

Green Mountain Care Board
144 State Street
Montpelier, VT 05602

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www.gmcboard.vermont.gov

Kevin Mullin, Chair
Jessica Holmes, PhD
Robin Lunge, JD, MHCDS
Maureen Usifer
Tom Pelham
Susan Barrett, JD, Executive Director

March 29, 2019

Michael Halstead, Interim CEO
Springfield Hospital
25 Ridgewood Road, PO Box 2003
Springfield, VT 05156

Dear Mr. Halstead:

At its March 13, 2019 public meeting, the Green Mountain Care Board (GMCB or Board) reviewed the FY 2018 year-end actual operating results for the Vermont hospital system. At its March 27, 2019 meeting, the Board set a variance range for review of FY 2018 net patient revenue/fixed prospective payment (NPR/FPP) of -2.5% to +2.0%. Accordingly, any hospitals that have FY 2018 NPR/FPP results that fall outside the -2.5% to +2.0% range are subject to Board review.

The FY 2018 year-end results indicate that your hospital's NPR/FPP falls outside of the Board's set variance range and is subject to review. The purpose of this review is for you to explain circumstances contributing to your operating results and plans to address these issues. This review will not necessarily lead to further action by the Board.

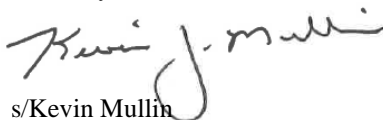
Board staff will contact you to schedule a hearing for April 17th at 9:00 AM. At this hearing, please be prepared to address:

1. Drivers of the NPR/FPP variance;
2. Drivers of operating margin variance;
3. For hospitals below FY 2018 operating margin budget, address actions to meet FY 2019 budget;
4. Year-to-date (YTD) results, as of February 28, 2019:
 - a. NPR/FPP YTD variance, including comparison to prior year;
 - b. Operating margin variance, including comparison to prior year; and
5. FY 2019 forecast for NPR/FPP and operating margin.

Additionally, hospitals below the -2.5% threshold should be prepared to address their position on a possible budget rebase. Hospitals exceeding the 2.0% threshold should be prepared to address their position on potential enforcement actions pursuant to GMCB Rule 3.000, § 3.401(c).

Please submit materials associated with this request at least two days prior to your scheduled hearing date. We appreciate your cooperation in this process. Please feel free to contact me if you have any questions.

Sincerely,



s/Kevin Mullin

Kevin Mullin
Chair, Green Mountain Care Board

Cc: Hospital CFO
Members, Green Mountain Care Board
Health Care Advocate

