Gifford Medical Center
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NARRATIVE

1. *Executive Summary. Summarize the changes in the hospital budget submission. Include any information the GMCB should know about programmatic, staffing, and operational changes.*

This letter serves to provide Green Mountain Care Board (GMCB) with a narrative summary of Gifford Medical Center's Fiscal Year 2019 budget. Gifford utilizes a five-year planning tool that provides a profit and loss statement, balance sheet, statistics, etc. We use this tool to complete the budget forms. The projections for our budget are based on historical data, current experience, changes in service delivery, and ongoing operational improvements. This budget was submitted to and approved by the Gifford Board of Directors on June 28, 2018.

Revenue Assumptions
Utilization is driven by physicians, available services, and available staff. Stable staffing, improvements to existing technology and services, and consistent management enable us to best meet the needs of the community.

Inpatient services saw a decrease from FY 2018 budget projections. Gifford expects current volumes to remain stable into FY 2019.

On the outpatient lines of business, Gifford expects overall 2019 budgeted volumes to be at 2018 budgeted volumes.

Deductions from Revenue
Affordable Care is being budgeted at .39 percent of GPR. Gifford Affordable Care is an application-driven process based on income, family size, and extenuating circumstances. We endeavor to be "payer of last resort" relative to settlements, accidents, and other such matters.

In total, Contractual Allowances are budgeted at FY 2018 actual levels. Gifford expects a shift in payer mix from Medicaid to Medicare due to the aging Medicaid population. This is reflected in the Rate Schedule provided. Gifford does not expect a change in reimbursement from Medicaid.

Bad Debt as a percentage will come in at 2.4 percent. Gifford helps patients to ensure they receive the financial assistance they need, including setting up affordable payment plans.

Other Operating Revenue
Annually, Gifford eliminates all income that is not contracted and locked down. We remove all expenses and revenue from grants, "rental" employees, and the like. We do not expect that there will be any marked change in the rental space arrangements that we have beyond inflationary. Cafeteria and daycare revenue will increase on an inflationary basis.

Operating Expense
Gifford's Total Operating Expense shows a 6.3 percent decrease from the FY 2018 budget. For FY 2019, Gifford has a budget increase in wages of 3 percent for both merit and market. Given that some of these monies will be directed toward market adjustments, staff will receive less than this (3 percent) as a salary adjustment. Full-time employees (FTEs) will decrease in total by 9.5. Health and dental benefits will increase slightly by 3 percent while all other areas will remain flat. All other non-salary expenses will increase by an inflationary average of approximately 3 to 4 percent.

Non-Operating Revenue
We are expecting $850,000 from development efforts and moderate gains in the stock market for our investments.

Gifford continues to try to maintain its financial ratios at small-hospital, BBB-rated levels. This will continue to positively affect, to some degree, our interest costs to build a reasonable level of funded depreciation, and to provide a solid base for an uncertain future.

2. *Payment and Delivery Reform. Describe how the hospital is preparing for and investing in value-based payment and delivery reform and implementation of the All-Payer Model for FY 2019 and over the next five years. Include answers to the following questions.*

Gifford Medical Center (GMC), working with its parent organization Gifford Health Care, a Federally Qualified Health Center (FQHC), implemented a new physician-practice electronic medical record (EMR) system during FY 2018. This new system significantly improves our ability to utilize data to provide population health, preventative health, and chronic disease management. Our practices work collaboratively with our Emergency Department, the Blueprint for Health program, and other community partners to ensure proper transitions of care for community members. This continuity of care occurs through active care management, assistance to patients who lack a primary care provider, access to a post-acute discharge clinic, and an integrated primary care system within our FQHC.

We have also increased our focus on community health services throughout our catchment area. In the past year we have held free skin cancer screenings and foot care clinics, provided concussion education to local school athletic programs, engaged our community in a six-part series on the opioid epidemic, and provided numerous health education presentations.

A. *Has the hospital signed a contract with OneCare Vermont? If yes, for which payers? If not, explain.*

Gifford Medical Center has not signed a contract with OneCare Vermont (OCV). GMC previously participated with the Community Health Accountable Care (CHAC) Accountable Care Organization (ACO) until it ceased operations at the end of 2017. GMC has requested information from OCV in order to evaluate our participation for calendar year 2019.

