

Legal Department

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Mark Hengstler, Staff Counsel
Green Mountain Care Board
144 State Street
Montpelier, VT 05602

Re: Notice of Voluntary Dismissal

Dear Mark:

Rutland Regional Medical Center (“RRMC”) submitted a Notice of Intent on October 30, 2025, proposing a redesign of its pediatric care delivery model pursuant to the Green Mountain Care Board’s (“GMCB” or “Board”) Interim Policy on Hospital Service Reductions (“Interim Policy”). On November 3, 2025, the Board requested clarification regarding how the proposed redesign relates to RRMC’s ability to comply with its FY 2026 hospital budget. RRMC provided an initial response and request for determination on November 6, 2025. On November 14, 2025, the Board informed RRMC that a Full Submission was required, and that RRMC’s contemplated proposal fell within its scope of review, which RRMC filed on November 24, 2025. The Board held a hearing on December 5, 2025, regarding the proposed redesign.

RRMC now respectfully submits this Voluntary Notice of Dismissal Without Prejudice and intends to now work directly with the Agency of Human Services (“AHS”) under its newly established health care transformation framework.

Background

Section 11a of Act 68 assigns AHS a central leadership role in statewide health care transformation. In alignment with that intent, both Act 68 and the Board’s Interim Policy (which is grounded in Act 68) exempt from GMCB review those redesign efforts undertaken through AHS-led transformation efforts, reinforcing that AHS is the primary entity responsible for guiding, approving, and coordinating these initiatives.

RRMC has consistently sought to be a collaborative partner to the State in advancing this work. RRMC accepted the challenge and moved forward in good faith. However, when RRMC first developed its proposed pediatric redesign, there was not an established, clearly articulated hospital transformation process through which the initiative could be submitted to AHS for coordinated review. Accordingly, RRMC consulted with both AHS and the GMCB in hopes of identifying a viable pathway forward.

At the time RRMC filed its Notice of Intent on October 30, its request for determination on November 6, and its Full Submission on November 24, AHS had not yet clearly articulated its framework for submission and approval of transformation efforts. In the absence of such guidance, RRMC followed the only procedural mechanism available, the GMCB's Interim Policy, in order to advance its redesign plan. Therefore, RRMC proceeded under that policy to ensure responsiveness to the evolving needs it had identified and to avoid leaving important initiatives unaddressed.

Rationale

While RRMC provided a Full Submission by the deadline of November 24th to the GMCB, AHS coincidentally released its framework for the collection of transformation plans for hospitals. Subsequent communications from AHS have made clear that this is the mechanism in which hospital transformation initiatives will be submitted, reviewed, and acted upon, which furthers the intent of Act 68, due by January 15, 2026.

Given this development and as we have seen the process take shape, continued review under the GMCB's Interim Policy has become moot. RRMC deeply appreciates the time, expertise, and engagement of Board members and staff, the Office of the Health Care Advocate, pediatricians and community members who have participated in the review thus far. We are hopeful that AHS' process now provides the comprehensive, coordinated framework that Act 68 intended, which will consider more than just this project but takes into consideration other transformation efforts as well. The framework that was not available or understood when RRMC originally filed with the Board is now available, is more clear, and should be supported by hospitals who engage in AHS' transformation efforts.

RRMC remains committed to redesigning pediatric care delivery in a way that preserves high-quality local access, aligns with workforce realities, and promotes long-term sustainability, while also ensuring that the voice of our community is taken into consideration as these plans progress. Through AHS' leadership, with participation and collaboration from key community stakeholders (including our employees and community providers) and regional partners, this redesign work may now advance within the statewide transformation framework.

RRMC has a long history as a trusted, relied-upon leader in our region. Our responsibility now is to align community needs with statewide health reform goals in a way that is sustainable, clinically sound, and consistent with legislative intent. We are hopeful that supporting AHS' transformation framework and process is the appropriate, forward-looking path necessary to effectuate a high-quality, community-centered redesign of pediatric and women's health services. Moreover, AHS' process allows RRMC to expand the planning scope to include women's health services and to enhance labor and delivery, even looking into the establishment of a Center of Excellence for Obstetrics that meets the needs of families in Rutland County and beyond. These efforts will lead to strengthening RRMC's role as a regional hub for essential services.

Conclusion

We look forward to engaging fully in AHS' transformation process, collaborating with the State, and incorporating the voices of our community providers, patients, families, and other stakeholders to develop a plan that strengthens regional care delivery, addresses affordability, and preserves the essential services in which our community depends.

For the reasons above, RRMC submits this Voluntary Notice of Dismissal Without Prejudice. RRMC intends to proceed with its pediatric redesign initiative by working directly within the AHS-led transformation process and the evolving framework that is consistent with Act 68's regulatory transformation goals..

RRMC appreciates the Board's engagement to date and looks forward to continued, collaborative partnership as the State of Vermont advances this important work.

Respectfully,

A handwritten signature in black ink, appearing to read 'ME Baroody', with a long horizontal flourish extending to the right.

Mitchell E. Baroody

CC: Owen Foster, Chair
Alena Berube, Director of Policy
Mike Fisher, Chief Health Care Advocate
Judi Fox, Chief Executive Officer
Jennifer Bertrand, Chief Financial Officer