



To: The Honorable Kevin Mullin, Chair, Green Mountain Care Board
From: Rick Vincent, Chief Financial Officer, The University of Vermont Medical Center
Cheyenne Holland, Chief Financial Officer, Central Vermont Medical Center
Date: June 30, 2017
Subject: Fiscal Year 2018 Budget

1. Executive Summary

The University of Vermont Health Network was formed in late 2011 with the objective of developing a highly-integrated regional network of health care providers focused on achieving the Triple Aim: improving the health of the populations we serve, enhancing patients' experience and outcomes, and reducing the per capita cost of care.

The network includes six hospitals, three in Vermont (the University of Vermont Medical Center, Central Vermont Medical Center and Porter Medical Center) and three in New York (Champlain Valley Physicians Hospital, Elizabethtown Community Hospital and Alice Hyde Medical Center), and their employed providers, and serves a broad geographic region that stretches across Vermont and northern New York.

This budget filing and narrative includes consolidated filings for UVM Medical Center and Central Vermont Medical Center. The third Vermont-based member of the UVM Health Network, Porter Medical Center, is filing separately as it joined the Network only recently (April 2017).

The FY 2018 budget that we are proposing is unique in our history: it is the first to begin to bridge the gap between our current fee-for-service volume-driven system to the value-based system that Vermont's health care reform efforts have been laying the groundwork for over the past several years. It was developed to align as closely as possible with the All-Payer ACO Model Agreement (APM), the six-year program that seeks to transform Vermont's payment and delivery systems by incentivizing a truly collaborative, integrated approach to health and health care by all parts of the care continuum.

While the APM includes elements that are new to Vermont, it is really an evolution of decades' worth of efforts that have positioned the state to be a national leader in supporting a high-performing system focused on the health of the citizens we serve. The UVM Health Network has fully embraced the concept of the APM and its focus on affordability, sustainability and predictability: affordability for those struggling to pay for health care today; sustainability to ensure that the high-value care system we have today can continue to serve Vermonters; and predictability for the providers – both individuals and organizations – dedicated to a healthy Vermont. Our commitment to the APM includes beginning to accept financial risk for the patients we serve starting, as more fully explained in Section 2 below.

We believe that the shift away from fee-for-service payments to a value-based system that includes financial risk to hospitals necessitates a similar shift in how those hospitals' financial performance is regulated. While net patient revenues tell a story about costs and cost growth, that story is limited. It does not allow policymakers to easily distinguish, for example, between appropriate utilization and unnecessary utilization. It does not account for shifts in where care is obtained, or where patients are coming from. The APM, by comparison, focuses on the growth in costs *per attributed life* – a very different measure, and one better calculated to tell a more complete story about how well costs are being contained. For example, using the Johns Hopkins Adjusted Clinical Groups System (a population/patient case-mix adjustment system that will be used to help measure cost growth under the APM), our average quarterly all-payer per-member per-month (PMPM) reimbursement in 2014 was \$477. In 2016, it was \$482 – only a 1% increase over the course of two years, compared to a 9.5% increase in our total NPR.

While the OneCare Vermont budget is yet to be finalized, we are projecting that 40% of our revenue in FY 2018 will be reimbursed on a per-member per-month (PMPM) basis, even without statewide participation in risk-based contracts under the APM. Put another way, for that portion of our revenue, the PMPM targets in the APM will regulate our rate of growth – not the NPR cap that has been used in the past four years.

As shown in Attachment A, we have submitted a budget with a 3.5% increase in NPR, tracking the overall growth target for the APM. That NPR is based on the best information we have today on what will happen to Medicare and Medicaid rates, utilization, bad debt and free care trends, and the 0.72% cap on commercial payments mandated by the GMCB.

The budget as proposed includes significant continued investment in the kinds of reforms needed to succeed in population health, along with addressing continued access issues about which we have testified to the GMCB. (For example, 20 of the new physician FTEs included in the FY 2018 budget will expand access to services such as Dermatology, Endocrinology, Cardiology, Neurology, Psychiatry, Pediatrics and Family Medicine.) The budget also incorporates significant cost-saving initiatives necessary to make those investments within our limited resources without reducing services or risking the quality of the care we deliver.

As we move into this new all-payer world, we strongly encourage the GMCB to use a PMPM-based method for regulating all parts of our budget not just that covered in the APM, in recognition of the risks that we (and other hospitals) are taking under the new payment model.

2. Value-Based Payment & Delivery Reforms and the All-Payer Model

Vermont's move to a value-based payment and delivery system, as embodied in the APM, is nothing short of disruptive innovation: it completely changes the business model that has driven health care providers for decades. The UVM Health Network is fully committed to the success of the APM, which seeks to foster a more-affordable, sustainable and predictable system that supports not just health care, but health. The status quo – health care costs rising faster than general inflation – is unsustainable for the state, and continuing to do business as usual will not support our vision of improving people's lives by working together.

The FY 2018 budget continues to build on investments we have made over the past several years to position us for a successful transition to a capitated payment system.

The UVM Health Network's hospitals are active participants in OneCare Vermont, the largest statewide accountable care organization (ACO), cofounded by UVM Medical Center and Dartmouth-Hitchcock Health in 2013 to participate in the early "shared savings programs" (SSPs) offered first through Medicare, then (under the GMCB's aegis) Medicaid and commercial payers.

The All-Payer ACO Model Agreement

At the same time that OneCare and other ACOs were actively participating in the various SSPs, the GMCB and the Administration negotiated what we now call the APM with the Centers for Medicare and Medicaid Services (CMS). The APM takes the "all-payer" idea pioneered by CMS many years ago in Maryland – all payers participating in an aligned payment system – to an entirely new level. Whereas the Maryland all-payer waiver focused on hospital payments alone, and is still based on a fee-for-service model, the APM's goal is nothing less than transforming Vermont's health care system into one that brings providers together to accept risk for identified populations of patients.

As its formal name reflects, the APM incorporates the concept of accountable care and the use of ACOs as its primary reform vehicle. Under the APM, providers get predictable revenues from negotiated capitated (per-member per-month) payments, along with reduced administrative burdens (like relief from "prior authorization" requirements). In turn, the providers who voluntarily choose to participate in an ACO are held accountable for the cost and quality of care they deliver.

While the APM was under discussion, the Department of Vermont Health Access (DVHA) moved forward with its own payment reforms by developing a Next Generation ACO-style program to begin to align Medicaid with what was being negotiated with Medicare. All three Vermont-based members of the UVM Health Network (UVM Medical Center, CVMC and Porter) are part of the Medicaid NextGen ACO program. This groundbreaking and innovative program, which went into effect January 1 2017, is unlike any Medicaid has offered before, allowing providers the opportunity to take the lead on managing the health of a Medicaid population. In addition to the UVM Health Network hospitals, participating providers in the Medicaid NextGen ACO program include Northwestern Vermont Medical Center, FQHCs and community and independent primary care providers located in areas served by the four hospitals, along with home health agencies, designated agencies, and skilled nursing facilities. Altogether, more than 1,800 individual providers are part of the program, and serve approximately 29,000 Medicaid beneficiaries in northern Vermont.

The next stage in the APM begins in 2018, when Medicare's NextGen program is phased in for Vermonters whose providers choose to participate in OneCare Vermont. OneCare is negotiating a similar NextGen-style program with Blue Cross and Blue Shield of Vermont, also with a January 1, 2018, start date. At that point, the state's major payers – Medicaid, Medicare and BCBSVT – will all be participating in a NextGen-style payment program that is actively replacing fee-for-service medicine with a payment system that incentivizes collaboration across the continuum of care, as well as incentivizing a focus on health and preventive care.

The three UVM Health Network hospitals have committed to participating in that expanded program, along with Northwestern. We understand that OneCare Vermont is also working with three other hospitals (Springfield Hospital, Brattleboro Memorial Hospital, and Southwestern Vermont Medical Center) and their local primary care providers about participation in the APM beginning in 2018. Should all of these providers agree to participate in the Medicaid, Medicare and commercial NextGen programs, almost 140,000 Vermonters will be able to benefit from the APM. That number will only increase in the future as other hospitals and providers continue to prepare for the shift to value-based payments.

While the financial support from UVM Health Network hospitals for these efforts (described in more detail below and in Section 5) is significant, we have been willing to make the necessary investments because we believe the APM and the ACO model represent the best opportunity to achieve the Triple Aim. Already, even with the much more modest shared savings programs in which we have participated to date, we have seen benefits to the communities we serve. For example, the work of the Berlin Community Collaborative Team in redesigning care for patients with congestive heart failure at one primary care practice led to a 50% decrease in ED visits, a 75% decrease in inpatient admissions, and a 44% increase in advance directives for their CHF patients. Another example is the increase in hospice utilization in Chittenden County resulting from the collective efforts of the Chittenden Community Collaborative Hospice Subcommittee, which includes the VNA of Chittenden and Grand Isle Counties, Bayada Home Health Care, Support and Services at Home (SASH), UVM Medical Center's Community Health Improvement team, and Age Well (the local Area Agency on Aging).

Moving forward into the APM, we believe those benefits will continue to grow. For example, key elements of the Medicaid NextGen program, most of which will carry forward into the Medicare and commercial programs beginning in 2018, include:

- Enhanced per-member per-month payments to primary care providers to support care in the medical home setting, as well as PMPM care coordination payments. The total PMPM payments being made directly to primary care providers under the Medicaid NextGen program this year is approximately \$1 million, more than half of which is going to providers not affiliated with UVM Medical Center or CVMC.
- Ensuring that individuals who have not seen a primary care provider within the previous 12 months get a comprehensive health assessment.
- Ensuring that individuals with health needs are seen regularly and in the appropriate care setting, including at home through the use of telemedicine.
- Ensuring that individuals who are at high or rising health risk are connected to a care team, including having a lead care coordinator who supports their achieving their health goals through shared care planning.
- Reducing administrative burdens on providers. The Medicaid program eliminates prior authorization requirements, for example, while the Medicare program will eliminate the burdensome "three-midnight rule" to allow providers to admit patients directly into skilled nursing facility.
- A value-based incentive pool for providers who are able to show high levels of performance on key quality indicators. As a founding member of OneCare Vermont, UVM Medical Center has provided significant financial support to the organization, including the majority of its funding through 2014. CVMC likewise supports OneCare Vermont, as do other participating hospitals, through annual fees paid to the

organization. In FY 2018, contributions from UVM Medical Center and CVMC total \$5.7 million. (We note that UVM Medical Center's aggregate contribution to OneCare Vermont through FY 2018 totals \$18.1 million.)

