Brattleboro Memorial Hospital
EXCEPTIONAL CARE FOR OUR COMMUNITY

July 2, 2018

Pat Jones, Director of Health System Finances
Green Mountain Care Board
144 State Street
Montpelier, Vermont 05602

Dear Pat,

Please find the attached responses to the FY 2019 GMCB narrative. Please call to discuss any concerns you may have.

Sincerely,

Michael O. Rogers
Chief Financial Officer

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

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

First and foremost, we need to address BMH FY2018 Net Revenue calculation identified in the Hospital Budget Order dated 9/28/2017 and our revision request dated 10/18/18. On 10/31/2017, Chairman Kevin Mullen, Jessica Holmes and Andy Pallito visited BMH for a tour and a subsequent discussion of the Budget Order and the discrepancy related to this Net Patient Revenue budget calculation. Mr. Rogers, BMH CFO, presented the attached PowerPoint related to this matter. Also included are previous communication with GMCB concerning this matter. From the BMH perspective, the Board members and staff in attendance acknowledged this discrepancy but did not want to formally the matter until later in the Fiscal Year. At this point in time, for FY2019 budgeting purposes, we have used $80,202,627 Net Patient Revenue for FY 2018. All revenues for FY 2019 are based on this number.

For FY 2019 Budget, BMH's submitted Net Patient Revenue is an increase of 4.8%. Factors impacting this growth include increased productivity in medical practices, additional medical practitioners being recruited to replace retired independent physicians and rate increase. From the cost structure perspective, BMH expenses are budgeted to increase 4.2%. The significant drivers in this area include wage and benefit increases as well as depreciation and provider tax. It should be noted that BMH implemented an Operational Improvement Plan during FY2018 which will result in savings of over $2.2M (see Question 10 answer for details).

BMH will continue to fully participate in all of OneCare's risk-based agreements. This commitment has resulted in BMH now employing RN Care Coordinators (8) in the majority of the employed practices as well as funding to support the RiseVT project manager.

In addressing the mental health and substance abuse crisis in our community we have invested in a Psychiatric Nurse Practitioner based in the Emergency Department and a Behavioral Health Therapist (SBIRT). The BMH Emergency Department is now the 4th busiest ED in the State in terms of treating mental health and substance abuse patients based on data recently provided by VAHHS and additional resources must be allocated to this critical service which is now the "front door" to our area's mental health system.

Steven R. Gordon

From:	Michael Rogers
Sent:	Wednesday, October 18, 2017 3:52 PM
To:	Pallito, Andy
Cc:	Steven R. Gordon
Subject:	Budget order revision request
Attachments:	Buget Order Revision request 20171018.pdf

Andy,

Attached is the communication we discussed earlier in the week.

As always, call if you have any questions.

Michael O. Rogers| VP – Finance & Treasurer | Southern Vermont Health Services & Brattleboro Memorial Hospital |(802)257-8279 | mrogers@bmhvt.org

Brattleboro Memorial Hospital
EXCEPTIONAL CARE FOR OUR COMMUNITY

October 18, 2017

Andrew A. Pallito, Director of Health System Finances
Green Mountain Care Board
89 Main Street Drawer 20
Montpelier, Vermont 05602-3601

Dear Andrew,

Thank you for discussing this with us earlier this week. We request the Board adjust our budget order.

We agreed to reduce our rate increase from 8.9% to 5.7% to effectively remove coverage for risk inherent in the ACO contracts. The Budget order included a lower net revenue target in addition to the lower rate increase. We had not discussed this. As we discussed previously, if we implement the approved net revenue in the Budget order, it will result in an approved budget with an operating loss.

If the Board's assumption was that the removal of risk would reduce the operating expenses, that is incorrect. Reducing the rate increase and removing the risk coverage does not lower the net revenue. It lowers the gross revenue and the deductions from revenue, leaving net revenue untouched. In our budget submission letter I discussed the impact of risk on net revenue by major payor group on pages 7& 8.

	FY2018 Budget as submitted	5.7% rate increase & remove risk	FY2018 Budget Revised w/o Risk
Gross Revenue	174,768,050	(5,196,353)	169,571,697
deductions from revenue	(94,565,423)	5,196,353	(89,369,070)
Net Patient Service Revenue	80,202,627	0	80,202,627

Brattleboro Memorial Hospital (BMH) requests the Green Mountain Care Board to correct and to adjust the FY 18 Net Patient Revenue amount and percent FY18 NPR increase set forth in BMH's September 28, 2017 Budget Order to reflect BMH's hospital budget presentation and to avoid an unavoidable operating loss. This correction and adjustment shall be effective October 1, 2017.

We need a written response to this request by October 25. We would be happy to meet and/or discuss this with you or any Board member as appropriate.

If you have any questions, please feel welcome to call me.

Sincerely,

Michael O. Rogers
Vice President - Finance
(802) 257-8279

Cc: Steven Gordon, CEO and President

Steven R. Gordon

From: Morrison, Janeen <Janeen.Morrison@vermont.gov>
Sent: Thursday, September 28, 2017 1:13 PM
To: Steven R. Gordon; Michael Rogers; Leon Lachenal
Cc: Pallito, Andy; Crompton, Thomas; Perry, Lori; Theroux, Kelly; 'jshaw@vtlegalaid.org'; 'Mike Del Trecco'
Subject: FY18 Hospital Budget Order
Attachments: FY18 BMH Cover Letter.docx; FY18 BMH Order.docx

Attached you will find your FY18 Hospital Budget Order with cover letter.

For those of you who were ordered to make adjustments, staff will follow up with you next week.

Please let us know if you have questions. Thank you for your assistance during the process this year.

Sincerely,
Andy Pallito, Director of Health System Finances
Thomas Crompton, Health System Finances Associate Director

Andy: 828-2989
Tom: 828-2922

Janeen Morrison
Financial Administrator
Green Mountain Care Board
89 Main Street
Montpelier, VT 05602
(802) 828-2903
Janeen.morrison@vermont.gov
GMCB Website: http://gmcboard.vermont.gov/

Steven R. Gordon

From: Pallito, Andy <Andy.Pallito@vermont.gov>
Sent: Thursday, October 19, 2017 8:12 AM
To: Michael Rogers
Cc: Steven R. Gordon
Subject: RE: Budget order revision request

Thank you. I have briefed the chair and he expects that you will want to discuss with him on 10/31.

From: Michael Rogers [mailto:mrogers@bmhvt.org]
Sent: Wednesday, October 18, 2017 3:52 PM
To: Pallito, Andy <Andy.Pallito@vermont.gov>
Cc: Steven R. Gordon <sgordon@bmhvt.org>
Subject: Budget order revision request

Andy,

Attached is the communication we discussed earlier in the week.

As always, call if you have any questions.

Michael O. Rogers | VP – Finance & Treasurer | Southern Vermont Health Services & Brattleboro Memorial Hospital | (802)257-8279 | mrogers@bmhvt.org

FY 2018 BUDGET ORDER

		Requested rate increase 8.9%	Allowed rate increase 5.7%						
	FY2017 Budget	FY2018 Budget (Requested)	FY2018 Budget (Approved)	change from FY2017 Approved budget		physician Transfer	W/O Physician Transfer	change from FY2017 Approved budget	
Gross Revenue	157,473,555	174,768,050	169,571,697	12,098,142	7.7%				
deductions from revenue	(81,064,943)	(94,565,423)	(90,692,265)	(9,627,322)	11.9%				
Net Patient Service Revenue	76,408,612	80,202,627	78,879,432	2,470,820	3.2%	(1,176,100)	77,703,332	1,294,720	1.7%
Other Operating Revenue	3,873,096	3,555,853	3,555,853	(317,243)	-8.2%				
Net revenue	80,281,708	83,758,480	82,435,285	2,153,577	2.7%				
Operating expenses	80,123,835	83,398,416	83,398,416	3,274,581	4.1%				
Operating Gain/(loss)	157,873	360,064	(963,131)	(1,121,004)	-710.1%				
operating margin	0.2%	0.4%	-1.2%						
Non operating income	582,602	740,000	740,000	157,398	27.0%				
Net gain	740,475	1,100,064	(223,131)	(963,606)	-130.1%				

Problem:

Reducing the rate increase to 5.7% and removing risk from the budget do not change net revenue.

Brattleboro Memorial Hospital

IMPACT OF REMOVING RISK AND RATE REDUCTION

Impact on Gross Revenue			
	FY2018 Budget as submitted	Reducing rate increase	FY2018 Budget as approved
Medicare	76,531,606	(2,293,544)	74,238,062
Mediciad	34,964,846	(1,087,265)	33,877,581
Commercial & Other	63,271,600	(1,815,546)	61,456,054
	174,768,052	(5,196,355)	169,571,697

Impact on deduction from Revenue			
	removing risk	Reducing rate increase	net impact
Medicare	(819,696)	(2,293,544)	(3,113,240)
Mediciad	(283,891)	(1,087,265)	(1,371,156)
Commercial & Other	(200,728)	(511,231)	(711,959)
	(1,304,315)	(3,892,040)	(5,196,355)

Impact on Net Revenue			
	removing risk	Reducing rate increase	net impact
Medicare	819,696	0	819,696
Mediciad	283,891	0	283,891
Commercial & Other	200,728	(1,304,315)	(1,103,587)
	1,304,315	(1,304,315)	0

Brattleboro Memorial Hospital

REQUEST

		Allowed rate increase 5.7%							
	FY2017 Budget	FY2018 Budget With allowed rate increase	change from FY2018 Budget Requested		change from FY2017 Approved budget		physician Transfer	W/O Physician Transfer	change from FY2017 Approved budget	
Gross Revenue	157,473,555	169,571,697	(5,196,353)	-3.0%	12,098,142	7.7%				
deductions from revenue	(81,064,943)	(89,369,070)	5,196,353	-5.5%	(8,304,127)	10.2%				
Net Patient Service Revenue	76,408,612	80,202,627	0	0.0%	3,794,015	5.0%	(1,176,100)	79,026,527	2,617,915	3.4%
Other Operating Revenue	3,873,096	3,555,853	0	0.0%	(317,243)	-8.2%				
Net revenue	80,281,708	83,758,480	0	0.0%	3,476,772	4.3%				
Operating expenses	80,123,835	83,398,416	0	0.0%	3,274,581	4.1%				
Operating Gain/(loss)	157,873	360,064	0	0.0%	202,191	128.1%				
operating margin	0.2%	0.4%								
Non operating income	582,602	740,000	0	0.0%	157,398	27.0%				
Net gain	740,475	1,100,064	0	0.0%	359,589	48.6%				

BMH requests the Green Mountain Care Board to correct and adjust the FY2018 Net Patient Revenue amount and percent FY18 NPR increase set forth in BMH's September 28, 2017 Budget Order to reflect BMH's hospital budget presentation.

Brattleboro Memorial Hospital

VERMONT

Green Mountain Care Board
89 Main Street
Montpelier, VT 05620

[phone] 802-828-2177
www.gmcboard.vermont.gov

September 28, 2017

DELIVERED ELECTRONICALLY

Steven Gordon
Brattleboro Memorial Hospital
17 Belmont Avenue
Brattleboro,VT 05301

Dear Mr. Gordon:

Enclosed please find a Budget Order reflecting the Green Mountain Care Board's decision establishing your hospital's budget for fiscal year 2018. The Board and its staff carefully analyzed your proposed budget and the other information you provided during the review process, and the Board took that information and numerous other considerations into account in rendering its decision. That decision is described in the enclosed Order.

