Gifford Medical Center
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1. *Have the hospital's projections for FY2018 changed?*

   Response:
   No, the hospital's projections for FY2018 have not changed.

2. *Please explain factors driving changes in Bad Debt and Free Care from FY2018 Budget to FY2018 Projections and FY2019 Budget (including policy changes if any).*

   Response:
   Since the establishment of Vermont Health Connect, Gifford has seen a decrease in charity care provided for the uninsured. 2018 actual levels have been budgeted to continue in 2019.

   Overall, Gifford's bad debt has remained unchanged and this trend is budgeted to continue in 2019. While Gifford has seen a decrease in bad debt from uninsured patients, we have seen an increase in bad debt from insured patients due to expanded out-of-pocket costs. These patients are unable to meet the high deductibles and co-payments offered by the plans in the exchange, and they do not have the funds needed to cover large outlays for medical events.

Actual Results for Charity Care as a % of Gross and Bad Debt as a % of Gross

	2010 A	2011 A	2012 A	2013 A	2014 A	2015 A	2016 A	2017 A	2018 P	2019 B
Charity Care	0.74%	0.72%	0.72%	0.46%	0.54%	0.33%	0.36%	0.34%	0.38%	0.39%
Bad Debt	2.44%	3.02%	2.90%	2.44%	2.88%	2.01%	2.58%	2.54%	2.24%	2.39%

3. *Please provide more specificity about what is included in Other Operating Expense for FY2017 Actuals, FY2018 Budget and Projections, and FY2019 Budget, and explain the variation from year to year.*

   Response:

Operating Expense Comparison

	FY 17	Proj 18	Bud 18	Bud 19	Bud 18 - Proj 18	Bud 18 - Bud 19
Wages - Non Providers	$ 17,820,043	$ 17,496,044	$ 18,765,491	$ 17,824,017	-7%	-5%
Wages - Providers	$ 7,388,740	$ 7,441,358	$ 7,367,322	$ 7,271,237	1%	-1%
Benefits	$ 6,427,573	$ 7,092,446	$ 7,328,352	$ 7,045,628	-3%	-4%
Advertising	$ 26,108	$ 38,850	$ 100,252	$ 40,387	-61%	-60%
Depreciation	$ 2,919,881	$ 2,639,512	$ 2,894,196	$ 2,618,701	-9%	-10%
Insurance	$ 471,149	$ 434,842	$ 479,316	$ 457,410	-9%	-5%
Interest/Amortization	$ 794,322	$ 783,292	$ 820,752	$ 803,835	-5%	-2%
Licenses/Taxes	$ 3,241,886	$ 3,302,362	$ 3,252,871	$ 3,256,479	2%	0%
Other	$ 1,059,137	$ 761,832	$ 774,039	$ 665,153	-2%	-14%
Purchase Services	$ 9,313,872	$ 11,571,842	$ 9,519,779	$ 8,206,493	22%	-14%
Supplies - Medical	$ 5,594,916	$ 5,131,796	$ 5,714,764	$ 5,337,186	-10%	-7%
Supplies - Non Medical	$ 650,565	$ 605,198	$ 684,584	$ 663,247	-12%	-3%
Training	$ 178,939	$ 113,840	$ 258,610	$ 189,626	-56%	-27%
Utilities	$ 811,010	$ 872,502	$ 1,093,051	$ 966,717	-20%	-12%
Total	**$ 56,698,141**	**$ 58,285,716**	**$ 59,053,379**	**$ 55,346,116**	**-1%**	**-6%**

Category	Years	Explanation
Wages - Non Providers	Proj 18 - Bud 18	7% reduction due to use of low census, attrition, productivity expectations
Wages - Non Providers	Bud 18 - Bud 19	2018 initiatives budgeted in 2019
Benefits	Proj 18 - Bud 18	In-line with 2018 actual expectations
Benefits	Bud 18 - Bud 19	In-line with 2018 actual expectations with a ~ 3% inflationary increase
Advertising	Proj 18 - Bud 18	Due to cost initiatives expense decreased by 61%:
		Rework paper reports to be electronic versions only
		Reduced print ads
		Held on new intranet site
Advertising	Bud 18 - Bud 19	2018 initiatives budgeted in 2019
Depreciation	Proj 18 - Bud 18	Moving to cloud based application which is decreasing expenses by 9%
Depreciation	Bud 18 - Bud 19	2018 initiatives budgeted in 2019
Other	Proj 18 - Bud 18	Reductions due to cost intiatives:
		Dues - $41k
		Network printers/copies - $30k
		Freight - $20k
		Postage - $13k
		Above intiatives were offset by an increse of other direct costs - $91k
Other	Bud 18 - Bud 19	2018 initiatives budgeted in 2019
Purchase Services	Proj 18 - Bud 18	Utilized locum providers - $662k
		Moved orthopedist from employed to contracted service - $408k
		Utilized travelers/contract staff - $800k
		Moved to cloud based IT applications - $100k
Purchase Services	Bud 18 - Bud 19	Assumes that locums/travelers/contracted svc staff use has been discontinued
		Cloud based EMR - $400k online
Utilities	Proj 18 - Bud 18	Utilizing Efficiency Vermont
		Cost initiatives specific to utilization of heat/AC/lights etc.
Utilities	Bud 18 - Bud 19	2018 initiatives budgeted in 2019

4. *Please indicate where the Due to and Due from Affiliate entries are for Gifford Health Care, Inc. which includes the Gifford Retirement Community's Independent Living Facility, related to the most recent CON. These entries were included in the Gifford Health Care, Inc. FY2017 Audited Financials from BKD.*

Response:
The Due to and Due from Affiliate entries in reference to the Gifford Retirement Community's Independent Living Facility are shown as follows:

Within Gifford Medical Center's internal financials, the activity is shown within the Liability section of the Balance Sheet. In Gifford's 2017 audited financials, due to this activity resulting in a receivable to GMC at year end, it is shown as an Asset on the Balance Sheet. Within Adaptive Planning, the Due from Affiliate is shown in the Liability section of the Balance Sheet under "Other Noncurrent Liabilities," which is netted with a corporate-wide deferred compensation plan as well as our bond debt instrument.

