

Public Disclosure Copy

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Form 990

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

2017

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Do not enter social security numbers on this form as it may be made public. Go to www.irs.gov/Form990 for instructions and the latest information.

A For the 2017 calendar year, or tax year beginning 10/01, 2017, and ending 09/30, 2018

Form sections B through K: B Check if applicable; C Name of organization CENTRAL VERMONT MEDICAL CENTER, INC.; D Employer identification number 22-2547186; E Telephone number (802) 371-4100; G Gross receipts \$ 224,914,802; H(a) Is this a group return for subordinates? Yes No; H(b) Are all subordinates included? Yes No; I Tax-exempt status: X 501(c)(3); J Website: WWW.CVMC.ORG; K Form of organization: X Corporation; L Year of formation: 1963; M State of legal domicile: VT

Part I Summary

Table with 3 columns: Line number, Description, and Amount. Rows include: 1 Briefly describe the organization's mission; 2-7a Activities & Governance; 7b Net unrelated business taxable income; 8-12 Revenue; 13-19 Expenses; 20-22 Net Assets or Fund Balances.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature and Preparer sections: Sign Here (Signature of officer: STEPHEN KENNEY, CFO); Paid Preparer Use Only (Preparer: PAUL TANIS, PRICEWATERHOUSECOOPERS LLP)

May the IRS discuss this return with the preparer shown above? (see instructions) X Yes No

For Paperwork Reduction Act Notice, see the separate instructions. Form 990 (2017)

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III Yes No

1 Briefly describe the organization's mission:

SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 143,930,544. including grants of \$ 559,268.) (Revenue \$ 158,427,700.)

ATTACHMENT 1

4b (Code:) (Expenses \$ 46,334,921. including grants of \$) (Revenue \$ 37,099,565.)

MEDICAL GROUP PRACTICES: AT THE END OF THE FISCAL YEAR WE HAD 25 PRIMARY CARE, INFIRMARY, AND SPECIALTY PRACTICES. THIS INCLUDED 7 PRIMARY AND FAMILY CARE CLINICS, 1 PEDIATRIC CLINICS, AS WELL AS SPECIALTY CLINICS FOR UROLOGY, PODIATRY, RHEUMATOLOGY, ENDOCRINOLOGY, ORTHOPAEDICS, PSYCHOLOGY, AND OBSTETRICS/ GYNECOLOGY. THERE WERE A TOTAL OF 226,624 PRACTICE VISITS DURING FISCAL YEAR 2018.

4c (Code:) (Expenses \$ 17,069,933. including grants of \$) (Revenue \$ 15,268,791.)

ATTACHMENT 2

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶ 207,335,398.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>	X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II.</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i>	X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>	X	
b Did the organization report an amount for investments-other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>	X	
c Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII.</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional.</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?.		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV.</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV.</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV.</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> (see instructions).		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>		X

Part IV Checklist of Required Schedules (continued)

		Yes	No
20a	Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H.</i>	X	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>	X	
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i>		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a.</i>		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i>		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i>		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II.</i>		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III.</i>		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>	X	
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>		X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i>		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i>		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>		X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1.</i>	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>	X	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i>		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	90	
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0.	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a	2,043	
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	X	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?.	3a	X	
b If "Yes," has it filed a Form 990-T for this year? <i>If "No" to line 3b, provide an explanation in Schedule O.</i>	3b	X	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?.	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?.	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?.	6a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?.	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X	
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?.	7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the sponsoring organization make any taxable distributions under section 4966?.	9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?.	9b		
10 Section 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b		
11 Section 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders	11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation in Schedule O</i>	14b		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include 1a (17), 1b (12), 2, 3, 4, 5, 6, 7a, 7b, 8a, 8b, 9.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include 10a, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed VT,
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records: STEPHEN KENNEY, CFO 130 FISHER RD BERLIN, VT 05602 802-371-4443

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII.

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1)CHRISTOPHER BARBIERI TRUSTEE, UNTIL 3/12/18	1.00 0.	X						0.	0.	0.
(2)JOHN BRUMSTED, MD TRUSTEE	6.00 44.00	X						0.	1,813,087.	213,890.
(3)JEREMIAH ECKHAUS, MD TRUSTEE, PRES-ELECT MED STAFF	50.00 0.	X						236,058.	0.	40,884.
(4)MICHAEL DELLIPRISCOLI TRUSTEE, IMMEDIATE PAST CHAIR	1.00 2.00	X						0.	0.	0.
(5)MARK DEPMAN, MD TRUSTEE, REGNAL PHYS LEADER	44.00 6.00	X						367,662.	0.	40,506.
(6)SARAH FIELD TRUSTEE	1.00 0.	X						0.	0.	0.
(7)THOMAS GOLONKA TRUSTEE, CHAIR-ELECT	1.00 2.00	X						0.	0.	0.
(8)JOYCE JUDY TRUSTEE	1.00 0.	X						0.	0.	0.
(9)MARY MOULTON TRUSTEE	1.00 0.	X						0.	0.	0.
(10)MARTA MURPHY (MARBLE) TRUSTEE, CHAIR	1.00 2.00	X						0.	0.	0.
(11)ANNA T. NOONAN TRUSTEE, PRESIDENT/COO	35.00 15.00	X		X				282,587.	191,724.	73,067.
(12)CATHY PALMER, MD TRUSTEE	3.00 42.00	X						30,000.	228,946.	40,644.
(13)TONI KAEDING TRUSTEE, AS OF 04/2018	1.00 0.	X						0.	0.	0.
(14)SANDY ROUSSE TRUSTEE	1.00 0.	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
15) CONNIE COLMAN ----- TRUSTEE, AS OF 04/2018	1.00 ----- 0.	X						0.	0.	0.
16) PAULETTE THABAULT ----- TRUSTEE	1.00 ----- 0.	X						0.	0.	0.
17) MARILYN WHITE ----- TRUSTEE	1.00 ----- 0.	X						0.	0.	0.
18) CORY RICHARDSON ----- TRUSTEE, AS OF 04/2018	1.00 ----- 0.	X						0.	0.	0.
19) CHEYENNE HOLLAND ----- TREASURER, CFO, UNTIL 07/2018	50.00 ----- 0.			X				268,444.	0.	63,717.
20) TODD KEATING ----- INTERIM TREASURER, CFO 7/2018	10.00 ----- 40.00			X				0.	925,390.	28,597.
21) PHILIP BROWN, DO ----- CHIEF MEDICAL OFF, UNTIL 3/2018	50.00 ----- 0.				X			315,055.	0.	34,532.
22) RICHARD MORLEY ----- VP SUPPORT SRVCS, UNITL 2/2018	50.00 ----- 0.				X			242,817.	0.	22,767.
23) MATTHEW CHOATE ----- CHIEF NURSING OFFICER	50.00 ----- 0.				X			173,181.	0.	30,047.
24) ROBERT PATTERSON ----- VP OF HR & CLINICAL OPERATIONS	50.00 ----- 0.				X			224,286.	0.	40,879.
25) DAVID TURNER ----- VP PHYSICIAN SERVICES	50.00 ----- 0.				X			188,770.	0.	13,427.
1b Sub-total								916,307.	2,233,757.	408,991.
c Total from continuation sheets to Part VII, Section A								4,241,622.	925,390.	481,556.
d Total (add lines 1b and 1c)								5,157,929.	3,159,147.	890,547.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ► 181

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	X	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 3		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ► 21

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII.

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a						
	b Membership dues	1b						
	c Fundraising events	1c						
	d Related organizations	1d	30,948.					
	e Government grants (contributions) . .	1e	422,006.					
	f All other contributions, gifts, grants, and similar amounts not included above .	1f	195,182.					
	g Noncash contributions included in lines 1a-1f: \$							
	h Total. Add lines 1a-1f ▶			648,136.				
	Program Service Revenue	2a NET PATIENT SERVICE REVENUE	Business Code	900099	168,947,777.	168,947,777.		
b REV FROM MANAGED CARE AND CAPITATED			900099	31,293,809.	31,293,809.			
c 340B CONTRACT PHARMACY REVENUE			900099	6,416,021.	6,416,021.			
d CONTRACT SERVICE REVENUE			900099	1,245,303.	1,245,303.			
e CAFETERIA REVENUE			900099	1,063,460.	1,063,460.			
f All other program service revenue				1,829,684.	1,829,684.			
g Total. Add lines 2a-2f ▶				210,796,054.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts). ▶			10,198,561.			10,198,561.	
	4 Income from investment of tax-exempt bond proceeds . ▶			0.				
	5 Royalties ▶			0.				
	6a Gross rents	(i) Real	434,543.					
		(ii) Personal						
		b Less: rental expenses		125,867.				
	c Rental income or (loss)		308,676.					
	d Net rental income or (loss) ▶			308,676.			308,676.	
	7a Gross amount from sales of assets other than inventory	(i) Securities						
		(ii) Other						
		b Less: cost or other basis and sales expenses		1,418,754.				
	c Gain or (loss)		-1,418,754.					
	d Net gain or (loss) ▶			1,418,754.			1,418,754.	
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 a							
b Less: direct expenses b								
c Net income or (loss) from fundraising events. ▶			0.					
9a Gross income from gaming activities. See Part IV, line 19 a								
b Less: direct expenses b								
c Net income or (loss) from gaming activities. ▶			0.					
10a Gross sales of inventory, less returns and allowances a								
	b Less: cost of goods sold b							
	c Net income or (loss) from sales of inventory. ▶			0.				
Miscellaneous Revenue		Business Code						
11a _____								
b _____								
c _____								
d All other revenue								
e Total. Add lines 11a-11d ▶			0.					
12 Total revenue. See instructions. ▶			223,370,181.	210,796,054.		11,925,991.		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	559,268.	559,268.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	0.			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	2,482,600.	658,603.	1,823,997.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	260,209.		260,209.	
7 Other salaries and wages	107,794,452.	103,493,966.	4,286,375.	14,111.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	5,936,329.	5,593,443.	342,128.	758.
9 Other employee benefits	14,578,531.	13,736,469.	840,203.	1,859.
10 Payroll taxes	7,158,719.	6,745,228.	412,577.	914.
11 Fees for services (non-employees):				
a Management	0.			
b Legal	146,154.		146,154.	
c Accounting	70,152.		70,152.	
d Lobbying	0.			
e Professional fundraising services. See Part IV, line 17.	0.			
f Investment management fees	196,448.	5,560.	190,888.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	12,356,032.	10,998,969.	1,357,063.	
12 Advertising and promotion	793,423.	135,878.	657,545.	
13 Office expenses	30,041,803.	29,793,454.	248,349.	
14 Information technology	2,858,431.	2,402,142.	456,289.	
15 Royalties	0.			
16 Occupancy	5,592,942.	5,467,187.	125,755.	
17 Travel	126,288.	96,888.	29,400.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	503,724.	484,482.	19,242.	
20 Interest	490,157.	490,157.		
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	9,984,496.	9,984,496.		
23 Insurance	660,454.	469,555.	190,899.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a BAD DEBT EXPENSE	4,232,051.	4,232,051.		
b STATE TAX ASSESSMENT	11,510,964.	11,510,964.		
c DUES & FEES	622,419.	304,063.	318,356.	
d SUNDRY EXPENSE	114,197.	70,239.	43,958.	
e All other expenses	191,131.	102,336.	88,795.	
25 Total functional expenses. Add lines 1 through 24e	219,261,374.	207,335,398.	11,908,334.	17,642.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0.			

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X.

		(A)		(B)	
		Beginning of year		End of year	
Assets	1 Cash - non-interest-bearing	0.	1	0.	
	2 Savings and temporary cash investments	25,366,122.	2	8,891,033.	
	3 Pledges and grants receivable, net	0.	3	0.	
	4 Accounts receivable, net	25,238,575.	4	20,572,298.	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0.	5	0.	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0.	6	0.	
	7 Notes and loans receivable, net	1,852,885.	7	3,376,944.	
	8 Inventories for sale or use	4,172,245.	8	4,199,147.	
	9 Prepaid expenses and deferred charges	1,834,543.	9	1,433,975.	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	175,070,341.	10a		
	b Less: accumulated depreciation	106,487,678.	10b		
	11 Investments - publicly traded securities	71,396,584.	10c	68,582,663.	
	12 Investments - other securities. See Part IV, line 11	47,606,209.	11	0.	
	13 Investments - program-related. See Part IV, line 11	0.	12	62,488,384.	
	14 Intangible assets	0.	13	0.	
	15 Other assets. See Part IV, line 11	0.	14	0.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	2,695,505.	15	3,271,190.		
	180,162,668.	16	172,815,634.		
Liabilities	17 Accounts payable and accrued expenses	37,941,501.	17	42,049,256.	
	18 Grants payable	0.	18	0.	
	19 Deferred revenue	0.	19	0.	
	20 Tax-exempt bond liabilities	682,081.	20	0.	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0.	21	0.	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0.	22	0.	
	23 Secured mortgages and notes payable to unrelated third parties	18,899,157.	23	16,308,604.	
	24 Unsecured notes and loans payable to unrelated third parties	0.	24	0.	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	32,416,663.	25	22,408,414.	
	26 Total liabilities. Add lines 17 through 25	89,939,402.	26	80,766,274.	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	80,671,395.	27	82,560,540.	
	28 Temporarily restricted net assets	6,290,378.	28	6,215,144.	
	29 Permanently restricted net assets	3,261,493.	29	3,273,676.	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds		30		
	31 Paid-in or capital surplus, or land, building, or equipment fund		31		
	32 Retained earnings, endowment, accumulated income, or other funds		32		
	33 Total net assets or fund balances	90,223,266.	33	92,049,360.	
34 Total liabilities and net assets/fund balances	180,162,668.	34	172,815,634.		

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI.

1	Total revenue (must equal Part VIII, column (A), line 12)	1	223,370,181.
2	Total expenses (must equal Part IX, column (A), line 25)	2	219,261,374.
3	Revenue less expenses. Subtract line 2 from line 1	3	4,108,807.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	90,223,266.
5	Net unrealized gains (losses) on investments	5	-8,741,939.
6	Donated services and use of facilities	6	0.
7	Investment expenses	7	0.
8	Prior period adjustments	8	0.
9	Other changes in net assets or fund balances (explain in Schedule O)	9	6,459,226.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	92,049,360.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII.

- 1** Accounting method used to prepare the Form 990: Cash Accrual Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

Public Disclosure Copy

SCHEDULE A (Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization CENTRAL VERMONT MEDICAL CENTER, INC.	Employer identification number 22-2547186
--	--

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**.
Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations.

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3.						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f).						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
7 Amounts from line 4.						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10.						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2017 (line 6, column (f) divided by line 11, column (f)).	14	%
15 Public support percentage from 2016 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2017. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization.		<input type="checkbox"/>
b 33 1/3% support test - 2016. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10%-facts-and-circumstances test - 2017. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization.		<input type="checkbox"/>
b 10%-facts-and-circumstances test - 2016. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization.		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II.
If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5.						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b.						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources.						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on.						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f)).	15	%
16 Public support percentage from 2016 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2016 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2017. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization .

b 33 1/3% support tests - 2016. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ►

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

		Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>	1		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>	2		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>	3a		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>	3b		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>	3c		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>	4a		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>	4b		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>	4c		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>	5a		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?	5c		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>	6		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>	7		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>	8		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>	9a		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>	9b		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>	9c		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>	10a		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>	10b		

Part IV Supporting Organizations *(continued)*

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11 a	
b A family member of a person described in (a) above?	11 b	
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>	11 c	

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>	1	
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>	2	

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>	1	

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1	
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>	2	
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>	3	

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (<i>see instructions</i>).			
a <input type="checkbox"/> The organization satisfied the Activities Test. <i>Complete line 2 below.</i>			
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. <i>Complete line 3 below.</i>			
c <input type="checkbox"/> The organization supported a governmental entity. <i>Describe in Part VI how you supported a government entity (see instructions).</i>			
2 Activities Test. <i>Answer (a) and (b) below.</i>		Yes	No
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>	2a		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>	2b		
3 Parent of Supported Organizations. <i>Answer (a) and (b) below.</i>			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>	3a		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>	3b		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3.	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 Adjusted Net Income (subtract lines 5, 6, and 7 from line 4).	8		

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d Total (add lines 1a, 1b, and 1c)	1d		
e Discount claimed for blockage or other factors (explain in detail in Part VI):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d.	3		
4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035.	6		
7 Recoveries of prior-year distributions	7		
8 Minimum Asset Amount (add line 7 to line 6)	8		

Section C - Distributable Amount		(A) Prior Year	(B) Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1		Current Year
2 Enter 85% of line 1.	2		
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4 Enter greater of line 2 or line 3.	4		
5 Income tax imposed in prior year	5		
6 Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6		

7 Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2017 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2017	(iii) Distributable Amount for 2017
1 Distributable amount for 2017 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2017 (reasonable cause required-explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2017			
a			
b From 2013			
c From 2014			
d From 2015			
e From 2016			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2017 distributable amount			
i Carryover from 2012 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2017 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2017 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2017, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.			
6 Remaining underdistributions for 2017. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.			
7 Excess distributions carryover to 2018. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2013			
b Excess from 2014			
c Excess from 2015			
d Excess from 2016			
e Excess from 2017			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Public Disclosure Copy

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2017

Open to Public Inspection

For Organizations Exempt From Income Tax Under section 501(c) and section 527

Department of the Treasury Internal Revenue Service

Complete if the organization is described below. Attach to Form 990 or Form 990-EZ. Go to www.irs.gov/Form990 for instructions and the latest information.