The hospital budget review process is a key tool in our efforts to constrain health care cost growth while improving the health of Vermonters. We look forward to working with you and your staff to refine and improve the process for the next cycle and beyond, much as we did in developing the policies that helped guide our review of the FY18 budgets. We appreciate the responsiveness, diligence and candor you and your staff have shown throughout the process during this budget cycle.

If you have any questions regarding the Order or the implementation of its reporting requirements, please feel free to contact me or the Board's hospital budget staff. Again, thank you for your hard work and cooperation.

Sincerely,

s/ Kevin Mullin
Chair, Green Mountain Care Board

cc: Mike Rogers, CFO
Mike DelTrecco, VAHHS
Julia Shaw, HCA

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

FY18 HOSPITAL BUDGET ORDER

In re: Brattleboro Memorial Hospital Fiscal Year 2018	)	Docket No. 17-001-H

INTRODUCTION

Through the hospital budget review process, the Green Mountain Care Board continues its work to set limits on the growth of health care spending while improving quality and access to health care. In this budget cycle, the Board analyzed the data and information submitted by each of the 14 Vermont hospitals, deliberated at multiple public meetings, and has established each hospital's Fiscal Year 2018 (FY18) budget. Our observation is that overall, the hospitals worked hard to meet policy guidelines and financial targets adopted by the Board in 2017, including a net patient revenue (NPR) growth cap of 3.4%, inclusive of up to 0.4% in new spending on credible health care reform. For 2018, the 14 hospitals submitted budgets with an NPR request of 3.6% over approved FY17 budgets. After adjusting for the acquisition and/or transfer of existing physician practices and for the change in disproportionate share payments, the hospitals' budget submissions reflected a system-wide NPR growth of 3.46%. The Board further reduced the increase to 3.01% after it ordered four hospitals to lower their rate increases and accepted one hospital's request to rebase its FY17 budget.

This Order outlines our legal framework, provides general observations and conclusions about this year's hospital budget process, and then presents the specific Findings of Fact and Order that support our decision establishing Brattleboro Memorial Hospital's (BMH, or the Hospital) FY18 budget.[1]

LEGAL FRAMEWORK

Hospital budget review is one of the Board's core regulatory responsibilities. *See* 18 V.S.A. §§ 9375(b)(7), 9456. Annually no later than September 15, the Board must "establish" each hospital's budget, and is required to issue a written decision reflecting the established budget by October 1. 18 V.S.A. § 9456(d)(1). The Board may adjust a hospital's budget based on its showing of exceptional or unforeseen circumstances, *see* 18 V.S.A. § 9456(f), or based on the Board's independent review of a hospital's budget performance. GMCB Rule 3.000 (*Hospital Budget Review*) § 3.401. The Board's decision establishing a hospital budget is based on its review of the record in light of its statutory charge "to promote the general good of the state by: (1) improving the health of the population; (2) reducing the per capita rate of growth in

[1] The Hospital's 2018 budget materials, including its budget narrative and responses to questions, are available on the Board's website at: http://gmcboard.vermont.gov/hospitalbudgets. Transcripts of the hospital budget hearing are available upon request.

expenditures for health services in Vermont across all payers while ensuring that access to care and quality of care are not compromised; (3) enhancing the patient and health care professional experience of care; (4) recruiting and retaining high quality health care professionals; and (5) achieving administrative simplification in health care financing and delivery." 18 V.S.A. § 9372.

The Board first adopted guidelines that govern the hospital budget review process in February 2013 for fiscal years 2014-16, followed in May 2013 by separate written policies on net patient revenue, enforcement, physician transfers, and community needs assessments.[2] These guidelines, which establish key parameters for how the hospitals should construct their budgets, were updated by the Board for FY17 and most recently in March 2017 for FY18. For FY18, the Board set an overall system NPR growth cap of 3.0% over the hospitals' approved FY17 budget bases. NPR is a key indicator used to assess changes in hospital budgets and includes payments received from patients, government, and insurers for patient care, but does not include hospital revenues from activities such as cafeterias, parking, and philanthropy. The Board next established an additional NPR allowance for FY18 of up to 0.4% for new health care reform activities, investments and initiatives related to four specific areas:

a. Support for Accountable Care Organization (ACO) infrastructure or ACO programs;
b. Support of community infrastructure related to ACO programs;
c. Building capacity for, or implementation of, population health improvement activities identified in the Community Health Needs Assessment (CHNA), [3] with a preference for those activities connected with the population health measures outlined in the All-payer Model Agreement; and
d. Support for programs designed to achieve the population health measures outlined in the All-payer Model Agreement.

Hospitals bear the burden to convince the Board that expenditures listed as health reform are truly new investments in a reformed delivery system.

FY18 REVIEW PROCESS

The Board and its staff have reviewed and analyzed all FY18 budget information submitted by the hospitals which includes: utilization information; prior budget performance; financial and other key performance indicators and how they compare with state, regional, and national peers; staffing needs; capital expenditure needs; the amount of in- and out-of-state patient migration, and comments from the Health Care Advocate (HCA) and from members of the public. In all cases, the Board considered each hospital's unique circumstances, including its health care reform efforts and its work to address issues identified in its CHNA.

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[2] The documents are available as part of the FY18 Hospital Budget Submission Reporting Requirements at http://gmcboard.vermont.gov/sites/gmcb/files/files/hospital-budget/GMCB%20FY%202018%20Hospital%20Budget%20Reporting%20Req%20Final.pdf.

[3] Under the Affordable Care Act, tax-exempt hospitals are required to conduct a Community Health Needs Assessment every three years with input from public health experts and community members, and develop and adopt an implementation strategy.

As submitted for FY18, the hospitals request a system-wide NPR increase of 3.6%, or approximately $86.9 million over their FY17 budgets. Although the Board has set an NPR target for the hospitals to meet—essentially using the measure as a proxy for "new money" each hospital intends to spend in a given year—NPR, viewed in isolation, is not a precise measure of the increase of dollars to the health care system. For example, if a hospital divests itself of a service line that will continue to exist and serve the community through a different entity, the hospital's budget indicates a decrease in NPR, even though the associated revenues are still a part of Vermont's health care system. Conversely, if a previously non-affiliated entity becomes part of a hospital, the hospital's NPR increases, even though there is no actual growth in the health care system at large. The Board will therefore adjust a divesting or acquiring hospital's budget—in the first instance, by adding to its NPR, and in the second, by subtracting from it—so that the hospital's resulting change in NPR more accurately reflects the actual revenue increase to the health care system as a whole.[4] Making these adjustments allows the Board to better understand, and more accurately report to the public, the extent to which new money is being added to the health care system.[5]

Based on the discussion above, we conclude that actual system-wide hospital NPR growth rate over FY17 is 3.08% prior to adjusting for physician acquisitions and/or transfers; once adjusted, the rate is 3.01%.

In addition, the Board has reviewed each hospital's proposed rate increase, which is the average overall amount by which a hospital increases its prices as part of its NPR increase.[6] Notably, each respective payer—Medicare, Medicaid and commercial— does not reimburse each hospital the same amount for the same services. For example, commercial payers can negotiate reimbursements with each hospital separately, resulting in pricing variations, while Medicaid and Medicare prices are not typically negotiable and reimbursement is instead established through each payer's unique fee schedule and update factors. Rates can also vary based on changes in bad debt and free care, and in the distribution of Medicaid's disproportionate share (DSH) hospital payments. In 2017, the Vermont legislature adjusted the DSH calculation in the "Big Bill" and because of timing, the adjusted DSH amounts were not accurately reflected in some hospitals' budget submissions. *See* 2017, No. 85 § E.306.2(b)(1). The Board has therefore adjusted those hospitals' budgets to include the appropriate DSH payment. Taking into consideration all adjustments, we reduce the overall system weighted average rate increase from the submitted 2.4% to 2.1%.

Finally, as we move into the first year of the All-payer ACO Model Agreement, the Board, through a transparent public process, will continue to refine how it conducts its budget review and to better understand and align its regulatory work, consistent with the overarching reform goals expressed in Act 48 of 2011. We encourage the hospitals to continue their efforts to

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[4] *See* Green Mountain Care Board Hospital Budget Policy: Physician Transfer/Acquisitions (Eff. May 2, 2013; Rev. Jan. 8, 2015), *available at* http://gmcboard.vermont.gov/sites/gmcb/files/files/hospital-budget/GMCB%20FY%202018%20Hospital%20Budget%20Reporting%20Req%20Final.pdf

[5] In addition, the Board reviewed and accepted one hospital's request to rebase its FY17 budget, affecting the overall NPR growth calculation.

[6] Actual changes in the rates charged by the Hospital will vary across service lines and goods and services provided by the Hospital.

favorably position their institutions, individual providers, and served populations as we move away from a fragmented, fee-for-service system to an integrated delivery system and value-based provider reimbursements.

Based on the above, the Board issues the following Findings and Order:

FINDINGS

1. The Hospital submitted its FY18 budget on July 3, 2017 seeking a 4.97% increase in NPR of $3,794,016. The Hospital requests a rate increase of 8.9%. The hospital testified that 3.2% of this rate request is budgeted for ACO risk.

2. The Hospital's budget includes total expenses in the amount of $83,398,416, an increase of 4.1% over FY17.

3. After reviewing the Hospital's submission, the Board posed written questions and the Hospital provided written responses. The Hospital participated in a public hearing before the Board on August 17, 2017, where it presented information and answered questions from the Board and the HCA concerning its budget, and the Board discussed all 14 hospital budgets at subsequent public meetings. On September 14, 2017, the Board established the Hospital's FY18 budget.

4. Medicare revenues included in the Hospital's budget are reasonable, and are based upon pending rules from the Centers for Medicare & Medicaid (CMS).

5. The Hospital's FY18 budget includes reasonable Medicaid NPR estimates.

6. The Hospital's estimated reimbursements from commercial insurers and from self pay are reasonable.

7. The Hospital's budgeted FY18 DSH payments reconcile with estimates by the Department of Vermont Health Access.

8. The Hospital's budgeted FY18 bad debt and free care levels reflect recent trends and activity and are based on reasonable assumptions.

9. The Hospital's FY18 budget includes a physician acquisition and/or transfers in the amount of $1,176,100.

10. The Hospital's FY18 budget identifies $349,522 for "new" investments in health care reform. These reform investments allow the hospital to exceed the 3.0% NPR target set by the Board by up to an additional 0.4%. Although the Hospital exceeded the 0.4% target set by the Board, it has not exceeded the overall NPR target.

11. The Hospital has not requested a rebase of its FY17 budget.

12. For FY18, the Hospital has budgeted an operating margin of 0.4%.

13. The Hospital has been actively reaching out to its community to collaborate in addressing its regional health care needs, as identified in its Community Health Needs Assessment (CHNA).

14. Approving the Hospital's budget as outlined below will promote the efficient and economic operation of the Hospital, and is consistent with the current Health Resource Allocation Plan (HRAP).

15. The Hospital's narrative, testimony, and other filed budget information comply with the Board's FY18 hospital budget requirements.

CONCLUSION

We conclude that the Hospital's budget as outlined below is reasonable and consistent with the Board's guidelines, policies and prior orders. The Board establishes Brattleboro Memorial Hospital's FY18 Net Patient Revenue at $78,879,432, an increase of 3.23% from its FY17 budget. If further adjusted for the physician acquisition and/or transfer, the NPR would be an increase of 1.69% from its FY17 budget. The Board disallows BMH's inclusion of 3.2% for ACO risk within its rate increase, and accordingly approves a 5.7% overall increase in rate.