3. *Community Health Needs Assessment. Describe the hospital's initiatives addressing its population health goals as identified in the CHNA.*

Gifford's mission is to provide accessible, high-quality, personalized health care to every person who walks through our doors. In 2015, as part of the federal Patient Protection and Affordable Care Act, Gifford performed a Community Health Needs Assessment in part by surveying community members

in multiple area towns. In 2016 and 2017, this assessment was reviewed and modified as required by the federal mandate.

Gifford has strategically worked to address the community's needs within the role as healthcare provider. Areas initially identified as health problems include lack of preventative health care/access to health care, substance abuse, obesity, and lack of dental care.

Preventative health care/access to health care

To facilitate an increased focus on preventative health care and improve access to care, Gifford has implemented a new primary care team model that pairs a physician with nurse practitioners and physician assistants who are specially trained to help patients with preventative and primary care. (Seven mid-level providers joined our staff in 2016.)

As a patient-centered medical home, we strive to provide an excellent patient care experience, lower the per-capita cost of health care, and improve the health of our population. The Community Health Team (CHT) works collaboratively with the Emergency Department (ED) to reach out to patients with six or more visits to the ED in twelve months. The CHT determines if the visit was emergent or non-urgent, and whether it was during office hours when the patient could have been seen in a clinic. The CHT also ensures that a follow-up appointment is scheduled and confirms whether the patient has been seen by their primary care provider in the last twelve months.

A CHT member reaches out to the patient to help coordinate care and determine if there are barriers to care that can be addressed and removed. The CHT also offers to schedule and facilitate shared care team meetings to coordinate care with other agencies.

Substance-abuse counseling

As a Federally Qualified Health Center, Gifford's Behavioral Health and Blueprint for Health team specialists offer counseling and one-on-one patient care at all Gifford primary care locations. A newly-created Addiction Medicine program, fully staffed with a board-certified psychiatrist certified in addiction medicine and a licensed alcohol and drug counselor, offers ongoing Suboxone® treatment for patients with complex needs; Suboxone® provider support, education, and consultation; and therapy to help patients rebuild lives damaged by opioid use.

Obesity

Gifford's primary care team has long been a proponent of healthy lifestyle choices for good health and the prevention of disease and obesity. Body mass index (BMI) is measured at annual health screenings, and patients are guided by providers and Gifford's registered dietitians on healthy diets and portion control. Discussions in support group settings, such as for diabetes and other chronic conditions, often focus on healthy choices to reduce and prevent disease. Patients are strongly encouraged to be physically active.

In 2016, Gifford took the childhood obesity epidemic discussion outside the doctor's office by giving local elementary and high schools grants to support increased healthy exercise initiatives and the purchase of physical education equipment. We also supported the farm-to-school food program to encourage healthy food habits.

Gifford's Blueprint for Health team hosted the following classes and support groups to assist patients with goal setting, weight management, and nutrition. All classes are free, evidence-based, and run by

trained facilitators. The Self-Management Programs focus on action planning and problem-solving, nutrition, exercise, medication use, emotions, and talking to healthcare providers.

Self-Management Programs (1x per week, 6 weeks, 2½ hours per class)
Chronic Disease: for anyone with a chronic disease like arthritis, obesity, heart disease, cancer, etc.
Chronic Pain: for anyone with musculoskeletal pain, fibromyalgia, neuropathic pain, persistent headache, Crohn's disease, irritable bowel syndrome (IBS), diabetic neuropathy, and pain from conditions like multiple sclerosis (MS)
Diabetes Management: for anyone with Type 2 diabetes

Prevention Program (Yearlong class; 1x a week, 16 weeks transitioning to 2x a month, 1x a month, 1 hour per class)
Diabetes Prevention Program: for anyone with a BMI above 25 who is at risk for Type 2 diabetes. Participants *may have* a diagnosis of pre-diabetes-A1C 5.7-6.4, hypertension, abnormal cholesterol. Participants may also meet at-risk qualifications:

Ages 45-65
65 years of age or older
Younger than 65 with little or no physical activity in a typical day
Woman who's had a baby weighing more than 9 pounds at birth
A parent, brother, or sister with diabetes

A Blueprint for Health coach works collaboratively with patients to achieve health and wellness goals. Together they set SMART goals. An accountable partner, the coach provides support and encouragement to help the participant successfully achieve goals. Referrals to the Blueprint for Health coach are by a provider, Community Health Team member, or self-referral.

