



# Affordability Action Plan

Shawn Tester, Northeastern Vermont Regional Hospital

Devon Green, VAHHS [devon@vahhs.org](mailto:devon@vahhs.org)

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## Hospitals, the GMCB, and the legislature reduced expenses by \$230M

- In response to the GMCB benchmarks, hospitals submitted budgets that eliminated \$230M in operational expenses.
- The Act 55 prescription drug cap also reduced premium inflation.
- Hospitals did this work through:
  - Cutting administrative positions
  - Reducing or eliminating certain services after careful consideration
  - Coordinating non-clinical functions
    - New England Collaborative Health Network

## Hospitals pledge to eliminate operating expenses by and additional \$100M over 2 years

- The GMCB's Oliver Wyman Report recommended cutting administrative and operating expenses by \$300M by FY2030.
- In partnership with the GMCB and the legislature, hospitals would achieve reductions of \$330M by 2028, 2 years ahead of the Oliver Wyman timeline.

Focus Areas	Facility-Level Savings
Labor	\$40.2M
Non-Labor	\$33.7M
Physician Enterprise	\$21.7M
<b>Total</b>	<b>\$95.6M</b>

## Hospitals will partner with the State and communities on regionalization savings

- For further savings, hospitals will continue to partner with the State and their communities to eliminate, reduce, or consolidate service lines.
- Savings are estimated to be about \$40M over two years