



## Gifford Medical Center

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### **NARRATIVE**

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

This letter serves to provide the Green Mountain Care Board (GMCB) with a narrative summary of Gifford Medical Center's Fiscal Year 2020 budget. Gifford utilizes a five-year planning tool that provides a profit and loss statement, balance sheet, statistics, etc. We use this tool to complete the budget forms. The projections for our budget are based on historical data, current experience, changes in service delivery, and ongoing operational improvements. This budget was submitted to and approved by the Gifford Board of Directors on June 27, 2019.

#### **Revenue Assumptions**

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

Inpatient services, both acute and swing bed, saw decreases from FY 2019 budget projections. Gifford expects current volumes to remain stable into FY 2020.

Outpatient Services, Gifford expects overall 2020 budgeted volumes to be at 2019 projected volumes.

Clinic volumes are expected to increase slightly from projected 2019 as providers continue to get accustomed to the EMR established in 2018 and as our newer providers' practices mature.

#### **Deductions from Revenue**

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

In total, Contractual Allowances are budgeted at FY 2019 actual levels. Gifford has seen a shift in payer mix from commercial to Medicare. This is reflected in the rate schedule provided. Gifford does not expect a change in reimbursement from Medicaid.

Bad Debt as a percentage will come in at 2.3%. Gifford helps patients to ensure they receive the financial assistance they need, including setting up affordable payment plans.

#### **Other Operating Revenue**

Annually, Gifford eliminates all income that is not contracted and locked down. We remove all expenses and revenue from grants, "rental" employees, and the like. We do not expect that there will



be any marked change in the rental space arrangements that we have beyond inflationary. Cafeteria and daycare revenue will increase on an inflationary basis.

### **Operating Expense**

Gifford's Total Operating Expense shows a 6.7% decrease from the FY 2019 budget. For FY 2020, Gifford has a budget increase in wages of 3% for both merit and market. Full-time employees (FTEs) will decrease in total by 10.2 from FY 2019 budget. Benefits saw inflationary increases in health (4.5%), dental (16.1%) and workers compensation (4.7%), all other areas remained flat. Other non-salary expenses increased by an inflationary average of approximately 3% to 4%

### **Non-Operating Revenue**

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

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

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

Effective January 1, 2019 Gifford began participating for OneCare Vermont for the Medicaid program. We have invested in a number of programs with Gifford Health Care (GMC's FQHC parent organization), local EMS providers, Designated Agency, Food Shelf, schools, law enforcement agencies, and other organizations to improve community health and address social determinants of health. Gifford also signed an agreement to participate with RiseVT this year, which will bolster our own robust community health and outreach activities.

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

We also have increased our focus on community health services throughout our catchment area.



A look back on events in 2019:

Free Skin Cancer Screenings (190 patients seen)	Installed drug take back kiosk (650+ pounds collected)	Collaborated with Regional Prevention Partnership (drug & alcohol awareness)	Donated expired medical supplies to Haiti & Partners for World Health
First Aid bags for Orange County Sheriff Dept.	Safe Sitter Class	Tunbridge Worlds Fair Farm Show Booth	Provider talks at local senior centers, IL and PI
Hosted 10 free community lunches at area Senior Centers	First Aid bags for Randolph Rec sports program	Sports medicine training at RUHS (ankle taping)	Tips & Tricks from Gifford to all RUHS athletes
Collected 1,200# of food for RAFS	Donated 75 books to RAFS Christmas boxes	Arts Bus bags for pediatric ED patients	\$10,000 CURES grant = Dose of Reality (6 part series)
Support LEAD program	Sponsored HELP (Heroin Epidemic Learning Program)	Hosted free PSA screening night	Athletic Trainer Program at RUHS & VTC
Birth Control and STD talks with high school health classes	Brookhaven Summer Camp support	Free Gait analysis at Kingwood	Sponsored <i>Being Mortal</i> movie screening and discussion
Free healthy feet screenings with Dr. Rinaldi	Hosted two community blood drives	Caregiver Support Group	Advance Directives – Assistance in completing the forms

A. Has the hospital signed a contract with OneCare Vermont?

OneCare Program	Participating in Program in CY20?	Budgeted Number of Attributed Lives (monthly avg CY20)	Budgeted Amount of FPP (monthly avg CY20)	Budgeted Maximum Upside/Downside Risk for CY20
Medicaid	Yes	2,600	\$ 233,540	\$ 232,537
Medicare				
BCBSVT				
Self-Insured				
<b>TOTAL</b>		2,600	\$ 233,540	\$ 232,537

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

- i. How is the risk (u-and downside) accounted for in the financials? How will the hospital manage financial risk while maintaining access to high quality care and appropriate levels of utilization?

