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GREEN MOUNTAIN CARE BOARD ANNOUNCES 2016 HOSPITAL BUDGET DECISIONS

Montpelier, VT – After completing its review of Vermont’s hospitals’ budget requests for fiscal year 2016, the Green Mountain Care Board (GMCB) has set the total fiscal year 2016 budget increase for Vermont’s hospital system at 3.5%, including 0.5% that qualifies as investments in health reform. This marks the third year in a row that Vermont’s 14 hospitals as a group have kept net patient revenue increases at or 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 FY16 net patient revenue increase to no more than 3 percent plus an allowance of up to an additional 0.6 percentage points for investments in health care reform initiatives. 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. 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.

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 -10.0 percent change to 6.0 percent change for Vermont hospitals in fiscal year 2016. (See attachments for details of individual hospital and system-wide revenues and rates.)

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>.



**Vermont Community Hospitals
Net Patient Care Revenue
FY 2016**

	Approved 2015B	Submitted 2016B	Submitted Change over 2015B	Submitted % Change	GMCB Budget changes	2016B Approved	Approved change over 2015B	Approved % Change
Brattleboro Memorial Hospital	\$ 71,284,572	\$ 73,993,162	\$ 2,708,590	3.8%	\$ (97,012)	\$ 73,896,150	\$ 2,611,578	3.7%
Central Vermont Medical Center	\$ 166,221,844	\$ 173,996,286	\$ 7,774,442	4.7%	\$ -	\$ 173,996,286	\$ 7,774,442	4.7%
Copley Hospital	\$ 59,600,484	\$ 61,469,771	\$ 1,869,287	3.1%	\$ (482,052)	\$ 60,987,719	\$ 1,387,235	2.3%
Gifford Medical Center	\$ 57,753,248	\$ 56,201,733	\$ (1,551,515)	-2.7%	\$ -	\$ 56,201,733	\$ (1,551,515)	-2.7%
Grace Cottage Hospital *	\$ 17,980,282	\$ 18,375,041	\$ 394,759	2.2%	\$ -	\$ 18,375,041	\$ 394,759	2.2%
Mt. Ascutney Hospital & Health Ctr	\$ 48,508,891	\$ 48,060,871	\$ (448,020)	-0.9%	\$ -	\$ 48,060,871	\$ (448,020)	-0.9%
North Country Hospital	\$ 73,586,146	\$ 76,604,320	\$ 3,018,174	4.1%	\$ -	\$ 76,604,320	\$ 3,018,174	4.1%
Northeastern VT Regional Hospital	\$ 65,324,117	\$ 68,487,300	\$ 3,163,183	4.8%	\$ (784,000)	\$ 67,703,300	\$ 2,379,183	3.6%
Northwestern Medical Center	\$ 90,795,885	\$ 96,172,890	\$ 5,377,005	5.9%	\$ (1,532,608)	\$ 94,640,282	\$ 3,844,397	4.2%
Porter Medical Center	\$ 72,696,910	\$ 75,581,081	\$ 2,884,171	4.0%	\$ -	\$ 75,581,081	\$ 2,884,171	4.0%
Rutland Regional Medical Center	\$ 224,138,940	\$ 233,248,162	\$ 9,109,222	4.1%	\$ -	\$ 233,248,162	\$ 9,109,222	4.1%
Southwestern VT Medical Center	\$ 139,041,542	\$ 144,025,568	\$ 4,984,026	3.6%	\$ -	\$ 144,025,568	\$ 4,984,026	3.6%
Springfield Hospital	\$ 54,360,014	\$ 55,936,500	\$ 1,576,486	2.9%	\$ -	\$ 55,936,500	\$ 1,576,486	2.9%
The University of Vermont Medical Center	\$ 1,087,767,762	\$ 1,126,774,924	\$ 39,007,162	3.6%	\$ -	\$ 1,126,774,924	\$ 39,007,162	3.6%
Total All Vermont Community Hospitals	\$ 2,229,060,637	\$ 2,308,927,609	\$ 79,866,972	3.6%	\$ (2,895,672)	\$ 2,306,031,937	\$ 76,971,300	3.5%

* Grace Cottage Hospital's expense budget was reduced by \$123,000

**Annual Rate Increase
Vermont Hospitals
FY 2012 - 2016**

	Approved Rate 2012	Approved Rate 2013	Approved Rate 2014	Approved Rate 2015	Submitted Rate 2016	Approved Rate 2016	Approved Average Annual Rate 2012-2016
Brattleboro Memorial Hospital	7.4%	5.2%	5.8%	2.7%	-1.2%	-1.4%	3.9%
Central Vermont Medical Center	6.0%	5.0%	6.9%	5.9%	4.7%	4.7%	5.7%
Copley Hospital	6.0%	3.0%	6.0%	0.0%	-3.0%	-4.0%	2.2%
Gifford Medical Center	7.0%	6.1%	7.6%	5.6%	5.8%	5.8%	6.4%
Grace Cottage Hospital	10.6%	6.5%	6.0%	5.0%	5.0%	5.0%	6.6%
Mt. Ascutney Hospital & Health Ctr	3.5%	7.0%	5.0%	3.2%	5.7%	5.7%	4.9%
North Country Hospital	5.1%	4.6%	8.0%	8.3%	4.8%	4.8%	6.2%
Northeastern VT Regional Hospital	7.5%	6.5%	5.6%	5.0%	5.2%	3.2%	5.6%
Northwestern Medical Center	6.3%	2.9%	3.9%	6.4%	-8.0%	-10.0%	1.9%
Porter Medical Center	10.3%	5.0%	6.0%	5.0%	5.3%	5.3%	6.3%
Rutland Regional Medical Center	9.8%	10.3%	4.8%	8.4%	3.7%	3.7%	7.4%
Southwestern VT Medical Center	5.5%	6.8%	7.2%	4.5%	3.8%	3.8%	5.5%
Springfield Hospital	5.8%	6.0%	4.6%	5.5%	2.8%	2.8%	4.9%
University of Vermont Medical Center *	5.9%	9.4%	4.4%	7.8%*	6.0%*	6.0%*	6.7%
Median - all hospitals	6.2%	6.1%	5.9%	5.2%	4.8%	4.3%	5.6%
Weighted Average - all hospitals	6.4%	7.9%	5.2%	6.8%	4.3%	4.2%	

* UVMHC has budgeted a 0% rate increase similar to 2015. However, it is their plan to negotiate a 6% rate increase from commercial payers in 2016.

* Weighted average has been estimated to reflect the UVMHC negotiated amount.