While numerous types of health care providers, both organizations and individuals, are participating in the Medicaid NextGen program – with a similar continuum of providers expected for the expansion into Medicare and commercial populations under the APM – at this time the actual financial risk is being borne entirely by the participating hospitals. As three of the four participating hospitals in the Medicaid NextGen program, the UVM Health Network hospitals bear a large part of that risk, with the majority of it on UVM Medical Center as the largest participating hospital. Expanding into the full APM program increases that risk.

We believe that this is an important factor for the GMCB to take into consideration in reviewing both the budgets being proposed by participating hospitals, including those belonging to the UVM Health Network, and our budget performance over time. Existing regulatory tools, focused primarily on NPR, no longer serve to reflect whether the APM, and participating hospitals, are succeeding in supporting a more affordable, sustainable, and predictable health care system. We are committed to working with the GMCB to develop a new approach that will better achieve its goal of effective regulation while supporting the types of innovations needed to continue transforming our health care payment and delivery systems.

3. Population Health Goals and the CHNA

CVMC and UVM Medical Center's most recent Community Health Needs Assessments (CHNAs), which were completed in 2016, identified many of the same community needs as they have in the past, including mental health and substance use disorders, access to healthy food, affordable housing, oral health, chronic conditions, healthy aging, early childhood and family services, and economic opportunities.

Both organizations are actively engaged in addressing those needs. Section 4 outlines in more detail some of our work on both mental health and substance use disorder services. In addition, Attachment B includes a report by CVMC on its FY 2017 CHNA-related activities, along with a summary of UVM Medical Center's investments in FY 2017 and a year-to-date progress report (as tracked by its Community Health Investment Committee).

4. Mental Health & Substance Use Disorder Services

There is no question that access to appropriate mental health and substance use disorder services is a continuing crisis in our communities. With our partners in the community, the UVM Health Network has been engaged in multifactorial efforts to address both the symptoms and the causes of these issues.

Mental Health Investments

Our institutions continue to work hard to address the ongoing crisis in mental health services, seen in the hospital setting most often in patients routinely waiting in Emergency Departments for extended periods of time for placement in appropriate care settings.

UVM Medical Center

In 2016, UVM Medical Center did a comprehensive analysis of patients requiring one-to-one observation for safety in order to better understand how this intense resource was being used. We determined that on average more than 50% – and sometimes over 60% – of 1:1 observers were being deployed to monitor patients at risk of suicide or other behavioral health risks, either when being held in the ED awaiting placement or once they are placed in inpatient beds on units other than our inpatient psychiatry units.

In response to the growing number of individuals requiring constant 1:1 observation overall, UVM Medical Center is hiring approximately 30 full-time-equivalent employees (FTEs) in FY 2017 and FY 2018 over what was included in our FY 2017 budget. Those include approximately 23 FTEs total for our ED, including 13 new mental health technicians in FY 2018. We are also planning on adding approximately 6 additional FTEs in our inpatient psychiatric department for FY 2018.

UVM Medical Center also allocated \$310,000 in capital in FY 2017 to purchase new video monitoring technology that will be used for 1:1 observations for up to 25% of our non-suicide-risk, verbally redirectable patients. That technology is being used successfully at our affiliated Health Network hospital in Plattsburgh, Champlain Valley Physicians Hospital, and should free up current staff to provide the necessary 1:1 observation for suicide-risk patients. We anticipate that the new technology will reduce our need for observer FTEs by 25% while providing high-tech safe ongoing monitoring support. This reduction in FTEs was included in our overall budgeting plan for total required FTEs, and includes FTEs to be relocated to provide this new service.

Overall, UVM Medical Center has included 78 FTEs for one-to-one observations in our FY 2018 budget, at a cost of \$3.8 million. Assuming at least 50% of those FTEs are for mental health patients, the total cost comes to \$1.9 million.

In addition to adding staff and technology to ensure the safety of our patients, UVM Medical Center is developing plans for dedicated separate pediatric and adult mental health spaces in our ED. The goal is to expand the space available for patients with psychiatric illnesses, with appropriate safeguards, while providing amenities not currently available in the ED for those patients (like showers and bathrooms). UVM Medical Center is also investing in proactive crisis intervention training for all patient observation staff to ensure patient, family, and care team safety.

UVM Medical Center is also working on ideas to expand psychiatric services for children, including expanding our Child Psychiatry Fellowship program from two to four fellows per year beginning in July 2018, working with Champlain Valley Physicians Hospital to expand its child psychiatry capacity, and working with other community providers to expand access to those services in the Chittenden County area.

UVM Medical Center has also been part of the task force formed by Secretary Gobeille to address mental health access issues, and has been meeting with representatives of the Agency of Human Services and the Department of Mental Health to determine if there are other opportunities to work collaboratively to help address the mental health access issues in our region.

Central Vermont Medical Center

CVMC worked with the Jeffords Institute for Quality to bring together a wide range of hospital leaders, community stakeholders, and patients to develop solutions. The Task Force released its findings and recommendations in May of 2015, and since that time the hospital has made a substantial investment in its mental health capacity, including:

- *Construction of a transitional care area in the Emergency Department:* Creation of a secure low-stimulation suite within the ED consisting of a safer and more therapeutic environment of care with three bedrooms, a bathroom, a shower, and a common area separate from the rest of the ED. Over 1000 patients have used the transitional care area since it was built. The initiative has resulted in an 80% reduction in the use of emergency involuntary procedures with patients and a dramatic drop in staff injuries.
- *Staff training:* MOAB/ProACT certification and Safely Managing Agitated Patient training for over 300 staff in the hospital.
- *Creation of Behavioral Support Team:* 40 highly-trained staff are available on all shifts to assist with challenging situations hospital-wide (available by page 24/7).
- *Environmental improvements on the inpatient psychiatric unit:* These improvements range from the addition of a 15th inpatient bed to the creation of an outdoor terrace so patients restricted to the unit can get fresh air.
- *Primary care pilot.* A pilot program began in 2016 that embedded Washington County Mental Health (WCMH) providers into a medical group practice in order to meet the medical needs of chronically-mentally ill patients with significant medical co-morbidities.
- *Pediatric psychiatry improvements.* CVMC is in the early stages of developing a mechanism for the care of pediatric psychiatry patients awaiting placement modeled after our ED Transitional Care Area.

The improvements have cost over \$1.4 million dollars but have greatly enhanced the ability of the hospital to meet the mental health needs of the community.

Substance Use Disorder Services

The opioid addiction epidemic in Vermont has been a long time in the making, but in a very short period of time – and with partnership with other health care agencies as well as local and state government leaders – we have made significant progress in coalescing community resources and expanding clinical treatment services to Vermonters struggling with addiction.

UVM Medical Center

Community Partnerships

In 2016, the UVM Medical Center contributed funding to establish and provided leadership to help lead the Chittenden County Opioid Alliance (CCOA). The CCOA is based on the premise that no one organization can reduce the burden of the opioid crisis in Chittenden County alone. The CCOA is made up of many dedicated people who come from different

sectors of the community and have partnered together. With 40 partners, including the Vermont Department of Health, the City of Burlington, the Green Mountain Care Board, Howard Center, the Chittenden County State's Attorney, the US Attorney and others, the CCOA is focused on four key areas:

- Workforce development (both for the agencies working to address the epidemic, as well as promoting employment opportunities for individuals in treatment and recovery)
- Community-level prevention
- Treatment access and recovery support
- CommunityStat rapid intervention

Increasing Treatment Access

In partnership with the Howard Center, Community Health Centers of Burlington, and the Vermont Department of Health, the UVM Medical Center has helped form a Treatment Triage Team to efficiently move people seeking and receiving treatment for substance use disorder through the system of care. This has been the first instance of this kind of collaboration between these partners involving routine communications about the patients we collectively treat, and has resulted in a significant increase in access. Thanks to the work of the Triage Team and a series of other initiatives, the waiting list for access to the Hub at the Howard Center is less than 70 patients and the waiting time to treatment has decreased from more than 365 days to fewer than 30 days in most cases.

At the UVM Medical Center, we have undertaken two specific strategies: developing an Addiction Treatment Program (ATP) to provide medication-assisted treatment (MAT) to patients as they transition between the Hub and spokes; and increasing the number of UVM Medical Center Primary Care Providers (PCPs) participating as spokes. Key to both strategies has been de-stigmatizing substance use disorder by treating it like any other chronic condition within the medical home, and providing meaningful and timely support to PCPs. We currently have 50 providers and 20 residents waived to prescribe suboxone within the UVM Medical Center, up from 7 only 18 months ago. We have also provided training for an additional 21 community providers to allow them to prescribe suboxone in their community practices.

While we initially "capped" the number of suboxone patients we asked each provider to accept (at five) in order to allow them the opportunity to adjust to the concept of having suboxone patients as part of their panel, we lifted the cap late last fall when the physicians realized the burden was not as significant as they had anticipated. In addition, we are currently working through the educational requirements for our Advanced Practice Providers (APPs) to become suboxone-waivered. We are carefully developing this educational content to ensure we provide appropriate training and support for any APP willing to become waived. This will expand our capacity to increase the number of patients we can care for within the medical homes.

UVM Medical Center currently has 98 patients being served by our primary care spokes, another 75 in our current pain clinic and Comprehensive Gynecological and Obstetrics Services (COGS) program (which cares for opioid-addicted pregnant women), and 658 patients in the Chittenden County spokes.

