

## SPRINGFIELD HOSPITAL

### FY 2020 BUDGET NARRATIVE

#### 1. Executive Summary Overview

In FY 2020 Springfield Hospital plans to improve areas that are currently not meeting expectations in FY19. Access to the appropriate care in the appropriate setting for all residents of our service area remains paramount in our planning and our day-to-day operations. Given our difficult payer mix, challenging demographics, economic outlook, the comparatively poor health status of our residents and the ever increasing social challenges (Poverty, low educational attainment, drug use, crime, etc.), this represents a formidable challenge.

Comparing the FY 2019 to the FY 2020 budget, there are substantial changes in programs, labor or operations. In May 2019 the Hospital discontinued its Child Birthing Center. The number of deliveries in 2019 was 66 resulting in a reduction of \$750,000 of Gross Patient Revenue and a reduction of \$540,000 in direct operating expenses.

As for Acute Care the Average Daily Census projected for 2020 Budget is 11.9 compared to a forecasted 2019 of 14.4.

The budgeted census for our Distinct Part Psychiatric unit because of a reduction in provider staff is projected to decline from 7.2 forecasted 2019 to 2020 budget of 5.7.

Plans are in place for improved profitability in perioperative services in the budget fiscal year. Our budgeted expectations for FY 2020 are up from the FY 2019 forecast. The major components of continuing to rebuild surgical services include:

- Urologist continues to be incorporated into an established practice
- Conversion of anesthesia services to a CRNA staffing model

#### 2. Payment and Delivery Reform

Springfield Hospital continues to operate under the OncCare contract effective for calendar year 2019. This contract limits the financial exposure of Springfield Hospital for the first \$1 million of downside risk. Springfield Hospital has yet to determine as to whether to enter another calendar year of the OneCare agreement which would effectively start in January 2020.

Springfield Medical Care Systems (SMCS) is an integrated community health system consisting of the SMCS FQHC Network and Springfield Hospital. We are not seeking recognition of any exceptional expenditures relating to health reform in the Springfield Hospital FY 2020 budget. Seeking to positively impact the health status of our residents and prepare for health reform are daily activities within our system and the functions are imbedded in our operations and associated budgets. Our health reform initiatives are predominantly housed within our FQHC network all locations of which have obtained the highest level advanced practice medical home certification.

The SMCS Community Health Team (CHT) works seamlessly with Springfield Hospital and other service providers with our community to manage and coordinate care, develop and implement systems of care that support population health as opposed to episodic treatment of

illness while still managing individual cases and ensuring that access to appropriate services is unfettered. The CHT coordinates with our ED to connect patients that present that have no identified primary care relationship with one of our primary care physicians and our medical home. The CHT is also integrally involved with the discharge planning process at the Hospital to ensure appropriate follow up as needed and successful transitions from the acute side of the continuum to community-based outpatient services.

3. Reconciliation

<b>Springfield Hospital Income Statement</b>	<b>FY2019 Approved budget</b>	<b>FY2019 Projected</b>	<b>Variances</b>
<b>Total Gross Patient Care Revenue</b>	137,063,487	110,500,604	-26,562,883
Volumes were down 19% offset by small increase in rates in May 2019			
<b>Total Revenue Deductions</b>	-76,577,609	-61,924,832	14,652,777
Commensurate with volume decline			
<b>Net Patient Care Revenue</b>	<b>60,485,878</b>	<b>48,575,772</b>	<b>-11,910,106</b>
<b>Total Other Operating Revenue</b>	1,455,000	1,683,521	228,521
Adult Day Care volume up by \$228,000 or 17%			
<b>Total Operating Revenue</b>	<b>61,940,878</b>	<b>50,259,293</b>	<b>-11,681,585</b>
<b>Operating Expense</b>			
<b>Total Operating Expense</b>	60,641,591	56,716,886	-3,924,705
Salaries reduced by 27 FTE reduction & other expense reductions with Financial Improvement Plan			
<b>Net Operating Income (Loss)</b>	<b>1,299,287</b>	<b>-6,457,593</b>	<b>-7,756,880</b>
<b>Total Non-Operating Income</b>	860,000	-8,601,741	-9,461,741
Transfers to parent company = \$7,950,000 + Loss on Investments = \$1 million			
<b>Excess (Deficit) of Rev Over Exp</b>	<b>2,159,287</b>	<b>-15,059,334</b>	<b>-17,218,621</b>

4. Budget to budget growth

A. Net Patient Revenue: FY20 Budget vs. FY19 Budget down 19% due to revenue volumes down 22% and bad debt expense expected to return to FY18 level of 4.1% of gross revenue. Child Birth Unit closed in May 2019, physician contracts changed in E.D. (April 2019) and Anesthesia (October 2019) to submit their own billing thus being removed from the hospital's revenue stream. FY20 Budget vs. FY19 Projected is only .6% down.

