

EXECUTIVE SUMMARY

Northeastern Vermont Regional Hospital is busy meeting the needs of our community for essential health care services!

Volume continues to increase, pushing NPR growth beyond the GMCB guideline. There are no discernable clinical reasons for what is happening. Rather, the growth appears to be a result of an aging population, higher acuity of patients, providing timely access to essential services this community needs, and the community's renewed sense of confidence in all of NVRH services. From budget 2019 to budget 2020 net patient revenue will increase by 7.2%. From full-year projected 2019 to budget 2020 net patient revenue growth is 3.5%.

The FY 2020 budget contains no new services and no significant operational change.

On a budget to budget basis expenses will increase by 7.9%. From full-year projected 2019 to budget 2020 the expense growth is 3.4%

A \$1,800,000 operating margin, equal to 2.0% of total operating revenue, has been budgeted for fiscal 2020.

NVRH is requesting a 3.5% rate increase for fiscal year 2020.

There have been two significant staffing changes during fiscal 2019. In November, 2018 NVRH hired a new Chief Executive Officer, Shawn Tester, to replace Paul Bengtson. Paul retired after 32 years as NVRH's CEO. A new Chief Nursing Officer will be hired before the end of FY 2019 to replace Seleem Choudhury. Seleem resigned from NVRH to become President and COO of Porter Medical Center.

PAYMENT AND DELIVERY REFORM

NVRH has been preparing for value-based payment and delivery reform since 2008. At that time St. Johnsbury joined the Blueprint Pilot project. The pilot evolved into the NCQA Certified Medical Home program. NVRH now sponsors four (4) practices that are NCQA Certified Medical Homes.

Most recently NVRH partnered with the Vermont Department of Health Access (DVHA) and OneCare Vermont on a new pilot project. The pilot will change the methodology used to attribute lives. The current attribution model is based on the beneficiary's primary care provider. The pilot will attribute lives based on geographic area. We believe being responsible for entire population in our geographic area, whether or not they are attributed to one of our primary care providers, is essential to improving the health of our community over the next five years and beyond.

NVRH is also using this pilot to move at-risk Medicaid health care dollars upstream to invest in prevention and social determinants of health. This is another way we intend to improve the health of our community over the next five years and beyond.

A. In August 2018 NVRH signed the OneCare Vermont Medicaid-risk contract. The agreement became effective January 1, 2019. During fiscal 2020 NVRH will continue participating in the OCV Medicaid-risk contract. The information requested in Appendix V for this contract has been provided and reproduced below. NVRH will not participate in either OneCare Vermont's Medicare-risk or Commercial-risk contracts during 2020. We will assess whether or not to join additional at-risk contracts in 2021 after results of our first year performance under the Medicaid-risk agreement is known.

B. NVRH's maximum upside and downside risk for the Medicaid contract is \$579,600 per year.

i. NVRH records a contractual allowance (income statement) and corresponding liability reserve (balance sheet) for the full downside risk amount, \$579,000. NVRH will manage risk by continuing to provide services efficiently, working closely with local partners to provide timely and comprehensive community-based support to attributed Medicaid beneficiaries. Applicable ACO measures will be monitored to assure NVRH continues to provide high quality care and appropriate level of utilization.

ii. See response to (i) above.

C. Calendar 2019 is our first year under the Medicaid-risk model. If OneCare makes any Other Reform Payments (e.g. Value-Based Incent Program Payments) for 2019 they would be received in 2020. However, the amount of such other payments is unknown at this time. Therefore, nothing has been included in NVRH's 2020 budget for Other Reform Payments.

D. NVRH employees are not attributed to OneCare Vermont. NVRH only contracts with One Care for Medicaid beneficiaries. We will participate in the non-risk UVM Self-Funded contract in fiscal 2020. Also, the third party administrator for NVRH's self-funded health insurance, Health Plans Inc. does not contract with OneCare Vermont.

E. For many years, and long before the All Payer-ACO Model, NVRH has reallocated resources to improve population health in our communities. Our prior budget submissions detailed the many programs those resources were allocated to. Our newest initiative, which started in fiscal 2019, is transferring some of the Medicaid Fixed Prospective Payments we receive, and the full amount of Community Capacity funds received from the ACO, to the NEK Prosper Prevention Fund. The Prevention Fund will use the amount transferred, totaling \$83,000, on initiatives selected by the NEK Prosper Leadership team to address social determinants of health priorities identified in NVRH's Community Needs Assessment.

