Gifford Medical Center

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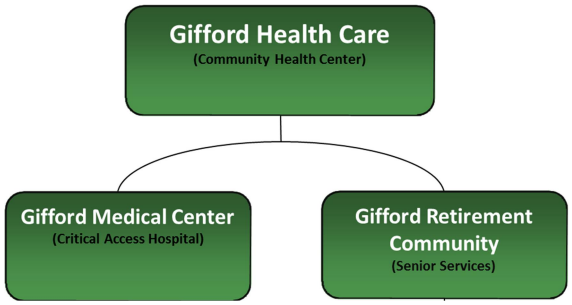
HCA Pre-Hearing Questions – Fiscal Year 2019 Hospital Budget Review

Please find below answers to the proposed questions.

1. Please describe all entities related financially to the hospital, the purpose of each entity, and the financial relationships between the entities (e.g., parent organization(s), subsidiary organization(s), membership organization(s), etc.). In particular:
    a. What non-profit and/or for-profit entities does the hospital or its parent organization own in part or in full and/or is the hospital owned by in part or in full?
    b. Are hospital senior management paid by hospital-related entities other than the hospital?
    c. Are the revenues of these entities included in your budget submission?

Response:



Gifford Health Care
In budget year 2015 we created Gifford Health Care (GHC), the parent corporation for Gifford Medical Center (GMC) and Gifford Retirement Community (GRC). GHC is focused on primary care services, which include family medicine, internal medicine, pediatrics, obstetrics/gynecology, midwifery, mental health, addiction medicine, and dentistry.

Gifford Retirement Community
On June 10, 2015, Gifford officially celebrated the opening of Menig Nursing Home, an anchor facility for Morgan Orchards Senior Living Community, a new, multi-phased senior living campus on 30 acres in Randolph Center, VT. The independent living facility at Morgan Orchards, which opened in August 2017, has been designed to provide much-needed local living options and services for seniors.

Gifford Medical Center files the W-2s for its related organizations, Gifford Health Care and Gifford Retirement Community. Compensations, employee benefits, and payroll taxes are then allocated to GHC and GRC for the amounts that represent work performed for those organizations.

Only GMC revenues and expenses have been submitted in the 2019 budgets.

2. Please describe any financial incentives/bonuses that your executives, providers, coders, and other personnel are eligible to receive that are tied to services that have the potential to increase your hospital's revenue. Please include both staff and subcontractors.
    a. As a part of your answer, please disclose for which procedures the hospital pays providers volume-based incentives.
    b. Are these incentives the same for OneCare attributed patients as for non-attributed patients?

Response:

Gifford maintains financial incentives for providers. Provider incentives incorporate productivity, citizenship (contribution to hospital and community activities), and retention. We are working to incorporate quality measures into our incentive program with our new electronic health record, which will allow us to track measures at the individual provider level. Our productivity measures are designed to ensure that all providers achieve a standard level of productivity.

- Incentives are not based on specific procedures. Our productivity measures are designed to ensure that all providers achieve a standard level of productivity. Gifford also has an employee referral program. The employee receives compensation for the successful hire of qualified candidate.
- Gifford is not currently participating with OneCare.

3. Please delineate the hospital's financial performance and patient distribution by capitated business, fee for service business, and any other payment methodologies. (If you only have one type of business please state which type.)
    a. Please indicate which entities the hospital has capitated or other alternative payment agreements with (e.g., insurer(s), ACO(s)).

Response:

Gifford Medical Center has not signed a contract with OneCare Vermont (OCV). GMC previously participated in the Community Health Accountable Care (CHAC) Accountable Care Organization (ACO) until it ceased operations at the end of 2017. GMC has requested information from OCV in order to evaluate our participation for calendar year 2019.

