Gifford Medical Center
Making a Difference

Green Mountain Care Board Budget Presentation
August 20, 2018
FY 2019 HOSPITAL BUDGET PRESENTATION

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Introduction

- Dan Bennett, President & CEO
- Jeff Hebert, CFO
- Ashley Lincoln, Director of Development & Public Relations
- Rebecca O’Berry, Vice President of Operations
- Katrina Lumbra, Controller
# Introduction - Organizational Structure

## Gifford Health Care

A community-based organization that provides comprehensive primary care and preventive care, including health, dental, and mental health and substance use services. We provide necessary care to the medically underserved and vulnerable populations, including the uninsured and those living in poverty.

### 7 Practice Locations:
- Gifford Primary Care & OB/GYN-Midwifery
- Bethel Health Center
- Chelsea Health Center
- Gifford Heath Center at Berlin
- Kingwood Health Center
- Rochester Health Center
- Twin River Health Center

## Gifford Medical Center

Our 25-bed Critical Access Hospital offers general and specialty in-patient and out-patient services, as well as a Birthing Center, 24-hour emergency services, and diagnostic technologies that include a 64-slice CT scanner, a mobile MRI unit, a filmless radiology system, digital mammography and stereotactic breast biopsies.

### 6 Practice Locations:
- Advance Physical Therapy
- Gifford Health Center at Berlin
- Gifford Medical Center
- Kingwood Health Center
- Twin River Health Center
- Sharon Health Center

## Gifford Retirement Community

Provides services for our elder population offering a continuum of care that includes adult day programs, independent living apartments, a future assisted living facility, and our award-winning nursing home.

### 3 Locations:
- Morgan Orchards Senior Living Community
  - Strode Independent Living
  - Future assisted living
  - Menig Nursing Home
- Gifford Adult Day
- Project Independence
Introduction - Gifford Locations

Sites of Service:
- CHC Site
- Provider Based CAH Site
- Free Standing Site
- Nursing Home
- CAH

Populations:
- Service Area – North (~40,000)
- Central Service Area (~20,000)
- Service Area – South (~40,000)
Hospital Issues

Areas of Risk/Opportunities
Hospital Issues

Workforce

- Provider turnover (general surgery, orthopedics, primary care)
- Utilization of locum physicians (general surgery, primary care)
- Traveling RN staff (OR, Med/Surgical)
- Tight labor market
  - Difficult to find individuals to fill open positions
  - Wage pressures

EMR Implementation

- Went live at the end of April
- Impact on volumes

Health Care Reform

- All Payer Model

Access

- Mental health and substance use services
- Primary Care
Areas of Risk/Opportunity

Risks

- Ability to enter into risk-based reimbursement agreements
  - Maintaining cash reserves in down years
  - Our small size can result in greater year-to-year financial volatility
- Ability to retain staff, maintain competitiveness in compensation, benefits
- Ability to recruit to a rural area

Opportunities

- Connection between primary care and hospital-based services
- Integrated model incorporating traditional medical services with mental health, substance use, and dental services
- Achieving cost savings/efficiencies
- Promising new hires (general surgery, primary care, OR staff)
- Expanded community health programs and outreach
Access – Wait Times
Gifford practices

- Same-day access for urgent or acute patient visits
- Each specialty has a provider on-call for their patient-base

Third next available appointment

- Varies by clinic specialty
- Patients are seen within five days

Outpatient rehabilitation department

- Schedules new patient evaluations within five days
- Schedules follow-up patients within 14 days
All-Payer Quality Measures
All Payer Model Quality Measures

- Percentage of Medicaid adolescents with well-care visits
- Initiation of alcohol and other drug dependence treatment
- Engagement of alcohol and other drug dependence treatment
- 30-day follow-up after discharge for mental health
- 30-day follow-up after discharge for alcohol or other drug dependence
- Diabetes HbA1c poor control
- Controlling high blood pressure
- Appropriate asthma medication management
- Percentage of adults reporting that they have a usual primary care provider
- Prevalence of chronic disease: COPD
- Prevalence of chronic disease: Hypertension
- Prevalence of chronic disease: Diabetes
- 18-64 receiving Medication Assisted Treatment for opioid dependence
- Deaths related to drug overdose
- Rate of growth in number of mental health and substance use-related ED visits
**Hospital Division Quality Dashboard**

**Measure**
- Overall Hospital Stay (CMS HCAHPS)
- Patient Would Recommend (CMS HCAHPS)
- Hospital Division Complaints
- C. difficile
- Inpatient Falls Resulting in Injury
- Medication Safety Events
- 30-day Readmissions
- Overall Rating of Emergency Department Care (HCAHPS-ED)
- Door to Departure: Discharged Patients
- Door to Departure: Admitted Patients
- Left Without Being Seen
- Time to EKG
- Primary C-sections
- Birth Complications
- Decision to Incision