NVRH
APPENDIX V

PARTICIPATION IN HEALTH REFORM

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

OneCare Program	Participating in Program in CY 2020? (Yes/No)	Budgeted Number of Attributed Lives (monthly average for CY 2020)	Budgeted Amount of FPP (monthly average for CY 2020)	Budgeted Maximum Upside/Downside Risk for CY 2020)
Medicaid	Yes	5,200	428,260	579,000
Medicare	No	0	0	0
BCBSVT	No	0	0	0
Self-Insured	Yes	N/A	N/A	N/A
TOTAL		5,200	428,260	579,000

RECONCILIATION

A table reconciling fiscal year 2019 budget and full-year projection revenues and expenses, with explanation of variances, is provided below in Table 1.

NVRH				
Budget 2020 Submission				
Reconciliation				
	FY 2019 Budget	FY 2019 Projected	NOTES	
NET PATIENT CARE REVENUE	\$81,568,705	\$81,058,242		
FIXED PROSPECTIVE PAYMENTS	\$0	\$3,854,300	Not isolated in original budget	
OTHER REFORM PAYMENTS	\$0	\$0		
RESERVES (for at-risk portion of FPP)	\$0	-\$434,300		
TOTAL NPR & FPP & RESERVES & OTHER	\$81,568,705	\$84,478,242	Volume, higher acuity of patients, unable to transfer patients to other facilities in timely manner	
COMMUNITY FOUNDATION REVENUE	\$0	\$0		
GRANT INCOME	\$0	\$0		
CAFETERIA & PARKING	\$0	\$0		
EMPLOYEE SALES PHARMACY	\$53,300	\$53,200		
EMPLOYEE SALES MED SURG SUPPLIES	\$0	\$0		
SALE OF SERVICES TO OTHER ORGANIZATIONS	\$0	\$0		
PHYSICIAN OFFICE AND OTHER RENTALS	\$0	\$121,100		
MEANINGFUL USE	\$140,000	\$0		
340B RETAIL PHARMACY PROGRAMS	\$2,450,000	\$2,000,000	Delay in capturing some 340B revenue.	
OTHER	\$0	\$144,100		
MISCELLANEOUS/CONTRACT INCOME	\$0	\$0		
PREMIUM REVENUE AND PAYER INCENTIVES	\$0	\$0		
SPECIALTY PHARMACY	\$0	\$0		
OUTPATIENT PHARMACY REVENUE	\$0	\$0		
REFERENCE LAB REVENUE	\$1,049,400	\$2,157,400	Reference lab work understated in original estimate. Certain lab modalities were excluded	
INSTITUTIONAL SERVICES REVENUE	\$0	\$0		
REIMBURSED EXPENSES	\$0	\$0		
OTHER OPERATING REVENUE	\$3,692,700	\$4,475,800	Reference lab revenue net of expenses higher than anticipated	
TOTAL OPERATING REVENUE	\$85,261,405	\$88,954,042		
OPERATING EXPENSE				
SALARIES NON MD	\$29,645,050	\$29,532,921	Vacant positions filled by temporary agency staff	
FRINGE BENEFITS NON MD	\$8,881,546	\$10,898,454	Loan repayments shifted to fringe, health insurance, fiscal 2019 reporting error	
FRINGE BENEFITS MD	\$2,561,347	\$3,143,938	Loan repayments shifted to fringe, health insurance fiscal 2019 reporting error	
PHYSICIAN FEES SALARIES CONTRACTS & FRINGE	\$10,371,950	\$9,875,313	Vacant positions	
HEALTH CARE PROVIDER TAX	\$4,600,000	\$4,703,185	Higher NPR	
DEPRECIATION AMORTIZATION	\$3,450,000	\$3,514,440	Additional equipment purchases	
INTEREST - SHORT TERM	\$0	\$0		
INTEREST - LONG TERM	\$350,000	\$249,350	Anticipated new bond issue not completed	
OTHER OPERATING EXPENSE	\$23,842,612	\$25,436,441	Temporary agency and locum expense \$1.6 million higher than budget	
BAD DEBT (pre 2012)	\$0	\$0		
TOTAL OPERATING EXPENSE	\$83,702,505	\$87,354,042		
NET OPERATING INCOME (LOSS)	\$1,558,900	\$1,600,000		
NON-OPERATING REVENUE	\$0	\$0		
EXCESS (DEFICIT) OF REVENUE OVER EXPENSE	\$1,558,900	\$1,600,000		
NOTE: In FY 2019 budget submission, total fringe benefits should have been \$1.6 million higher and other operating expenses \$1.6 million lower				

