**SPRINGFIELD HOSPITAL**

**PO BOX 2003**

**SPRINGFIELD, VT 05156**

August 31, 2016

Vermont Legal Aid, Inc.
PO Box 1367
Burlington, VT 05402

Re: HCA Pre-Hearing Questions

Dear Ms Shaw and Kuiper,

Below are the responses to the questions from your letter dated August 11, 2016.

1. Rebasing – N/A

2. Case mix index. As a CAH case mix index does not apply and has not been tracked for many years.

3. Payer mix: We see an increase in Medicaid due to the expansion of Medicaid in VT and a decrease in Commercial due to the economic situation in our demographic area.

4. We have no policies relating to capping pay, we do have an Executive Compensation Committee made up of board members that reviews and recommends changes to the CEO's compensation. Currently we have the lowest compensation in Vermont. Administrative costs make up 2% of total costs for the hospital.

5. We did not ask for a rate increase for Budget 2017.

6. We back into our margin based on cash flow requirements for new capital and debt covenants regarding day's cash on hand. We are normally within the 2-3% range (which is where we are with this budget).

7. Initially the budget process would not change, I would follow our current process, see where we fall as far as NPSR is concerned (exactly as we do now), spend a little more time on projecting the future years to see if we should adjust downwards (or upwards) in the current year. Obviously the final year would require much more work to fall under the overall cap.

8. We calculate the Medicaid shortfall to be approximately $2.89 million for budget 2017.

9. A) We have chosen "Right for Me" for our Women's Health practice. This program assists

in educating women to choices in care that best meets their individual needs. The program helps to facilitate discussions between women and their health care provider helping to keep in mind each patient's needs and preferences, and respect those choices made.

B) "Right for Me" is contributing to a positive patient experience. There are no quantifiable cost savings at this time.

10. A) We see bad debt continuing its current trend and continuing to grow throughout 2017. Charity Care we see as coming in below the prior year's budget, but higher than the current year actual.

B) We based FY 2016 discounts on actual charges.

11. For FY15 our community benefit as calculated for the 990 Schedule H was $6,227,411. For FY15 that benefit was $5,079,853. The percentage of total expense was 10.54% and 8.98% respectively, again as calculated on Schedule H. We do not budget a community benefit or calculate on until we prepare the Schedule H so there is no information available for FY16, Projected 16 or Budget 17 at this time.

12. A) Based on the last filed tax return this percentage of NPSR that makes up the community benefit is 8.78%. Again, we do not budget for this, it is based on a calculation and there is no way to commit to a specific amount.

B) The majority of the benefit was based on financial assistance ($1,012,483), Medicaid shortfall ($3,282,430) and support for the FQHC ($784,940).

13. Again, we do not budget a community benefit, we budget for programs regardless of whether they may or may not be a community benefit as defined by the IRS. The major effort based on the CHNA that we are currently operating under had access as the major need. Based on a recent survey over 94% of those surveyed had a positive response to the access question. We are in the process of developing our new CHNA currently and have not yet finalized it.

14. Yes. Springfield Medical Care Systems currently has 3 primary EMRs for the outpatient services, inpatient services, and emergency department. Our plan is to implement one integrated primary EMR that utilizes one database to fully support the continuity of care provided to our patients.

15. A) Consulting services.

B) VITL serves to receive clinical data (labs, radiology, ADT, CCD) and assists to move this information through our multiple EMRs. VITL provides us the ability to receive information from other organizations where a patient may have received care.

C) VITL has provided interfaces from our EMRs, lab radiology to their systems cost free; VITL has provided us consultant services to assist us in meeting Meaningful Use requirements; VITL has provided us HIPPA assessments of each of our physician practice locations free of charge.

D) VITL primarily assists with the movement of information through our numerous information systems and provides the ability to transmit and receive data to and from other health care organization information systems.

16. A) SMCS treats substance abuse patients within the Hub and Spoke model. However, our system differs slightly than the rest of Vermont. We use an addiction trained psychiatrist to monitor nearly 100 patients within the system in the form of group therapy. At the same time, we have a Licensed Drug and Alcohol Councilor (LDAC) and Certified Addiction Registered Nurse (CARN) who assist in running this program. We feel outcomes are improved with greater oversight and monitoring within this model.

    B) At this point our average intake takes about 3 to 4 weeks. Ideally, we would like to add at least 1 more addiction trained psychiatric MD to increase throughput. However, additional LDACs and CARNs would also be extremely beneficial.

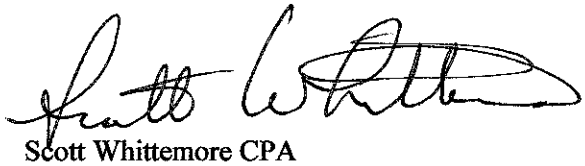
    C) SMCS works to streamline the patient demand to focus on the patient who is ready to change, or seek assistance. If a patient is ready for this treatment, we do an intake without LDAC and nurse. Once this is clear we start them on MAT. This level of monitoring has cut down on no-shows once medication therapy has begun. As for current cost versus savings, this is difficult to quantify at this time, and we do not have the ability to do so. However, the grant money through the state of Vermont has been instrumental in offering MAT services to our patients.

17. A) SMCS accepts all patients within the system, up to and including the Emergency Department. Patients are triaged and placed in an environment that is safe for them, other patients, and our staff. We tend not to isolate patients of any kind unless it's absolutely necessary. We do have two rooms that are placed just outside our main Emergency Department hallway. These rooms have many precautions that are suitable for patients who are in need of mental health evaluation and include an area for patient sitters or security officers. However, we do not hold these rooms exclusively for mental health emergency patients.

We provide training for our contracted security officers along with our own staff on how to deal with mental health crises, both in-house and through contracted services.

Please do not hesitate to contact us with any further questions.

Sincerely,



Scott Whittemore CPA

CFO