The \$233k risk is accounted for as a contractual allowance and is included as a reduction of patient service revenue. We will use the ACO measures to monitor that Gifford continues to provide high quality care and appropriate level of utilization.



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

The hospital will not put any financial incentive in place that will negatively impact patient care. Over the past 3 years Gifford has implemented new incentives that reward “citizenship” activities, including community outreach and education on health-related topics. These new incentives have allowed us to reduce our reliance on productivity-based incentives.

- C. *What amount of Other Reform Payments does the hospital expect to receive from OneCare Vermont by the end of calendar year 2020 (e.g., payments from OneCare’s Value-Based Incentive Program based on quality performance)?*

The “other” primary care reform payments are not considered hospital payments and are attributed to the FQHC.

- D. *Are the hospital’s employees attributed to OneCare, either through participation in a OneCare self-insured program or, if fully-insured, through the hospital’s insurer? If not, why not?*

Gifford is currently not planning on participating in a 2020 self-insured program. Gifford will continue to evaluate the outcomes of these programs for future considerations.

- E. *How is the hospital changing the allocation of resources in its budget to improve population health, under the All-Payer ACO Model and/or other initiatives?*

Gifford primarily focuses its allocation of resources on the primary care side of operations or Gifford Health Care our FQHC. It is because of this focus that any of the “other” reform payments from OneCare Vermont are attributed to the FQHC. We partner with our FQHC and other partners on initiatives that will positively impact population health as outlined in question #2 above.

- 3. *Reconciliation. Provide a reconciliation between FY 2019 approved budget and FY 2019 projection, showing both positive and negative variances. Explain the variances.*



	2019B	2019P	Variance
<b>REVENUES</b>			
INPATIENT CARE REVENUE	\$27,641,990	\$24,967,298	-9.7%
OUTPATIENT CARE REVENUE	\$76,981,411	\$71,850,165	-6.7%
OUTPATIENT CARE REVENUE - PHYSICIAN	\$14,615,644	\$12,917,288	-11.6%
SWING BEDS PT CARE REVENUE	\$2,049,732	\$1,747,909	-14.7%
<b>GROSS PATIENT CARE REVENUE</b>	<b>\$121,288,777</b>	<b>\$111,482,660</b>	<b>-8.1%</b>
DISPROPORTIONATE SHARE PAYMENTS	\$554,798	\$554,796	0.0%
BAD DEBT	-\$2,915,932	-\$2,278,607	-21.9%
FREE CARE	-\$480,167	-\$438,447	-8.7%
DEDUCTIONS FROM REVENUE	-\$62,552,825	-\$60,084,120	-3.9%
<b>NET PATIENT CARE REVENUE</b>	<b>\$55,894,651</b>	<b>\$49,236,282</b>	<b>-11.9%</b>
FIXED PROSPECTIVE PAYMENTS	\$0	\$2,014,518	0.0%
<b>TOTAL NPR &amp; FPP &amp; RESERVES &amp; OTHER</b>	<b>\$55,894,651</b>	<b>\$51,250,800</b>	<b>-8.3%</b>
GRANT INCOME	\$0	\$46,948	0.0%
CAFETERIA & PARKING	\$313,398	\$295,845	-5.6%
PHYSICIAN OFFICE AND OTHER RENTALS	\$3,697	\$4,237	14.6%
340B RETAIL PHARMACY PROGRAMS	\$20,364	\$36,112	77.3%
OTHER	\$529,017	\$600,459	13.5%
<b>OTHER OPERATING REVENUE</b>	<b>\$866,476</b>	<b>\$983,601</b>	<b>13.5%</b>
<b>TOTAL OPERATING REVENUE</b>	<b>\$56,761,127</b>	<b>\$52,234,401</b>	<b>-8.0%</b>
OPERATING EXPENSE			
SALARIES NON MD	\$17,824,017	\$17,223,114	-3.4%
FRINGE BENEFITS NON MD	\$5,444,194	\$5,232,071	-3.9%
FRINGE BENEFITS MD	\$1,601,433	\$1,436,129	-10.3%
PHYSICIAN FEES SALARIES CONTRACTS & FRINGES	\$7,737,667	\$7,843,505	1.4%
HEALTH CARE PROVIDER TAX	\$3,186,753	\$2,972,062	-6.7%
DEPRECIATION AMORTIZATION	\$2,816,700	\$2,669,319	-5.2%
INTEREST - LONG TERM	\$777,455	\$800,768	3.0%
OTHER OPERATING EXPENSE	\$15,957,897	\$14,494,464	-9.2%
<b>TOTAL OPERATING EXPENSE</b>	<b>\$55,346,116</b>	<b>\$52,671,432</b>	<b>-4.8%</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$1,415,011</b>	<b>-\$437,031</b>	<b>-130.9%</b>
<b>NON-OPERATING REVENUE</b>	<b>\$849,996</b>	<b>\$2,472,696</b>	<b>190.9%</b>
<b>EXCESS (DEFICIT) OF REVENUE OVER EXPENSE</b>	<b>\$2,265,007</b>	<b>\$2,035,665</b>	<b>-10.1%</b>