BUDGET TO BUDGET GROWTH

A. NET REVENUE

- i. From budget 2019 to budget 2020 net patient revenue will increase by 7.2%

- ii. The fiscal 2019 budget was changed to include the mid-year acquisition of Northern Physical Therapy. Including the practice for the full year 2020 versus partial year 2019 increased NPR/FPP by \$208,300
- iii. See response under Expenses
- iv. Following is a summary of changes in NPR/FPP by payer source:

Table 1: Northeastern VT Regional Hospital
NPR Bridges - FY 2019 Approved Budget to FY 2020 Proposed Budget

NPR	Total	% over/under	Medicare	Medicaid-VT	Medicaid-OOS	Commercial-Maj	Comm - Self/Sml	Workers Comp	DSH
FY 19 Approved Budget	\$ 81,568,705		\$ 31,756,252	\$ 11,914,092	\$ 74,300	\$ 33,266,468	\$ 2,153,067	\$ 1,451,526	\$ 953,000
Commercial Rate	1,317,200	1.6%				1,238,200	79,000		
Rate - Non Commercial	-	0.0%							
Utilization	1,524,100	1.9%	435,100	500,100	1,500	665,300	43,100	(121,000)	
Reimbursement/Payer Mix	3,466,700	4.3%	344,600	1,010,800	11,700	1,796,900	407,900	(105,200)	
Bad Debt/Free Care	(679,200)	-0.8%				(679,200)			
Physician Acq/Trans	208,300	0.3%	80,000	42,000		56,300	10,000	20,000	
Changes in Accounting	-	0.0%							
Changes in DSH	34,700	0.0%							34,700
Other (please label)		0.0%							
Other (please label)									
FY 20 Budget	\$ 87,440,505		\$ 32,615,952	\$ 13,466,992	\$ 87,500	\$ 36,343,968	\$ 2,693,067	\$ 1,245,326	\$ 987,700

EXPENSES

- i. Changes from fiscal 2019 to fiscal 2020 budget are summarized in Appendix VI Table 2, which is reproduced below
- ii. The fiscal 2019 budget was changed to include the mid-year acquisition of Northern Physical Therapy. Including the practice for the full year 2020 versus partial year 2019 increased operating expenses by \$185,000
- iii. Cost savings initiatives proposed in the fiscal 2020 budget include maximizing 340B savings for drug purchases (\$1 million per year), reducing locum tenens/staffing agency costs (\$1.8 million on budget to budget basis), maximizing supply purchases through primary vendor, Medline.
- iv. Appendix VI Table 2 has been completed and reproduced below

Table 2: Northeastern VT Regional Hospital
FY 2019 Approved Expenses to Budget FY 2020

Expenses	Amount	% over/under
FY 19 Approved Budget	\$ 83,702,505	
New Positions	275,000	0.3%
Inflation Increases	1,907,600	2.3%
Salaries	1,025,000	1.2%
Fringe (*)	935,000	1.1%
Physician Contracts	0	0.0%
Contract Staffing	975,000	1.2%
Supplies	250,000	0.3%
Drugs	75,000	0.1%
Facilities		0.0%
IT Related	136,800	0.2%
Health Reform Programs		0.0%
Depreciation	515,000	0.6%
Interest	(138,000)	-0.2%
Health Care Provider Tax	465,000	0.6%
NPT Transfer	185,000	0.2%
Other (please label)		
Cost Savings		
FY20 Budget	\$ 90,308,905	

