



**2024 GMCB Report on 200% Reference Based Pricing for State Employees and Teachers: \$79M Cut to Hospitals in 2022**

According to the GMCB report, **exempting Critical Access Hospitals would still result in a \$62M cut.**

The GMCB report did not analyze impact to Vermont Health Connect plans or hospital margins, as required by the legislative language, so it is difficult to predict the impacts to services of the VT-NEA and VSEA proposal.

**Compared to 2024 Total Hospital Operating Margin of \$55M**

The Green Mountain Care Board presented the total operating margin for hospitals statewide in FY 2024 as \$55M.

**Vermont Hospital System**



	FY22 Actuals	FY23 Actuals	FY24 Budget	FY24 Actuals	Budget to Actuals	FY22 to FY24 Actuals
Gross Patient Care Revenue	6,878,329,462	8,062,872,996	8,494,442,838	8,823,494,331	3.9%	28.3%
Net Revenue Deductions	(4,230,004,112)	(5,120,254,477)	(5,337,732,154)	(5,609,577,996)	5.1%	32.6%
Net Patient Revenue (NPR)	2,648,325,350	2,942,618,519	3,156,710,683	3,213,916,335	1.8%	21.4%
Fixed Prospective Payments & Reserves	369,427,371	401,878,399	399,485,345	422,734,137	5.8%	14.4%
NPR + FPP	3,017,752,720	3,344,496,918	3,556,196,029	3,636,650,472	2.3%	20.5%
Other Operating Revenue	438,983,916	426,793,222	422,767,448	493,268,464	16.7%	12.4%
<b>Total Operating Revenue</b>	<b>3,456,736,636</b>	<b>3,771,290,139</b>	<b>3,978,963,477</b>	<b>4,129,918,936</b>	<b>3.8%</b>	<b>19.5%</b>
Fees, Salaries & Benefits	2,014,548,885	2,119,134,495	2,230,135,097	2,295,546,327	2.9%	13.9%
Other Operating Expense	1,183,053,973	1,295,580,144	1,306,674,138	1,422,879,884	8.9%	20.3%
Health Care Provider Tax	172,567,880	176,861,506	200,950,824	206,446,788	2.7%	19.6%
Depreciation & Amortization	126,016,538	127,172,867	130,488,538	127,211,624	-2.5%	0.9%
Interest	21,744,098	22,641,055	22,996,197	23,348,276	1.5%	7.4%
<b>Total Operating Expense</b>	<b>3,517,931,374</b>	<b>3,741,390,066</b>	<b>3,891,244,794</b>	<b>4,075,432,899</b>	<b>4.7%</b>	<b>15.8%</b>
<b>Operating Income</b>	(61,194,739)	29,900,073	87,718,683	<b>54,486,037</b>		
<b>Operating Margin</b>	-1.77%	0.79%	2.20%	<b>1.32%</b>		

VAHHS opposes the VT-NEA and VSEA reference-based pricing plan as proposed. It is likely to result in a reduction in access to health care services for Vermonters.