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Table with 2 columns: Name of organization (CENTRAL VERMONT MEDICAL CENTER, INC.) and Employer identification number (22-2547186)

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV. (see instructions for definition of "political campaign activities")
2 Political campaign activity expenditures (see instructions) \$
3 Volunteer hours for political campaign activities (see instructions)

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955. \$
2 Enter the amount of any excise tax incurred by organization managers under section 4955. \$
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
4a Was a correction made? Yes No
b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities. \$
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities. \$
3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b. \$
4 Did the filing organization file Form 1120-POL for this year? Yes No
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received and promptly and directly delivered to a separate political organization. Rows 1-6 are empty.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2017

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

A Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:35%; text-align:left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width:65%; text-align:left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No													

4-Year Averaging Period Under section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.

See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		27,210.
j Total. Add lines 1c through 1i			27,210.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political campaign activity expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year.	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues.	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

SEE PAGE 4

Part IV Supplemental Information *(continued)*

LOBBYING ACTIVITY

SCHEDULE C, PART II-B, LINE 1I CENTRAL VERMONT MEDICAL CENTER IS A MEMBER OF, AND PAYS DUES TO, THE VERMONT ASSOCIATION OF HOSPITALS AND HEALTH SERVICE PROVIDERS AS WELL AS THE AMERICAN HOSPITAL ASSOCIATION, AND THE VERMONT HEALTH CARE ASSOCIATION. A PORTION OF THE DUES IS USED FOR LOBBYING PURPOSES.

Public Disclosure Copy

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2017

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization

CENTRAL VERMONT MEDICAL CENTER, INC.

Employer identification number

22-2547186

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate value of contributions to (during year), 3 Aggregate value of grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 2 columns: Description, Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year, 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?, 6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?, 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 2 columns: Description, Amount. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items. 1b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenue included on Form 990, Part VIII, line 1. (ii) Assets included in Form 990, Part X. 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenue included on Form 990, Part VIII, line 1. b Assets included in Form 990, Part X.

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2017

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a** Public exhibition
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange programs
 - e** Other _____
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b** If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|--|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds.

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	7,997,540.	7,988,798.	7,726,226.	8,130,234.	7,489,540.
b Contributions					
c Net investment earnings, gains, and losses	193,692.	358,742.	306,265.	-366,990.	676,127.
d Grants or scholarships					
e Other expenditures for facilities and programs		350,000.	43,693.	37,018.	35,433.
f Administrative expenses					
g End of year balance	8,191,232.	7,997,540.	7,988,798.	7,726,226.	8,130,234.

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a** Board designated or quasi-endowment _____ %
 - b** Permanent endowment 38.0000 %
 - c** Temporarily restricted endowment 62.0000 %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|------------------------------------|-----|----|
| (i) unrelated organizations | X | |
| (ii) related organizations | X | |
- b** If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?
- 4** Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		5,510,000.		5,510,000.
b Buildings		55,954,845.	33,842,014.	22,112,831.
c Leasehold improvements		31,135,417.	14,781,143.	16,354,274.
d Equipment		75,547,496.	54,065,566.	21,481,930.
e Other		6,922,583.	3,798,955.	3,123,628.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				68,582,663.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) BENEFICIAL INTEREST IN HEALTH		
(B) NETWORK INVESTMENT POOL	62,488,384.	FMV
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶	62,488,384.	

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ACCRUED PENSION LIABILITY	19,662,083.
(3) OTHER LIABILITIES	2,746,331.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	22,408,414.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XIII Supplemental Information (continued)

ENDOWMENT FUNDS

SCHEDULE D, PART V, LINE 4

CVMC HAS ENDOWMENT INVESTMENTS AND SPENDING POLICIES THAT ATTEMPT TO PROVIDE A PREDICTABLE STREAM OF FUNDING FOR CAPITAL AND OPERATIONAL PROGRAMS PERTAINING TO THE DELIVERY OF HOSPITAL AND SKILLED NURSING CARE SERVICES AS WELL AS INTERNAL MEDICINE, FAMILY AND SPECIALTY PHYSICIAN SERVICES IN ORDER TO MEET THE HEALTH CARE NEEDS OF THE CENTRAL VERMONT COMMUNITY.

ASC 740 DISCLOSURE

SCHEDULE D, PART X, LINE 2, FIN 48 (ASC 740)

CENTRAL VERMONT MEDICAL CENTER, INC. IS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE UNIVERSITY OF VERMONT HEALTH NETWORK ("UVM HEALTH NETWORK").

THE FOOTNOTE STATES: UVM HEALTH NETWORK ACCOUNTS FOR RECOGNITION AND MEASUREMENT OF UNCERTAIN TAX POSITIONS IN ACCORDANCE WITH ACCOUNTING STANDARDS CODIFICATION (ASC) 740 INCOME TAXES, WHICH ADDRESSES HOW TO ACCOUNT FOR AND REPORT THE EFFECTS OF TAXES BASED ON INCOME. NO PROVISION FOR UNCERTAIN TAX POSITIONS IS RECORDED IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS.

Public Disclosure Copy

SCHEDULE H (Form 990)

Hospitals

OMB No. 1545-0047

2017

Open to Public Inspection

▶ Complete if the organization answered "Yes" on Form 990, Part IV, question 20.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization

CENTRAL VERMONT MEDICAL CENTER, INC.

Employer identification number

22-2547186

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<input checked="" type="checkbox"/>		
b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>		
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities			
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.			
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>		
b Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>		
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.			
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	<input checked="" type="checkbox"/>		
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>		
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	<input checked="" type="checkbox"/>		
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?			<input checked="" type="checkbox"/>
6a Did the organization prepare a community benefit report during the tax year?	<input checked="" type="checkbox"/>		
b If "Yes," did the organization make it available to the public?	<input checked="" type="checkbox"/>		

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			2,412,830.		2,412,830.	1.12
b Medicaid (from Worksheet 3, column a)			49,130,722.	24,752,125.	24,378,597.	11.34
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			51,543,552.	24,752,125.	26,791,427.	12.46
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			63,911.		63,911.	.03
f Health professions education (from Worksheet 5)			388,199.		388,199.	.18
g Subsidized health services (from Worksheet 6)			49,688,042.	44,197,607.	5,490,435.	2.55
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			558,918.		558,918.	.26
j Total. Other Benefits			50,699,070.	44,197,607.	6,501,463.	3.02
k Total. Add lines 7d and 7j.			102,242,622.	68,949,732.	33,292,890.	15.48

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	X	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.	2		
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	50,559,218.		
6 Enter Medicare allowable costs of care relating to payments on line 5	6	97,607,836.		
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-47,048,618.		
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other				

Section C. Collection Practices

9a Did the organization have a written debt collection policy during the tax year?	9a	X	
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, from largest to smallest - see instructions)

How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

1 CENTRAL VERMONT MEDICAL CENTER
130 FISHER ROAD
BERLIN VT 05602
WWW.CVMC.ORG
470001

Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
X	X					X			

Part V Facility Information (continued)

Section B. Facility Policies and Practices

(complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or letter of facility reporting group CENTRAL VERMONT MEDICAL CENTER

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

Community Health Needs Assessment

	Yes	No
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 If "Yes," indicate what the CHNA report describes (check all that apply):	X	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>15</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C		X
6b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C		X
7 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply):	X	
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>HTTP://WWW.CVMC.ORG/ABOUT-CVMC/COMMUNITY</u>		
b <input checked="" type="checkbox"/> Other website (list url): <u>HTTP://WWW.GMCBOARD.VERMONT.GOV</u>		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>15</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>SEE SECTION C</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group CENTRAL VERMONT MEDICAL CENTER

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP:	X	
a	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200.0000</u> % and FPG family income limit for eligibility for discounted care of <u>400.0000</u> %		
b	<input type="checkbox"/> Income level other than FPG (describe in Section C)		
c	<input checked="" type="checkbox"/> Asset level		
d	<input checked="" type="checkbox"/> Medical indigency		
e	<input checked="" type="checkbox"/> Insurance status		
f	<input checked="" type="checkbox"/> Underinsurance status		
g	<input checked="" type="checkbox"/> Residency		
h	<input type="checkbox"/> Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	X	
15	Explained the method for applying for financial assistance? If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):	X	
a	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b	<input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c	<input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d	<input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	<input type="checkbox"/> Other (describe in Section C)		
16	Was widely publicized within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	X	
a	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE SECTION C</u>		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE SECTION C</u>		
c	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE SECTION C</u>		
d	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	<input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	<input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	<input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
j	<input checked="" type="checkbox"/> Other (describe in Section C)		

Part V Facility Information *(continued)*

Billing and Collections

Name of hospital facility or letter of facility reporting group CENTRAL VERMONT MEDICAL CENTER

	Yes	No
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?	X	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?		X
If "Yes," check all actions in which the hospital facility or a third party engaged:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):		
a <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs		
b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process		
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications		
d <input checked="" type="checkbox"/> Made presumptive eligibility determinations		
e <input type="checkbox"/> Other (describe in Section C)		
f <input type="checkbox"/> None of these efforts were made		

Policy Relating to Emergency Medical Care

	Yes	No
21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	X	
If "No," indicate why:		
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility's policy was not in writing		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)		
d <input type="checkbox"/> Other (describe in Section C)		

Public Disclosure Copy

Part V Facility Information *(continued)*

Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)

Name of hospital facility or letter of facility reporting group CENTRAL VERMONT MEDICAL CENTER

	Yes	No
<p>22 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.</p> <p>a <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period</p> <p>b <input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period</p> <p>c <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period</p> <p>d <input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method</p>		
<p>23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?</p> <p>If "Yes," explain in Section C.</p>	23	X
<p>24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?</p> <p>If "Yes," explain in Section C.</p>	24	X

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

PART V, LINE 5

CVMC INVITED A WIDE VARIETY OF PUBLIC HEALTH PROFESSIONALS, COMMUNITY LEADERS, HUMAN SERVICE PROVIDERS, AND CVMC STAFF MEMBERS TO SERVE AS A STEERING COMMITTEE THROUGHOUT THE COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS. MEETINGS WERE HELD THROUGHOUT 2016 FOR THE COMMITTEE MEMBERS TO DELIBERATE OVER ALL COMMUNITY HEALTH CONCERNS AND REVIEW PERTINENT DATA AND INFORMATION.

INPUT WAS PROVIDED BY:

- A. WASHINGTON COUNTY MENTAL HEALTH SERVICES
- B. CENTRAL VERMONT HOME HEALTH & HOSPICE
- C. PEOPLES HEALTH AND WELLNESS CLINIC
- D. U32 HIGH SCHOOL
- E. CENTRAL VERMONT COUNCIL ON AGING
- F. GREEN MOUNTAIN UNITED WAY
- G. VERMONT DEPARTMENT OF HEALTH
- H. CENTRAL VERMONT MEDICAL CENTER - LEADERSHIP, MEDICAL STAFF & COMMUNITY HEALTH TEAM
- I. FAMILY CENTER OF WASHINGTON COUNTY
- J. CENTRAL VERMONT NEW DIRECTIONS COALITION
- K. CENTRAL VERMONT REGIONAL PLANNING COMMISSION CENTER

PART V, LINE 10A

COMMUNITY HEALTH NEEDS ASSESSMENT AND IMPLEMENTATION STRATEGY WEBSITE:

[HTTPS://GMCBOARD.VERMONT.GOV/SITES/GMCB/FILES/FILES/HOSPITAL-BUDGET/2016%2](https://gmcboard.vermont.gov/sites/gmcb/files/files/hospital-budget/2016%2)

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

0CVMC%20CHNA.PDF

PART V, LINE 11

AT CENTRAL VERMONT MEDICAL CENTER (CVMC), WE COLLABORATE WITH OTHER
NON-PROFITS, BUSINESSES, COMMUNITY LEADERS, AND GOVERNMENTAL AGENCIES TO
PROVIDE A VARIETY OF PROGRAMS AND EDUCATIONAL OFFERINGS INTENDED TO
IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE.

DRUG ABUSE

CVMC CONTINUES TO WORK WITH COMMUNITY PARTNERS INCLUDING THE VERMONT
DEPARTMENT OF HEALTH ALCOHOL AND DRUG ABUSE PROGRAM, WASHINGTON COUNTY
MENTAL HEALTH SERVICES, CENTRAL VERMONT SUBSTANCE ABUSE SERVICES,
TREATMENT ASSOCIATES AND CENTRAL VERMONT ADDICTION MEDICINE TO INCREASE
ACCESS TO CARE AND SUPPORT TRANSITIONS OF CARE AS INDIVIDUALS MOVE
THROUGH THE TREATMENT CYCLE. IT IS IMPORTANT THAT COMMUNITY MEMBERS HAVE
KNOWLEDGE OF THE RESOURCES THAT ARE CURRENTLY AVAILABLE TO THEM.

CVMC SPONSORS THE WASHINGTON COUNTY SUBSTANCE ABUSE REGIONAL PARTNERSHIP
(WCSARP), WHICH MEETS MONTHLY TO COORDINATE SERVICES, SOLVE ACCESS AND
CARE MANAGEMENT PROBLEMS, AND ERASE BOUNDARIES OF CARE. THE GROUP
INCLUDES, AMONG OTHERS, THE AGENCY FOR HUMAN SERVICES BARRE HSA, VERMONT
DEPARTMENT OF HEALTH, LOCAL HUB-AND-SPOKE PARTNERS, THE DESIGNATED
AGENCIES FOR MENTAL HEALTH AND SUBSTANCE ABUSE (WASHINGTON COUNTY MENTAL
HEALTH SERVICES, CENTRAL VERMONT SUBSTANCE ABUSE SERVICES), PREVENTION
PARTNERS, THE TURNING POINT RECOVERY CENTER, THE YOUTH SERVICES BUREAU,
RESIDENTIAL CARE PROVIDERS, AND LOCAL LAW ENFORCEMENT.

THREE IMPORTANT PROGRAMS EMERGED OUT OF GAPS IDENTIFIED BY WCSARP:

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

CVMC'S EMERGENCY DEPARTMENT INITIATED AN ALCOHOL WITHDRAWAL PROTOCOL IN COLLABORATION WITH WASHINGTON COUNTY MENTAL HEALTH SERVICES AND THE TURNING POINT RECOVERY CENTER TO PROVIDE 24/7 COMMUNITY-LOCATED SUPERVISED MEDICALLY ASSISTED WITHDRAWAL (MAW);

. THE EMERGENCY DEPARTMENT HAS ALSO INITIATED THE STATE'S FIRST RAPID ACCESS TO MEDICATION ASSISTED TREATMENT (RAM) TO PROVIDE IMMEDIATE 24/7 INDUCTION WITH BUPRENORPHINE LINKED TO RAPID HUB-AND-SPOKE ACCESS;

. THE TURNING POINT CENTER IS CURRENTLY MANAGING A VERMONT OPIOID STATE RESPONSE PROJECT TO BRING PEER RECOVERY SUPPORTS INTO THE EMERGENCY DEPARTMENT AND HOSPITAL INPATIENT UNITS TO ASSURE STABLE TRANSITIONS TO THE COMMUNITY.