Reducing Opioid Prescriptions

Recognizing that opioid addictions often begin with legitimate prescriptions, clinical leadership at the UVM Medical Center have also been working on reducing opioid prescribing practices. A recently-released report (<https://vtdigger.org/2017/06/15/uvmdoctors-prescribing-fewer-opiates-in-advance-of-new-rules/>) showed that the number of UVM Medical Center patients prescribed an opiate dropped 9 percent from the fourth quarter of 2015 to the fourth quarter of 2016. The total number of prescriptions dropped 7 percent, and the average strength of those prescriptions dropped 4 percent during that same period.

Central Vermont Medical Center

In 2013, CVMC identified several areas related to substance use disorder (SUD) risk in Washington County: a general lack of coordinated resources available for the acute treatment of SUD; a rising tide of morbidity and mortality associated with SUDs in the service area; and a lack of any strategy to identify SUDs wherever possible aiming at risk reduction.

Using federal and state grants, CVMC developed four priorities to address SUDs:

- Identifying people at risk of adverse health effects from SUDs (alcohol, drugs, tobacco) and learning how to motivate them to change;
- Making counseling and treatment available as locally as possible at the level of treatment indicated by screening and risk stratification;
- Coordinating SUD services within CVMC with those in the larger community in Washington County to optimize patient care, access, and outcomes; and
- Getting patients in acute crisis to treatment immediately.

CVMC has made progress in addressing these priorities in the intervening years.

Identifying and Treating At-Risk Individuals

In 2014, CVMC adopted SBIRT (Screening, Brief Intervention, and Referral to Treatment) as the evidence-based practice to identify, reduce, and prevent problematic use and dependence on alcohol, drugs, and tobacco. CVMC also instituted universal screening, beginning in the Emergency Department (ED) and expanding it to six primary care practices in 2015, and into the Women's Health clinic and hospital inpatient units in 2016. Over 20,000 patients have been screened, with roughly 12% (alcohol and drugs) and 20% (tobacco) identified as warranting intervention and/or referral to treatment.

This model has promoted the training of clinicians in these sites to interpret risk scoring and engage patients in motivational conversations, gauging patients' readiness to change at-risk behavior, and effecting warm hand-offs to a trained alcohol and drug counselor imbedded in the practice. Referrals are also made to MAT programs through the Hub and Spoke model, and referrals are made where appropriate to intensive outpatient programs (IOPs) or to residential programs.

Service Coordination with Community Partners

CVMC worked together with regional partners in treatment, prevention, and recovery to form the Washington County Substance Abuse Regional Partnership (WCSARP). This includes designated agencies such as Central Vermont Addiction Medicine (BAART, which

acts as the local Hub), Central Vermont Substance Abuse Services, WCMH, Washington County Youth Service Bureau, Turning Point Recovery Center, The Health Center (an FQHC) in Plainfield, among other agencies and individuals. It has functioned to standardize referrals, feedback and resource bases, to problem-solve gaps, and to begin to coordinate care navigation and case reviews.

WCSARP recently partnered with the Agency of Human Services through its Barre Health Service Area to help coordinate client access to SUD services as AHS adopts the SBIRT strategy in disparate programs ranging from the Department for Children and Families to housing and corrections.

Access to Acute Care

Getting patients in need to acute treatment (“detox”) remains a priority, with identified gaps in the CVMC service area. Such patients generally enter through the ED. SBIRT-funded SUD counselors embedded in the ED 10 hours/day, 6 days/week, have had high motivational intervention rates and successes in navigation to treatment. Despite this, two critical problems remain:

- Residential treatments beds and MAT induction slots are not always available at any given time of day (let alone during peak times, after hours/weekends/holidays), and there are no community-based “safe harbor” sites in Washington County with protocols for medically-supervised withdrawal (MSW) to make the “bridge” to treatment; and
- Many acute presentations occur after hours and on weekends when ED counselors are not present to navigate the path to treatment access.

To fill these gaps, CVMC is currently working with WCMH to start a community-located MSW program for alcohol in coordination with the ED, the Medical Director of WCMH, and their Home Intervention program (Barre), looking to bridge patients asking for “detox” to IOP or residential treatment. We are also exploring a separate community-located MSW program for drugs in coordination with the ED, the Medical Director of WCMH, and their Lighthouse program (Berlin), looking to safely bridge patients requesting “detox” to MAT or other treatments.

CVMC is now working to address the crucial gap in 24/7 coverage to ensure capacity to screen and navigate acute SUD patients both in the community and in the ED. It would be ideal if this work was co-located with the existing WCMH mental health screener program that serves the ED and the streets of our community so well now. There is conceptual agreement among parties about this approach.

5. Investments in Health Reform

Attachment C lists many of the health reform investments in the UVM Health Network’s FY 2018 budget, which exceeds the \$5.5 million that the 0.4% NPR “allowance” for such investments under the GMCB’s budget guidance.

In previous years, in our budget filings we have identified only enough investments to meet the allowed cap, despite the fact that we have been making such investments for a long time, and

will continue to do so as our incentives and strategic planning shift towards population health management.

With this transitional budget, we believe it is important to call out the many categories of spending that are aligned with our move to population health, which we consider necessary to our ability to succeed in managing the health of the populations we serve. As our reimbursements are tied to capitated PMPM revenues, we will be constantly evaluating what investments will have an impact. It is our hope that the GMCB will move away from allowing a static level of investment to supporting hospitals that are accepting risk in making whatever investments they and their communities deem necessary to achieve the goals of the APM.

CVMC investments

Woodridge Nursing Home: CVMC has invested in staff, training, and updates to its skilled nursing facility in order to meet the goal of moving patients out of acute care into a lower-cost setting more efficiently. There has been a shift away from post-surgical patients need skilled nursing care, so the focus has been on realigning the facility to accept higher-acuity medical patients appropriate for this level of care. Woodridge admits from multiple hospitals, including CVMC, Gifford, Copley, UVM Medical Center and Dartmouth-Hitchcock Medical Center.

Increased access to primary care and outpatient psychiatry. CVMC has added three physicians (two primary care and one psychiatrist). While this will increase NPR, there is still a loss as those revenues will not cover the expenses associated with the new physicians.

APM support: CVMC has added resources for enhancing care coordination in the CVMC medical group. This strategy is intended to support the move to population health under the APM, to connect patients with community resources or health resources more appropriately.

UVM Medical Center investments

Jeffords Institute for Quality: Additional staffing to improve the care we provide, reduce variation in practice, and reduce costs, including additional staffing for our Community Health Teams and Medication-Assisted Treatment programs.

IT investments: Software investments focused on improving care and reducing costs, including hardwired protocols in our electronic health record (EHR) to reduce care variation, alerts to improve patient safety and eliminate complications, and better coordination of care between providers and facilities.

Complex pain management program: While the opioid use crisis has been influenced by many factors, how providers work with patients to address their needs – particularly for patients with chronic pain – has contributed to the problem over the years. Recognizing this, the UVM Medical Center has spent many months working to develop best practice pathways for the appropriate use of controlled substances in the treatment of chronic, non-cancer pain and addiction in the office setting. This has led to the development of a new Complex Pain Management Service (to become operational in FY 2018) with guidelines for referring patients with complex pain into this service. The guidelines define complex pain and outline strategies a primary care provider should try before referring a patient to the

Complex Pain Management Service. If a patient's pain cannot be addressed in the primary care setting, the Complex Pain Management Service will focus on a multidisciplinary approach to managing complex pain including initial medical services from primary care, psychiatry, and anesthesiology; advanced provider services from APPs, licensed alcohol and drug counselors, licensed clinical mental health counselors, and social workers; and integrative health (acupuncture, holistic physical therapy, massage therapy, yoga therapy, mind-body therapy, and health coaching). The investments associated with this new program support new infrastructure and facilities as well as staffing needs.

Emergency psychiatry services, inpatient psychiatry consultation and mental health techs in the ED: UVM Medical Center has increased staffing in various areas to address mental health needs while patients are in house to augment our outpatient services.

Howard Center contract: UVM Medical Center contracts with the Howard Center for adult and pediatric crisis services, including on-site presence of crisis clinicians seven days a week during peak periods. This contract is focused on directing people to the appropriate level of care, including community services, to ensure that only those needing hospital services are admitted.

6. Budget-to-Budget Changes

Our budget includes an increase in net patient revenue (NPR) of 3.5% over our approved FY 2017 budget, which is the overall growth target for the APM, but that is more a coincidence than targeting that specific rate of growth. Our FY 2018 NPR is based on the best information we have today on what will happen to Medicare and Medicaid rates, utilization, bad debt and charity trends, and the 0.72% cap on commercial payments mandated by the GMCB.

This commercial increase will be the second year in a row that it has been below the rate of inflation and that we have absorbed the government payer cost shift, yet we have not seen this reflected in the premium increases from the payers. Just as we did last year, we communicated to BCBSVT and MVP the 0.72% increase we were building into our budget so they could take that into consideration in developing their rate filing, but yet again, this year we are seeing a much higher premium increase. As providers, we are doing our part to control the cost of health care for Vermonters, but that does not appear to be making its way into the premiums people and businesses pay.

As we have highlighted in other sections, this is an historic transitional year for payment reform in the state. The NPR regulatory mechanism that has been used by the GMCB for the past four years also needs to transition to something that is more appropriate for a population-based payment environment. While the OneCare Vermont budget has yet to be finalized, we are projecting that in FY 2018 40% of our revenue will be reimbursed on a PMPM basis through our commitment to the APM and health reform. For this portion of our revenue, the PMPM targets in the APM will regulate our rate of growth. We would encourage the GMCB to use a PMPM-based method for regulating even the non-APM portion of our revenue, and the revenue of all hospitals that have committed to taking risk under the APM.

a. Significant changes to FY 2017 budget and effects on FY 2018 proposed budget

There were several significant changes to our FY 2017 budget that affect our FY 2018 proposed budget:

- Patient days increased due to an extremely high census (July 2016 – February 2017), causing a mid-year approval to increase staff to cover the increased census. This resulted in a 7% increase in patient days, budget to budget. The majority of the 110 FTEs increase in Nursing is tied directly to this volume increase.
- The addition of 20 new physicians and 8 new APPs to help improve access in areas such as Dermatology, Endocrinology, Cardiology, Neurology, Psychiatry, Pediatrics and Family Medicine.
- Our bad debt and charity care are beginning to increase again, related to changes in health care coverage.
- An increase in non-patient revenue coming from Specialty Pharmacy and our 340B contract pharmacy program.
- The transition from fee-for-service payments to PMPM payments for part of our Medicaid revenues relating to the Medicaid Next Gen ACO program.

b. Cost-saving initiatives in FY 2018

As the UVM Health Network continues to move towards population health management and assuming financial risk for the care we deliver, we do so in a rate environment in which revenues continue to be further and further constrained. It is imperative that we manage our costs if we are to make the investments necessary to support that transformation. In addition to our work on achieving operating efficiencies through our network strategy, UVM Health Network continues to reduce costs through specific initiatives as they are identified.