Dental care
Gifford's FQHC designation has brought resources that help us support local dentists as they strive to better care for the under- and uninsured. To improve dental health in our service area, we have offered free medical and dental health screenings and distributed information about community resources that can help with access to dental care. At a free Medical and Dental Health Access Day offered in 2015, those community members without ongoing primary care were connected with Gifford providers to ensure that dental care would continue to be part of ongoing preventative health efforts.

In 2015, Gifford partnered with two local dentists to provide restorative care to adults in the area who could not afford dental services. Gifford offset the out-of-pocket costs to the patients. This partnership helped to ensure many people in the area received the treatments they needed to achieve a healthy dental path going forward.

In 2018, Gifford partnered with HealthHUB to take a more proactive versus reactive approach to dental health. This partnership has allowed us to bring dental services to 10 towns, as opposed to only one town per our previous arrangement. HealthHUB can provide low-cost routine care to members of those communities and refer patients to appropriate providers for restorative treatment if needed. In addition, our partnership with HealthHUB has broadened the age range we can service; we now can serve all ages, not just adults.

4. *Quality Measure Results. Review Appendix IV, and provide a response to health service area, county or regional performance results for each of the All-Payer Model quality measures. Discuss outcomes, goals, and plans for improvement.*

   See Appendix IV

5. *Mental Health. Provide the following information*:*
   A. *The number of mental health beds:*

      Gifford does not have any mental health beds.

   B. *The number of patients who waited in the emergency department for an available mental health bed at this hospital or at another facility:*

      43 patients waited at Gifford for an available mental health bed during calendar year 2017.

   C. *The range and average time patients spend in the emergency department awaiting an appropriate mental health placement:*

      Minimum: 3.7 hours
      Maximum: 19 days
      Average Wait: 1.7 days

   D. *Average cost per day for patients awaiting transfer:*

      The average daily cost of uncompensated care is $1,339 per day.

   E. *List and describe each initiative, program or practice the hospital has implemented, or plans to implement, that focuses on ensuring that Vermonters have access to high-quality, timely, and appropriate mental health treatment.*

      Gifford has a longstanding partnership with Clara Martin Center (CMC). CMC plays an integral role in assisting Gifford with assessment and placement for patients with mental illness. We have identified a need for better access to psychiatric evaluation and consultation services for acute patients in mental health crisis. Thus, Gifford is in the process of contracting with Brattleboro Retreat for tele-psychiatry services. This will enable patients to begin receiving psychiatric care while they await transfer to a mental health bed.

      a. Mental health clinicians and social workers respond to requests to visit patients in the ED or in an inpatient unit to assist with the evaluation of the patient. They facilitate referrals to counselors, often with appointments scheduled before patients are discharged.
      b. Gifford implements a Multidisciplinary Care Plan for patients who are frequent utilizers of our ED.
      c. Gifford maintains an agreement with a designated agency, Clara Martin Center, to assist with evaluation and placement of mental health patients, in addition to referrals to outpatient services.
      d. Gifford plans implementation of a tele-psych agreement with Brattleboro Retreat for professional services to evaluate, assess, and provide a treatment/medication plan for patients awaiting beds. Gifford plans to implement this initiative within six months.

*NOTES regarding data above:
Time Range: CY 2017
Keywords in Diagnosis: overdose, suicidal ideation, drug, poisoning, alcohol abuse, intoxication, suicide, major depressive disorder, antisocial behavior, depression, anxiety, oppositional defiant, psychotropic drugs, mental, adjustment, clearance, benzo, arrest, behavioral

6. *Patient Access. Provide wait times, by medical practice area, for the "third next available appointment," as defined by the Institute for Healthcare Improvement (IHI) http://www.ihi.org/resources/Pages/Measures/ThirdNextAvailableAppointment.aspx. For hospitals that do not use this measure, describe wait times and how they are currently measured.*

Gifford Specialty Clinics have same-day access for urgent or acute patient visits. Each specialty has a provider on call for their patient base to assess the need and urgency of patient issues. Several specialties, such as urology and neurology, where Gifford employs only one physician, still are able to see patients whose situation is considered acute or urgent.

