Mt. Ascutney Hospital & Health Center

Budget Presentation

Green Mountain Care Board
August 29, 2018

Mt. Ascutney Hospital and Health Center
Dartmouth-Hitchcock

Presenting

- Joseph Perras, M.D., CEO/CMO
- David Sanville, Chief Financial Officer
- Theresa Tabor, Controller
- Wendy Fielding, Vice President, Financial Planning, Dartmouth-Hitchcock Health

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Agenda

1. Overview
2. Hospital Issues
3. Risk/Opportunities
4. Access
5. Quality
6. Financials
7. Community Health Needs Assessment
8. Health Reform Investments
9. Capital Budget
10. Financial Outlook
11. Compliance

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1.0 Overview

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1.1 Our Mission

To improve the lives of those we serve.

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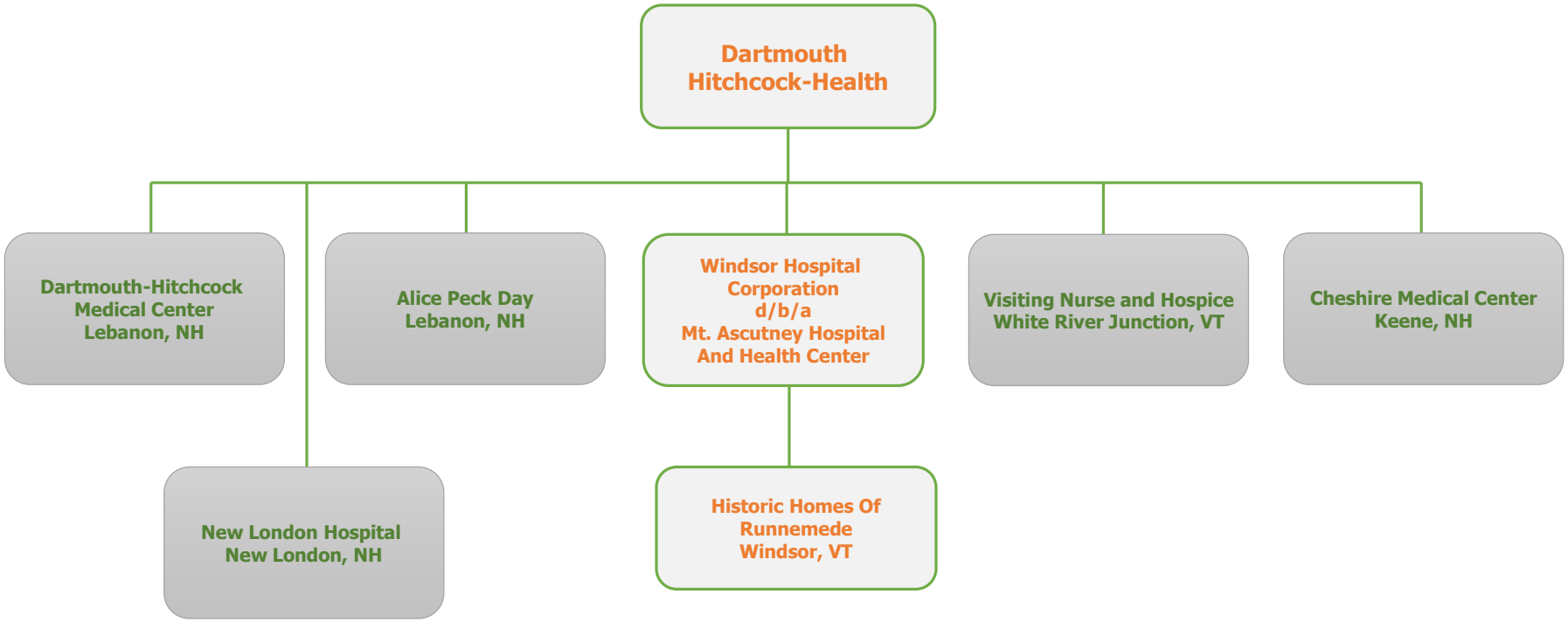
1.2 Organizational Chart



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1.3 Our most valuable assets

460 employees and 192 volunteers spread across the region at 3 clinical sites: Windsor, Woodstock, and Hanover, NH

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1.4 Since D-HH Affiliation in July, 2014

- **Over 6000 referrals from DHMC**
- **1600 Admissions for post acute care to our swing and acute rehabilitation units, 500+ admissions/year**
- **In 2018, ADC- 22 on Swing/Acute Unit and 8.5 on Acute Rehab**

1.5 D-HH Integration Activities

- Finance
- Supply Chain
- Pharmacy
- Regional LAB Services
- Radiology
- Medical Staff office- System Credentials Committee
- Specialty service line coordination
- System-Wide Strategic Planning

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1.6 Current Service Lines

- Primary Care
- General Surgery
- Podiatry
- Ophthalmology
- Psychiatry
- Hospital Medicine
- Community Health Teams
- Cardiology
- Pathology
- Pediatrics
- Physical Medicine and Rehab
- Pain Management
- Radiology
- Rheumatology
- Gastroenterology
- Telehealth programs in emergency medicine and psychiatry

2.0 Hospital Issues

- **Chief Concern is Workforce**
  - MDs, all tech positions, nursing
  - Mission critical positions
  - High dependence on locums providers and travelers in tech and nursing roles
  - DH with 700+ vacancies, MAHHC has 40+ currently, roughly 10% of needed workforce for each institution
  - Traveler costs have increased from $275K in FY16 to a current, projected total of $1.2M for FY18

2.1 Hospital Issues

- **Primary Care**
  - Provider turnover is significant, average length off time spent in first primary care job is 3-5 years
  - ACGME survey data for new residency graduates show strong preference for urban/suburban practices with population bases > 100K
  - Trailing partner or spouse stresses when relocating to rural areas
  - Wage pressures as ALL institutions are desperate for primary care
  - Physician/Provider Burnout
    - EMR, clerical workload turning trainees away from primary care