MENTAL HEALTH

CVMC, IN PARTNERSHIP WITH WASHINGTON COUNTY MENTAL HEALTH SERVICES, HAS CREATED A MODEL OF EMBEDDING BEHAVIORAL HEALTH PRACTITIONERS WITHIN CVMC PRIMARY CARE PRACTICES. IN ADDITION, WE ARE PILOTING AN INTEGRATED HEALTH HOME THAT PROMOTES A MODEL OF HEALTH CARE THAT INTEGRATES THE SOCIAL DETERMINANTS OF HEALTH WITH SPECIALIZED TREATMENT FOR INDIVIDUALS WITH COMPLEX PHYSICAL HEALTH, MENTAL HEALTH, DEVELOPMENTAL AND SUBSTANCE ABUSE CHALLENGES.

CVMC IN COLLABORATION WITH THE FAMILY CENTER OF WASHINGTON COUNTY AND WASHINGTON COUNTY MENTAL HEALTH SERVICES INITIATED THE ADVERSE CHILDHOOD EXPERIENCES (ACES) PROJECT. THE GOAL USE OF FAMILY SUPPORT SPECIALISTS EMBEDDED IN CVMC'S PEDIATRIC PRACTICE, TARGETING AGE GROUPS 0-36 MONTHS TO PROMOTE CHILD AND FAMILY PROTECTIVE FACTORS, PREVENT AND MITIGATE TOXIC STRESS, AND PROMOTE HEALTHY CHILD DEVELOPMENT FOR A PERIOD OF ONE

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

YEAR.

TOBACCO USE

CVMC OFFERS A TOBACCO CESSATION PROGRAM ON AND OFF SITE THROUGHOUT THE YEAR. CURRENTLY, WE ARE ABLE TO ASSIST PARTICIPANTS WITH SUPPORT AND FREE NICOTINE REPLACEMENT THERAPY SUCH AS GUM, PATCHES AND LOZENGES. IN ADDITION, SBIRT CLINICIANS, ALSO TRAINED AS TOBACCO TREATMENT SPECIALISTS, PROVIDE INDIVIDUAL TOBACCO CESSATION COUNSELING TO PROMOTE SUCCESSFUL QUITTING.

THROUGH THE CVMC SELF-MANAGEMENT PROGRAM, WE CONTINUE TO ATTEND LOCAL EMPLOYERS' WELLNESS FAIRS, INCLUDING: STATE EMPLOYEE WELLNESS, WASHINGTON COUNTY MENTAL HEALTH SERVICES AND COMMUNITY BASED OUTREACH (BARRE HERITAGE FESTIVAL, MONTPELIER ALIVE). OUR OUTREACH WORK SERVES AS A TOOL FOR EDUCATING AND NETWORKING WITH COMMUNITY MEMBERS. WE ARE CONTINUING TO WORK WITH OUR LOCAL PARTNERS, CONNECT WITH LOCAL COLLABORATIVES AND WORKGROUPS TO EXPAND OUR REACH AND SERVICE TO DIFFERENT POPULATIONS.

HEALTHY DIETS

CVMC RECOGNIZES THE IMPORTANCE OF INSPIRING HEALTHY LIFESTYLE CHANGES AND PROVIDING RESOURCES TO THE COMMUNITY TO ASSIST PEOPLE TRYING TO STAY HEALTHY THROUGH COMMUNITY HEALTH FAIRS. HEALTH FAIRS ARE A WAY TO MAKE IMPORTANT SCREENINGS (BLOOD PRESSURE CHECKS, BODY COMPOSITION) ASSESSABLE TO THE GENERAL POPULATION FOR LITTLE OR NO COST. CVMC CHOSE THREE UNIQUE POPULATIONS TO PROMOTE HEALTH (MONTPELIER, NORTHFIELD, AND BARRE) AND BY TAILORING CONTENT FOR EACH ONE LED TO HIGH VOLUME COMMUNITY PARTICIPATION RATES STAFFED BY REGISTERED DIETITIANS, NURSES, AND CERTIFIED HEALTH

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

WELLNESS COACHES. CONSISTENTLY PROVIDED WAS PROACTIVE INFORMATION SUCH AS NUTRITIONAL DISPLAYS, RECIPES, SMOOTHIE BIKE, HEALTHY LIVING WORKSHOPS, WORKSITE WELLNESS IDEA, AND WALKING EXERCISE PROGRAMS. BEING PRESENT AND OFFERING ENGAGING ACTIVITIES PROVIDED THE COMMUNITY THE VENUE TO ASK HEALTH-RELATED QUESTIONS, IDEAS FOR NEEDED RESOURCES, AND MAKE CONNECTIONS FOR MEMBERS THAT MAY NOT ASK OTHERWISE.

YOUTH PARTICIPATION IN PHYSICAL ACTIVITIES

CVMC'S POPULATION HEALTH MANAGEMENT GOALS REVOLVE AROUND THE IDENTIFICATION OF RISK FACTORS THAT, IF ADDRESSED EARLY, CAN REDUCE THE PREVALENCE OF CHRONIC MEDICAL CONDITIONS LATER IN LIFE.

PANEL MANAGEMENT EFFORTS CONTINUE WITHIN OUR CVMC PEDIATRIC PRIMARY CARE PRACTICE TO IDENTIFY CHILDREN THAT ARE OVERDUE FOR WELL-CHILD VISITS AND PROVIDE OUTREACH TO ENCOURAGE THEM TO ATTEND. BODY MASS INDEX IS CALCULATED AT EACH WELL-CHILD VISIT AND EDUCATION IS PROVIDED AROUND THE IMPORTANCE OF PHYSICAL ACTIVITY FOR OUR PEDIATRIC PATIENTS. IN ADDITION, THE CVMC SCHOOL-BASED HEALTH PROGRAM, AN EXTENSION OF OUR PEDIATRIC PRIMARY CARE PRACTICE AND OPERATES TWO DAYS EACH WEEK AT THE BARRE CITY ELEMENTARY AND MIDDLE SCHOOL, OFFERS THE BENEFIT OF BEING EMBEDDED IN THE SCHOOL SETTING. THIS PROVIDES GREATER OPPORTUNITIES FOR OUR PEDIATRIC CLINICIANS TO DISCUSS AND PROMOTE THE IMPORTANCE OF PHYSICAL ACTIVITY AND HOW IT IMPACTS OVERALL HEALTH AND WELL-BEING WITH OUR PEDIATRIC PATIENTS.

NEEDS NOT BEING ADDRESSED

OUR COMMUNITY HEALTH NEEDS ASSESSMENT IDENTIFIED ADDITIONAL DETERMINANTS OF HEALTH THAT FALL OUTSIDE THE REALM OF OUR CAPABILITIES AT CVMC. A

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

PROMINENT NEED THAT WE ARE NOT DIRECTLY ADDRESSING IS ORAL HEALTH.

SEVERAL OF OUR PHYSICIANS HAVE UNDERGONE FLUORIDE TREATMENT TRAINING, AND ARE ABLE TO PROVIDE THIS SERVICE FOR CHILDREN UP TO FOUR YEARS OF AGE WHO DO NOT HAVE ACCESS TO DENTAL CARE. HOWEVER, ONE OUT OF FOUR ADULTS IN WASHINGTON COUNTY HAS NOT VISITED A DENTIST IN THE LAST YEAR. AS A MEDICAL HOSPITAL, WE DO NOT HAVE THE FACILITIES OR EXPERTISE TO ADDRESS THIS NEED DIRECTLY. WITH THIS SAID, IT IS IMPORTANT THAT WE RECOGNIZE ALL FACTORS THAT MAY BE AFFECTING THE OVERALL HEALTH OF PATIENTS WALKING THROUGH OUR DOORS AT CVMC. WE INTEND TO CONTINUE COLLABORATION WITH COMMUNITY FACILITIES SUCH AS THE HEALTH CENTER IN PLAINFIELD AND THE PEOPLE'S HEALTH AND WELLNESS CENTER IN BARRE THAT OFFER DENTAL CARE. OTHER AREAS WERE IDENTIFIED WHICH WE HAVE CHOSEN TO ACKNOWLEDGE, BUT NOT ADDRESS DIRECTLY AS PART OF OUR STRATEGIC PLAN. SOME OF THOSE NEEDS WERE:

- INCREASE AVAILABLE HOUSING FOR THOSE IN NEED
- DECREASE TEENAGE PREGNANCIES
- DECREASE UNPLANNED PREGNANCIES
- EXPAND SERVICES TARGETING THE ELDERLY IN OUR COMMUNITY
- INCREASE THE NUMBER OF WALKING PATHS AND/OR BIKE LANES IN OUR COMMUNITY
- INCREASE AVAILABILITY TO MENTAL HEALTH SERVICES MENTAL HEALTH HAS BEEN IDENTIFIED AS THE COSTLIEST MEDICAL CONDITION IN THE COUNTRY AND AN AREA THAT SUFFERS FROM INADEQUATE CAPACITY.
- CVMC IS WORKING ALONGSIDE WASHINGTON COUNTY MEDICAL HEALTH SERVICES TO INTEGRATE MENTAL HEALTH PRACTITIONERS INTO EVERY PRIMARY CARE PRACTICE
- FAMILY PSYCHIATRY ADOPTED A FORMAL STANDARDIZED DEPRESSION SCREENING

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

FOR PATIENTS AGED 12 AND OLDER

- CVMC, IN COLLABORATION WITH WASHINGTON COUNTY MENTAL HEALTH SERVICES,
IS OFFERING ADDITIONAL PRE-NATAL AND POSTPARTUM SUPPORT FOR WOMEN WITH A
HISTORY OF, OR AT RISK FOR DEPRESSION.

PART V, LINE 16A & 16B

[HTTPS://WWW.CVMC.ORG/SITES/DEFAULT/FILES/DOCUMENTS/CVMC-FINANCIAL-ASSISTANCE-POLICY.PDF](https://www.cvmc.org/sites/default/files/documents/cvmc-financial-assistance-policy.pdf)

[HTTPS://WWW.CVMC.ORG/SITES/DEFAULT/FILES/DOCUMENTS/FINANCIAL-ASSISTANCE-APPLICATION-JANUARY-2018.PDF](https://www.cvmc.org/sites/default/files/documents/financial-assistance-application-january-2018.pdf)

PART V, LINE 16C - FAP PLAIN LANGUAGE SUMMARY

[HTTPS://WWW.CVMC.ORG/SITES/DEFAULT/FILES/DOCUMENTS/FINANCIAL-ASSISTANCE-POLICY-V2016.PDF](https://www.cvmc.org/sites/default/files/documents/financial-assistance-policy-v2016.pdf)

PART V, LINE 16J

IN ADDITION TO HAVING THE APPLICATION FOR FINANCIAL ASSISTANCE AS WELL AS
THE SLIDING SCALE GRID OF HOW FINANCIAL ASSISTANCE IS AWARDED CVMC HAS
COMPREHENSIVE INFORMATION ON THE WEBSITE ABOUT THE POLICY, MATERIALS
REQUIRED TO APPLY AND CONTACT INFORMATION FOR THE FINANCIAL COUNSELORS SO
THAT INTERESTED INDIVIDUALS CAN APPLY. ADDITIONALLY, THERE IS REFERENCE
MADE TO THE POLICY ON PATIENT'S BILLS AS WELL AS APPLICATIONS AND
INFORMATION AVAILABLE IN REGISTRATION AREAS IN THE HOSPITAL AND CLINIC
LOCATIONS.

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

CVMC ALSO EMPLOYS A TEAM OF FINANCIAL COUNSELORS THAT WORK WITH PATIENTS THROUGHOUT THEIR VISIT TO ENSURE THAT WE COMMUNICATE WITH AS MANY ELIGIBLE INDIVIDUALS AS POSSIBLE. THESE FINANCIAL COUNSELORS ALSO WORK WITH PATIENTS TO EXPLORE THE OTHER OPPORTUNITIES AVAILABLE TO INDIVIDUALS IN NEED THROUGHOUT THE STATE OF VERMONT.

PART V, LINE 18F

CVMC DID NOT INITIATE ANY OF THE ACTIONS DESCRIBED IN SCHEDULE H, PART V, SECTION B, LINE 18. HOWEVER, IF THE HOSPITAL HAD UNDERTAKEN ANY OF THE LISTED ACTIONS, IT WOULD HAVE FIRST NOTIFIED PATIENTS OF ITS FINANCIAL ASSISTANCE POLICY ON ADMISSION, PRIOR TO DISCHARGE, AND IN COMMUNICATIONS WITH THE PATIENTS REGARDING THEIR BILLS. ADDITIONALLY, CVMC WOULD HAVE DOCUMENTED ITS DETERMINATION OF WHETHER PATIENTS WERE ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL FACILITY'S FINANCIAL ASSISTANCE POLICY.

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 1

Name and address	Type of Facility (describe)
1 CVMC - WOODRIDGE NURSING HOME 142 WOODRIDGE DRIVE BERLIN VT 05602	SKILLED NURSING FACILITY
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SCHEDULE H, PART VI, LINE 1

THE ORGANIZATION'S REQUIRED SCHEDULE H SPECIFIC LINE ITEM DESCRIPTIONS

ARE AS FOLLOWS:

PART I, LINES 3A-C:

PATIENT ELIGIBILITY:

ELIGIBILITY FOR FINANCIAL ASSISTANCE WILL BE CONSIDERED FOR THOSE INDIVIDUALS WHO ARE UNINSURED, UNDERINSURED, INELIGIBLE FOR ANY GOVERNMENT HEALTH CARE BENEFIT PROGRAM, AND WHO ARE UNABLE TO PAY FOR THEIR CARE, BASED UPON A DETERMINATION OF FINANCIAL NEED IN ACCORDANCE WITH THIS POLICY. THE GRANTING OF CHARITY SHALL BE BASED ON AN INDIVIDUALIZED DETERMINATION OF FINANCIAL NEED, AND SHALL NOT TAKE INTO ACCOUNT AGE, GENDER, RACE, SOCIAL OR IMMIGRANT STATUS, SEXUAL ORIENTATION, GENDER IDENTITY OR EXPRESSION, OR RELIGIOUS AFFILIATION.

ELIGIBILITY FOR FINANCIAL ASSISTANCE IS BASED ON BOTH AN INCOME TEST AND A REVIEW OF LIQUID ASSETS.

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

-INCOME TEST: THIS PROGRAM IS LIMITED TO PATIENTS WITH DEMONSTRATED FINANCIAL NEED EITHER DUE TO LIMITED INCOME OR IF THEIR MEDICAL BILLS ARE AN EXCESSIVE PORTION OF THEIR INCOME. THE MOST RECENTLY PUBLISHED FEDERAL PROVIDER GUIDELINES WILL BE USED AS THE PRIMARY DETERMINANT. PATIENTS WHOSE HOUSEHOLD INCOME IS AT OR BELOW 400% OF THE FEDERAL POVERTY LEVEL GUIDELINES (FPLG), AS ADJUSTED FOR HOUSEHOLD SIZE, MAY PASS THE INCOME TEST AND ARE CONSIDERED FOR CHARITY CARE ASSISTANCE.

-NON-CUSTODIAL PARENTS MAY HAVE THEIR INCOME ADJUSTED FOR CHILD SUPPORT WHEN SUPPORTING DOCUMENTATION OF PAYMENT IS PROVIDED.

-PATIENTS MAY HAVE THEIR INCOME ADJUSTED FOR ALIMONY WHEN SUPPORTING DOCUMENTATION OF PAYMENT IS PROVIDED.

-DEPENDENTS MAY BE INCLUDED WITHIN THE HOUSEHOLD WHEN MORE THAN 50% OF THE SUPPORT IS PROVIDED BY THE GUARANTOR. TO QUALIFY FOR THIS HOUSEHOLD EXTENSION, THE DEPENDENT MUST BE LISTED AS A DEPENDENT ON THE FEDERAL INCOME TAX RETURN.

EXCLUSIONS:

-PRIMARY RESIDENCE, ASSETS HELD IN A TAX DEFERRED COMPARABLE RETIREMENT

Part VI Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SAVINGS ACCOUNT AND COLLEGE SAVINGS ACCOUNTS HELD BY THE PATIENT FOR THE PATIENT ARE EXCLUDED FROM THE ASSETS REVIEW.

-ACCOUNTS ALREADY REFERRED TO A COLLECTION AGENCY GREATER THAN 120 DAYS FROM PLACEMENT TO AGENCY, UNLESS REFERRED IN ERROR;

-SERVICES REIMBURSED DIRECTLY TO THE PATIENT(S) BY AN INSURANCE CARRIER OR ALREADY COVERED BY ANOTHER THIRD PARTY.