ORDER

Based on our findings and authority granted by Chapter 221, Subchapter 7 of Title 18, the Hospital's budget is approved for FY18 subject to the following terms and conditions:

A. The Board approves a 5.7% overall increase in rate, 3.2% less than the Hospital requested in its FY18 budget to cover reserves related to taking risk in the ACO program. The purpose of the risk-based model is to encourage hospitals to contain costs within a fixed budget. In addition, the Hospital will be assuming both up and downside risk, and may therefore realize some of the savings if it is able to reduce its costs. Because the purpose of moving to a risk-based model would be undermined if the hospital were to shift the risk to the insurer through increased commercial reimbursements, we have disallowed 3.2% of the requested rate increase.

B. The Hospital shall not increase the rates charged during FY18 above 5.7%, except after the Board's review and approval in accordance with the Board's instructions in the *Hospital Budget Reporting Requirements* available at: http://gmcboard.vermont.gov/sites/gmcb/files/files/hospital-budget/GMCB%20FY%202018%20Hospital%20Budget%20Reporting%20Req%20Final.pdf

C. The Hospital's FY18 NPR budget is approved at 3.23%, as outlined in Table 1.

Table 1: FY2018 Budget*

	Submitted	Adjustments	Approved	% Chg
Net Patient Care Revenue	$80,202,627	($1,323,195)	$78,879,432	3.23%

*If further adjusted for the physician acquisition and/or transfer, the NPR would be an increase of 1.69%.

The Hospital shall contact the Board, via its staff, to adjust expense levels and/or to reconcile any minor discrepancies due to differing calculations or changed assumptions.

D. Beginning on or before November 20, 2017 and every month thereafter, the Hospital shall file with the Board the actual year-to-date FY18 operating results for the prior month. The filing shall also include information about its contract(s) with Accountable Care Organizations (ACOs) and financial information associated with them. The report shall be in a form and manner as prescribed by the Board.

E. The Hospital shall advise the Board of any material changes to the FY18 revenues and expenses or to the assumptions used in determining its budget, including:

   a. changes in Medicaid, Commercial, or Medicare reimbursement;

   b. additions or reductions in programs or services to patients;

   c. any other event that could materially change the approved NPR budget; or

   d. any material payer changes to the budgeted ACO risk.

F. On or before January 31, 2018, the Hospital shall file with the Board, in a form and manner prescribed by the Board, such information as the Board determines necessary to review the Hospital's FY17 actual operating results in order to determine whether the Hospital budget meets the Board's budget performance review policy.

G. On or before January 31, 2018, the Hospital shall file with the Board a status report on the projects included in its 2015 energy efficiency plan. The report must explain: 1) what projects were completed and the actual energy and cost savings realized; 2) what projects have not been completed; and 3) for those projects that have not been completed, the reasons why, and expected timeline for their completion.

H. On or before January 31, 2018, the Hospital shall file with the Board its Financial Assistance Policy, which shall comply with IRS regulation 26 CFR §1.501(r)-4).

I. The Hospital shall report the annual budget in the manner and form as prescribed by the Board, to provide consistent and standard analysis of the annual budget submission.

J. On or before January 31, 2018, the Hospital shall file with the Board one copy of its FY17 audited financial report and associated management letter(s).

K. The Hospital shall timely file all forms as required for physician acquisitions and/or transfers. *See* http://gmcboard.vermont.gov/sites/gmcb/files/files/hospital-budget/GMCB%20FY%202018%20Hospital%20Budget%20Reporting%20Req%20Final.pdf

L. After notice and an opportunity to be heard, the Board may make such further orders as are necessary to carry out the purposes of this Order, and to carry out the purposes of the Hospital Budget Review laws, 18 V.S.A. Chapter 221, Subchapter 7.

M. All materials required above shall be provided electronically, unless doing so is not practicable.

N. The findings and orders contained in this decision do not constrain the Board's decisions in future hospital budget reviews, future certificate of need reviews, or any other future regulatory or policy decisions.

So ordered.

Dated: September 28, 2017
Montpelier, Vermont

s/ Kevin Mullin, Chair)
)
s/ Jessica Holmes) GREEN MOUNTAIN
) CARE BOARD
s/ Robin Lunge) OF VERMONT
)
s/ Maureen Usifer)*

**Board member Cornelius Hogan participated in the hospital budget hearings, but was not present for the Hospital's final vote.*

Filed: September 28, 2017

Attest: s/ Erin Collier
Green Mountain Care Board
Administrative Services Coordinator

NOTICE TO READERS: This document is subject to revision of technical errors. Readers are requested to notify the Board (by e-mail, telephone, or in writing) of any apparent errors, so that any necessary corrections may be made. (Email address: Janeen.Morrison@vermont.gov).

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:

A. Has the hospital signed a contract with OneCare Vermont? If yes, for which payers? If not, explain (and skip B. through E., below.)

B. What is the amount of FPP the hospital expects to receive in FY 2019 based on estimated attributed lives?

C. What is the maximum upside and downside risk the hospital has assumed?

D. How is the risk (up-and downside) accounted for in the financials?

i. How will the hospital manage financial risk while maintaining access to high quality care and appropriate levels of utilization?

ii. How will the hospital track and ensure that provider financial incentives do not have a negative impact on patient care?

E. What amount of Other Reform payments does the hospital expect to receive from OneCare Vermont by the end of calendar year 2018? (*e.g.*, payments from OneCare's Value-Based Incentive Program based on quality performance)

2. Payment and Delivery Reform

A. We are currently participating with OneCare VT for Medicare, Vermont Medicaid and Blue Cross risk contracts. We have very little actionable information from OneCare VT regarding the CY2019 contracts, however we do plan to continue participating in these risk based contracts in CY2019.

B. Based on 4 months of data from OneCare VT, we are projecting 4187 attributed lives between Medicare and VT Medicaid ACO contracts. The expected annual gross fixed payment is $11.3 million. The expected net fixed payment is $9.7 million.

C. The maximum upside and downside risk for the CY2018 contracts is approximately $811K

D. We have provided a prorated share of the max downside risk as a third party liability.

i. Continue to monitor OneCare monthly reports at our ACO Steering Committee

ii. Clinical decisions are based on the care needs of the patient. Incentive program for the clinicians included both quality, patient experience and productivity measures.

E. There are additional potential payments of $325K dependent on care management and patient severity health status.

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

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

- **Food Insecurity**
  In collaboration with the VT Foodbank, we will be offering fresh and healthy food onsite once a month through "Veggie Van Go", a mobile food pantry program. Community Health Team will assist with food distribution and program coordination.

- **Vulnerable Population "Healthworks"**
  The respite bed at Groundworks Shelter, which is exclusively for Brattleboro Memorial Hospital referrals, will allow for homeless patients who are either preparing for or recovering from a procedure, or have chronic medical conditions that have been exacerbated by their lack of a place to stay, to have a safe, clean, and accessible environment to manage their needs. Referrals will be made through BMH Care Management, and the Community Health Team will be involved with the patient as necessary, including being seen by Vulnerable Population Nurse when she is onsite. The case management that will be provided through collaboration between Groundworks and BMH will focus specifically on each patient's individual care plan.

- **RiseVT and Community Wellness**
  BMH has signed on as an early adopter in the statewide implementation of RiseVT, a primary prevention strategy aligned with VT's 3-4-50 campaign to promote healthier lifestyles for Vermonters. We have been actively involved in the planning process, and will be hiring a FT Program Manager in FY19.

- **Primary Care Access**
  The Interim Care Clinic was established in July of 2017 to provide care for patients of 3 long-standing Physicians who retired. This clinic was available to provide care to approx. 4,000 patients while they were waiting for new Primary Care Clinicians to join the BMH Medical Group. With 4 new Primary Care Clinicians joining the BMH Medical Group, the need for the clinic has decreased and the clinic was closed in March of 2018.

- **Care Coordination and Healthcare Navigation**
  Care Coordinators were hired into the Primary Care and Specialty Practices to assist patients with coordinating their care. Outreach was done to the High and Very High risk patients identified by OneCare Vermont. The Care Coordinators are also available to the practice to meet with patients who need assistance and to provide education.

- **Community Health Team**
  Additional staff and support to provide health and wellness to Windham County which consists of Certified RN Diabetes Educator, Health Coach, RN Care Coordinator, Social Worker, Registered Dieticians and a Vulnerable Population Care

Coordinator. The Registered Dietician hours were increased in FY18. A RiseVT Program Manager will be hired in FY19 and added to the Community Health Team.

- **Medical Scribes**
  Purpose: Assist Clinicians with their documentation and enable clinicians to focus on their visit, as opposed to the requirements of the EMR.
  Goal: Enable clinicians to see additional patients and thus increase access to primary care, by removing some of the administrative burdens of care.

- **Post-Acute Care**
  Details: BMH's Post-Acute Care department provides primary care to three local skilled nursing facilities. The care Post-Acute Care team consists of two PT Physicians and one FT Physicians.
  Goals: The goals of the department for FY19 include: (1) Ensure every patient has a completed COLST (Clinician Orders for Life Sustaining Treatment) form on file ; (2) Medication management, specifically reduction in the use of antibiotics and ensuring an accurate medication list upon patient's admission to a skilled nursing facility and (3) Maintain one of the lowest re-admission rates in the state of Vermont.

- **Regional Clinical Performance Committee (RCPC)**
  The RCPC disbanded and was integrated into the newly established Accountable Community for Health (ACH). The team combines healthcare and human services to provide a more collaborative community approach to patient care and wellness. The team consists of an Organizing Committee and then a Full Committee. This committee will focus on a RiseVT implementation among the entire community and help disseminate information across multiple agencies. The ACH will use the data from the Community Health Needs Assessment, AHS Community Profiles and OneCare Vermont Data to help develop and coordinate work being done in the community. The RCPC continued to work on the projects below and will continue the work in the new ACH format:

  Details: Committee took charge of three main initiatives:
  (1) End of Life Committee: (a) Focus on increasing use of Advanced Directives for patients aged 18 and older. Did this through community forms and embedded staff from Brattleboro Area Hospice within BMH's Medical Group Primary Care Practices, to assist patients with completing their Advanced Directives and answering any questions that they may have and (b)Increasing the Medicare Hospice Beneficiary Use. Made gains with this initiative through community awareness and educating patients in need of Hospice of their rights to applicable benefits.
  (2) Neonatal abstinence syndrome Committee. The goal of the committee was to ensure that pregnant women who tested positive for substance abuse had appropriate access to treatment and worked closely with appropriate social services.(a) Brattleboro OBGYN hired an RN Care Coordinator in FY17 to work with patients who screen positive for substance abuse and continues to work closely with the Birthing Center and embedded Social Worker to care for these

patients as part of the Women's Health Initiative; (b) Worked with Brattleboro Retreat for emergent treatment for patients who screened positive for substance abuse ; (3) Partnered with Vermont Department of Health and their Medicaid Obstetrical and Maternal Support ('MOMs') Program.

(3) Care Coordination Efforts: (a) Created shared care plans with various community entities and Social Support networks in an attempt to reduce ER utilization, by patients who were identified as frequent utilizers of BMH's ER department.

- **Narcotic Use Task Force:**
  Details: The committee was formed in FY17 and will continue to meet in FY18 and FY19. It is led by the BMH's Medical Director, Dr. Tony Blofson and consists of primary care clinicians.
  Purpose:
  (1) Assess scope of the problem of chronic narcotic use amongst patients served by the BMH Medical Group
  (2) Panel management for patients with a morphine equivalent dosage (MED) score of 100 or greater;
  (3) Implemented and operationalized new Opioid law guidelines that went into effect on 7/1/17.

