written budget decision.” *See* Rule 3.000, § 3.103(1). The specific metric and threshold constituting a significant deviation “shall be defined each year in the Hospital Budget Guidance.” *Id.*

This definition is consistent with current practice. The GMCB defines significant revenue deviations in policy, not in rule. *See* “GMCB Policy on Hospital Budget Enforcement.”² This policy is incorporated into annual Hospital Budget Guidance. This provides GMCB a regular opportunity to consider these thresholds. The GMCB believes this continues to be the most rational approach, especially as reference-based pricing is implemented.

8. **Comment:** The rule should require the GMCB to establish benchmarks.

- a. **Response:** Currently, Rule 3.000 states that the Board “will establish” benchmarks. *See* Rule 3.000, § 3.202(a). This proposed rule revises that language to state that the Board “may establish” benchmarks. *See* Proposed Rule 3.000, § 3.203(a). GMCB establishes benchmarks each year and does not intend to change this practice. GMCB revised this language so that the language in rule is consistent with the language in statute. *See* 18 V.S.A. § 9456(e)(4) (“The Board *may* establish a process to define, on an annual basis, criteria for hospitals to meet, such as utilization and inflation benchmarks.” Emphasis added.)

9. **Comment:** The revised rule should require the GMCB to meet with the Vermont Association of Hospitals and Health Systems (VAHHS) to obtain input prior to establishing benchmarks.

² <https://gmcboard.vermont.gov/policy-on-hospital-budget-enforcement>



- a. **Response:** Currently, Rule 3.000 requires the GMCB to meet with all hospitals, VAHHS, and “any other interested person” to obtain input prior to establishing benchmarks. *See* Rule 3.000, § 3.202(a). This revised rule removes reference to VAHHS to align with best practice of not referencing specific entities in rule that do not have defined rights or responsibilities under statute. Hospitals may choose to continue communicating feedback to the GMCB through VAHHS. By comparison, the proposed rule does require GMCB solicitation of input from the Office of the Health Care Advocate, which has statutorily defined rights and responsibilities at 18 V.S.A. § 9601 *et seq.*

10. **Comment:** If a hospital fails to file information as required by law, the rule should limit remedial or corrective action to those powers defined under chapter 221, subchapter 7, of Title 18.

- a. **Response:** Although much of the GMCB’s authority regarding hospital budget review is contained in chapter 221, the GMCB has additional authorities in other chapters. For example, the Board Chair has subpoena authority in chapter 220 at 18 V.S.A. § 9374(i).

11. **Comment:** Confidential records should remain only with the GMCB.

- a. **Response:** The first draft of this proposed rule included language stating that the GMCB “may disclose confidential and non-confidential materials submitted by a hospital to the Office of the Health Care Advocate, the State Auditor’s Office, and other state or federal agencies, departments, offices, boards, or commissions, subject to any confidentiality order, confidentiality agreement, or other protections deemed appropriate by the Board.” This language was added for constancy with the GMCB’s current Rule 5.000 (Oversight of Accountable Care Organizations), which was adopted in 2017. That rule has identical language. *See* GMCB Rule 5.000, § 5.106(g).

When a final proposed revision to Rule 5.000 was recently filed with LCAR, legislative counsel requested a revision to this confidentiality language. This revised language was approved by LCAR, and the revised Rule 5.000 will take effect on July 1, 2026. Again, to achieve consistency, the GMCB has replaced the proposed language above with language identical to the revised Rule 5.000 confidentiality language. As a result, the text that this comment responds to is no longer in this final proposed rule. Rule 3.000, § 3.302(f) now states that the GMCB “may disclose confidential and non-confidential materials submitted by a hospital to the Office of the Health Care Advocate or other state or federal agencies, departments, offices, boards, or commissions as required by law.”

This revised language is legally accurate. It would not be accurate to adopt a rule stating that confidential records remain only with the GMCB. The GMCB is required to provide confidential and non-confidential records to the Office of the Health Care Advocate, for example, pursuant to 18 V.S.A. § 9456(d)(3).

12. **Comment:** Request for clarification on what GMCB means by “generally applicable conditions.”



- a. **Response:** Rule 3.000, § 3.304 explains the effect to a hospital of a hearing exemption if that hospital meets benchmarks and receives an exemption from the GMCB. The entirety of this section provides:

“The Board may exempt a hospital from a public hearing under Section 3.303 if the hospital has met the benchmarks established under Section 3.203. An exempted hospital will not have its budget adjusted in the year for which it was exempted but will be subject to generally applicable conditions and reporting requirements. The Board may still require an exempted hospital to respond to questions raised by the Board.”

The GMCB has a consistent practice of establishing, through the public process, standard budget conditions and reporting requirements for all hospitals. It separately votes on each hospital’s budget, which includes items like net patient revenue (NPR), commercial NPR, and commercial rate growth. Generally applicable conditions are those conditions that the GMCB establishes for all hospitals, rather than for individual hospitals.

13. **Comment:** Will the rule require the GMCB to consider the Statewide Health Care Delivery Strategic Plan in review of hospital proposed budgets?

- a. **Response:** Yes. The rule states that the Board will consider the hospital budget establishment criteria at 18 V.S.A. § 9456(c). The first of these criteria is to consider the Statewide Health Care Delivery Strategic Plan.

14. **Comment:** The rule should include an interim appeals process for GMCB final budget orders.

- a. **Response:** This is not a component of GMCB’s current rule, which was adopted in 2013. This seems consistent with the fact that hospital budget decisions are final and appealable orders issued by the full five-member Board.

15. **Comment:** In this proposed rule, “significant deviation” means “actual year-end budget performance,” but it is also used for mid-year budget review, which is contradictory because the definition relies on the year closing.

- a. **Response:** Under the rule, “significant deviation” is defined as “actual year-end budget performance...that is higher than the limit established in the written budget decision.” With mid-year budget review, the board looks at whether a hospital is “likely to significantly deviate from its current year budget”. The GMCB is able to model during a mid-year review whether a hospital is “likely” to experience a significant deviation from its budget. Additionally, if the GMCB believes that a hospital is likely to significantly deviate from its budget, the hospital has an opportunity to respond with evidence that it will not likely significantly deviate (e.g. evidence of seasonality, planned changes to volumes or prices, etc.).



16. **Comment:** The rule should not include a mid-year review of hospital budgets because hospitals have less volume in the summer than in the winter, and a mid-year review could conflict with the seasonality of hospital budgets.

- a. **Response:** Again, as part of mid-year review of hospital budgets, if the GMCB believes that a hospital is likely to significantly deviate from its budget, the hospital has an opportunity to respond with evidence that it will not likely significantly deviate (e.g. evidence of seasonality, planned changes to volumes or prices, etc.).

17. **Comment:** The proposed rule should not go into effect on July 1, as this is the same day that hospitals will be submitting their yearly budget proposals.

- a. **Response:** The goal is to apply this rule to review of FY27 hospital budgets. This will allow the board to, for example, exempt hospitals under this proposed revised rule rather than under the current rule. This also allows the Board to address issues under the current rule.

However, to be as clear as possible that this rule will take effect before the Board starts review of FY27 hospital budgets, the GMCB is proposing a slight modification of the effective date to June 15, 2026. This ensures no ambiguity that the rule will take effect before hospitals submit their FY27 budgets.

18. **Comment:** As currently drafted, the proposed rule does not include language specifically defining when the Board may conduct a mid-year budget review or prior-year budget review.

- a. **Response:** The GMCB intends to communicate dates for mid-year budget review and prior-year budget review in written procedures after the adoption of this proposed rule. Establishing these dates in written procedures is beneficial to both the GMCB and the regulated entities because it allows for easier adjustment to the dates if necessary.

19. **Comment:** Proposed Section 3.402 indicates that hospital will have an opportunity to be “heard” following a Board finding that the hospital has “significantly deviated from its prior year budget,” but the proposed rule does not further define such a process.

- a. **Response:** The language in § 3.402(a) referring to the a hospital’s opportunity to be heard regarding prior-year budget violations comes from 18 V.S.A. § 9456(h)(2)(B)(ii), which requires that a Board’s order to a hospital to cease violations of an established budget and/or take corrective measures is issued only after notice and an opportunity to be heard. This requirement is to offer a hearing, but it does not require always holding a hearing.

This proposed rule does not define hearing procedures in further detail, as is consistent with the current rule. However, these hospital budget hearings are public meetings under Open Meeting Law (1 V.S.A. § 310 *et seq*), requiring public opportunity to participate and provide comment.



20. **Comment:** The proposed rule removes the requirement that the Board consider “public comments” while considering a hospital’s proposed budget.

- a. **Response:** Instead of reciting individual statutory requirements, this proposed rule refers to the relevant portions of statute when detailing the factors that the GMCB considers when evaluating a hospital’s proposed budget. *See* Rule 3.000, § 3.305(b). This way, if there are amendments to the statute, the language of the rule is still accurate.

The GMCB will continue to consider public comment during the hospital budget review process. The Board must solicit public comment “on all aspects of hospital costs and use and on the budgets proposed by individual hospitals” in accordance with 18 V.S.A. § 9456(b)(7). This obligation is included in the proposed rule at § 3.305(b)(3), which requires consideration of “the hospital budget review criteria as described at 18 V.S.A. § 9456(b).”



Changes from Proposed Rule

The GMCB made the following edits from the proposed rule as filed:

- 3.103(l):
 - Clarified that the Board may define one or more metric and threshold constituting a significant deviation
 - Clarified that a significant deviation is budget performance that is higher than a specified amount established in the budget decision
- 3.203(b): Clarified that the Board will consider benchmarks when deciding whether to exempt a hospital from public hearing
- 3.204(a)(12): Corrected numbering
- 3.204(b): Clarified that the Board will consider indicators, ratios, and statistics in determining whether to adjust a hospital's proposed budget
- 3.205(a):
 - Clarified that a hospital's submission must comply with the Board's standards
 - Corrected redundant wording ("any and all")
- 3.205(b):
 - Removed repetitive consequence for failure to comply (as the consequence is already contained in 3.205(c))
 - Clarified that filings must also be submitted to the Office of the Health Care Advocate
- 3.205(c): Corrected capitalization
- 3.301(a):
 - Removed language repetitive of the Vermont Public Records Act (copying costs)
 - Included language clarifying that a request for nonconfidential information may come from another law besides the Vermont Public Records Act
- 3.301(b): Removed requirement that the GMCB post materials to the website in order to give room for complying with federal accessibility requirements
- 3.302(a): Clarified that hospitals only need to submit a written confidentiality request for materials that are not already designated as confidential by the GMCB
- 3.302(e): Clarified that the Board's written decision on confidentiality will be issued after the hospital has provided a complete request
- 3.302(f):
 - Removed reference to the Vermont Auditor's office
 - Clarified that a request for disclosure will be as required by law
- 3.305(b): Corrected capitalization
- 3.401(c): Grammatical correction
- 3.401(c): Corrected capitalization
- 3.403(d): Corrected numbering
- 3.504: Corrected capitalization



Julie Wasserman, MPH
Health Policy Advocacy

TO: Green Mountain Care Board
RE: Hospital Budget Review Rule 3.000
FROM: Julie Wasserman, MPH
DATE: November 12, 2025

First and foremost, hospitals need to be responsive to the needs of their community. As non-profit tax exempt entities, Vermont hospitals are obliged to provide essential services such as maternity, pediatric, and primary care. Yet, hospital boards are making decisions that deprive their community of these critical services as they prioritize revenue-generation over needed care. Hospital care in the public's interest requires structural changes that explicitly address local community needs.

