



**Vermont Association
of Hospitals
and Health Systems**

Vermont Hospital Finances

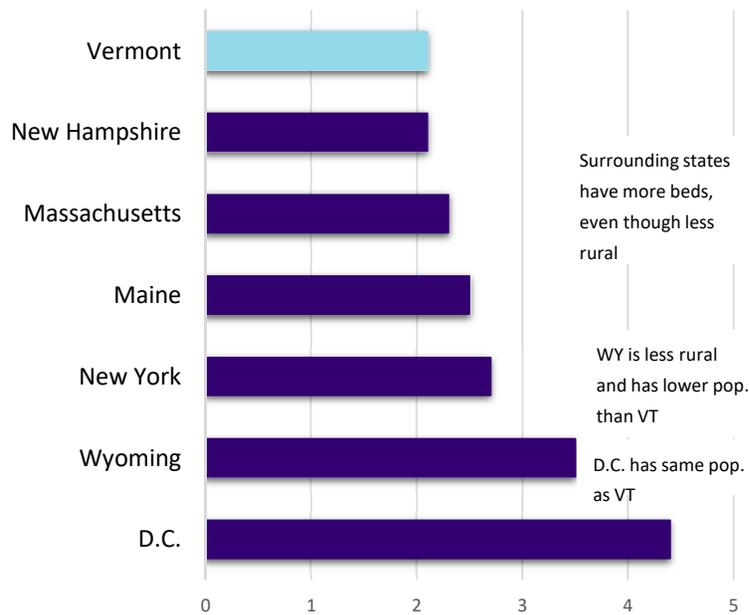
Devon Green, devon@vahhs.org

House Health Care Committee

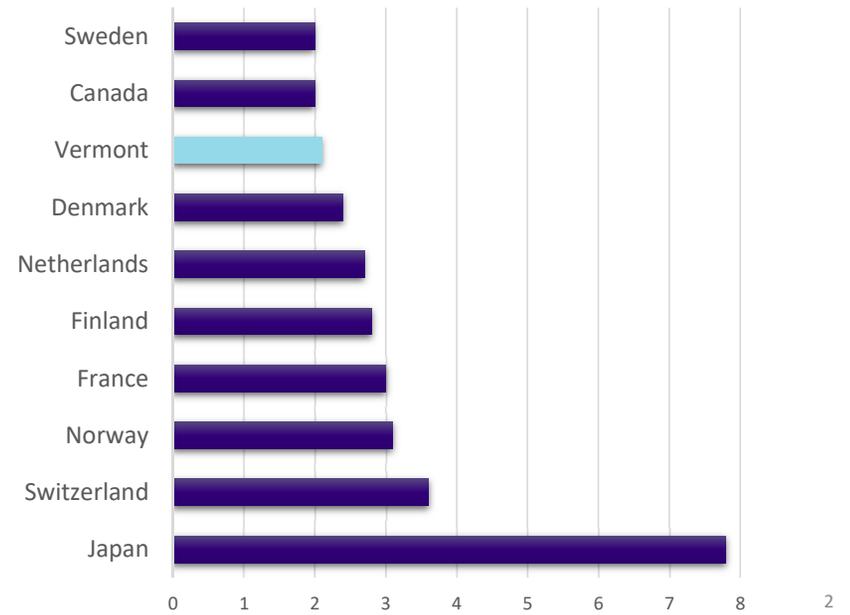
March 31, 2021

Vermont's Hospitals: Doing More with Less

Vermont: Fewer Hospital Beds Per 1,000 Individuals Regionally

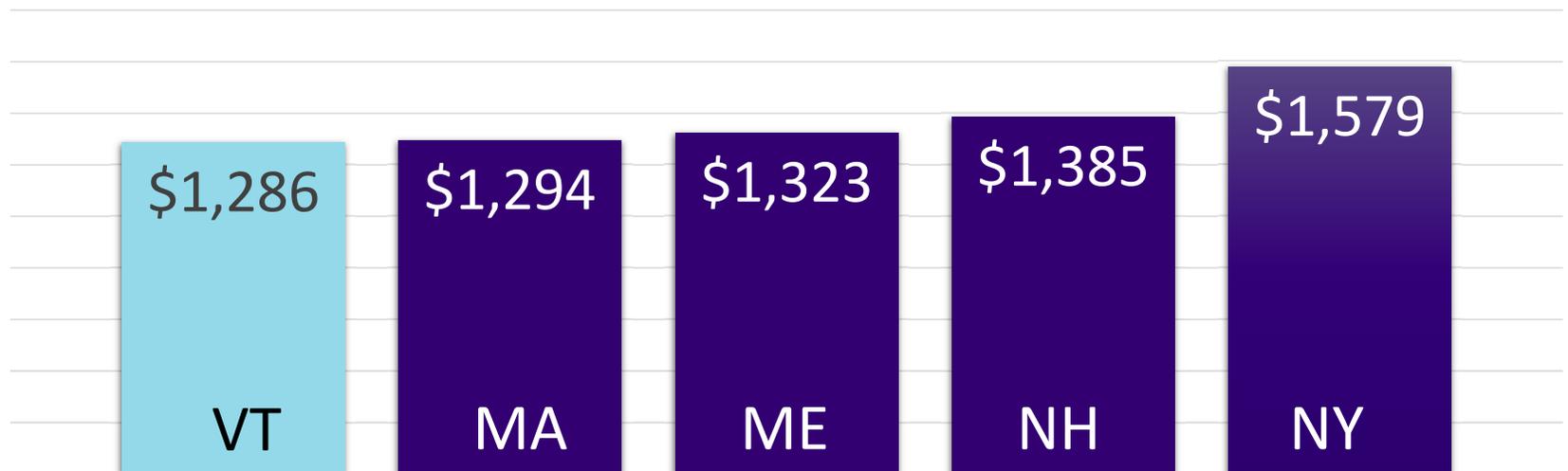


Vermont: Fewer Acute Hospital Beds Per 1,000 Internationally



Vermont's Hospitals: Doing More For Less

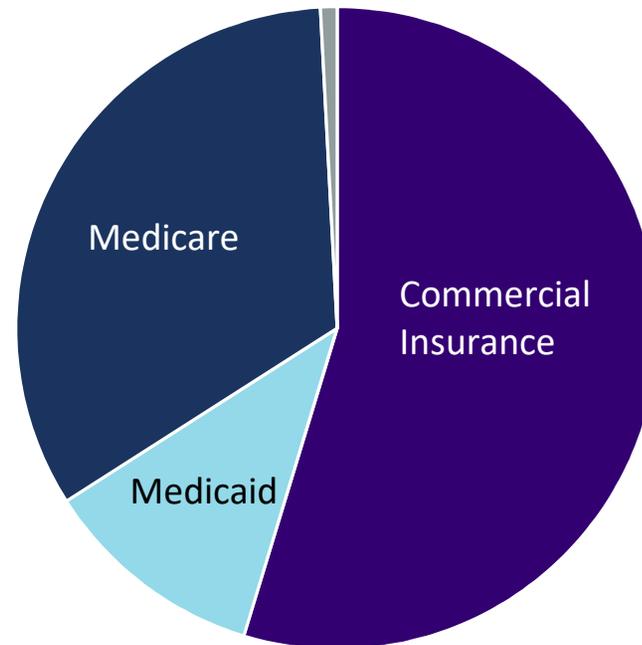
Insurance Reimbursements for Inpatient Hospital Services per Adult



Data: Truven MarketScan, Source: [The Commonwealth Fund](#)

Payer Mix and Cost Shift

45% Medicare,
Medicaid, and
Disproportionate
Share Hospital
Payments (DSH)



55%
Commercial
Insurance

Regulation: Budget and More

Green Mountain Care Board

- Budget review
- Certificate of Need
- Health Resources Allocation Plan
- Hospital Sustainability

Department of Health

- Licensure
- Community Health Needs Assessment
- Hospital Report Cards

Department of Mental Health

- Inpatient Designation Authority
- Coordination of Care

COVID Response

COVID Hospital Care for Communities

- Created capacity for negative pressure rooms
- Opened new treatment areas
- Invested in screening devices for staff and visitors
- Labs invested in specialized testing equipment for in-house testing
- Testing staff and patients on regular basis
- Stood up new monoclonal antibody infusion units