BAD DEBTS

- A. Appendix VII is reproduced below

<u>APPENDIX VII</u>	
ALLOWANCE FOR BAD DEBTS	
NORTHEASTERN VERMONT REGIONAL	Amount (in \$)
Total Bad Debt at End of FY 2017	(3,253,900)
Total Bad Debt Incurred in FY 2018	(735,500)
Total Bad Debt Sent to Collections During FY 2018	457,900
Total Bad Debt Recovered from Collections During FY 2018	(84,300)
Total Bad Debt Written Off During FY 2018	(2,310,600)
Total Bad Debt at End of FY 2018	(5,926,400)

- B. NVRH contracts with one collection agency, Stevens Business Services, Inc.
- C. In our opinion Stevens Business Services complies with HFMA’s “patient friendly billing” guidelines.

OPERATING MARGIN AND TOTAL MARGIN

An operating, and total, margin of \$1,800,000 is budgeted for fiscal year 2020. For NVRH the primary difference between operating margin and total margin is recording changes in the market value of NVRH’s invested funds. Given the volatility in the financial markets we are unable to predict the changes in market value between July, 2019 and September, 2020

The operating margin is budgeted to increase by approximately \$200,000 from approved and projected 2019. NVRH’s strategic plan includes expanding and renovating the Emergency Department and the entire west wing of the first floor. The preliminary estimated cost of that project is \$16 million. Over the next three years NVRH will need to incrementally increase the operating margin from \$1.6 million to \$2.4 million to partially fund the ED expansion project.

CHARGE REQUEST

- A. NVRH is requesting an overall charge increase of 3.5%. The increase will be applied uniformly across all payer types. Hospital charges will increase by 3.8%. Charges for professional services will not increase.

The 3.5% charge increase, on a budget to budget basis, will increase gross revenue by \$5,130,000. The 3.5% charge increase will increase net patient revenue by \$1,317,200.

The need for a charge increase of 3.5% was determined by adding total operating revenue with no rate increase plus desired operating margin and deducting total operating expenses net of proejected cost savings.. Using this formula it was determined that an increase in net patient revenue was required. A 3.5% rate increase will produce additional net patient revenue of \$1,317,200. Two other assumptions used to determine the charge increase percentage relate to volume and payer mix. The latter is important because charge increases do not produce any additional Medicare or Medicaid net revenue. This is illustrated clearly in Bridges Table 1.

- B. The 3.5% charge increase is the same “ask” for commercial and non-commercial payers. The change in net revenue by payer resulting from the charge increase does differ, as shown in Appendix VIII.
- C. The GMCB Charge Schedule, Appendix VIII was completed and reproduced below.
- D. NVRH experienced a \$12.1 million cost shift during fiscal 2018. We were able to generate a positive operating with this high degree of cost shift by improving productivity as measured by adjusted admissions per FTE and FTEs per 100 adjusted admissions.

NVRH
APPENDIX VIII

CHARGE REQUEST

Projected Change in NPR Due to Change in Charge and Contractual Allowances, in %						
Category of Service	Requested Change in Charge from FY19B to FY20B, in %	Projected Change in Total NPR	Projected Change in Commercial Payer NPR	Projected Change in Self-Pay/Other NPR	Projected Change in Medicaid NPR	Projected Change in Medicare NPR
Hospital Inpatient	3.8%	1.70%	3.80%	3.80%	0%	0%
Hospital Outpatient	3.8%	1.90%	3.80%	3.80%	0%	0%
Professional Services	0%	0%	0%	0%	0%	0%
Primary Care	0%	0%	0%	0%	0%	0%
Specialty Care	0%	0%	0%	0%	0%	0%
Skilled Nursing Facility	0%	0%	0%	0%	0%	0%
Other (specify)	0%	0%	0%	0%	0%	0%
Overall Change in Charge Across All Categories	3.5%	1.5%	3.2%	3.2%	0%	0%

FY 2018 VARIANCES

NVRH did not receive a letter from the GMCB regarding the fiscal year 2018 budget-to-actual variance.

