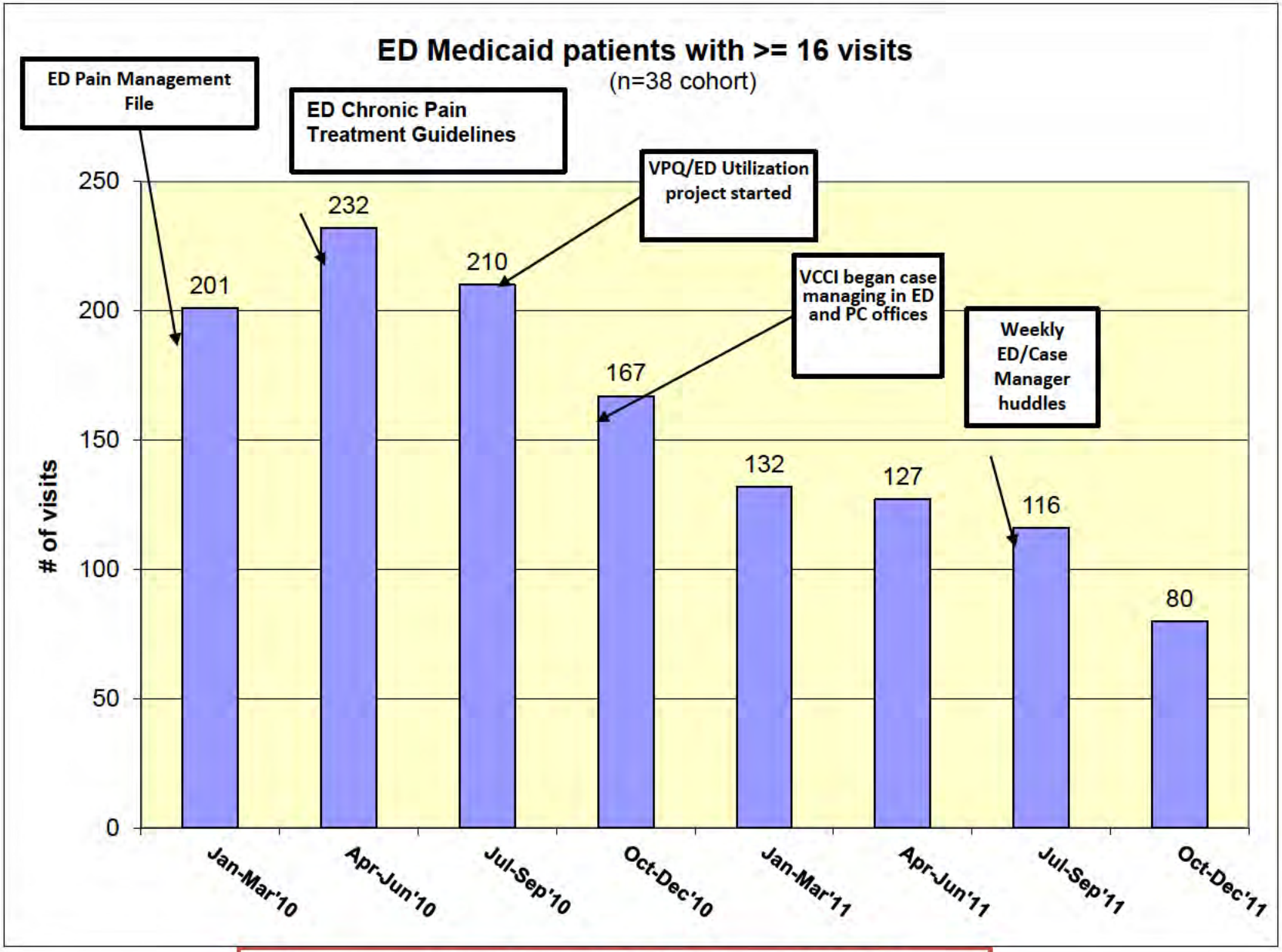
ED Pilot (continued)
Project Overview

- Increase understanding of the causes of ED utilization in the NMC Service Area.
- Implement interventions designed to decrease inappropriate visits to the Emergency Department.
- Implement processes to transition patients to primary care or community services for inappropriate ED visits.