Medicare Revenue: Ratio of gross revenues to total revenues expected to be the same between FY20 Budget vs. FY19 Budget & FY19 Projected. Net Revenues in FY20 Budget also forecasted to be the same. At the time of this submission, it was not clear if the ACO with OneCare contract would be continued.

Medicaid & Commercial: Basically the same explanation as Medicare.

See Appendix VI, Table 1: attached Excel file

B. Expenses: FY20 Budget values declined by 15% vs FY19 Budget due to reductions in Employee health insurance and other contracts with only a minor 1% increase in Salaries. FY20 Budget vs FY19 Projected shows a 9% reduction in expense due to same reasons as above. A small amount of inflation was budgeted in FY20.

See Appendix VI, Table 2: attached Excel file

5. Bad Debt: See Appendix VII attached. Charity Care has been budgeted to return to FY18 levels at 4.1% of Gross Revenue. The hospital Collection Agency is Revenue Cycle Management Corporation. We believe that the hospital collection agency adheres to the Patient Friendly Billing guidelines. Hospital's collection policy: see page 5 below.
6. Operating Margin and Total Margin: The FY20 Operating and Total Margin are losses of \$985,000 vs FY19 Budget but a large improvement from FY19 Projected loss of \$6.4 million Operating loss and Total Margin loss of \$15 million. The FY20 Budget expenses were trimmed during the Financial Improvement Plan which began in February 2019 plus the FY19 Projected Total Margin loss of an additional \$8.6 million resulted from an allocation of operating costs or cash paid by Springfield Hospital on behalf of its parent company, SMCS.
7. Charge Request: There is no rate request included for FY20 as the hospital just received a 5% rate request from the GMCB effective May 2019. These new charge rates were carried over into the FY20 budgeted revenue values. See Appendix VIII attached Excel file.
8. FY 2018 Variances: Springfield Hospital did not receive a FY2018 variance request. The variances were addressed in the GMCB presentation in April 2019.
9. Capital budget investments: The hospital has budgeted for Capital equipment for \$900,000 in FY20. Routine maintenance costs continue to be budgeted in routine expenses.
10. Technical concerns: None to report at this time.

### **Salary Information**

1. FY 2017 IRS Form 990: see Attached PDF file.
2. Appendix IX Table: see Attached Excel file.
3. Hospital's policy on executive, provider and non-medical staff compensation  
We do not have a policy
4. i. Outside consultant for executive comp is Arthur J Gallagher and Company  
ii. MGMA  
iii. We attempt to fall in the 50% range of MGMA

iv. 50% of MGMA for providers, no target for staff, we do in state surveys randomly for specific areas (ie lab, M/S nursing etc) and try to stay competitive, executive comp is at the lower end of VT specific comp

### **Organization Structure**

Springfield Medical Care Systems (which include an FQHC) is the parent of Springfield Hospital. No other companies other than these two.

### **Questions from the Office of the Health Care Advocate**

1. Please provide by payer (Medicare, Medicaid, BCBSVT, TVHP, MVP, and Cigna):

a. Your budgeted net patient revenue (NPR) and proposed NPR change from FY2019.

Answer: See Appendix VI Bridges Table 1; only Medicare, Medicaid, Commercial & Self Pay are separated.

b. The formula(s) you used to calculate your budgeted NPR, the definition of each variable in the formula(s), and the budgeted value of each variable for FY2020.

Answer: Each payor's revenue projection was actually modeled on the current FY19 actual results.

c. The average ratio of the payer's reimbursement rate to Medicare's reimbursement rate.

Answer: Medicaid pays almost exactly as Medicare as a percentage of Gross Revenue  
Commercial Insurance pays approximately 166% of Medicare on a percentage of Gross Revenue

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

Answer: Springfield Hospital is completely “fee for service”

3. Please describe any initiatives that you have implemented to address the inadequate access to mental health treatment experienced by Vermonters. a. What other avenues are you pursuing to address this crisis in a sustainable way?