UVM Medical Center: UVM Medical Center has set a goal of finding \$75 million in cost savings and non-patient revenue by FY 2020 to ensure we can absorb the new operational costs associated with both the Miller Building and the proposed network-wide Epic-based integrated EHR. Through the FY 2018 budget we will have achieved \$52 million of that \$75 million target. The main categories driving this number are 1) supply chain savings, 2) IT systems and process changes that have eliminated FTEs, 3) interest expense savings through debt refinancings, 4) managing employee use of our self-funded health plan to below budget regional trends through wellness efforts, and 5) maximizing Specialty Pharmacy, 340B contract pharmacy and retail pharmacy non-patient revenue opportunities, which reduce our need to earn NPR.

CVMC: CVMC has experienced serious challenges with cost growth in the past several years, which has required some hard decisions going into the FY 2018 budget, including finding \$8.5 million savings. The goal throughout the process has been to minimize the impact on staff while still meeting the organization's mission of improving the health of the residents of central Vermont. In order to achieve its savings goal in the FY 2018 budget while continuing to provide an exceptional work and patient care environment, leadership has identified three key areas of focus:

- *Managing new employee growth.* CVMC has placed a freeze on open positions. Going forward, the hospital will evaluate each open position based on its need and impact on patient care, patient safety and quality.
- *Shifting staff responsibilities.* CVMC will redeploy a very limited number of staff to better align its resources to address patient care and operational needs.
- *Assessing benefit expenses.* FY 2018's health insurance costs are projected to increase 15% due to plan utilization. CVMC will be evaluating its current benefit plan to ensure alignment with Network plans and competitive rates.

c. Revenue assumptions by payer

Revenue assumptions: A detailed breakdown of our assumptions is included in the rate request schedule (see Section 8).

UVM Medical Center's and CVMC's combined budgets assume an increase of 1.1% for Medicare, 0.3% for Medicaid, and 0.72% for commercial payers.

7. Budget-to-Budget Expense Increase

Inflation assumptions: UVM Medical Center's and CVMC's combined budgets include approximately \$22.5 million of directly-calculated price inflation, an inflation rate of 1.6%. The following table breaks out the inflation expense by major category. The largest inflation factor, by far, is for pharmaceutical supplies (4.0%).

Inflation (in 000s)		
Physician Salaries	511	0.3%
Staff salaries	14,052	2.8%
Payroll Tax and Benefits	1,931	1.1%
Supplies (Med/Surg, Nutrition, etc)	1,266	1.2%
Pharmaceuticals	4,095	4.0%
Utilities / Other	529	0.2%
Insurance	99	0.8%
	22,483	1.6%

Utilization assumptions: Overall, UVM Medical Center's and CVMC's combined FY 2018 volumes are expected to increase, with individual areas showing both increases and decreases. Inpatient discharges are expected to see an increase of 3.0% while inpatient days are increasing by 8%. Emergency Department visits are also expected to increase by 0.9%. Areas where we expect to see a decline in budgeted volumes include radiation oncology (-9.1%) and OR cases (-0.3%). These decreases are partially offset by increases in cath lab/EP procedures (10.7%), lab tests (0.5%), and radiology procedures (2.5%). The professional work Relative Value Units (RVUs) are expected to increase by 4.3% mostly related to the anticipated increase in the number of providers.

Operational changes: UVM Medical Center’s and CVMC’s combined budgets for FY 2018 include an overall budget-to-budget expense increase of \$59.2 million (4.4%), including \$22.5 million in the inflationary expenses discussed above. The remaining increase of \$36.7 million includes changes to our base for health care reform, community investments, outpatient pharmacy, IT, interest, and volume (see table below). As noted earlier, many of these expenses are being supported by growth in non-patient revenue.

Operational Expense Changes:	<u>UVMC</u>	<u>CVMC</u>	<u>UVMHN</u>
\$ in Millions			
<u>Base Changes from FY17 Budget</u>			
Health Reform Investments	\$6.4	\$1.3	\$7.6
Community Investments	\$0.0	\$0.8	\$0.8
Outpatient/Specialty/Other Pharmacy Increases	\$1.8	\$0.0	\$1.8
IT (Infrastructure / Software Maint / Equip)	\$7.5	-\$0.3	\$7.2
Interest	\$3.5	\$0.0	\$3.5
Volume Based / Other Expenses	\$12.4	\$3.4	\$15.8
Total Base Changes	\$31.5	\$5.2	\$36.7
<u>Inflation changes from Base to FY18 Budget</u>			
Inflationary Expense Increases	\$19.6	\$2.9	\$22.5
Total Expense Change	\$51.1	\$8.1	\$59.2

For the FY 2018 budget, UVM Medical Center and CVMC are projecting a total of 7,445 FTEs (including residents and staff), which is an increase of 191 FTEs (or 2.6%) over our prior year submission. Volume increases relating to Nursing and Medical Group, as well as expansion of our Specialty Pharmacy and Quality programs, are some of the drivers of the increases outlined below.

Type	FTE	% Increase
Nursing	97	1.3%
Hospital operational changes	59	0.8%
Medical Group expansion of Primary Care and other services	45	0.6%
APPs increase in Psychiatry tied to Complex Pain Program	18	0.2%
Mental Health Techs in the ED (1:1 observation)	13	0.2%
Pharmacy related to expansion of Specialty & Retail business	13	0.2%
Quality for CHT, MAT and Quality Consultants	11	0.2%
Staffing initiatives	(65)	-0.9%
Total	191	2.6%

8. Rate Request

The UVM Health Network budget includes a commercial payer increase of 0.72%, per the limitation imposed by the GMCB in its FY 2016 budget performance letter of April 28, 2017. We note that this limitation effectively requires us to absorb all of the continued cost shift from Medicare and Medicaid by benefiting commercial payers, even though our FY 2016 budget performance in excess of the allowed NPR was due almost entirely to an increase in revenue from Medicare patients, not commercially-insured patients.

We also note, as we have elsewhere, that despite record-low rate increases in recent years, commercial premiums continue to go up at a faster rate than hospital budgets, even though we have notified our major payers well in advance what our rate increases would be.

As shown in the schedule below, UVM Medical Center's and CVMC's actual list prices will go up an average of 0% in aggregate, with prices for some service categories increasing and others decreasing. The price changes and changes to our negotiated contracts will yield a total net patient revenue increase of 0.8%.

As shown on the schedule below, UVM Medical Center's list prices will not increase in total for the FY 2018 budget but continue to include some re-balancing between professional and hospital services (an increase of 5.1% in inpatient prices, an increase of 3.3% in outpatient prices, and a decrease in physician fees of -10.3% that effectively offset each other). These price changes have no aggregate impact on gross revenue. As the schedule details, UVM Medical Center's commercial payers see a net 0.72% increase, broken down as follows:

- Inflation: 2.2% (1.7% on a fiscal year basis)
- Cost-shift impact: 0.7%
- Provider tax increase: 0.1%
- GMCB FY 2016 performance rate reduction in FY 2018 budget: -2.3%

CVMC's budget includes a 0.2% overall price increase, with no change for inpatient, outpatient, and professional fees along with a 2.9% increase in skilled nursing facility prices. As with UVM Medical Center's budget, CVMC's commercial payers will also see a net increase of 0.72%, broken down as follows:

- Inflation: 2.0% (1.5% on a fiscal year basis)
- Cost-shift impact: 0.9%
- Provider tax increase: 0.1%
- GMCB FY 2016 performance rate reduction in FY 2018 budget: -2.3%

The commercial rate increase of 0.72% for both the UVM Medical Center and CVMC represents the lowest increase in six years:

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 (requested)
UVM Medical Center	9.4%	6.7%	7.8%	6.0%	2.45%	0.72%
CVMC	5.0%	6.9%	5.9%	4.7%	2.45%	0.72%

This is coming down from a high of 9.4% in 2013 for the UVM Medical Center and 6.9% in 2014 for CVMC, and reflects our continued commitment to managing expenses while ensuring we meet our mission and at the same time making significant investments in reform efforts.

Category	Gross Revenue Overall Rate/ Price Increase	Net Revenue Increase Assumption				
		Total net patient revenue Increase	Commercial Payer Increase	Self Pay / Other Increase	Medicaid Increase	Medicare Increase
UVMHN (UVMHC & CVMC)						
Hospital Inpatient	4.6%	1.8%	4.2%	0.8%	0.0%	1.3%
Hospital Outpatient	2.8%	2.0%	3.9%	0.7%	0.0%	1.4%
Professional Services	-10.3%	-3.2%	-9.7%	0.5%	0.0%	0.0%
SNF	2.9%	3.9%	0.0%	3.1%	5.1%	2.7%
Overall All Request	0.0%	0.8%	0.7%	0.7%	0.3%	1.1%
UVMHC						
Hospital Inpatient	5.1%	2.0%	4.5%	0.9%	0.0%	1.4%
Hospital Outpatient	3.3%	2.3%	4.5%	0.8%	0.0%	1.3%
Professional Services	-11.1%	-3.7%	-10.7%	0.5%	0.0%	0.0%
SNF	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Overall All Request	0.0%	0.8%	0.7%	0.8%	0.0%	1.1%
CVMC						
Hospital Inpatient	0.0%	0.7%	0.7%	0.0%	0.0%	0.9%
Hospital Outpatient	0.0%	0.6%	0.7%	0.0%	0.0%	1.8%
Professional Services	0.0%	0.4%	0.7%	0.0%	0.0%	0.0%
SNF	2.9%	3.9%	0.0%	3.1%	5.1%	2.7%
Overall All Request	0.2%	0.9%	0.7%	0.4%	1.3%	1.1%
NOTES:						
Inpatient Rate increase based on date of renewal (Com - Jan, MCR-Oct, MCD -Jan)						
Outpatient Rate increase based on date of renewal (Com - Jan, MCR-Jan, MCD -Jan)						
Professional Rate increase based on date of renewal (Com - Jan, MCR-Jan, MCD -Jan)						

9. FY 2016 Budget-to-Actual Results

In its April 28, 2017, letter to the UVM Health Network relating to our FY 2016 budget performance, we were directed to limit our commercial rate increase in FY 2018 to no more than 0.72%, and to address several other items.