ED Pilot (continued)

Today: We've Trialed…

- ED referral form
- Part time Case Management
- Intensive patient tracking (tool)
- Weekly team telephone huddles
- Monthly Case Manager reviews/updates
- Linkages to DVHA, Blueprint and individual Primary Care practice Case Managers.



Cohort compiled from 9/1/09 thru 9/30/10.

ED Pilot (continued)

Financial Analysis: Cohort Visits

ED Services (including all related ancillary services) payments from Medicaid Program:

~ April 1- June 30, 2010: **$53,356**

~ October 1- December 31, 2011: **$21,896**

Assuming we did nothing from April '10-Dec'11:

Total cost to Medicaid: $373,492

With current interventions between April '10-Dec'11:

Total cost to Medicaid: $220,220*

*** Represents a 59% decrease in cost to Medicaid Program at NMC.**

But: Did the cost shift to somewhere else?

ED Pilot (continued)

Medicaid Drives ED Volumes…

- Medicaid patients account for approximately 34% of all ED patients in 2009.
- Medicaid patients increased to 37% in 2010 (the biggest increase in all payer types).
- Of patients visiting >6 times per year, the percentage is even greater at 53%.
- With high utilizer volumes at >16 visits per year, Medicaid percentage grows to 56%.

ED Pilot (continued)

Going Forward We Recommend A Pilot Project: "The St. Albans Model"

- Implement intensive Case Management in the NMC ED.
- Medicaid patients with triage level 4 or 5 (lowest acuity levels) must be reviewed by Case Manager before discharge. No prescriptions or discharge written until seen.
- Follow-up appointment at Medical Home/Primary Care is scheduled within 24-72 hours. Follow-up with via phone or Home Health.
- Transportation Plan
- Develop accountability for patients with higher utilization/co-pay
- Implement new PA/NP triage model
- Potential on site clinic for non-emergent patients
- Partnership with integrated pain model/Blueprint/dental program

ED Pilot (continued)
Summary

- Collaboration with a focused goal of highly effective ED case management is the single biggest opportunity.
- Re-directing non-emergency care will directly reduce ED costs and save the State costs.
- Developing a State driven patient accountability model is essential.
- Develop a shared savings model to pilot.