Time to "third next available appointment" varies by clinic specialty, but patients are able to be seen within five days.

Gifford's outpatient rehabilitation department is able to schedule new patient evaluations within five days and follow-up patients within 14 days.

Gifford Health Care (Gifford's parent FQHC) follows the same guidelines as the specialty clinics, with access available daily for urgent or acute care for patients.

7. *Substance use disorder treatment programs. Describe the hospital's substance use disorder (SUD) treatment programs, and provide the following information:*
   A. A description of the hospital's full range of SUD treatment programs:
   B. The number of patients currently enrolled in medication-assisted treatment (MAT) programs and other SUD programs; and
   C. The number of MAT providers and other SUD providers employed by the hospital.

Gifford's substance use disorder (SUD) treatment options fall under the Gifford Health Care FQHC umbrella. Over the past year, we have greatly increased our capacity to treat people with substance use disorders, including more than tripling our capacity to provide medication assisted treatment (MAT) to people with opioid use disorder. We have three providers offering MAT services to 149 patients in Berlin, Randolph, and White River Junction. Of those patients, four are receiving Vivitrol injections for opioid use disorder and 11 are receiving other medications for alcohol use disorder. The remaining patients are receiving Suboxone for opioid use disorder.

The following are some of Gifford's accomplishments related to expansion of substance use disorder treatment:

- Our Gifford Addiction Medicine program began in early 2017 and continues to grow over time. In addition to our Addiction Medicine physician, we have a licensed alcohol and drug counselor offering therapy to patients of the program. She currently maintains a counseling case load of approximately 60 patients. The Addiction Medicine team has also been a

resource to our primary care providers in helping to assess for opioid use disorder in patients receiving opioid prescriptions for chronic pain.

- In 2017, Gifford implemented screening for alcohol and substance use disorders for all new patients and annual visits in the primary care practices. Patients who screen positive are offered additional support through our Addiction Medicine program.

- Gifford began participating in the Vermont Medicaid Women's Health Initiative in April 2017. We have since implemented enhanced universal health and psycho-social screening within our Women's Health locations, to include screening for behavioral health and substance use disorders. This initiative supports a social worker who provides care coordination of services for patients identified as high-risk.

Gifford participates in the statewide Hub and Spoke program, and receives Vermont Medicaid funding for MAT nurses and licensed master's-level clinicians to offer MAT Team support to our MAT providers and patients. Our MAT team works closely with our MAT providers and other community partners to develop clinical pathways and referral protocols to ensure that patients are receiving care at the appropriate level. As our MAT patient panel grows, we expand our MAT team proportionally.

We are excited that our treatment resources are expanding within our community, thereby providing more options and flexibility for our patients to receive needed care closer to home and contributing to greater overall rates of initiation and engagement in treatment within our health service area.

8. *Health Reform Investments*.
Part I: Provide updates on all health reform activities submitted under the GMCB's extended NPR cap for FYs 2016 - 2018 including:

Gifford remains committed to responding appropriately to health care reform and investments. However last year (FY18) was the first year that Gifford requested the .4 percent health care reform investment, please refer to Attachment 2.

Total Health Care Reform Investment for 2018: $568,000					Per GMCB budget guidance, indicate which of the health care reform criteria the investment meets			
	Activities, investments, or initiatives within the 0.4% health care reform investment	Allocation for the investment	Was this activity in last year's budget?	Is this investment supplanting the previous costs, or are they new?	Support for ACO infrastructure or programs	Support of community infrastructure related to ACO programs	Population health improvement activities	Population health measures outlined in APM
1	ACO dues (CHAC)	$ 50,000	No	New	X			
2	IT Initiatives:		No	New/Supplanting	X	X	X	X
3	QM Initiatives	$ 39,000	No	New		X	X	X
4	Community Outreach Initiatives	$ 105,000	Yes/No	New/Supplanting		X	X	X

- CHAC the ACO Gifford was a part of no longer exists and the expenses are not budgeted in FY19.