Gifford continues to experience financial challenges in FY 2019, and as of May Gifford is projecting a loss on operation of \$437k. However, as compared to last year we have experienced significant improvement, due to our cost saving initiatives. The losses have been driven in large part by lower than expected surgical volumes, unexpected dips in census and lower than expected emergency room visits. To improve our financial performance we



are focusing on three areas – achieving our expected patient volumes, reducing costs, and expanding our community relationships.

We have seen some positive signs in 2019 (primary care volume, lower expenses, and continued high quality of care) but we continue to promote activities that will influence our success.

We have asked all employees to identify areas where we can reduce our costs – and they have answered that request.

#### 4. *Budget-to-budget growth.*

##### A. *Net Patient Revenues:*

Overall gross revenue for inpatient services saw a decrease from what was budgeted in 2019, as did outpatient services. We continue to see increased productivity in our clinics due to the implementation of our EMR. We also expect volumes to rebound from 2019 actuals with investments in our surgical services and additions to our primary care team.

Gifford has budgeted an overall contractual rate of 51.8% for FY 2020.

Gifford expects a shift in payer mix from Commercial to Medicare. This is reflected in the Rate Schedule provided.

##### **Medicare:**

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

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

##### **Medicaid:**

Gifford is not budgeting any additional reimbursement due to the rate increase for Medicaid.

##### **Commercial:**

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



Table 1: Gifford Medical Center  
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	\$55,894,651		\$ 19,685,269	\$ 4,096,590	\$ 11,236	\$ 31,546,758	\$ -	\$ -	\$554,798
Commercial Rate	2,288,802		942,541			1,346,261			
Rate - Non Commercial									
Utilization	(5,847,925)		(2,165,762)	(265,956)	(729)	(3,415,479)			
Reimbursement/Payer Mix	(1,036,788)		633,696	132,949	365	(1,803,798)			
Bad Debt/Free Care	370,016						370,016		
Physician Acq/Trans									
Changes in Accounting	(2,073,575)			(2,073,575)					
Changes in DSH	(14,677)								(14,677)
Other (please label)									
Other (please label)									
FY 20 Budget	\$49,580,504		\$ 19,095,745	\$ 1,890,009	\$ 10,871	\$ 27,673,742	\$ 370,016	\$ -	\$540,121

*B. Expenses:*

Gifford's total operating expenses show a 6.7% decrease from the FY 2019 budget.

Over the past year, Gifford has been actively evaluating all costs.