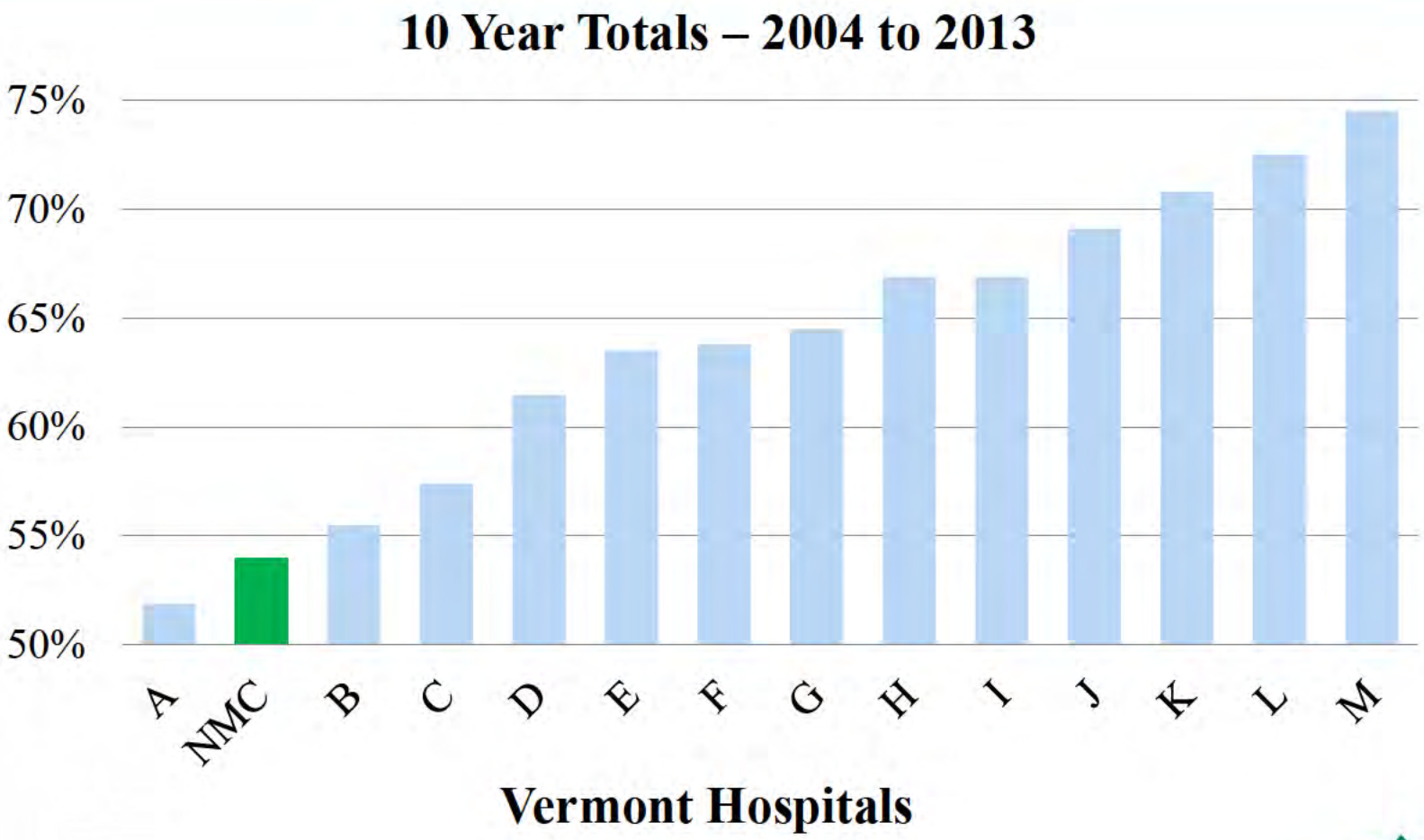
Why Does NMC Require a Rate Increase?

NMC has a solid financial position. This has been built over a number of years based on prudent, conservative financial management, and not sacrificing quality and patient satisfaction.

Financial position is not a result of excessive rate increases over the years. In fact, NMC has the second lowest cumulative rate increase in the State over the past 10 years.

In addition, NMC continues to have one of the lowest cost structures in the State. We have demonstrated successes identifying further cost reductions, and believe that there are yet further cost reduction opportunities within our hospital.

Rate Increase History



NMC's mission is to provide exceptional healthcare for our community.