4. Please provide data on the experience of mental health patients at your hospital, including:
    - The total number of mental health beds at your hospital;
    - The range and average wait time for placement of mental health patients who report to your hospital in need of inpatient admission;
    - The range and average time patients have spent in your emergency department awaiting an appropriate mental health placement;
    - The total number of patients who waited in your emergency department for an available mental health bed at your hospital or at another facility.

Response:

Gifford does not have any mental health beds. Since 2017 our Emergency Department has seen 43 patients who have needed inpatient admission. These patients waited an average of 1.7 days in our ED before being transferred to an appropriate facility.

5. Please describe any initiatives that you have implemented to address the inadequate access to mental health treatment experienced by Vermonters.

a. What other avenues are you pursuing to address this crisis in a sustainable way?

Response:

Gifford has a longstanding partnership with Clara Martin Center (CMC). CMC plays an integral role in assisting Gifford with assessment and placement of patients with mental illness. We have identified a need for better access to psychiatric evaluation and consultation services for acute patients in mental health crisis. Thus, Gifford is in the process of contracting with Brattleboro Retreat for tele-psychiatry services. This will enable patients to begin receiving psychiatric care while they await transfer to a mental health bed.

- Mental health clinicians and social workers respond to requests to visit patients in the ED or in an inpatient unit to assist with the evaluation of the patient. They facilitate referrals to counselors, often with appointments scheduled before patients are discharged.

  Gifford implements a Multidisciplinary Care Plan for patients who are frequent utilizers of our ED.

  Gifford maintains an agreement with a designated agency, Clara Martin Center, to assist with evaluation and placement of mental health patients, in addition to referrals to outpatient services.

  Gifford plans implementation of a tele-psych agreement with Brattleboro Retreat for professional services to evaluate, assess, and provide a treatment/medication plan for patients awaiting beds. Gifford plans to implement this initiative within six months.

6. Please provide data on substance use treatment at your hospital, including:
   a. The number of patients currently enrolled in medication-assisted treatment at your hospital;
   b. The number of MAT providers employed by your hospital;

Response:

Gifford's substance use disorder (SUD) treatment options fall under the Gifford Health Care FQHC umbrella. Over the past year, we have greatly increased our capacity to treat people with substance use disorders, including more than tripling our capacity to provide medication-assisted treatment (MAT) to people with opioid use disorder. We have three providers offering MAT services to 149 patients in Berlin, Randolph, and White River Junction. Of those patients, four are receiving Vivitrol injections for opioid use disorder and 11 are receiving other medications for alcohol use disorder. The remaining patients are receiving Suboxone for opioid use disorder.

7. Please describe the hospital's plans for participation in payment reform initiatives in this fiscal year and over the next five years.
   a. How do you plan to manage financial risk, if applicable, while maintaining access to care, high quality care, and appropriate levels of utilization?
   b. How much money will the hospital be at risk for in FY19?
      i. What will happen if a hospital loses that money?
      ii. How will the hospital fill in this gap, if necessary, without increasing rates?
      iii. How does the hospital track access to care, utilization, and quality of care to ensure that provider financial incentives do not have a negative impact on patient care?

Response:

Gifford continues to build its capacity to meet population health goals through establishment of team-based care, care coordination, implementation of an improved electronic medical record (EMR) with a population health

module, and continued focus on community outreach through the Blueprint program and Gifford's relationships with community partners.

GMC previously participated with the Community Health Accountable Care (CHAC) Accountable Care Organization (ACO) until it ceased operations at the end of 2017. GMC has requested information from OCV in order to evaluate our participation for calendar year 2019.

In regard to Medicare payments moving toward a capitated ACO, this would put at risk our ability to offer needed community resources. Our Critical Access Hospital (CAH) designation is intended to reduce financial vulnerability, or risk, and improve access to health care by keeping essential services in our community. To accomplish this goal, we receive certain benefits, such as cost-based reimbursement from Medicare.