**Surgical Division Quality Dashboard**

**Measure**
- OR Visits
- Surgical Site Infections
- Unexpected Return to OR
- Surgical Division Complaints
- Overall Patient Experience Rating
- Day of Surgery Testing
- Day of Surgery Cancellations
- Unplanned Transfers or Admissions
- Patient Care Navigation
- Screening Colonoscopy: Adenomas Detected
- All Colonoscopy: Completion Rate
- Colonoscopy without biopsy: Exam Time
- OR Immediate Use Sterilization Rate
<table>
<thead>
<tr>
<th>Measure</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stat Lab Turn-Around</td>
<td>Pediatric Vaccinations</td>
</tr>
<tr>
<td>Troponin Lab Turn-Around</td>
<td>Pediatric Lead Screening – 1 year</td>
</tr>
<tr>
<td>Average Radiology Read Turn-Around (hours)</td>
<td>Pediatric Lead Screening – 2 years</td>
</tr>
<tr>
<td>Screening Mammography Read Turn-Around</td>
<td>Cervical Cancer Screening</td>
</tr>
<tr>
<td>Diagnostic Mammography to Biopsy</td>
<td>Diabetes Care: HbA1c &lt; 8%</td>
</tr>
<tr>
<td>Rehab: Access to Care</td>
<td>Diabetes Care: HbA1c &gt; 9%</td>
</tr>
<tr>
<td>Room Clean: Patient Perception</td>
<td>Colorectal Cancer Screening</td>
</tr>
<tr>
<td>Facilities Work Order Turn-Around</td>
<td>Oral Health: ED visits for Dental</td>
</tr>
<tr>
<td>Facilities Customer Satisfaction</td>
<td>Depression Screening and Follow-up plan</td>
</tr>
<tr>
<td>Inpatient Meals: Excellent Flavor</td>
<td>Access to Care: Mental Health Counseling</td>
</tr>
<tr>
<td>Inpatient Meals: Got All Items Ordered</td>
<td>Access to Care: Psychiatry</td>
</tr>
<tr>
<td></td>
<td>Access to Care: Addiction Medicine</td>
</tr>
<tr>
<td></td>
<td>Primary Care Division Complaints</td>
</tr>
</tbody>
</table>
**Quality of Care Dashboard**

**Access to Care: Mental Health Counseling (Business Days)**

- **8 qtr avg.:** 24.0
- **Indicator Definition:** Average days until first available appointment for mental health counseling. *(Lower is better)*
- **Comments:** 18 patients on waitlist (no available appointment) in Q118. Down 1 FTE and recruiting. Once position filled, expect improved access. Urgent referrals seen (avg = 3.7 days). Q417 was an incomplete quarter.
- **Benchmark/Comparative Data:** none available
- **Goal:** < 10 business days
- **Data Source:** Behavioral Health referral tracking spreadsheet
- **Reporting Requirement:** none

**Access to Care: Psychiatry (Business Days)**

- **8 qtr avg.:** 10.2
- **Indicator Definition:** Average days until first available appointment for psychiatry. *(Lower is better)*
- **Comments:** Q417 was an incomplete quarter.
- **Benchmark/Comparative Data:** none available
- **Goal:** < 10 business days
- **Data Source:** Behavioral Health referral tracking spreadsheet
- **Reporting Requirement:** none
Quality of Care Dashboard

Access to Care: Addiction Medicine (Business Days)

Indicator Definition:
Average days until first available appointment for addiction medicine. Includes Medication Assisted Treatment (MAT) referrals. (Lower is better)

Comments:
Q417 was an incomplete quarter. Providers are being encouraged to refer patients who would benefit from a consultation to learn about various treatment options (without having to commit to treatment).

Benchmark/Comparative Data:
none available

Goal:
< 10 business days

Data Source: Addiction Medicine referral tracking spreadsheet

Reporting Requirement: none

Rehab: Access to Care (Calendar Days)

Indicator Definition:
Average days until 3rd available evaluation appointment for outpatient Rehabilitation Services (PT & OT; excludes speech).

Comments:

Benchmark/Comparative Data:
none available

Goal:
< 10 calendar days

Data Source: Rehabilitation Services tracking

Reporting Requirement: none
**Quality of Care Dashboard**

### Diabetes Care: HbA1c < 8%

- **8 qtr avg:** 62% (2428 / 3937)

**Indicator Definition:**
Percentage of diabetic patients age 18-75 who were seen at least once in the quarter and whose most recent HbA1c level was less than 8% (within the past year).
Excludes gestational diabetes and steroid-induced diabetes.

**Comments:**
Point of care HbA1c analyzers are now in all clinics. New diabetic standing orders allow nurses to order the A1c test, if it is due, even if the patient is being seen for an acute issue.

**Benchmark/Comparative Data:**
- VT rate = 69% (HRSA 2014)
- US rate = 57% (HRSA 2014)

**Goal:** > 69%

**Data Source:** CPSI

**Reporting Requirement:** FQHC UDS

### Diabetes Care: HbA1c > 9% or not tested

- **8 qtr avg:** 22% (871 / 3937)

**Indicator Definition:**
Percentage of diabetic patients age 18-75 who were seen at least once in the quarter and whose most recent HbA1c level was greater than 9% or not tested (within the past year).
Excludes gestational diabetes and steroid-induced diabetes. *(Lower % is better)*

**Comments:**
Point of care HbA1c analyzers are now in all clinics. New diabetic standing orders allow nurses to order the A1c test, if it is due, even if the patient is being seen for an acute issue.