- **Screening Brief Intervention and Referral to Treatment (SBIRT):**
  Details: Initiative funded by the Vermont Department of Health's Alcohol and Drug Abuse Program. This was started in October of 2017 and is an ongoing initiative. The program involves staffing Brattleboro Family Medicine with a behavioral health therapist. The grant ends in July of 2018 and BMH plans to continue this work through an embedded Behavioral Health Therapist.
  Purpose: Focus on prevention of alcohol and substance abuse for patients being seen in a primary care setting. Every patient is screened for an AUDIT-10 and a DAST-10 and patients who screen high for showing signs of alcohol misuse and substance abuse, are referred to see the embedded behavioral health therapist. The behavioral health therapist engages with appropriate patients for on-going therapy and follow-up care. Referrals to substance abuse treatment facilities are made and followed as appropriate.

- **Embedded behavioral health specialist**
  Details: Currently Just So Pediatrics works with Health Care & Rehabilitation Services of Vermont (HCRS) to embed a behavioral health therapist one day per week. This allows Pediatricians to have a "warm hand-off" to a behavioral health therapist for appropriate patients to ensure seamless mental health services.
  Goal: It is the goal in FY19, to embed a FT adult behavioral health therapist in BMH Medical Group's primary care practice; Brattleboro Family Medicine.

- **Women's Health Initiative and Centering Pregnancy**
  Details: This initiative started in October of 2017. It is an initiative funded by Blueprint for Health. The initiative provides long acting reversible contraception for

women of childbirth age and provides a stipend for the practice to embed a behavioral health therapist to meet with applicable patients.
Goal: The goal of initiative is to reduce unintended pregnancies in the state of Vermont.

- **Patient Centered Medical Home (PCMH):**
  All of the Medical Group Adult Primary Care practices have achieved level 3. The Medical Group Practices will re-attest in three years (2019-2010).

- **MIPs**
  BMH is a part of One Care Vermont and strives to achieve top scores on the quality metrics mandated by their Accountable Care Organizations. BMH continues to achieve high scores and make improvements on their quality score card.

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.

Measure	Statewide Rate *(All-Payer Model Target)*[2]	Brattleboro	Comments: **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**
Percentage of Medicaid adolescents with well-care visits	50	41	Outreach to Adolescents for "well visits" is part of our Patient Centered Medical Home (PCMH)work and integrated into our outreach calendar. Patients are notified when they are due for an appointment and encouraged to make an appointment. This is completed quarterly. Outreach is completed via letter, phone call or portal message. Outreach attempts are documented in patients' charts.
Initiation of alcohol and other drug dependence treatment	36	43	BMH participated in the SBIRT (Screening, Brief Intervention and Referral to Treatment) program, through a grant received through the Vermont Department of Health. The program allowed for initial screening to be done within patients' medical home. The grant funded a Behavioral Health Therapist, who was embedded within Brattleboro Family Medicine. Patients who indicated a need for intervention received a a 'warm hand- off' to an embedded behavioral health therapist who provided intervention, treatment and referrals to treatment. For certain patients, this meant an on-going relationship with the embedded behavioral health therapist. Over one year, BMH has screened 1,474 patients for alcohol and other drug dependence. Of those patients, 9% screened positive for alcohol misuse and 5% screened positive for substance abuse. 100% of those patients were offered immediate, on-site assistance. BMH has seen such an on-going need for this program and this service, that a Behavioral Health Therapist (BMH Medical Group) and a Psychiatric Nurse Practitioner (BMH ER) are requested in FY19's operating budget.
Engagement of alcohol and other drug dependence treatment	17	20	See above. In addition, BMH works closely with the Brattleboro Retreat and their local community partners to get patients into treatment. Patients who are inpatient at BMH are counseled about options, encouraged, and referred as per their interest. BMH has a Care Coordinator who focuses on the Emergency Department patients, with special focus on Mental Health and

			Substance Abuse patients. In FY2019 BMH will have a Psychiatric Nurse Practitioner located in our ED to work with patients seeking both Mental Health and Drug/Alcohol dependence treatment. Lastly, there is a narcotics task force at BMH which focuses on reducing MED (morphine equivalent dosing) scores and treatment may be an option for some of these patients and Dr. Jeremy Morrison, a Family Practice Physician is licensed to prescribe Subxone out of Putney Family Healthcare and operates through the 'Hub and Spoke' Program.
30-day follow-up after discharge for mental health	68	75	BMH follows and tracks (as possible), every patient who is discharged from a mental health stay. BMH works to have that patient cared for by their primary care clinician within 7 to 14 days of discharge. BMH primary care practices schedule 'Transitional Care Management' (TCM) visits and uses the corresponding CPT code to bill for such visits. Thus, this work can be tracked. BMH used this as a quality improvement measure for their last attestation for PCMH and averaged 82% compliance amongst their primary care practices. This was considerable improvement, over the 60% that they averaged in 2014.
30-day follow-up after discharge for alcohol or other drug dependence	27	No Value listed	Please see above.
Diabetes HbA1c poor control (part of Medicare composite measure)[3]	10	10	Outreach performed in PCMH Calendar. In addition, this is a metric that has been selected for BMH Medical Group's Quality Committee to track and review. The scores for each primary care clinician are tracked and reviewed quarterly by BMH's CMO and the Medical Director for the Medical Group. Improvement plans and plans for assistance are provided to the PCP and to the Practice as necessary.
Controlling high blood pressure (part of Medicare composite measure)	67	69	Outreach performed in PCMH Calendar
Appropriate asthma medication management (75% compliance)	52	49	Outreach performed in PCMH Calendar

Percentage of adults reporting that they have a usual primary care provider	88	88	BMH had done constant recruitment of Primary Care Providers. In 2017 the community lost 3 longstanding physicians leaving approximately 4,000 patients without Primary Care providers. At that time, the wait time for an appointment for a new PCP, was 14 months. In 2018 BMH hired 4 Primary Care providers to replace them and now has open appointments available for new patients with 7 PCPs. The current wait time for a new patient exam in a primary care practice, is 4 months.
Prevalence of chronic disease: COPD	6	6	This continues to be a focus of chronic disease management in the PCMH model at BMH.
Prevalence of chronic disease: Hypertension	25	25	BMH prevalence is no different than the state. This continues to be a focus of chronic disease management in the PCMH model at BMH. Outreach is performed on a bi-annual basis and it is a chronic condition on which Care Managers focus within BMH's primary care Practices and within BMH's Cardiology Department. In addition, BMH participates in the hypertension Learning Collaborative through Blueprint and One Care Vermont.
Prevalence of chronic disease: Diabetes	8	8	This continues to be a focus of chronic disease management in the PCMH model at BMH. Outreach is performed on a quarterly basis and it is a chronic condition on which Care Managers focus within BMH's primary care Practices. Brattleboro Internal Medicine, has the highest prevalence of Diabetes amongst their patient population, and as a result, their RN Care Coordinator is in the process of becoming a Certified Diabetic Educator. In addition, BMH participates in the hypertension Learning Collaborative through Blueprint and One Care Vermont.
# per 10,000 population ages 18-64 receiving Medication Assisted Treatment for opioid dependence[4]	6,100	422 (160.9)	Currently there are approximately 139 patients receiving MAT (Medication Assisted Treatment) who have Medicaid as their primary source of medical insurance, as reported by the Blueprint. BMH has a contractual relationship with the Brattleboro Retreat for Hub & Spoke services. BMH has recently had one additional clinician become X-waivered (John Todd, APRN), and has hired an additional provider who has been prescribing MAT in his previous practice out of state, therefore we anticipate this number of patients to increase in FY2019.

Deaths related to drug overdose[5]	122	17 (4.4)	Brattleboro is the 2nd highest in the state for drug related overdoses. BMH is collaborating with the Brattleboro Police Department, HCRS, Brattleboro Retreat, Turning Point and Habit Opco to provide targeted outreach to this population of patients and also have the ability to assist with entry into treatment with the help of a Peer Support person and Social Worker embedded within the Police Department.
Rate of Growth in number of mental health and substance use-related ED visits[6]	6%	13	See above response.

5. *Mental Health*. Provide the following information:

A. The number of 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;

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

D. Average cost per day for patients awaiting transfer;

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.

5. Mental Health. Provide the following information:

A. The number of mental health beds : 0

B. The number of patients who waited in the emergency department for an available mental health bed at this hospital or at another facility: Out data shows on average about 26% of our mental health patients are discharged to an inpatient psychiatric bed.

C. The range and average time patients spend in the emergency department awaiting an appropriate mental health placement: The length of wait time for these patients varies greatly.

D. Average cost per day for patients awaiting transfer: $3200

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.

1. Hiring of a Psych Nurse Practitioner that will be stationed in the Emergency Department but will be able to provide consults within the organization FY19.
2. Behavioral Health Therapist embedded in the BMH Medical Group Primary Care Practices for FY19.
3. Community Health Team has a LICSW embedded at Brattleboro OB/GYN (see above)
4. Patient Observers will be hired to sit with patients and provide 1:1 support and monitoring for patient safety for FY19.
5. Regional Psychiatric Strategy Group (see above)
6. Embedded Mental Health clinician in JSP (see above)
7. BMH Medical Group Primary Care practices screen patients using the PHQ-2 and the PHQ-9.
8. Tele-Psych services were implemented January 2018 in conjunction with DHMC.
9. Tele-Psych services with the Brattleboro Retreat are expected to go live in the Fall 2018.

4. Please provide data on the experience of mental health patients at your hospital, including:

a. The total number of mental health beds at your hospital; *NONE*

b. The range and average wait time for placement of mental health patients who report to your hospital in need of inpatient admission; *SEE TABLE BELOW*

c. The range and average time patients have spent in your emergency department awaiting an appropriate mental health placement; *SEE TABLE BELOW*

d. The total number of patients who waited in your emergency department for an available mental health bed at your hospital or at another facility. *SEE TABLE BELOW*

	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018
Total ED Visits	1145	1254	1162	1193	1125	1224
Total ED Mental Health Visits	72	85	109	133	117	101
Total ED Mental Health LOS (Hours & Minutes)	779.1	731.0	113.2	1,489.1	1,333.4	1,888.9
Average ED Mental Health LOS (Hours & Minutes)	10.5	8.4	10.4	11.4	11.5	18.7
Total Restraints	0	1	4	0	3	3
Total Seclusions	1	3	1	2	2	1
Total ED Emergency Evaluations	3	6	6	3	5	5
Total ED Patients 1:1	22	33	26	45	40	25
Reported (Quantros) Incidents regarding violent, aggressive, or Mental Health Patients	4	6	6	3	11	9
Hospital Code Greens	3	3	5	3	8	5