CAPITAL BUDGET INVESTMENTS

The FY2020 capital budget consists of routine replacement of medical equipment, information systems equipment and facilities repairs and improvements. In addition to these routine items, we are planning for a focused few larger projects, most notably:

MRI Replacement: We broke ground in May 2019 on the permanent build out to house new MRI equipment. This had been previously approved through the CON process, but was started later to avoid higher cost of winter construction. The total cost is 3.1 million across FY19 and FY20.
Diagnostic Imaging Equipment: We have planned for two large items in FY20, the first is replacement of our diagnostic imaging storage and retrieval system (PACS), with an estimated cost of \$495k. Replacement of our Fluoroscopy Unit is the second item with a cost estimated at \$440k.
Operating Room Equipment: We plan to replace both the Camera Control systems (\$425k) as well as our Endoscopy Equipment (\$400k) during FY20.

We have also included future year estimates for a large expansion of our Emergency Department. We will be filing for a CON related to this project; currently estimated to begin in FY23 with a cost of \$16 million. The existing ED, if constructed today would require an additional 2,200 square feet just to comply with current building standards. Further, our ED is too small for the volume and acuity of patients. Therefore, the department needs to expand from

9 to 14 treatment rooms. Lastly, space is needed to adequately meet the needs of mental health patients seen in the ED. Four (4) mental health beds will be constructed to help meet that need

TECHNICAL CONCERNS

At this time NVRH does not have any technical concerns or reporting issues for the GMCB to consider.

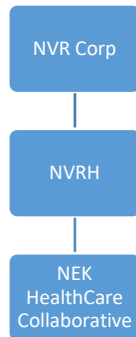
SALARY INFORMATION

1. A copy of NVRH’s Form 990 for 2017, the last one filed with the IRS, has been submitted. Schedule H from the 2017 Form 990 filing has been submitted separately.
2. The Appendix IX Table is reproduced below

APPENDIX IX				
SALARY INFORMATION				
Northeastern Vermont Regional Hospital, Inc				
Provide Headcount & Box 5 Wages from 2018 W2s				
Salary Range	Total # of Staff	Total Salaries (includes incentives, bonuses, severance, CTO, etc.)	% of Total Staff in this Salary Range	% of Total Salaries in this Salary Range
\$0 - \$199,999	703.0	\$ 30,398,092	96.17%	77.96%
\$200,000 - \$299,999	17.0	\$ 4,007,804	2.33%	10.28%
\$300,000 - \$499,999	10.0	\$ 3,804,360	1.37%	9.76%
\$500,000 - \$999,999	1.0	\$ 779,414	0.14%	2.00%
\$1,000,000 +	0.0	\$ -	0	0
TOTALS	731.0	\$ 38,989,669		

3. NVRH’s compensation policy is for the Board of Trustees to set the compensation for the Chief Executive Officer. Salary levels for all other employees are set by management. In all cases, external salary information is the basis for setting compensation levels.
4. The requested information is as follows:
 - i. NVRH relies on market compensation provided by a variety of survey sources including the Northern New England Healthcare Compensation Survey, Comp Data Salary Survey, Form 990s and MGMA.
 - ii. Depending on the salary survey used the peer group is either Hospitals:
 - under 50 beds
 - with FTEs between 350 and 800
 - iii. NVRH aims to be close to the median of each staff category
 - iv. NVRH’s actual compensation level is close to the median of each staff category

ORGANIZATIONAL STRUCTURE



NVRH is a subsidiary of NVR Corp, which is also a 501 c 3 tax-exempt organization. NVR Corp mission is to support NVRH. Contributions made to NVR Corp are transferred to NVRH to support building and equipment projects. NVR Corp owns most of the land and buildings except for the main hospital building and campus. NVRH will support NVR Corp by funding certain projects for properties owned by NVR Corp. The intent is for NVR Corp to repay NVRH, usually from contributions received. NVR Corp does not have any employees. The inherent financial risk is NVR Corp will not receive sufficient contributions and income to repay NVRH fully. No NVRH employees, including senior management, are paid by any other hospital-related entity.

The Northeast Kingdom HealthCare Collaborative, LLC is a joint venture formed by Northeastern Vermont Regional Hospital and North Country Hospital. The mission of the LLC is to sponsor health service initiatives in the Northeast Kingdom of Vermont that mutually benefit our communities. Presently, NVRH does not have any funds invested in the LLC.

NVRH's detailed organizational structure has been submitted as a separate document.