The budget being submitted includes a 0.72% commercial rate increase. We are committed to limiting the increase to this amount when negotiating with the payers later this year, assuming no new revenue deteriorations occur between now and then. For example, if the State reduces Medicaid revenue by more than the \$4 million DSH reduction we currently have in our budget, if changes are made to the ACA that reduce Medicaid revenue or increase bad debt and charity, or if the “payment parity” solution results in the UVM Health Network having to decrease total revenue, we will not be able to limit the commercial increase to this amount.

For example, based on the most recent Medicare IPPS proposed rule, the Medicare revenue projection we have in the budget is already overstated by \$2.4 million, and the Medicaid DSH

reduction could be \$1 million more than we have in our budget, so we cannot afford to absorb any more declines. In addition, DVHA has recently started discussions with hospitals about rebasing their OPSS (outpatient prospective payment services) payments in FY 2018; that could result in additional significant revenue reductions.

- a. **To the extent that actual FY 2017 exceeds the approved amount, explain the reasons, the extent to which commercial rates in FY 2017 could have been lower, and our plans for bringing the budget into compliance.**

UVM Medical Center: Using May YTD as a base and including the Vermont Medicaid Next Generation fixed payments in net patient revenue (even though our accounting firm, PwC, has advised us to record these payments as “other revenue”), UVM Medical Center is projecting to be 2% over our NPR budget in 2017.

The primary driver for being over budget is due to a significant surge in inpatient volume from July to February. There were many days during that time period that we were at 85%+ capacity. We had to hire many new nurses and other support staff to handle the volume, which put great stress on our people and our systems. The unexpected surge was driven by a significant 12% increase in length of stay. This was predominantly Medicare patients living in Chittenden County. (Interestingly, the average age of our in-house patients increased by 3 years in just one year.) Adding to the length of stay issue was the high number of patients with mental health needs on our inpatient floors. This made our population more complex to care for, but it did not have a 1-to-1 impact on our case-mix index (CMI) measure due to mental health diagnosis codes not having a large impact on this metric.

Inpatient volumes in March, April and May have been much more manageable and in line with what we budgeted. Without the inpatient surge from July to February, we would have been within budget. But as we discussed in the Executive Summary, we believe that this NPR cap is no longer the appropriate way to look at year-over-year growth. As we noted, when you take into account the number of patients we are serving, the growth in total revenue *per patient* was only 1% from FY 2014 to FY 2016, and we expect the FY 2017 John Hopkins data, when available, will tell a similar story.

Our ability to effectively manage the increase in patients the last few years has played a large part in our financial success. However, when this trend levels out, having three years of below-inflation commercial rate increases and no increase from government payers (absorption of the cost shift), caused by using overall NPR growth as the regulatory mechanism, has the potential to create a significant finance issue for UVM Medical Center. The financial struggles beginning to be seen at other Vermont hospitals that have also had their commercial rates suppressed indicate this is a very real risk.

CVMC: CVMC projects that it will meet the FY 2017 NPR budget. Overall, volumes are at budgeted levels, and have leveled off after two years of growth. In FY 2017, CVMC continues to struggle with increased expense. Measures have been put into place, many effective in June 2017, to reduce FTEs and costs. The expense control measures are detailed in section b, below.

Through May 2017, CVMC is essentially break-even from an operations standpoint, and anticipates ending the year with a small positive operating gain.

CVMC has seen an uptick in free care/bad debt compared to previous years. CVMC is experiencing an increased number of self-pay patients who have elected to take the penalties rather than enroll in an exchange plan due to high premium and out-of-pocket costs. This trend requires further analysis and monitoring.

b. CVMC must reduce expense growth for FY 2018 to a level no higher than NPR growth.

CVMC's expense growth from FY 2016 actual to FY 2018 budget is 3.4% compared to NPR growth of 3.8%. Comparing FY 2018 to FY 2017 budget is complicated due to a financial improvement placeholder of \$3.5 million that was recorded as a reduction in the FY 2017 budgeted operating expense. Some of the financial improvement CVMC made during FY 2017 resulted in increased other (non-patient) revenue rather than in expense reduction. The increases in other operating revenue have associated expenses.

There is a 26 FTE reduction from FY 2017 budget to FY 2018 budget. This represents a 39 FTE reduction from 2017 actual FTEs. All except seven FTEs were reduced through attrition and consolidating functions. Those seven employees were all offered alternative positions either within CVMC or within the UVM Health Network. No employee lost a job during this financial restructuring.

During FY 2018, there will be a second phase of the financial improvement plan that will require a coordinated effort with other Network providers. The focus is on realigning resources to better meet the access and service requirements of the community. There is still work to be done to clearly identify the opportunities and develop the action plan.

CVMC is experiencing a sizable (\$1.5 million) increase in our own employee health plan. CVMC is self-insured and we discount charges to ourselves to approximate cost. CVMC's employees generally use services at CVMC, so inflation is not driving these costs. CVMC has experienced growth in an increased number of covered lives as well as an increase in utilization. This growth increases both NPR, putting pressure on the cap, as well as expenses. The plan redesign is expected to limit growth to only the increased number of lives. Without these changes, CVMC's plan would have seen increase of \$3 million in expense.

c. Items and assumptions that could materially change the budget, including:

- a. Bad debt and free care trends**
- b. Revenue estimates and assumptions for each payer type**
- c. Significant payer mix utilization shifts**
- d. All prior year outstanding revenue settlements**
- e. Expenditure projections**
- f. Any other unusual events**

We have addressed most of these items in Section 6 (budget-to-budget changes). We do not anticipate any significant shifts in payer mix in FY 2018 or prior-year revenue settlements.

One potential item that could materially impact our budget or budget performance in FY 2018 is the so-called “payment parity” provision that was enacted by the Vermont legislature in 2015. Major payers have provided the GMCB with their plans to adjust professional payments to reflect “fair and reasonable” reimbursement, and the GMCB has convened a work group of stakeholders to develop a proposal by October 1, 2017, that responds to the legislation. It is unknown at this time what, if any, impact on our FY 2018 budget or revenue will result from this process.

Other items that could impact our budget or budget performance in FY 2018 include:

- The proposed new ambulatory surgery center in Chittenden County. Should that be approved, and the ASC come online during FY 2018, it will likely reduce revenue to UVM Medical Center. On an annual basis, our best estimate is that we would lose approximately \$6.3 million in revenue by cases moving to the ASC.
- Changes to the Affordable Care Act under any “Obamacare repeal and replace” law. At this point in time, there is no way to quantify the potential impact of such changes, but the Administration has estimated that under recent proposals, there could be a \$200 million reduction in annual Medicaid funding to Vermont. We can anticipate losing a proportionate share of Medicaid, along with upticks in free care and bad debt (which we are already experiencing), all of which could impact our FY 2018 budget performance.
- Changes to other federal programs, notably the 340B program that provides relief from drug prices to qualified hospitals and other entities. The 340B program, which is under attack at the federal level, is a source of non-patient revenue that offsets the need to raise patient revenue.

d. Working with GMCB staff to develop plans for combined budget filings that are both transparent and provide sufficient accounting to meet regulatory needs.

We are committed to working with the GMCB to accomplish this.

10. Capital Budget Investments

Regional Capital Planning

The UVM Health Network has a Network-wide business planning process to ensure that major capital investments are planned on a system-wide basis that takes into account regional needs, not simply the needs of individual hospitals or service areas. The process includes representatives from the Network members’ operations, planning and finance teams. All of our planning is undertaken in the context of our commitment to a system of care that supports managing the health of populations, in alignment with the APM.

Prioritization of Network Capital Spending

Consistent with our drive towards population health, greater affordability, and the expectation that revenues will continue to decrease over time, any capital investments we make must be tightly managed and prioritized. Over the past several years this process has led to an overall

decrease in planned long-term capital spending for the UVM Health Network, from five-year projected capital spending of \$773.2 million (FY 2015 budget) to \$583.1 million (FY 2018 budget).

As the capital “envelope” is shrinking, we must prioritize which programs and projects are funded. Those decisions involve a broad array of individuals in our organizations, who balance competing capital needs. We believe our long-term capital plans are balanced between what we need to invest in patient care operations and the continuing investments necessary to support population health management.

The proposed spending is included in the UVM Health Network’s long-term financial framework. That model, reviewed and updated periodically by the UVM Health Network and our Board of Trustees, allows us to plan for needed capital investments over time within the financial parameters established by the GMCB, which focus on making health care more affordable, while providing us with tools to manage how and when capital spending occurs. The framework’s premise is that the UVM Health Network should meet national financial benchmarks that support our current A rating on the bond market within the GMCB’s parameters.

Our financial framework assumes an operating margin performance of 3.0% across the Network. Should we fail to meet that target, we will need to revisit the total capital for all projects in the five-year plan and either reduce it, reprioritize projects, or delay projects to make certain our operating performance can support the capital spending while maintaining A-rating performance standards.

Over the last few years we have been building up our margin (our goal is \$75 million) and our cash to be able to absorb the increased costs that will come from opening the Miller Building and implementing our proposed network-wide Epic EHR project, described below. We are currently on track with our financial framework, but if our commercial rates continue to be limited to a number below the rate of inflation, it is unlikely we will be able to stay on this path, which would have an impact on our ability to reinvest in the community and on our bond rating.