2.2 Financial & Operational Uncertainty

- **ACO/APM**
  - Entrance into Medicare, Medicaid, and BC/BS programs for 2019
  - $990K to $1.3M of downside risk in a breakeven budget
    - $250K + $72K reserved for in budget
    - $100K - $500K short
    - Figures were not available in time for budget submission
    - $260K in OneCare Fees
  - Predictable VT revenue and FFS for our NH patients, high public payer mix
  - All of our high cost tertiary care is provided outside of our HSA and little influence on cost control

2.3 Opioids

- **We have underestimated the effect of this epidemic on our workforce**
- **While our HSA does not have a waitlist for patients desiring Medication Assisted Therapy (MAT), we fall short in a number of areas:**
  - Real time referrals from Emergency Department to outpatient treatment
  - Stakeholder disagreement regarding philosophy of MAT
  - Limited acceptance of HARM-REDUCING Strategies
    - Needle exchange, observed injection centers, ED initiation of MAT
    - Direct outreach to addicts

3.0 Risk

- **Limited experience with ACO**
  - No info on Medicare and Commercial Programs for budget
  - Reserve estimates understated by up to $500K
  - Small “n” – covered lives
  - Based on best estimate
  - CAH cost report settlement
- **Staffing recruitment and retention**
  - Wage pressures
  - Travelers
  - Providers
- **Small “n” – volumes**
- **Uncontrollable inflation**

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3.1 Risk

- **D-HH system needs vs. MAH needs vs. ACO needs vs. State limits**
- **Nursing home Medicaid census limits**
  - Cost is far greater than reimbursement
  - Highest referral recipient in DHH for subacute inpatients
- **D-HH provider staffing**
- **Effect of individual mandate roll back**
- **Increasing dependence on Other Operating Revenues**
  - 340B
  - Meaningful-Use funding
  - Grant funding

3.2 Opportunity

- **Ongoing D-HH capacity study and service line planning**
  - Primary Care
  - Operating Room
  - Inpatient
- **Improving Primary Care operations**
- **Ongoing integration efforts with D-HH**
  - GPO opportunities
  - Capital equipment
  - Regional service pricing
- **Pharmaceutical Formulary/PBM revision**
  - Employee retail ($100K), specialty, mail order ($120k)
  - Inpatient and Outpatient 340B cost improvements ($75K)
    - Formulary, ACO, other

4.0 Access

MAHHC Third Next Available Appointment	
Medical Practice Area	**Number of Days Wait**
General Internal Medicine	
New Patient Physical	WL
Routine Exam	2
Return Visit Exam	2
Pediatrics	
New Patient Physical	1
Routine Exam	1
Return Visit Exam	1
General Surgery	
New Patient Physical	5
Routine Exam	5
Return Visit Exam	5

5.0 Reaction to APM Quality Measures

- We want to preface our response to this question by stating that we do not have full confidence in the accuracy or reliability of the data as presented by the Blueprint.
- While there has been some progress made, we continue to struggle with accuracy of NON claims-based data.
- We believe the state should rely on national HIE services that have ALREADY done the background connectivity work with large EMR Vendors (ie Cerner/Epic)
- **Medicaid well child visits** – we do not believe this data accurately reflects our pediatric practices, discrepancy with real-time chart reviews
- **Initial of alcohol and other drug dependence treatment** – initiated SBIRT in the ER and Primary Care clinics
- **30d f/u after discharge for Mental Health** – we have exceeded state targets
- **Controlling high blood pressure** – exceeded state targets through education efforts directed toward or provider and nursing staff, improved data collection
- **Appropriate asthma medication management** – we are engaged in QI project targeting all our COPD./asthma patients. We have reduced ED visits and admissions for this cohort, which is likely a better metric than simple medication management.
- **Percent of adults with PCP, self reported** – we are below the state average (slightly) due to extensive physician departures over the last 3 years. We have had 50% turnover in the primary care clinics and limited success with replacing physicians, we have had greater success with hiring associate providers.

5.1 Reaction to APM Quality Measures

1. **Vermont All-Payer Model Quality Measures by Hospital Service Area**

Table 1a: Blueprint Profiles – Blueprint-Attributed Vermont Residents (2016)

Measure	Statewide Rate *(All-Payer Model Target)*[2]	Barre	Bennington	Brattleboro	Burlington	Middlebury	Morrisville	Newport	Randolph	Rutland	Springfield	St. Albans	St. Johnsbury	White River
Percentage of Medicaid adolescents with well-care visits	**50%**	49%	51%	41%	53%	52%	45%	56%	48%	44%	49%	47%	60%	49%
Initiation of alcohol and other drug dependence treatment	**36%**	40%	45%	43%	33%	39%	30%	25%	49%	37%	31%	36%	33%	41%
Engagement of alcohol and other drug dependence treatment	**17%**	15%	22%	20%	17%	17%	16%	11%	18%	19%	13%	20%	20%	20%
30-day follow-up after discharge for mental health	**68%** *(60%)*	73%	78%	75%	58%	58%	75%	68%	69%	74%	68%	67%	58%	70%
30-day follow-up after discharge for alcohol or other drug dependence	**27%** *(40%)*	38%			26%		26%			28%		38%		
Diabetes HbA1c poor control (part of Medicare composite measure)[3]	**10%**	8%	9%	10%	9%		11%	10%			9%	11%	12%	
Controlling high blood pressure (part of Medicare composite measure)	**67%**	73%	64%	69%	64%	72%	63%	64%	70%	67%	67%	67%	75%	71%
Appropriate asthma medication management (75% compliance)	**52%**	50%	56%	49%	49%	48%	52%	50%	60%	58%	57%	51%	56%	48%

[2] Measures with no target listed are those measures that have targets based on national percentiles rather than rates.

[3] Lower scores indicate better performance.