**FTE/Salaries:** (Decreasing in total by 10.2 FTEs budget-to-budget)

**All:** Full utilization of low census across all departments, as well as bringing departments in line with budgeted volume expectations

**Overhead:** Increased by 1.9 FTEs

**Ancillaries/IP Routine:** Reduced by 8.7 FTEs

**Clinics:** Reduced by 3.2 FTEs

**Benefits:**

Health: 4.5% increase (inflationary)

Dental: 16.1% increase (inflationary)

Life Insurance/Short- and Long-Term Disability: 0%

Worker's Comp: 4.7% increase (inflationary)

**Depreciation:** Slight decrease in expenses due to capital re-investments

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

**Cost-Savings Initiatives:**

- Increase use of payroll e-Statements
- Trash vs. Recycling vs. Bio-Hazard
- Utilize Thrift Shop for office supplies
- Expand low census criteria
- Implement staff cross training organization wide



- Restructure ETO for salaried employees
- Manage lighting in public areas
- Utilize evening/night staff for projects
- Evaluate mechanical system for chilled process savings
- Annual contract review
- Consolidated practice locations

**Table 2: Gifford Medical Center**  
FY 2019 Approved Expenses to Budget FY 2020

<b>Expenses</b>	<b>Amount</b>
FY 19 Approved Budget	\$ 55,346,116
Change in Positions	(2,257,444)
Inflation Increases	306,815
Salaries	699,980
Fringe	125,297
Physician Contracts	0
Contract Staffing	161,152
Supplies	(57,891)
Drugs	(19,000)
Facilities	(52,714)
IT Related	(370,491)
Health Reform Programs	
Depreciation	(193,934)
Interest	(38,909)
Health Care Provider Tax	(314,460)
Other (please label)	
Budgeted Cost Savings	(951,480)
Actual Cost Savings	(720,000)
FY20 Budget	\$ 51,663,036

5. *Bad Debt.*

A. *Provide the amount of bad debt carried by the hospital at the close of FY 2018 that was incurred prior to FY 2017.*





	Amount (in \$)
<b>Total Bad Debt at End of FY 2017 (P&amp;L)</b>	<b>\$ 2,904,150</b>
<b>Total Bad Debt Incurred in FY 2018 (P&amp;L)</b>	<b>\$ 4,010,057</b>
<b>Total Bad Debt Sent to Collections During FY 2018</b>	<b>\$ 3,223,320</b>
<b>Total Bad Debt Recovered During FY 2018 (P&amp;L)</b>	<b>\$ (1,692,668)</b>
<b>Total Bad Debt Written Off During FY 2018</b>	<b>\$ 742,970</b>
<b>Total Bad Debt at End of FY 2018 (P&amp;L)</b>	<b>\$ 2,317,389</b>

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

Gragil Associates Inc  
 PO BOX 1010  
 29 Winter Street  
 Pembroke Mass 02349  
 1-800-462-0282  
[www.gragil.com](http://www.gragil.com)

One Advantage, LLC:  
 PO Box 23860  
 Belleville, IL 62223  
 1-800-812-3880  
[www.oneadvantagellc.com](http://www.oneadvantagellc.com)

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

The two collection agencies that are used by Gifford meet the criteria of patient-friendly billing.

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

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

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

6. *Operating Margin and Total Margin. Explain the hospital’s Operating Margin and Total Margin in the FY 2020 proposed budget, including budgeted FY 2020 Operating Margin and Total margin changes over the approved FY 2019 budget and the FY 2019 full-year projection.*

	<u>2019P</u>	<u>2019B</u>	<u>2020B</u>
Operating Margin %	-0.84%	2.49%	2.90%
Total Margin %	3.72%	3.93%	4.42%

7. *Charge Request.*

A. *Provide the hospital’s budgeted overall charge increase or decrease and describe how the increase or decrease was calculated by payer type, including the calculation of the impact of the change in charge on gross revenue and net patient revenue. Explain how the charge was derived*



and what assumptions were used in determining the increase or decrease. Complete the table in Appendix VIII

Gifford is requesting a total rate increase of 5%.

Gifford’s strategy in calculating the rate increase is to understand the expected volumes, necessary services, and patient needs for the area, as well as what it costs to provide these services.