Answer: The Windham Center for Psychiatric Care is a 10-bed inpatient care facility that offers a multi-disciplinary team of psychiatrists, social workers, clinicians, drug and alcohol counselors, and nurses to help patients recover from co-occurring disorders. We serve VT and NH residents age 18 and over and served 362 patients over the past 12 months (6-1-18 to 6-15-19). Inpatient treatment includes daily psychiatric evaluation, inpatient psychosocial assessment, psychopharmacology, comprehensive treatment planning, community care provider integration, family sessions as needed, dialectical behavior therapy (DBT), case management and group work.

The Windham Center staff works closely with our SMCS FQHC primary care network and integrated behavioral health specialists, as well as with the local designated agency, to collaborate and improve local access to care.

We have worked to expedite the process for women and new mothers battling addiction, and encourage health care access for low income populations through continued offerings of financial assistance programs.

SMCS has undertaken several specific initiatives to improve access to mental health treatment in our service area:

**Rapid Access Clinic.** SMCS has established two clinic sessions - each 4 hours, weekly, one in Springfield and one in Rockingham. These clinic sessions are staffed by a psychiatric nurse practitioner (prescriber), a behavioral health/substance use care coordinator (staff of local DA) and a pharmacist. The sessions are open to anyone needing follow up for a behavioral health issue with minimum waiting time and no prerequisites to be seen. Sessions are particularly helpful for people on medications to treat psychiatric illnesses who have recently been discharged from an inpatient service, those who have not established with provider but have prescriptions, and those needing to establish care. The pharmacist is able to provide and confirm a medication reconciliation, the APRN to evaluate and prescribe and arrange for follow up and the care coordinator to address social determinants of health and a direct link to the local designated agency.

**Designated Agency staff embedded in Community Health Team.** Our local DA (HCRS) has a behavioral health/substance use care coordinator who is supported by CHT funds and is embedded in the Community Health Team at SMCS. This position and

agreement allows expedited coordination and access to services at both organizations. This position is just one component of a greater degree of coordination between hospital, primary care and community-based behavioral services which also includes weekly and monthly inter-agency team meetings and service leadership meetings.

**Behavioral Health Clinician in Emergency Department.** This summer SMCS is placing a licensed behavioral health clinician in the Springfield Hospital emergency department who will also be a part of the SMCS care coordination unit and behavioral health department. The clinician will provide follow up on SBINS (screening, brief intervention and navigation to services) screens in the ED, community linkages to behavioral health and substance use treatment, and tighter coordination between primary care practices and inpatient services.

4. Please provide data on substance use treatment at your hospital, including: a. The number of patients currently enrolled in medication-assisted treatment at your hospital,
- b. The number of MAT providers employed by your hospital, and
- c. Other avenues that you are pursuing to address this crisis in a sustainable way.

Answer: a. The current census for MAT at SMCS is 75.

**b. The number of MAT providers employed by your hospital.**

SMCS has 7 MAT prescribers

**c. Other avenues that you are pursuing to address this crisis in a sustainable way.**

The initiatives described previously concerning mental health treatment are each designed to also expand and facilitate access to treatment for substance use disorders. In addition SMCS hosts a weekly syringe exchange clinic staffed by the HIV/HCV Resource Center which offers free syringe exchange services, HIV/Hep C testing and direct referrals for treatment. SMCS expanded access to MAT in 2019 by adding a prescriber at the Springfield Health Center, establishing a "warm line" and centralized screening and referral service, initiating universal SBINS screening including substance use at all primary care practice sites and facilitating an interagency workgroup to improve initiation and engagement in substance use treatment that has reduced the steps and time required to begin treatment at both SMCS and HCRS.

5. Please provide the number of patient bed days attributable to patients awaiting placement in an appropriate Skilled Nursing Facility bed, and average bed days per patient, for: a. FY2018, and b. FY2019 to date.

Answer: Springfield Hospital does not track this kind of information.

6. Please provide the hospital's per unit profit margin on each 340B drug dispensed and the number of units of each drug dispensed.

Answer: Below are the top 20 profit margin drugs dispensed out of 586 different drugs reviewed.

This top 20 total margins are \$2,766,703 on 297,083 scripts. The remaining 566 drugs had a total margin of \$2,378,737 on 583,389 scripts.