APPENDIX X- QUESTIONS FROM THE OFFICE OF THE HEALTH CARE ADVOCATE

1. Please provide by payer (Medicare, Medicaid, BCBSVT, TVHP, MVP, and Cigna):
 - a. Your budgeted net patient revenue (NPR) and proposed NPR change from FY2019.
 - b. The formula(s) you used to calculate your budgeted NPR, the definition of each variable in the formula(s), and the budgeted value of each variable for FY2020.
 - c. The average ratio of the payer’s reimbursement rate to Medicare’s reimbursement rate.

NVRH completed and submitted NPR Bridges – FY 2019 Approved Budget to FY 2020 Proposed. That Table provides the requested information and is reproduced below.

Table 1: Northeastern VT Regional Hospital									
NPR Bridges - FY 2019 Approved Budget to FY 2020 Proposed Budget									
NPR	Total	% over/under	Medicare	Medicaid-VT	Medicaid-OOS	Commercial-Maj	Comm - Self/Sml	Workers Comp	DSH
FY 19 Approved Budget	\$ 81,568,705		\$ 31,756,252	\$ 11,914,092	\$ 74,300	\$ 33,266,468	\$ 2,153,067	\$ 1,451,526	\$ 953,000
Commercial Rate	1,317,200	1.6%				1,238,200	79,000		
Rate - Non Commercial	-	0.0%							
Utilization	1,583,300	1.9%	635,100	238,300	1,500	665,300	43,100		
Reimbursement/Payer Mix	3,299,600	4.0%	3,144,600	(227,400)	11,700	596,900		(226,200)	
Bad Debt/Free Care	(571,300)	-0.7%				(679,200)	107,900		
Physician Acq/Trans	208,300	0.3%	80,000	42,000		56,300	10,000	20,000	
Changes in Accounting	-	0.0%							
Changes in DSH	34,700	0.0%							34,700
Other (please label)		0.0%							
Other (please label)									
FY 20 Budget	\$ 87,440,505		\$ 35,615,952	\$ 11,966,992	\$ 87,500	\$ 35,143,968	\$ 2,393,067	\$ 1,245,326	\$ 987,700

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

NVRH
APPENDIX V

PARTICIPATION IN HEALTH REFORM

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

OneCare Program	Participating in Program in CY 2020? (Yes/No)	Budgeted Number of Attributed Lives (monthly average for CY 2020)	Budgeted Amount of FPP (monthly average for CY 2020)	Budgeted Maximum Upside/Downside Risk for CY 2020)
Medicaid	Yes	5,200	428,260	579,000
Medicare	No	0	0	0
BCBSVT	No	0	0	0
Self-Insured	Yes	N/A	N/A	N/A
TOTAL		5,200	428,260	579,000

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

a. What other avenues are you pursuing to address this crisis in a sustainable way?

Response: The programs NVRH has implemented and/or plans to implement to assure access to high quality timely and appropriate mental health treatment include: Use of behavioral health specialists in all primary care group practices, including pediatrics and women’s wellness practices. NVRH hired a part time psychiatrist who has 1:1 consult sessions with mental health patients, works with providers, nurses and support staff on the inpatient medical surgical floor in the emergency room and with the Hospitalist service to develop care plans for mental health patients. NVRH, in a partnership with the Kingdom Recovery Center, has recovery coaches available in our Emergency Department 24/7. The recovery coaches are available to patients in our emergency department who express an interest in intervention with their substance abuse disorder.

4. Please provide data on substance use treatment at your hospital, including:

- a. The number of patients currently enrolled in medication-assisted treatment at your hospital,**
- b. The number of MAT providers employed by your hospital, and**
- c. Other avenues that you are pursuing to address this crisis in a sustainable way.**

There are currently 8 patients enrolled in medication assisted treatment at NVRH. Three (3) NVRH providers are MAT providers
NVRH will soon have “rapid access” medication assisted treatment available in our Emergency Department. Our ED providers will be trained and obtain a DEA waiver to prescribe suboxone and buprenorphine

5. Please provide the number of patient bed days attributable to patients awaiting placement in an appropriate Skilled Nursing Facility bed, and

average bed days per patient, for:

- a. **FY2018, and**
- b. **FY2019 to date**

NVRH does not have bed days for patients awaiting placement in a SNF because we have a swing bed program that would be used for any such patients, which are only a few each year..”