- e-Clinical Works, Gifford's new EMR, has been successfully implemented in the spring of 2018. Ongoing expenses are noted in Appendix V.

- The QM initiatives noted are ongoing and reflected in the FY19 budgeted expenses.

- Gifford has enhanced its Community Outreach initiatives during FY18 the focus was on substance use and we predict our work will continue with this initiative in FY19 as well as other preventative health outreach as noted in Appendix V.

Part II: Complete the Table at Appendix V.

See Appendix V

9. *Reconciliation. Provide a reconciliation between FY 2018 approved budget and FY 2018 YTD, showing both positive and negative variances. Explain the variances.*

Gifford Medical Center			
CEO: Dan Bennett			
Fiscal Year 2018 YTD Summary		**182**	
	2018 B Through March	**2018 YTD**	**2018 B-2018 YTD**
Revenues			
Inpatient	$ 16,030,665	$ 12,436,407	-22.4%
Outpatient	$ 45,670,043	$ 41,837,985	-8.4%
Swing Beds	$ 903,196	$ 1,152,506	27.6%
Gross Patient Care Revenue	$ 62,603,903	$ 55,426,898	-11.5%
Disproportionate Share Payments	$ 323,000	$ 323,000	0.0%
Bad Debt	$ (1,658,494)	$ (1,240,962)	-25.2%
Free Care	$ (279,426)	$ (211,896)	-24.2%
Deductions from Revenue	$ (31,231,978)	$ (28,847,693)	-7.6%
Net Patient Care Revenue	**$ 29,757,005**	**$ 25,449,347**	**-14.5%**
Total NPR & FPP	**$ 29,757,005**	**$ 25,449,347**	**-14.5%**
Other Operating Revenue	$ 454,644	$ 546,406	
Total Operating Revenue	**$ 30,211,649**	**$ 25,995,753**	**-14.0%**
Operating Expense	**$ 29,526,672**	**$ 29,142,807**	**-1.3%**
Net Operating Income	**$ 684,977**	**$ (3,147,054)**	**-559.4%**
Non Operating Revenue	**$ 425,000**	$ 1,169,336	**175.1%**
Excess (Deficit) of Rev over Exp	**$ 1,109,977**	**$ (1,977,718)**	**-278.2%**
Operating Margin %	**2.3%**	**-12.1%**	
Total Margin %	**3.6%**	**-7.3%**	

Gifford has been experiencing financial challenges this year, and as of March has an YTD $3.1 million loss on operations. The losses have been driven in large part by lower than expected surgical and inpatient volumes, and expected dips in volume during our electronic health record implementation. To improve our financial performance we are focusing on three areas – achieving our expected patient volumes, reducing costs, and expanding our community relationships.

We expect our volumes to increase as we build back our surgical services and fill needed primary care positions. Also, with the successful implementation of the new EMR, we are expecting to see higher productivity from our clinics.

We have asked all employees to identify areas where we can reduce our costs – and they have answered that request. We also feel that now that the EMR is up and running expense will come into line without the required training and go-live pressures. Additionally, with the new surgeons coming on line this summer we also will no longer have to pay for locums, and we also look forward to not needing to use traveling nurses by the end of July.

Gifford has been able to accumulate financial reserves over the years to invest in facility and equipment needs, and to insulate us against difficult financial times. These reserves allow us to weather the type of challenges we have faced these past two years – but we cannot rely on them indefinitely and need to return to achieving positive financial results.

10. *Budget-to-budget growth.*

A. Net Patient Revenues:

Overall gross revenue for inpatient services saw a decrease from what was budgeted in 2018, while outpatient services met 2018 budgeted volumes. With the successful implementation of our new EMR, we expect to see higher productivity from our clinics. We also expect to rebound from 2018 actuals with investments in our surgical services and additions to our primary care team. To that end, we will welcome two new general surgeons in August and two family medicine physicians in the coming months.