CAHs operate on such thin margins that even the slightest change in reimbursements can have a major impact. Nearly 61 percent of Gifford's gross revenue comes from government agencies, and Medicare accounts for 42 percent of that amount. Cost-based reimbursement acts as a buffer and ensures the care will be paid for based on the actual costs of the services being provided. Over the last few years Gifford has seen a reduction in volume due to provider staffing and our EMR conversion. Since Gifford's indirect costs are primarily fixed, it has seen its cost per unit rise. However, because of cost-based reimbursement, Gifford has seen its reimbursement go up accordingly, mitigating the pressures caused by our volume fluctuations.

Gifford Medical Center must move cautiously into capitated Medicare payments to manage increased financial risks that could threaten our ability to offer essential community services. We will evaluate the OCV information to understand the risks and develop plans to mitigate them accordingly. Ultimately our success in payment reform activities will hinge on our efforts to coordinate care among our locally integrated services and through our well-established partnerships with nonrelated providers.

8. Please describe the hospital's shared-decision making programs, if any, and any plans for expanding those programs.
    a. Please describe the initiative(s), which departments have participated, how you have chosen which departments participate, which of these initiatives, if any, have led to identifiable cost savings and/or quality improvement, and the number of patients served by these programs.
    b. What is the extent of your Choosing Wisely initiative(s), if any?
    c. What are you doing to ensure/increase provider buy-in in these programs?

Response:

Gifford Medical Center utilizes shared decision-making. One example is our Low Risk Chest Pain protocol that we utilize in our Emergency Department. Our physicians score patients on a nationally recognized scale and discuss various treatment options available to the patients. The protocol results in an informed decision based on the wishes of the patient.

Gifford Health Care's primary care practices are National Committee for Quality Assurance (NCQA)-recognized, patient-centered medical homes (PCMH). Shared Decision-Making (SDM) is an important aspect of this recognition. Gifford will continue to utilize SDM models across its primary care and hospital practices and services.

Gifford offers educational materials in health-related areas such as cancer care, kidney stones, and prostate health. These materials are used for patient education and as aids to prepare patients to make informed, value-based decisions with their care team. We intend to utilize our new patient portal (implemented in FY2018) as both an added tool from which to provide resources to patients and as a means to track incidence of patients utilizing these resources.

While we do not formally use the Choosing Wisely initiative, many of our providers report using the Choosing Wisely concepts in their practice. Additionally, Providers use the evidence-based recommendations and care guidelines of their colleges to guide their practice which are not dissimilar from Choosing Wisely in that the premise is care that is evidence-based and reasonable based on presentation of illness. Gifford Health Care's primary care practices are designated as Patient-Centered Medical Homes and our providers utilize shared-decision making principles in their patient interactions.

9. Please provide copies of your financial assistance policy, application, and plain language summary (noting any changes from your last submission) as well as detailed information about the ways in which these three items can be obtained by patients.
    a. Please provide the following data by year, 2014 to 2018 (to date):
        i. Number of people who were screened for financial assistance eligibility;
        ii. Number of people who applied for financial assistance;
        iii. Number of people who were granted financial assistance by level of financial assistance received;
        iv. Number of people who were denied financial assistance by reason for denial.
        v. What percentage of your patient population received financial assistance?
    b. Please provide the statistics and analyses you relied on to determine the qualification criteria and the amount of assistance provided under your current financial assistance program.

Response:

Gifford's financial assistance policy, application, and plain language summary are published on the Affordable Care Program page of our website: https://giffordhealthcare.org/service/affordable-care-program/

	2014	2015	2016	2017	01/01/2018 06/28/2018
Denied - had Medicaid	5	1	6	22	1
Denied - income	28	15	28	38	9
Denied - missed deadline	4	1	8	5	2
Denied - no application	1	0	0	0	0
Denied - other	0	0	3	0	4
Denied - other payor paid	1	0	0	0	0
Denied - out of area	1	0	2	13	0
Total Denied	**40**	**17**	**47**	**78**	**16**
Total Approved	**289**	**205**	**252**	**243**	**122**

10. For the hospital's inpatient services, please provide your all-payer case mix index, number of discharges, and cost per discharge for 2014 (actual) through the present (2018 budget and projected) and 2019 (budget).

