

APPENDIX I

CHANGES TO APPROVED BUDGET

A hospital requesting a modification to its approved budget before the end of that fiscal year must do the following:

- a. Obtain approval of the change from its Board of Directors.
- b. Submit a letter of intent regarding a revised budget. The submission should be delivered to the GMCB no less than 30 days prior to the date the budget adjustment or rate change will be effective.
- c. Submit to GMCB within a time to be determined by GMCB, a complete “modified” budget in the same form as required during the regular budgeting process, along with an explanation as to the purpose of any changes and variances.
- d. Provide contact information for the available staff member with knowledge of the budget to answer questions.

The Board’s hospital budget staff will review the request within 15 days after the receipt of the complete “modified” budget information and will make its recommendations and forward them to the GMCB. A final decision will be provided within 14 days of the GMCB’s receipt of the recommendations.

Note: The GMCB will not act upon any interim rate changes with effective dates after May 1.

APPENDIX II

VERIFICATION UNDER OATH FORM TO BE COMPLETED BY HOSPITAL'S CEO and CFO

STATE OF VERMONT
Green Mountain Care Board

In re: FY 2020 Hospital Budget Submission [[Hospital Name](#)]

Exhibit A – Form of Verification Under Oath

[Officer or other deponent], being duly sworn, states on oath as follows:

1. My name is [[name](#)]. I am [[title](#)]. I have reviewed the [[identify information/document subject to verification](#)].
2. Based on my personal knowledge, after diligent inquiry, the information contained in [[identify information/document subject to verification](#)] is true, accurate and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact necessary to make the statement made therein not misleading, except as specifically noted herein.
3. My personal knowledge of the truth, accuracy and completeness of the information contained in the [[identify information/document subject to verification](#)] is based upon either my actual knowledge of the subject information or, where identified below, upon information reasonably believed by me to be reliable and provided to me by the individuals identified below who have certified that the information they have provided is true, accurate and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact necessary to make the statement made therein not misleading.
4. I have evaluated, within the 12 months preceding the date of this affidavit, the policies and procedures by which information has been provided by the certifying individuals identified below, and I have determined that such policies and procedures are effective in ensuring that all information submitted or used by [the hospital] in connection with the Hospital Budget program of the Green Mountain Care Board (GMCB) is true, accurate, and complete. I have disclosed to the [[governing board of the hospital](#)] all significant deficiencies, of which I have personal knowledge after diligent inquiry, in such policies and procedures, and I have disclosed to the [[governing board of the hospital](#)] any misrepresentation of facts, whether or not material, that involves management or any other employee participating in providing information submitted or used by [[the hospital](#)] in connection with the GMCB Hospital Budget program.

5. The following certifying individuals have provided information or documents to me in connection with [identify information/document subject to verification], and each such individual has certified, based on his or her actual knowledge of the subject information or, where specifically identified in such certification, based on information reasonably believed by the certifying individual to be reliable, that the information or documents they have provided are true, accurate and complete, do not contain any untrue statement of a material fact, and do not omit to state a material fact necessary to make the statement made therein not misleading:
- (a) [identify each certifying individual providing information or documents pursuant to Paragraphs 3 and 4, above;
 - (b) identify with specificity the information or documents provided by the certifying individual;
 - (c) identify the subject information of which the certifying individual has actual knowledge, and identify the individuals and the information reasonably relied on by the certifying individual; and
 - (d) in the case of documents identify the custodian of the documents]
6. In the event that the information contained in the [identify information/document subject to verification] becomes untrue, inaccurate or incomplete in any material respect, I acknowledge my obligation to notify GMCB and to supplement the [identify information/document subject to verification], as soon as I know, or reasonably should know, that the information or document has become untrue, inaccurate or incomplete in any material respect.

[Signature of the deponent]

On [date], [name of deponent] appeared before me and swore to the truth, accuracy and completeness of the foregoing.