Drug Name	Sum of Estimated Margin	Sum of Dispense Quantity
LANTUS SOLOSTAR PEN 3ML	401,130	25,089
SPIRIVA 18 MCG CP-HANDIHALER	245,359	24,990
INS NOVOLOG FLEXPEN 5X3ML	212,337	8,247
ADVAIR DISKUS INH PWR	212,260	44,760
ADVAIR DISKUS INH POWDER	192,891	34,500
LANTUS INJECTION	182,833	11,370
SYMBICORT 160/ 4.5MCG INH	167,094	8,395
JANUVIA 100MG TAB 30	165,324	14,442
HUMALOG KWIK PEN 5X3ML	121,591	4,071
CRESTOR TABLETS	110,105	19,979
LEVEMIR FLEXTOUCH 3ML 5CT	107,306	4,647
ELIQUIS TAB 5 MG UU	85,104	20,829
PROAIR HFA W/DOSE CTR 8.5G 200 MDI	83,792	25,280
COMBIVENT RESPIMAT 100 MCG	82,310	2,716
CRESTOR TAB 10MG 90	77,047	14,352
FLOVENT HFA 110MCG INH 12GM	76,097	5,544
NEXIUM CAP 40MG 90	70,081	9,225
VICTOZA LIRAGLUTIDE INJ 1.8MG	66,385	1,143
LYRICA CAP 150 MG	56,823	11,578
VESICARE TAB 10 MG	50,833	5,926

7. Please describe any changes to the hospital's shared-decision making programs. a. For any new initiatives, please describe the initiative(s), which departments participate, how you chose which departments participate, and how you plan to identify cost savings and quality improvement.

Answer: Senior management consults with department managers as needed for input.

8. Please provide copies of your financial assistance policy, application, and plain language summary (noting any changes from your last submission). a. Please provide detailed information about the ways in which these three items can be obtained by patients, including links if they are available online. b. Please provide the following data by year, 2014 to 2019 (to date): i. Number of people who were screened for financial assistance eligibility, ii. Number of people who applied for financial assistance, iii. Number of people who were granted financial assistance by level of financial assistance received, iv. Number of people who were denied financial assistance by reason for denial. v. Percentage of your patient population who received financial assistance.

Answer:

Springfield Hospital : financial assistance

**Financial Assistance Policy:**

**Number of Patients**

Year	100.00%	90.00%	80.00%	70.00%	60.00%	50.00%
2014	2276	129	97	81	45	33

2015	2539	176	93	155	41	50
2016	2100	141	83	55	59	42
2017	2008	180	79	43	53	33
2018	2068	128	101	53	62	31
1/1/19-6/25/19	876	87	27	31	31	20
Totals	11867	841	480	418	291	209

**Amount Adjusted**

Year	100.00%	90.00%	80.00%	70.00%	60.00%	50.00%
2014	\$ 1,592,403	\$ 60,817	\$ 41,348	\$ 34,728	\$ 13,489	\$ 17,521
2015	\$ 1,625,240	\$ 69,694	\$ 50,860	\$ 59,104	\$ 12,542	\$ 11,548
2016	\$ 1,339,430	\$ 91,626	\$ 33,480	\$ 15,905	\$ 24,671	\$ 27,484
2017	\$ 1,273,103	\$ 76,975	\$ 25,931	\$ 14,674	\$ 12,947	\$ 6,849
2018	\$ 1,355,908	\$ 64,153	\$ 40,201	\$ 18,339	\$ 11,309	\$ 5,151
1/1/19-6/25/19	\$ 402,465	\$ 28,467	\$ 4,391	\$ 8,473	\$ 21,334	\$ 8,693
Totals	\$ 7,588,549	\$ 391,731	\$ 196,211	\$ 151,224	\$ 96,293	\$ 77,247

**I. OVERVIEW:**

Springfield Medical Care Systems (SMCS) is a non-profit healthcare corporation serving portions of Windsor, Windham and Bennington Counties, Vermont and portions of Sullivan and Cheshire Counties, New Hampshire. SMCS operates the SMCS Community Health Center (CHC) network which provides primary and preventative care at community health center locations dispersed throughout the service area. A subsidiary of SMCS, Springfield Hospital, (with campuses in Springfield and Bellows Falls, VT) provides acute care services, including mental health, and also operates specialty physician practices. SMCS is committed to meeting the needs of the residents of its defined service area regardless of insurance status or ability to pay. SMCS will provide, without discrimination, care for emergency medical conditions to individuals, regardless of their eligibility under the financial assistance policy.