Vermont hospitals are eliminating essential services, in part, because such services do not generate "enough" revenue. Two examples come to mind. Despite strong community opposition, Copley Hospital eliminated its popular and long-standing Birthing Center, creating a "maternity care desert" where pregnancy, childbirth, post-partum services (and reproductive care) are no longer available. People must now drive long distances to receive care, and emergency roadside deliveries could become more common. Birthing in Copley's ER? Unanticipated C-Sections? Loss of pediatric backup for newborns and infants? These measures constitute unacceptable care in a hospital setting.

Loss of Copley's Birthing Center further deprives this region of essential primary care which is already in short supply. Copley's Nurse Midwives provided low-cost, high quality, easily accessible primary care because they routinely addressed overweight, hypertension, diabetes, mental health, and substance use. (Pregnancy can be a motivator for healthy choices.) Adding insult to injury, closure of the Birthing Center dramatically *increases* the cost of care since patients will now receive services at more expensive locations such as UVM and Central Vermont:

Cost Comparison of a Vaginal Birth Delivery
VT Blue Cross Blue Shield Cost Tool Results – 2025

| Facility Provider Name | Avg. Total Allowed |
|--|--------------------|
| NORTHWESTERN MEDICAL CENTER | \$ 9,209 |
| COPLEY HOSPITAL | \$ 12,812 |
| GIFFORD MEDICAL CENTER | \$ 12,828 |
| NORTHEASTERN VERMONT REGIONAL HOSPITAL | \$ 12,885 |
| PORTER HOSPITAL | \$ 13,784 |
| RUTLAND REGIONAL MEDICAL CENTER | \$ 18,197 |
| NORTH COUNTRY HOSPITAL & HEALTH CENTER | \$ 18,706 |
| BRATTLEBORO MEMORIAL HOSPITAL | \$ 19,163 |
| MARY HITCHCOCK MEMORIAL HOSPITAL | \$ 20,534 |

| | |
|--------------------------------------|-----------|
| SOUTHWESTERN VERMONT MEDICAL CENTER | \$ 21,708 |
| CENTRAL VERMONT MEDICAL CENTER | \$ 22,799 |
| UNIVERSITY OF VERMONT MEDICAL CENTER | \$ 30,048 |

Copley, a small rural hospital in Morrisville, employs five Orthopedic Surgeons whose combined yearly salaries total more than [\\$4 million](#) - p8. Copley's 2026 Budget includes a new 4th Operating Room which increases hospital expenses by [7.9%](#) - p7. (Note the loss of the Birthing Center reduces expenses by a mere [2.4%](#) - p7.) The five surgeons and the new operating room are both costly and revenue-enhancing.

Rutland Regional Medical Center's [decision to eliminate](#) its Pediatric Inpatient Unit offers a second example. Rutland Pediatricians were shocked and dismayed at this loss of essential hospital care for children, having been completely [blindsided](#) by the hospital's decision. This further solidifies Rutland as a "pediatric care desert". Infants and children will now be served in the inhospitable Emergency Room or sent to UVM Medical Center or Dartmouth, all more expensive options that further traumatize families and strand those lacking adequate transportation and resources.

Will the continuation of this "maximizing revenue" approach lead to hospitals that cease to serve their local communities, and, in turn, further increase Vermont's highest-in-the-nation health care costs? How many more "deserts" will appear before we address this trend of hospital revenue maximization *at the expense of* basic essential health care services?

Hospital revenue maximization is a veiled threat to "primary care", broadly defined as maternity care, pediatric care, and primary care – all basic essential services that can prevent expensive hospitalizations. In an effort to improve affordability, the Legislature and the Green Mountain Care Board have recently imposed a variety of hospital budget constraints ([Act 55](#), [Act 68](#), [Act 49](#)). As a result, hospitals' low-priced, high value care appears to be vulnerable to budget cuts. Individual hospitals may benefit from eliminating lower volume services, but the overall cost to the system *rises* (along with insurance premiums), while local communities lose access to basic services.

As Erinn Mandeville, a former nurse midwife at Copley [noted](#), "Somehow we live in a world where, if it makes financial sense, that's all you need to justify a completely unethical decision". Such decisions cannot be made in a vacuum or left solely to local hospitals focused on their bottom line, especially given looming Federal cuts. Moreover, these decisions do not make financial sense for the system as a whole.

Basic essential hospital services cannot be optional. Instead, they need to be mandatory in accordance with the intent of Vermont statutes. State action is necessary to forestall higher health care costs and preclude further permanent damage to Vermont communities. State regulators need to mandate guidelines that hospitals must adhere to when making budget decisions. A principal goal of these guidelines would be to ensure affordable and accessible essential services in each hospital service area. (They may differ from one region to the next.) This mandate could be incorporated into the Green Mountain Care Board's new draft Hospital Budget Review Rule (3.000) as well as its Hospital Budget Guidance.

Mandated regulations guiding hospital budget decision-making would improve accountability and transparency. As a result, hospitals would be in a better position to meet their community's needs and engender trust, enjoy greater support, promote good will, and ultimately endure.

The goal is to ensure that Vermont hospitals remain sustainable while providing essential and affordable services to their local community.

November 17, 2025

Owen Foster, Chair
Green Mountain Care Board

Sent via email

Re: VAHHS Comments on Rule 3.000 Hospital Budget Review

Dear Chair Foster:

Thanks for the opportunity to provide public comment on the draft proposed rule on Hospital Budget Review. I want to acknowledge your team's hard work on a complex rule. VAHHS is aligned with the Green Mountain Care Board's (GMCB) objective of bringing more clarity to the process. We also see an opportunity to create:

- greater predictability;
- the opportunity to develop multi- year planning and flexibility that may be necessary for regionalization and stable access to services;
- a definition for affordability.

In addition to our request that the GMCB consider multi-year planning and a definition of affordability, VAHHS also has the following comments tied to specific sections of the draft proposed rule.

Purpose

3.102 Purpose should include reference to purpose of the GMCB

We appreciate the GMCB alignment with the principles of health care reform at 18 V.S.A. § 9371. It is unclear to us why the principles of the board at 18 V.S.A. § 9372 are not included.

VAHHS Proposal: *The Board shall execute these duties consistent with the principles for health care reform at 18 V.S.A. § 9371 and purpose set out at 18 V.S.A. § 9372.*

3.102 Evaluation of proposed reductions is covered by a different policy

Rule 3.102 states that "[t]his rule sets forth the standards and processes by which the Board will... evaluate proposed reductions or eliminations of hospital services." However, the process for evaluating proposed reductions or eliminations of hospital services is set out in a different process and should not be included here. If the board is looking to understand the impact of reductions or eliminations of service lines that have already occurred, VAHHS would welcome a process set out in these rules.

VAHHS Proposal: Either eliminate the reference to proposed reductions or eliminations of hospital services or set out a process for operationalized reductions or eliminations of hospitals services.

Definitions

3.103(a) The definition of “benchmark” should be further clarified.

VAHHS appreciates the GMCB eliminating old references to the Department of Financial Regulation in its references section and its addition of the definition of “benchmark.” VAHHS believes that further defining benchmark and differentiating it from the indicators, ratios, and statistics referenced in Section 3.204 would afford greater predictability and consistency when hospitals are preparing budgets.

3.103(h) The definition of “hospital” should not include “hospital network”

Under 18 V.S.A. 9458, the GMCB may review, evaluate, investigate, and make recommendations for hospital networks, but it does not fold hospital networks into the hospital budget review process.

VAHHS Proposal: *(h) “Hospital” has ~~and “hospital network”~~ have the same meanings as in 18 V.S.A. 9451.* Another option would be to adopt a separate hospital network process.

3.103(i) Clarify that changes to hospital budget guidance will be finalized by March 31st.

The definition of “hospital budget guidance” includes “any addition, change, or deletion to these documents,” which implies the guidance may change after it is adopted. Multiple changes to the hospital budget guidance between March 31st and the July 1st submission creates administrative burden and cost. VAHHS advocates that the guidance be finalized on March 31st.

VAHHS proposal: *“Hospital Budget Guidance” includes any addition, change, or deletion to these documents, prior to March 31st, which shall be dated, indexed, and recorded consistent with 3 V.S.A. § 835.*

3.103(l) “Significant deviation” should be clarified further to avoid vagueness.

VAHHS appreciates the GMCB including a definition of significant deviation so that hospitals may understand when enforcement actions are triggered. However, the definition itself is not sufficiently specific. Significant would indicate a material departure, but the definition includes anything that is higher than the limit established in the written budget decision. It would be helpful to indicate the amount of deviation in the rule. Significant deviation should take into consideration types of hospitals, transformation efforts, and affordability.

VAHHS proposal: A conversation with the GMCB to better understand how significant deviation is intended to reference and how it should work.

Board Publications and Hospital Duties

3.202 Hospital Budget Guidance should be finalized by March 31st.

Section 3.202 addresses hospital budget guidance but does not provide a date by which the guidance will be finalized. A date by which the guidance is finalized will help hospitals build more accurate budget and save on administrative resources.

VAHHS proposal: The Green Mountain Care Board will finalize the Hospital Budget Guidance by March 31st of each year.

3.203 If the GMCB is not required to establish benchmarks, what is the alternative process?

Under 3.203, the GMCB changes “will” establish benchmarks to “may” establish benchmarks. What is the process if benchmarks are not established? Making benchmarks optional creates less predictability in the process.

VAHHS Proposal: *On an annual basis, the Board shall ~~may~~ establish benchmarks for hospitals to use in developing and preparing their budgets for the upcoming fiscal year.*

3.203 It should be clear that the GMCB receives input from all hospitals or VAHHS prior to setting benchmarks.

VAHHS, as an organization that represents all of Vermont’s hospitals, can supply input to the GMCB on the benchmarks. Stating that the GMCB will receive input from “hospitals” leaves open the possibility that the GMCB would only contact two hospitals.