5.2 Reaction to APM Quality Measures

Table 1b: Behavioral Risk Factor Surveillance System Survey – Respondents to Survey of Random Sample of Vermont Residents (2016)

Measure	Statewide Rate *(All-Payer Model Target)*	Barre	Bennington	Brattleboro	Burlington	Middlebury	Morrisville	Newport	Randolph	Rutland	Springfield	St. Albans	St. Johnsbury	White River
Percentage of adults reporting that they have a usual primary care provider	**88%** *(89%)*	89%	93%	88%	90%	86%	90%	91%	93%	88%	87%	89%	86%	86%
Prevalence of chronic disease: COPD	**6%** *(≤7%)*	7%	8%	6%	4%	5%	6%	10%	4%	9%	7%	6%	6%	7%
Prevalence of chronic disease: Hypertension	**25%** *(≤26%)*	28%	27%	25%	24%	26%	27%	27%	27%	28%	31%	28%	27%	28%
Prevalence of chronic disease: Diabetes	**8%** *(≤9%)*	8%	9%	8%	6%	10%	7%	13%	9%	10%	11%	10%	9%	11%

2. **Vermont All-Payer Model Quality Measures by County**

Table 2a: Blueprint for Health Hub and Spoke Profiles - All Vermont Residents Utilizing Services (2016)

Measure	Statewide (Rate/10,000) *(All-Payer Model Target)*	Addison	Bennington	Caledonia	Chittenden	Essex	Franklin	Grand Isle	Lamoille	Orange	Orleans	Rutland	Washington	Windham	Windsor
# per 10,000 population ages 18-64 receiving Medication Assisted Treatment for opioid dependence[4]	**6,110 (155.4)** *150*	183 (77.1)	362 (170.5)	291 (157.6)	1,387 (126.6)	41 (115.8)	635 (207.8)	58 (135.2)	256 (160.3)	224 (125.2)	337 (212.8)	732 (202.1)	596 (163.3)	422 (160.9)	584 (176.8)

Table 2b: Vermont Department of Health Vital Statistics Data - Vermont deaths by county of residence (2017 – released 3/16/18)

Measure	Statewide (Rate/10,000) *(All-Payer Model Target)*	Addison	Bennington	Caledonia	Chittenden	Essex	Franklin	Grand Isle	Lamoille	Orange	Orleans	Rutland	Washington	Windham	Windsor
Deaths related to drug overdose[5]	**122 (2.2)** *(115)*	1 (0.3)	4 (1.2)	8 (3.0)	34 (2.4)	0 (0.0)	12 (2.9)	1 (1.7)	3 (1.4)	7 (2.8)	2 (0.8)	11 (2.1)	12 (2.3)	17 (4.4)	10 (2.0)

[4] The State reports these rates for Hubs & Spokes per 100,000. For consistency with the APM, counts and rates have been calculated per 10,000 using 2016 population estimates (ages 18-64).

[5] Rates calculated using 2016 population estimates (ages 14+).

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6.A1 Profit and Loss

MT. ASCUTNEY HOSPITAL & HEALTH CTR Profit and Loss Statement	
2019 Budget Submitted	
Gross Patient Care Revenue	$101,585,837
Net Revenue Deductions	-$51,146,067
Net Patient Care Revenue	$50,439,770
Fixed Prospective Payments (incl Reserves&Other)	$756,000
Total NPR & FPP (incl Reserves)	$51,195,770
Other Operating Revenue	$3,659,789
Total Operating Revenue	$54,855,559
Total Operating Expense	$54,837,975
Net Operating Income (Loss)	$17,584
Non-Operating Revenue	$861,000
Excess (Deficit) Of Revenue Over Expense	$878,584
Operating Margin %	0.0%
Total Margin %	1.6%

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6.A2 Cash Flow

MT. ASCUTNEY HOSPITAL & HEALTH CTR Cash Flow Statement		
2019 Budget Submitted		
Cash From Operations		
Excess Revenue Over Expense		878,584
Depreciation/Amortization		2,223,622
Patient A/R		12,254
Other Charges		538,238
Total	**$**	**3,652,698**
Cash From Investing Activity		
Capital Spending		
Change in Accum Depr Less Depreciation		(5,764,285)
Change in Captial Assets		595,834
Total		**(5,168,451)**
(Increase)/Decrease		
Funded Depreciation		(2,504,282)
Other LT Assets & Escrowed Bonds & Other		922,549
Total		**(1,581,733)**
Total	**$**	**(6,750,184)**
Financing Activity		
Total	$	386,587
Other Changes		
Change in Fund Balance Less Net Income		6,969,222
Total	**$**	**6,969,222**
Beginning Cash	**$**	**2,122,595**
Net Increase/(Decrease) in Cash	**$**	**4,258,323**
Ending Cash	**$**	**6,380,918**

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6.A3 Balance Sheet

MT. ASCUTNEY HOSPITAL & HEALTH CTR BALANCE SHEET	
2019 BUDGET SUBMITTED	
TOTAL CURRENT ASSETS	$13,552,609
TOTAL BOARD DESIGNATED ASSETS	$19,043,644
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	$21,033,829
OTHER LONG-TERM ASSETS	$2,770,913
TOTAL ASSETS	$56,400,995
LIABILITIES AND FUND BALANCE	
TOTAL CURRENT LIABILITIES	$7,709,548
TOTAL LONG-TERM DEBT	$11,515,170
OTHER NONCURRENT LIABILITIES	$8,882,254
TOTAL LIABILITIES	$28,106,972
FUND BALANCE	$28,294,023
TOTAL LIABILITIES AND FUND BALANCE	56,400,995

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6.B Payer Mix

MAHHC

In-State vs Out-of-State Payer Mix

State	FY19 Budget	FY18 JULY YTD	FY17
VT	71.8%	72.3%	71.3%
NH	26.1%	25.8%	26.5%
OTHER	2.1%	1.9%	2.2%