Notary public
My commission expires [date]
[seal]

**VERIFICATION UNDER OATH FORM
TO BE COMPLETED BY HOSPITAL'S BOARD CHAIR**

(Placeholder - In Development)

DRAFT

Note: For FY 2020 there will be no exemptions.

APPENDIX III

EXEMPTION FROM PUBLIC HOSPITAL BUDGET HEARING

Green Mountain Care Board Rule 3.000 allows the Board to exempt up to four hospitals from annual public budget hearings, and from budget adjustment, provided they meet established benchmarks. Recognizing the value of a transparent budget review process, this document more fully explains the Board's criteria and procedure for determining such exemptions.

A. Background

The Board may in its discretion annually exempt up to four Vermont hospitals from participating in annual public budget hearings, and from budget adjustments, provided they meet established benchmarks and criteria for exemption.

Pursuant to rule, the four largest hospitals, as determined by their net patient revenues (NPRs), are not exempt and must appear at public hearing even if they otherwise qualify for exemption. Absent mutual-agreement to the contrary, however, the Board will not adjust the budget of any hospital meeting all benchmarks and criteria, whether they appear at a public hearing or not.

B. Criteria for Exemption

A hospital that timely submits its budget may qualify for exemption from public hearing if the following criteria are met:

1. The budget includes all reporting requirements, including a budget narrative.
2. Budget assumptions are reasonable.
3. All related budget schedules can be reconciled.
4. The hospital has not undergone significant organizational changes or restructuring.
5. The budget meets the NPR target level as established by the Board.
6. The hospital has met its approved NPR target in two of the last three years.
7. The hospital was not exempted from public hearing for the two prior consecutive years.
8. The hospital did not experience an operating loss during the past two complete fiscal years and is not projected to experience an operating loss during the current fiscal year.

C. Application for Exemption

1. A hospital that believes it meets Criteria 1-7 must include with its budget submission a written request for exemption from public hearing that describes, with specificity, how it meets each criterion.
2. If more than four hospitals, excluding the four largest hospitals referenced in Section A, above, qualify for an exemption, the Board shall determine which if any of the four will be exempted.

APPENDIX IV

Financial Health Indicators

Metric	Flex Program Medians	2018 Almanac of Hospital Financial and Operating Indicators (Optum) 2016			
	US CAHs	Northeast CAH	25-99 beds	100-199 beds	Teaching
Profitability					
Total Margin %	2.7%	0.0%	1.9%	6.0%	3.7%
Operating Margin (\$)					
EBIDA Margin %		7.3%	7.7%	10.7%	10.7%
Operating Margin %	0.9%	-2.1%	-0.5%	2.1%	2.1%
Return on Assets %		0.0%	2.0%	5.3%	3.7%
Liquidity					
Cash/Investments (\$)					
Days Cash on Hand*	78	92.7	116.3	80.4	98.4
Expenses Per Day (\$)					
Net Days in Accounts Receivable	51	46.3	48.6	42.8	42.3
Net Days in Accounts Payable*		66	48.8	65.2	67.7
Capital Structure					
Debt Service Coverage Ratio*	3.35	1.39	3.10	6.70	6.00
Long Term Debt/Capitalization %	27.2%	23.0%	26.6%	19.0%	32.8%
Cash to Long Term Debt %					
Average Age of Plant (yrs.)*	10.48	14.43	10.6	12.4	10.5
Capital Spending %*					
Equity Financing	59.8%				
Cost					
Salaries to NPR %	44.9				
FTE per Adjusted Occupied Bed	5.6		3.14	3.02	3.16
Compensation Ratio					

*Uses 12 month rolling calculation

Definitions for these metrics can be found at [\[add link\]](#).

APPENDIX V

PARTICIPATION IN HEALTH REFORM

Complete the following table if the hospital is participating in one or more of the OneCare Vermont programs. If the hospital is not participating with OneCare, please indicate in the narrative.