RESIDENCY CRITERIA: PATIENTS MUST RESIDE WITHIN THE CENTRAL VERMONT MEDICAL CENTER SERVICE AREA, UNLESS MEDICAL SERVICES WERE URGENT OR EMERGENT IN NATURE. SCHEDULED SERVICES FOR PATIENTS RESIDING OUTSIDE OF THE CVMC SERVICE AREA ARE NOT ELIGIBLE FOR FINANCIAL ASSISTANCE.

FINANCIAL ASSISTANCE FOR RESIDENTS OUTSIDE OF THE CVMC SERVICE AREA WILL BE GRANTED ONLY IN UNIQUE CIRCUMSTANCES AND WITH APPROPRIATE APPROVAL.

INTERNATIONAL PATIENTS WHO ARE NOT LEGAL, PERMANENT RESIDENTS DO NOT QUALIFY FOR FINANCIAL ASSISTANCE. THESE PATIENTS SHOULD BE COVERED BY TRAVELER COVERAGE.

VERMONT RESIDENTS AND COLLEGE STUDENTS WHO RESIDE IN VERMONT PART-TIME

Part VI Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

MUST LIVE IN OUR SERVICE AREA GREATER THAN 6 MONTHS PER ANNUM TO MEET THE RESIDENCY REQUIREMENT.

PROOF OF RESIDENCY MAY BE ESTABLISHED BY ONE OF IS REQUIRED BY ONE OF THE FOLLOWING:

-VERMONT SERVICE AREA DRIVER'S LICENSE, TAX BILL WITH VERMONT SERVICE AREA ADDRESS, LEASE FOR VERMONT SERVICE AREA PROPERTY OR A VERMONT SERVICE AREA UTILITY BILL;

-POTENTIAL EXCEPTIONS MAY BE CONSIDERED ON AN INDIVIDUAL CASE-BY-CASE.

PUBLIC HEALTH CARE PROGRAM/HEALTHCARE EXCHANGE CRITERION: PATIENTS APPLYING FOR CENTRAL VERMONT MEDICAL CENTER FINANCIAL ASSISTANCE ARE REVIEWED FOR THEIR POTENTIAL ELIGIBILITY FOR STATE OR FEDERAL HEALTHCARE PROGRAM BENEFITS AND/OR BENEFITS OFFERED THROUGH THE VERMONT HEALTHCARE EXCHANGE PROGRAMS. ANY PATIENT IDENTIFIED WITH POTENTIAL TO BE GRANTED SUCH ASSISTANCE WILL BE INSTRUCTED TO APPLY. FOR THOSE PATIENTS IDENTIFIED AS CANDIDATES FOR ELIGIBILITY FOR THE VERMONT HEALTHCARE EXCHANGE PROGRAM; APPLICATION FOR AND COMPLIANCE WITH THOSE PROGRAM

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

GUIDELINES IS A PRE-REQUISITE FOR CENTRAL VERMONT MEDICAL CENTER PATIENT FINANCIAL ASSISTANCE.

DETERMINATION OF FINANCIAL NEED: FINANCIAL NEED WILL BE DETERMINED IN ACCORDANCE WITH PROCEDURES THAT INVOLVE AN INDIVIDUAL ASSESSMENT OF FINANCIAL NEED WHICH WILL INCLUDE THE FOLLOWING: NOTE, IN THE CASE OF PRESUMPTIVE CHARITY, THE APPLICATION PROCESS MAY BE EXCLUDED.

-INCLUDE AN APPLICATION PROCESS, IN WHICH THE PATIENT OR THE PATIENT'S GUARANTOR ARE REQUIRED TO COOPERATE AND SUPPLY PERSONAL, FINANCIAL AND OTHER INFORMATION AND DOCUMENTATION RELEVANT TO MAKING A DETERMINATION OF FINANCIAL NEED;

-INCLUDE THE USE OF EXTERNAL PUBLICLY-AVAILABLE DATA SOURCES THAT PROVIDE INFORMATION ON A PATIENT'S OR A PATIENT'S GUARANTOR'S ABILITY TO PAY.

CENTRAL VERMONT MEDICAL CENTER RESERVES THE RIGHT TO OBTAIN A CREDIT REPORT, WHEN APPROVAL FROM THE PATIENT IS GRANTED, BEFORE FINANCIAL ASSISTANCE IS AUTHORIZED.

-INCLUDE REASONABLE EFFORTS BY CENTRAL VERMONT MEDICAL CENTER TO EXPLORE

Part VI Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

APPROPRIATE ALTERNATIVE SOURCES OF PAYMENT AND COVERAGE FROM PUBLIC AND PRIVATE PAYMENT PROGRAMS, AND TO ASSIST PATIENTS TO APPLY FOR SUCH PROGRAMS;

-TAKE INTO ACCOUNT THE PATIENT'S AVAILABLE ASSETS, AND ALL OTHER FINANCIAL RESOURCES AVAILABLE TO THE PATIENT; AND

-INCLUDE A REVIEW OF THE PATIENT'S CENTRAL VERMONT MEDICAL CENTER OUTSTANDING ACCOUNTS RECEIVABLE FOR PRIOR SERVICES RENDERED AND THE PATIENT'S PAYMENT HISTORY.

IT IS PREFERRED BUT NOT REQUIRED THAT A REQUEST FOR FINANCIAL ASSISTANCE AND A DETERMINATION OF FINANCIAL NEED OCCUR PRIOR TO RENDERING OF SERVICES. A PATIENT MUST HAVE A CURRENT PATIENT BALANCE THAT IS DUE TO CENTRAL VERMONT MEDICAL CENTER, AN EXPECTATION THAT AN ACCOUNT CURRENTLY PENDING INSURANCE WILL LEAVE A BALANCE THAT IS DUE TO CENTRAL VERMONT MEDICAL CENTER, OR A FUTURE SCHEDULED SERVICE AT CENTRAL VERMONT MEDICAL CENTER THAT IS EXPECTED TO LEAVE A PATIENT BALANCE. HOWEVER, THE DETERMINATION MAY BE DONE AT ANY POINT IN THE BILLING CYCLE.

Part VI Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

THE NEED FOR CHARITY ASSISTANCE SHALL BE RE-EVALUATED AT EACH SUBSEQUENT TIME OF SERVICE IF THE LAST FINANCIAL EVALUATION WAS COMPLETED MORE THAN SIX MONTHS PRIOR, OR AT ANY TIME ADDITIONAL INFORMATION RELEVANT TO THE ELIGIBILITY OF THE PATIENT FOR CHARITY BECOMES KNOWN. RE-EVALUATION OF PATIENTS WHOSE AGE EXCEEDS 65 AND WHOSE INCOME IS FIXED BELOW 400% FPLG SHALL OCCUR ANNUALLY. NOTE: IT IS PERMISSIBLE FOR PATIENTS TO SUBMIT NEW SUPPORTING FINANCIAL DOCUMENTATION PROVIDED THE APPLICATION ON FILE IS LESS THAN ONE YEAR OLD.

CENTRAL VERMONT MEDICAL CENTER'S VALUE OF HUMAN DIGNITY AND STEWARDSHIP SHALL BE REFLECTED IN THE APPLICATION PROCESS, FINANCIAL NEED DETERMINATION AND GRANTING OF FINANCIAL ASSISTANCE. REQUESTS FOR CHARITY SHALL BE PROCESSED PROMPTLY AND CVMC SHALL NOTIFY THE PATIENT/APPLICANT OF DECISION IN WRITING WITHIN 30 DAYS OF RECEIPT OF A COMPLETED APPLICATION.

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 7G

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018 CENTRAL VERMONT MEDICAL CENTER INCLUDED PHYSICIAN CLINIC EXPENSES IN SUBSIDIZED HEALTH SERVICES. CENTRAL VERMONT MEDICAL CENTER PHYSICIANS INCURRED \$49,688,042 OF COSTS ASSOCIATED WITH PROVIDING OUTPATIENT CLINIC SERVICES. NEARLY ALL OF THE EXPENSES INCLUDED AS SUBSIDIZED HEALTH SERVICES ARE ATTRIBUTABLE TO PHYSICIAN CLINICS. AS A RESULT OF THE UNIQUE GEOGRAPHY AND POPULATION DENSITY OF THE COMMUNITY THAT CVMC SERVES, WE CONSIDER ALL OF THE PRIMARY AND SPECIALTY OUTPATIENT CARE PROVIDED BY OUR EMPLOYED GROUP OF PHYSICIANS TO BE SUBSIDIZED. IT HAS BEEN APPARENT OVER THE LAST 16 YEARS THAT THERE ARE NO NEW, UNAFFILIATED PROVIDERS COMING INTO THE CVMC SERVICE AREA AND STARTING PRACTICES. ADDITIONALLY THE MAJORITY OF THE INDEPENDENT PRACTICES THAT WERE ESTABLISHED IN THE CVMC SERVICE AREA HAVE JOINED CVMC DUE TO MANY REASONS INCLUDING ECONOMIC VIABILITY AND SUCCESSION PLANNING. AS A RESULT OF THIS SHIFT, WHICH IS COMMON NOT ONLY IN THE NORTHEAST BUT ACROSS THE UNITED STATES, CVMC'S EMPLOYED PHYSICIANS MAKE UP THE MAJORITY AND IN SOME CASES THE ENTIRETY OF THE OUTPATIENT CARE SERVICES IN OUR COMMUNITY. WERE CVMC TO CEASE THE PROVISION OF

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

THESE SERVICES, THERE IS NO WAY THAT THE COMMUNITY AS IT EXISTS TODAY
WOULD HAVE THE CAPACITY TO ABSORB THE PATIENTS AND PROVIDE THE NECESSARY
CARE. GIVEN THE HISTORIC LACK OF PROVIDERS ESTABLISHING NEW PRACTICES IN
THE AREA, THE PATIENTS CURRENTLY SERVED BY THESE SUBSIDIZED HEALTH
SERVICES WOULD END UP RECEIVING CARE FROM THE FEDERALLY QUALIFIED HEALTH
CENTER WITHIN OUR SERVICE AREA, THE CVMC EMERGENCY DEPARTMENT, OR
RECEIVING CARE FROM PROVIDERS OF NEIGHBORING HOSPITALS AND HEALTH SERVICE
AREAS.

PART I, LINE 7, COLUMN F:

THE PROVISION FOR BAD DEBT INCLUDED ON FORM 990, PART IX, LINE 25 BUT
SUBTRACTED FOR PURPOSE OF CALCULATING THE AMOUNT REPORTED ON LINE 7(F) IS
\$4,232,051.

PART I, LINE 7:

CVMC FOLLOWS THE IRS GUIDELINE FOR THE COMPLETION OF SCHEDULE H, PART I,
LINES 7A-K, COLUMNS A-F. CVMC'S COST-TO-CHARGE RATIO IS USED FOR EACH OF
THESE CALCULATIONS.

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART III, LINE 2:

BAD DEBT EXPENSE WAS CALCULATED BY TAKING THE CHARGES THAT WERE WRITTEN OFF TO ALLOWANCE TO BAD DEBT RESERVE AND REDUCING BY ANY RECOVERIES. THE BAD DEBT RESERVE IS BASED ON AN EVALUATION OF THE COLLECTABILITY OF ACCOUNTS RECEIVABLE. CVMC ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR CATEGORIES OF REVENUE TO ESTIMATE THE APPROPRIATE BAD DEBT RESERVE. MANAGEMENT REGULARLY REVIEWS ACCOUNTS RECEIVABLE DATA AND THE BAD DEBT RESERVE FOR REASONABLENESS.

PART III, LINE 3:

THE AMOUNT ATTRIBUTABLE TO PATIENTS ELIGIBLE FOR CHARITY CARE WAS CALCULATED USING A PERCENTAGE OF COLLECTION CASES WHEREBY THE COLLECTION AGENCY HAS, UPON FURTHER COLLECTION ACTIVITY BEEN INFORMED THAT THE PATIENT REQUESTED FINANCIAL ASSISTANCE WITH HIS/HER BILL. THIS PERCENTAGE IS APPROXIMATELY 2% OF ALL COLLECTION CALL ACTIVITY. THIS PERCENTAGE WAS CALCULATED FROM THE NUMBER OF CALLS WITH A REQUEST FOR FINANCIAL ASSISTANCE LISTED ON THE COLLECTION AGENCY'S LOG AS A PERCENTAGE OF THE TOTAL NUMBER OF CALLS THE COLLECTION AGENCY MADE.

Part VI Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART III, LINE 4:

PLEASE REFERENCE FOOTNOTE NUMBER 19 ON PAGE 46-47 IN THE FISCAL YEAR 2018
AUDITED CONSOLIDATED FINANCIAL STATEMENTS.

PART III, LINE 8:

SERVING PATIENTS WITH GOVERNMENT HEALTH BENEFITS SUCH AS MEDICARE IS A
COMPONENT OF THE COMMUNITY BENEFIT STANDARD TO WHICH TAX-EXEMPT HOSPITALS
ARE HELD. THIS IMPLIES THAT SERVING MEDICARE PATIENTS IS A COMMUNITY
BENEFIT AND THAT THE HOSPITAL OPERATES TO PROMOTE THE HEALTH OF THE
COMMUNITY. CVMC DETERMINES THE ALLOWABLE MEDICARE COSTS BY USING A COST
TO CHARGE RATIO CALCULATION.

PART III, LINE 9B:

PAYMENT FOR SERVICES PROVIDED BY CENTRAL VERMONT MEDICAL CENTER IS DUE IN
FULL AT THE TIME OF SERVICE. THE ORGANIZATION MAY DEFER PAYMENT TO
SUBMIT CLAIMS TO INSURERS, AND WILL WORK WITH THEM TO FACILITATE TIMELY
PROCESSING. THE ORGANIZATION WILL SUBMIT CLAIMS TO INSURERS AND
FACILITATE TIMELY PAYMENT FOR ITS SERVICES WHEREVER POSSIBLE. PAYMENT

Part VI Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PENALTIES ASSESSED BY THE PATIENT'S INSURER APPLIED AS THEIR OBLIGATION TO THE HOSPITAL, PRACTICES OR NURSING HOME IS THE GUARANTOR'S RESPONSIBILITY. THE GUARANTOR IS RESPONSIBLE FOR COMPLYING WITH ALL PRE-AUTHORIZATION, PRE-CERTIFICATION, PHYSICIAN REFERRAL, AND OTHER POLICY REQUIREMENTS. THE PATIENT'S INSURANCE POLICY IS AN AGREEMENT BETWEEN THE PATIENT/GUARANTOR AND THE INSURANCE CARRIER; IT IS NOT AN AGREEMENT BETWEEN THE ORGANIZATION AND THE INSURANCE CARRIER.

CVMC (MARCAM) BILLING STAFF WILL ADHERE TO ALL LOCAL, STATE AND FEDERAL COLLECTION LAWS AND REGULATIONS REGARDING CREDIT AND COLLECTIONS. THE FAIR DEBT COLLECTION PRACTICES ACT AND THE 501R REGULATIONS ARE THE CURRENT STANDARD.

THE ORGANIZATION UTILIZES A GUARANTOR BILLING SYSTEM. ADULT PATIENTS WILL BE RESPONSIBLE FOR THEMSELVES, AS WELL AS THEIR MINOR CHILDREN. TO COMPLY WITH HIPAA PRIVACY STANDARDS, MARRIED COUPLES WILL MAINTAIN SEPARATE GUARANTOR STATUS. STATEMENTS WILL BE SENT AFTER INSURANCES HAVE ACTED ON THE CLAIMS, OR IF THERE IS NO RESPONSE FROM THE INSURANCE

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

COMPANY AFTER A REASONABLE TIME. IF THERE IS NO INSURANCE, STATEMENTS ARE SENT AS SOON AS THE CHARGES HAVE BEEN ENTERED AND THE ACCOUNT HAS BEEN FINALIZED.

EACH GUARANTOR WILL BE SENT AN ITEMIZED FIRST STATEMENT AND A COMBINED STATEMENT GOING FORWARD UNLESS WE RECEIVE RETURNED MAIL WITH NO FORWARDING ADDRESS. WE WILL ALSO ATTEMPT TO CONTACT THE GUARANTOR BY TELEPHONE IF THE BILL IS NOT PAID WITHIN 30 DAYS OF THE FIRST STATEMENT MAILING. ALL STATEMENTS INDICATE THAT FINANCIAL ASSISTANCE IS AVAILABLE, AND THE PHONE NUMBER TO CONTACT A FINANCIAL COUNSELOR IS INCLUDED.