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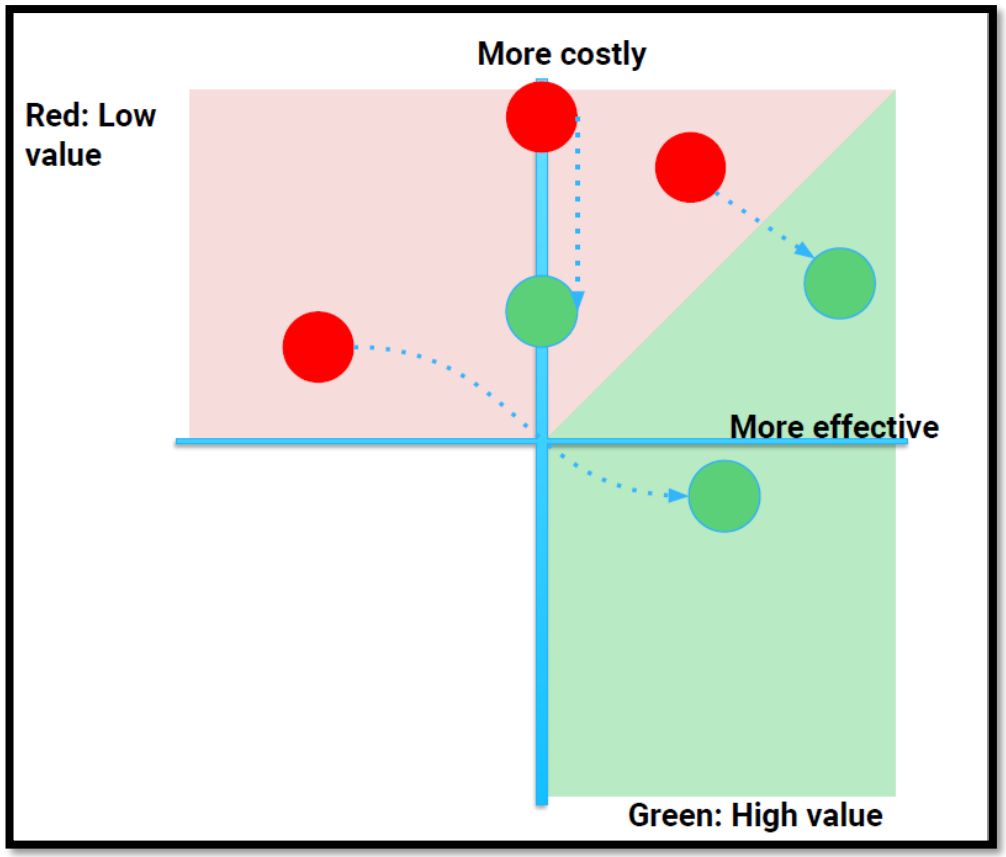
6.C1 Expense Drivers & Cost Containment Efforts

- Workforce issues
- Primary Care subsidy
- ACO
- Energy initiatives
- Pharmacy
- Group purchasing
- System integration and reduction of overhead
- Captive Insurance and Shadow Captive Stop Loss

6.C2 Expense Drivers & Cost Containment Efforts

- **Group purchasing**
  - Leveraging D-HH buying power & credit
  - Standardizing Supplies and Product
  - Standardizing Equipment & Group Buys
- **System integration and reduction of overhead**
  - Laboratory
  - Radiology
  - Benefits
  - Biomedical Services
  - Shared Staff, Management, & Providers
- **Captive Insurance and Shadow Captive Stop Loss**
  - Ongoing Savings
  - Lowering premium

6.C3 Expense Drivers & Cost Containment Efforts



Savings for Mt Ascutney Hospital

Low-hanging fruit
Total estimated savings
$121,368

Percent of members impacted
19%

Percent of drugs impacted
18%

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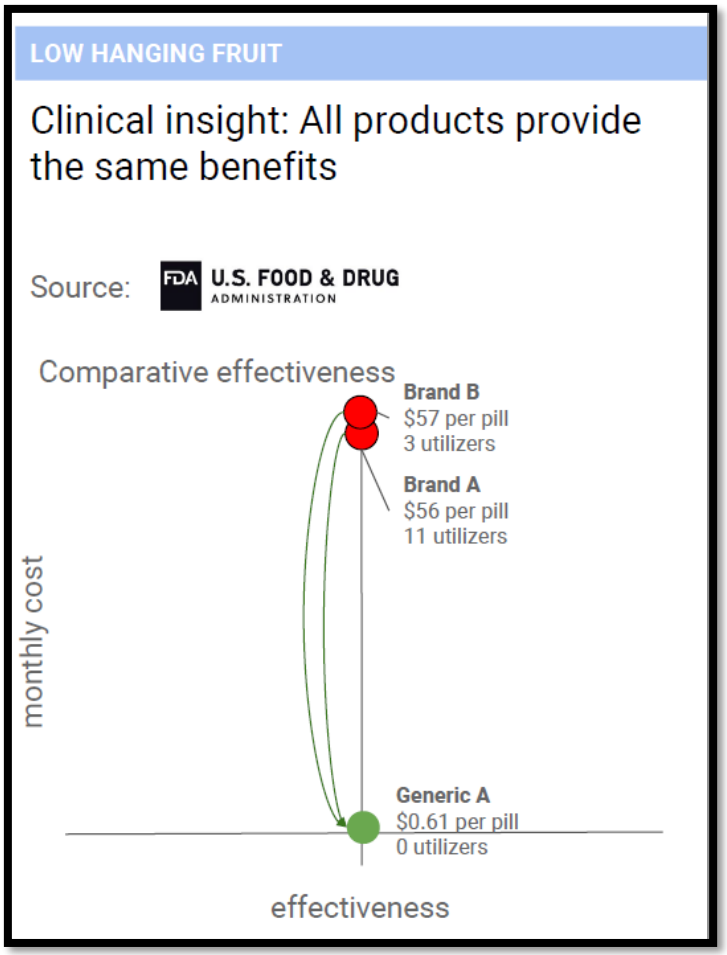
6.C4 Expense Drivers & Cost Containment Efforts



Savings for Mt Ascutney Hospital

$20,521	est annual savings
14	member impact
up to 14	prescribers engaged
2 drugs	formulary impact

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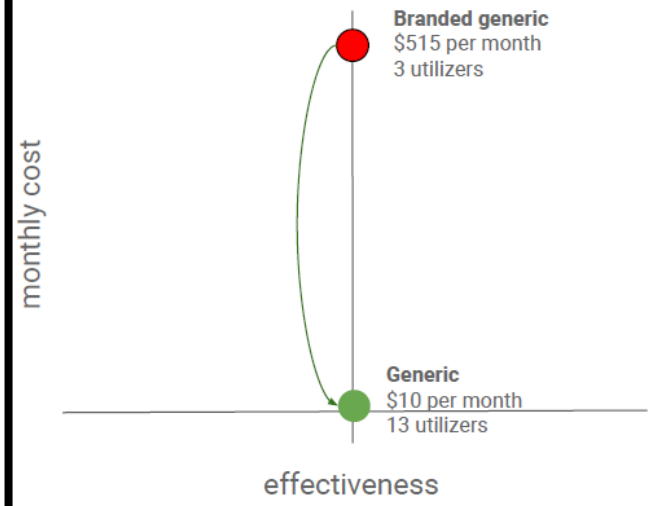
6.C5 Expense Drivers & Cost Containment Efforts