FY 2018 Investments

The capital spending plan in Attachment D includes \$196.2 million in capital spending in FY 2018, including \$66.5 million in combined routine capital spending for both CVMC and UVM Medical Center.

CVMC’s capital plan includes no projects for FY 2018 that will be subject to CON review.

UVM Medical Center’s plan for FY 2018 includes \$129.6 million for projects that have been or may be subject to CON review, as described below.

All of our capital investments have been budgeted for as part of the UVM Health Network’s financial framework, a multi-year financial model that incorporates future years’ projected operating results and planned capital investments, allows us to project the impact of key variables on financial, operational, debt, and balance sheet statistics, and tests the affordability and reasonableness of our investments. All expenses associated with any CONs are also accounted for within that framework.

Capital Projects

- **Miller Building project (\$45.5 million in FY 2018):** A CON was issued on July 1, 2015, approving UVM Medical Center's application to replace aging inpatient units for a total estimated cost of \$187.3 million, subject to a number of conditions. On May 11, 2016, the GMCB determined that those conditions had been met, and the project is now underway.
- **Network electronic health record replacement (\$44.6 million in FY 2018):** On January 3, 2017, the UVM Health Network filed a CON application for the replacement of the current electronic health records and related information technology systems (EHRs) at four UVM Health Network hospitals for a total capital cost over six years of \$112.4 million. That CON was revised and restated on February 23, 2017, to update the four hospitals affected by the project: UVM Medical Center, Central Vermont Medical Center, Porter Medical Center, and Champlain Valley Physicians Hospital. The FY 2018 capital budget includes \$44.6 million for this project, should it be approved.
- **South Burlington property acquisition (\$25 million in FY 2018):** On June 2, 2014, UVM Medical Center filed an application to acquire land and buildings in South Burlington for a total cost of \$52.2 million. We anticipate amending that application to limit its scope to the purchase of two existing buildings currently leased by UVM Medical Center, reducing the proposed capital expenditure to \$25 million. The review of this CON has been temporarily suspended at UVM Medical Center's request.
- **Primary care facility investments (\$7.7 million):** UVM Medical Center continues to invest in our community-based primary care practices. In FY 2018, this will focus on replacing one of the UVM Medical Center's eleven primary care practices, Essex Adult Primary Care. No CON application has been filed at this time.
- **Vermont Cancer Center (\$2.5 million in FY 2018):** Similarly, the Vermont Cancer Center, located in the Ambulatory Care Center on the UVM Medical Center's main campus, needs to be updated and expanded to accommodate patient needs. Our capital plan anticipates beginning this work in FY 2018. No CON application has been filed at this time.

Equipment Projects

- **Regional PACS system (\$1.5 million in FY 2018):** We are considering updating and replacing picture archiving and communication systems (PACS) across all Network hospitals with a unified system. This project is still in the early planning stages, but we have earmarked \$1.5 million in capital spending for it in the upcoming fiscal year.
- **Replacement of interventional radiology (IR) equipment (\$2.9 million):** We anticipate replacing the equipment in one of our IR suites. The existing equipment is approximately 12 years old and is fully depreciated. No CON has yet been filed for this project.

Other Anticipated Major Investments FY 2019 – FY 2021

Our current capital plans anticipate needed investments in existing practices and infrastructure in this time period that may be subject to CON review, including at two of our current outpatient renal dialysis sites (Rutland and Berlin), the Neonatal Intensive Care Unit at UVM Medical Center, our inpatient pediatrics unit, and two of our community-based primary care practices (Colchester and Burlington).

The capital spending plan also includes money for the potential replacement of our existing data centers, some of which are in leased space.

We have also earmarked capital for potential fit-up costs for office space we anticipate leasing in the proposed Burlington Town Center. The project's developer, Devonwood Investors, is in the process of securing permits for the project, and has run into delays due to legal opposition from a group of local residents, so the need for and timing of this investment is uncertain at this time.

11. Technical Concerns

There are two technical issues of note.

First, for purposes of our budget submission, we have included Medicaid revenue coming in through the Medicaid NextGen ACO program in NPR. (Per instructions from our accountants, that revenue is otherwise being recorded in our financial statements as "other operating revenue.")

Second, in order to better align CVMC's and UVM Medical Center's detailed budgeted submissions, there have been some slight modifications in how we classified certain line items (for example, what is included in the "commercial payers" category vs. the "other commercial payers" category). That may cause some apparent "noise" in the filings when looked at from year to year.

UVM Health Network Budget-to-Budget Changes

ATTACHMENT A

GMCB Net Patient Revenue Cap			
NET REVENUE CHANGE from 2017 Budget to 2018 Budget			
	UVMHN	UVMHC	CVMC
FY2017 Budget - Net Patient Revenue	\$ 1,287,972,326	\$ 1,105,917,772	\$ 182,054,554
Provider Tax	\$ 76,644,662	\$ 66,868,073	\$ 9,776,589
FY2017 - Net Patient Revenue w/Provider Tax add back	\$ 1,364,616,988	\$ 1,172,785,845	\$ 191,831,143
Adjustment to FY2017 Budget Net Patient Revenue Budget			
Add Off-cycle Physician Acquisitions - Submitted to GMCB & currently in operations	\$ 368,061	\$ -	\$ 368,061
FY2017 Budget Adjusted Net Revenue for Revenue Cap Calculations	\$ 1,364,985,049	\$ 1,172,785,845	\$ 192,199,204
FY2018 Budget - Net Patient Revenue	\$ 1,332,358,030	\$ 1,144,564,033	\$ 187,793,996
Provider Tax	\$ 80,204,161	\$ 69,271,659	\$ 10,932,502
FY2018 Budget - Net Patient Revenue w/Provider Tax add back	\$ 1,412,562,190	\$ 1,213,835,692	\$ 198,726,498
Difference in NPSR from FY2017 to FY2018 Budget	\$ 47,577,141	\$ 41,049,847	\$ 6,527,294
<i>Percent Increase</i>	3.49%	3.50%	3.40%
Health Reform Investments in FY2018 Budget			
UVMHN Total	\$ 5,459,940	\$ 4,691,143	\$ 768,797
Allowed level of health care reform investments	0.40%	0.40%	0.40%
		\$ 4,691,143	\$ 768,797
Change in Net Patient Revenue Prior to Health Reform Investments	\$ 42,117,201	\$ 36,358,704	\$ 5,758,498
	3.09%	3.10%	3.00%

Annual Progress Report – FY 2017

At Central Vermont Medical Center, we collaborate with other non-profits, businesses, community leaders, and governmental agencies to provide a variety of programs and educational offerings intended to improve the health of the communities we serve. Our affiliation, beginning in 2011 with the University of Vermont Medical Center, Champlain Valley Physicians Hospital Medical Center, Elizabethtown Community Hospital, and Alice Hyde Medical Center, under the University of Vermont Health Network, has increased our reach and capabilities as the primary medical center in central Vermont. This connection with the University of Vermont Health Network has been a significant step in promoting regional strategic planning, improving access to local care, enhancing information technology, and encouraging joint quality and clinical initiatives. Together, our organizations have worked to align with the state and federal health care reform agendas that promote enhanced integration and build upon our existing clinical partnerships.

A number of CVMC staff members serve on boards of other mission-related community organizations and planning groups such as the Vermont Blueprint for Health, Central Vermont Health Care Coalition, Central Vermont Substance Abuse Services, Green Mountain United Way, People's Health & Wellness Clinic, Vermont Dietetic Association, Vermont Ethics Network, Vermont Medical Society Board, and many more. This implementation plan points to and acknowledges the valuable work of many efforts already underway throughout the county to address community health.

Our Community Health Team has discussed regional strategies that are working, gaps that remain, and opportunities for improvement. Based on these recommendations, we have developed the following measures to address those areas for improvement that require more attention and collaboration.

Drug Abuse

CVMC is working with community partners including the Vermont Department of Health Alcohol and Drug Abuse Program, Washington County Mental Health Services, Central Vermont Substance Abuse Services and Central Vermont Addiction Medicine to increase access to care and support transitions of care as individuals move through the treatment cycle. It is important that community members have knowledge of the resources that are currently available to them.

Current Initiatives

- Screening Brief Intervention and Referral to Treatment (SBIRT) model into six medical homes throughout the CVMC Medical Group Practices. Increase communication and integrated care at each medical home with three master's level behavioral health counselors, offering onsite counseling services with documentation in their medical record.
- Internal and community outreach about SBIRT services available in the medical homes through newsletters, data briefs, rack cards, education and program brochures.

- Expanded Screening Brief Intervention and Referral to Treatment (SBIRT) model in our Women’s Health Clinic at CVMC. Incorporation of additional social determinates of health (depression, intimate partner violence, adverse childhood events, food and housing insecurity) screening, treatment and referrals. Access to same day long acting reversible contraceptives (LARC) for women of ages 15-44, combined with an enhanced process of comprehensive family planning. Increase communication and integrated care with immediate access to a licensed behavioral health counselor for interventions.
- Continue Screening Brief Intervention and Referral to Treatment (SBIRT) model in our Emergency Department at CVMC. Master’s level behavioral health clinicians offer immediate interventions for patients scoring positive for drug use behaviors with an option to engage in treatment.
- The Central Vermont Community Response Team (CVCRT) continues to meet monthly to provide wraparound services for pregnant and parenting women. This team is represented by 16 community agencies in Washington County and provides case management, advocacy and assistance to women in overcoming barriers to health and wellbeing.
- Clinical oversight of clinical interventions, ongoing training and support to medical staff, quality improvement and data management.
- Development of clinical intervention tools for medical providers to use during brief interventions and give to patients as resources.
- Continue to coordinate efforts with Central Vermont Addiction Medicine (CVAM): The staff of the Central Vermont Medication Assisted Treatment (MAT) Team has been working with the staff at CVAM to ensure that there is no wait list for individuals who are seeking MAT. Currently, most new patients are seen and inducted on buprenorphine or methadone in less than 48 hours.