VAHHS Proposal: *The Board will obtain input from all hospitals or the Vermont Association of Hospitals and Health Systems and the Office of the Health Care Advocate on or before February 15th.*

3.204 Clarify that ratios, indicators, and statistics used for the budget review will be finalized by March 31st.

VAHHS Proposal: *On an annual basis by March 31st, the Board shall establish...*

3.203 & 3.204 This rules update is a chance to improve predictability and work collectively together to develop benchmarks and metrics that will drive decision making.

As written, the annual adjustment of these measures may limit the necessary predictability and planning opportunities required for transformation.

VAHHS Proposal: Use a transparent process that includes VAHHS, VAHHS members and the Health Care Advocate.

3.205 Clarify that remedial or corrective action is limited to powers under statute.

This section allows the board to take an “other remedial or corrective action” which is vague. To further clarify, the language should be restricted to authority under chapter 221.

VAHHS Proposal: *(d) section shall not constrain the Board from taking any other remedial or corrective action under chapter 221, subchapter 7 of Title 18 of the Vermont Statutes Annotated, including the authority to impose civil administrative penalties as set out in 18 V.S.A. 9456.*

Hospital Budget Procedure

3.302 Confidential records should remain only with the GMCB.

Section 3.302(f) allows the GMCB to disclose a hospital's confidential information to the State's Auditor's Office. In *Hoffer v. OneCare Accountable Care Organization*, the Vermont Supreme Court held that the Office of the Auditor's authority to request documents does not extend to private entities without legislative authority, and no underlying statute supports a rule to provide the Office of the Auditor confidential hospital information.

Section 3.302(f) also allows the GMCB to disclose a hospital's confidential information to any other "state or federal agencies, departments, offices, boards, or commissions, subject to any confidentiality order, confidentiality agreement, or other protections deemed appropriate by the Board." The GMCB does not have the statutory authority to order another agency, department, office, board, or commission to maintain confidentiality of information. The Health Care Advocate is entitled to receive confidential information under the budget review statute, which prohibits the HCA from further disclosing that information. 18 VSA 9456(d)(3). The budget review statute does not address access to confidential information by any other agency, department, office, board, or commission. The statute that defines the GMCB's general powers provides that it may share confidential information it receives pursuant to a subpoena or notice to produce with only two state agencies -- the Agency of Human Services and the Department of Financial Regulation -- and only provided that the Agency or Department agrees to maintain confidentiality. 18 VSA 9374(i).

VAHHS Proposal: (f) Notwithstanding anything to the contrary in this section, the Board may disclose ~~confidential and non-confidential~~ materials submitted by the hospital to the Office of the Health Care Advocate, the State Auditor's Office, and other state or federal agencies, departments, offices, boards, or commissions. The Board shall disclose confidential information submitted by the hospital to the Office of the Health Care Advocate pursuant to 18 VSA 9456(d)(3), and the Board may disclose such confidential information to the Vermont Agency of Human Services and/or Department of Financial Regulation, pursuant to 18 VSA 9374(i) and subject to a confidentiality agreement deemed appropriate by the Board.

3.304 VAHHS appreciates the changes made for exemptions from public hearings.

VAHHS appreciates the clarification around the exemption from public hearings process, including allowing for exemptions of the four largest hospitals. This will streamline the hospital budget process and reduce administrative burden.

VAHHS requests clarification on what "generally applicable conditions" means because it is not found anywhere else in the rule or statute.

3.305 Will the GMCB be taking the Statewide Health Care Delivery Strategic Plan into account with its budget review process?

Once the Statewide Health Care Delivery Strategic Plan is established as required under 18 V.S.A. § 9403, will the GMCB be considered in the review of hospital proposed budgets?

3.306 The GMCB should create an interim appeals process for its final budget orders.

Under 18 V.S.A. § 9381, the GMCB “shall adopt procedures for administrative appeals of its actions, orders, or other determinations.” The GMCB has an informal reconsideration process in place for hospital budget orders, but no written procedure. The reopening of the hospital budget review rule is a great opportunity to formalize an interim appeals process.

VAHHS Proposal: Formalize an interim appeals process that builds a record and avoids direct appeals to the Vermont Supreme Court.

Budget Adjustments, Deviations, and Corrective Measures

3.401 Significant deviation as a trigger for a mid-year review and budget adjustment is contradictory because the definition of significant deviation relies on the year closing.

In this proposed rule, “significant deviation” means “actual year-end budget performance.” How will the GMCB use significant deviation for mid-year reviews?

3.401 A mid-year review conflicts with the seasonality of hospital budgets.

Many hospitals have busy winters due to ski tourism and seasonal flu. If hospital budgets are reviewed mid-year without considering that the budgets will likely slow down in the summer months, then they may be adjusted down in a way from which the hospital cannot recover.

VAHHS Proposal: Redact 3.401 or broaden the process to consider transformation, market share adjustment, utilization changes and the recapture of market share from out of state.

3.402 Similar to hospital budget review, set dates certain for prior year budget review.

The GMCB laid out the process for prior year budget review, and VAHHS appreciates the clarity. However, it fails to state when this review will take place.

VAHHS Proposal: Enforcement takes place by April 30th, which would allow hospitals to have greater predictability and planning ability while developing budgets.

3.504 Having the rule go into effect on the day hospital budgets are submitted creates process misalignment.

In section 3.306 the establishment of budget decisions the timing of this rule appears to be out of alignment with the budget process. Hospitals will be submitting budgets simultaneously as the rule goes into effect.

VAHHS Proposal: This Rule shall become effective January 1, 2027.

Again, thank you for the work that went into this from your team. The rule changes are very thoughtful, and I appreciate the opportunity for VAHHS to provide comments that reflect our shared desire to improve the budget process and create more affordability and better health outcomes for Vermonters.

Feel free to reach out to me any time if you would like to discuss our comments further.



148 Main Street
Montpelier, VT 05602

• info@vahhs.org
• (802) 223-3461
VAHHS.ORG

Sincerely,

A handwritten signature in blue ink that reads "Michael Del Trecco". The signature is fluid and cursive, with a large loop at the end of the last name.

Michael Del Trecco
President and CEO
Vermont Association of Hospitals and Health Systems

February 19, 2026

Angela Pellegrino-Wood (VIA EMAIL ONLY)
Green Mountain Care Board
112 State St. 5th floor
Montpelier, VT 05602
Angela.Pellegrino-Wood@vermont.gov

RE: *Comments regarding the Green Mountain Care Board's proposed changes to Rule 3.000 (Hospital Budget Review)*

Dear Ms. Angela Pellegrino-Wood,

Please accept this letter as Blue Cross and Blue Shield of Vermont's (Blue Cross VT) comments in response to the Green Mountain Care Board's (Board) proposed changes to Rule 3.000 (Hospital Budget Review).

1. Section 3.401 (Mid-Year Budget Review): As currently drafted, the proposed rule does not include language specifically defining when the Board may conduct a mid-year budget review.

Recommendation: Blue Cross VT recommends that the Board amend the proposed draft with a date certain by which the Board must complete a mid-year budget review. A mid-year budget review ideally is conducted no later than April of the hospital's fiscal year, with a final recommendation and effective date of no later than May 1. We make this recommendation to ensure the parties have sufficient time to complete the process and implement any changes resulting from review.

2. Section 3.402 (Prior Year Budget Review): As currently drafted, the proposed rule does not include language specifically defining when the Board may conduct a prior-year budget review. Proposed Section 3.402 also indicates that hospital will have an opportunity to be "heard" following a Board finding that the hospital has "significantly deviated from its prior year budget," but the proposed rule does not further define such a process.

Recommendation: Same concerns and recommendations as above. Additionally, it would be helpful to further define how hospitals will "be heard" regarding a Board finding that a hospital has "significantly deviated from its prior year budget." Blue Cross VT recommends that this process be public and that other stakeholders have an opportunity to offer comments. We further suggest including a specified time frame to which a hospital may respond to such a finding and the time allotted to grant a hearing, as well as potentially including specified metrics on which a significant deviation finding would be premised.

3. 3.305 (Review Process): The proposed rule removes the requirement that the Board consider “public comments” while considering a hospital’s proposed budget.

Recommendation: Blue Cross VT urges the Board to reconsider this proposed change so that the public may continue to have a role in this important process, and to ensure that the public remains engaged in the Board’s decision-making process more generally.

Thank you very much for the opportunity to share our comments regarding the Board’s proposed changes to Rule 3.0000. Please feel free to contact me with any questions that you might have.

Sincerely,

Gregory J. Boulbol

[Gregory J. Boulbol \(Feb 19, 2026 17:33:22 EST\)](#)

Gregory J. Boulbol

boulbolg@bcbsvt.com

908.797.3124

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD-
RULE 3.000: HOSPITAL BUDGET REVIEW

3.100 3.100 General Provisions

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3.300 Hospital Budget Review Procedures

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3.400 Budget Adjustments, Deviations, and Corrective Measures

3.401 Mid-Year Budget Review; Use of Budget Adjustments

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3.403 Hospital Applications for Adjustment

3.500 Other Matters

3.501 Waiver of Rules

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3.504 Effective Date

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD
RULE 3.000: HOSPITAL BUDGET REVIEW

General Provisions

3.101 Authority

The Board adopts this rule pursuant to 18 V.S.A. § 9375(b)(7), 18 V.S.A. § 9380, and 18 V.S.A. § 9453(b).

3.102 Purpose

Under 18 V.S.A. § 9375(b)(7), the Green Mountain Care Board (Board) shall review and establish hospital budgets pursuant to chapter 221, subchapter 7 of Title 18 of ~~Vermont Statutes Annotated, taking into consideration the requirements in the underlying statutes, changes in health care delivery, changes in payment methods and amounts, and other issues at the discretion of the Board. The Board's review process will promote the general good of the state, as set forth in 18 V.S.A. § 9372, by improving the health of the population; reducing the per-capita rate of growth in expenditures for health services in Vermont across all payers while ensuring that access to care and quality of care are not compromised; enhancing the patient and health care professional experience of care; supporting the recruitment and retention of high-quality health care professionals; and achieving administrative simplification in health care financing and delivery. This rule sets forth the process by which the Board will review and establish hospital budgets.~~ Vermont Statutes Annotated. This rule sets forth the standards and processes by which the Board will review and establish hospital budgets, modify hospital budgets, and enforce violations and deviations from its budget orders. The Board shall execute these duties consistent with the principles for health care reform at 18 V.S.A. § 9371, as required by 18 V.S.A. § 9375(a). Additionally, the Board shall establish hospital budget consistent with its duties at 18 V.S.A. § 9456(c).

