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## **GREEN MOUNTAIN CARE BOARD ANNOUNCES 2015 HOSPITAL BUDGET DECISIONS**

**Montpelier, VT** – The Green Mountain Care Board (GMCB) today completed its decisions on budget requests from Vermont’s hospitals for fiscal year 2015, which begins October 1, 2014. The decisions set the total fiscal year 2015 budget increase for Vermont’s hospital system at 3.1 percent, including 0.6 percent that qualifies as investments in health reform. This marks the second year in a row that Vermont’s 14 hospitals as a group have kept net patient revenue increases below the target set by the GMCB.

In written guidance issued in March 2013 and reiterated this spring, the GMCB instructed hospitals to hold their FY15 net patient revenue increases to no more than 3 percent plus an allowance of up to an additional 0.8 percentage points for investments in health reform initiatives. Hospitals submitted budget requests in July, starting a two-month review process that included GMCB staff scrutiny of the budgets, open hearings with each hospital in August, a public comment period, input from the Office of the Health Care Advocate, and discussion in GMCB’s weekly open meetings.

Although the preliminary budget data, as submitted in July, showed a lower system-wide increase, the GMCB’s analysis determined that adjustments had to be made to several hospitals’ budget information, yielding the final 3.1 percent increase. While the full 3.8 percent allowance would have added approximately \$83 million in net patient revenue to the system, the approved 3.1 percent increase adds \$67.8 million. Net patient revenue includes payments hospitals receive from patients, government, and insurers to pay for patient care—but not revenues from other activities such as cafeterias, parking, and philanthropy.

The second key indicator of growth in hospital revenue is the “rate”—the increase in the price a hospital sets for services before negotiating with insurers. The GMCB approved rates ranging from no change to 8.4 percent for Vermont hospitals in fiscal year 2015. (See attachments for details of individual hospital and system-wide revenues and rates.)

“Two years into a three-year plan, it’s good to see the budget review process doing what it is designed to do,” said GMCB Chair Al Gobeille. “As a statewide system, Vermont’s hospitals continue to do the hard work to meet our expectations for restrained budget growth.”

For more information on the GMCB hospital budget review process, including submissions from each hospital and their responses to GMCB questions on those submissions, see the GMCB website: <http://gmcboard.vermont.gov/hospitalbudgets>.

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Net Patient Revenue  
Vermont Hospitals  
Fiscal Year 2015