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

NVRH does not maintain the level of 340B detail required to answer this question. During 2019 NVRH projects to receive \$2.0 million, net of expenses, from the 340B program. This revenue is used to partially offset the cost of benefits NVRH provides to our community. During fiscal year 2017, the last Form 990 completed, NVRH provided community benefits totaling \$14.5 million or 18.6% of total operating expenses. Without the 340B revenue NVRH would be challenged to maintain the current level of community benefit.

7. Please describe any changes to the hospital's shared-decision making programs.

- a. **For any new initiatives, please describe the initiative(s), which departments participate, how you chose which departments participate, and how you plan to identify cost savings and quality improvement.**

There have not been any changes to NVRH’s shared decision making program during the past 12 months.

8. Please provide copies of your financial assistance policy, application, and plain language summary (noting any changes from your last submission).

- a. **Please provide detailed information about the ways in which these three items can be obtained by patients, including links if they are available online.**
- b. **Please provide the following data by year, 2014 to 2019 (to date):**
 - i. **Number of people who were screened for financial assistance eligibility,**
 - ii. **Number of people who applied for financial assistance,**
 - iii. **Number of people who were granted financial assistance by level of financial assistance received,**
 - iv. **Number of people who were denied financial assistance by reason for denial.**
 - v. **Percentage of your patient population who received financial assistance.**
- c. **Please provide the statistics and analyses you relied on to determine the qualification criteria, including any geographic restrictions, and the amount of assistance provided under your current financial assistance program. For example, analysis of financial need in the community and analysis of how much**

people can afford to pay.

Copies of our financial assistance policy, has been uploaded to the GMCB portal. Patients can come to the hospital to obtain information about our financial assistance policy or find the information on our website. The link to the website is copied below.

<https://nvrh.org/understandingyourbill>

The following information is provided in response to question 8b.

Northeastern Vermont Regional Hospital, Inc.

HCA Question 8 - Patient Assistance Information

	FY2019 through June	FY2018	FY2017	FY2016	FY2015
Number of people screened for Financial Assistance Eligibility.	802	1248	1099	1273	944
Number of people who applied for Financial Assistance.	802	1248	1099	1273	na

	FY2019 through June	FY2018	FY2017	% for FY15 & FY16	FY2016	FY2015
Number of people who were granted financial assistance by level of financial assistance received.						
100%	468	740	662	100%	891	759
85%	136	183	152	75%	170	110
70%	85	147	137	50%	116	52
57%	53	80	71	25%	76	23
47%	33	43	35			

	FY2019 through June	FY2018	FY2017	FY2016	FY2015
Number of people who were denied financial assistance by reason for denial.	27	55	42	20	na
Assets / Income over policy limits					
What Percentage of patient population received assistance.	3.9%	4.9%	4.5%	3.9%	4.0%

NVRH understands the Northeast Kingdom is one of the most financially-challenged communities in Vermont. The financial assistance program we offer patients is set accordingly with eligibility up to 400% of Federal Poverty Guidelines and minimum discount of 47% of eligible patients.

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

NVRH, as a Critical Access Hospital, does not track our case mix index. The available information is presented below.

	FY14	FY15	FY16	FY17	FY18	FY19 Proj	FY20 Budget
Adjusted Discharges	5,665	5,665	6,374	6,061	6,556	6,741	6,879
Cost per Adjusted Discharge	\$ 11,900	\$ 12,263	\$ 11,269	\$ 12,418	\$ 13,040	\$12,959	\$ 13,128

10. Last year the Board’s hospital budget orders instructed hospitals to negotiate with insurers rather than seeing the Board’s approval as a specific set rate. Please describe how you implemented this directive.

- a. **What average commercial rate increase did you implement for FY2019?**
- b. **What commercial rate increase did you get from each commercial payer (BCBSVT, TVHP, MVP, Cigna)?**

NVRH's contracts with the major commercial insurer allow for them to fully recognize year to year rate increases if they are within certain parameters. The rate increase approved by the GMCB last year fell within those parameters