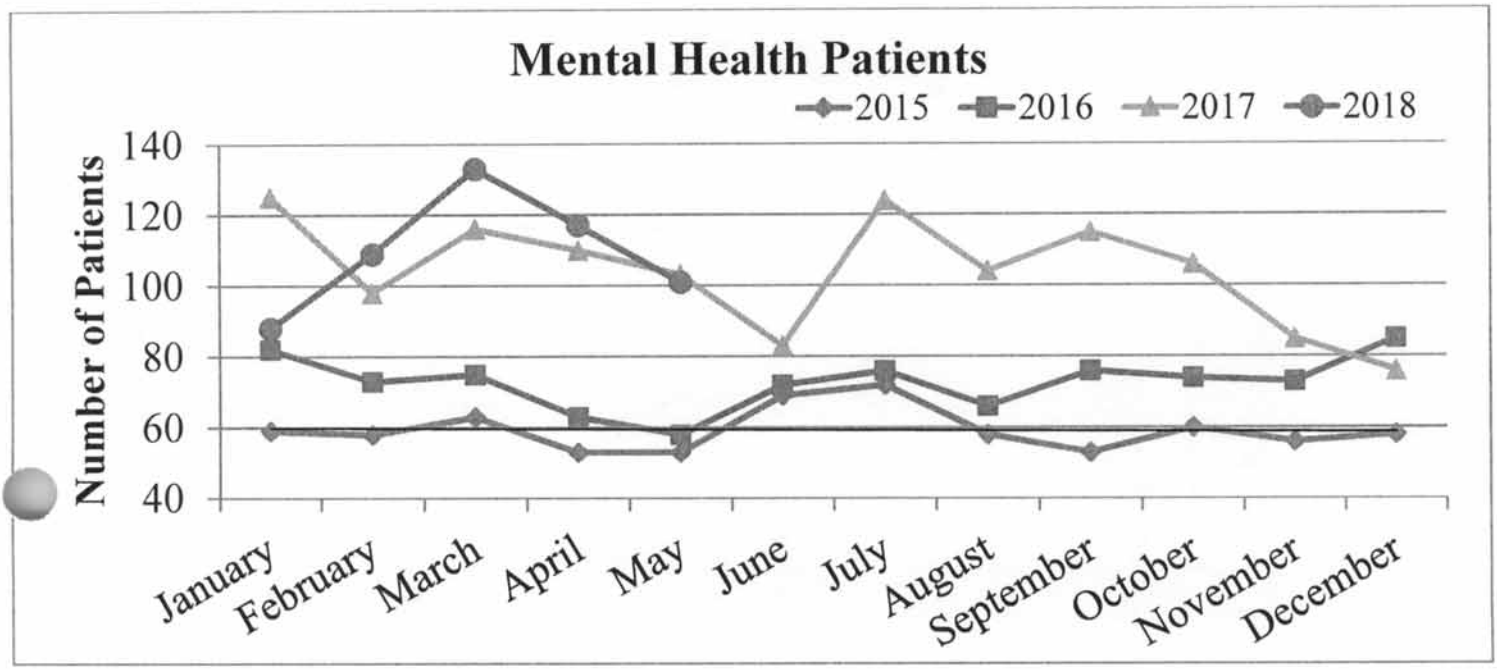
5. Please describe any initiatives that you have implemented to address the inadequate access to mental health treatment experienced by Vermonters

Brattleboro Memorial Hospital
EXCEPTIONAL CARE FOR OUR COMMUNITY

BMH Restraint/ Mental Health Requested Information

Data Date Range 12/1/2017 – 5/31/2018

	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018
Total ED Visits	1145	1254	1162	1193	1125	1224
Total ED Mental Health Visits	72	85	109	133	117	101
Total ED Mental Health LOS (Hours & Minutes)	779.1	731.0	113.2	1,489.1	1,333.4	1,888.9
Average ED Mental Health LOS (Hours & Minutes)	10.5	8.4	10.4	11.4	11.5	18.7
Total Restraints	0	1	4	0	3	3
Total Seclusions	1	3	1	2	2	1
Total ED Emergency Evaluations	3	6	6	3	5	5
Total ED Patients 1:1	22	33	26	45	40	25
Reported (Quantros) Incidents regarding violent, aggressive, or Mental Health Patients	4	6	6	3	11	9
Hospital Code Greens	3	3	5	3	8	5



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.

Brattleboro Memorial Hospital
Brattleboro Medical Group
Patient Access: As Presented by 'Patient Wait Times'
"Third Next Available Appointment"

Practice	Physical Exam	New Patient Appointment	Routine Follow-Up
Windham Family Practice	60 days	120 days	6 days
Brattleboro Family Medicine	33 days	120 days	23 days
Maplewood Family Practice	30 days	120 days	23 days
Putney Family Health	62 days	120 days	15 days
Brattleboro Internal Medicine	35 days	120 days	40 days
Just So Pediatrics	30 days	60 days	20 days
Brattleboro Orthopaedics and Sports Medicine	N/A	5 days	5 days
Brattleboro Center for Cardiology and Cardiovascular Health	N/A	7 days	7 days
Brattleboro Urology	N/A	47 days	5 days
Brattleboro General Surgery	N/A	7 days	7 days
Brattleboro OB/GYN	153 days	74 days	73 days

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.

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*: **The hospital continues to have a contractual agreement with the Brattleboro Retreat for Hub & Spoke services and treatment. BMH serves as the administrative entity.**

   B. *The number of patients currently enrolled in medication-assisted treatment (MAT) programs and other SUD programs*: **139 patients on MAT that are identified in the spoke for Windham County 24 of which are with Dr. Morrison**.

   C. The number of MAT providers and other SUD providers employed by the hospital: **1**

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:

A. The amount of the investment;
B. The goals of the program;
C. Metrics and other evidence demonstrating the program's ability to meet these goals, highlighting metrics and other evidence that demonstrate alignment with the goals of the All-Payer Model;

D. Any other program outcomes, positive or negative;

E. Whether the program is ongoing or of limited duration, and why;

F. For any program that has been discontinued, describe how ending the program has or will be accounted for in past, current or future budgets.

Part II: Complete the Table at Appendix V.

	A. Investment			b. Goals			c. Metrics and alignment with OCV			d. Status
	FY16	FY17	FY18	FY16	FY17	FY18	FY16	FY17	FY18	FY18
One Care Fees	$135,000			1. Allow BMH to partake in a shared risk model of care; 2. Allow BMH access to OCV support			1. If Shared Savings were recognized (they were); 2. OCV partnership			ongoing
Care Coordinator	$96,265			Provide support out of CHT to Medical Group patients for services pertaining to social determinants of health			1. Number of referrals made and accepted by CHT; 2. Training and Support provided by OCV			ongoing
Expanded Centralized Scheduling Department	$40,911		$121,399	On-board new patients		Referral and Prior Authorization Coordination	Number of new patients accepted		Number of new patients accepted (5,000 accepted since 2014)	ongoing
Clinical Data Coordinator	$36,400			Create and maintain report to identify and follow-up in gaps in patient care			1. Number of reportscreated, reviewed and acted upon; 2. Analytics provided by OCV			Combined with Quality Department
Scribe Pilot	$41,371			1. Support primary care clinicians with medical scribes; 2. Improve patient satisfaction; 3. Ensure clinicians are working at the top of their license			Patient satisfaction scores			Moved out of pilot stage to implementation
Admin Director-Pop Health	$106,250			Administrative oversight of all population health initiatives			1. OCV Score Card results; 2. PCMH attestation level			Dedicated position eliminated; added to VP of Medical Group's responsibilities
ED Case Management		$175,000			Provide support out of Emergency Department for services pertaining to social determinants of health			Number of care plans created		ongoing
Vulnerable Population Care Coordinator-Groundworks		$35,000	$51,118		Provide support out of Community Health Team for services pertaining to social determinants of health for patients living in Homeless Shelters or transitional Housing	Connect patients with PCPs and accompagny patients to PCP visit		Number of care plans created	1. Number of care plans created; 2. Support and training provided by OCV	ongoing
Transportation Support for Rt 30 Corridor		$13,000			Assist patients with ensuring that they make it to their medical appointments			Number of rides provided		ongoing
Exapnded Scribe Role		$120,000	$75,318		1. Support primary care clinicians with medical scribes; 2. Improve patient satisfaction; 3. Ensure clinicians are working at the top of their license; 4. Increase access to care	1. Support primary care clinicians with medical scribes; 2. Improve patient satisfaction; 3. Ensure clinicians are working at the top of their license; 4. Increase access to care; 5. Reduce Clinicain 'burn-out'		1. Patient satisfaction scores; 2. Number of patients cared for in a day	1. Patient satisfaction scores; 2. Number of patients cared for in a day	ongoing
Telehealth			$101,687			Enable board certified Psychiatrists to provide 24/7 care for patients with acute psychiatric needs			Number of patients receiving services	ongoing
Total	$456,197	$343,000	$349,522							

2019 Hospital Health Care Reform Investments

Hospital: Brattleboro Memorial Hospital

Total Amount Across All Activities/Investments: _____

Per GMCB budget guidance, indicate which health care reform goals the activity/investment meets (see Columns G-K)

	Activities, investments, or initiatives within the 0.4% health care reform investment	Allocation for the investment	Was this activity in last year's budget?	If yes, describe how the 2019 investme	Is this investment supplanting previous costs, or does	Does this activity support the transition toward value-	Does this activity support All-Payer	Does this activity support APM Populati	Does this activity support APM Populati	List APM quality measure(s) that the activity is intended to improve	Summary of evidence base or rationale that the activity will achieve the intended improvement(s), as well as the longer term goals of reducing health care costs and improving quality of care	
	Neurologist	$275,000	No	N/A	New	No	Yes	Yes	Yes	N/A	1. Current lack of access to Neurologist for patients in Windham County; 2. Keep community patients within their community	3
	Psychiatric Nurse Practitioner	$150,000	No	N/A	New	No	Yes	Yes	Yes	Depression screening and follow-up plan	1. Current need documented mental health needs out of BMH's ER; 2. Lack of available mental halth beds in the State; 3. Embedded Clinician in the ER will be able to provide immediate care to patients with acute psychiatric needs	1
	Behavioral Health Therapist	$66,000	No	N/A	New	No	Yes	Yes	Yes	1. PHQ2 Screenings; 2. PHQ9 Intervention Plan	1. Need for behavioral health to be integrated into every facet of medical care; 2. Through SBIRT grant, we have seen first hand, the need for substance abuse and alcohol missuse counseling and referrals. We have seen the benefit of embedded behavioral health therapy for patients of BMH Medical Group	1
	Project Manager-RISE VT (Childhood Obesity)	$70,000	No	N/A	New (OCV will provide $35K towards cost)	No	Yes	Yes	Yes	BMI Screening and Intervention Plan	The results witnessed in other similar programs across Vermont indicate the sucsess of this program for positive outcomes for children and the community.	1
	Embedded Care Coordinators (3)	$215,000	No	N/A	New	No	Yes	Yes	Yes	1. Annual Wellness Visits (Medicare); 2. A1C rates for Diabetic Patients; 3. Controlling	1. Evidence that clear care goals and additional support of RN Care Coordinators can positively impact patients with chronic conditions health	3

Total Amount Across All Activities/Investments $776,000

9

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

09. FY2018 Actual to Budget Reconciliation

	FY2018 Projected	Budget 2018	variance from budget	
Gross patient service revenue	157,540,807	169,571,693	(12,030,886)	-7.1%
Deductions from revenue				
DSP	515,085	517,313	(2,228)	-0.4%
Bad debt & Free care	(6,816,377)	(4,713,087)	(2,103,290)	44.6%
Deductions from revenue	(80,212,947)	(85,173,288)	4,960,341	-5.8%
Net Patient Service Revenue	71,026,568	80,202,631	(9,176,063)	-11.4%
Fixed Prospective Payments	7,613,936	0	7,613,936	
Total NPSR & FPP	78,640,504	80,202,631	(1,562,127)	-1.9%
Other operating revenue	3,425,755	3,555,854	(130,099)	-3.7%
Net operating revenue	82,066,259	83,758,485	(1,692,226)	-2.0%
Operating expenses				
Salaries & fringes	34,246,301	34,267,508	(21,207)	-0.1%
Physician wages, fringes & fees	16,924,278	17,286,380	(362,102)	-2.1%
Other expenses	23,399,580	23,177,011	222,569	1.0%
Depreciaion & interest	4,911,963	4,167,222	744,741	17.9%
Provider tax	4,502,274	4,500,295	1,979	0.0%
Total operating expenses	83,984,397	83,398,416	585,981	0.7%
Operating gain	(1,918,138)	360,069	(2,278,207)	-632.7%
Non operating income (loss)	1,451,110	740,000	711,110	96.1%
Excess of revenue over expense	(467,028)	1,100,069	(1,567,097)	-142.5%

Net Patient Revenue and Fixed Prospective Payments are projected to be 1.9% lower than budget.