LOW HANGING FRUIT

Clinical insight: No difference in efficacy between formulations

Source: FDA U.S. FOOD & DRUG ADMINISTRATION

Comparative effectiveness research



Savings for Mt Ascutney Hospital

$6,070	est annual savings Total spend for this drug: $7,001
3	member impact
up to 3	prescribers engaged
1 drug	formulary impact

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6.D1 YTD Reconciliation

Net Patient Service Revenue		$	%
FY18 June YTD Approved Budget	$	36,511,732	
Utilization		2,556,565	7.0%
Payer Mix		(890,000)	-2.4%
Bad Debt/Free Care		(450,000)	-1.2%
Changes in DSH		215,000	0.6%
Rounding		3,768	0.0%
FY18 YTD Actual	$	37,947,066	
Difference	$	1,435,334	3.9%

Utilization - increased volume
Payer Mix - decrease commercial volume, increase in Medicare
Bad Debt/Free Care - increase in non-insured patients
Changes in DSH - lower than budgeted DSH reimbursment

Other Revenue	$	%
FY18 June YTD Approved Budget	$ 2,510,155	
Grant Income	(16,000)	-0.6%
Net Asset Release	(10,000)	-0.4%
EHR Incentive Release	162,000	6.5%
Sale of Services	55,000	2.2%
Program Revenue	(50,000)	-2.0%
Purchase Discounts	84,000	3.3%
Rounding	3,747	0.1%
FY18 YTD Actual	$ 2,738,902	
Difference	$ 228,747	9.1%

Other Revenue- Previously restricted EHR incentives released, better than inticipated sale of services, better purchasing discounts achieved

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6.D2 YTD Reconciliation

Expenses	$	%
FY18 June YTD Approved Budget	$ 39,704,334	
Purchased Labor	715,000	1.8%
Salaries	345,000	0.9%
Benefits	160,000	0.4%
Purchased Services	(275,000)	-0.7%
Other Cost Savings	(574,000)	-1.4%
Depreciation	(215,000)	-0.5%
Rounding	2,683	0.0%
FY18 YTD Actual	$ 39,863,017	
Difference	$ 158,683	0.4%

Purchased Labor - ever increasing need for travellers and locums to manage volume
Salaries - staffing to volume
Benefits - commensurate increase

Cost Savings - tight fiscal controls, management training, product optimization and negotiation, energy rebates, etc. Savings seen in equipment rentals, travel, dues/fees/ utilities, insurance, supplies, education, etc.
Depreciation - significant assets at end of depreciable life

Non-Operating Revenues and Expenses	$	%
FY18 June YTD Approved Budget	$ 1,530,701	
DH Allocation	(885,701)	-57.9%
Contributions	160,000	10.5%
Investments/Securities	60,000	3.9%
Net Assets Released	(200,000)	-13.1%
Rounding	5,674	0.4%
FY18 YTD Actual	$ 670,673	
Difference	$ (860,028)	-56.2%

DH Allocation - not receiving expected allocation
Contributions - increased success of fundraising campaigns
Investments/Securities - greater than expected investment performance and profitable sales of securities
Net Asset Release - have not released or spent all budgeted restricted funding

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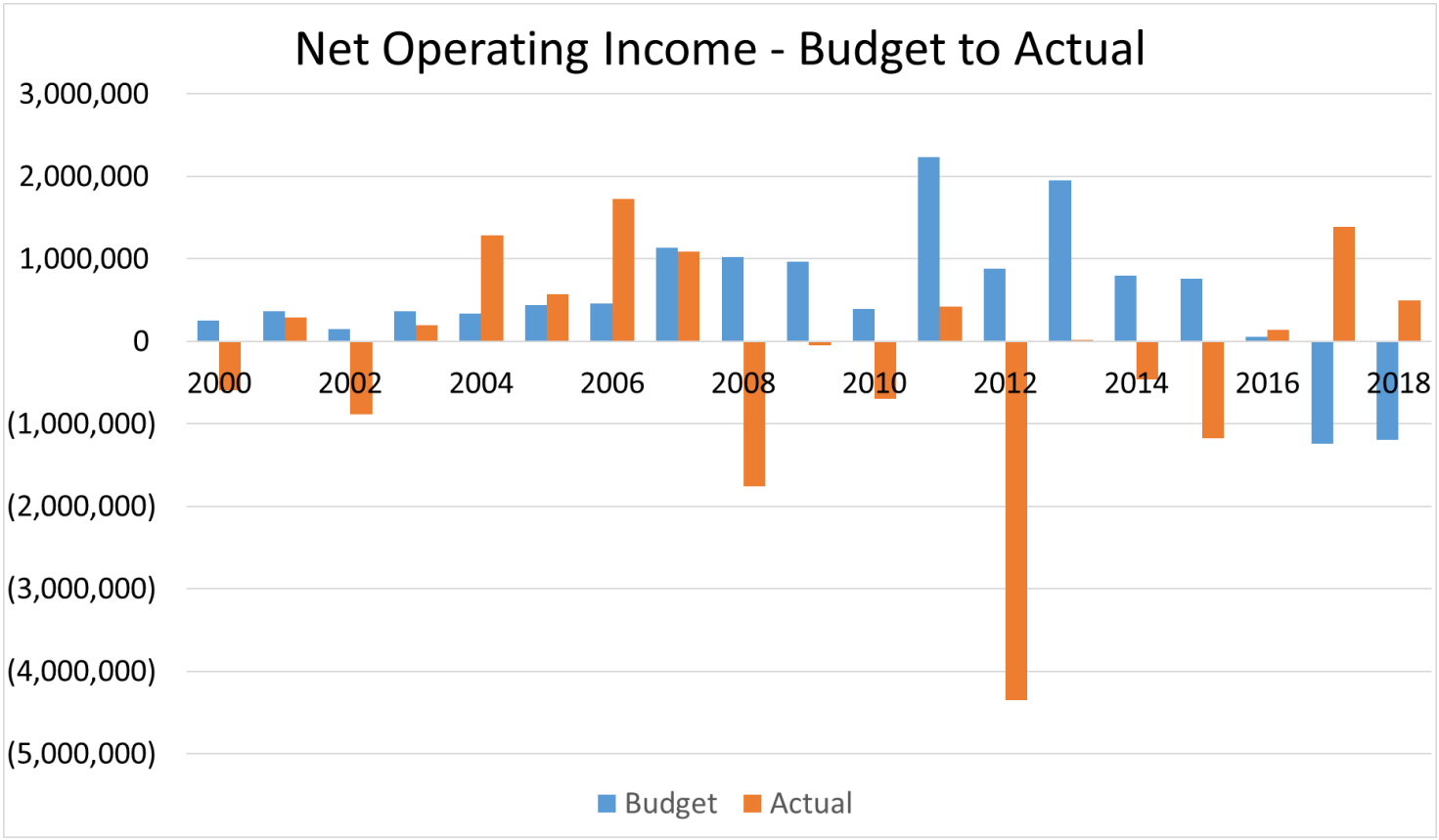
6.E1 Other Financial Information - History