Advance Action

- Expand facilitation and leadership of the Washington County Substance Abuse Regional Partnership Committee to identify barriers to treatment and gaps in services. This multidisciplinary team, consisting of physicians, drug treatment facilities leadership, drug counselors, ADAP representatives, and our community mental health agency, meets monthly at CVMC to strengthen Washington County’s response to our current drug epidemic.
- Continue development of parenting groups in conjunction with Treatment Associates and Central Vermont Addiction Medicine.
- Expand supports for patients under the age of 18 that may be in need of medication-assisted treatment.
- Engage practitioners: By increasing the MAT Team support, we are hopeful that we can encourage more practitioners to provide MAT to their patients.
- Ongoing education: By continuing with the Office Based Opioid Treatment (OBOT) Learning Collaborative in conjunction with Dartmouth Hitchcock Medical Center, we can continue to educate providers on new forms of treatment, which will help improve access to care. One example of this is the use of Vivitrol, an injectable medication that blocks the opioid receptors

for an individual for 30 days. Patients receiving this type of treatment can be supported by the MAT Team.

- Through promotion on hospital bulletins and media centers, ensure that the public is aware of organizations such as Central Vermont Substance Abuse Services, and online resources being created by groups such as the Central Vermont Opioid Addiction Steering Committee and Washington County Regional Substance Abuse Partnership.
- Continue development of a local safe harbor bridge program that offers 24/7 referral, screening, and assessment services for individuals needing medically assisted withdrawal and/or substance abuse treatment.
- Continue development and support of Project Safe Catch, which is a drug amnesty program that offers addicts immediate access to substance abuse treatment in lieu of an arrest or penalty.
- Participation in the Governor's Substance Abuse Workforce Development Workgroups.
- Women's Health Initiative Learning Collaborative through the Vermont Blueprint for Health to support integration of expanded SBIRT services in women's health clinics throughout the State of Vermont.

Mental Health

Current Initiatives

- Family Psychiatry, a CVMC Medical Group practice, adopted formal standardized depression screening for patients 12 and older.
- Continue to offer the Wellness Recovery Action Plan (WRAP) is a wellness and recovery approach that helps people to decrease and prevent intrusive or troubling feelings and behaviors; increase personal empowerment; improve quality of life; and achieve their own life goals and dreams.
- CVMC, in partnership with Washington County Mental Health Services, is working to integrate behavioral health practitioners into every primary care practice.
- CVMC has piloted standardized trauma screening in collaboration with Washington County Mental Health into one of its primary care practices, identifying patients with a history of trauma and connecting them with services.
- CVMC is partnering with Washington County Mental Health Services to pilot an integrated health home that promotes a model of health care that integrates the social determinants of health with specialized treatment for individuals with complex physical health, mental health, developmental and substance abuse challenges.
- CVMC, in collaboration with Washington County Mental Health Services, has developed a Doula Project to support every prenatal patient seen through Central Vermont Women's Health. Research shows that doula labor support decreases the risk for postpartum depression.
- CVMC, in collaboration with Washington County Mental Health Services, is offering additional prenatal and postpartum support for women with a history of depression or are at risk of postpartum depression. Those services include:
 - case management
 - collaboration with other community agencies
 - prenatal yoga

- childbirth education
- referral to other Washington County Mental Health Services Programs and counseling
- additional postpartum support up to one year postpartum

Advance Action

- CVMC Pediatric practices are planning to pilot trauma screening in collaboration with Washington County Mental Health Services and the Washington County Family Center
- CVMC in partnership with State and local organization organized a showing of the film Resilience including a panel of experts for an in-depth discussion on the impact of adverse childhood events.

Tobacco Use

Current Initiatives

- Continue to coordinate efforts with large and small local businesses. CVMC offers a Tobacco Cessation program throughout the year. Currently, we are able to assist participants with support and free nicotine replacement therapy such as gum, patches and lozenges.
- Continue to attend local employers' wellness fairs, including: The National Life Group, Washington County Mental Health Services and Norwich University. This also serves as a tool for educating community members.
- SBIRT clinicians are trained as Tobacco Treatment Specialist and accessible for individual counseling to promote successful quit attempts. Patients in the medical homes can access free brief treatment for tobacco cessation with a master's level counselor. Through partnership with the Tobacco Control Program, patients engaged with an SBIRT clinician are eligible for free nicotine replacement therapy such as patches, gum and lozenges. All treatment is documented in the shared medical EMR.

Advance action

- Continue to add Freshstart (tobacco cessation) leaders in order to increase cessation services to Washington County residents including outlying areas.
- Continuing education via webinar invitations through the Vermont Department of Health.
- Through promotion on CVMC/Medical Group Practices bulletins and CVMC's web site, ensure that the general public is aware of 802Quits.org, an in-person, phone line and online support for tobacco cessation services.
- Expand access to SBIRT clinicians for tobacco cessation treatment to CVMC specialty practices

Healthy Diets

Current Initiatives

- Continue Fitness4Wellness pilot, CVMC Rehab and Community Health Team collaboration project. Ten- week wellness program for patients to improve their physical abilities through physical therapy as well as build new, healthier behaviors such as healthy eating through health coaching.

- Health Care Share: In partnership with Vermont Youth Conservation Corps, CVMC provides funding for the delivery of freshly harvested, organic vegetables to 150 families in need for 12 weeks. An educational binder with information on the nutritional value and preparation of the vegetables is distributed on the initial delivery in early July.
- Continue YMCA Diabetes Prevention Program, a year-long program, hourly for 25 sessions. Targeted for people with pre-diabetes and/or a BMI > 25. Overall goal is to prevent developing diabetes with a population that is at high risk for this chronic disease. Focus is on modest weight loss of 7% body weight, and increasing weekly activity to 150 minutes. Statistics show a 58% reduction in developing diabetes if overall goals met.
- Veggie VanGo program: partnership with the Vermont Food Bank provided free, fresh produce to local community members. Approximately 5000 pounds of food were provided to 200 community members at each of the monthly distributions.

Advance Action

- Implement a standardized food security tool within primary care to identify additional families that may benefit from the Health Care Share program

Youth Participation in Physical Activities

CVMC's population health management goals revolve around the identification of risk factors that, if addressed early, can reduce the prevalence of chronic medical conditions later in life.

Current Initiatives

- Continue our panel management efforts within our CVMC Pediatric Primary Care practices to identify children that are overdue for well-child visits and provide outreach to encourage them to attend. Body mass index is calculated at each well-child visit and education is provided around the importance of physical activity for our pediatric patients.
- The CVMC School-Based Health Center is an extension of our pediatric primary care practices and operates two days each week at the Barre City Elementary and Middle School. One benefit of being embedded in the school setting is that it provides more opportunities for our pediatric clinicians to discuss and promote the importance of physical activity and how it impacts overall health and well-being with our pediatric patients.
- The annual CVMC Fun Run and Walk offers our community's youth population an opportunity to participate in a five-mile race around Berlin Pond, the proceeds of which go to the Health Care Share program.

Advance Action

- Work with our two Pediatrics practices to further incorporate patient self-management goals and quality measures pertaining to increased physical activity for our pediatric patient population.
- Increase our involvement in the creation and promotion of new community programs that target youth participation in physical activities.

Community Health Investment Fund FY17

Collective Impact Grants

Beacon Apartments, \$100,000

Beacon Apartments, part of the Building Homes Together Campaign, provides 19 permanent supportive housing units and wrap around services to the area's most medically-vulnerable chronically homeless individuals. The Community Health Centers of Burlington serves as the backbone agency.

Chittenden County Opioid Alliance, \$100,000

The Chittenden County Opioid Alliance's vision for change is to reduce the burden of opiate use disorders in Chittenden County using a Collective Impact approach that will improve public health and public safety outcomes. The Chittenden County Regional Planning Commission serves as the backbone agency.

Partnership for a Hunger Free Chittenden County, \$75,000

The shared vision of this collaboration is to address the high levels of hunger and food insecurity in Grand Isle County by establishing and expanding nutrition programs available to eligible residents through the integrated work of its partner organizations. Hunger Free Vermont serves as the backbone agency.

Who's Your Person, What's Your Plan, \$45,000

The collaborative will mobilize a broad-based, street level campaign that normalizes conversations about death and dying, and provides opportunities for citizens to discuss and document their preferred end of life care. Vermont Ethics Network serves as the backbone agency.

Emerging Need Grant

Community Health Centers of Burlington, Warming Shelter, \$15,000

Funds were used to extend the Warming Shelter operations for 18-days. The Warming Shelter is a low-barrier shelter in Burlington.

Federally Qualified Health Center Grant

Community Health Centers of Burlington, Medical Sliding Fee, \$100,000

Grant funds are used to support the Patient Assistance Program, which offers a full array of support services available to all CHCB patients and community residents in need of access to care and financial assistance programs.

One-Time Investment Grants

Center for Health and Learning, Online Mental Health Resource, \$50,000

CHL's Online Mental Health Resource Project will offer an online course in suicide prevention and mental health promotion at Vermont schools. The course is designed to train professionals and identify colleagues and youth in their school with risk factors and warning signs for suicide



Spectrum Youth Services, Detail Works, \$75,000

One Stop Detail Shop is a new social enterprise car detailing business for youth ages 16-26 to gain skills and practical work experience in a supportive environment while earning a paycheck.

Turning Point, Building the Infrastructure for Recovery, \$115,000

Grant funds will be used as a 1:1 match for Turning Point's capital campaign for the purchase of a building.

Vermont Association for Mental Health & Addiction Recovery, Camp Daybreak, \$36,252

These grant funds will be used for one-time costs involved in the relocation of Camp Daybreak, a residential mental health program which serves Vermont youth.

Program Grants

ANew Place, 4-Phase Continuum of Care, \$50,000

ANew's 4-Phase Continuum of Care provides shelter to homeless adults, providing holistic support and life-skill development to build a foundation with the tools to succeed.

