

THE BIG PICTURE



Building on Progress, Facing the Future Together

| Nov 11, 2025

Closing the Book on FY25

PROGRESS AMID CHALLENGE

We've closed the book on Fiscal Year 2025 – a year marked by tremendous effort to meet the daily needs of our organizations while laying the groundwork for future success.

NAVIGATING CHANGE ACROSS OUR SYSTEM

The year-end numbers - a \$4.2 million loss from operations at Alice Hyde Medical Center (AHMC) and \$4.3 million loss at Champlain Valley Physicians Hospital (CVPH) – are not where we'd like to be but we should take pride in the great strides we've made in reducing expenses while continuing to care for our community. Maintaining that vigilance and focus will be critical as we navigate the multiple challenges on our horizon.

- We're just beginning to feel the impact of the Big Beautiful Bill but expect that the substantial cuts to our Medicare and Medicaid funding will place added pressure on our budget and operations.
- At the same time, our Health System is taking steps to reduce costs and preserve access to care throughout the region. The FY26 budget approved by the Green Mountain Care Board makes it clear that we must work differently as a system to reduce costs and increase efficiencies while continuing to provide quality care.
 - The 2026 spending plan includes reductions in commercial insurance reimbursement and patient revenue and a cap on operating expenses in our Vermont partner hospitals.
 - In July, 77 positions were eliminated across the health system as part of a larger effort to cut more than \$100 million in spending. That effort continued into the new fiscal year with the announcement of several senior executive positions being eliminated.

STAYING THE COURSE

Set against the backdrop of federal funding cuts and the changes within our system, our efforts at AHMC and CVPH will be centered on following the path we've established in FY 2025 but doing even more to manage expenses and better aligning our staffing needs with patient volume.

GRATITUDE AND RESOLVE

These are indeed difficult times for all of us in health care. Remembering that our patients need us and our colleagues depend on us will keep us grounded and focused. Preserving services – the services we, and our families and friends rely on – while ensuring the future of health care in our communities, will require us to be creative and committed to our goal.

In the face of these challenges, your dedication and resilience are deeply appreciated by our patients and this community.

Matej "Matt" Kollar, CPA
Vice President of Finance, Chief Financial Officer

ALICE HYDE MEDICAL CENTER
CHAMPLAIN VALLEY PHYSICIANS HOSPITAL

Strength & Commitment

Maintaining vigilance and focus will be critical as we navigate the multiple challenges on our horizon.

We must work differently as a system to reduce costs and increase efficiencies while continuing to provide quality care.

Preserving the services our families and friends rely on will require creativity, collaboration and commitment.

Your dedication and resilience are deeply appreciated by our patients and our community.



Matt Kollar