



**Springfield
Hospital**

Where People Come First

September 3, 2021

via EMAIL

Mr. Kevin Mullin
Chairman
Green Mountain Care Board
144 State Street
Montpelier, Vermont 05602

RE: Request revisions to FY22 Budget

Dear Chairman Mullin:

This week, we had the opportunity to go over our submission with Patrick Rooney, Director of Health Systems Finance. As you know, the Green Mountain Care Board (GMCB) had some concerns with our data and requested that we review the data and provide a response to him. We appreciate Patrick's comments and assistance regarding our submission.

After our review, we identified items which needed to be corrected requiring a revision to our original filing.

These items are as follows:

1. **Disproportionate Share** – Inadvertently included the budgeted amount of \$824,000 in Medicaid NPR as a reduction in the total Medicaid Deductions from Revenue. The result of this error reduces our NPR request by same amount.
2. **Price Increase effect on Medicaid** – Comments made during the GMCB hearing on 8/27/2021 led us to review and revise the NPR price increase effect on payors. After our review, we revised down the Medicaid price impact by (\$577,000).
3. **Price Increase effect on Medicare** – We also reviewed Medicare for the impact on any price increase on Medicare revenue. After our review, we identified a price increase included in the Medicare NPR amount. The amount of the price increase was \$1,526,000. We should have included the effect of a reimbursement increase because our allowable costs are going to increase. As a result, the estimated cost increase of \$1,123,000 would offset the price increase and the net impact of (\$403,000) would reduce our NPR.

Page 2, Continued,

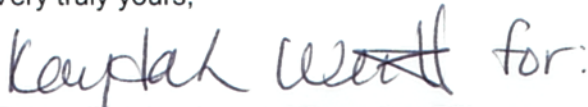
4. As a result, the NPR amended for these changes would be \$52,767,000 as compared to the original submitted request of \$54,571,000, resulting in a decrease of (\$1,804,000). The Original FY22 Budget request was a 7.8% increase over the FY21 Approved NPR and these revisions reduce that percentage to 4.3%.

The changes to our amended FY22 budget will give us a break-even budget for FY22. Should our current volume recovery continue (see TAB 5 in our attachment), we could outperform the submitted volume increase benefit on NPR. We remain focused on improving operating performance.

At this time, we respectfully request approval of our FY22 Budget with the revisions included with this letter. We appreciate the work being performed by the Green Mountain Care Board on the behalf of Vermont residents and the assistance you provide to Vermont's healthcare providers.

If there are any questions regarding our request, please do not hesitate to email me at robert.adcock@springfieldmed.org or call me at (802) 885-7600.

Very truly yours,

Handwritten signature of Robert S. Adcock, written in black ink. The signature is cursive and includes the word "for:" at the end.

Robert S. Adcock, Chief Executive Officer

Springfield Hospital

Enclosure

CC: Patrick Rooney, Director of Health Systems Finances

Kayda Wescott, Interim Chief Financial Officer

Chip Holmes, Senior Vice President, QHR Health