Burlington Housing Authority, Housing Retention & Rapid Rehousing, \$50,000

The Housing Retention Team supports tenants at risk of losing their housing due to medical, mental health, and substance abuse issues, domestic violence or due to hoarding.

Centerpoint, Project Checkpoint, \$42,000

Checkpoint is a screening and brief intervention program designed for students struggling with substance abuse.

Chittenden Emergency Food Shelf, Good Food Truck, \$30,000

The Good Food Truck programs are designed to fight food insecurity and hunger among under-served communities by providing hot meals and groceries through the use of a full service food truck.

Howard Center, Piggy Back Project, \$24,699

This project will provide parenting support, education and resource development to parents in treatment at the Chittenden Clinic for opiate-use disorder.

Howard Center, Street Outreach Project, \$40,000

The Street Outreach Team puts mental health clinicians "on the street" in downtown Burlington to work with individuals needing mental health services, as well as outreaching with merchants, police, and the general public.

Kidsafe Collaborative, Children and Recovering Mothers Team (CHARM), \$19,000

CHARM is a multi-disciplinary coalition of health and social service providers that work to improve health and safety outcomes of babies born to pregnant women with a history of opiate dependence.

Pathways Vermont, Housing First, \$48,600

Using the evidence-based practice of *Housing First*, this program supports individuals with histories of chronic homelessness to access and maintain affordable housing.

Salvation Farms, Vermont Commodity Program, \$45,000

The Vermont Commodity Program moves unsold but wholesome Vermont grown crops through a cleaning, packing, and processing operation run by workforce development trainees to reduce food loss on farms, build a skilled workforce, and increase the use of locally grown foods by some of the state's more vulnerable residents.

Spectrum Youth Services, Basic Needs and Stable Homes, \$18,000

Basic Needs and Stable Homes programs address the most fundamental needs of homeless and marginally housed youth ages 14-24, for shelter, food, safety, and connection to community resources.



Turning Point, Recovery Peer Support Worker Initiative, \$25,000

The Recovery Peer Support Initiative supports peer staff to work with people in early recovery to assist with information and referrals, housing and employment searches and provide additional support as needed.

Vermont Association for Mental Health & Addiction Recovery, Burlington Recovery Team, \$42,225

The Burlington Recovery Team is a training program focused on recovery workforce development that pairs Vermonters in long-term recovery with people in early recovery to act as role models and trainers.

Vermont Community Garden Network, Growing Food, Growing Community, \$41,450

Growing Food, Growing Community at Housing Sites develops and supports gardens and food and garden education at affordable/low-income housing sites.

Vermont Youth Conservation Corps, The Health Care Share, \$43,176

The Health Care Share is a network of farmers, health professionals, non-profit organizations, youth corps members and volunteers who provide food-insecure families with local food, nutrition education, health and wellness coaching, and job training.

Visiting Nurse Association, Family Room, \$25,000

Funds support for the continuum of early intervention programming which helps at-risk moms develop and sustain nurturing relationships with their children. Programs include Early Months; Crawlers, Waddlers and Toddlers; and Strong Families.

Visiting Nurse Association, Longitudinal Care Pilot for High Risk Patients, \$46,928

This pilot will extend support and chronic care management to high risk patients, after their home health episode ends.

United Way of Northwest Vermont Sponsorship

United Way of Northwest Vermont, \$100,000

Funds support a variety of programming that align with one or more of the five community needs identified in the UVM Medical Center's 2016 community health needs assessment: Access to Healthy Food, Mental Health, Substance Abuse and Supportive Housing.

For more information on any of these programs, please contact Julie Cole at julie.cole@uvmhealth.org or at 802-847-8929.



Access to Healthy Foods

Global Aim: To improve nutrition, culinary literacy and access to affordable healthy foods to reduce food insecurity and/or prevent obesity.

Tactic #1: Develop a business plan for the expansion of culinary medicine, to be completed by the end of FY 2017.

Several culinary medicine programs are currently in place:

Teaching Kitchen Collaborative: A learning network of thought leaders from 25 organizations using teaching kitchen facilities as catalysts of enhanced personal and public health across medical, corporate, school, and community settings.

Food Matters Series: Cooking classes taught by a Culinary Institute of America-trained chef and a Registered Dietician. Some series have a specific focus, such as Diabetes. Approximately 180 participants annually.

Health Care Shares: Families receive weekly supplies of fresh produce and poultry at their primary care office free of charge, as well as nutrition information, recipes, and demonstrations from their providers and volunteers. 100 families served in Chittenden County.

Veggie Rx: A physician-led “produce prescription program,” which is now being piloted in Pediatrics. Families are screened for food insecurity; upon a positive screen, families are coached on the importance of fruit and vegetable consumption and received coupon booklets that can be redeemed locally. The program has prescribed \$150 in coupons for 410 families in Chittenden County and 270 in Rutland.

Fanny Allen Pantry: A community gardening area where employees and volunteers work together to grow fresh produce for the Colchester Community Food Shelf. The pantry includes a monthly food drive at the Dunbar Café.

Pay it Forward: Coming Soon. A food program that empowers Medical Center community members to lend a hand through the gift of food. When an employee, visitor, or community member is unable to buy food while at the Medical Center, a complementary meal will be available.

Tactic #2: Increase community awareness of food insecurity through a “Food is Healthcare” campaign by the end of FY 2017.

The Health Care Shares video has been screened at the Community Leaders Breakfast and is the 3rd most popular story in Highlights Annual Report.

Recipients of Community Health Investment Fund grants contributed blog posts about their programs, including Salvation Farms and The Chittenden Emergency Food Shelf’s Good Food Truck.

A “Food is Medicine” video has been collaboratively produced with the Vermont Association of Hospitals & Health Systems (VAHHS). It will be shared by VAHHS and other organizations.

Tactic #3: The UVM Medical Center will test a systematic screening tool to identify food insecurity, provide appropriate referrals to resources when results of the screening are positive, and take the learning from a pilot program to a broader population.

A multidisciplinary team has been formed and the screening tool, Hunger Vital Sign, for inpatient and outpatient clinics has been identified. Workflows and communication tools for screening have been developed.

Tactic #4: Use Wellness Biometric Screenings of Medical Center staff to explore how to incorporate screening for food insecurity into current workplace wellness initiatives.

The Accountable Person for this tactic asked that this item be deferred to 2018.

Affordable Housing

Global Aim: To improve housing retention, temporary emergency shelter and permanent supportive housing for the members of our community.

Tactic #1: Continue to provide support for transitional and supportive housing opportunities that are consistent with the plan, “Housing and Health Care; The University of Vermont Medical Center’s Role in Local Housing”.

The UVM Medical Center has:

- *Paid for a total of 1,720 nights for 153 patients at Harbor Place, as of the end of 2016.*
- *Provided over \$280,000 in grant funding to housing organization from its Community Health Investment Fund in FY17.*
- *Helped to convert Bel Aire motel into 8 apartments and has allocated operating expenses for Champlain Housing Trust and the Community Health Centers of Burlington (CHCB).*
- *Provided services for the CHCB Warming Shelter, such as linen cleaning and medical waste disposal in FY17.*

Tactic #2: Develop a business plan to explore the expansion of Working Bridges, the LeRoyer Fund, and NEFCU’s Pay Day Advance Loans.

The Accountable Persons asked that this item be deferred to 2018.

Tactic #3: Continue to participate on the Chittenden County Homeless Alliance and use this partnership to develop a business plan to explore including community health workers in the Community Health Team.

To gauge how people experiencing homelessness can navigate community resources, the Accountable Persons will be hosting a facilitated discussion among community partners whose organizations have a street outreach component in September, 2017. The Accountable Persons are also working with community partners to assess if the Vulnerability Index & Service Prioritization Assistance Tool (VI-SPDAT) is effectively reaching all populations.

Tactic #4: Continue to participate as a member of the Building Homes Together collaborative which aims to develop 3,500 new units of housing in Chittenden County by 2020, with a focus on vulnerable populations.

The Accountable Persons receive building development updates from Champlain Housing Trust. 658 homes were built in 2015.

Chronic Conditions

Global Aim: Enable positive behaviors in order to reduce the incidence and impact of chronic conditions for patients within our communities.

Tactic #1: Explore a care-team model design for delivering high-value primary care that will support care coordination for our patient community.

The UVM Medical Center will be implementing a Tele-Health project as a solution to remove transportation as a barrier for vulnerable patients to see their primary care provider. The pilot includes three providers at a UVM Medical Center practice and patients from one Support and Services at Home (SASH) site. The participating patients will have 4-5 visits over a 6 month period. The following will be measured:

- *Provider time per visit*
- *Patient time per visit*
- *Provider/patient satisfaction*
- *Waiting time*
- *Impacts on clinical workflow*

Tactic #2: Develop a business plan for the expansion of culinary medicine, to be completed by the end of FY 2017.

See update under Access to Healthy Foods section.

UVM Health Network Health Care Reform Investments

ATTACHMENT C

	Additional Investment			
	UVMHN	UVMMC	CVMC	
FY2018 Budget - Health Reform Investments				
Woodridge Nursing Home expenses	0.7	0.0	0.7	
Increase access to primary care	0.3	0.0	0.3	
APM support	0.3	0.0	0.3	
Jeffords Institute for Quality	1.6	1.6	0.0	
IT investments (Oncology Implementation, Clinical Trials subscription, ILab software maint., eLearn replacement)	1.4	1.4	0.0	
Complex Pain Management program	1.2	1.2	0.0	
Emergency Psychiatry services	0.7	0.7	0.0	
Mental Health Techs in ED	0.7	0.7	0.0	
Inpatient Psych consultation	0.5	0.5	0.0	
Howard Center contract	0.3	0.3	0.0	
Total Net New Funding Investments	7.6	6.4	1.3	
Allowable Health Reform Investments (0.4%)	5.5	4.7	0.8	
<i>Variance (additional investments not included in 0.4% allowance)</i>	<i>2.2</i>	<i>1.7</i>	<i>0.5</i>	
	FY14	FY15	FY16	FY17
<i>Historical Health Reform Investments</i>	20.6	10.2	8.1	4.3

