



Springfield Hospital

March 27, 2019

Kevin Mullin, Chairman
Green Mountain Care Board of Vermont
144 State Street
Montpelier, VT 05602

Dear Chairman Mullin,

I am writing to request the Green Mountain Care Board (GMCB) to approve a fiscal year (FY) 2019 budget modification for Springfield Hospital (SH). Our request is to approve an average charge increase of 5% for SH effective May 1, 2019.

We estimate that this modification, if approved, would generate approximately \$488,924 in net patient revenue over the remainder of FY 2019 and approximately \$1,173,417 million on an annualized basis.

Per the process outlined in the GMCB's "FY 2019 Hospital Budget Guidance and Reporting Requirements" we present the following information for your review.

- A. *Approval from the SH Board of Trustees.* At its March 12, 2019 meeting, the SH Board of Trustees voted to authorize Management to submit a FY 2019 budget modification in the amount of 5% average charge increase to the GMCB.
- B. *Submit a letter of intent regarding a revised budget.* See below.

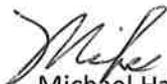
SH requests the aforementioned FY 2019 budget modification in support of improving the hospital's financial health during this "crisis situation".

Financial Health

SH has experienced poor operating margins in FY 2017, FY 2018 and continuing in FY 2019. Hospital management has been working on expense reductions the last few months approaching \$6.5 million but the gap in the shortfall continues to remain short of "break-even". As well documented to GMCB, our cash position is tenuous at best. We recently had to terminate the Child Birth services after reducing FTEs and salary pay rates for most employees.

On behalf of Springfield Hospital, I ask the GMCB to approve our budget modification request to help with our financial improvement plan. Please contact me with any questions or requests for additional information.

Respectfully,


Michael Halstead
Interim CEO