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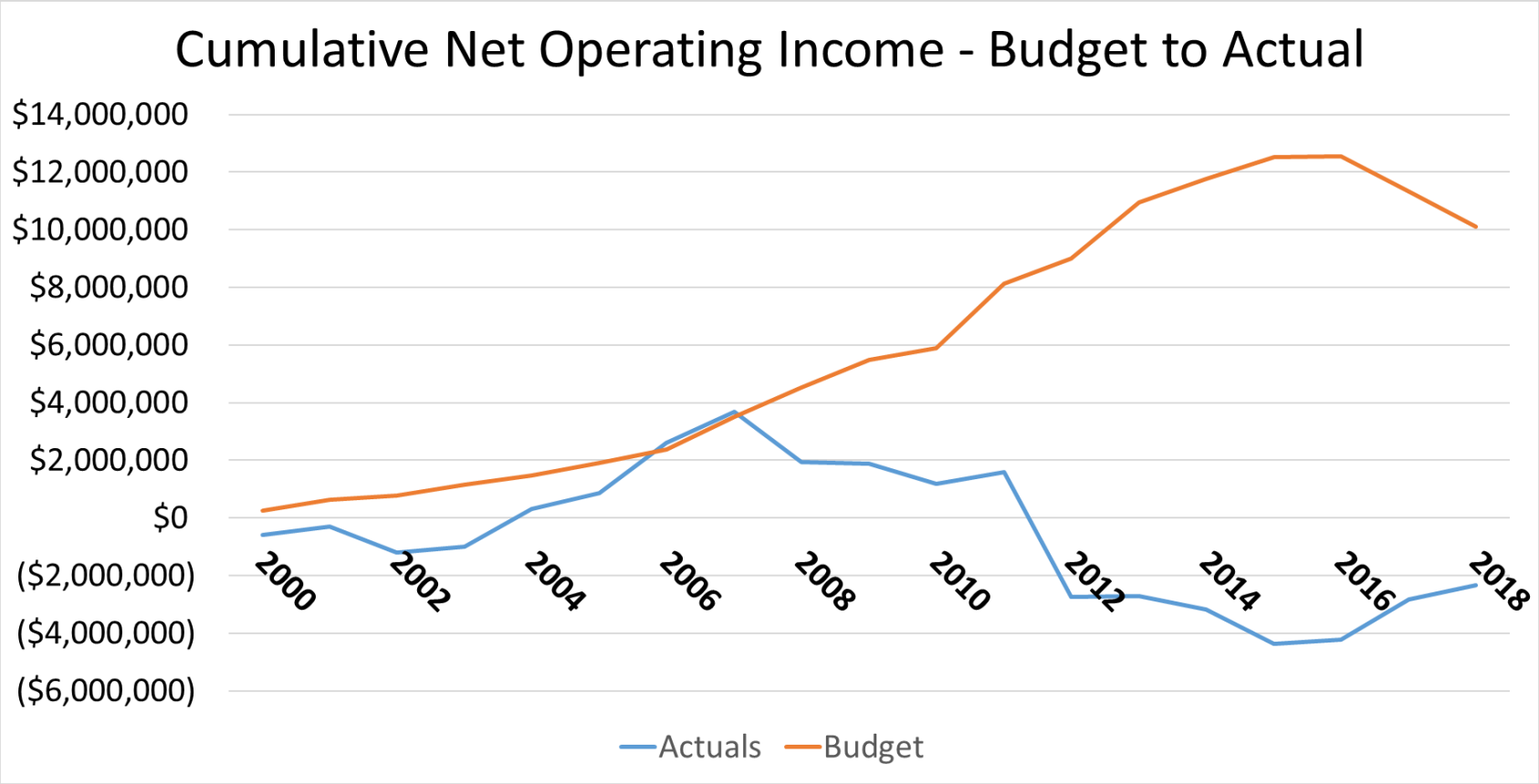
6.E2 Other Financial Information - History



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6.E3 Other Financial Information - Health

MAHHC Small Hospital Rating Comparison Analysis

		Standard and Poors - Ratings Direct © Small Stand-Alone Hospital Median Financial Ratios					7/31/2018	
Ratio	**Indicator**	**A****	**BBB+**	**BBB**	**BBB-**	**Speculative**	**MAH***	**Est. Rating**
Maximum Annual Debt Service Coverage	↑↓	5.9	3.1	3.7	2.4	1.8	9.9	A**
Nonoperating Revenue/Total Revenue	↑↓	3%	1%	2%	1%	1%	2%	BBB
Operating Margin	↑↓	5%	6%	2%	1%	-2%	2%	BBB
Average Age of Plant	↓↑	13.7	11.6	11.1	10.2	11.3	11.8	BBB
Days Cash on Hand	↑↓	541.2	282.4	236.8	137.5	112.8	125	Spec
Days in AR	↓↑	49.3	43.7	43.9	51.8	48.7	40.0	BBB+
DB Pension Funded Status	↑↓	99.70%	N/A	92.20%	71.90%	62.60%	82%	BBB-