AFTER 120 DAYS FROM THE DATE OF THE FIRST STATEMENT BILLING THE ACCOUNT WILL COME UP FOR REVIEW FOR PLACEMENT WITH OUR COLLECTION AGENCY. IF THE PATIENT DOES NOT PAY THE ACCOUNT IN FULL, SET UP A MONTHLY PAYMENT PLAN, OR APPLY FOR FINANCIAL AID OR OTHER STATE PROGRAM, THE BALANCE MAY THEN BE SENT TO OUR COLLECTION AGENCY OR ATTORNEY. WE MAY FILE A PROPERTY LIEN AGAINST ATTACHABLE ASSETS IN ORDER TO SECURE OUR INTEREST.

Part VI Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

GUARANTORS WHO ARE IDENTIFIED BY THE ORGANIZATION AS POTENTIALLY ELIGIBLE FOR OUR FINANCIAL ASSISTANCE PROGRAM WILL BE ENCOURAGED TO APPLY. GUARANTORS MAY ALSO INITIATE AND REQUEST CONSIDERATION FOR THE FINANCIAL AID PROGRAM BY REQUESTING AN APPLICATION FROM THE ORGANIZATION. THE PROGRAM IS ADMINISTERED BY THE PATIENT FINANCIAL SERVICES DEPARTMENT IN ACCORD WITH THE ORGANIZATION'S FINANCIAL AID POLICY (A-119).

PROCEDURE

1. GUARANTORS SHALL BE BILLED FOR BALANCES WHICH ARE DETERMINED TO BE THEIR RESPONSIBILITY. THIS DETERMINATION WILL BE MADE ACCORDING TO THE FOLLOWING STANDARDS:

- A. THERE WAS NO INSURANCE COVERAGE FOR SERVICES RENDERED.
- B. INSURANCE WAS BILLED AND THE ENTIRE BALANCE WAS NOT SATISFIED BY THE INSURER BECAUSE THE PATIENT HAD OUT-OF-POCKET EXPENSES (CO-PAYMENT, CO-INSURANCE, DEDUCTIBLE, AND COST-SHARE) TO BE SATISFIED IN ACCORDANCE WITH THEIR INSURANCE POLICY PROVISIONS.
- C. INSURANCE WAS BILLED AND THE ENTIRE BALANCE WAS NOT SATISFIED BY THE INSURER BECAUSE THE PATIENT DID NOT COMPLY WITH THE INSURANCE POLICY

Part VI Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

REQUIREMENTS.

D. INSURANCE WAS BILLED AND THE ENTIRE BALANCE WAS NOT SATISFIED BY THE INSURER BECAUSE THE SERVICES PROVIDED WERE NOT COVERED UNDER THE PATIENT'S POLICY.

E. INSURANCE WAS BILLED, BUT THE INSURANCE CARRIER DOES NOT RESPOND IN A TIMELY MANNER.

F. THE GUARANTOR REFUSES TO ACCEPT A REASONABLE SETTLEMENT OFFER WHICH INCLUDES PAYMENT FOR OUR SERVICES
(EX: THIRD PARTY LIABILITY CLAIMS).

ONCE THE SELF-PAY BALANCE HAS BEEN DETERMINED, MONTHLY STATEMENTS WILL BE GENERATED TO INFORM THE GUARANTOR OF THEIR OBLIGATIONS TO THE ORGANIZATION AND TO REQUEST PAYMENT.

2. UNLESS STATEMENTS ARE RETURNED DUE TO AN INCORRECT ADDRESS, A MINIMUM OF FOUR STATEMENTS WILL BE SENT TO THE GUARANTOR FOR EACH ACCOUNT BEFORE THE ACCOUNT IS ELIGIBLE FOR BAD DEBT WRITE-OFF AND ASSIGNED TO A THIRD PARTY COLLECTION VENDOR. ACCOUNTS IN EXCESS OF \$500 WITH INCORRECT ADDRESSES WILL BE RESEARCHED TO OBTAIN A CORRECT ADDRESS, AND ATTEMPTS

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

WILL BE MADE TO CONTACT THE GUARANTOR BY TELEPHONE PRIOR TO REFERRING THEM TO COLLECTIONS. BILLING OF DECEASED PATIENTS WILL CONTINUE AS WITH OTHER PATIENTS UNLESS IT IS ESTABLISHED THAT THE PATIENT LEFT NO ESTATE OR THAT AVAILABLE ESTATE FUNDS HAVE BEEN EXHAUSTED.

3. GUARANTORS WHO WISH TO ESTABLISH A MONTHLY PAYMENT ARRANGEMENT MUST CONTACT THE ORGANIZATION TO REQUEST ONE. BOTH THE ORGANIZATION AND THE GUARANTOR MUST AGREE ON THE TERMS OF PAYMENT. FAILURE TO ABIDE BY THE TERMS OF PAYMENT WILL RESULT IN REFERRAL TO A THIRD PARTY COLLECTION VENDOR. (SEE ATTACHMENT I: PAYMENT ARRANGEMENT PROCESSES AND PROCEDURES)

4. THIRD PARTY LIABILITY AND LITIGATION ACCOUNTS ARE TO BE CONSIDERED AS THE GUARANTOR'S RESPONSIBILITY. GUARANTORS WILL BE BILLED AND THE ACCOUNTS MOVED TO BAD DEBT IF NO WRITTEN GUARANTEE IS RECEIVED FROM THE GUARANTOR OR THIRD PARTY, NO ARRANGEMENTS ARE MADE, NO LETTER OF PROTECTION IS RECEIVED FROM THE GUARANTOR'S ATTORNEY, OR PAYMENT IN FULL IS NOT RECEIVED. THE ORGANIZATION RESERVES ITS RIGHT AND RESPONSIBILITY TO REPORT THIRD PARTY LIABILITY TO PRIMARY MEDICAL INSURANCE CARRIERS. THE ORGANIZATION MAY UTILIZE ITS COLLECTION ATTORNEY TO SECURE ITS INTERESTS IN ANY SETTLEMENT. THE ORGANIZATION SHALL FILE LIENS AS

Part VI Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ALLOWED BY LAW.

5. ACCOUNTS WILL BE REFERRED TO BAD DEBT IF THE GUARANTOR IS UNCOOPERATIVE, THE ORGANIZATION'S INTERESTS ARE UNSECURED AND IN DANGER OF BEING LOST, ACCEPTABLE ARRANGEMENTS HAVE NOT BEEN MADE, ARRANGEMENTS ARE IN DEFAULT, OR IF THE DEBTOR CANNOT BE REACHED BY MAIL OR TELEPHONE. THE CATEGORIES OF WRITE OFF ARE AS FOLLOWS:

- A. MEDICARE BAD DEBT
- B. NON-MEDICARE BAD DEBT
- C. UNCOLLECTIBLE - BANKRUPT, DECEASED WITH NO ESTATE, NOT

BILLABLE.

6. SETTLEMENT ON OBLIGATIONS WILL BE CONSIDERED ON AN INDIVIDUAL BASIS. THE GUARANTOR'S CIRCUMSTANCES, THE ORGANIZATION'S DEBT, THE LIKELINESS OF RECEIVING PAYMENT IN FULL AND OTHER CONCERNS WILL BE CONSIDERED. THE FINANCIAL COUNSELING TEAM LEAD IS RESPONSIBLE FOR NEGOTIATING AND APPROVING ALL OFFERS UP TO \$5,000 IN LOSS. THE DIRECTOR OF PATIENT ACCESS WILL NEGOTIATE AND APPROVE ALL OFFERS UP TO \$10,000 IN LOSS. THE CHIEF FINANCIAL OFFICER WILL APPROVE ALL LOSSES IN EXCESS OF \$10,000. CVMC WILL OFFER A 30% PROMPT PAY DISCOUNT FOR CHARGES FOR WHICH NO

Part VI Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

INSURANCE COVERAGE IS AVAILABLE AND A 10% DISCOUNT FOR PATIENT BALANCES AFTER INSURANCE PAYMENTS AND ADJUSTMENTS. PROMPT PAYMENT MEANS PAYMENT OF THE AGREED-UPON AMOUNT WITHIN 10 WORKING DAYS FROM THE TIME WE OFFER A DISCOUNT TO THE GUARANTOR.

7. RESPONSIBILITY FOR DETERMINING THE GUARANTOR FOR AN ACCOUNT WILL BE BASED ON THE GUARANTOR ASSIGNMENT POLICY. THE ORGANIZATION'S POSITION ON DIVORCE DECREES IS THAT THE GUARANTOR IS THE PERSON WHO RECEIVED THE SERVICE OR THE PARENT WHO BRINGS THE CHILD IN FOR SERVICES AND SIGNS THE CONSENT (NOT THE SUBSCRIBER OF INSURANCE). THE ORGANIZATION CANNOT ENFORCE DIVORCE DECREES SINCE THEY ARE AN AGREEMENT BETWEEN THE DIVORCING PARTIES AND THE COURT SYSTEM.

8. PAYMENT FOR COSMETIC SERVICES OR SERVICES WHICH ARE NOT MEDICALLY NECESSARY IS DUE ON OR BEFORE THE DAY SERVICES ARE PROVIDED. EXCEPTIONS MUST BE APPROVED BY THE DIRECTOR OF ACCESS OR ADMINISTRATION.

9. ALL COLLECTION ACTIVITY PRIOR TO REFERRAL TO AN OUTSIDE COLLECTION AGENCY OR ATTORNEY WILL BE DOCUMENTED IN THE ACCOUNT NOTES.

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

NEEDS ASSESSMENT

PART VI, LINE 2

THE COMMUNITY HEALTH NEEDS ASSESSMENT WAS COMPLETED USING BOTH QUALITATIVE AND QUANTITATIVE RESEARCH TECHNIQUES. INITIALLY, MEMBERS OF THE CVMC STEERING COMMITTEE GAVE VERBAL REPORTS ON THE ISSUES THEY BELIEVED TO BE THE MOST PRESSING IN THEIR ORGANIZATIONS OR IN THE GENERAL CENTRAL VERMONT COMMUNITY. FROM THERE, THE STEERING COMMITTEE REVIEWED THE RECOMMENDED LIST OF HEALTH AND SOCIOECONOMIC INDICATORS PROVIDED BY THE VERMONT DEPARTMENT OF HEALTH, AND GATHERED DATA PERTAINING TO POPULATION DEMOGRAPHICS, ACCESS TO HEALTH SERVICES, MATERNAL AND CHILD HEALTH, HEALTH STATUS AND PREVENTION, AND SOCIAL ENVIRONMENTAL MEASURES TO EVALUATE THESE CONCERNS. THIS SECONDARY RESEARCH COUPLED WITH THE STEERING COMMITTEE'S CONCERNS ALLOWED SIGNIFICANT CONCLUSIONS TO BE DRAWN AND CVMC'S PRIORITY HEALTH NEEDS TO BE SELECTED. IN ADDITION TO THE TRIENNIAL COMMUNITY HEALTH NEEDS ASSESSMENT, CVMC REGULARLY MONITORS THE HEALTH NEEDS OF THE CENTRAL VERMONT COMMUNITY, THROUGH THE COMMUNITY ALLIANCE FOR HEALTH EXCELLENCE COMMITTEE (CAHE) WHICH MEETS MONTHLY AND BRINGS LEADERS AND COMMUNITY PROVIDERS OF 17 DIFFERENT HEALTH CARE

Part VI Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ORGANIZATIONS TOGETHER TO DIALOGUE AND MAKE DECISIONS AT THE COMMUNITY LEVEL TO IMPROVE THE HEALTH CARE AND EXPERIENCE OF CARE FOR THOSE IN OUR COMMUNITY. CURRENT CARE PROJECTS INCLUDE CARE NAVIGATION, CHRONIC HEART FAILURE, HOSPICE AND PALLIATIVE CARE AND ACES PILOT PROJECT.

THE COMMUNITY HEALTH NEEDS ASSESSMENT IS AVAILABLE AT THE FOLLOWING WEB ADDRESS:

[HTTP://WWW.CVMC.ORG/SITE/DEFAULT/FILES/DOCUMENTS/COMMUNITY-HEALTH-NEEDS-ASSESSMENT-2016.PDF](http://www.cvmc.org/site/default/files/documents/community-health-needs-assessment-2016.pdf)

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

PART VI, LINE 3

CVMC'S FINANCIAL ASSISTANCE SUMMARIES ARE POSTED IN ALL PATIENT ADMISSION PACKETS AND ON THE CVMC WEBSITE. CVMC ALSO PROVIDES CONSPICUOUS DISPLAYS REGARDING THE AVAILABILITY OF FINANCIAL ASSISTANCE IN THE FACILITY.

ALL PATIENT INVOICES LIST THE PHONE NUMBER FOR CONTACTING CVMC PATIENT FINANCIAL SERVICES FOR FINANCIAL ASSISTANCE IF PATIENTS ARE UNABLE TO PAY

Part VI Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

THEIR BILL.

PATIENT FINANCIAL SERVICES HAS APPLICATIONS FOR ALL STATE FINANCIAL AID PROGRAMS ON FILE AND EMPLOYS THREE FINANCIAL COUNSELORS WHO WILL SIT DOWN WITH PATIENTS TO HELP THEM DETERMINE WHICH PROGRAMS THEY QUALIFY FOR, AS WELL AS HELP THEM FILL OUT THESE FORMS.

PATIENT FINANCIAL SERVICES PROACTIVELY SCREENS PATIENT BILLING INFORMATION TO IDENTIFY INDIVIDUALS WHO MAY BE ELIGIBLE FOR STATE OR CVMC ASSISTANCE, AND WILL EITHER VISIT THAT PATIENT IN THE HOSPITAL, CALL THEM AT HOME, OR MAIL THEM THE INFORMATION.

COMMUNITY INFORMATION

PART VI, LINE 4 CENTRAL VERMONT MEDICAL CENTER IS THE ONLY HOSPITAL LOCATED IN OUR IMMEDIATE SERVICE AREA OF WASHINGTON COUNTY AND PARTS OF ORANGE COUNTY. THIS SERVICE AREA CONSISTS OF 23 TOWNS WITH A TOTAL POPULATION OF APPROXIMATELY 63,730. INCLUDED IN THIS SERVICE AREA IS THE FEDERALLY DESIGNATED ORWELL TOWN MEDICALLY UNDERSERVED AREA. VITAL

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

STATISTICS: 96% WHITE 24% UNDER THE AGE OF 18 56% AGED 18 TO 64 20% OVER
THE AGE OF 65 MEDIAN HOUSEHOLD INCOME OF \$60,602 9.4% LIVE BELOW THE
POVERTY LEVEL 3.5% NON ENGLISH SPEAKING HOUSEHOLDS ACCESS TO HEALTHCARE:
2.4% UNINSURED 17.9% MEDICAID (OR OTHER STATE PROGRAMS) RECIPIENTS
28.6% MEDICARE 51.1% PRIVATE INSURANCE

PROMOTION OF COMMUNITY HEALTH

PART VI, LINE 5 CENTRAL VERMONT MEDICAL CENTER IS THE ONLY HOSPITAL AND
EMERGENCY CARE FACILITY LOCATED IN OUR IMMEDIATE SERVICE AREA. ALL OF ITS
SERVICES, INCLUDING EMERGENCY CARE, ARE PROVIDED TO ALL PERSONS
REGARDLESS OF ABILITY TO PAY.