~~**3.102** — Authority~~

~~This rule is adopted pursuant to 18 V.S.A. § 9375(b)(7), 18 V.S.A. § 9380, and Act No. 171 (2011 adj. sess.), § 40a.~~

3.103 Definitions

- ~~(a) "Act" means the Vermont Administrative Procedure Act.~~
- (a) "Benchmark" means criteria the Board may set in its Hospital Budget Guidance to be used by hospitals in developing and preparing their proposed budgets.
- (b) "Board" means the Green Mountain Care Board.
- ~~(c) "Chair" means the Chair of the Green Mountain Care Board or a designee appointed by the~~

Chair.

~~(d) “Commissioner” means the Commissioner of the Department of Financial Regulation.~~

~~(e) “Department” means the Department of Financial Regulation.~~

(c) “Budget submission deadline” means the date by which a hospital must file information that the Board requires for annual budget review. For general hospitals, this deadline is July 1. For psychiatric hospitals, this deadline is December 1.

~~(f)(d) “Fiscal year” means at the twelve-month period designated by the Board under Section 3.105 of this rule, beginning on the date specified in 18 V.S.A. § 9454(c).~~

(e) “General hospital” has the same meaning as at 18 V.S.A. § 1902(1)(A).

~~(g)(f)~~ “Health care facility” means all facilities and institutions, whether public or private, proprietary or nonprofit, that offer diagnosis, treatment, inpatient, or ambulatory care to two or more unrelated persons. The term shall not apply to any facility operated by religious

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groups relying solely on spiritual means through prayer or healing, but includes all facilities and institutions included in 18 V.S.A. § 9432(8).

~~(h)~~(g) “Health care provider” or “provider” means a person, partnership, or corporation, other than a facility or institution, licensed or certified or authorized by law to provide professional health care service in Vermont to an individual during that individual’s medical care, treatment, or confinement.

~~(i)~~(h) “Hospital” ~~means a general and “hospital licensed under chapter 43 of Title 18 of Vermont Statutes Annotated, network” have the same meanings as defined in 18 V.S.A. § 9451(1).~~

~~(i)~~ “Hospital Budget Guidance” means the documents published by the Board each year that establish benchmarks, identify submission requirements, identify the indicators, ratios, and statistics that the Board may use in establishing hospital budgets, and that provide guidance regarding the Board’s review process. “Hospital Budget Guidance” includes any addition, change, or deletion to these documents, which shall be dated, indexed, and recorded consistent with 3 V.S.A. § 835.

(j) “Person” means any natural person, partnership, corporation, association, governmental subdivision, public agency, or other legal entity.

(k) “Unified health care budget” means ~~Psychiatric hospital” has the budget adopted by the Board pursuant to same meaning as at 18 V.S.A. § 1902(1)(B). §§ 9375a and 9375(b)(11).~~

~~(l)~~ “Significant deviation” means actual year-end budget performance, as measured by net patient revenue, commercial net patient revenue, or another metric, that is higher than a specified amount established in the written budget decision. The specific metrics and thresholds constituting a significant deviation shall be defined each year in the Hospital Budget Guidance.

~~(l)~~(m) “Uniform reporting manual” or “manualReporting Manual” means the ~~uniform reporting manual previously published by the Department and now document published by the Board, including any appendices and, supplements, and any subsequent revisions of the manual, that establishes definitions, principles, methods, formats, account structures, and other standards for reporting information.~~

3.104 Applicability

This rule shall apply to health care facilities, health care providers, hospitals, and other persons affected by the hospital budget review process under ~~18 V.S.A. § 9451-9457 and 18-~~

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V.S.A. § 9375(b)(7) chapter 221, subchapter 7 of Title 18 of the Vermont Statutes Annotated.

3.105 Fiscal Year

~~The fiscal year is defined as the twelve-month period beginning on October 1 of each year.~~

3.200 Board Publications ~~Benchmarks and Required Data~~ Hospital Duties

3.2003.201 Uniform Reporting Manual

3.201 Uniform Formats for Data Filings

Hospitals shall ~~use~~adhere to the definitions, principles, methods and, formats, and other standards set forth in the ~~uniform reporting manual~~Uniform Reporting Manual in reporting their financial, scope of services, and utilization data and information to the Board, ~~using the~~.

3.202 Hospital Budget Guidance

Hospitals shall comply with the submission requirements set forth in the Hospital Budget Guidance and shall use the uniform reporting forms and uniform chart of accounts worksheets contained in the manual therein.

3.202 Establishing Benchmarks

3.203 Benchmarks

~~(a) On an annual basis, the Board will~~may establish benchmarks for ~~any indicators for~~hospitals to use in developing and preparing their budgets for the upcoming fiscal year's hospital budgets year. The Board will ~~meet with the Vermont~~solicit input from all hospitals and the Vermont Association Office of Hospitals and the Health Systems, and any other interested person, Care Advocate on or before February 15, ~~in order to obtain input prior to establishing~~

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~~(a) the benchmarks. The Benchmarks established benchmarks by the Board shall be included in the uniform reporting manual Hospital Budget Guidance, which shall be provided to the hospitals by March 31.~~

~~(b) The uniform reporting manual Board will consider any benchmarks will allow the Board to:~~
~~(1)(b) make a determination it establishes in determining whether to waive the need for exempt a hospital to present its budget at from a public hearing; and under Section 0.~~

~~(2) determine whether a budget may be adjusted.~~

~~(c) The benchmarks may include the following:~~

~~(1) growth indicators;~~

3.204 Indicators, Ratios, and Statistics

~~(a) On an annual basis, the Board shall establish indicators, ratios, and statistics for use in comparing hospitals and hospital networks to national, regional, or in-state peers. Any indicators, ratios, or statistics established by the Board shall be included in the Hospital Budget Guidance. Indicators, ratios, and statistics may relate to any aspect of a hospital's or hospital network's budget, financial plans, or operations, including the following:~~

~~(1) revenues and expenses;~~

~~(2) prior budget performance;~~

~~(3) efficiency ~~or~~and productivity indicators;~~

~~(4) capital investment indicators investments;~~

~~(5) profitability indicators;~~

~~(6) cost and price indicators;~~

~~(7) liquidity indicators;~~

~~(8) debt structure indicators;~~

~~(9) other financial measures recognized or used in evaluating budgets and/or financial plans;~~

~~(10)(9) disease indicators;~~

~~(11)(10) population health indicators;~~

~~(12)(11) access indicators; and~~

~~(13) (12) quality indicators.~~

~~(b) In addition to other factors enumerated at Section 3.305(b), the Board shall consider the~~

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indicators, ratios, and statistics it has established in determining whether to adjust a hospital's proposed budget.

3.2033.205 Hospital Duties and Obligations; Effect of Noncompliance

- (a) On or before July 1 of the Budget Submission Deadline, each year, each Vermont hospital shall file the following information with the Board, in addition to any other a manner that complies with the standards contained within the Uniform Reporting Manual, all information required by the uniform reporting manual in the Hospital Budget Guidance. Hospitals shall also file any additional information requested by the Board. its proposed budget
- (b) Unless otherwise provided for in the Hospital Budget Guidance, all filings shall also be submitted to the Office of the Health Care Advocate.
- (c) If a hospital fails to comply with Subsection (a) or (b) of this section, the Board may decline to consider the relevant portions of the hospital's submission.
- (a)(d) This next fiscal year section shall not constrain the Board from taking any other remedial or corrective action, including expenditures and revenues for Vermont residents and non-Vermont residents; the authority to impose civil administrative penalties, as set out in 18 V.S.A. § 9456.

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- ~~(b) financial information, including but not limited to its costs of operation, revenues, assets, liabilities, fund balances, other income, rates, charges, units of service, and wage and salary data;~~
- ~~(c) scope of service and volume of service information, including but not limited to inpatient services, outpatient services, and ancillary services, by type of service provided;~~
- ~~(d) utilization information;~~
- ~~(e) a description of new hospital services and programs proposed for the next fiscal year, regardless of whether they are or may be subject to the certificate of need review process under subchapter 5 of Chapter 221 of Title 18;~~
- ~~(f) a projected three-year capital expenditure budget;~~
- ~~(g) the financial condition of the hospital;~~
- ~~(h) the nature of the services offered by the hospitals that are subject to the budget;~~
- ~~(i) the needs of the populations served by the hospital;~~
- ~~(j) the specialized or franchised services offered by the hospital; and~~
- ~~(k) such other information as may be required by the Board.~~

Annual

3.300 Hospital Budget Review Procedures

3.301 Information Available to the Public

The Board shall make ~~the any~~ nonconfidential information filed ~~under Section 3.203 by a~~ hospital available to all persons upon request consistent with the Vermont Public Records Act. ~~The Board may charge the actual copying costs, as set forth in the Vermont Uniform Schedule of Public Record Charges for State Agencies, Vt. Admin. Code 20-1-2, incurred in providing such information to the persons requesting the information. The Board will post the nonconfidential portions of the hospital budget submissions made pursuant to § 3.203 of this Rule on its website as soon as practicable, or other law.~~

3.205

3.302 Confidentiality

(a) If a hospital believes that material it provides to the Board is exempt from public inspection and copying, and that material has not already been designated by the Board as confidential, the hospital must submit a written request asking the Board to treat the materials accordingly. The hospital must submit the confidentiality request at the same time it submits the material it considers confidential. The Board's decision to grant or deny a request will be based on its determination as to whether the identified information meets the statutory requirements for exemption under Vermont's Public Records Act or other law.

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- (b) A hospital bears the burden of establishing that the materials in question are exempt from public inspection and copying. Broad claims of confidentiality and claims that are addressed to entire records or documents, such as data sets, are not likely to be sufficiently specific to support a request for confidential treatment.
- (c) A hospital must include the Office of the Health Care Advocate in its request for confidential treatment.
- (d) A hospital's written request to treat materials as exempt from public inspection and copying must include the following documents:
- (1) A letter detailing the basis for the request and citing appropriate legal authority to support the claim.
 - (2) The unredacted document, with the word "Confidential" in the file name (if electronic) and on the face of the document in a conspicuous location. Any portions for which the hospital seeks confidential treatment must also be highlighted.
 - (3) A proposed redacted version of the document, with the information that the hospital believes to be exempt redacted so that the document may be posted to the Board's website. The hospital is responsible for properly redacting its proposed confidential documents.
- (e) Once the hospital has provided a complete request for confidential treatment, the Board will issue a written decision to the hospital and the Office of the Health Care Advocate. Pending a final decision by the Board, the material identified in the request will be treated as confidential and will not be made available for public inspection and copying.
- (f) Notwithstanding anything to the contrary in this section, the Board may disclose confidential and non-confidential materials submitted by a hospital to the Office of the Health Care Advocate or other state or federal agencies, departments, offices, boards, or commissions as required by law.