**Benchmark/Comparative Data:**
- VT rate = 22% (HRSA 2016)
- US rate = 32% (HRSA 2016)

**Goal:** < 21%

**Data Source:** CPSI

**Reporting Requirement:** FQHC UDS
All Payer Quality Initiatives

**Initiation of Alcohol/Drug Treatment**

- HSA: 35%, 38%, 49%, 66%, 45%
- State: 41%, 53%, 35%, 36%

**Hypertension with BP in Control (<140/90 mmHg)**

- HSA: 79%, 73%, 64%, 45%
- State: 41%, 53%, 35%, 36%

**Follow-Up After Hospitalization for Mental Illness (7 day)**

- HSA: 85%, 67%, 70%, 72%
- State: 79%, 73%, 64%, 66%

**Diabetes Blood Pressure in Control (<140/90 mmHg)**

- HSA: 85%, 67%, 70%, 72%
- State: 79%, 73%, 64%, 66%
Financials
<table>
<thead>
<tr>
<th></th>
<th>2017A</th>
<th>2018B</th>
<th>2018P</th>
<th>2019B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Inpatient Care Revenue</td>
<td>$27,984,211</td>
<td>$32,061,329</td>
<td>$25,623,222</td>
<td>$27,743,361</td>
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<tr>
<td>Outpatient Care Revenue</td>
<td>$71,427,886</td>
<td>$77,347,991</td>
<td>$70,913,080</td>
<td>$77,328,503</td>
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<tr>
<td>Outpatient Care Revenue - Physician</td>
<td>$13,081,148</td>
<td>$13,992,094</td>
<td>$12,012,488</td>
<td>$14,902,225</td>
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<tr>
<td>Swing Beds PT Care Revenue</td>
<td>$1,751,146</td>
<td>$1,806,392</td>
<td>$2,305,018</td>
<td>$2,057,248</td>
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<tr>
<td><strong>Gross Patient Care Revenue</strong></td>
<td>$114,244,392</td>
<td>$125,207,806</td>
<td>$110,853,808</td>
<td>$122,031,337</td>
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<td>Disproportionate Share Payments</td>
<td>$858,641</td>
<td>$645,999</td>
<td>$645,996</td>
<td>$554,798</td>
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<tr>
<td>Bad Debt</td>
<td>-$2,904,150</td>
<td>-$3,316,988</td>
<td>-$2,481,922</td>
<td>-$2,915,932</td>
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<tr>
<td>Free Care</td>
<td>-$383,228</td>
<td>-$558,851</td>
<td>-$423,792</td>
<td>-$480,167</td>
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<tr>
<td><strong>Other Operating Revenue</strong></td>
<td>$1,516,475</td>
<td>$909,288</td>
<td>$1,092,806</td>
<td>$866,476</td>
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<tr>
<td><strong>Total Operating Revenue</strong></td>
<td>$55,823,847</td>
<td>$60,423,298</td>
<td>$51,991,516</td>
<td>$56,761,128</td>
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<td><strong>Operating Expense</strong></td>
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<tr>
<td>Salaries Non MD</td>
<td>$17,820,045</td>
<td>$18,765,491</td>
<td>$17,492,874</td>
<td>$17,824,017</td>
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<td>Fringe Benefits Non MD</td>
<td>$4,939,549</td>
<td>$5,172,627</td>
<td>$5,450,488</td>
<td>$5,444,194</td>
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<td>Fringe Benefits MD</td>
<td>$1,485,066</td>
<td>$2,155,729</td>
<td>$1,641,958</td>
<td>$1,601,433</td>
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<td>Physician Fees Salaries Contracts &amp; Fringe</td>
<td>$8,895,542</td>
<td>$7,455,319</td>
<td>$8,834,874</td>
<td>$7,737,667</td>
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<td>Health Care Provider Tax</td>
<td>$3,164,988</td>
<td>$3,186,753</td>
<td>$3,249,372</td>
<td>$3,186,753</td>
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<td>Depreciation Amortization</td>
<td>$3,120,162</td>
<td>$3,091,633</td>
<td>$2,838,740</td>
<td>$2,816,700</td>
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<td>Interest - Long Term</td>
<td>$767,781</td>
<td>$794,710</td>
<td>$756,748</td>
<td>$777,455</td>
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<tr>
<td>Other Operating Expense</td>
<td>$16,505,007</td>
<td>$18,431,082</td>
<td>$18,020,662</td>
<td>$15,957,897</td>
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<tr>
<td><strong>Total Operating Expense</strong></td>
<td>$56,698,140</td>
<td>$59,053,344</td>
<td>$58,285,716</td>
<td>$55,346,116</td>
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<tr>
<td><strong>Net Operating Income (Loss)</strong></td>
<td>-$874,293</td>
<td>$1,369,954</td>
<td>-$6,294,200</td>
<td>$1,415,012</td>
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<tr>
<td><strong>Non-Operating Revenue</strong></td>
<td>$1,032,308</td>
<td>$850,000</td>
<td>$2,338,672</td>
<td>$849,996</td>
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<tr>
<td><strong>Excess (Deficit) of Revenue Over Expense</strong></td>
<td>$158,015</td>
<td>$2,219,954</td>
<td>-$3,955,528</td>
<td>$2,265,008</td>
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</tbody>
</table>
### Balance Sheet - Unrestricted Funds