- Approved rate increase not implemented until February.
- Volume is below budgeted levels in many areas.

Utilization:

- Admissions are projected to be 7.0% under budget. We are still recruiting for Primary care physicians.
- OR and minor procedure cases are projected to be 5.4% under budget. We lost an orthopedic surgeon in January.
- Physician office visits continue under budget as we have open positions.

Expenditures are projected to be less than 1% over budget.

- Contracted labor represents a significant variances.
- The FY2018 depreciation budget had some errors.

10. *Budget-to-budget growth.*

A. Net patient revenues:

i. Provide the budgeted FY 2019 NPR increase over the approved FY 2018 budget. If the GMCB rebased the hospital's budget for the purpose of calculating FY 2019, provide the budgeted increase in NPR for FY 2019 measured from the hospital's rebased budget.

ii. Describe any significant changes made to the FY 2018 budget (including, but not limited to, changes in anticipated reimbursements, physician acquisitions and certificates of need) and how they affect the FY 2019 proposed budget.6

iii. Describe any cost saving initiatives proposed in FY 2019 and their effect on the budget.

iv. Explain changes in NPR/FPP expected for each payer source:

a. Medicare revenue assumptions: Identify and describe 1) any significant changes to prior year Medicare reimbursement adjustments (*e.g.* settlement adjustments, reclassifications) and their effect on revenues; 2) any major changes that occurred during FY 2018 that were not included in the FY 2018 budget, and 3) any anticipated revenues related to meaningful use and 340B funds in FY 2019.

b. Medicaid revenue assumptions: Budget for net patient revenues expected from rate changes, utilization and/or changes in services.

c. Commercial/self-pay/other revenue assumptions: Commercial insurance revenue estimates should include the latest assumptions available to the hospital and any other factors that may explain the change in net patient revenues.

v. Complete Appendix VI, Tables 1A and 1B. If the hospital categorizes revenue differently than as indicated in the tables, provide such categories, including labels and amounts, in the "Other" rows.

B. Expenses:

i. Provide the budgeted FY 2019 net expenditure increase over the approved FY 2018 net expenditure increase.

ii. Describe any significant changes made to the FY 2018 budget (including, but not limited to, changes in costs of labor, supplies, utilization, capital projects) and how they affect the FY 2019 proposed budget. Provide assumptions about inflation and major program increases.

iii. Describe any cost saving initiatives proposed in FY 2019 and their effect on the budget.

iv. Complete Appendix VI, Table 2. If the hospital categorizes expenses differently than as indicated in the tables, provide such categories, including labels and amounts, in the "Other" rows.

10. Budget to Budget Growth

	Budget FY2019	Budget 2018	Change 2019 from 2018 Budget	
Gross patient service revenue	173,474,026	169,571,693	3,902,333	2.3%
Deductions from revenue				
DSP	604,168	517,313	86,855	16.8%
Bad debt & Free care	(5,429,268)	(4,713,087)	(716,181)	15.2%
Deductions from revenue	(94,711,995)	(85,173,288)	(9,538,707)	11.2%
Net Patient Service Revenue	73,936,931	80,202,631	(6,265,700)	-7.8%
Fixed Prospective Payments	10,031,219	0	10,031,219	
Total NPR & FPP	83,968,150	80,202,631	3,765,519	4.7%
Other operating revenue	3,221,145	3,555,854	(334,709)	-9.4%
Net operating revenue	87,189,295	83,758,485	3,430,810	4.1%
Operating expenses				
Salaries & fringes	28,182,609	26,912,843	1,269,766	4.7%
Physician wages, fringes & fees	18,615,495	17,286,380	1,329,115	7.7%
Other expenses	22,773,504	23,177,011	(403,507)	-1.7%
Depreciaion & interest	4,641,677	3,933,151	708,526	18.0%
Provider tax	5,035,156	4,500,295	534,861	11.9%
Total operating expenses	86,934,345	83,398,416	3,535,929	4.2%
Operating gain	254,950	360,069	(105,119)	-29.2%
Non operating income (loss)	758,000	740,000	18,000	2.4%
Excess of revenue over expense	1,012,950	1,100,069	(87,119)	-7.9%

Total Net Revenue (NPR) and Fixed Prospective Payments (FPP) increase 4.7% from the FY2018 budget

Reimbursement:

Disproportionate Share Payments (DSH) are budgeted at the level calculated by DVHA for State fiscal year 2019 – a 16.8% increase.

Medicare reimbursement is budgeted based on the inpatient PPS proposed rule for FY2019 and current reimbursement of outpatient and physician offices.

Medicare	Budget 2019	% of gross	Budget 2018	% of gross	change from Fy18 budget	
Revenue	79,641,518	100.0%	74,238,062	100.0%	5,403,456	7.3%
deduction	(55,535,270)	-69.7%	(47,766,386)	-64.3%	(7,768,884)	16.3%
Fixed Prospective Payments	7,162,774	9.0%	0	0.0%	7,162,774	0.0%
net	31,269,022	39.3%	26,471,676	35.7%	4,797,346	18.1%

The overall Medicare net as a percent of gross is projected to increases to 39.3% compared to 35.7% budgeted for FY2018. Medicare Dependent Hospital (MDH) and Low Volume Provider (LVP) provisions are included in the Budget for FY2019. We have not budgeted any meaningful use funds in FY2019.

We have budgeted a full year of Fixed Prospective Payments related to the OneCareVT contract based on the first 4 month of CY2018.

Medicaid reimbursement rates have been budgeted on our current reimbursement rates.

Medicaid	Budget 2019	% of gross	Budget 2018	% of gross	change from Fy18 budget	
Revenue	31,716,351	100.0%	33,877,581	100.0%	(2,161,230)	-6.4%
deduction	(24,170,379)	-76.2%	(24,016,028)	-70.9%	(154,351)	0.6%
Fixed Prospective Payments	2,868,445	9.0%	0	0.0%	2,868,445	0.0%
net	10,414,417	32.8%	9,861,553	29.1%	552,864	5.6%

The Medicaid net as a percent of gross is being budgeted to increase to 32.8%, compared to the 29.1% budgeted for FY2018. This is based on the average reimbursement we are currently receiving.

We have budgeted a full year of Fixed Prospective Payments related to the OneCareVT contract based on the first 4 month of CY2018.

The net to gross rate for **Commercial and all other payers** is being budgeted at 75.8% compared to 76.1% budgeted for FY2018.

Commercial & Others	Budget 2019	% of gross	Budget 2018	% of gross	change from Fy18 budget	
Revenue	62,116,156	100.0%	61,457,739	100.0%	658,417	1.1%
deduction	(15,006,346)	-24.2%	(14,714,073)	-23.9%	(292,273)	2.0%
net	47,109,810	75.8%	46,743,666	76.1%	366,144	0.8%

We have not budgeted Fixed Prospective Payments for Blue Cross as we don't have any experience or information on what those payments would be. We have based reimbursement rates for commercial payors on our experience for the first seven months of FY2018.

Expenditures:
Overall operating expenses are budgeted to increase $3,535,806 (4.2%).

Operating expenses	Budget 2019	Budget 2018	Change	%
Wages (non physician)	28,182,609	26,912,843	1,269,766	4.7%
Fringe Benefits (non physician)	7,475,763	7,354,665	121,098	1.6%
Physician services & fringes	18,615,495	17,294,380	1,321,115	7.6%
Other expenses	22,773,381	23,169,011	(395,630)	-1.7%
Depreciaion	4,641,677	3,933,151	708,526	18.0%
Interest	210,141	234,071	(23,930)	-10.2%
Provider tax	5,035,156	4,500,295	534,861	11.9%
Total operating expenses	86,934,222	83,398,416	3,535,806	4.2%

Healthcare reform – we have claimed healthcare reform investments as outline in Question 8.

BMH focused attention on cost control in FY2019 as our revenue projections began to fall short. We focused on any labor or supply cost The effort resulted in savings of over $2.2 million. See the attached Operational Improvement Plan.

The fy2018 approved depreciation budget had several errors in the Budget model used to project depreciation. Depreciation for a range of assets was not budgeted.

Operating margin:

	FY 2019 Budget	FY 2018 Projected	FY 2017 Actual	FY 2016 Actual	FY 2015 Actual	5 year Cumulative total
Net Revenue	87,184,829	82,066,259	78,865,699	75,827,884	78,908,554	402,853,225
Operating gain	250,607	(1,918,138)	(2,437,056)	(555,653)	2,044,997	(2,615,243)
Operating margin	0.3%	-2.3%	-3.1%	-0.7%	2.6%	**-0.6%**

The operating margin is budgeted to remain at a very low level (0.3%) in recognition of the need to hold down health care costs to our community.

Over a longer time frame, our objective is to maintain an average operating margin of at least 3%. At this point we have dropped to a negative operating margin of 0.6% for the 5 year margin. This level of return does not represent a sustainable return for such a capital-intensive operation as a community hospital. **More than anything else**, inadequate reimbursement from Medicare and Medicaid is driving the cost shift and this low level of margin. If reimbursement levels decline further, this hospital will be unable to maintain a reasonable margin and that will ultimately challenge our continued existence.

Positions	effective	assigned	Budget Savings	FTEs
1 Lactation Consultant Retirement, no replacement	7/1/2018	JD	75,000	0.60
2 Post Acute Care-NP No replacement	1/18/2018	EP	95,000	1.00
3 Interim Care Clinic-MD	2/5/2018	EP	84,000	
4 Post Acute Care-MD No replacement	4/1/2018	EP	30,000	
5 BMG Data Coordinator	4/1/2018	EP/KM	50,000	1.00
6 Nurse Staffing Scheduling		JD	10,121	0.20
7 Vul Pop RN- Reduction in hours (staff request)			34,000	0.40
8 8 hours of OR RN		JD	20,000	0.20
9 OR Infomatics Analyst $100,000		JD	75,000	0.80
10 Care Management - No replacement	1/1/2018	KM	95,000	1.00
11 Histo Tech	3/31/2018	SC	80,000	1.00
12 CHT Scheduling	1/1/2018	JD	16,000	0.50
13 Nursing Educator No replacement	1/1/2018	JD	95,000	1.00
14 BFM Office Supervisor	3/23/2018	EP	55,000	1.00
15 Centralzied Prior Auth	4/1/2018	MK	25,000	0.50
16 Retirement of Department Director-no replacement	5/1/2018	JD	131,512	1.00
add rn Navigator	5/1/2018	JD	(72,800)	(0.80)
add MS to oncology	5/1/2018	JD	(13,800)	(0.40)
			884,033	9

Expenses		
1 Conferences (Now, let department managers know, conferences over $500, needs appro	MR	50,000
2 Food-All meetings, just coffee/tea; no food; except monthly Med Staff and Monday Edu	SC	20,000
3 Contract labor (need timeline and Dollars; need to wean ourselves)	*JD*	
4 Answering Service and Nurse First Answering Service for JSP	EP, SC and SK	25,000
5 1% for all non-contract, non-Leadership Team eff. 4/1/18		95,000
8 Capital Hold ; with the exception of emergency capital	MR to communicate	
9 Continuing Educ/Tuition Reimb		15,000
10 Overtime (SLT)		5,000
11 Redux IT Consultant		210,000

Programs			
1 Close Interim Care Clinic non labor	3/1/2018	EP	150,000
2 NSQIP			50,000
6 Admin reduction for contracted services (Biomed)			25,000
			225,000
Total			2,203,066

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.