Response:

	FY 14	FY 15	FY 16	FY 17	Proj 18	Bud 18	Bud 19
CMI	1.02	1.02	0.98	0.97	0.98	N/A	N/A
Acute Admissions	1,178	1,318	1,303	1,257	1,160	1,328	1,172
Cost per Adj Admissio	$ 10,586	$ 10,386	$ 10,611	$ 11,049	$ 11,614	$ 11,387	$ 10,736

11. As part of the GMCB's rate review process during the summer of 2017, Blue Cross Blue Shield of Vermont (BCBSVT) was asked to "explain how the cost shift factors into your approach when negotiating with providers." BCBSVT responded: "Since the creation of the GMCB hospital budget and the greater transparency that it has created, providers insist that it is the responsibility of BCBSVT's members to fund the cost shift. Providers acknowledge that they manage to a revenue target, insist that commercial members must fund the cost shift in order for providers to meet their revenue targets, and remind BCBSVT that the GMCB has approved the revenue target." (GMCB 08-17rr, SERFF Filing, July 5, 2017 Response Letter). Do you agree with this statement? Please explain why or why not. If you disagree, please point to any data available that supports your position.

Response:

A hospital incurs costs to provide services to their patients. All patients, regardless of their ability to pay, are billed the same price for the same service. Sometimes the payment received by the hospital is less than the cost of the services provided. This includes payments from uninsured, Medicare, and Medicaid patients. When the payment doesn't cover the cost to provide those services, this unreimbursed cost is passed on to other payers; this is the "cost shift." The ability to cost shift helps the hospital maintain its financial health. Gifford does not only manage to a revenue target, but in fact strives to manage continued emphasis on keeping expenditures as low as possible.

12. Please provide updates on all health reform activities that you have submitted under the GMCB's extended NPR cap during previous budget reviews including
    a. The goals of the program;
    b. Any evidence you have collected on the efficacy of the program in meeting these goals;
    c. Any other outcomes from the program, positive or negative;
    d. Whether you have continued the program and why.
    e. If you have discontinued one or more of these programs, please describe how you have accounted for this change in past or current budgets.

Response:

Gifford remains committed to responding appropriately to health care reform and investments. However, last year (FY18) was the first year that Gifford requested the .4-percent health care reform investment. (See Attachment 2)

Total Health Care Reform Investment for 2018: $514,000					Per GMCB budget guidance, indicate which of the health care reform criteria the investment meets			
	Activities, investments, or initiatives within the 0.4% health care reform investment	**Allocation for the investment**	**Was this activity in last year's budget?**	**Is this investment supplanting the previous costs, or are they new?**	**Support for ACO infrastructure or programs**	**Support of community infrastructure related to ACO programs**	**Population health improvement activities**	**Population health measures outlined in APM**
1	ACO dues(CHAC)	$ 50,000	No	New	X			
2	IT Initiatives:	$ 320,000	No	New/Supplanting	X	X	X	X
3	QM Initiatives: Total Budget Hours 1056	$ 39,000	No	New		X	X	X
4	Community Outreach Initiatives:	$ 105,000	Yes/No	New/Supplanting		X	X	X

- CHAC, the ACO Gifford was a part of, no longer exists and the expenses are not budgeted in FY19.
- e-Clinical Works, Gifford's new electronic medical record (EMR) system, was successfully implemented in the spring of 2018. Ongoing expenses are noted in Appendix V.
- The QM Initiatives noted are ongoing and reflected in the budgeted expenses for FY19.
- Gifford continues to enhance its Community Outreach Initiatives. During FY18 the focus was on substance use, and we predict our work with this initiative, in addition to other preventative health outreach as noted in Appendix V, will continue in FY19.