CENTRAL VERMONT MEDICAL CENTER (CVMC) IS THE ADMINISTRATIVE ENTITY FOR
THE VERMONT BLUEPRINT FOR HEALTH, PATIENT CENTERED MEDICAL HOMES FOR THE
BARRE HEALTH SERVICE AREA (HSA). THE GOAL OF THE VERMONT BLUEPRINT FOR
HEALTH, PASSED BY THE VERMONT LEGISLATURE IN 2010, IS TO SUPPORT
VERMONT'S EFFORTS TO DEVELOP A COMPREHENSIVE, PROACTIVE SYSTEM OF CARE
THAT IMPROVES THE QUALITY OF LIFE FOR PEOPLE WITH, OR AT RISK FOR CHRONIC
CONDITIONS. IN A PATIENT CENTERED MEDICAL HOME, PATIENTS HAVE ACCESS TO A

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

COMMUNITY HEALTH TEAM, WHICH CONSISTS OF A NURSE, OR DIETITIAN OR CLINICAL SOCIAL WORKER OR WELLNESS COACH. THIS TEAM WORKS WITH THE PATIENT TO HELP SET REALISTIC GOALS AND TIMELINES AND PROVIDES ONE-ON-ONE SUPPORT. THEY ALSO WORK WITH A BROAD BASE OF COMMUNITY SERVICES TO PROVIDE EACH PATIENT WITH INDIVIDUAL SUPPORT AND CARE. AT THE END OF 2018, OVER 50 PRIMARY CARE PROVIDERS WERE ALL PART OF A RECOGNIZED NATIONAL COMMITTEE FOR QUALITY ASSURANCE, PATIENT CENTERED MEDICAL HOME IN THE BARRE HSA CARING FOR OVER 30,000 PATIENTS. THERE ARE 17 COMMUNITY HEALTH TEAM STAFF MEMBERS IN THE CVMC PRACTICES. CVMC IS PROUD TO BE A PARTICIPANT IN THE VERMONT BLUEPRINT FOR HEALTH. IN ADDITION TO FINANCIAL ASSISTANCE AND SLIDING SCALE DISCOUNTS (SEE SCHEDULE H, PART I, LINES 3A & B), CVMC OFFERS NO INTEREST MONTHLY PAYMENT PLANS FOR PATIENTS WHO CANNOT PAY THEIR OUTSTANDING BALANCE IN FULL BUT ARE ABLE TO PAY OVER TIME. CVMC EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITY. CVMC APPLIES SURPLUS FUNDS TO IMPROVEMENTS IN PATIENT CARE, SUCH AS NEW TECHNOLOGIES (MRI), FACILITIES AND SERVICES. THE MAJORITY OF THE CVMC'S GOVERNING BODY (BOARD OF TRUSTEES) IS COMPRISED OF INDIVIDUALS WHO RESIDE IN CVMC'S PRIMARY SERVICE AREA WHO ARE NEITHER

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

EMPLOYEES, FAMILY MEMBERS, NOR CONTRACTORS OF THE ORGANIZATION. CVMC ACTIVELY PARTNERS WITH MANY COMMUNITY ORGANIZATIONS, SUCH AS WASHINGTON COUNTY MENTAL HEALTH SERVICES, THE PEOPLE'S HEALTH AND WELLNESS CLINIC, CENTRAL VERMONT HOME HEALTH & HOSPICE, AND GREEN MOUNTAIN UNITED WAY, TO IMPROVE THE HEALTH AND WELLBEING OF OUR COMMUNITY. ONE EXAMPLE IS OUR FREE WOMEN'S HEALTH CLINICS WITH FINANCIAL SUPPORT FROM THE SUSAN G. KOMEN FOR THE CURE THAT CVMC SPONSORS ALONG WITH THE PEOPLE'S HEALTH AND WELLNESS CLINIC. CVMC APPLIES SURPLUS FUNDS TO REVITALIZE FACILITIES, PURCHASE EQUIPMENT, AND TO ENHANCE PROGRAMS TO BETTER SERVE OUR PATIENTS.

AFFILIATED HEALTH CARE SYSTEM

PART VI, LINE 6

AS OF OCTOBER 1, 2011, CENTRAL VERMONT MEDICAL CENTER, INC. (CVMC) AND THE UNIVERSITY OF VERMONT MEDICAL CENTER BECAME MEMBERS OF THE UNIVERSITY OF VERMONT HEALTH NETWORK, AN INTEGRATED SYSTEM OF CARE SERVING THE COMMUNITIES OF VERMONT AND NORTHERN NEW YORK. THE UNIVERSITY OF VERMONT HEALTH NETWORK IS CARRYING OUT CENTRALIZED ACTIVITIES FOR THE BENEFIT OF PATIENTS OF PARTNER ORGANIZATIONS, INCLUDING IMPROVING ACCESS TO LOCAL

Part VI Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

CARE, COST SAVINGS THROUGH GREATER JOINT PURCHASING POWER, ENHANCING
INFORMATION TECHNOLOGY, INCREASING ACADEMIC OPPORTUNITIES FOR PHYSICIANS,
ENGAGING IN REGIONAL STRATEGIC PLANNING, AND PARTICIPATING IN JOINT
QUALITY AND CLINICAL INITIATIVES. SINCE THE HEALTH NETWORK'S INCEPTION,
CHAMPLAIN VALLEY PHYSICIANS HOSPITAL MEDICAL CENTER, ELIZABETH COMMUNITY
HOSPITAL, ALICE HYDE MEDICAL CENTER, AND PORTER MEDICAL CENTER HAVE ALSO
JOINED.

STATE FILING OF COMMUNITY BENEFIT REPORT

PART VI, LINE 7

VT

Public Disclosure Copy

**SCHEDULE I
(Form 990)**

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

OMB No. 1545-0047

2017

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for the latest information.

Name of the organization

CENTRAL VERMONT MEDICAL CENTER, INC.

Employer identification number

22-2547186

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? **Yes** **No**
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) PEOPLES HEALTH AND WELLNESS CENTER 553 NORTH MAIN ST, SUITE 5 BARRE, VT 05641	03-0343290	501(C)(3)	21,000.				HEALTH CARE FOR THE SVCS TO UNINSURED
(2) AREA HLTH EDU CNTRS PRM UNIV VT COL OF MED UHC CMP ARNLD 5,1 S.PRPCT BRLNGTN, VT 05401	03-0179440	501(C)(3)	26,780.				EDU LOAN RPMT TO HLT HLTHCR PRFSNLS
(3) WASHINGTON COUNTY MENTAL HEALTH SERVICES, I PO BOX 647 MONTPELIER, VT 05601-0647	03-0215872	501(C)(3)	500,000.				SUPPORT MISSION FOR
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 3.

3 Enter total number of other organizations listed in the line 1 table ▶

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2017)

Public Disclosure Copy

Part III Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1					
2					
3					
4					
5					
6					
7					

Part IV Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b); and any other additional information.

DESCRIPTION OF ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF GRANTS

SCHEDULE I, PART I, LINE 2

CENTRAL VERMONT MEDICAL CENTER OCCASIONALLY GRANTS FUNDS TO ORGANIZATIONS

THAT SUPPORT CVMC'S EXEMPT PURPOSE OF SERVING THE HEALTHCARE NEEDS OF

CENTRAL VERMONT RESIDENTS. GRANT FUNDS ARE APPROVED AND OVERSEEN BY THE

BOARD.

Public Disclosure Copy

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

2017

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization

CENTRAL VERMONT MEDICAL CENTER, INC.

Employer identification number

22-2547186

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|---|---|
| <input type="checkbox"/> First-class or charter travel
<input type="checkbox"/> Travel for companions
<input type="checkbox"/> Tax indemnification and gross-up payments
<input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Personal services (such as, maid, chauffeur, chef) |
|---|---|

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|---|---|
| <input type="checkbox"/> Compensation committee
<input type="checkbox"/> Independent compensation consultant
<input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Written employment contract
<input checked="" type="checkbox"/> Compensation survey or study
<input checked="" type="checkbox"/> Approval by the board or compensation committee |
|---|---|

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? X
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? X
- c** Participate in, or receive payment from, an equity-based compensation arrangement? X
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? X
- b** Any related organization? X
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? X
- b** Any related organization? X
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III. X

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III. X

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2017

Public Disclosure Copy

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990	
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation					
1	JOHN BRUMSTED, MD TRUSTEE	(i)	0.	0.	0.	0.	0.	0.	
		(ii)	1,023,959.	613,889.	175,239.	186,643.	27,247.	2,026,977.	0.
2	JEREMIAH ECKHAUS, MD TRUSTEE, PRES-ELECT MED STAFF	(i)	201,840.	33,925.	293.	13,376.	27,508.	276,942.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
3	MARK DEPMAN, MD TRUSTEE, REGNAL PHYS LEADER	(i)	323,662.	16,213.	27,787.	18,000.	22,506.	408,168.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
4	ANNA T. NOONAN TRUSTEE, PRESIDENT/COO	(i)	144,211.	135,376.	3,000.	17,654.	14,187.	314,428.	0.
		(ii)	164,576.	0.	27,148.	20,314.	20,912.	232,950.	0.
5	CATHY PALMER, MD TRUSTEE	(i)	30,000.	0.	0.	0.	0.	30,000.	0.
		(ii)	221,238.	0.	7,708.	16,320.	24,324.	269,590.	0.
6	JUDITH TARR TARTAGLIA TRUSTEE, PRES/CEO UNTIL 3/2017	(i)	293,819.	34,696.	38,547.	6,601.	8,100.	381,763.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
7	CHEYENNE HOLLAND TREASURER, CFO, UNTIL 07/2018	(i)	261,693.	0.	6,751.	33,900.	29,817.	332,161.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
8	NANCY LOTHIAN CHIEF OPERATING OFFICER	(i)	246,521.	29,550.	33,936.	18,000.	12,757.	340,764.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
9	PHILIP BROWN, DO CHIEF MEDICAL OFF, UNTIL 3/2018	(i)	315,055.	0.	0.	4,498.	30,034.	349,587.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
10	RICHARD MORLEY VP SUPPORT SRVCS, UNITL 2/2018	(i)	204,306.	300.	38,211.	0.	22,767.	265,584.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
11	MATTHEW CHOATE CHIEF NURSING OFFICER	(i)	170,790.	0.	2,391.	10,502.	19,545.	203,228.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
12	CHRISTIAN BEAN, MD PHYSICIAN	(i)	440,469.	86,198.	51,408.	34,761.	28,571.	641,407.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
13	JOHN BRAUN, MD PHYSICIAN	(i)	460,166.	46,065.	311.	19,810.	4,002.	530,354.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
14	CHRISTOPHER MERIAM, MD PHYSICIAN	(i)	443,812.	81,134.	61,269.	38,785.	28,674.	653,674.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
15	SARA GRAVES, MD PHYSICIAN	(i)	395,483.	37,385.	48,300.	18,623.	28,906.	528,697.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
16	ROBERT PATTERSON VP OF HR & CLINICAL OPERATIONS	(i)	196,548.	19,253.	8,485.	14,108.	26,771.	265,165.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.

Public Disclosure Copy

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(i)	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 DAVID TURNER VP PHYSICIAN SERVICES	(i)	171,066.	16,472.	1,232.	10,790.	2,637.	202,197.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 TODD KEATING INTERIM TREASURER, CFO 7/2018	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	568,728.	270,066.	86,596.	23,430.	5,167.	953,987.	0.
3	(i)							
	(ii)							
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

SCHEDULE J, PART I, LINE 3

IN ADDITION TO THE TOOLS AND PROCESSES IDENTIFIED IN PART I, CVMC RECEIVES GUIDANCE REGARDING ITS PRESIDENT'S COMPENSATION FROM THE COMPENSATION COMMITTEE OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF VERMONT HEALTH NETWORK, WHICH IS THE SOLE MEMBER OF THE HOSPITAL. THAT NETWORK COMPENSATION COMMITTEE UTILIZES THE FOLLOWING METHODS TO ESTABLISH THE GUIDANCE:

- COMPENSATION COMMITTEE
- INDEPENDENT COMPENSATION CONSULTANT
- COMPENSATION SURVEY OR STUDY
- APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE

EXECUTIVE BENEFITS

SCHEDULE J, PART I, LINE 4B

CERTAIN LISTED INDIVIDUALS PARTICIPATED IN THE UVM MEDICAL CENTER EXECUTIVE BENEFIT PLAN UNDER WHICH PARTICIPANTS ARE CREDITED A BENEFIT ALLOWANCE EQUAL TO A SPECIFIED PERCENTAGE OF BASE PAY. UNDER THE PLAN, PARTICIPANTS MAY ELECT TO HAVE THE AMOUNT OF THE BENEFIT ALLOWANCE DEFERRED TO A CAPITAL ACCUMULATION ACCOUNT SUBJECT TO SECTION 457(F). NO

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

AMOUNTS WERE DEFERRED TO OR PAID FROM A CAPITAL ACCUMULATION ACCOUNT IN
CALENDAR 2017.

DURING CALENDAR YEAR 2015, THE UNIVERSITY OF VERMONT MEDICAL CENTER, INC.
ENTERED INTO A SUPPLEMENTAL RETIREMENT BENEFIT PLAN (SRP) WITH PRESIDENT
BRUMSTED. UNDER THE TERMS OF THE SRP, UVM MEDICAL CENTER MAKES ANNUAL
CREDITS EQUAL TO 15% OF THE PRESIDENT'S BASE SALARY FOR EACH YEAR THROUGH
THE PLAN YEAR ENDING SEPTEMBER 30, 2019. THE AMOUNT DEFERRED FOR CY17 IS
REPORTED ON SCHEDULE J, PART II, COLUMN C. AMOUNTS DEFERRED REMAIN
SUBJECT TO FORFEITURE IF CERTAIN CONDITIONS ARE NOT MET.

Public Disclosure Copy

SCHEDULE L
(Form 990 or 990-EZ)

Transactions With Interested Persons

OMB No. 1545-0047

2017

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**

▶ **Attach to Form 990 or Form 990-EZ.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Open To Public Inspection

Name of the organization CENTRAL VERMONT MEDICAL CENTER, INC.	Employer identification number 22-2547186
--	--

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ▶ \$ _____

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization, ▶ \$ _____

Part II Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
Total ▶						\$						

Part III Grants or Assistance Benefiting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) SUBSTANTIAL DONOR	SUBSTANTIAL CONTRIBUTOR	797,108.	SERVICES		X
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions).

Public Disclosure Copy

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

CENTRAL VERMONT MEDICAL CENTER, INC.

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2017

Open to Public
Inspection

Employer identification number

22-2547186

DESCRIPTION OF THE ORGANIZATION'S MISSION

FORM 990, PART III, LINE 1

CENTRAL VERMONT MEDICAL CENTER TRUSTEES AND ITS STAFF ARE COMMITTED TO PROVIDING EXCELLENT CARE TO CENTRAL VERMONTERS. TO STAY ABREAST OF BEST PRACTICES, CVMC COLLABORATES WITH MANY HEALTHCARE ENTITIES TO ENSURE THIS COMMITMENT. PARTICIPATING IN THE JOINT COMMISSION ACCREDITATIONS PROCESS IS ONE MEASURE OF HOW CVMC CONTINUOUSLY STRIVES TO IMPROVE THE SAFETY AND QUALITY OF CARE PROVIDED TO ITS PATIENTS. THE HOSPITAL AND THE PHYSICIAN PRACTICE GROUPS (CVMGP, CENTRAL VERMONT MEDICAL GROUP PRACTICES) WERE ACCREDITED IN JANUARY 2016 FOR A THREE YEAR PERIOD. JOINT COMMISSION ACCREDITATION IS THE EQUIVALENT OF THE GOOD HOUSEKEEPING "SEAL OF APPROVAL" FOR MEDICAL CENTERS. THE JOINT COMMISSION EVALUATES THE QUALITY AND SAFETY OF CARE PROVIDED BY HEALTH CARE ORGANIZATIONS. TO EARN AND MAINTAIN ACCREDITATION, ORGANIZATIONS MUST HAVE AN EXTENSIVE ON-SITE REVIEW BY A TEAM OF JOINT COMMISSION HEALTH CARE PROFESSIONALS AT LEAST ONCE EVERY THREE YEARS. THE PURPOSE OF THE REVIEW IS TO EVALUATE THE ORGANIZATION'S PERFORMANCE IN AREAS THAT AFFECT PATIENT CARE. ACCREDITATION IS AWARDED BASED ON HOW WELL THE ORGANIZATION MEETS THE JOINT COMMISSION STANDARDS. CVMC PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES. ALL OF CVMC'S SERVICES, INCLUDING EMERGENCY CARE, ARE PROVIDED TO ALL PERSONS REGARDLESS OF ABILITY TO PAY.

Public Disclosure Copy

Name of the organization CENTRAL VERMONT MEDICAL CENTER, INC.	Employer identification number 22-2547186
--	--

FORM 990, PART VI, LINE 2

THERE IS A BUSINESS RELATIONSHIP BETWEEN DR. JOHN BRUMSTED AN OFFICER OF THE UNIVERSTIY OF VERMONT MEDICAL CENTER (UVMC), DR. CATHY PALMER AN EMPLOYEE OF UVMC AND TODD KEATING, INTERIM TREASURER, CFO OF CENTRAL VERMONT MEDICAL CENTER INC. (CVMC).