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

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

11. Bad debt

Bad debt is budgeted at 2.3% of gross revenues and **Free care** at 0.9%. These rates are higher than budgeted last year and lower than our experience through April of this year. BMH provides charity care for patients with income up to 350% of the federal poverty level.

A. BMH wrote off $125 thousand as bad debts in FY2017 that were incurred prior to 10/01/2015.

B. BMH uses Bolder Healthcare Solutions as a collection agency.

C. We believe Bolder follows these guidelines.

12. *Rate Request.*

A. 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.

B. 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.

C. 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.

12. Rate request

Gross revenues increase 2.5% from last year's budget before changes in rates.

Revenues	FY2018 Approved Budget	FY2018 - before rate increase	volume / mix Variance		FY2019 Budget	Impact of Rate Increase	
Imaging	35,862,097	34,898,094	964,003	2.8%	37,340,962	2,442,868	7.0%
Perioperative & anesthesia	23,533,764	22,599,399	934,365	4.1%	24,181,357	1,581,958	7.0%
Physician Practices	23,188,177	21,694,555	1,493,622	6.9%	21,694,555	(0)	-0.0%
Lab	18,059,465	15,996,400	2,063,065	12.9%	17,116,148	1,119,748	7.0%
Drugs & IV Therapy	15,339,204	16,265,286	(926,082)	-5.7%	16,323,803	58,517	0.4%
Emergency Room	14,201,479	17,876,899	(3,675,420)	-20.6%	19,128,282	1,251,383	7.0%
Med / Surg	13,135,668	11,171,518	1,964,150	17.6%	11,953,525	782,007	7.0%
Medical / surgical supplies	6,209,953	6,658,050	(448,097)	-6.7%	6,658,050	0	0.0%
ER & Hospitalist Physicians	5,091,831	4,724,346	367,485	7.8%	4,724,347	1	0.0%
Birthing Center	4,168,619	3,206,899	961,720	30.0%	3,431,381	224,482	7.0%
Clinics	4,107,528	3,010,265	1,097,263	36.5%	3,169,810	159,545	5.3%
Rehabilitaion services	3,668,934	3,727,869	(58,935)	-1.6%	3,988,819	260,950	7.0%
Respiratory, EKG, EEG	2,628,907	3,259,542	(630,635)	-19.3%	3,487,709	228,167	7.0%
	$169,195,626	$165,089,123	$4,106,503	2.5%	$173,198,748	$8,109,625	4.9%

The proposed rate change for FY2019 will increase gross revenues by $8.1 million (4.9%). The charges for most revenue centers are projected to increase 7.0%. The markups for the Med/Surg supplies, drugs and charges for Physician services will not be increased. The rate increase is budgeted to be the same across all payors.

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.

13. Considerations from the GMCB FY2017 budget to actual review

Our 2017 actual results did not exceed our budget.

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.

14. Capital Budget

The Non CON capital budget for FY2019 is $2.1 million. There are no items included in FY2018 in excess of $500,000.

We expect to begin work on our Modernization project soon. The CON to replace our existing surgical suites, provide suitable physician offices and replace our aged boiler plant was approved in September 2017. We are currently working on design development and pursuing act250 approval. The projected cost ($22.7 million) for this project has been included in this budget but won't be completed until FY2020 and has no impact on Net Patient Revenue in FY2019. There is some impact on depreciation as we hope to put the new boiler plant into service in Fall of 2018.

15. Technical Concerns

We have no technical concerns at this point.

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

16. Salary Information:

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 & Dental Insurance Coverage	Retirement Contributions
$0 - $199,999	712	28,448,326	5,292,524	1,228,931
$200,000 - $299,999	12	2,870,387	233,890	147,722
$300,000 - $499,999	5	1,748,720	75,178	67,500
$500,000 - $999,999	1	664,655	16,418	14,175
$1,000,000 +	0	0	0	0

Does the Employer Portion of Health Insurance Coverage and Retirement Contributions include Medical, Dental and Vision - or just Medical? We have provided the estimated cost of Health and Dental Insurance. The Pension contribution was the actual employer's contribution for CY2017.

Are the above mentioned numbers "real" numbers or an allocation? The employer's cost of the Health and Dental plans are estimated as a % of the amount of the employees contribution. The pension contribution is "real".

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

BRATTLEBORO MEMORIAL HOSPITAL
Brattleboro, Vermont
PERSONNEL POLICY

Compensation	
Original	1/87
Reviewed	08/15
Revised	10/01

SUBJECT: WAGE AND SALARY ADMINISTRATION

I. POLICY

Brattleboro Memorial Hospital will make every effort to establish and maintain a competitive compensation program. The Hospital's compensation program will be determined based on consideration to various factors including but not limited to: wages paid for similar work in the local competitive healthcare marketplace, including other industries where appropriate, as well as other internal parity and affordability considerations.

II. PURPOSE

Brattleboro Memorial Hospital continually monitors and re-evaluates job classifications, as deemed appropriate, and salary ranges to ensure that the Hospital's compensation program is both competitive and affordable.

III. SALARY RANGES

Salary ranges are established for each position based on numerous factors such as: job evaluation assessment, market conditions and data and internal affordability factors. Salary ranges are periodically reviewed and adjustments to the ranges are made where appropriate.

IV. DEPARTMENT LEADER RESPONSIBILITIES

Salary administration is the responsibility of each Department Leader. Annually, Department Leaders receive a wage worksheet detailing each employee's current salary as well as any approved increase for the coming year. The responsibility for salary administration includes maintaining controls (ex. overtime, staffing, retention) established to hold payroll costs at budgeted levels.

V. GENERAL INCREASES/DECREASES

Any general increase or decrease in the salary range(s), as approved by the President, are implemented accordingly.

VI. Hire-in Rate

Salary ranges have been developed for each position in the hospital. These ranges provide minimum and maximum salary levels for each position.

Normally, employees are hired at the base rate of the salary range established for the job classification. However, the following factors may be considered:

A. Applicants may be considered for hire at or above the minimum step of the range. The hire-in rate will be determined based on numerous factors such as:

- recent relevant work experience
- the number of years worked
- demonstrated proficiency including knowledge and skill to perform job duties

- current market conditions
- internal parity
- internal affordability

The decision to hire above or below the base rate is a joint decision between the Department Leader and the Vice President, Human Resources. The President's approval may be required to hire above the midpoint.

B. Employees rehired for the same job within one (1) year of resignation may be placed at the wage assigned to them at the time of their resignation.

VI. INSTRUCTION IN SALARY ADMINISTRATION

Department Leaders and Human Resource representatives should be knowledgeable in salary administration for effective fulfillment of their responsibilities. Such instruction or training is the responsibility of the Vice President, Human Resources or designee.

Reference:
Personnel Policy: Performance Evaluations and Salary Increases.doc
Personnel Policy: Differentials.doc
Collective Bargaining Agreement

BRATTLEBORO MEMORIAL HOSPITAL
Brattleboro, Vermont
PERSONNEL POLICY

Recruitment	
Original	4/96
Reviewed	05/11
Revised	12/04

SUBJECT: RECRUITMENT AND RETENTION

I. Policy

An effective recruitment and retention plan is essential to ensure both consistent delivery of high quality patient care and employee satisfaction. While recruitment activities are important in identifying candidates with the necessary critical skills to fill identified staffing need, retention activities are of equal importance to provide the greatest long-term benefit to the hospital and its employees.

The following is a description of the hospital's recruitment and retention plan. The ongoing success of the plan is assured through the collaborative efforts of Managers, Staff, Physicians and Volunteers.

II. Purpose

To describe existing programs within the organization to ensure recruitment and retention of qualified staff.

III. Recruitment and Retention Programs/Initiatives

1) Recruitment

a) Various outreach recruiting initiatives are employed to source qualified candidates. Said initiatives include: newspaper/journal advertisements, job fairs, professional associations, schools, the Internet and recruitment agencies.

b) All potential employees are reference checked to ensure that the prospective employee is suitable for employment, and thereby, making retention more likely.

c) In accord with State regulations, the hiring process includes a criminal records investigation on all newly hired employees to further ensure a safe work environment.

d) Licensure, where appropriate, is verified at the time of hire and annually thereafter.

e) For designated, difficult to fill positions, an internal referral bonus may be offered for current employees who refer a candidate who is successfully employed by the Hospital and meets program requirements.

f) Financial relocation assistance may be offered to incoming employees who meet program requirements. This is in the form of a forgiveness program which is prorated over the first two (2) years of the employee's service.

2) Compensation and Benefits

a) A salary survey is conducted, at a minimum, on an annual basis to ensure that the hospital maintains a competitive position in the marketplace.

b) The job evaluation committee reviews, as needed, position descriptions for appropriate job leveling while ensuring internal parity between positions within the organization.

c) Annually, hospital benefits are reviewed to ensure the hospital maintains cost effective, competitive benefit products.

d) An Employee Assistance Program is available to assist employees resolve personal and/or work related issues.

e) Temporary premium pay may be offered for certain difficult to fill positions. This differential is available to existing part time and per diem staff who agree to assume posted hours on a temporary basis.

3) Education

a) A half-day general hospital orientation is offered to all new employees and volunteers on a monthly basis. All clinical staff attend an additional half day clinical orientation. Upon completion of general and clinical orientations, all LPNs/RNs participate in a four-day didactic nursing orientation, followed by unit based clinical orientation which is structured to meet the needs of each individual orientee.

b) Department Heads are further oriented through participation in the Supervisory Checklist Orientation.

c) Ongoing external education is made available through various programs: Tuition Reimbursement, Scholarship Program, Professional Practice Development and/or attendance at seminars/workshops.

d) The Department of Community Health and Hospital Education provides a wide variety of unit-based and hospital-wide education programs.

e) The VNIP (Vermont Nurse Internship Program) provides new graduate RNs with an opportunity for an extensive precepted orientation program.

4) Performance Appraisal/Development Planning

a) Upon completion of a three month probationary period, and once per year thereafter, the employee's performance is evaluated.

b) The performance appraisal tool incorporates a development planning component which focuses on professional growth and the attainment of measurable job-related goals.

c) Once per year, employees are further evaluated on their knowledge of infection control, emergency preparedness, fire/back safety, conflict resolution, performance improvement, and confidentiality through the Mandatory Annual Education Program (MAE).

d) Once per year, employees (in conjunction with their Supervisor) are encouraged to review and, where necessary, modify the performance tool to ensure accuracy and enhance mutual understanding of performance expectations.

