



**Mt. Ascutney Hospital
and Health Center**
Dartmouth-Hitchcock

September 11, 2020

Attn: Ms. Susan Barrett, J.D. Executive Director
Green Mountain Care Board
89 Main Street, Third Floor, City Center
Montpelier, Vermont 05620

Re: Budget Revision Narrative FY2021

Dear Ms. Barrett,

This letter serves as the narrative accompanying our revised budget for FY21.

As you know, DHH and the MAHHC Board of Trustees elected to maintain our current footprint in OneCare Vermont. As reported in our previous narrative and in our hearing, our previously submitted budget only included revenues, expenses, and reserves for the Medicaid ACO program.

In light of the additional revenues, expenses, and reserves associated with the Medicare and BlueCross/BlueShield programs we have revised our budget to allow for a similar operating margin while absorbing these additional costs. Unfortunately, despite OneCare Vermont's COVID-related discussions on mitigating Medicare risk for CY20, firm budget estimates were not available for us. We relied on best estimates from correspondence with OCV to establish our expected experience.

This revision reflects the following changes:

- Enrolled in Medicare program but not the AIPBP payment option. In other words, we will not be receiving shadow payments and fixed prospective payments. This payment method has no effect on revenues, expenses, and reserves.
- Medicare reserves were calculated at 85% of 9 months of participation, for the OCV's current estimate of a risk threshold of 2.5%.
- Net dues for participation (Population Health Management) and PHM/Care Coordination Receipts will be approximately \$77,000.
- A blended Gross Price Increase of 4.6% in total which is an increase of 0.3% increase from our original submission.
- Enrolled in the BlueCross/Blue Shield ACO program.
- No information was available to us for the BlueCross/BlueShield program so that is essentially budgeted to be break even.
- The "all-in" budgeted cost to participate in these three programs for CY21, not including basic operational costs (accounting, etc.), is \$882k. Approximately \$774k relates to FY21.

This results in our operating margin being reduced from \$351k to \$172k. Assuming the estimates and information received from OCV end up being close to reality, this should allow us to make a small margin and maintain our participation in these programs.

Please let us know if there are additional questions or concerns. Dr. Perras, Theresa and Andrew will be available next week in my absence.

Sincerely,



David C. Sanville
C.F.O.