Contractual Allowances are budgeted at FY 2018 actual levels. Gifford budgeted an overall contractual rate of 50.1 percent for FY 2018. However, for the FY 2019 budget, Gifford has adjusted the rate to 51.9 percent to reflect 2018 actuals.

Gifford expects a slight shift in payer mix from Medicaid to Medicare and our commercial payers based on FY 2018 actual experience. This is reflected in the Rate Schedule provided.

Medicare:
Critical Access Hospital (CAH) payments are based on costs and the share of those costs allocated to Medicare patients. Gifford receives cost-based reimbursement for inpatient and outpatient services provided to Medicare patients. The cost of treating Medicare patients is estimated using cost accounting data from Medicare cost reports.

Healthcare spending is projected to rise by 5.3 percent in 2018 and continue at about that rate through 2026, according to estimates from the U.S. Centers for Medicare and Medicaid Services (CMS).

Gifford has realized the entire rate increase in its NPR for Medicare.

Medicaid:
We have seen a Medicaid payer mix reduction of .5 percent in FY 2018, which is reflected in our FY 2019 budget. This reduction is causing the majority of the unfavorable reimbursement. We are not budgeting any additional reimbursement due to the rate increase for Medicaid.

Commercial:
There was a slight shift in payer mix, and we have increased NPR based on the additional monies from the rate increase.

Cost-Savings Initiatives:
See Attachment 1.

Table 1A:
NPR Bridges - FY 2018 Approved Budget to FY 2019 Proposed Budget

NPR	Total	% over/under	Medicare	Medicaid-VT	Medicaid-OOS	Commercial-Maj	Comm - Self/Sml	Workers Comp
FY 18 Approved Budget	$ 59,514,012		$ 20,905,483	$ 5,507,709	$ -	$ 36,976,659	$ (3,875,839)	$ -
Commercial Rate	$ 1,606,679	2.7%	$ 701,948			$ 904,731		
Rate - Non Commercial		0.0%						
Utilization	$ (4,256,675)	-7.2%	$ (1,340,736)	$ (419,145)		$ (2,496,794)		
Reimbursement/Payer Mix	$ 186,173	0.3%	$ 65,896	$ (176,697)		$ 296,974		
Bad Debt/Free Care	$ 479,740	0.8%					$ 479,740	
Physician Acq/Trans		0.0%						
Changes in Accounting		0.0%						
Changes in DSH	$ (91,203)	-0.2%		$ (91,203)				
Budget Adjustment	$ (1,544,075)	-2.6%	$ (708,386)	$ (221,323)		$ (614,366)		
Other (please label)	0	0.0%	0	0	0	0	0	0
FY 19 Budget	$ 55,894,651	-6.1%	$ 19,624,205	$ 4,599,341	$ -	$ 35,067,204	$ (3,396,099)	$ -

Table 1B: Not available

B. Expenses:

Gifford's total operating expenses show a 6.3 percent decrease from the FY 2018 budget.

Over the past year, Gifford has been actively evaluating all costs. For a detailed listing of Gifford cost-savings initiatives, refer to Attachment 1.

FTE/Salaries: (Decreasing in total by 9.5 FTEs budget-to-budget)

All: Full utilization of low census across all departments

Overhead: Reduced 3 FTEs due to attrition

Ancillaries: Reduced by 1.5 FTEs to bring the departments in line with current volume expectations

Clinics: Reduced 5 FTEs to bring departments in line with current volume expectations, and moved 1 FTE from a salaried position to a contracted service.

Benefits:

Health: 3 percent
Dental: 3 percent
Life Insurance/Short- and Long-Term Disability: 0 percent
Worker's Comp: 0 percent

Depreciation: Overall Gifford is seeing a reduction, primarily caused by moving to cloud-based applications for our IT equipment and software needs.

All Other Non-Salary: Expenses are increasing by an inflationary average of approximately 3-4 percent.

Cost-Savings Initiatives: See Attachment 1.