**GIFFORD MEDICAL CENTER**

**SCHEDULE 12**

**BALANCE SHEET - UNRESTRICTED FUNDS**

<table>
<thead>
<tr>
<th></th>
<th>2017A</th>
<th>2018B</th>
<th>2018P</th>
<th>2019B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH &amp; INVESTMENTS</td>
<td>$3,312,949</td>
<td>$5,455,037</td>
<td>$3,285,250</td>
<td>$2,706,318</td>
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<tr>
<td>PATIENT ACCOUNTS RECEIVABLE, GROSS</td>
<td>$17,316,496</td>
<td>$15,133,436</td>
<td>$14,616,148</td>
<td>$15,052,468</td>
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<td>LESS: ALLOWANCE FOR UNCOLLECTIBLE ACCTS</td>
<td>-$10,358,670</td>
<td>-$7,470,977</td>
<td>-$9,276,542</td>
<td>-$7,610,504</td>
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<td>DUE FROM THIRD PARTIES</td>
<td>$180,446</td>
<td>$0</td>
<td>-$483,550</td>
<td>$0</td>
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<tr>
<td>RISK RESERVE FOR FIXED REFORM PAYMENTS</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>OTHER CURRENT ASSETS</td>
<td>$3,228,871</td>
<td>$3,007,196</td>
<td>$2,972,747</td>
<td>$2,424,384</td>
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<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>$13,680,092</td>
<td>$16,124,692</td>
<td>$11,114,053</td>
<td>$12,572,666</td>
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<tr>
<td><strong>TOTAL BOARD DESIGNATED ASSETS</strong></td>
<td>$27,361,797</td>
<td>$17,868,278</td>
<td>$26,728,057</td>
<td>$22,843,159</td>
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<tr>
<td><strong>TOTAL PROPERTY, PLANT AND EQUIPMENT, NET</strong></td>
<td>$39,329,212</td>
<td>$43,539,875</td>
<td>$37,914,451</td>
<td>$39,066,281</td>
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<tr>
<td><strong>OTHER LONG-TERM ASSETS</strong></td>
<td>$9,027,454</td>
<td>$9,058,000</td>
<td>$9,325,676</td>
<td>$9,161,000</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$89,398,555</td>
<td>$86,590,845</td>
<td>$85,082,236</td>
<td>$83,643,106</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>2017A</th>
<th>2018B</th>
<th>2018P</th>
<th>2019B</th>
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<tbody>
<tr>
<td><strong>LIABILITIES AND FUND BALANCE</strong></td>
<td></td>
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<tr>
<td>TOTAL CURRENT LIABILITIES</td>
<td>$7,866,484</td>
<td>$13,707,269</td>
<td>$7,020,037</td>
<td>$7,610,450</td>
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<td>TOTAL LONG-TERM DEBT</td>
<td>$19,140,710</td>
<td>$17,407,619</td>
<td>$18,697,061</td>
<td>$17,677,568</td>
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<td>OTHER NONCURRENT LIABILITIES</td>
<td>$543,771</td>
<td>$0</td>
<td>$679,242</td>
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<td><strong>TOTAL LIABILITIES</strong></td>
<td>$27,550,965</td>
<td>$31,141,888</td>
<td>$26,396,341</td>
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<td>FUND BALANCE</td>
<td>$61,847,590</td>
<td>$55,475,957</td>
<td>$58,685,895</td>
<td>$58,246,316</td>
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<tr>
<td><strong>TOTAL LIABILITIES AND FUND BALANCE</strong></td>
<td>$89,398,555</td>
<td>$86,590,845</td>
<td>$85,082,236</td>
<td>$83,643,106</td>
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### GIFFORD MEDICAL CENTER
**SCHEDULE**
**CASH FLOWS**

