

Green Mountain Care Board
144 State Street
Montpelier, VT 05602

802-828-2177
www.gmcboard.vermont.gov

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

May 1, 2019

Arthur Mathisen, CEO
Copley Hospital
528 Washington Highway
Morrisville, VT 05661

Dear Mr. Mathisen:

At a series of recent public meetings, the Green Mountain Care Board (Board) reviewed the FY2018 operating results of Vermont hospitals with a net patient revenue/fixed prospective payment (NPR/FPP) budget-to-actual variance of less than -2.5% or more than 2.0%.

The Board reviewed Copley Hospital's (Copley) -2.6% FY2018 budget-to-actual NPR/FPP variance at its April 19, 2019 public hearing. Following that hearing, on April 19, 2019, the Board decided not to rebase Copley's budget or take other enforcement action at his time. The Board also decided that members of Copley's senior management team should continue to meet with Board leadership on a monthly basis for the remainder of FY2019, either telephonically or in person, to discuss the most recent information regarding Copley's FY2019 financial projections and related matters.

For the FY2020 budget submission, please refer to the NPR/FPP guidelines which include a process for aligning next year's budget more closely to hospital performance. The guidelines state:

“For hospitals with Actual FY 2018 and Projected FY 2019 NPR/FPP that is at least 2% below budgeted NPR/FPP, the GMCB expects NPR/FPP and Expenses in the FY 2020 budget submission to align with the hospital's Actual FY 2018 and Projected FY 2019 results. For these hospitals, the GMCB would not expect to see NPR/FPP more than 5% greater than Projected FY 2019 NPR/FPP unless there is a clear explanation and documentation describing why a larger increase in NPR/FPP is justified. For hospitals with Projected FY 2019 NPR/FPP that is greater than budgeted, the GMCB would not expect to see FY 2020 NPR/FPP greater than 3.5% unless clearly justified.”

Please also refer to the FY2020 budget guidance for specific instructions regarding information that must be included in the hospital's presentation, narrative and responses to Board and Health Care Advocate questions, and what schedules and data are required to be entered through the Adaptive Insights budget tool.

We appreciate your cooperation in this process. Please feel free to contact me, Lori Perry, Kelly Theroux or Agatha Kessler 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