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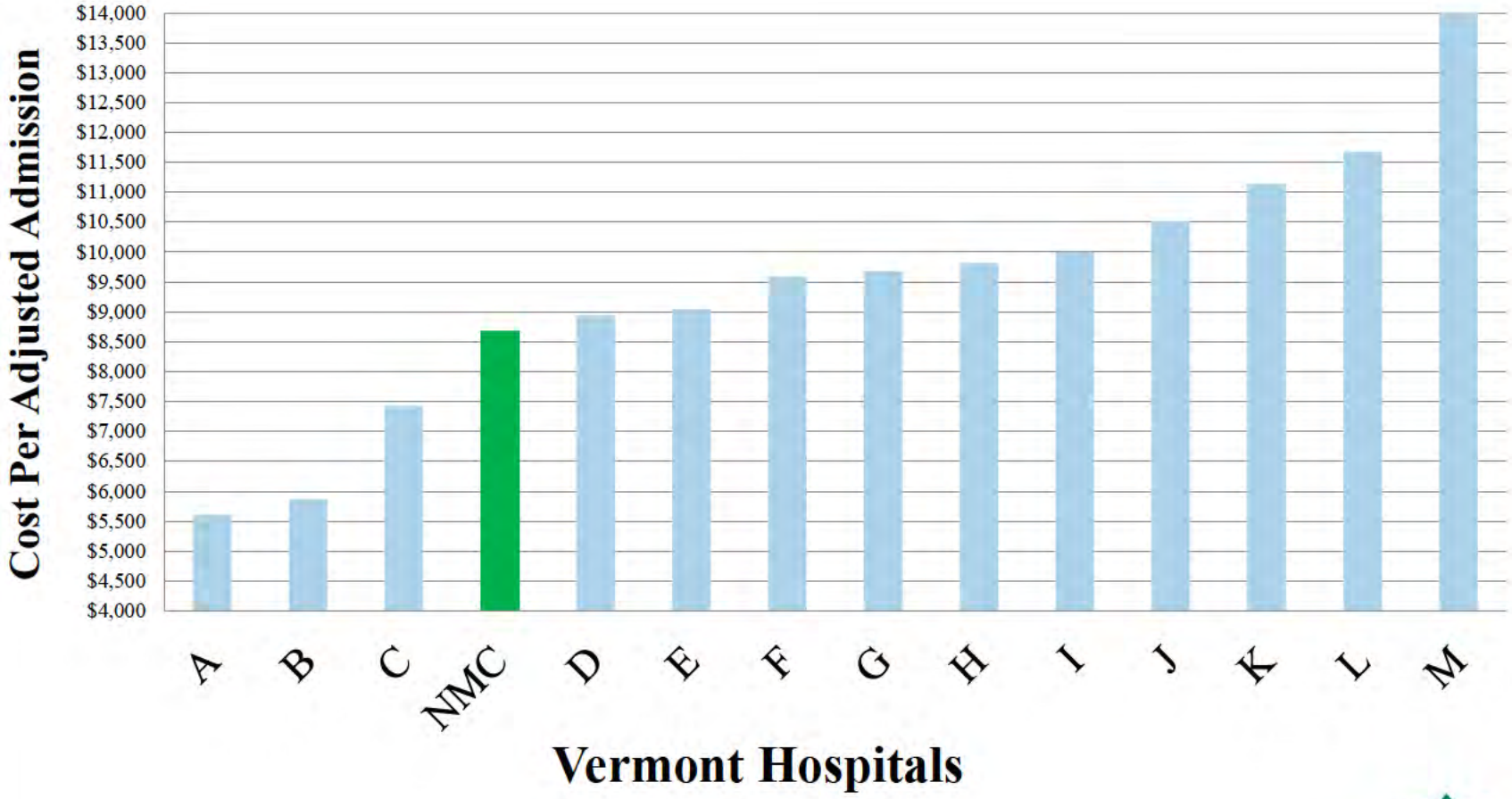
Cost Per Adjusted Admission Reflected in FY 2013 Budget