**II. SCOPE AND PURPOSE:**

- A. To specify the criteria for identifying individuals that are eligible to receive services rendered by SMCS either free of charge (i.e.: 100% discount) or at partially discounted rates.
- B. Patients qualifying under the Financial Assistance Policy (FAP) will be exempt from liability for the determined discount.
- C. The FAP applies Federal Poverty Guidelines, updated annually, adjusted for household size, to identify patients with a



documented inability to pay for either the entirety or for a portion of the services rendered. Individuals that receive a partial discount are liable for balances not discounted and will be subject to collection efforts by SMCS for the balance due after discount.

D. The FAP does not apply to elective or cosmetic services or services that are not medically necessary. Patients are encouraged to inquire prior to the rendering of services as to whether or not a service qualifies for the FAP.

# Springfield

## Medical Care Systems, Inc.

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5-14-19

### III. GENERAL REQUIREMENTS:

A. Financial assistance will be granted only after the submission of a signed application for financial assistance by the patient, relative, legal guardian, power of attorney, or SMCS Patient Financial Counselor with written authorization from the patient.

The application must be received by SMCS within thirty (30) days of the furnishing of the application.

B. There is no residency requirement for medical services provided by the SMCS community health center network (CHC), including dental services and ophthalmology services.

1. In order to be eligible for financial assistance for the 340B prescription drug program, applicants must have selected the CHC as their primary care provider or reside in one of the following Vermont towns: Andover, Athens, Baltimore,

Cavendish, Chester, Grafton, Jamaica, Landgrove, Londonderry, Ludlow, Mt. Holly, Peru, Plymouth, Reading, Rockingham

(Bellows Falls), Springfield, Stratton, W.Windsor, Weathersfield, Westminster, Weston, Windham and Winhall or NH

towns of Acworth, Alstead, Charlestown, Langdon, and Walpole.

\*See attachment A for the SMCS medical and pharmacy discount schedule and attachment B for the Springfield Hospital medical discount schedule and attachment C for the SMCS dental discount schedule.

C. In order to be eligible for financial assistance for services provided by Springfield Hospital, the patient/guarantor must be a resident of the State of Vermont, or Sullivan or Cheshire counties in New Hampshire. Applicants who reside outside Vermont or the indicated New Hampshire counties, and who have been deemed eligible for assistance for CHC services,

may also be deemed eligible for Springfield Hospital assistance.

D. SMCS does not engage in extraordinary collection activities before SMCS has made reasonable efforts to determine whether the individual is eligible for financial assistance under the financial assistance policy.

1. Springfield Hospital will not charge eligible patients more for emergency or other medically necessary services than the amount generally billed (AGB) to patients who have Medicare. The amount generally billed (AGB) is calculated based on the percentage of what Medicare allows for services billed in a 12 month period. The percentage calculated will be multiplied times the total charges on the claim to arrive at the AGB. See sample methodology attached (D).

2. Patient balance will hit the self-pay category on discharge if the patient is uninsured or after insurance has processed and a statement is then generated.

3. Statements will contain contact information regarding inquiries for financial assistance and budget payments.

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4. Patient accounts may be sent to a collection agency for unpaid balances greater than 120 days and the patient has not applied for financial assistance.

5. Credit bureau reporting can begin for unpaid balances greater than 240 days or for incomplete financial assistance applications.

E. Applicants may qualify for financial assistance under the following circumstances.

1. Federal Poverty Guidelines: The patient's and/or guarantor's income is equal to or less than the current approved SMCS income poverty guidelines included in the attachments to this policy and there are no other assets available to the patient which could be used in the settlement of Springfield Hospital charges only. A principal residence generally would not be considered an available asset in this regard. Springfield Hospital allows savings of up to \$10,000 for burial expense.

2. Medicare Beneficiaries: Deductibles and coinsurances due from Medicare beneficiaries can be eligible for discount under the FAP assuming the patients submits an application and qualifies.

3. Medicaid Beneficiaries: Coinsurances due from Medicaid beneficiaries qualify for FAP. A Medicaid beneficiary need not complete a FAP application in order for coinsurances to qualify.