<table>
<thead>
<tr>
<th></th>
<th>2017A</th>
<th>2018B</th>
<th>2019B</th>
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<tbody>
<tr>
<td><strong>CASH FROM OPERATIONS</strong></td>
<td></td>
<td></td>
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<tr>
<td>Excess Revenue Over Expense</td>
<td>$158,015</td>
<td>$2,219,954</td>
<td>$2,265,009</td>
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<tr>
<td>Depreciation/Amortization</td>
<td>$3,120,162</td>
<td>$3,091,633</td>
<td>$2,816,700</td>
</tr>
<tr>
<td>Patient A/R</td>
<td>$(566,207)</td>
<td>$(704,633)</td>
<td>$220,495</td>
</tr>
<tr>
<td>Other Changes</td>
<td>$666,980</td>
<td>$6,242,906</td>
<td>$(5,514,007)</td>
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<tr>
<td><strong>Total Cash from Operations</strong></td>
<td>$3,378,950</td>
<td>$10,849,860</td>
<td>$(211,803)</td>
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<tr>
<td><strong>CASH FROM INVESTING ACTIVITY</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Change in Accum Depr Less Depreciation</td>
<td>$(243,047)</td>
<td>$(3,384,061)</td>
<td>$5,020,477</td>
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<tr>
<td>Change in Capital Assets</td>
<td>$(1,742,780)</td>
<td>$(3,918,235)</td>
<td>$(3,363,583)</td>
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<td>Funded Depreciation</td>
<td>$(2,070,279)</td>
<td>$5,460,972</td>
<td>$(499,881)</td>
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<tr>
<td>Other LT Assets &amp; Escrowed Bonds &amp; Other</td>
<td>$(3,708,126)</td>
<td>$3,458,230</td>
<td>$(4,469,228)</td>
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<tr>
<td><strong>Total Cash from Investing Activity</strong></td>
<td>$(7,764,232)</td>
<td>$1,616,906</td>
<td>$(3,312,215)</td>
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<tr>
<td><strong>FINANCING ACTIVITY</strong></td>
<td></td>
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<tr>
<td>Bonds &amp; Mortgages</td>
<td>$(783,523)</td>
<td>$(1,651,544)</td>
<td>$211,381</td>
</tr>
<tr>
<td>Capital Lease &amp; Other Long Term Debt</td>
<td>$(24,059)</td>
<td>$(81,547)</td>
<td>$58,568</td>
</tr>
<tr>
<td><strong>Total Financing Activity</strong></td>
<td>$(807,582)</td>
<td>$(1,733,091)</td>
<td>$269,949</td>
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<tr>
<td><strong>OTHER CHANGES</strong></td>
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</tr>
<tr>
<td>Change in Fund Balance Less Net Income</td>
<td>$3,643,402</td>
<td>$(8,591,587)</td>
<td>$505,350</td>
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<tr>
<td><strong>Total Other Changes</strong></td>
<td>$3,643,402</td>
<td>$(8,591,587)</td>
<td>$505,350</td>
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<tr>
<td><strong>BEGINNING CASH</strong></td>
<td>$4,862,410</td>
<td>$3,312,949</td>
<td>$5,455,037</td>
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<tr>
<td><strong>Net Increase/(Decrease) in Cash</strong></td>
<td>$(1,549,462)</td>
<td>$2,142,088</td>
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<tr>
<td><strong>ENDING CASH</strong></td>
<td>$3,312,948</td>
<td>$5,455,038</td>
<td>$2,706,318</td>
</tr>
</tbody>
</table>
### Payer Mix – In State vs Out of State

<table>
<thead>
<tr>
<th></th>
<th>In State (97%)</th>
<th>Out of State (3%)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>BC/BS</td>
<td>20%</td>
<td>17%</td>
<td>19%</td>
</tr>
<tr>
<td>Commercial</td>
<td>18%</td>
<td>34%</td>
<td>19%</td>
</tr>
<tr>
<td>Medicaid</td>
<td>18%</td>
<td>3%</td>
<td>18%</td>
</tr>
<tr>
<td>Medicare</td>
<td>42%</td>
<td>42%</td>
<td>42%</td>
</tr>
<tr>
<td>Self</td>
<td>2%</td>
<td>4%</td>
<td>2%</td>
</tr>
</tbody>
</table>
# GIFFORD MEDICAL CENTER
## STATEMENT OF OPERATIONS
### For the Month Ending June-2018