Table 2:
FY 2018 Approved Expenses to Budget FY 2019

Expenses	Amount	% over/under
FY 18 Approved Budget	$ 59,053,346	
New Positions	-	0.0%
Inflation Increases	349,362	0.6%
Salaries	(0)	0.0%
Fringe	(282,729)	-0.5%
Physician Contracts	2,347	0.0%
Contract Staffing	-	0.0%
Supplies	(59,163)	-0.1%
Drugs	(100,000)	-0.2%
Facilities	-	0.0%
IT Related	-	0.0%
Health Reform Programs	-	0.0%
Depreciation	(274,934)	-0.5%
Interest	(17,255)	0.0%
Health Care Provider Tax	-	0.0%
Other (please label)	-	0.0%
Other (please label)	-	0.0%
Cost Savings	(3,324,858)	-5.6%
FY19 Budget	$ 55,346,116	-6.3%

11. *Bad Debt*.
    A. *Provide the amount of bad debt carried by the hospital at the close of FY 2017 that was incurred prior to FY 2016.*

	2017	2016
Balance, beginning of year	$ 1,705,246	$ 1,408,318
Provision for year	$ 2,904,150	$ 2,992,658
Accounts charged off during year	$ (3,153,288)	$ (2,695,730)
Balance, end of year	$ 1,456,108	$ 1,705,246

B. *If the hospital contracts with a collection agency, provide the name of the agency.*

Gragil Associates Inc
PO BOX 1010
29 Winter Street
Pembroke Mass 02349
1-800-462-0282
www.gragil.com

One Advantage, LLC:.
PO Box 23860
Belleville, IL 62223
1-800-812-3880
www.oneadvantagellc.com

C. *In your opinion, explain whether the agency adheres to "patient friendly billing" guidelines. See http://www.hfma.org/Content.aspx?id=1033*

The two bad-debt companies that are used by Gifford meet the criteria of patient-friendly billing.

The bills sent to patients are written in clear language, enabling patients to understand quickly what they owe and what they need to do with the information provided.

Statements include detail to show what is owed by the patient. The statements do not include estimates or incomplete information.

The needs of Gifford patients and family members are our first concern. The bad-debt companies take into consideration any hardship, discussing alternatives with the patient and reviewing several solutions, all while working directly with our financial department to come to a resolution that is suitable for all parties.

D. *Rate Request*.
Provide the hospital's budgeted overall rate/price increase or decrease. Explain how the rate was derived and what assumptions were used in determining the increase or decrease.

For the 2019 budget Gifford is requesting a 4 percent increase. Gifford's strategy in calculating the rate increase is to understand the expected volumes, necessary services, and patient needs for the area, as well as what it costs to provide these services.

Gifford utilizes these rates as a basis for discussion with our commercial payers. The rates are used to provide both parties with validity and a sense of fairness, given the oversight from both the Gifford Board of Directors and Green Mountain Care Board.

For each payer, if the net patient revenue budget-to-budget increase or decrease is different than the overall rate/price change—for example, if the requested commercial "ask" differs from the rate/price change—explain why they differ.

Gifford's overall approved rate increase is applied to all payers.

In April/May, the GMCB will provide a rate schedule for reporting the rate/price change for each major line of business and the gross and net revenues expected from each payer as a result of the rate/price change.

See adaptive planning

13. *FY 2017 overages. For those hospitals that received a letter regarding their FY 2017 budget-to-actual overages results, specifically address the issues and requirements outlined in the letter.*

Gifford did not receive a FY 2017 letter for overages.

14. *Capital budget investments. Describe the major investments, including projects subject to certificate of need review, that have been budgeted for FY 2019 and their effect on the FY 2019 operating budget.*

BUILDING and BUILDING SERVICES

Lighting Upgrade: $320,000
Scope: Upgrade existing fluorescent lighting throughout main hospital. Gifford is working with Efficiency Vermont on design, layout, and incentives.

Underground Fuel Tank Replacement: $160,000
Scope: Two 6,000-gallon underground fuel-storage tanks will expire in 2019. Per state regulations, these tanks need to be replaced.

Rooftop Unit Replacement: $157,659
Scope: Replace 2nd Floor HVAC rooftop unit in the medical office building.

Gamma Camera Installation: $100,000
Scope: Upgrade physical plant to accommodate Gamma camera installation.

Security Upgrade Badge Access: $78,890
Scope: Install badge access to interior/exterior doors throughout main hospital.