3.3023.303 Public Hearings

The Upon receipt by the Board of all financial information filed under Section 3.203, the Board may hold public hearings concerning the hospitals' budgets. The Board at its discretion may Board shall require ~~hospitals~~ a hospital, except for those hospitals exempted from ~~the~~ hearing pursuant to Section ~~3.304,0~~, to attend a public hearing in order to provide public testimony and respond to questions raised by the Board or the public.

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~~3.303~~ Use of Benchmarks **Exemptions**

~~The benchmarks established under Section 3.202 shall guide the Board in its decisions whether or not to adjust a hospital's proposed budget.~~

3.304 Exemption from Public Hearings

(a) ~~The~~In the event the Board holds a public hearing or hearings under Section 3.302, the Board may exempt a hospital from the public hearing(s) under Section 3.303 if the hospital has met the benchmarks established under Section 3.202.3.203. An exempted hospital will not have its budget adjusted in the year for which it was exempted, but will be subject to generally applicable conditions and reporting requirements. The Board may still require an exempted hospital to respond to questions raised by the Board.

~~(b) In any given year, no more than four hospitals may be exempted from that year's public hearing(s).~~

~~(c) The four largest hospitals, as measured by the hospitals' previous year's net patient revenue, shall not be exempt from the public hearings in a given year.~~

~~3.305~~ **Budget Adjustments**

~~The Board may adjust the proposed budgets of hospitals that do not meet the established benchmarks outlined in Section 3.202.~~

~~3.306~~**3.305** **Review Process**

(a) ~~The Board shall meet with the hospitals submitting proposed budgets to review and discuss their proposed budgets. The hospitals~~Hospitals shall bear the burden of persuasion in justifying their proposed budgets.

(b) The Board's review of ~~the hospitals'~~a hospital's proposed budgets shall take ~~into consideration~~the following factors into consideration:

- (1) the benchmarks established by the proposed unified Board under Section 3.203;
- (2) the indicators, ratios, and statistics established by the Board under Section 3.204;
- (3) the hospital budget review criteria as described at 18 V.S.A. § 9456(b);
- (4) the hospital budget establishment criteria as described at 18 V.S.A. § 9456(c);
- (1)(5) the principles for health care budget forecast for the next fiscal year; reform as described at 18 V.S.A. § 9371; and
- (2) utilization information;
- (3) the goals and recommendations of the state health plan and Certificate of Need guidelines.

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adopted under 18 V.S.A. §§ 9405, 9456(b)(2), and 9437;

- (4) the actual performances of hospitals with respect to past budgets;
- (5) reports from professional review organizations relating to Vermont hospitals or health-care services provided through Vermont hospitals (excluding hospital internal quality and utilization review reports);

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~~(6) the established benchmarks;~~

~~(7) public comments; and~~

~~(8)(6) any other information the Board deems relevant or appropriate to hospital budgets.~~

3.3073.306 Establishment of Hospital Budgets; Decisions

~~(a) On or before September 15 of each year, the Board shall establish each general hospital's budget for the fiscal year beginning, followed by a written decision on October 1 of that year and shall provide each hospital with verbal or written notice of its budget, or before October 1.~~

~~(b) On or before October 1/December 15 of that each year, the Board shall issue a written decision reflecting the budget established on September 15 for each hospital/establish each psychiatric hospital's budget for the fiscal year beginning October 1 of that year-, followed by a written decision on or before December 31.~~

~~(c) The written decision of the Board shall constitute a final order, which may be appealed pursuant to 18 V.S.A. § 9381.~~

3.400 Enforcement

3.400 Budget Performance Adjustments, Deviations, and Corrective Measures

3.401 Mid-Year Budget Review and Adjustment; Use of Budget Adjustments

~~(a) The Board may conduct an independent annually review of each hospital's performance under the budget established for it by the Board at any time, including in response with respect to an application for an adjustment made by a hospital pursuant to 18 V.S.A. § 9456(f). This review shall take into consideration the following factors:~~

~~(1) the variability of a hospital's actual revenues, taking into account the resources of payers and the methods of payment used by the payers;~~

~~(2)(a) the hospital's ability to limit services to meet its budget, consistent with its obligations to provide appropriate care for all patients; current year budget.~~

~~(3) the financial position of the hospital in relation to other hospitals and to the health care system as a whole, using the statistics developed from information submitted in compliance with the uniform reporting manual;~~

~~(4) the hospital's performance under budgets identified or established under subchapter 7 of Chapter 221 of Title 18 of Vermont Statutes Annotated for the previous three years and its budget projections for the next three years; and~~

~~(5) any other considerations deemed appropriate by the Board, including but not limited to other instances in which a hospital has less than full control over the expenditures limited~~

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by the budget.

~~If, after conducting a review under Section 3.401(a), the Board determines~~

~~(b) If the Board finds that a hospital's performance has varied substantially~~hospital is likely to significantly deviate from its current year budget, the Board shall~~will~~ provide written notice to the hospital. ~~The~~, explaining the results of its review.

~~(b)(c) A hospital will have 15 days from the date of the Board's notice shall set forth the results of the Board's review as well as a description of the factors the Board considered to respond, in writing, and provide either of the following:~~

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After making a determination

(1) An accounting of the hospital's mid-year performance under an that demonstrates a reasonable likelihood that the hospital will not significantly deviate from its established budget; or

(2) A corrective action plan that identifies actions the hospital will take to ensure that its current-year budget performance will not result in a significant deviation, which must be consistent with the hospital's established budget, the hospital budget criteria at 18 V.S.A. § 9456(c), and upon application of the hospital the principles for health care reform at 18 V.S.A. § 9371.

(d) If the Board finds that the hospital's response does not satisfy the requirements of Subdivisions (c)(1) or (c)(2) of this section, the Board may, on its own initiative, adjust the hospital's budget, taking into account the factors set forth in subsection 3.401 (commercial reimbursement rates payable to the hospital to ensure that the hospital operates within its budget.

(e) This section shall not limit or otherwise restrict a) Where hospital's ability to lower any commercial reimbursement rates, on its own initiative and without Board intervention, for the purpose of preventing a determination is made significant deviation.

3.402 Prior Year Budget Review; Use of Corrective Measures

(a) The Board will annually review each hospital's performance with respect to its prior year budget.

(e) If the Board finds that a hospital's performance has differed substantially significantly deviated from its budget, the Board may adjust its prior year budget by:

(1) changing hospital rates or prices by the amount of net revenues exceeding the budgeted net revenues;

(2) changing the net revenue and/or expenditure levels of future budgets;

(3) allowing hospital rates to be increased for a hospital with a deficit caused by revenues that were less than projected, but whose actual expenditures were within the budget limits;

(4) (b) allowing a, it will provide written notice to the hospital to retain surplus funds if the surplus was achieved while. The notice will explain the results of the Board's review and will provide an opportunity for the hospital stayed within its established budget; to be heard.

allowing a hospital to retain a percentage of surplus generated primarily by volume

(5) Except as provided in excess of that projected for a particular year; or

(6) any other circumstance Subsection (d), the Board deems appropriate.

(c) (e) Adjustment methods based on past performance may be applied by the Board in the course of establishing a new budget and may be imposed over a multiyear period. In considering adjustment of a will account for a significant deviation by amending the hospital's budget, the Board shall consider the financial condition of the hospital and any other factor it deems appropriate current year

budget.

(d) (e) If a Before the Board acts, the hospital does will have an opportunity to demonstrate that it could not have reasonably taken action to avoid the significant deviation, including by adjusting its commercial reimbursement rates. In such an event, the Board may choose to limit or otherwise refrain from accounting for the significant deviation.

3.403 Hospital Applications for Adjustment

(a) On or before April 1 for general hospitals, and July 1 for psychiatric hospitals, any hospital may apply for a budgetan adjustment within 30 days to its current year budget under 18 V.S.A. § 9456(f)(1). Such an application must identify the budget conditions from which the hospital seeks adjustment or relief.

(b) The Board may only adjust a hospital's current year budget upon a showing of receiving a notice from the Board under need based upon an exceptional or unforeseen circumstance. Use of corrective measures at Section 3.401(b) above, then 402 shall not constitute such a circumstance. The hospital bears the burden of justifying its request.

(c) If the Board may use any enforcement action set forth adjusts a hospital's current year budget, it will identify in 18 V.S.A. § 9456(g)-(h) that is warranted an amended written budget decision whether this adjustment will be considered for the purpose of comparing the subsequent year's proposed budget against any benchmarks established under the circumstances Section 3.203.

(d) 3.500A hospital shall not apply for a retroactive budget adjustment to address performance that significantly deviated from its prior year budget.

3.500 Other Matters

3.501 Waiver of Rules.—

(a) In order to prevent unnecessary hardship or delay, in order to prevent injustice, or for other good cause, the Board may waive the application of any provision of this rule upon such conditions as it may require, unless precluded by the rule itself or by statute.

3.502 Conflict.—

(b) In the event that this regulation or any section herein conflicts with Vermont statute, Vermont statute shall govern.

3.503 Severability.—

(e) If any provision of this regulation or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the regulation and the application of such

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provisions to other persons or circumstances shall not be affected thereby.

3.504 Effective ~~date.~~ Date

(d) This ~~R~~rule shall become effective ~~January 1, 2013~~June 15, 2026.

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GREEN MOUNTAIN CARE BOARD
RULE 3.000: HOSPITAL BUDGET REVIEW

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**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD
RULE 3.000: HOSPITAL BUDGET REVIEW**

General Provisions

3.101 Authority

The Board adopts this rule pursuant to 18 V.S.A. § 9375(b)(7), 18 V.S.A. § 9380, and 18 V.S.A. § 9453(b).

3.102 Purpose

Under 18 V.S.A. § 9375(b)(7), the Green Mountain Care Board (Board) shall review and establish hospital budgets pursuant to chapter 221, subchapter 7 of Title 18 of the Vermont Statutes Annotated. This rule sets forth the standards and processes by which the Board will review and establish hospital budgets, modify hospital budgets, and enforce violations and deviations from its budget orders. The Board shall execute these duties consistent with the principles for health care reform at 18 V.S.A. § 9371, as required by 18 V.S.A. § 9375(a). Additionally, the Board shall establish hospital budget consistent with its duties at 18 V.S.A. § 9456(c).