### Year To Date

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>$ Variance</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PATIENT CARE REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospital - Inpatient</td>
<td>$18,051,982</td>
<td>$24,123,166</td>
<td>$(6,071,184)</td>
<td>-25.17%</td>
</tr>
<tr>
<td>- Outpatient</td>
<td>$51,411,213</td>
<td>$56,795,552</td>
<td>$(5,384,339)</td>
<td>-9.48%</td>
</tr>
<tr>
<td>- Swing Bed</td>
<td>$1,572,997</td>
<td>$1,382,615</td>
<td>$190,383</td>
<td>13.77%</td>
</tr>
<tr>
<td>Clinic (Non-Primary Care)</td>
<td>$10,250,734</td>
<td>$12,106,548</td>
<td>$(1,855,814)</td>
<td>-15.33%</td>
</tr>
<tr>
<td><strong>Total Patient Care Revenue</strong></td>
<td>$81,286,926</td>
<td>$94,407,881</td>
<td>$(13,120,955)</td>
<td>-13.90%</td>
</tr>
<tr>
<td><strong>ALLOWANCES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affordable Care</td>
<td>$437,106</td>
<td>$420,267</td>
<td>$16,839</td>
<td>4.01%</td>
</tr>
<tr>
<td>Contractual Allowances</td>
<td>$43,004,541</td>
<td>$46,974,132</td>
<td>$(3,969,590)</td>
<td>-8.45%</td>
</tr>
<tr>
<td>Provision for Bad Debt</td>
<td>$1,749,938</td>
<td>$2,494,440</td>
<td>$(744,503)</td>
<td>-29.85%</td>
</tr>
<tr>
<td>Disproportionate Share</td>
<td>$(484,499)</td>
<td>$(472,035)</td>
<td>$(12,464)</td>
<td>2.64%</td>
</tr>
<tr>
<td><strong>Total Allowances</strong></td>
<td>$44,707,086</td>
<td>$49,416,804</td>
<td>$(4,709,718)</td>
<td>-9.53%</td>
</tr>
<tr>
<td><strong>Net Patient Revenue</strong></td>
<td>$36,579,841</td>
<td>$44,991,077</td>
<td>$(8,411,236)</td>
<td>-18.70%</td>
</tr>
<tr>
<td><strong>OTHER REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>340B Revenue</td>
<td>$17,236</td>
<td>$90,000</td>
<td>$(72,764)</td>
<td>-80.85%</td>
</tr>
<tr>
<td>Other Grants</td>
<td>$55,537</td>
<td>$55,537</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>$620,230</td>
<td>$515,160</td>
<td>$105,070</td>
<td>20.40%</td>
</tr>
<tr>
<td>Net Assets Released</td>
<td>$61,041</td>
<td>$76,806</td>
<td>$(15,765)</td>
<td>-20.53%</td>
</tr>
<tr>
<td><strong>Total Other Revenue</strong></td>
<td>$754,044</td>
<td>$681,966</td>
<td>$72,078</td>
<td>10.57%</td>
</tr>
<tr>
<td><strong>Net Revenues</strong></td>
<td>$37,333,884</td>
<td>$45,673,043</td>
<td>$(8,339,159)</td>
<td>-18.26%</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages - Non Providers</td>
<td>$13,094,635</td>
<td>$14,068,758</td>
<td>$(974,123)</td>
<td>-6.92%</td>
</tr>
<tr>
<td>Wages - Providers</td>
<td>$5,320,748</td>
<td>$5,505,630</td>
<td>$(184,882)</td>
<td>-3.36%</td>
</tr>
<tr>
<td>Benefits</td>
<td>$4,975,194</td>
<td>$5,460,971</td>
<td>$(485,777)</td>
<td>-8.90%</td>
</tr>
<tr>
<td>Advertising</td>
<td>$23,666</td>
<td>$73,912</td>
<td>$(50,246)</td>
<td>-67.98%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$1,936,595</td>
<td>$2,170,647</td>
<td>$(234,052)</td>
<td>-10.78%</td>
</tr>
<tr>
<td>Insurance</td>
<td>$322,845</td>
<td>$359,487</td>
<td>$(36,642)</td>
<td>-10.19%</td>
</tr>
<tr>
<td>Interest/Amortization</td>
<td>$582,956</td>
<td>$615,564</td>
<td>$(32,608)</td>
<td>-5.30%</td>
</tr>
<tr>
<td>Licenses/Taxes</td>
<td>$2,442,570</td>
<td>$2,440,175</td>
<td>$(2,403)</td>
<td>0.10%</td>
</tr>
<tr>
<td>Other</td>
<td>$555,890</td>
<td>$569,400</td>
<td>$(13,510)</td>
<td>-2.37%</td>
</tr>
<tr>
<td>Purchase Services</td>
<td>$8,721,870</td>
<td>$7,095,672</td>
<td>$1,626,198</td>
<td>22.92%</td>
</tr>
<tr>
<td>Supplies - Medical</td>
<td>$3,791,999</td>
<td>$4,257,521</td>
<td>$(465,522)</td>
<td>-10.94%</td>
</tr>
<tr>
<td>Supplies - Non Medical</td>
<td>$438,418</td>
<td>$509,798</td>
<td>$(71,380)</td>
<td>-14.00%</td>
</tr>
<tr>
<td>Training</td>
<td>$91,452</td>
<td>$191,548</td>
<td>$(100,096)</td>
<td>-52.26%</td>
</tr>
<tr>
<td>Utilities</td>
<td>$653,442</td>
<td>$816,067</td>
<td>$(162,625)</td>
<td>-19.93%</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$42,952,240</td>
<td>$44,135,150</td>
<td>$(1,182,910)</td>
<td>-2.68%</td>
</tr>
<tr>
<td><strong>Net Gain/Loss</strong></td>
<td>$(5,618,356)</td>
<td>$1,537,893</td>
<td>$(7,156,249)</td>
<td>-465.33%</td>
</tr>
<tr>
<td>Category</td>
<td>Years</td>
<td>Explanation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>-----------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>REVENUE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Patient Revenue  | Ac 18 - Bud 18 | Inpatient - lower than expected surgical and inpatient volumes  
Outpatient - down do to lack of surgical and primary care providers as well as implementation of a new EMR  
Clinic - down due to lack of surgical providers as well as implementation of a new EMR                                                                                         |
| EXPENSES         |           |                                                                                                                                                                                                                                                                                                                                            |
| Wages - Non Providers | Ac 18 - Bud 18 | 7% reduction due to use of low census, attrition, productivity expectations                                                                                                                                                                                                                                                               |
| Benefits         | Ac 18 - Bud 18 | In-line with 2018 actual expectations                                                                                                                                                                                                                                                                                                       |
| Advertising      | Ac 18 - Bud 18 | Due to cost initiatives expense decreased by 68%:  
Rework paper reports to be electronic versions only  
Reduced print ads  
Held on new intranet site                                                                                                                                                                                                                                                                                                             |
| Depreciation     | Ac 18 - Bud 18 | Moving to cloud based application which is decreasing expenses by 11%                                                                                                                                                                                                             |
| Other            | Ac 18 - Bud 18 | Reductions due to cost initiatives:  
Dues - $41k  
Network printers/copies - $30k  
Freight - $20k  
Postage - $13k  
Above initiatives were offset by an increase of other direct costs - $91k                                                                                                                                                                                                 |
| Purchase Services | Ac 18 - Bud 18 | Utilized locum providers - $662k  
Moved orthopedist from employed to contracted service - $408k  
Utilized travelers/contract staff - $800k  
Moved to cloud based IT applications - $100k                                                                                                                                                                                                                               |
| Utilities        | Ac 18 - Bud 18 | Utilizing Efficiency Vermont  
Cost initiatives specific to utilization of heat/AC/lights etc.                                                                                                                                                                                                                                                                          |
Community Health Needs Assessment
2012 Community Healthcare Needs Assessment