4. Extenuating Circumstances: Accounts that fall outside of the established SMCS guidelines but involve extenuating

circumstances can be approved by the Director of Patient Business Services in consultation with the Chief Financial Officer.

F. A patient who applies for financial assistance will receive a written notice of the determination of SMCS within 30 days of submission of the written application and all required supporting documentation.

G. Once SMCS determines the patient to be eligible for financial assistance, this determination MAY be in effect for 1 year from the date of the initial determination. If approved for financial assistance, any and all changes regarding income, insurance status, family size, etc. must be reported to SMCS.

H. SMCS shall not discriminate on the basis of race, color, national origin, ethnicity, religion, creed, sex, sexual orientation or age (for any persons beyond the age of majority) in its application of policies concerning the acquisition and verification of financial information, and eligibility for financial assistance.

I. The patient and/or guarantor must cooperate fully with SMCS to explore and obtain all possible alternative insurance coverage.

J. The patient and/or guarantor are encouraged to maintain coverage through New Hampshire Medicaid or Vermont Medicaid.

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#### **IV. CRITERIA FOR NOTIFICATION AND ASSISTANCE OF THE AVAILABILITY OF FINANCIAL ASSISTANCE.**

##### **A. NOTIFICATION:**

1. Patients will be made aware of the availability of the Financial Assistance Policy through the posting of signs in all registration areas throughout SMCS and in the Patient Business Services offices located at 100 River Street, Springfield, VT.

2. SMCS shall make available copies of the Financial Assistance Policy application at any and all registration areas where patients access SMCS services.

3. On an Inpatient admission that occurs outside the hours of operation of the registration department, the admitting office will be responsible for delivering the application to the patient the following day or as soon as possible.

4. SMCS will attempt to inform the public of its Financial Assistance Policy through the SMCS website ([www.SpringfieldMed.org](http://www.SpringfieldMed.org)) and/or use of public announcements, paid advertising, etc.

##### **B. ASSISTANCE:**

SMCS will assist all patients with the completion of an application for Financial Assistance and whenever possible with applications for other programs such as Medicaid, Medicare Part D, etc. A patient may obtain confidential and compassionate assistance

at:

1. The SMCS Patient Business Services offices located at 100 River Street, Springfield, VT or by calling (802) 886-8950.
2. Valley Health Connections – Through an arrangement with SMCS, assistance with applications is available through Valley Health Connections located at 268 River Street, Springfield, VT or by calling (802) 885-1616.

It is preferable that applicants call in advance and make an appointment and that they arrive with all requested documentation and the application completed to the best of their ability in advance.

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**V. DOCUMENTATION AND AUDIT:**

1. Each financial assistance application shall be accompanied by patient documentation of all efforts made by SMCS to determine eligibility.
2. Financial Assistance Application documentation shall be kept on file for a period of 5 years. After 5 years all paperwork will be permanently destroyed.

**VI. DECISION OF ELIGIBILITY FOR FINANCIAL ASSISTANCE:**

Patient Business Services will make the initial determination of eligibility for financial assistance using the above policy.

This information will be recorded in writing in the appropriate section of the application forms.

Patient Financial Counselors will submit any applications for extreme hardship that fall outside the guidelines to the

Director of Patient Business Services and/or the SMCS Chief Financial Officer to make the final determination on eligibility.

An attestation may need to be provided by the applicant.

**VII. PROVIDERS PARTICIPATING IN SMCS FINANCIAL ASSISTANCE POLICY**

SMCS physicians and other providers participate in the SMCS Financial Assistance Policy. Please see our provider list at [https://springfieldmed.org/physician directory/](https://springfieldmed.org/physician_directory/) where each provider's biography page indicates whether the provider is a participant in the SMCS Financial Assistance Policy. The Provider financial assistance participation will be reviewed and updated quarterly.