(NPR <$125M)

**Using S&P methodology*

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6.E4 Other Financial Information - Health

- **Turnover & Wages have improved over the last few years**
  - Despite that, travelers have increased
  - Still behind state averages
- **FTE/Adj. Discharge & FTE/Adj. Occupied Bed better than state average**
- **Days Cash on Hand catching up to state average**
- **Age of Plant close to state average historically, slightly better for Budget 2019**
- **Weathered integration changes and positioned for ACO/Population Health**
- **Pricing out of market**

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7.0 MAHHC Response to CHNA

1. Alcohol and drug misuse including heroin and use of pain medications

- Medication Assisted Therapy, counseling, support and case management through Spoke services
  - Pediatrics & Primary Care MAT in Woodstock and Windsor sites
  - Coordination of Community Specialty Services, Connecticut Valley Recovery Services & Bradford Psychiatric Associates
  - Led quality improvement projects within each site
- Screening Brief Intervention and Referral to Treatment (SBIRT) in ED and Patient Centered Medical Home
- Youth Summit outcomes of creating Prevention and Treatment Resource Guides
- Beyond Naloxone: Summit to Prevent Opiate Deaths
- Multidisciplinary Functional Recovery Consult Team for patients with chronic pain
- Prevention of alcohol, tobacco and other drugs, working with towns, schools, school nurses, planning commissions, children and families
- Cost- $361,500

7.1 MAHHC Response to CHNA

2. Access to mental health

- WRAP workshops delivered for skill building and self-management support for anxiety, depression and general mental health
- Expansion of a HCRS embedded clinician/LADAC to four days a week in Patient Centered Medical Home supported by SBIRT grant
- Psychiatrist embedded in Patient Centered Medical Home
- Counseling at Windsor Connection Resource Center
- Cost- $295,000

7.2 MAHHC Response to CHNA

3. Access to dental care

- Application of fluoride in pediatric clinics
- Dental vouchers for care through Windsor Community Health Clinic
- Dental clinics in the school
- Community Health Team, Spoke Staff and staff of the Windsor Community Health Clinic assist patients to find dental homes, care and financing
- Cost- $28,000

7.3 MAHHC Response to CHNA

4. Access to affordable health insurance, cost of prescription drugs

- Windsor Community Health Clinic assistants with Vermont Health Connect, and Medicare and Medicaid applications
- Vouchers for medications through the Windsor Community Health Clinic, a member of the Vermont Coalition of clinics for the uninsured.
- Cost- $82,500

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7.4 MAHHC Response to CHNA

5. Nutrition/access to affordable food

- Work with the school, local churches, recreation department, Windsor Connection Resource Center and Windsor Food Shelf to provide Summer Food Program
- Implementation of 3–4–50- reached over 300 children in 5 schools
- Distribution of free cookbook, "Eat Well on $4 a Day"
- Work with Vermont Housing Association and SASH to organize a Learning Kitchen class for residents at low income housing
- Re-started Rachel's Kitchen to serve free community breakfasts, Monday-Friday
- VeggieVanGo monthly vegetable distribution and outreach on MAHHC campus
- MD's give prescriptions for vegetables, RD/CDE and CHT provides nutritional counseling.
- Cost- 24,000

7.5 MAHHC Response to CHNA

6. Lack of physical activity, need for recreational opportunities and active living

- Implementation of 3–4–50
- Local implementation of RiseVT with stakeholder group and strategic plan.
- Cost- $35,000

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7.6 MAHHC Response to CHNA

7. Income, poverty and family stress

- A Family Wellness Program has been embedded in the pediatric clinic based on the research effective Vermont Family-Based Approach
- Parent-to-Parent Collaborative Problem-Solving Programs
- PATCH services at the Windsor Connection Resource Center include visits for economic services, visits for mental health counseling and visits for employment counseling
- Windsor has been identified as a Promise Community - to promote kindergarten readiness and emotional and social competence of children and families. Working with daycares, bringing together community partners and community inputs, establishing over 31 free "take a book" boxes in 4 towns.
- Cost- $261,000

7.7 MAHHC Response to CHNA

8. Access to Primary Care

- Achievement of NCQA re-designation as Level III Patient Centered Medical Home
- Ongoing Recruitment of Primary Care Providers
- Development of a Quality Dashboard
- Community Health Team working with high risk and very high risk, complex chronic care patients, decreasing costs and increasing quality.
- Outreach and Care Coordination with SASH, Senior Solutions, VNH, Bayada, HCRS, Leadership regional implementation for OneCare Vermont and Blueprint for Health
- Cost- $290,500

7.8 MAHHC Response to CHNA

9. Transportation

- Rides to Wellness pilot with Vermont Public Transportation Association. Volunteers drove 15, 282 miles providing medical transportation vouchers and gas cards provided through our free clinic.
- Cost- $93,000

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7.9 Population/Community Health at MAHHC

- **Community Health is embedded in our Mission and Strategic Plan**

- **We have built and infrastructure to operationalize our commitment**
  - Community Health Board Subcommittee
  - Director of Community Health
  - Mt. Ascutney Prevention Partnership

- **Leadership role in building community networks**
  - Windsor HSA Community Collaborative
  - Windsor Area Community Partnership
  - Windsor Connection Resource Center and PATCH Team
  - OneCare VT and Blueprint for Health
  - Windsor Area Drug Task Force

- Cost - $109,500

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7.10 Cost Summary for CHNA Initiatives

Slide #	Description	TOTAL COST
7.0	Alcohol and drug misuse including heroin and use of pain medications	361,500
7.1	Access to mental health	295,000
7.2	Access to dental care	28,000
7.3	Access to affordable health insurance, cost of prescription drugs	82,500
7.4	Nutrition/access to affordable food	24,000
7.5	Lack of physical activity, need for recreational opportunities and active living	16,000
7.6	Income, poverty and family stress	261,000
7.7	Access to Primary Care	290,500
7.8	Transportation	93,000
7.9	Population/Community Health at MAHHC	109,500
		1,561,000