Gifford Medical Center
44 South Main Street
Randolph, VT 05060
(802) 728-5000

July 31, 2012

2015 Community Healthcare Needs Assessment

Gifford Medical Center
44 South Main Street
Randolph, VT 05060
(802) 728-5000

August 4, 2015

2018 Community Health Needs Assessment

Gifford Health Care
44 South Main Street
Randolph, VT 05060
(802) 728-5000

June 1, 2018
Purpose

- Fulfill requirements of the Federal Patient Protection and Affordable Care Act
- Aide in fulfillment of Gifford’s mission of improving individuals’ and community health by providing and assuring access to affordable and high-quality health care

Data Collection Techniques

| Gifford Auxiliary (Survey) | Blueprint’s Community Health Team (Survey) | Publications published by relevant government & non-profit agencies |

Community Needs Assessment Requirement

To be performed at least once every three years with input from the community and the assistance of individuals with special knowledge or expertise of public health issues, and to be widely publicized. An implementation strategy must be adopted to meet the community needs outlined in the assessment. The assessment may be conducted in conjunction with other organizations. Failure to complete an assessment would result in a penalty of up to $50,000. (H.R.3590, § 9007)
### Community Needs Assessment

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Good jobs and healthy economy</td>
<td>1. Access to health care</td>
<td>1. Good jobs and healthy economy</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Addictions (drug or alcohol)</td>
<td>1. Addiction (drug or alcohol)</td>
<td>1. Addiction (drug or alcohol)</td>
<td></td>
</tr>
<tr>
<td>2. Obesity</td>
<td>2. Obesity</td>
<td>2. Mental health issues</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Alcohol abuse</td>
<td>1. Drug abuse</td>
<td>Removed this question and incorporated into Community Health Challenges question</td>
<td></td>
</tr>
<tr>
<td>2. Being overweight</td>
<td>2. Being overweight</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Drug abuse</td>
<td>3. Not enough preventative health care</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services patients tried and have been unable to receive in the community</th>
<th>Community Results (2012)</th>
<th>Community Results (2015)</th>
<th>Community Results (2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Assisted Living</td>
<td>1. Dental fillings</td>
<td>1. Support Services for special needs</td>
<td></td>
</tr>
<tr>
<td>2. Nursing Home</td>
<td>2. Dental cleaning</td>
<td>2. Long-term care (NH, AL)</td>
<td></td>
</tr>
<tr>
<td>3. Alcohol and drug counseling</td>
<td>3. Alcohol and drug counseling</td>
<td>3. Alcohol and drug counseling</td>
<td></td>
</tr>
</tbody>
</table>
Other areas respondents felt restricted their ability to receive health services

<table>
<thead>
<tr>
<th>Drug Addiction</th>
<th>Mental Health Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overweight and Obesity</td>
<td>Preventative health care</td>
</tr>
</tbody>
</table>

Inconvenient appointment time | Service not available
No dental insurance | Other expenses are priority
Collaborate with Gifford’s established Blueprint Community Health Team to respond to identified needs and coordinate patient’s care to include community partners.

- Panel management helps address obesity, preventative healthcare and access to healthcare
- CHT coordinate free self management programs (Diabetes prevention & management, chronic conditions self-management, etc.)
- Outreach to ED patients to establish primary care relationship
- Shared care planning with community partners for patients that are high-risk/high-complexity
GHC Services

- **2013/2014** - Awarded FQHC Status
  - Expanded Mental Health Services
  - Added Psychiatrist, Associate Provider, Counselors and Social Workers
  - Enhance Services for Medication-Assisted Treatment for substance use disorders (MAT)
    - Services available in Randolph, Berlin, and White River Junction locations
- **09/2015** – Awarded expansion grant to expand mental health services throughout the community
  - Service started on August 24, 2016
- **02/2016** – Awarded expansion grant to expand substance use treatment services
  - Berlin open August 24, 2016
  - Randolph clinic open September 2017
- **MAT** provider waiver increase (up to 250 each)
- **09/18** – State designated Narcan distribution site
Collaborating with Community Partners

- Chelsea Health Center is co-located with Clara Martin Center
- Gifford is working with Clara Martin Center to provide coordinated mental health care for patients, with a focus on substance use disorders

Substance Use Treatment

- Gifford employs physicians who are licensed to prescribed Medication-Assisted Treatment for substance use disorders
  - MAT available in Randolph, Berlin, and White River Junction locations
- Gifford applied for a federal grant to assist in expanding substance use treatment, and was awarded $325,000 in February 2016
Co-located with Gifford Primary Care in Randolph

- Increased patient convenience
- Integrated care, including increased communication between providers and the ability to provide patient visits with the entire care team

Implementing co-location with Gifford Health Center at Berlin

- Gifford applied for a federal grant to assist with expanding mental health services throughout the community, and was awarded $272,950 in September 2015
- Services started on August 24, 2016
Gifford has enhanced its Community Outreach initiatives during FY18. The focus was on substance use and we predict our work will continue with this initiative in FY19 as well as other preventative health outreach as noted in Appendix V.