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**ATTACHMENT A - SMCS MEDICAL & PHARMACY DISCOUNT SCHEDULE**

**>200% FPG**

Fam # 0% Free

From To From To From To From To More Than

10	\$ 12,490	\$ 12,491	\$ 15,613	\$ 15,614	\$ 21,858	\$ 21,859	\$ 24,980	\$ 24,981
20	\$ 16,910	\$ 16,911	\$ 21,138	\$ 21,139	\$ 29,593	\$ 29,594	\$ 33,820	\$ 33,821
30	\$ 21,330	\$ 21,331	\$ 26,663	\$ 26,664	\$ 37,328	\$ 37,329	\$ 42,660	\$ 42,661
40	\$ 25,750	\$ 25,751	\$ 32,188	\$ 32,189	\$ 45,063	\$ 45,064	\$ 51,500	\$ 51,501
50	\$ 30,170	\$ 30,171	\$ 37,713	\$ 37,714	\$ 52,798	\$ 52,799	\$ 60,340	\$ 60,341
60	\$ 34,590	\$ 34,591	\$ 43,238	\$ 43,239	\$ 60,533	\$ 60,534	\$ 69,180	\$ 69,181
70	\$ 39,010	\$ 39,011	\$ 48,763	\$ 48,764	\$ 68,268	\$ 68,269	\$ 78,020	\$ 78,021
80	\$ 43,430	\$ 43,431	\$ 54,288	\$ 54,289	\$ 76,003	\$ 76,004	\$ 86,860	\$ 86,861

**For families with more than 8 persons, add \$4,320 for each additional person**

!"#\$%

100% Free 75% Free 50% Free 25% Free

<=100% FPG 101-125% FPG 126-175% FPG 176-200% FPG

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Family #

From To From To From To From To From To

1	\$12,490	\$12,491	\$14,988	\$14,989	\$17,486	\$17,487	\$19,984	\$19,985	\$22,482	\$22,483	\$24,980
2	\$16,910	\$16,911	\$20,292	\$20,293	\$23,674	\$23,675	\$27,056	\$27,057	\$30,438	\$30,439	\$33,820
3	\$21,330	\$21,331	\$25,596	\$25,597	\$29,862	\$29,863	\$34,128	\$34,129	\$38,394	\$38,395	\$42,660
4	\$25,750	\$25,751	\$30,900	\$30,901	\$36,050	\$36,051	\$41,200	\$41,201	\$46,350	\$46,351	\$51,500
5	\$30,170	\$30,171	\$36,204	\$36,205	\$42,238	\$42,239	\$48,272	\$48,273	\$54,306	\$54,307	\$60,340
6	\$34,590	\$34,591	\$41,508	\$41,509	\$48,426	\$48,427	\$55,344	\$55,345	\$62,262	\$62,263	\$69,180
7	\$39,010	\$39,011	\$46,812	\$46,813	\$54,614	\$54,615	\$62,416	\$62,417	\$70,218	\$70,219	\$78,020
8	\$43,430	\$43,431	\$52,116	\$52,117	\$60,802	\$60,803	\$69,488	\$69,489	\$78,174	\$78,175	\$86,860

Family # >300% FPG Patient Pays 100%

From To From To From To From To From To

1	\$24,981	\$27,478	\$27,479	\$29,976	\$29,977	\$32,474	\$32,475	\$34,972	\$34,973	\$37,470	\$37,471
2	\$33,821	\$37,202	\$37,203	\$40,584	\$40,585	\$43,966	\$43,967	\$47,348	\$47,349	\$50,730	\$50,731
3	\$42,661	\$46,926	\$46,927	\$51,192	\$51,193	\$55,458	\$55,459	\$59,724	\$59,725	\$63,990	\$63,991
4	\$51,501	\$56,650	\$56,651	\$61,800	\$61,801	\$66,950	\$66,951	\$72,100	\$72,101	\$77,250	\$77,251
5	\$60,341	\$66,374	\$66,375	\$72,408	\$72,409	\$78,442	\$78,443	\$84,476	\$84,477	\$90,510	\$90,511
6	\$69,181	\$76,098	\$76,099	\$83,016	\$83,017	\$89,934	\$89,935	\$96,852	\$96,853	\$103,770	\$103,771
7	\$78,021	\$85,822	\$85,823	\$93,624	\$93,625	\$101,426	\$101,427	\$109,228	\$109,229	\$117,030	\$117,031
8	\$86,861	\$95,546	\$95,547	\$104,232	\$104,233	\$112,918	\$112,919	\$121,604	\$121,605	\$130,290	\$130,291

For families with more than 8 persons, add \$4,320 for each additional person

!"#\$%

**Attachment B - SPRINGFIELD HOSPITAL MEDICAL DISCOUNT SCHEDULE**

60040 60041 60042 60043 60044 60045

180% FPG Patient Pays Zero 200% FPG Patient Pays Zero

220% of FPG Patient Pays 10% 240% FPG Patient Pays 20% 260% FPG Patient Pays 30% 280% FPG Patient Pays 40% 300% FPG Patient Pays 50%

