



Hospital and Hospital Network Auditing

Issues for Consideration

Senate Health and Welfare Committee Presentation

February 13, 2025

Types of Audits

Financial Audits

vs.

Performance Audits

Vermont Hospitals Are Already Subject to Financial Audits

For example, some of the concerns raised by the GMCB about the flow of funds between the UVMHN's VT and NY hospitals were informed by their financial audits

Clarify What the Committee Wants to Learn from an Audit

Example: Whether NY hospitals within the UVMHN are experiencing losses, and if so, the extent to which these losses are being subsidized by VT payers and/or VT hospitals in the UVMHN?

Access to Records May be a Barrier to Answering the Committee's Questions

1. The GMCB may not be able to get records from the UVMHN under current law. Additionally, it is not clear what records could be attained from UVMHN's NY hospitals.

Access to Records May be a Barrier to Answering the Committee's Questions

2. If the GMCB contracts with the Auditor's Office or a private firm the records access issue remains.

Regulatory Reach of GMCB Re: Health Networks

Appears GMCB doesn't have direct regulatory powers over in-state health networks, though it does over the in-state hospitals that are part of the in-state network

Examples of Legal/Regulatory Questions

- ❖ Does Vermont law allow GMCB to regulate UVMHN?
- ❖ Does Vermont law limit/prohibit losses generated in NY hospitals from impacting the cost of care at the Vermont UVMHN hospitals?
- ❖ Does Vermont law prohibit the transfer of assets from Vermont hospitals to NY hospitals via the UVMHN?

How We Can Help

- ❖ Can help advise the committee as it formulates legislation
- ❖ Can review any proposed RFP or contract to assist the GMCB
- ❖ Could potentially conduct a performance audit under contract with the GMCB