- Drug Kiosk (over 600# since January 2018)
- Dose of Reality Community Forums
- Randolph Area Opiate Response Team
- Foot Screening Clinics
- Skin Cancer Screenings
- Health Coaching
- Chronic Disease Workshops / Self Management Classes
- Diabetes Education
- Regional Prevention Partnership (tobacco, alcohol, drugs)
- Local School Outreach
  - LEAD (Law Enforcement Against Drugs)
  - HELP (Heroin Epidemic Learning Program)
  - Athletic Trainer program (RUHS, VTC, Nighthawks)
- Senior Centers, Rotary, Independent Living, Farm Show, Tunbridge Fair
Health Reform Investment
Gifford remains committed to responding appropriately to health care reform and investments. However last year (FY18) was the first year that Gifford requested the 4 percent health care reform investment.

### Health Reform Investments

<table>
<thead>
<tr>
<th>Activities, investments, or initiatives within the 0.4% health care reform investment</th>
<th>Allocation for the investment</th>
<th>Was this activity in last year’s budget?</th>
<th>Is this investment supplanting the previous costs, or are they new?</th>
<th>Support for ACO infrastructure or programs</th>
<th>Support of community infrastructure related to ACO programs</th>
<th>Population health improvement activities</th>
<th>Population health measures outlined in APM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ACO dues (CHAC)</td>
<td></td>
<td>No</td>
<td>New</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 IT Initiatives:</td>
<td></td>
<td>No</td>
<td>New/Supplanting</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>3 QM Initiatives</td>
<td></td>
<td>No</td>
<td>New</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>4 Community Outreach Initiatives</td>
<td>Yes/No</td>
<td>New/Supplanting</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
Health Reform Investments

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

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

- The QM initiatives noted are ongoing and reflected in the FY19 budgeted expenses.
  - Post Acute Care Clinic
  - Panel Management
  - Increasing practice hours of operations
  - Medicaid Women's Health Initiative
  - VCCI Coordination
  - ED High Utilizer Action Plan
  - ED Discharge Panel
  - Shared Care Planning
Gifford has enhanced its Community Outreach initiatives during FY18. The focus was on substance use and we predict our work will continue with this initiative in FY19 as well as other preventative health outreach as noted in Appendix V.

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  - Athletic Trainer program (RUHS, VTC, Nighthawks)
- Senior Centers, Rotary, Independent Living, Farm Show, Tunbridge Fair
Capital Budget Plans
2019 Budget = $1,767,379

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

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

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

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

**Security Upgrade Badge Access:** $78,890  
**Scope:** Install badge access to interior/exterior doors throughout main hospital.
2019 Budget = $1,767,379 (cont.)

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

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

**Refrigerator Upgrades/Wireless Temp-Monitoring: $20,000**
**Scope:** Upgrade vaccination medication refrigerators throughout the organization. Install wireless temperature-monitoring system for vaccination refrigerators
2019 Budget = $3,681,826

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

**Endoscopic System:** $309,132  
**Scope:** Upgrade the existing endoscopic equipment utilized to perform diagnostic and therapeutic procedures of the upper and lower GI tract. Current equipment soon will not be supported by the company.

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

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

**EMR Server:** $150,000  
**Scope:** Replace data center server.
2019 Budget = $3,681,826 (cont.)

**Phaco System: $134,500**

**Scope:** Upgrade existing equipment utilized during cataract surgery. New equipment will more accurately measure the eye to allow for utilization of specialty intraocular lenses.

**Pulmonary Function System: $123,931**

**Scope:** Replace current PFT machine as it has reached end-of-life status and no longer will be supported.

**Cardiac Monitor System: $116,237**

**Scope:** Replace cardiac-monitoring equipment throughout nursing units. Current equipment soon will not be supported by the company.
Long Range Financial Outlook
**Financial Outlook**

- Gifford is committed to meeting the APM targets for growth
- Focus on primary care, preventive care, and community health
- Integrated care with primary care, mental health, substance use, dental, specialty care, and hospital-based services
- Focus on cost reductions and efficiencies
- Collaborating with local and regional partners to avoid duplication
Review of Historical Compliance
Historical Compliance with Budget Orders

Net Patient Revenue

- Budget
- Actual

FY 00 - FY 18

Net Patient Revenue:
- $10,000,000
- $20,000,000
- $30,000,000
- $40,000,000
- $50,000,000
- $60,000,000
- $70,000,000

Years:
- FY 00
- FY 01
- FY 02
- FY 03
- FY 04
- FY 05
- FY 06
- FY 07
- FY 08
- FY 09
- FY 10
- FY 11
- FY 12
- FY 13
- FY 14
- FY 15
- FY 16
- FY 17
- FY 18

Indicators:
- GHC
- GRC

GHC & GRC

2000 - 2018
Historical Compliance with Budget Orders
Thank you.