DESCRIPTION OF CLASSES OF MEMBERS OR STOCKHOLDERS

FORM 990, PART VI, LINE 6

THE UNIVERSITY OF VERMONT HEALTH NETWORK IS THE SOLE MEMBER AND PARENT CORPORATION OF CENTRAL VERMONT MEDICAL CENTER, INC. (CVMC). THE UNIVERSITY OF VERMONT HEALTH NETWORK IS A VERMONT NON-PROFIT CORPORATION WHICH HAS BEEN RECOGNIZED BY THE IRS AS A 501(C)(3) ORGANIZATION THAT IS NOT A PRIVATE FOUNDATION.

ELECTION OF GOVERNING BODY & GOVERNANCE DECISIONS

FORM 990, PART VI, LINE 7A & 7B

THE UNIVERSITY OF VERMONT HEALTH NETWORK HOLDS THE POWER TO ELECT CVMC'S BOARD OF TRUSTEES AND TO APPROVE SIGNIFICANT CORPORATE ACTIONS, INCLUDING ANNUAL OPERATING AND CAPITAL BUDGETS, STRATEGIC PLANS, THE APPOINTMENT OF THE CEO, THE INCURRENCE OF LONG-TERM INDEBTEDNESS, AND AMENDMENTS TO CVMC'S BYLAWS AND ARTICLES OF ORGANIZATION.

DESCRIPTION OF PROCESS USED BY MGMNT &/OR GOVERNING BODY TO REVIEW 990

FORM 990, PART VI, LINE 11B

THE FORM 990 IS PREPARED BY THE ACCOUNTING MANAGER AND REVIEWED IN DETAIL BY CVMC'S OUTSIDE TAX ADVISORS BEFORE BEING REVIEWED BY THE OFFICERS OF

Public Disclosure Copy

Name of the organization CENTRAL VERMONT MEDICAL CENTER, INC.	Employer identification number 22-2547186
--	--

THE CORPORATION AND BY THE OTHER MEMBERS OF THE SENIOR MANAGEMENT TEAM.
THE ACCOUNTING MANAGER PROVIDES REGULATORY UPDATES REGARDING THE FORM 990 TO THE FINANCE COMMITTEE AND MAKES AVAILABLE TO THE FINANCE COMMITTEE THE FORM 990 ALONG WITH HIGHLIGHTS OF ALL SIGNIFICANT PARTS OF THE FORM 990. THE BOARD OF TRUSTEES IS ALSO PROVIDED VIA EMAIL A COPY OF THE "AS FILED" FORM 990 BEFORE IT IS FILED WITH THE IRS, WITH A STATEMENT NOTATING THAT SCHEDULE B IS NOT FOR PUBLIC VIEWING. THE FORM 990 IS ALSO AVAILABLE IN HARD COPY FOR THOSE THAT DO NOT HAVE ACCESS TO EMAIL.

DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST
FORM 990, PART VI, LINE 12C

THE COMPLIANCE OFFICER FOR CVMC MAINTAINS THE CONFLICT OF INTEREST STATEMENTS AND REGULARLY MONITORS THEM AS WELL AS ANY OTHER ACTIVITIES THAT MAY CONSTITUTE A CONFLICT OF INTEREST. THE ORGANIZATION'S PRACTICE IS TO SEND OUT ANNUAL DISCLOSURE QUESTIONNAIRES TO BOARD OF TRUSTEE MEMBERS, SENIOR OFFICERS, AND DIRECTORS OF THE ORGANIZATION OR OTHER INDIVIDUALS IN A POSITION TO EXERCISE SUBSTANTIAL INFLUENCE OVER THE AFFAIRS OF THE ORGANIZATION WHO HAVE A DIRECT OR INDIRECT FINANCIAL INTEREST, AS DEFINED BELOW, AS AN "INTERESTED PERSON." THIS DEFINITION SHALL ALSO INCLUDE MEMBERS OF THE ORGANIZATION'S LEADERSHIP GROUP, MEDICAL DIRECTORS AND ANY EMPLOYEES INVOLVED WITH RECOMMENDING OR PURCHASING PRODUCTS/SERVICES.

THE RESPONSES ARE TAKEN TO THE GOVERNANCE AND HUMAN RESOURCES COMMITTEE OF THE BOARD OF TRUSTEES TO DETERMINE IF A CONFLICT OF INTEREST EXISTS. THE GOVERNANCE AND HUMAN RESOURCES COMMITTEE SHALL MAINTAIN A LIST OF

Public Disclosure Copy

Name of the organization CENTRAL VERMONT MEDICAL CENTER, INC.	Employer identification number 22-2547186
--	--

INDIVIDUALS WHO MAY BE CONSIDERED DISQUALIFIED PERSONS UNDER IRS REGULATIONS. THE GOVERNANCE AND HUMAN RESOURCES COMMITTEE SHALL REPORT THE RESULTS OF ITS REVIEW ANNUALLY TO THE BOARD OF TRUSTEES. IF THERE IS ANY POSSIBILITY OF FINANCIAL GAIN BY A TRUSTEE AND OR EMPLOYEE FROM ANY DECISION THAT IS TO BE DELIBERATED ON, THEN THAT TRUSTEE/EMPLOYEE MAY MAKE A PRESENTATION, BUT IS THEN REMOVED FROM THOSE DISCUSSIONS TO ENSURE THAT THE TRUSTEE/EMPLOYEE WILL NOT TAKE PART IN ANY DELIBERATIONS THAT HE OR SHE MIGHT PERSONALLY GAIN FROM. THE TRUSTEE/EMPLOYEE OPERATING UNDER A CONFLICT IS PROHIBITED FROM VOTING ON ANY MATTER TO WHICH THE CONFLICT RELATES.

WHISTLEBLOWER & DOCUMENT RETENTION - DESTRUCTION POLICIES
FORM 990, PART VI, LINES 13 & 14

CVMC HAS BOTH A WHISTLEBLOWER AND A DOCUMENT RETENTION - DESTRUCTION POLICY. THESE POLICIES ARE EFFECTIVE WITHOUT FORMAL BOARD APPROVAL.

OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN
FORM 990, PART VI, LINES 15A & 15B

THE PROCESS FOR DETERMINING COMPENSATION FOR THE ORGANIZATION'S PRESIDENT/COO AND CFO INCLUDES A REVIEW AND APPROVAL BY THE BOARD OF TRUSTEES. AN INDEPENDENT COMPENSATION STUDY IS ALSO PERIODICALLY PERFORMED. THE MOST RECENT STUDY WAS PERFORMED IN 2017. THIS STUDY INCLUDED COMPENSATION DATA FOR CHIEF EXECUTIVE OFFICERS AND VICE PRESIDENTS. INDEPENDENT RESEARCH IS COMPLEMENTED BY A MARKET STUDY ANALYSIS PERFORMED BY THE HUMAN RESOURCES DEPARTMENT AND REVIEWED BY THE BOARD OF TRUSTEES. MARKET STUDY DATA COMES FROM, BUT IS NOT LIMITED TO,

Public Disclosure Copy

Name of the organization CENTRAL VERMONT MEDICAL CENTER, INC.	Employer identification number 22-2547186
--	--

HFMA, VAHHS, NEAH, AHA, INDUSTRY SPECIFIC COMPENSATION SURVEYS AND OTHER HEALTHCARE SOURCES.

THE COMPENSATION OF OTHER KEY EMPLOYEES OF THE ORGANIZATION IS DETERMINED THROUGH MARKET STUDY ANALYSIS PERFORMED BY THE HUMAN RESOURCES DEPARTMENT AND REVIEWED BY THE BOARD OF TRUSTEES IF NECESSARY.

IN ADDITION TO THE TOOLS AND PROCESSES IDENTIFIED IN SCHEDULE J, PART I, CVMC RECEIVES GUIDANCE REGARDING ITS PRESIDENT'S COMPENSATION FROM THE COMPENSATION COMMITTEE OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF VERMONT HEALTH NETWORK, WHICH IS THE SOLE MEMBER OF THE HOSPITAL. THAT NETWORK COMPENSATION COMMITTEE UTILIZES THE FOLLOWING METHODS TO ESTABLISH THE GUIDANCE:

- COMPENSATION COMMITTEE
- INDEPENDENT COMPENSATION CONSULTANT
- COMPENSATION SURVEY OR STUDY
- APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE

AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FIN STMTS TO GEN PUBLIC FORM 990, PART VI, LINE 19

THE ORGANIZATION MAKES AVAILABLE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICIES AND FINANCIAL STATEMENTS TO THE GENERAL PUBLIC UPON REQUEST. THE FINANCIAL STATEMENTS OF THE ORGANIZATION FOR FY2018 CAN ALSO BE FOUND ON THE WEBSITE. WWW.CVMC.ORG

FORM 990, PART VII

Public Disclosure Copy

Name of the organization

CENTRAL VERMONT MEDICAL CENTER, INC.

Employer identification number

22-2547186

THREE PHYSICIANS SERVING AS BOARD MEMBERS, DR. PALMER, DR. DEPMAN AND DR. ECKHAUS, RECEIVE COMPENSATION FROM THE ORGANIZATION FOR THEIR SERVICES AS PHYSICIANS. THIS COMPENSATION IS NOT RELATED TO THEIR PARTICIPATION AS MEMBERS OF THE BOARD OF TRUSTEES.

OTHER CHANGES IN NET ASSETS

FORM 990, PART XI, LINE 9

OTHER CHANGES IN NET ASSETS OR FUND BALANCES:

CHANGE IN MINIMUM PENSION LIABILITY \$7,018,473

FUNDS RELEASED FROM TEMP RESTRICTED ASSETS (571,429)

CHANGE IN PERPETUAL TRUST 12,182

TOTAL: \$6,459,226

CIRCULAR A-133 AUDIT

FORM 990, PART XII, LINE 3B:

DURING FY18, CVMC DID NOT REACH THE LEVEL REQUIRED TO WARRANT AN AUDIT UNDER OMB CIRCULAR A-133. HOWEVER, BECAUSE OF CVMC'S AFFILIATION WITH THE UNIVERSITY OF VERMONT MEDICAL CENTER, CVMC WAS INCLUDED IN THE A-133 THAT WAS PERFORMED FOR THE UNIVERSITY OF VERMONT MEDICAL CENTER.

ATTACHMENT 1

FORM 990, PART III - PROGRAM SERVICE, LINE 4A

HOSPITAL SERVICES: INPATIENT, OUTPATIENT, AND 24/7 EMERGENCY

DEPARTMENT SERVICES: CVMC HAS 122 LICENSED BEDS TO PROVIDE FOR A

FULL SPECTRUM OF INPATIENT, OUTPATIENT, AND EMERGENCY CARE

SERVICES. 18,748 INPATIENT DAYS, MORE THAN 245,000 OUTPATIENT

PROCEDURES, AND 24,753 EMERGENCY ROOM VISITS WERE RECORDED DURING

Public Disclosure Copy

Name of the organization CENTRAL VERMONT MEDICAL CENTER, INC.	Employer identification number 22-2547186
--	--

ATTACHMENT 1 (CONT'D)

FISCAL YEAR 2018. OUTPATIENT ANCILLARY SERVICE UNITS MAKE UP THE MAJORITY OF SERVICE VOLUME, INCLUDING 40,014 RADIOLOGY PROCEDURES, 470,924 LAB TESTS, 15,686 CARDIOLOGY TESTS, AND 142,273 UNITS OF PHYSICAL, OCCUPATIONAL AND SPEECH THERAPY. EMERGENCY DEPARTMENT: THE ER IS OPEN 24 HOURS A DAY 365 DAYS A YEAR. THE NUMBER OF PATIENTS SEEN IN THE ER IN FISCAL YEAR 18 WAS 24,753. THE CANCER TREATMENT CENTER PROVIDED 5,056 ONCOLOGY AND RADIATION TREATMENTS. THE HOSPITAL ALSO HAS BEEN ACTIVE IN ITS OUTREACH TO CENTRAL VERMONT'S UNINSURED AND UNDER INSURED RESIDENTS.

ATTACHMENT 2

FORM 990, PART III - PROGRAM SERVICE, LINE 4C

WOODRIDGE REHAB & NURSING IS A MEDICARE-CERTIFIED 153-BED SKILLED NURSING FACILITY LOCATED ON THE CAMPUS OF CENTRAL VERMONT MEDICAL CENTER. APPROXIMATELY TWO-THIRDS OF THE FACILITIES BEDS ARE DEDICATED TO LONG TERM CARE, INCLUDING PALLIATIVE CARE/END OF LIFE CARE AND THE OTHER ONE-THIRD PROVIDE SHORT TERM REHABILITATION THERAPY AND POST-ACUTE CARE FOR A GREAT VARIETY OF MEDICAL CARE CATEGORIES, INCLUDING PAIN MANAGEMENT AND WOUND CARE. THE FACILITY PROVIDES "PERSON-CENTERED", ROUND THE CLOCK NURSING CARE AND SOCIAL SERVICES SUPPORT COMPLEMENTING DAILY, ROBUST ACTIVITIES PROGRAMS, FINE DINING AND HAS A FULL COMPLIMENT OF SUPPORT SERVICES INCLUDING HOUSEKEEPING/LAUNDRY, MAINTENANCE AND TRANSPORTATION. MANY OTHER AMENITIES ARE AVAILABLE TO FACILITY

Public Disclosure Copy

Name of the organization CENTRAL VERMONT MEDICAL CENTER, INC.	Employer identification number 22-2547186
--	--

ATTACHMENT 2 (CONT'D)

RESIDENTS.

ATTACHMENT 3

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
E F WALL & ASSOCIATES, INC. 131 SOUTH MAIN ST, PO BOX 259 BARRE, VT 05641	CONSTRUCTION CNTRCTR	640,260.
MARCAM ASSOCIATES, LLC PO BOX 60 ROCHESTER, NH 03866	AR BILLING/COLLECT	698,223.
KLEEN LD DBA KLEEN LAUNDRY 1 FOUNDRY STREET LEBANON, NH 03766	LAUNDRY SERVICES	481,525.
VISTA STAFFING SOLUTIONS, INC. 275 EAST 200 SOUTH SALT LAKE CITY, UT 84111	PHYSICIAN STAFFING	477,976.
MEDICAL SOLUTIONS 1010 NORTH 102ND STREET OMAHA, NE 68114	NURSE STAFFING	554,995.

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2017

Open to Public Inspection

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization

CENTRAL VERMONT MEDICAL CENTER, INC.

Employer identification number

22-2547186

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) UNIVERSITY OF VERMONT MEDICAL CENTER, INC 111 COLCHESTER AVE BURLINGTON, VT 05401 03-0219309	HOSPITAL	VT	501(C)(3)	3	UVMHN	X	
(2) UNIV OF VERMONT HEALTH NETWORK, INC. 111 COLCHESTER AVE BURLINGTON, VT 05401 45-2880726	HOLDING CO	VT	501(C)(3)	12A-I	N/A		X
(3) UNIV OF VERMONT MEDICAL GROUP - NEW YORK 183 PARK STREET MALONE, NY 12953 20-3905216	PHYS SVCS	NY	501(C)(3)	3	UVMMG	X	
(4) UNIVERSITY OF VERMONT MEDICAL GROUP 111 COLCHESTER AVE BURLINGTON, VT 05401 03-0225105	PHYS SVCS	VT	501(C)(3)	12A-I	UVMHN	X	
(5) UNIV OF VERMONT MEDICAL CTR. FDN, INC. 111 COLCHESTER AVE BURLINGTON, VT 05401 26-3159849	FUNDRAISING	VT	501(C)(3)	12A-I	UVMCM	X	
(6) CENTRAL VERMONT HOSPITAL AUXILIARY 130 FISHER RD BERLIN, VT 05602 03-0264240	SERVICE	VT	501(C)(3)	12D-III-O	N/A		X
(7) COMMUNITY PROVIDERS, INC. 75 BEEKMAN ST. PLATTSBURGH, NY 12901 22-2544844	HLTH SVC COOR	NY	501(C)(3)	12A-I	UVMHN	X	

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2017

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2017

Open to Public Inspection

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization

CENTRAL VERMONT MEDICAL CENTER, INC.