5. *Please provide more detail on Gifford's quality improvement activities (either within the hospital or in conjunction with community partners) related to the following All-Payer Model quality measures: Controlling High Blood Pressure, 30-Day Follow-Up after Discharge from ED for Mental Health, and 30-Day Follow-Up for Alcohol and Other Drug Dependence.*

Response:

APM Quality Measure	QI Activities, Projects, Programs
Controlling High Blood Pressure	**Performance** –Gifford's most recent (2017) Uniform Data System (UDS) report to Health Resources & Services Administration (HRSA)—which includes only the federally qualified health center, not the hospital/ED—we reported a rate of 65.6% for this measure. Our performance exceeds the most recent national benchmark (62.4%, National UDS 2016) and the Healthy People 2020 goal (>61.2%). Our 2017 rate also represents improvement over our rates for 2015 and 2016. **Screening -** With regard to screening for hypertension, we use national practice guidelines to guide preventive care. Blood pressure is a standard component of all medical visits. **Education** – In 2018-2019, Gifford will present a CME on hypertension with two of our Family Medicine practitioners, Leigh LoPresti, MD, and Christina Harlow, APRN.
30-Day Follow-Up after Discharge from ED for Mental Health	**Monitoring** – Gifford's Community Health Team (CHT) monitors the ED discharge panel for all diagnoses to see if patients followed up with their primary care provider (PCP) per the discharge instructions. If they don't see evidence of a follow-up visit scheduled, they bring it to the practice's attention. The practice then reaches out to the patient to try to schedule his/her follow-up visit. For patients discharged from the ED who do not have a PCP, the CHT does outreach and offers to help get them established with a Gifford PCP. **Referrals** – ED providers have the ability to generate electronic referrals to Behavioral Health. In addition, Gifford's social worker is proactive in identifying patients who could benefit from a mental health referral and ensuring it is scheduled—either by reminding the ED provider to make the referral and/or facilitating the scheduling of the follow-up appointment. In addition, the CHT receives direct referrals from the ED, requesting that they assist with connecting patients with various community resources (usually focused on the social determinants of health). **ED Care Plans** are completed for individuals who have used the ED more than 4 times in the previous 3 months. Typically, these care plans either encourage the provider to make a follow-up referral or give them information about what other providers the patient already sees. Often, the CHT care coordinator starts the care plan and includes pertinent information from the primary care setting. The care plan is then forwarded to Gifford's social worker for review, and she adds any pertinent ED or inpatient information. The care plan is then sent to the ED and serves as a resource for the ED providers and staff. **Access –** We track access to mental health counseling and psychiatry on Gifford's Quality dashboard for Primary Care Division. For the most part, people can schedule

	an appointment with Psychiatry within approximately 10 business days from the time they are referred. Access to mental health counseling at Gifford has been more of a challenge, due to being down at least 1 FTE. We are currently recruiting for both Counseling and Psychiatry.
30-Day Follow-Up for Alcohol and Other Drug Dependence	**Monitoring** – Gifford's Community Health Team (CHT) monitors the ED discharge panel for all diagnoses to see if patients followed up with their primary care provider (PCP) per the discharge instructions. If they don't see evidence of a follow-up visit scheduled, they bring it to the practice's attention. The practice then reaches out to the patient to try to schedule his/her follow-up visit. For patients discharged from the ED who do not have a PCP, the CHT does outreach and offers to help get them established with a Gifford PCP. **Referrals** – ED providers have the ability to generate electronic referrals to Addiction Medicine. In addition, Gifford's social worker is proactive in identifying patients who could benefit from an addiction medicine/substance use referral and ensuring it gets scheduled—either by reminding the ED provider to make the referral and/or facilitating the scheduling of the follow-up appointment. In addition, the CHT receives direct referrals from the ED, requesting that they assist with connecting patients with various community resources (usually focused on the social determinants of health). When the CHT notices that the patient was seen for a substance use disorder, they will often bring it to the attention of the Addiction Medicine team so they can outreach to the patient and offer a consultation to discuss treatment options. **MAT Care Plans** – The Medication-Assisted Treatment (MAT) team, in collaboration with the Addiction Medicine team, completes care plans on all MAT patients annually. They review the patients' goals with them quarterly to assess progress and set new goals as they meet previous goals. **Access –** We track access to treatment for alcohol and other drug dependence on Gifford's Quality dashboard for Primary Care Division. In general, people are accessing treatment within days. We have made a few changes to get new MAT patients in even more quickly. (This is due in part to Gifford Dr. Christopher Lukonis's involvement in a program to get patients diagnosed with an opioid use disorder prescribed suboxone and scheduled within 72 hours of an ED visit; Gifford is working on this program with Central Vermont Medical Center and several other treatment providers in the area).