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8.0 Hospital Investments in Health Reform

- **Report on previously approved 2016 reform investment**
  - Psychiatry
- **FY19 investments in health reform**

MAHHC
Health Reform Investments - FY19

Investment	Amount
OneCare Analyst	$ 91,700
Social Worker - Primary Care	87,770
Quality Analyst	118,738
Nurse Informaticist	117,810
CHT Nurse Manager	45,850
OneCare Fees	240,000
Risk Reserve	250,000
Total	$ 951,868

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8.1 Hospital Investments in Health Reform

- **People**
  - Workforce challenges hindering the needed increases in RN and care management resources
  - Successful recruitment of a data analyst to our Quality Department, with development of a quality dashboard, patient registries, and dynamic worklists to empower providers
  - Have also hired a nurse informaticist to train nursing staff in outpatient/inpatient settings in use of EMR and other software platforms and allow them to work at “top of license”

8.2 Hospital Investments in Health Reform

- **People (cont.)**
  - Investment in nursing and care management resources in outpatient clinic
    - New positions include nurse manager, trying to recruit a social worker
    - Training on care management software through One Care VT
    - Regional coordination of care management resources as leaders of our HSA

8.3 Hospital Investments in Health Reform

- **Physician Support**
  - 0.5 FTE of MD support to OCV QI efforts
  - Initial focus on care of COPD patients as identified high risk group in OCV data
  - Have reduced readmissions of all high patients < 10%
  - Cardiovascular patients with CHF is also an identified target of opportunity
    - Have invested in 0.2 FTE of Cardiology support from D-HH

9.0 Capital Budget 2018

- **2018 Budgeted at $3,219,000**
- **2018 Projected is $2,500,000**
- **$700k favorable variance is largely due to**
  - Bandwidth to complete projects and trial equipment
    - Internal
    - External
  - Anticipated Incomplete projects rolled in FY2019 budget
- **No material change to scope and list of projects**
- **No CON's**

9.1 Capital Budget 2019

- **2019 Budgeted at $3,824,757**
- **No CON's**

Capital Budget - FY19		
Investment Type	**Amount**	
Building Improvement	$	658,000
Land Improvement		180,000
Major Moveable		2,986,757
Total	$	3,824,757

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9.2 Capital Budget 2019

- **Historically underfunded capital**
- **Almost entirely routine replacement**
- **Nothing strategic beyond some IT projects to prepare for further DHH integration**
- **$700k in roll over from 2018**
- **Land Improvements: Parking lot replacements, sidewalk replacements, etc.**
- **Major Moveable: O.R. Equipment, IT devices & servers, beds, clinical testing equipment, etc.**
- **Building Improvements: Roof top units, domestic hot water, pool renovation, etc.**
  - Energy efficient where ever possible

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ENERGY STAR

10.0 Long Range Financial Outlook/Plans

- Improve wages to market levels to improve recruitment and retention
- Maintain lean infrastructure
- Maintain capital spending trend to maintain average age of plant
- Continue GPO and D-HH standardization
- Continue effective expense management
- Combat fixed expense % by creatively using current and available resources
- Continue with D-HH integration efforts, capacity projects, and service-line planning
- Reduce pricing to better align with market

10.1 Financial Outlook/Plans & APM

- **Current management style reflects incremental, consistent and ongoing changes**
- **Focusing on future as opposed to yesterday's crisis**
- **Positioning ourselves with people, plant, and procedures to improve access, cost, and quality**
- **Reduce controllable inflation to get closer to APM 3.5% growth trend**
- **Maintain cash positions to manage through the uncertainty of ACO/APM**

11.0 Budget Compliance

Historical Compliance with Budget Orders													
Order ID	Order	Budget FY14	Actual FY14	Variance	Budget FY15	Actual FY15	Variance	Budget FY16	Actual FY16	Variance	Budget FY17	Actual FY17	Variance
(A)	Rate Increase	5.0%	5.0%	0.0%	3.2%	3.2%	0.0%	5.7%	5.7%	0.0%	4.9%	4.9%	0.0%
(B)	Financials												
	Net Patient Care Revenue	$ 46,900,850	$45,789,349	-2.4%	$48,508,891	$45,514,515	-6.2%	$48,060,871	$46,402,275	-3.5%	$47,744,700	$48,253,025	1.1%
	Other Operating Revenue	2,663,548	2,931,428	10.1%	3,346,230	2,409,717	-28.0%	2,589,908	3,316,523	28.1%	2,867,159	3,530,324	23.1%
	Total Net Revenue	49,564,398	48,720,777	-1.7%	51,855,121	47,924,232	-7.6%	50,650,779	49,718,798	-1.8%	50,611,859	51,783,349	2.3%
	Expenses	48,768,179	49,184,582	0.9%	51,096,609	49,097,805	-3.9%	50,599,108	49,577,507	-2.0%	51,856,343	50,392,970	-2.8%
	Operating Surplus	796,019	(463,805)	-158.3%	758,512	(1,173,573)	-254.7%	51,671	141,292	173.4%	(1,244,484)	1,390,379	-211.7%
	Non-Operating Surplus	1,013,225	679,987	-32.9%	303,771	(303,003)	-199.7%	446,000	1,161,272	160.4%	1,844,274	4,500,330	144.0%
	Total Surplus	$ 1,809,244	$ 216,182	-88.1%	$ 1,062,283	$ (1,476,576)	-239.0%	$ 497,671	$ 1,302,564	161.7%	$ 599,790	$ 5,890,709	882.1%
(C/D)	Change Advisement		Compliant			Compliant			Compliant			Compliant	
(C/D)	YTD Filings		Compliant			Compliant			Compliant			Compliant	
(E)	Other Filings		Compliant			Compliant			Compliant			Compliant	
(F)	Audit Filing		Compliant			Compliant			Compliant			Compliant	
(G)	Health Reform Filing		Compliant			Compliant			Compliant			Compliant	
(H)	Further Orders		Compliant			Compliant			Compliant			Compliant	
(I)	Electronic Form		Compliant			Compliant			Compliant			Compliant	
(J)	Future Orders		Compliant			Compliant			Compliant			Compliant	

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Thank you!

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