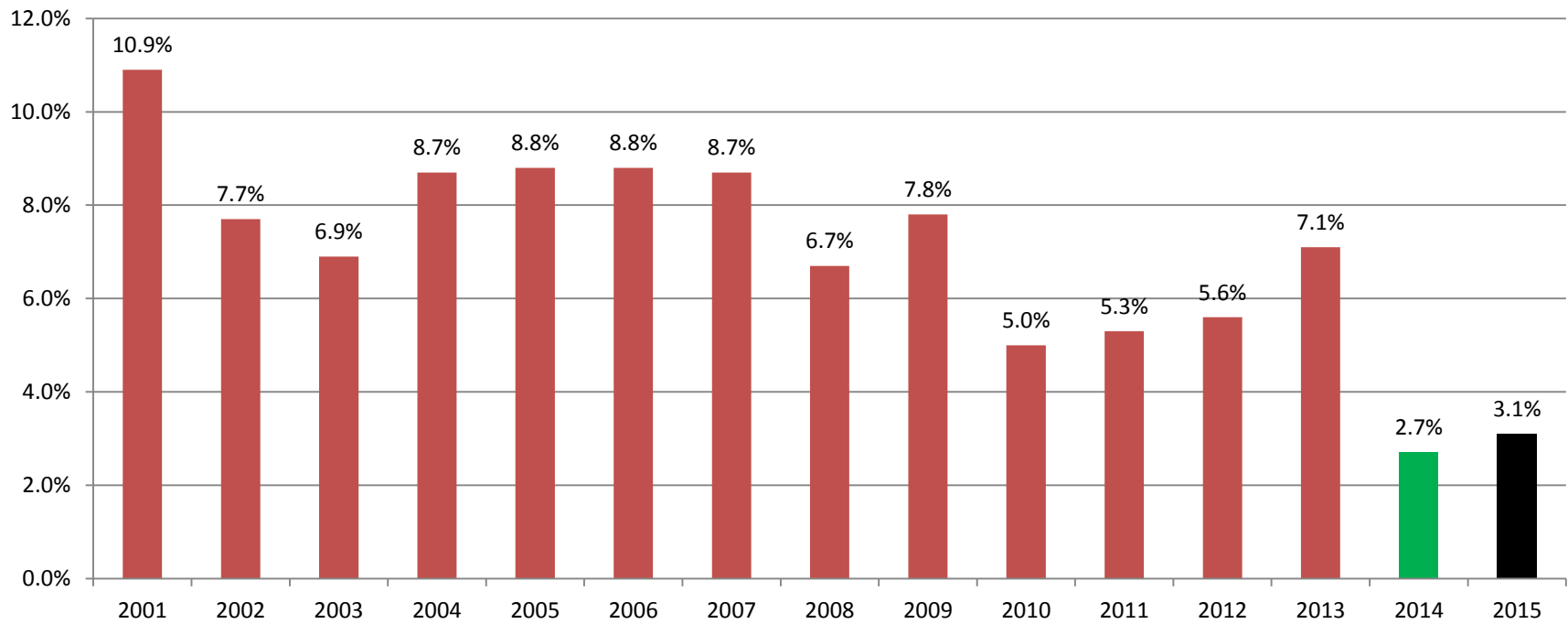
Vermont Hospital	Approved Hospital Net Patient Revenue 2015	Approved Net Patient Rev Growth	Approved Net Patient Rev % change
Brattleboro Memorial Hospital	\$ 71,284,571	\$ 1,491,506	2.1%
Central Vermont Medical Center	\$ 166,221,844	\$ 5,086,794	3.2%
Copley Hospital	\$ 59,600,484	\$ 1,804,859	3.1%
Fletcher Allen Health Care	\$ 1,087,767,762	\$ 38,708,338	3.7%
Gifford Medical Center	\$ 57,753,248	\$ 295,564	0.5%
Grace Cottage Hospital	\$ 17,980,282	\$ 1,419,747	8.6%
Mt. Ascutney Hospital & Health Ctr	\$ 48,508,891	\$ 1,608,040	3.4%
North Country Hospital	\$ 73,586,147	\$ (1,789,153)	-2.4%
Northeastern Vt Regional Hospital	\$ 65,324,117	\$ 636,947	1.0%
Northwestern Medical Center	\$ 90,795,885	\$ 3,036,580	3.5%
Porter Medical Center	\$ 72,696,905	\$ 2,446,528	3.5%
Rutland Regional Medical Center	\$ 224,138,940	\$ 6,318,228	2.9%
Southwestern VT Medical Center	\$ 139,041,542	\$ 4,335,185	3.1%
Springfield Hospital	\$ 54,360,014	\$ 2,381,801	4.6%
<b>Totals</b>	<b>\$ 2,229,060,632</b>	<b>\$ 67,780,964</b>	<b>3.1%</b>

**Annual Rate Increase  
Vermont Hospitals  
FY 2012 - 2015**

Annual Rate Increase	Approved Rate	Approved Rate	Approved Rate	Submitted Rate	Approved Rate
	2012	2013	2014	2015	2015
Brattleboro Memorial Hospital	7.4%	5.2%	5.8%	2.70%	2.70%
Central Vermont Medical Center	6.0%	5.0%	6.9%	5.90%	5.90%
Copley Hospital	6.0%	3.0%	6.0%	0.00%	0.00%
Fletcher Allen Health Care	5.9%	9.4%	4.4%	7.80%*	7.80%*
Gifford Medical Center	7.0%	6.1%	7.6%	5.60%	5.60%
Grace Cottage Hospital	10.6%	6.5%	6.0%	5.00%	5.00%
Mt. Ascutney Hospital & Health Ctr	3.5%	7.0%	5.0%	3.22%	3.22%
North Country Hospital	5.1%	4.6%	8.0%	8.30%	8.30%
Northeastern VT Regional Hospital	7.5%	6.5%	5.6%	5.00%	5.00%
Northwestern Medical Center	6.3%	2.9%	3.9%	6.40%	6.40%
Porter Medical Center	10.3%	5.0%	6.0%	5.00%	5.00%
Rutland Regional Medical Center	9.8%	10.3%	4.8%	8.40%	8.40%
Southwestern VT Medical Center	5.5%	6.8%	7.2%	4.50%	4.50%
Springfield Hospital	5.8%	6.0%	4.6%	5.45%	5.45%
Median - all hospitals	6.2%	6.1%	5.9%	5.23%	5.23%

\*Commercial "Ask" per FAHC

## All Vermont Community Hospitals Net Patient Revenue Annual % Increase FY 2001 - 2015



**Notes:**

a Budget increase as approved by the GMCB for FY 2014 budgets

b Budget increase as approved by the GMCB for FY 2015 budgets

Adjusted to reflect bad debt reporting change in 2012

a

b