Interior/Exterior Camera Upgrades: $54,000
Scope: Upgrade cameras throughout main hospital.

Burner Replacement Boiler No. 1: $35,800
Scope: Install energy-efficient boiler burner to replace existing Boiler No. 1, with incentives through Efficiency Vermont.

Refrigerator Upgrades/Wireless Temp-Monitoring: $20,000
Scope: Upgrade vaccination medication refrigerators throughout the organization. Install wireless temperature-monitoring system for vaccination refrigerators

MAJOR MOVABLE

Gamma Camera: $740,636
Scope: Replace 11-year-old unit that has reached end of life.

Endoscopic System: $309,132

Scope: Upgrade the existing endoscopic equipment utilized to perform diagnostic and therapeutic procedures of the upper and lower GI tract. Current equipment soon will not be supported by the company.

PACS System: $225,000
Scope: Replace physical servers. The current contract for this service has expired.

Mobile X-Ray System: $160,735
Scope: Replace current unit, an older model, with a system that has updated imaging technology.

EMR Server: $150,000
Scope: Replace data center server.

Phaco System: $134,500
Scope: Upgrade existing equipment utilized during cataract surgery. New equipment will more accurately measures the eye to allow for utilization of specialty intraocular lenses.

Pulmonary Function System: $123,931
Scope: Replace current PFT machine as it has reached end-of-life status and no longer will be supported .

Cardiac Monitor System: $116,237
Scope: Replace cardiac-monitoring equipment throughout nursing units. Current equipment soon will not be supported by the company.

15. *Technical concerns. Explain any technical concerns or reporting issues the GMCB should examine for possible changes in the future.*

Salary Information:

Submit a full copy of the hospital's Form 990 (for Actual 2017), including the most current version of Schedule H (filed in 2018) that has been submitted to the Internal Revenue Service as part of the hospitals organization's Form 990 reporting obligations under Section 501(c)(3) of the Internal Revenue Code. (Note that this information is required under the GMCB Guidelines for the Community Health Needs Assessment, attached. Provide a single copy of these documents.)

A. Complete the following table:*

Provide Headcount & Box 5 Wages from 2017 W2s			Employer Portion (allocation method allowed):	
Salary Range	Total # of Staff	Total Salaries (includes incentives, bonuses, severance, CTO, etc.)	Health Insurance Coverage	Retirement Contributions
$0 - $199,999	712	$ 27,892,002.93	$ 6,261,958.89	$ 1,115,147.55
$200,000 - $299,999	18	$ 4,153,362.69	$ 317,396.20	$ 168,414.10
$300,000 - $499,999	7	$ 2,564,923.90	$ 171,981.02	$ 108,823.60
$500,000 - $999,999	1	$ 588,355.03	$ 28,647.20	$ 18,316.68
$1,000,000 +	0	$ -	$ -	$ -
Health Insurance Coverage includes Medical and Dental			Employer Portion - Actual per Employee Numbers	

B. Submit the hospital's policy or policies on executive, provider, and non-medical staff compensation.

As noted in Gifford's By-Laws the Board Personnel and Compensation Committee reviews the compensation plans and personnel policies of the organization. Duties include to review the compensation plan for the employed physicians and key staff. The committee also conducts salary and wage studies.

C. Identify:

i. Outside consultants relied on for benchmarking;

Medical Group Management Associates (MGMA) for providers; 2018 Northern New England Healthcare Compensation Survey

ii. Peer groups to which the hospital benchmarks;

Vermont/New Hampshire Critical Access Hospitals; Vermont hospitals for nursing

iii. Compensation targets in terms of percentiles for each staff category; and

Compensation for providers is in the MGMA 25th percentile to median for their specialty, depending on experience. For all other staff, Gifford utilizes the 2018 Northern New England Healthcare Compensation Study and we strive to have compensation levels comparable to other Critical Access Hospitals.

iv. The hospital's actual compensation level, compared to target, for each employee group (e.g. executive, provider, non-medical staff)

Compensation levels range from 25 percent to median, depending on staff experience and length of service.

Organizational Structure

Provide the hospital's organizational chart including parent companies, subsidiaries, affiliated entities, etc.