60050

100% FPG Patient Pays Zero

60046 60047 60048 60049

140% FPG Patient Pays Zero 160% 120% of FPG Patient Pays Zero FPG Patient Pays Zero

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**ATTACHMENT C - SMCS DENTAL DISCOUNT SCHEDULE**

>200% FPG

Fam # Patient Pays 100%

From To From To From To From To More Than

1	\$12,490	\$12,491	\$15,613	\$15,614	\$21,858	\$21,859	\$24,980	\$24,981
2	\$16,910	\$16,911	\$21,138	\$21,139	\$29,593	\$29,594	\$33,820	\$33,821
3	\$21,330	\$21,331	\$26,663	\$26,664	\$37,328	\$37,329	\$42,660	\$42,661
4	\$25,750	\$25,751	\$32,188	\$32,189	\$45,063	\$45,064	\$51,500	\$51,501
5	\$30,170	\$30,171	\$37,713	\$37,714	\$52,798	\$52,799	\$60,340	\$60,341
6	\$34,590	\$34,591	\$43,238	\$43,239	\$60,533	\$60,534	\$69,180	\$69,181
7	\$39,010	\$39,011	\$48,763	\$48,764	\$68,268	\$68,269	\$78,020	\$78,021
8	\$43,430	\$43,431	\$54,288	\$54,289	\$76,003	\$76,004	\$86,860	\$86,861

>200% FPG

Fam # Patient Pays 100%

From To From To From To From To More Than

1	\$12,490	\$12,491	\$15,613	\$15,614	\$21,858	\$21,859	\$24,980	\$24,981
2	\$16,910	\$16,911	\$21,138	\$21,139	\$29,593	\$29,594	\$33,820	\$33,821
3	\$21,330	\$21,331	\$26,663	\$26,664	\$37,328	\$37,329	\$42,660	\$42,661
4	\$25,750	\$25,751	\$32,188	\$32,189	\$45,063	\$45,064	\$51,500	\$51,501
5	\$30,170	\$30,171	\$37,713	\$37,714	\$52,798	\$52,799	\$60,340	\$60,341
6	\$34,590	\$34,591	\$43,238	\$43,239	\$60,533	\$60,534	\$69,180	\$69,181
7	\$39,010	\$39,011	\$48,763	\$48,764	\$68,268	\$68,269	\$78,020	\$78,021
8	\$43,430	\$43,431	\$54,288	\$54,289	\$76,003	\$76,004	\$86,860	\$86,861

For families with more than 8 persons, add \$4,320 for each additional person

2/6/19

c. Please provide the statistics and analyses you relied on to determine the qualification criteria, including any geographic restrictions, and the amount of assistance provided under your current financial assistance program. For example, analysis of financial need in the community and analysis of how much people can afford to pay.

Answers: the hospital has followed guidelines established many years ago by a prior CFO.

9. For the hospital's inpatient services, please provide your total discharges, case mix adjusted discharges, all payer case mix index, and average cost per case mix adjusted discharge for 2014 (actual) through the present (2019 budget and projected) and 2020 (budget).

Answer: Case mix index is not computed in Springfield's system.

Cost per adjusted admission (this information is available in the GMCB spreadsheets)

2014 \$6983

2015 \$6158

2016 \$5636

2017 \$5883

2018 \$7077

2019 Budget \$6561; Projection = \$4,839

2020 Budget \$6119

# Discharges

2014 2090

2015 2168

2016 2066

2017 2075

2018 1977

2019 Budget =2175; Projected = 1742

2020 Budget = 1473

10. Last year the Board's hospital budget orders instructed hospitals to negotiate with insurers rather than seeing the Board's approval as a specific set rate. Please describe how you implemented this directive. a. What average commercial rate increase did you implement for FY2019?  
b. What commercial rate increase did you get from each commercial payer (BCBSVT, TVHP, MVP, Cigna)?

Answer: Springfield has tried to negotiate with each insurance company since April 2019 when a 5% rate increase was requested of the GMCB. Several responded positively but others would not implement the rate increase until the new fiscal year begins 10/1/19.

#### **Questions regarding the All-Payer TCOC Tables**

To be addressed at the August 2019 budget hearing.