- Prepared for and managed surges of COVID+ patients, including assisting distressed nursing homes

Hospital Public Response to COVID

- Assisted state with supply chain for PPE and testing supplies
- Partnered on community surveillance testing
- Stood up vaccination clinics for the community

Current State of Hospitals: Continued Uncertainty

- Race to herd immunity
- COVID-19 variants
- Unclear what volumes will look like in the future
- Workforce is stretched to the limit: health care employees have been working beyond scheduled FTE for a year with no end in sight; recruiting new employees difficult; and high temporary staffing costs
- Deferred health care as seen by higher acuity patients in emergency departments

Current State of Hospitals: Continued Uncertainty



*FY2020 year-end results may change due to stimulus guidance.

Current State of Hospitals: Continued Uncertainty

- Even with \$180 million in federal COVID-19 relief, 6 hospitals have negative operating margins and the remaining are near breakeven.
- In 2020, only \$3.2 million margin on \$2.4 billion statewide hospital system
- We appreciate the Green Mountain Care Board's flexibility for FY '22, but going forward, hospitals will struggle to meet inflationary challenges of workforce, pharmacy inflation, new pharmaceutical drugs not currently in expense structure, investing in infrastructure and technology
- Margin is needed to re-invest in aging facilities, emergency response and preparedness, latest technology, and health care reform