

# Vermont Health Care Transformation

**Senate Committee on Health and Welfare**  
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# Agenda

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- Care Transformation Current State
- Hospital Transformation Plans
- Regional and Statewide Transformation Planning

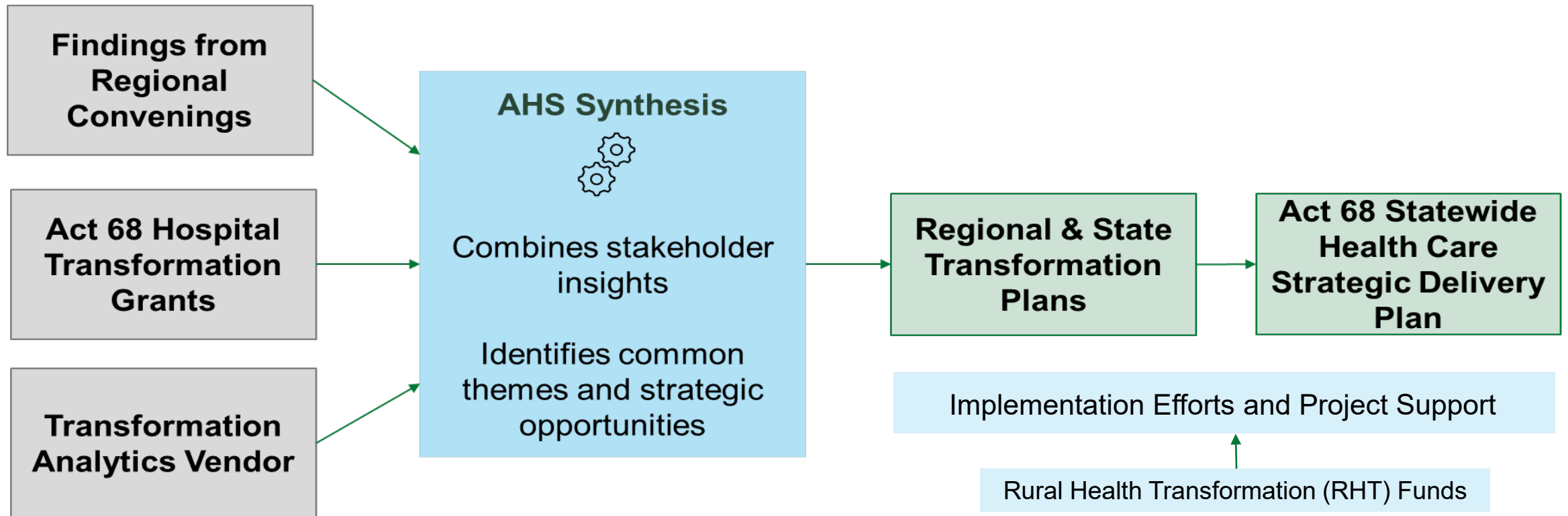
# What is Driving Care Transformation Efforts?

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- Health insurance costs and out-of-pocket limits have gone up significantly over the past 10 years.
- More than half of the state's hospitals are operating at a loss.
- Vermont's health insurers are facing financial sustainability issues.
- Vermonters are experiencing long wait times for primary and specialty care.
- Gaps in community-based care results in increased use of hospitals.
- People with low incomes in rural areas have a hard time getting health care and often need help with things like housing and transportation.
- Shifts in federal health policy and funding are creating new pressures and opportunities for state reform.

# AHS Process for Care Transformation

Progress as of 1/14/2026



# What is Transformation?

## Hospital Optimization

- Improvements hospitals can make within the existing model of care
- Streamlining, reducing inefficiencies, stabilizing finances, addressing services offered (increasing or decreasing)
- Considered within the bigger picture of access, quality and population health management

## Delivery Innovation

- Changes to the model of care. Innovative approaches to rethink how care is delivered.
- This often requires new partnerships, redesigned roles, new incentives or technology

## Regionalization

- Coordinated organization of health services across multiple hospitals and/or community providers.
- Focuses on taking a regional approach to managing care, considering population needs, staffing, patient acuity.
- While some service lines may evolve, the focus is on ensuring patients receive the right care, in the right place, at the right cost.

- Unified electronic health record (EHR)
- Coordinated transfer and transport

- Expanded telehealth
- Shared specifically networks

# Guiding Principles of Transformation

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Hospital and system transformation guiding principles focus on:

- Delivering care in the right setting
- Supporting hospitals in evolving their service profiles
- Strengthening access to care and regional service networks, and
- Expanding preventative services to better meet community needs.

Example initiatives:

- Increasing hospice utilization and length of stay
- Ambulatory care centers
- Mental health urgent care
- Mobile integrated health (MIH)
- Advanced primary care and complex care management

# Hospital Transformation Plans

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- Plans:
  - Clearly contribute to Act 68 of 2025 transformation goals
  - Be able to be monitored to measure progress
  - Statewide and regional considerations are included in every goal
- Draft plans are due to AHS on January 15
- Final plans are due March 15; additional work will occur in the coming months on plans. These are intended to be living documents even after "final" plans are completed, the intention is for final plans to accurately reflect activities in the coming year.

# Transformation Support

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Our goal is to ensure the transformation planning is well supported process with meaningful engagement around transformation activities both internally and with partners across the state.

Pathways for support:

- Providing technical assistance to enable organizations and partners to design, assess, and plan changes in care delivery and financing. This includes:
  - Data analysis
  - Policy guidance
  - Planning tools and best-practice frameworks
  - Subject matter expertise
- Convening and facilitating statewide, regional, and hospital-specific meetings between hospitals and/or community providers



# Regional and Statewide Transformation

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- Groups of hospitals are determining priorities and goals that can improve outcomes and/or reduce costs through collaboration:
  - Clinical specialties staffing, coverage, and services
  - Shared purchasing arrangements
- An acuity, capacity, and transfer workstream has focused on movement of patients between Critical Access/Rural Hospitals and Tertiary Hospitals, focusing on:
  - Patient acuity management
  - Communication
  - Capacity management, and
  - Logistics (i.e., transportation)

# Thank you!

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