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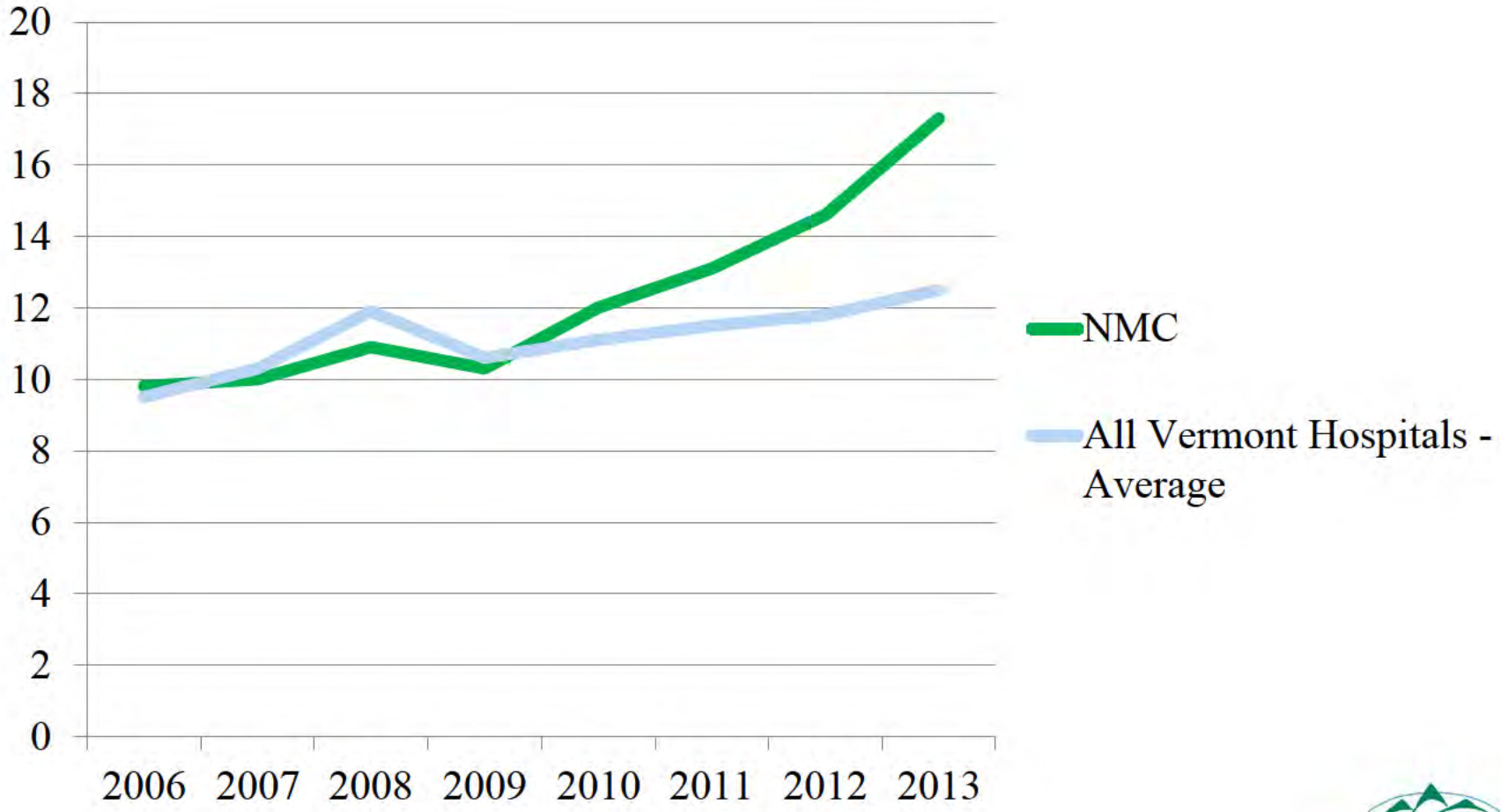
Why Does NMC Require a Rate Increase?

Under our prudent, conservative management approach, we have intentionally deferred building capital improvements to keep cost to the system down and to preserve our capital.

As a result, we have seen our age of building steadily increase over the past several years, and at a much faster rate than the average for Vermont hospitals.

We are nearing a point where we have to reinvest in our buildings, and have been working on a master facility plan.

Age of Plant - Building



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Why Does NMC Require a Rate Increase?

Building capital projects come in longer cycles than routine equipment replacements and require accumulation of reserves due to their high cost.

Insufficient reserves will limit access to borrowing and increase borrowing rates.

NMC's $37 million in unrestricted cash and investments is not a large amount relative to the cost of periodic facility refurbishments and replacement (which can range from $300 to $500 per square foot).

Why Does NMC Require a Rate Increase?

NMC has not relied on temporary "meaningful use" funds in developing operating and financial plans.

Proposed operating margin of 3.2% is below top performing hospitals in the country.

Summary - NMC

- A model for the State in balancing cost, quality, and access
- Actively engaging in Health Care Reform Initiatives:
  - ACO
  - Blueprint
  - ED Pilot
  - Hub and Spoke
  - Healthy U – Wellness program
  - Population Health – taking action locally for chronic pain, addiction, obesity
- Proactively reduced lowest rate increase of 2.9% to 2.69%
- Requested exemptions:
  - Focused on stabilizing access to care and addressing the case mix index (acuity)
  - Considerate of the guidelines presented to achieve a 3.1% NPR
- Recognizing there is more to be accomplished; accountable to a 2013 action plan to continue to improve quality and reduce cost...while maintaining a commitment to our mission.

Questions?

NMC's staff has earned a national Avatar award for overall patient satisfaction for the 5th consecutive year.

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