3.103 Definitions

- (a) “Benchmark” means criteria the Board may set in its Hospital Budget Guidance to be used by hospitals in developing and preparing their proposed budgets.
- (b) “Board” means the Green Mountain Care Board.
- (c) “Budget submission deadline” means the date by which a hospital must file information that the Board requires for annual budget review. For general hospitals, this deadline is July 1. For psychiatric hospitals, this deadline is December 1.
- (d) “Fiscal year” means the twelve-month period beginning on the date specified in 18 V.S.A. § 9454(c).
- (e) “General hospital” has the same meaning as at 18 V.S.A. § 1902(1)(A).
- (f) “Health care facility” means all facilities and institutions, whether public or private, proprietary or nonprofit, that offer diagnosis, treatment, inpatient, or ambulatory care to two or more unrelated persons. The term shall not apply to any facility operated by religious

groups relying solely on spiritual means through prayer or healing, but includes all facilities and institutions included in 18 V.S.A. § 9432(8).

- (g) “Health care provider” or “provider” means a person, partnership, or corporation, other than a facility or institution, licensed or certified or authorized by law to provide professional health care service in Vermont to an individual during that individual’s medical care, treatment, or confinement.
- (h) “Hospital” and “hospital network” have the same meanings as in 18 V.S.A. § 9451.
- (i) “Hospital Budget Guidance” means the documents published by the Board each year that establish benchmarks, identify submission requirements, identify the indicators, ratios, and statistics that the Board may use in establishing hospital budgets, and that provide guidance regarding the Board’s review process. “Hospital Budget Guidance” includes any addition, change, or deletion to these documents, which shall be dated, indexed, and recorded consistent with 3 V.S.A. § 835.
- (j) “Person” means any natural person, partnership, corporation, association, governmental subdivision, public agency, or other legal entity.
- (k) “Psychiatric hospital” has the same meaning as at 18 V.S.A. § 1902(1)(B).
- (l) “Significant deviation” means actual year-end budget performance, as measured by net patient revenue, commercial net patient revenue, or another metric, that is higher than a specified amount established in the written budget decision. The specific metrics and thresholds constituting a significant deviation shall be defined each year in the Hospital Budget Guidance.
- (m) “Uniform Reporting Manual” means the document published by the Board, including any appendices, supplements, and revisions, that establishes definitions, principles, methods, formats, account structures, and other standards for reporting information.

3.104 Applicability

This rule shall apply to health care facilities, health care providers, hospitals, and other persons affected by the hospital budget review process under chapter 221, subchapter 7 of Title 18 of the Vermont Statutes Annotated.

3.200 Board Publications and Hospital Duties

3.201 Uniform Reporting Manual

Hospitals shall adhere to the definitions, principles, methods, formats, and other standards set forth in the Uniform Reporting Manual in reporting information to the Board.

3.202 Hospital Budget Guidance

Hospitals shall comply with the submission requirements set forth in the Hospital Budget Guidance and shall use the uniform reporting forms and worksheets contained therein.

3.203 Benchmarks

(a) On an annual basis, the Board may establish benchmarks for hospitals to use in developing and preparing their budgets for the upcoming fiscal year. The Board will solicit input from all hospitals and the Office of the Health Care Advocate on or before February 15. Benchmarks established by the Board shall be included in the Hospital Budget Guidance, which shall be provided to the hospitals by March 31.

(b) The Board will consider any benchmarks it establishes in determining whether to exempt a hospital from a public hearing under Section 3.304.

3.204 Indicators, Ratios, and Statistics

(a) On an annual basis, the Board shall establish indicators, ratios, and statistics for use in comparing hospitals and hospital networks to national, regional, or in-state peers. Any indicators, ratios, or statistics established by the Board shall be included in the Hospital Budget Guidance. Indicators, ratios, and statistics may relate to any aspect of a hospital's or hospital network's budget, financial plans, or operations, including the following:

- (1) revenues and expenses;
- (2) prior budget performance;
- (3) efficiency and productivity;
- (4) capital investments;
- (5) profitability;
- (6) cost and price;
- (7) liquidity;
- (8) debt structure;
- (9) disease;
- (10) population health;
- (11) access; and
- (12) quality.

(b) In addition to other factors enumerated at Section 3.305(b), the Board shall consider the

indicators, ratios, and statistics it has established in determining whether to adjust a hospital's proposed budget.

3.205 Hospital Duties; Effect of Noncompliance

- (a) On or before the Budget Submission Deadline, each hospital shall file with the Board, in a manner that complies with the standards contained within the Uniform Reporting Manual, all information required in the Hospital Budget Guidance. Hospitals shall also file any additional information requested by the Board.
- (b) Unless otherwise provided for in the Hospital Budget Guidance, all filings shall also be submitted to the Office of the Health Care Advocate.
- (c) If a hospital fails to comply with Subsection (a) or (b) of this section, the Board may decline to consider the relevant portions of the hospital's submission.
- (d) This section shall not constrain the Board from taking any other remedial or corrective action, including the authority to impose civil administrative penalties, as set out in 18 V.S.A. § 9456.

3.300 Hospital Budget Review Procedures

3.301 Information Available to the Public

The Board shall make any nonconfidential information filed by a hospital available to all persons upon request consistent with the Vermont Public Records Act or other law.

3.302 Confidentiality

- (a) If a hospital believes that material it provides to the Board is exempt from public inspection and copying, and that material has not already been designated by the Board as confidential, the hospital must submit a written request asking the Board to treat the materials accordingly. The hospital must submit the confidentiality request at the same time it submits the material it considers confidential. The Board's decision to grant or deny a request will be based on its determination as to whether the identified information meets the statutory requirements for exemption under Vermont's Public Records Act or other law.
- (b) A hospital bears the burden of establishing that the materials in question are exempt from public inspection and copying. Broad claims of confidentiality and claims that are addressed to entire records or documents, such as data sets, are not likely to be sufficiently specific to support a request for confidential treatment.
- (c) A hospital must include the Office of the Health Care Advocate in its request for confidential treatment.
- (d) A hospital's written request to treat materials as exempt from public inspection and copying must include the following documents:
 - (1) A letter detailing the basis for the request and citing appropriate legal authority to

support the claim.

- (2) The unredacted document, with the word “Confidential” in the file name (if electronic) and on the face of the document in a conspicuous location. Any portions for which the hospital seeks confidential treatment must also be highlighted.
 - (3) A proposed redacted version of the document, with the information that the hospital believes to be exempt redacted so that the document may be posted to the Board’s website. The hospital is responsible for properly redacting its proposed confidential documents.
- (e) Once the hospital has provided a complete request for confidential treatment, the Board will issue a written decision to the hospital and the Office of the Health Care Advocate. Pending a final decision by the Board, the material identified in the request will be treated as confidential and will not be made available for public inspection and copying.
- (f) Notwithstanding anything to the contrary in this section, the Board may disclose confidential and non-confidential materials submitted by a hospital to the Office of the Health Care Advocate or other state or federal agencies, departments, offices, boards, or commissions as required by law.

3.303 Public Hearings

The Board shall require a hospital, except for those hospitals exempted from a hearing pursuant to Section 3.304, to attend a public hearing in order to provide public testimony and respond to questions raised by the Board or the public.

3.304 Exemptions from Public Hearings

The Board may exempt a hospital from a public hearing under Section 3.303 if the hospital has met the benchmarks established under Section 3.203. An exempted hospital will not have its budget adjusted in the year for which it was exempted but will be subject to generally applicable conditions and reporting requirements. The Board may still require an exempted hospital to respond to questions raised by the Board.

3.305 Review Process

- (a) Hospitals shall bear the burden of persuasion in justifying their proposed budgets.
- (b) The Board’s review of a hospital’s proposed budget shall take the following factors into consideration:
- (1) the benchmarks established by the Board under Section 3.203;
 - (2) the indicators, ratios, and statistics established by the Board under Section 3.204;
 - (3) the hospital budget review criteria as described at 18 V.S.A. § 9456(b);
 - (4) the hospital budget establishment criteria as described at 18 V.S.A. § 9456(c);

- (5) the principles for health care reform as described at 18 V.S.A. § 9371; and
- (6) any other information the Board deems relevant or appropriate to hospital budgets.

3.306 Establishment of Hospital Budgets; Decisions

- (a) On or before September 15 of each year, the Board shall establish each general hospital's budget for the fiscal year, followed by a written decision on or before October 1.
- (b) On or before December 15 of each year, the Board shall establish each psychiatric hospital's budget for the fiscal year, followed by a written decision on or before December 31.
- (c) The written decision of the Board shall constitute a final order, which may be appealed pursuant to 18 V.S.A. § 9381.

3.400 Budget Adjustments, Deviations, and Corrective Measures

3.401 Mid-Year Budget Review; Use of Budget Adjustments

- (a) The Board may annually review each hospital's performance with respect to its current year budget.
- (b) If the Board finds that a hospital is likely to significantly deviate from its current year budget, the Board will provide written notice to the hospital, explaining the results of its review.
- (c) A hospital will have 15 days from the date of the Board's notice to respond, in writing, and provide either of the following:
 - (1) An accounting of the hospital's mid-year performance that demonstrates a reasonable likelihood that the hospital will not significantly deviate from its established budget; or
 - (2) A corrective action plan that identifies actions the hospital will take to ensure that its current-year budget performance will not result in a significant deviation, which must be consistent with the hospital's established budget, the hospital budget criteria at 18 V.S.A. § 9456(c), and the principles for health care reform at 18 V.S.A. § 9371.
- (d) If the Board finds that the hospital's response does not satisfy the requirements of Subdivisions (c)(1) or (c)(2) of this section, the Board may, on its own initiative, adjust the commercial reimbursement rates payable to the hospital to ensure that the hospital operates within its budget.
- (e) This section shall not limit or otherwise restrict a hospital's ability to lower any commercial reimbursement rates, on its own initiative and without Board intervention, for the purpose of preventing a significant deviation.

3.402 Prior Year Budget Review; Use of Corrective Measures

- (a) The Board will annually review each hospital's performance with respect to its prior year

budget.

- (b) If the Board finds that a hospital's performance significantly deviated from its prior year budget, it will provide written notice to the hospital. The notice will explain the results of the Board's review and will provide an opportunity for the hospital to be heard.
- (c) Except as provided in Subsection (d), the Board will account for a significant deviation by amending the hospital's current year budget.
- (d) Before the Board acts, the hospital will have an opportunity to demonstrate that it could not have reasonably taken action to avoid the significant deviation, including by adjusting its commercial reimbursement rates. In such an event, the Board may choose to limit or otherwise refrain from accounting for the significant deviation.

3.403 Hospital Applications for Adjustment

- (a) On or before April 1 for general hospitals, and July 1 for psychiatric hospitals, any hospital may apply for an adjustment to its current year budget under 18 V.S.A. § 9456(f)(1). Such an application must identify the budget conditions from which the hospital seeks adjustment or relief.
- (b) The Board may only adjust a hospital's current year budget upon a showing of need based upon an exceptional or unforeseen circumstance. Use of corrective measures at Section 3.402 shall not constitute such a circumstance. The hospital bears the burden of justifying its request.
- (c) If the Board adjusts a hospital's current year budget, it will identify in an amended written budget decision whether this adjustment will be considered for the purpose of comparing the subsequent year's proposed budget against any benchmarks established under Section 3.203.
- (d) A hospital shall not apply for a retroactive budget adjustment to address performance that significantly deviated from its prior year budget.