5) Employee/Labor Relations

a) Pro-active resolution of labor-related issues and on-going development of harmonious Union/Management relations continue to be addressed through various established forums (i.e. "Joint Committee", and "Union Officers/Nursing Director/Human Resources" monthly meetings).

b) All online applicants must agree with the hospital's Standards of Conduct before completing their online application and all new hires are introduced to the Standards of Conduct at general orientation. Every employee will be asked to sign an agreement acknowledging receipt of the standards and their willingness to meet the expectations outlined in the standards.

c) An organizationally tailored Hospital-wide Conflict Resolution System has been designed to encourage Managers, Staff, Volunteers and Physicians to pro-actively address concerns and seek mutually agreeable solutions.

d) All employees have access to an appeal process wherein they may discuss their concerns and attain an equitable resolution.

e) An exit interview process is available upon termination of employment to identify specific trends leading to turnover.

6) Communication

a) The hospital encourages open communication between employees at all levels and utilizes the following communication channels to maintain effective communication: Department Meetings, Bulletin Boards, Employee Orientation, Staff Development Calendar, Town Meetings, Employee Newsletter, Annual Report, Open Door Policy, and Department Head Meetings.

b) Educational efforts are offered to enhance communication and collaboration at all levels throughout the Hospital (e.g., Employee/Volunteer/Physician training on Conflict Resolution, Management training on Collaborative Negotiations, and Mediation training for a select cross-section of staff personnel).

7) Flexible Work Schedules

The Hospital recognizes that employees may need to address personal needs and thus provides employees, where possible, with various work schedule options. Such options include: flex-time; shift variations; full-time, part-time, per diem status, leave of absences, excused time from work, and earned time benefits.

8) Advancement

a) Open positions are posted for 10 calendar days, thereby notifying employees of available opportunities for which they are eligible to apply.

b) The criteria-based performance appraisal provides useful information to evaluate employee skills and knowledge for promotional opportunities. Additionally, the performance appraisal tool incorporates a development planning component which focuses on prospective professional growth and the attainment of measurable job-related goals.

c) The Hospital's "Tuition Reimbursement" and "Scholarship" programs encourage personal self-development and enhance an employee's potential to advance within the organization.

d) The SNAP (Student Nurse Assistant) program provides both a learning opportunity for nursing students in the second year of school and a pool of potential candidates for new RN positions.

9) Recognition Program

Various special recognition/achievement programs exist to commend employees for their ongoing commitment, dedication and excellence to customer satisfaction. BMH recognition programs include: Annual Service Recognition Dinner, Employee of the Quarter Award, Employee of the Year Award and a meritorious/bonus compensation program.

10) Employee Activities

The active efforts of the Wellness and CARE Committees are instrumental in enhancing employee morale and self-esteem.

Reference:
Administrative Policy: Employee Communication.doc
Administrative Policy: ..\..\Administrative\Organizational\DEPARTMENTHEADMTG.doc
Administrative Policy: Bulletin Boards and Signs, Use of.doc
Administrative Policy: ..\..\Administrative\Organizational\Orientation, Continued & Mandatory Education.doc

Personnel Policy: Classification of Employees.doc
Personnel Policy: Earned Time.doc
Personnel Policy: Leave of Absence (LOA).doc
Personnel Policy: Tuition Reimbursement.doc
Personnel Policy: Employee Recognition.doc
Personnel Policy: Conflict Resolution Process.doc
Personnel Policy: Appeals.doc
Personnel Policy: Employee Assistance Program.doc

C. Identify:

i. Outside consultants relied on for benchmarking;

ii. Peer groups to which the hospital benchmarks;

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

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

C. Identify:

i. Outside consultants relied on for benchmarking;

NEAH, MGMA, VAHHS, SMIG, Yaffe and Company

ii. Peer groups to which the hospital benchmarks;

VAHHS, NEAH

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

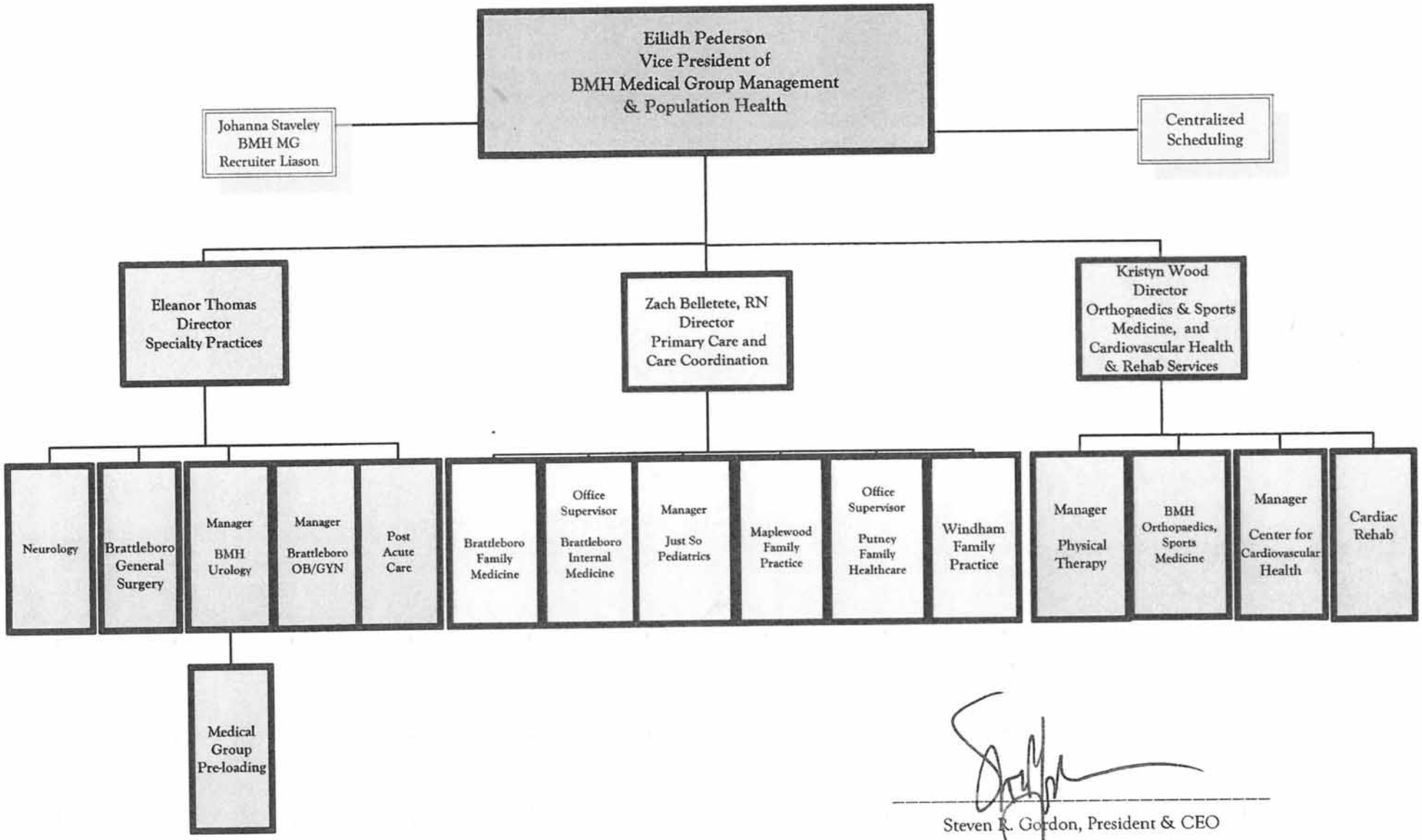
Median Market Range

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

Most job classifications tracked on a regular basis except when recruitment needs require ad-hoc evaluation

Organizational Structure

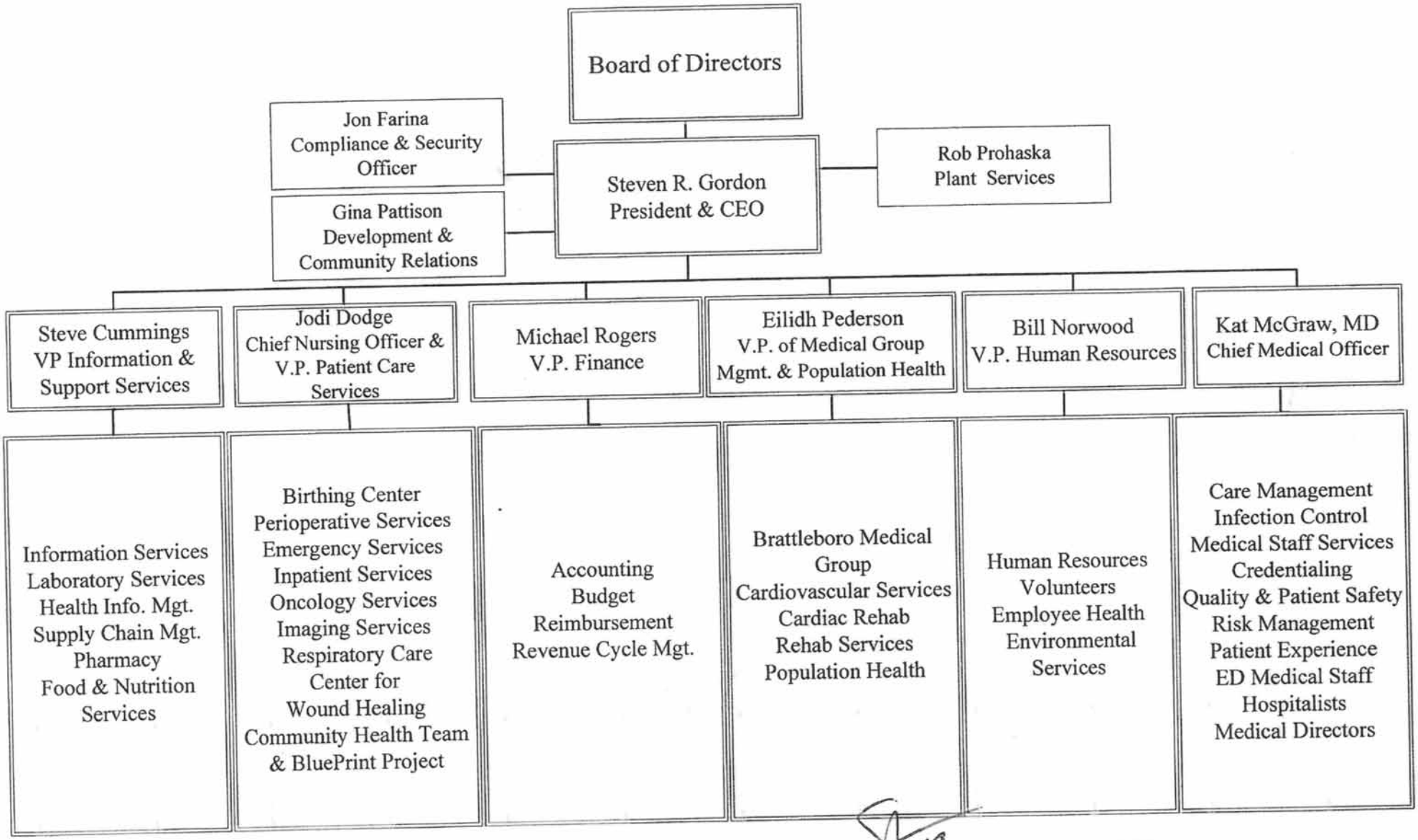
Provide the hospital's organizational chart including parent companies, subsidiaries, affiliated entities, etc.



Steven R. Gordon, President & CEO

Brattleboro Memorial Hospital & Southern Vermont Health Services Corporation

Effective 6/01/18



Steven R. Gordon, President & CEO