OneCare Program	Participating in Program in CY 2020? (Yes/No)	Budgeted Number of Attributed Lives (monthly average for CY 2020)	Budgeted Amount of FPP (monthly average for CY 2020)	Budgeted Maximum Upside/Downside Risk for CY 2020
Medicaid				
Medicare				
BCBSVT				
Self-Insured				
TOTAL				

Please complete in Excel. Excel version of this table is available at:

<http://gmcboard.vermont.gov/hospital-budget>

APPENDIX VI

BUDGET-TO-BUDGET VARIANCES (“BRIDGES” TABLES)

Table 1:
NPR Bridges – FY 2019 Approved Budget NPR to FY 2020 Proposed Budget

NPR	Total	% over/under	Medicare	Medicaid-VT	Medicaid-OOS	Commercial-Maj	Comm - Self/Sml	Workers Comp
FY 19 Approved Budget	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial Rate								
Rate - Non Commercial								
Utilization								
Reimbursement/Payer Mix								
Bad Debt/Free Care								
Physician Acq/Trans								
Changes in Accounting								
Changes in DSH								
Other (please label)								
Other (please label)	0		0	0	0	0	0	0
FY 20 Budget	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Table 2:
Expense Bridges – FY 2019 Approved Budget Expenses to FY 2020 Proposed Budget

Expenses	Amount	% over/under
FY 19 Approved Budget		
New Positions		
Inflation Increases		
Salaries		
Fringe		
Physician Contracts		
Contract Staffing		
Supplies		
Drugs		
Facilities		
IT Related		
Health Reform Programs		
Depreciation		
Interest		
Health Care Provider Tax		
Other (please label)		
Other (please label)		
Cost Savings		
FY 20 Budget	\$ -	

Please complete in Excel. Excel versions of these tables are available at:
<http://gmcboard.vermont.gov/hospital-budget>

APPENDIX VII

BAD DEBT

[HOSPITAL NAME]	Amount (in \$)
Total Bad Debt at End of FY 2017	
Total Bad Debt Incurred in FY 2018	
Total Bad Debt Sent to Collections During FY 2018	
Total Bad Debt Recovered from Collections During FY 2018	
Total Bad Debt Written Off During FY 2018	
Total Bad Debt at End of FY 2018	

Please complete in Excel. Excel version of this table is available at:
<http://gmcboard.vermont.gov/hospital-budget>

DRAFT

APPENDIX VIII

CHARGE REQUEST

Category of Service	Requested Change in Charge from FY19B to FY20B, in %	Projected Change in NPR Due to Change in Charge and Contractual Allowances, in %				
		Projected Change in Total NPR	Projected Change in Commercial Payer NPR	Projected Change in Self-Pay/Other NPR	Projected Change in Medicaid NPR	Projected Change in Medicare NPR
Hospital Inpatient						
Hospital Outpatient						
Professional Services						
Primary Care						
Specialty Care						
Skilled Nursing Facility						
Other (specify)						
Overall Change in Charge Across All Categories						

Please complete in Excel. Excel version of this table is available at:
<http://gmcboard.vermont.gov/hospital-budget>

APPENDIX IX

SALARY INFORMATION

Provide Headcount & Box 5 Wages from 2018 W2s				
Salary Range	Total # of Staff	Total Salaries (includes incentives, bonuses, severance, CTO, etc.)	% of Total Staff in this Salary Range	% of Total Salaries in this Salary Range
\$0 - \$199,999				
\$200,000 - \$299,999				
\$300,000 - \$499,999				
\$500,000 - \$999,999				
\$1,000,000 +				
TOTALS				

Please complete in Excel. Excel version of this table is available at:

<http://gmcboard.vermont.gov/hospital-budget>

APPENDIX X

QUESTIONS FROM THE OFFICE OF THE HEALTH CARE ADVOCATE

DRAFT