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

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	4.4%	3.9%	3.9%		0.0%	4.8%
Hospital Outpatient	4.6%	3.9%	3.9%		0.0%	4.8%
Professional Services						
Primary Care						
Specialty Care	4.3%	3.7%	3.8%		0.0%	4.7%
Skilled Nursing Facility						
Hospital Swing	4.0%	4.7%	3.9%		0.0%	4.8%
Overall Change in Charge Across All Categories	4.5%	3.9%	3.9%		0.0%	4.8%

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

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

**Medicare:**

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

Gifford has realized the rate increase in its NPR for Medicare due to the relationship in the increase of cost per services unit as compared to the increase in charges.

**Medicaid:**

Gifford is not budgeting any additional reimbursement due to the rate increase for Medicaid.

**Commercial:**

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



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

D. *In April/May, the GMCB will provide each hospital with a hospital specific Cost Shift Analysis. Explain how the hospital addressed the cost shift in FY 2018, especially given the hospital's payer mix.*

Gifford began participating in OneCare Vermont in January 2019 and with RiseVT in Spring 2019. We have established and expanded a number of collaborative initiatives with partner organizations to positively impact community health and social determinants of health, while also focusing on reducing the cost of care for our patient population.

Gifford utilizes a patient-centered medical home model to manage the cost shift; each individual has a personal primary care physician ("medical home"). The physician coordinates all aspects of patient care both inside and outside the clinic. The goal of this model is to provide higher quality and better care coordination, especially for those with chronic conditions, and to prevent hospital readmissions and emergency department visits.

Currently Gifford's primary care practices are considered a level 3 by the NCQA. Gifford strives to improve patient-centered access through the use of our information technology, hours of operations and access to care when the patient needs it. This model emphasizes team-based care, communication and coordination, which has been shown to lead to better care. The model also helps better manage patients' chronic conditions, such as diabetes. All of this ultimately lowers the cost of care.

8. *FY 2018 variances. For those hospitals that received a letter regarding their FY 2017 budget-to-actual variance, specifically address the issues and requirements outlined in the letter.*

Gifford did not receive a FY 2018 letter for overages.

9. *Capital budget investments. Describe the major investments, including projects subject to certificate of need review, that have been budgeted for FY 2020 and their effect on the FY 2020 operating budget.*

#### **BUILDING and BUILDING SERVICES:**

##### **OB/GYN Interior Renovation: \$1,896,400**

**Scope:** Renovate 6,500 SF to accommodate OB/GYN outpatient clinic, birthing education space, staff training and associated office space

##### **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.

##### **Gamma Camera Installation: \$335,000**



**Scope:** Upgrade physical plant to accommodate Gamma camera installation.

**Rooftop Unit Replacement: \$257,659**

**Scope:** Replace 2<sup>nd</sup> Floor HVAC rooftop unit in the medical office building.

**MAJOR MOVABLE:**

**Gamma Camera: \$670,553**

**Scope:** Replace 11-year-old unit that has reached end of life.

**New/Replacement Desktops/Laptops: \$150,000**

**Scope:** Upgrade ageing desktop/laptops.

**X-Ray System upgrade: \$150,000**

**Scope:** Replace current end of life equipment.

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

Gifford appreciates the efforts made by the GMCB in collaboration with Vermont hospitals this year to reduce the administrative burden hospitals face. We encourage further efforts of this nature to continue to reduce the burden, particularly on small hospitals with fewer resources, to comply with our reporting obligations.

**Salary Information:**

1. *Submit a full copy of the hospital's Form 990 (for Actual 2017 or 2018), including the most current version of Schedule H (filed in 2018) that has been submitted to the Internal Revenue Service as part of the hospital's organization's Form 990 reporting obligations under Section 501(c)(3) of the Internal Revenue Code. Provide a single copy of these documents.*
2. *Complete the Table in Appendix IX*



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	709	\$ 27,534,704	96%	79%
\$200,000 - \$299,999	18	\$ 4,202,169	2%	12%
\$300,000 - \$499,999	8	\$ 2,981,134	1%	9%
\$500,000 - \$999,999			0%	0%
\$1,000,000 +			0%	0%
<b>TOTALS</b>	<b>735</b>	<b>\$ 34,718,007</b>		

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

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

4. *Identify:*

- i. *Outside consultants relied on for benchmarking;*

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

- ii. *Peer groups to which the hospital benchmarks;*

Vermont/New Hampshire Critical Access Hospitals; Vermont hospitals for Nursing.

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

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

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

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



**Organizational Structure**

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