3.500 Other Matters

3.501 Waiver of Rules

In order to prevent unnecessary hardship or delay, in order to prevent injustice, or for other good cause, the Board may waive the application of any provision of this rule upon such conditions as it may require, unless precluded by the rule itself or by statute.

3.502 Conflict

In the event that this regulation or any section herein conflicts with Vermont statute, Vermont statute shall govern.

3.503 Severability

If any provision of this regulation or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the regulation and the application of such provisions to other persons or circumstances shall not be affected thereby.

3.504 Effective Date

This rule shall become effective June 15, 2026.

The Vermont Statutes Online

The Statutes below include the actions of the 2025 session of the General Assembly.

NOTE: The Vermont Statutes Online is an unofficial copy of the Vermont Statutes Annotated that is provided as a convenience.

Title 18 : Health

Chapter 220 : Green Mountain Care Board

Subchapter 001 : GREEN MOUNTAIN CARE BOARD

(Cite as: 18 V.S.A. § 9375)

§ 9375. Duties

(a) The Board shall execute its duties consistent with the principles expressed in section 9371 of this title.

(b) The Board shall have the following duties:

(1) Oversee the development and implementation, and evaluate the effectiveness, of health care payment and delivery system reforms designed to control the rate of growth in health care costs; promote seamless care, administration, and service delivery; and maintain health care quality in Vermont, including ensuring that the payment reform pilot projects set forth in this chapter are consistent with such reforms.

(A) Implement by rule, pursuant to 3 V.S.A. chapter 25, methodologies for achieving payment reform and containing costs that may include the participation of Medicare and Medicaid, which may include the creation of health care professional cost-containment targets, reference-based pricing, global payments, bundled payments, global budgets, risk-adjusted capitated payments, or other uniform payment methods and amounts for integrated delivery systems, health care professionals, or other provider arrangements.

(i) The Board shall work in collaboration with providers to develop payment models that preserve access to care and quality in each community.

(ii) The rule shall take into consideration current Medicare designations and payment methodologies, including critical access hospitals, prospective payment system hospitals, graduate medical education payments, Medicare dependent hospitals, and federally qualified health centers.

(iii) The payment reform methodologies developed by the Board shall

encourage coordination and planning on a regional basis, taking into account existing local relationships between providers and human services organizations.

(B) Prior to the initial adoption of the rules described in subdivision (A) of this subdivision (1), report the Board's proposed methodologies to the House Committee on Health Care and the Senate Committee on Health and Welfare.

(C) In developing methodologies pursuant to subdivision (A) of this subdivision (1), engage Vermonters in seeking ways to equitably distribute health services while acknowledging the connection between fair and sustainable payment and access to health care.

(D) Nothing in this subdivision (1) shall be construed to limit the authority of other agencies or departments of State government to engage in additional cost-containment activities to the extent permitted by State and federal law.

(2) [Repealed.]

(3) Review and approve the Health Care Workforce Development Strategic Plan created in chapter 222 of this title.

(4) Publish on its website the Health Resource Allocation Plan identifying Vermont's critical health needs, goods, services, and resources in accordance with section 9405 of this title.

(5) Set rates for health care professionals pursuant to section 9376 of this title, to be implemented over time beginning with reference-based pricing as soon as practicable, but not later than hospital fiscal year 2027, and make adjustments to the rules on reimbursement methodologies as needed.

(6) Approve, modify, or disapprove requests for health insurance rates pursuant to 8 V.S.A. § 4026, taking into consideration the requirements in the underlying statutes; changes in health care delivery; changes in payment methods and amounts, including implementation of reference-based pricing; protecting insurer solvency; and other issues at the discretion of the Board.

(7) Review and establish hospital budgets pursuant to chapter 221, subchapter 7 of this title, including establishing standards for global hospital budgets that reflect the implementation of reference-based pricing and the total cost of care targets determined in collaboration with federal partners and other stakeholders or as set by the Statewide Health Care Delivery Plan developed pursuant to section 9403 of this title, once established. Beginning not later than hospital fiscal year 2028, to the extent that resources are available, the Board shall establish global hospital budgets for one or more Vermont hospitals that are not critical access hospitals. By hospital fiscal year 2030, to the extent that resources are available, the Board shall establish global hospital budgets for all Vermont hospitals.

(8) Review and approve, approve with conditions, or deny applications for certificates of need pursuant to chapter 221, subchapter 5 of this title.

(9) Review and approve, with recommendations from the Commissioner of Vermont Health Access, the benefit package or packages for qualified health benefit plans and reflective health benefit plans pursuant to 33 V.S.A. chapter 18, subchapter 1. The Board shall report to the House Committee on Health Care and the Senate Committee on Health and Welfare within 15 days following its approval of any substantive changes to the benefit packages.

(10) Develop and maintain a method for evaluating systemwide performance and quality, including identification of the appropriate process and outcome measures:

(A) for determining public and health care professional satisfaction with the health system;

(B) for utilization of health services;

(C) in consultation with the Department of Health and the Director of the Blueprint for Health, for quality of health services and the effectiveness of prevention and health promotion programs;

(D) for cost-containment and limiting the growth in health care expenditures;

(E) for determining the adequacy of the supply and distribution of health care resources in this State;

(F) to address access to and quality of mental health and substance abuse services; and

(G) for other measures as determined by the Board.

(11) Develop the health care spending estimate pursuant to section 9383 of this title.

(12) [Repealed.]

(13) Adopt by rule pursuant to 3 V.S.A. chapter 25 such standards as the Board deems necessary and appropriate to the operation and evaluation of accountable care organizations pursuant to this chapter, including reporting requirements, patient protections, and solvency and ability to assume financial risk.

[Subdivision (b)(14) repealed effective January 16, 2026.]

(14)(A) Collect and review annualized data from ambulatory surgical centers licensed pursuant to chapter 49 of this title, which shall include net patient revenues and which may include data on an ambulatory surgical center's scope of services, volume, payer mix, and coordination with other aspects of the health care system. The Board's processes shall be appropriate to ambulatory surgical centers' scale, their role in Vermont's health care system, and their administrative capacity, and the Board shall

seek to minimize the administrative burden of data collection on ambulatory surgical centers. The Board shall also consider ways in which ambulatory surgical centers can be integrated into systemwide payment and delivery system reform.

(B) In its annual report pursuant to subsection (d) of this section, the Board shall describe its oversight of ambulatory surgical centers pursuant to subdivision (A) of this subdivision (14) for the most recently concluded 12-month period of the Board's review, including the amount of each ambulatory surgical center's net patient revenues and, using claims data from the Vermont Healthcare Claims Uniform Reporting and Evaluation System (VHCURES), information regarding high-volume outpatient surgeries and procedures performed in ambulatory surgical center and hospital settings in Vermont, any changes in utilization over time, and a comparison of the commercial insurance rates paid for the same surgeries and procedures performed in ambulatory surgical centers and in hospitals in Vermont.

(15) Collect and review data from each community mental health and developmental disability agency designated by the Commissioner of Mental Health or of Disabilities, Aging, and Independent Living pursuant to chapter 207 of this title, which may include data regarding a designated or specialized service agency's scope of services, volume, utilization, payer mix, quality, coordination with other aspects of the health care system, and financial condition, including solvency. The Board's processes shall be appropriate to the designated and specialized service agencies' scale and their role in Vermont's health care system, and the Board shall consider ways in which the designated and specialized service agencies can be integrated fully into systemwide payment and delivery system reform.

(c) The Board shall have the following duties related to Green Mountain Care:

(1) Prior to implementing Green Mountain Care, consider recommendations from the Agency of Human Services, and define the Green Mountain Care benefit package within the parameters established in 33 V.S.A. chapter 18, subchapter 2, to be adopted by the Agency by rule.

(2) When providing its recommendations for the benefit package pursuant to subdivision (1) of this subsection, the Agency of Human Services shall present a report on the benefit package proposal to the House Committee on Health Care and the Senate Committee on Health and Welfare. The report shall describe the covered services to be included in the Green Mountain Care benefit package and any cost-sharing requirements. If the General Assembly is not in session at the time that the Agency makes its recommendations, the Agency shall send its report electronically or by first-class mail to each member of the House Committee on Health Care and the Senate Committee on Health and Welfare.

(3) Prior to implementing Green Mountain Care and annually after implementation, recommend to the Governor a three-year Green Mountain Care budget pursuant to 32

V.S.A. chapter 5, to be adjusted annually in response to realized revenues and expenditures, that reflects any modifications to the benefit package and includes recommended appropriations, revenue estimates, and necessary modifications to tax rates and other assessments.

[Subsection (d) effective until July 1, 2026; see also subsection (d) effective July 1, 2026 set out below.]

(d) Annually on or before January 15, the Board shall submit a report of its activities for the preceding calendar year to the House Committee on Health Care and the Senate Committee on Health and Welfare.

(1) The report shall include:

(A) any changes to the payment rates for health care professionals pursuant to section 9376 of this title;

(B) any new developments with respect to health information technology;

(C) the evaluation criteria adopted pursuant to subdivision (b)(8) of this section and any related modifications;

(D) the results of the systemwide performance and quality evaluations required by subdivision (b)(8) of this section and any resulting recommendations;

(E) the process and outcome measures used in the evaluation;

(F) the impact of the Medicaid and Medicare cost shifts and uncompensated care on health insurance premium rates and any recommendations on mechanisms to ensure that appropriations intended to address the Medicaid cost shift will have the intended result of reducing the premiums imposed on commercial insurance premium payers below the amount they otherwise would have been charged;

(G) any recommendations for modifications to Vermont statutes; and

(H) any actual or anticipated impacts on the work of the Board as a result of modifications to federal laws, regulations, or programs.

(2) The report shall identify how the work of the Board comports with the principles expressed in section 9371 of this title.

[Subsection (d) effective July 1, 2026; see also subsection (d) effective until July 1, 2026 set out above.]

(d) Annually on or before January 15, the Board shall submit a report of its activities for the preceding calendar year to the House Committee on Health Care and the Senate Committee on Health and Welfare.

