



Hospitals Support 340B protections in Sections 1-3

- Protects 340B program for hospitals and FQHCs and allows them to use retail pharmacies
- Hospital reporting for transparency

Hospitals Oppose Prescription Drug Cap as Currently Written at Sections 4-5

- 7/1/25-12/31/25: 130% of average sales price for prescription drugs administered in an outpatient setting
- 1/1/26- until GMCB sets a different price: 120% of average sales price for prescription drugs administered in an outpatient setting
- Hospitals can ask for increases in reimbursement for other service lines through the Green Mountain Care Board budget process

Vermont has been under-reimbursed by government payers

- Medicaid: Vermont per capita is in the bottom quartile
 - Note- 2022 was an exception because hospitals received one-time sustainability funding
- Medicare: Vermont is paid lower than other states

Impact to hospitals is \$100M, starting immediately

- Brattleboro Memorial Hospital
- Brattleboro Retreat: esketamine service line at risk
- Central Vermont Medical Center: \$5.5M
- Mount Ascutney Hospital and Health Center: \$3M
- Northwestern Medical Center: \$2.5M and closure of infusion center
- Porter Medical Center: \$2M
- Rutland Regional Medical Center: \$16M
- Southwestern Vermont Medical Center: \$8.8M
- UVMMC: \$61M
- TOTAL: \$98.8M

120% of average sales price (ASP) is an inappropriate benchmark

- Some prescription drugs cost more than 120% ASP and they will be bought at a loss
- Biosimilars are often listed as 0% ASP or negative ASP, which may result in hospitals using more expensive prescription drugs
- Vermont needs to reduce its drug prices, but 130/120% is well below the average commercial prices of 300-350% ASP

Hospitals will have to institute operational changes to adapt to 7/1 implementation

- Days' cash on hand is for one-time events—not a long-term plan for a permanent change
- Hospitals have to prepare for 29,000 Vermonters being uninsured under the federal budget



H.266 creates a timing issue that prevents the GMCB from looking at impacts to hospitals prior to implementation

- Hospitals will lose money starting 7/1, but the only time they can ask for a rate increase to offset cuts to service lines is through hospital budget, which is not finalized until 10/1

Cuts in reimbursement from all payers leave hospitals with limited resources to help BCBSVT

Proposals to Minimize Operational Disruption

- Delay implementation until 1/1/26 so that hospitals can go through the budget process and avoid unnecessary cuts to services **without impacting savings to 2026 premiums**; or
- Have price cap go into effect based on a trigger, such as the inability to meet 2.5% in operational savings; or
- Change the ASP to 350%, which is closer to the national average