

—Slug:.....COMM-0850.bratt.BMH_GMCBmeet
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—For section.....News
—Format.....News - byline and dateline
—Dateline.....Brattleboro
—Article Number:.....42964

[REDACTED]

Notes from editor (not for publication):

[REDACTED]

HEADLINE ELEMENTS:

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1 State issues warning, but won't intervene in BMH budget
2 saga

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3 Vermont health care regulators have given a nod to
4 hospital's new management and its moves to control its projected
5 shortfall

#####END SUBHED#####

6 TEXT BODY:

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7 Vermont health care regulators have issued a warning,
8 but won't intervene, as new leaders at Brattleboro Memorial
9 Hospital work to control a projected \$14.5 million annual budget
10 shortfall.

11 "We want Brattleboro to thrive," Owen Foster, chair of
12 the state's Green Mountain Care Board, said during a pair of
13 review hearings that ended Jan. 21.

14 "The solution to make sure that happens is the
15 management needs to identify the essential services for that
16 community and it needs to come up with a plan to pay for them,"
17 he said. "It is not on the board and it is not on ratepayers to do
18 that."

19 Regulators, having questioned the accuracy of the
20 hospital's past financial reports, had ordered the 500-employee,
21 61-bed facility — the main health care provider for about 55,000
22 people in southeastern Vermont — to recalculate its current
23 budget or risk becoming the first to receive state intervention
24 under a new law.

25 At the end of hearings Jan. 21, the state board declined
26 to call for an independent observer to step in, noting that new
27 acting co-CEOs and budget consultants are searching for savings
28 and new long-term leaders.

29 Regulators stressed it wasn't their role to bail out failing
30 facilities and warned Vermont's 13 other nonprofit hospitals not
31 to follow Brattleboro's recent example.

32 "We're going to have solvency issues at our hospitals,"
33 Foster said. "If a hospital submits inaccurate and incomplete data,
34 I don't know that we should be giving rate increases at all. It's just
35 a bad precedent to set."

36 BMH has reported a string of annual losses since 2021
37 and entered a state review hearing this past August with fears of
38 another shortfall. But the institution nonetheless unveiled a
39 proposed 2026 fiscal year budget at the summer hearing that
40 estimated \$121 million in spending and a \$244,529 surplus as of
41 next Sept. 30.

42 In response, the state expressed fears the hospital "has
43 not accurately or completely answered many questions" and
44 "may be at risk of a sudden solvency crisis," regulators wrote in
45 an Oct. 1 decision.

46 Shortly after, the hospital announced CEO Christopher
47 Dougherty would be taking an unexplained leave of absence in
48 October. He exited permanently without comment in November.
49 A month later, CFO Laura Bruno departed in a similar manner.

50 The hospital — one of Brattleboro’s three largest
51 employers — is now headed by two acting co-CEOs: orthopaedic
52 surgeon Elizabeth McLarney and primary care physician Tony
53 Blofson.

54 “We acknowledge that it’s very serious to have a \$14.5
55 million deficit,” Blofson said at the Jan. 21 hearing. “The goal is
56 to keep the doors open for high-quality and local health care.”

57 Past and present administrators have blamed the
58 hospital’s fiscal problems on everything from too many unpaid
59 patient bills to their own staff’s rising health insurance costs,
60 spurring them to launch a hiring freeze and let go of several
61 managers.

62 Interim financial leader David Sanville, a former
63 executive at hospitals in Berlin, Randolph, and Windsor, used this
64 month’s hearings to outline an updated \$130 million annual
65 budget and current and coming efforts to reduce expenses and
66 raise revenue.

67 In response, regulators and reviewers have categorized
68 Brattleboro’s new numbers as “an accurate representation.”

69 “I deeply appreciate your honesty and frankness,” health
70 care advocate Eric Schultheis told Sanville at the hearings. “It’s
71 quite refreshing.”

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