(1) The report shall include:

(A) any changes to the payment rates for health care professionals pursuant to

section 9376 of this title;

(B) any new developments with respect to health information technology;

(C) the evaluation criteria adopted pursuant to subdivision (b)(8) of this section and any related modifications;

(D) the results of the systemwide performance and quality evaluations required by subdivision (b)(8) of this section and any resulting recommendations;

(E) the process and outcome measures used in the evaluation;

(F) the impact of the Medicaid and Medicare cost shifts and uncompensated care on health insurance premium rates and any recommendations on mechanisms to ensure that appropriations intended to address the Medicaid cost shift will have the intended result of reducing the premiums imposed on commercial insurance premium payers below the amount they otherwise would have been charged;

(G) the status of its efforts to establish methodologies for and begin implementation of reference-based pricing and development of global hospital budgets, and the effects of these efforts and activities on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont;

(H) any recommendations for modifications to Vermont statutes; and

(I) any actual or anticipated impacts on the work of the Board as a result of modifications to federal laws, regulations, or programs.

(2) The report shall identify how the work of the Board comports with the principles expressed in section 9371 of this title.

(e)(1) The Board shall summarize and synthesize the key findings and recommendations from reports prepared by and for the Board, including its expenditure analyses and focused studies. The Board shall develop, in consultation with the Office of the Health Care Advocate, a standard for creating plain language summaries that the public can easily use and understand.

(2) All reports and summaries prepared by the Board shall be available to the public and shall be posted on the Board's website. (Added 2011, No. 48, § 3, eff. May 26, 2011; amended 2011, No. 171 (Adj. Sess.), § 12, eff. May 16, 2012; 2013, No. 79, § 5 I, eff. Jan. 1, 2014; 2013, No. 79, § 41; 2015, No. 54, § 7, eff. June 5, 2015; 2015, No. 113 (Adj. Sess.), § 4, eff. Jan. 1, 2018; 2017, No. 88 (Adj. Sess.), § 1, eff. Feb. 20, 2018; 2017, No. 113 (Adj. Sess.), § 105; 2017, No. 154 (Adj. Sess.), § 3, eff. May 21, 2018; 2017, No. 167 (Adj. Sess.), §§ 1, 8, eff. May 22, 2018; 2017, No. 187 (Adj. Sess.), § 4, eff. May 28, 2018; 2019, No. 19, § 3, eff. Jan. 1, 2020; 2019, No. 53, § 2; 2019, No. 55, § 4, eff. June 10, 2019; 2019, No. 63, § 10 eff. June 17, 2019; 2019, No. 140 (Adj. Sess.), § 1, eff. July 6, 2020; 2021, No. 167 (Adj. Sess.), § 9, eff. June 1, 2022; 2025, No. 11, § 19, eff. September 1, 2025; 2025, No. 62, § 4, eff. July 1, 2025; 2025, No. 68, § 2, eff. June 12, 2025; 2025, No. 68, § 16, eff. July 1, 2026.)

The Vermont Statutes Online

The Statutes below include the actions of the 2025 session of the General Assembly.

NOTE: The Vermont Statutes Online is an unofficial copy of the Vermont Statutes Annotated that is provided as a convenience.

Title 18 : Health

Chapter 220 : Green Mountain Care Board

Subchapter 001 : GREEN MOUNTAIN CARE BOARD

(Cite as: 18 V.S.A. § 9380)

§ 9380. Rules

The Board may adopt rules pursuant to 3 V.S.A. chapter 25 as needed to carry out the provisions of this chapter. (Added 2011, No. 48, § 3, eff. May 26, 2011.)

The Vermont Statutes Online

The Statutes below include the actions of the 2025 session of the General Assembly.

NOTE: The Vermont Statutes Online is an unofficial copy of the Vermont Statutes Annotated that is provided as a convenience.

Title 18 : Health

Chapter 221 : Health Care Administration

Subchapter 007 : HOSPITAL BUDGET REVIEW

(Cite as: 18 V.S.A. § 9453)

§ 9453. Powers and duties

(a) The Board shall:

(1) adopt uniform formats that hospitals shall use to report financial, scope-of-services, and utilization data and information;

(2) designate a data organization with which hospitals shall file financial, scope-of-services, and utilization data and information; and

(3) designate a data organization or organizations to process, analyze, store, or retrieve data or information.

(b) To effectuate the purposes of this subchapter, the Board may adopt rules under 3 V.S.A. chapter 25. (Added 1983, No. 93 § 1, eff. May 4, 1983; amended 1991, No. 160 (Adj. Sess.), § 11, eff. May 11, 1992; 1995, No. 180 (Adj. Sess.), §§ 34, 38(a); 2003, No. 53, §§ 22, 26; 2011, No. 171 (Adj. Sess.), § 23, eff. May 16, 2012.)



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Deadline For Public Comment

Deadline: Feb 25, 2026

The deadline for public comment has expired. Contact the agency or primary contact person listed below for assistance.

Rule Details

| | |
|------------------|--|
| Rule Number: | 25P044 |
| Title: | Green Mountain Care Board: Rule 3.000: Hospital Budget Review. |
| Type: | Standard |
| Status: | Proposed |
| Agency: | Green Mountain Care Board |
| Legal Authority: | 18 V.S.A. §§ 9375(b)(7); 9380; and 9453(b) |
| Summary: | This proposed hospital budget review rule amends the existing rule to conform to statutory amendments made with the passage of Act 49 (2025), Act 62 (2025), and Act 68 (2025). These Acts set forth revised standards and processes by which hospital |

budgets are reviewed, established, and monitored by the Green Mountain Care Board (GMCB). The proposed rule also streamlines and simplifies certain parts of the hospital budget review process. The proposed rule clarifies hospital budget submission obligations, the process for requesting that information be exempt from public inspection and copying, and the Board's ability to disclose this information. The proposed rule revises the Board's process for exempting hospitals from public hearings, the process for reviewing mid-year budget performance, the process for reviewing significant deviations from established budgets, and the process for reviewing hospital applications for budget adjustment.

Persons Affected:

1. Vermont general and psychiatric hospitals. 2. The Office of the Health Care Advocate.

Economic Impact:

The hospital budget review process set forth in the rule will be revenue-neutral to the State because it will be accomplished with existing personnel and resources. The proposed rule directly impacts hospitals regulated by the GMCB, as the Board is required to annually review and establish budgets for each hospital. However, the proposed rule does not impose any new economic cost to hospitals. It revises processes that the Board uses to establish budgets and monitor budget performance.

Posting date:

Dec 17, 2025

Hearing Information

Information for Hearing # 1

Hearing date: 02-18-2026 1:00 PM [ADD TO YOUR CALENDAR](#)

Location: Green Mountain Care Board

Address: 112 State Street, 5th Floor

City: Montpelier

State: VT

Zip: 05602

Hearing Notes: For more information see: <https://gmcboard.vermont.gov/2026-meetings>

Contact Information

Information for Primary Contact

PRIMARY CONTACT PERSON - A PERSON WHO IS ABLE TO ANSWER QUESTIONS ABOUT THE CONTENT OF THE RULE.

Level: Primary
Name: Angela Pellegrino-Wood
Agency: Green Mountain Care Board
Address: 112 State St. 5th floor
City: Montpelier
State: VT
Zip: 05602
Telephone: 802-461-5740
Fax:
Email: Angela.Pellegrino-Wood@vermont.gov

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Website Address: <https://gmcboard.vermont.gov/hospital-budget-review>

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Information for Secondary Contact

SECONDARY CONTACT PERSON - A SPECIFIC PERSON FROM WHOM COPIES OF FILINGS MAY BE REQUESTED OR WHO MAY ANSWER QUESTIONS ABOUT FORMS SUBMITTED FOR FILING IF DIFFERENT FROM THE PRIMARY CONTACT PERSON.

Level: Secondary
Name: Mark Hengstler
Agency: Green Mountain Care Board
Address: 112 State Street, 5th Floor
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Keyword Information

Keywords:

Hospitals
hospital budget
health care
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| The Islander (islander@vermontislander.com) | Tel: 802-372-5600 FAX: 802-372-3025 |
| Vermont Lawyer (hunter.press.vermont@gmail.com) | Attn: Will Hunter |
| VT Digger (legals@vtdigger.org) | Attn: Legals |

FROM: APA Coordinator, VSARA

Date of Fax: March 25, 2026

RE: The "Proposed State Rules " ad copy to run on

December 25, 2025

PAGES INCLUDING THIS COVER MEMO:

2

***NOTE* 8-pt font in body. 12-pt font max. for headings - single space body. Please include dashed lines where they appear in ad copy. Otherwise minimize the use of white space. Exceptions require written approval.**

If you have questions, or if the printing schedule of your paper is disrupted by holiday etc. please contact VSARA at 802-828-3700, or E-Mail sos.statutoryfilings@vermont.gov, Thanks.

PROPOSED STATE RULES

By law, public notice of proposed rules must be given by publication in newspapers of record. The purpose of these notices is to give the public a chance to respond to the proposals. The public notices for administrative rules are now also available online at <https://secure.vermont.gov/SOS/rules/> . The law requires an agency to hold a public hearing on a proposed rule, if requested to do so in writing by 25 persons or an association having at least 25 members.

To make special arrangements for individuals with disabilities or special needs please call or write the contact person listed below as soon as possible.

To obtain further information concerning any scheduled hearing(s), obtain copies of proposed rule(s) or submit comments regarding proposed rule(s), please call or write the contact person listed below. You may also submit comments in writing to the Legislative Committee on Administrative Rules, State House, Montpelier, Vermont 05602 (802-828-2231).

Green Mountain Care Board: Rule 3.000: Hospital Budget Review.

Vermont Proposed Rule: 25P044

AGENCY: Green Mountain Care Board

CONCISE SUMMARY: This proposed hospital budget review rule amends the existing rule to conform to statutory amendments made with the passage of Act 49 (2025), Act 62 (2025), and Act 68 (2025). These Acts set forth revised standards and processes by which hospital budgets are reviewed, established, and monitored by the Green Mountain Care Board (GMCB). The proposed rule also streamlines and simplifies certain parts of the hospital budget review process. The proposed rule clarifies hospital budget submission obligations, the process for requesting that information be exempt from public inspection and copying, and the Board's ability to disclose this information. The proposed rule revises the Board's process for exempting hospitals from public hearings, the process for reviewing mid-year budget performance, the process for reviewing significant deviations from established budgets, and the process for reviewing hospital applications for budget adjustment.

FOR FURTHER INFORMATION, CONTACT: Angela Pellegrino-Wood, Green Mountain Care Board, 112 State St. 5th floor Montpelier, VT 05602 Tel: 802-461-5740 E-Mail: Angela.Pellegrino-Wood@vermont.gov URL: <https://gmcboard.vermont.gov/hospital-budget-review>.

FOR COPIES: Mark Hengstler, Green Mountain Care Board, 112 State St. 5th floor Montpelier, VT 05602 Tel: 802-249-0519 E-Mail: Mark.Hengstler@vermont.gov.