Employer identification number

22-2547186

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) CHAMPLAIN VALLEY PHYSICIANS HOSPITAL 75 BEEKMAN STREET PLATTSBURGH, NY 12901 14-1338471	HOSPITAL	NY	501(C)(3)	3	CPI	X	
(2) ELIZABETHTOWN COMMUNITY HOSPITAL 75 PARK STREET ELIZABETHTOWN, NY 12932 14-1364513	HOSPITAL	NY	501(C)(3)	3	CPI	X	
(3) EMERGENCY MEDICAL TRANSPORT OF CVPH, INC 75 BEEKMAN ST PLATTSBURGH, NY 12901 06-1718419	AMBULANCE SVC	NY	501(C)(3)	12B-II	CPI	X	
(4) CVPH MEDICAL CENTER FOUNDATION 75 BEEKMAN ST PLATTSBURGH, NY 12901 14-1727048	HLTH SVC SUPP	NY	501(C)(3)	12B-II	CVPH	X	
(5) UNIVERSITY MEDICAL EDUCATION ASSOCIATES 89 BEAUMONT AVE BURLINGTON, VT 05405 23-7107832	EDUCATIONAL	VT	501(C)(3)	11	UVMMG	X	
(6) UNIVERSITY HEALTH CENTER 111 COOLCHESTER AVE BURLINGTON, VT 05401 03-0229931	HOSPITAL	VT	501(C)(3)	12C-III-FI	UVMMG	X	
(7) ALICE HYDE MEDICAL CENTER 133 PARK STREET MALONE, NY 12953 15-0346515	HOSPITAL	NY	501(C)(3)	3	CPI	X	

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2017

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2017

Open to Public Inspection

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization

CENTRAL VERMONT MEDICAL CENTER, INC.

Employer identification number

22-2547186

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) PORTER MEDICAL CENTER INC 115 PORTER DRIVE MIDDLEBURY, VT 05753 03-0310862	SUPPTG ORG	VT	501(C)(3)	12-BII	UVMHN	X	
(2) HELEN PORTER NURSING HOME 37 PORTER DRIVE MIDDLEBURY, VT 05753 03-0306549	NURSING HOME	VT	501(C)(3)	3	PMC	X	
(3) AUXILIARY OF PORTER MEDICAL CENTER 37 PORTER DRIVE MIDDLEBURY, VT 05753 23-7363227	SUPPORTG ORG	VT	501(C)(3)	12-B, II	PMC	X	
(4) PORTER HOSPITAL INC 37 PORTER DRIVE MIDDLEBURY, VT 05753 03-0181058	HOSPITAL	VT	501(C)(3)	3	PMC	X	
(5)							
(6)							
(7)							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2017

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512 - 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) ONECARE VERMONT ACCOUNTABLE CA 111 COLCHESTER AVENUE BURLINGT	ACCOUNTABLE C	VT	N/A									
(2) ADIRONDACKS ACO, LLC 46-284092 75 BEEKMAN STREET PLATTSBURGH,	ACCOUNTABLE C	NY	N/A									
(3) OBNET SERVICES, LLC 04-3746287 ONE MEDICAL CENTER DR LEBANON,	HEALTH RESEAR	NH	N/A									
(4)												
(5)												
(6)												
(7)												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) CHARITABLE IRREVOCABLE TRUST (7)	SUPPORT	VT	UVMMC/CVMC	TRUST					
(2) UNIV OF VT MED CTR HEALTH VENT INC 04-3380045 111 COLCHESTER AVE BURLINGTON, VT 05401	HOLDING COMPA	VT	UVMMC	C CORP					
(3) VMC INDEMNITY COMPANY, LTD 99-9999999 PO BOX HM 3103, 25 CHURCH ST., HM F HAMILTON, BD HM FX F	CAPTIVE INSUR	BD	UVMMC	C CORP					
(4) VERMONT MANAGED CARE 03-0333056 111 COLCHESTER AVE BURLINGTON, VT 05401	ADMIN SERVICE	VT	UVMMCHV	C CORP					
(5) CHARITABLE REMAINDER TRUST (5)	SUPPORT	VT	UVMMC/CVMC	TRUST					
(6) PERPETUAL TRUST (4)	SUPPORT	VT	UVMMC	TRUST					
(7) CHAMPLAIN VALLEY HEALTH NETWORK 16-1586102 75 BEEKMAN STREET PLATTSBURGH, NY 12901	ADMIN SERVICE	NY	N/A	C CORP					

Public Disclosure Copy

CENTRAL VERMONT MEDICAL CENTER, INC.

22-2547186

Schedule R (Form 990) 2017

Page **2**

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512 - 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) MEDQUEST INC 14-1663061 PO BOX 1656 PLATTSBURGH, NY 12901	MED OFFICE LE	NY	N/A	C CORP					
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)	X	
j Lease of facilities, equipment, or other assets to related organization(s)	X	
k Lease of facilities, equipment, or other assets from related organization(s)	X	
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)	X	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses	X	
q Reimbursement paid by related organization(s) for expenses	X	
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) UNIVERSITY OF VERMONT MEDICAL CENTER	IJMOQ	7,500,000.	FMV
(2) PERPETUAL TRUSTS	S	148,657.	FMV
(3)			
(4)			
(5)			
(6)			

Public Disclosure Copy

CENTRAL VERMONT MEDICAL CENTER, INC.

22-2547186

Schedule R (Form 990) 2017

Page **4**

Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

JSA

Schedule R (Form 990) 2017

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions.

SCHEDULE R, PART IV, LINE 1

UNIVERSITY OF VERMONT MEDICAL CENTER, INC. (UVM MEDICAL CENTER) HAS A
BENEFICIAL INTEREST IN FOUR OF THESE TRUSTS. CVMC HAS A BENEFICIAL
INTEREST IN THREE OF THESE TRUSTS.

SCHEDULE R, PART V, TRANSACTION K

UVM MEDICAL CENTER LEASES AND SHARES FACILITIES, EQUIPMENT, AND OTHER
ASSETS WITH CVMC. THE VALUE OF THESE TRANSACTIONS IS INDETERMINABLE.

**The University of Vermont
Health Network Inc.
and Subsidiaries**

**Consolidated Financial Statements and
Supplemental Consolidating Information
September 30, 2018 and 2017**

The University of Vermont Health Network Inc. and Subsidiaries

Index

September 30, 2018 and 2017

	Page(s)
Report of Independent Auditors	1–2
Consolidated Financial Statements	
Balance Sheets	3
Statements of Operations	4
Statements of Changes in Net Assets	5
Statements of Cash Flows	6
Notes to Financial Statements	7–47
Supplemental Consolidating Information	
Note to Consolidating Information.....	48
Balance Sheet.....	49
Obligated Group Balance Sheet	50
Statement of Operations	51
Obligated Group Statement of Operations.....	52



Report of Independent Auditors

To the Board of Trustees of
The University of Vermont Health Network Inc.

We have audited the accompanying consolidated financial statements of The University of Vermont Health Network Inc. and its subsidiaries (the "Network"), which comprise the consolidated balance sheets as of September 30, 2018 and 2017, and the related consolidated statements of operations, of changes in net assets and of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Network's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Network's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The University of Vermont Health Network Inc. and its subsidiaries as of September 30, 2018 and 2017, and the results of their operations, their changes in net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the consolidated financial statements, the Network changed the manner in which it presents net assets and reports certain aspects of its financial statements as a not-for-profit entity in 2018. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, changes in net assets, and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations, changes in net assets, and cash flows of the individual companies.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

Boston, Massachusetts
January 23, 2019

The University of Vermont Health Network Inc. and Subsidiaries
Consolidated Balance Sheets
September 30, 2018 and 2017

<i>(in thousands)</i>	2018	2017
Assets		
Current assets		
Cash and cash equivalents	\$ 246,681	\$ 264,293
Short-term investments	32,932	28,910
Current portion of assets whose use is limited or restricted	54,523	93,349
Patient and other trade accounts receivable - net of allowance for doubtful accounts of \$46,603 and \$48,557, respectively	237,633	238,902
Inventories	43,396	38,672
Receivables from third-party payers	8,993	4,134
Prepaid and other current assets	44,079	40,945
Total current assets	<u>668,237</u>	<u>709,205</u>
Assets whose use is limited or restricted		
Board-designated assets	656,229	614,890
Assets held by trustee under bond indenture agreements	3,881	4,981
Restricted assets	27,423	9,777
Donor-restricted assets for specific purposes	45,747	41,541
Donor-restricted assets for permanent endowment	44,900	36,580
Total assets whose use is limited or restricted	<u>778,180</u>	<u>707,769</u>
Property and equipment, net	867,372	765,727
Other	53,220	47,099
Total assets	<u>\$ 2,367,009</u>	<u>\$ 2,229,800</u>
Liabilities and Net Assets		
Current liabilities		
Current installments of long-term debt	\$ 29,168	\$ 39,368
Accounts payable	61,530	56,169
Accrued expenses and other liabilities	57,671	58,449
Accrued payroll and related benefits	123,216	107,593
Current portion of third-party payer settlements	15,810	11,708
Incurred but not reported claims	13,855	24,087
Total current liabilities	<u>301,250</u>	<u>297,374</u>
Long-term liabilities		
Long-term debt - net of current installments	602,684	588,448
Malpractice and workers' compensation claims, net of current portion	39,310	26,192
Pension and other postretirement benefit obligations	64,233	89,297
Third-party payer settlements, net of current portion	21,624	19,073
Other	35,381	36,685
Total long-term liabilities	<u>763,232</u>	<u>759,695</u>
Total liabilities	<u>1,064,482</u>	<u>1,057,069</u>
Net assets		
Without donor restrictions	1,195,635	1,083,350
With donor restrictions		
Time or purpose	60,750	50,938
Perpetual	46,142	38,443
Total net assets	<u>1,302,527</u>	<u>1,172,731</u>
Total liabilities and net assets	<u>\$ 2,367,009</u>	<u>\$ 2,229,800</u>

The accompanying notes are an integral part of these consolidated financial statements.

Public Disclosure Copy

The University of Vermont Health Network Inc. and Subsidiaries
Consolidated Statements of Operations
Years Ended September 30, 2018 and 2017

<i>(in thousands)</i>	2018	2017
Revenue and other support without donor restrictions		
Net patient service revenue	\$ 1,861,197	\$ 1,858,288
Less: Provision for bad debts	<u>(50,293)</u>	<u>(45,277)</u>
Net patient service revenue after provision for bad debts	1,810,904	1,813,011
Enhanced Medicaid Graduate Medical Education revenues-Hospital	10,389	10,312
Enhanced Medicaid Graduate Medical Education revenues-Professional	<u>19,611</u>	<u>19,133</u>
Net patient service revenue after provision for bad debts and Enhanced Medicaid Graduate Medical Education revenues	1,840,904	1,842,456
Fixed prospective payment revenue	159,172	28,340
Premium revenue	6,487	9,040
Outpatient and specialty pharmacy revenue	103,849	84,532
Net assets released from restrictions	3,342	2,773
Other revenue	<u>56,149</u>	<u>46,844</u>
Total revenue and other support without donor restrictions	<u>2,169,903</u>	<u>2,013,985</u>
Expenses		
Salaries, payroll taxes and fringe benefits	1,305,410	1,197,511
Supplies and other	522,953	469,841
Purchased services	116,368	93,995
Provider taxes	88,944	82,939
Depreciation and amortization	85,531	82,786
Interest expense	<u>18,490</u>	<u>18,968</u>
Total expenses	<u>2,137,696</u>	<u>1,946,040</u>
Income from operations	<u>32,207</u>	<u>67,945</u>
Nonoperating gains (losses)		
Investment income	26,435	58,244
Change in fair value of interest rate swap agreements	6,562	9,443
Contribution revenue from acquisitions	20,268	26,935
Other	<u>(343)</u>	<u>(1,041)</u>
Total nonoperating gains, net	<u>52,922</u>	<u>93,581</u>
Excess of revenue over expenses	85,129	161,526
Net change in unrealized gains (losses) on investments	2,898	(10,332)
Net assets released from restrictions for capital purchases	4,607	1,118
Pension related adjustments	19,542	52,816
Transfers and other adjustments	<u>109</u>	<u>-</u>
Increase in net assets without donor restrictions	<u>\$ 112,285</u>	<u>\$ 205,128</u>

The accompanying notes are an integral part of these consolidated financial statements.

Public Disclosure Copy

The University of Vermont Health Network Inc. and Subsidiaries
Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2018 and 2017

<i>(in thousands)</i>	2018	2017
Changes in net assets without donor restrictions:		
Excess of revenue over expenses	\$ 85,129	\$ 161,526
Net change in unrealized gains (losses) on investments	2,898	(10,332)
Net assets released from restrictions for capital purchases	4,607	1,118
Pension related adjustments	19,542	52,816
Transfers and other adjustments	109	-
Increase in net assets without donor restrictions	<u>112,285</u>	<u>205,128</u>
Changes in net assets with donor restrictions:		
Gifts, grants and bequests	10,750	6,253
Investment income	1,028	602
Net change in unrealized (losses) gains on investments	(408)	792
Net realized gains on investments	2,453	3,342
Net assets released from restrictions used in operations	(3,567)	(2,773)
Net assets released from restrictions used for nonoperating purposes	(493)	(229)
Net assets released from restrictions used for capital purchases	(4,607)	(1,118)
Change in beneficial interest in perpetual trusts	546	594
Acquisition of net assets with donor restrictions	11,198	3,963
Transfer of net assets	611	-
Increase in net assets with donor restrictions	<u>17,511</u>	<u>11,426</u>
Increase in net assets	129,796	216,554
Net assets		
Beginning of year	<u>1,172,731</u>	<u>956,177</u>
End of year	<u>\$ 1,302,527</u>	<u>\$ 1,172,731</u>

The accompanying notes are an integral part of these consolidated financial statements.

The University of Vermont Health Network Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2018 and 2017

<i>(in thousands)</i>	2018	2017
Cash flows from operating activities		
Increase in net assets	\$ 129,796	\$ 216,554
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	85,531	82,786
Provision for bad debts	50,293	45,277
Contribution revenue from acquisition	(31,466)	(30,898)
Pension related adjustments	(19,542)	(52,816)
Contributions restricted for long-term use	(2,333)	(904)
Loss (gain) on disposal of property and equipment	(273)	288
Loss on interest rate swap agreements	(6,562)	(9,443)
Realized and changes in unrealized gains on investments	(27,439)	(42,261)
Undistributed gains of affiliated companies	(3,369)	(68)
Change in beneficial interest in perpetual trusts	(546)	(594)
Increase (decrease) in cash resulting from a change in		
Patient and other accounts receivable	(45,317)	(51,771)
Other current and noncurrent assets	(14,576)	(9,984)
Accounts payable and accrued expenses	(2,571)	(11,512)
Accrued payroll and related expenses	12,897	(2,348)
Other current and noncurrent liabilities	7,547	(3,505)
Estimated settlements with third-party payer settlements	(156)	9,447
Pension and other postretirement benefit obligations	(4,146)	13,378
Net cash provided by operating activities	<u>127,768</u>	<u>151,626</u>
Cash flows from investing activities		
Purchases of property and equipment	(166,379)	(107,567)
Proceeds from sale of property and equipment	302	140
Purchase of investments	(119,093)	(911,360)
Proceeds from sale of investments	137,318	838,477
Use of bond proceeds deposited with trustees	-	2,424
Payments for acquisition, net of cash acquired	(4,927)	18,714
Net cash used in investing activities	<u>(152,779)</u>	<u>(159,172)</u>
Cash flows from financing activities		
Proceeds from restricted contributions & restricted investment income	2,333	904
Payments on long-term debt	(28,813)	(74,502)
Proceeds from debt issuance	40,313	101,544
Payment of debt issuance costs	(18)	(626)
Borrowings on line of credit	11,033	15,471
Repayments on line of credit	(17,449)	(13,966)
Net cash provided by financing activities	<u>7,399</u>	<u>28,825</u>
Net (decrease) increase in cash and cash equivalents	(17,612)	21,279
Cash and cash equivalents		
Beginning of year	<u>264,293</u>	<u>243,014</u>
End of year	<u>\$ 246,681</u>	<u>\$ 264,293</u>
Supplemental cash flow information		
Contribution from acquisitions, net of cash paid/acquired	\$ 29,086	\$ 12,184
Cash paid during the year for interest	18,401	18,631
Capital expenditures included in accounts payable	18,969	16,176
Assets acquired under capital lease	236	3,606

The accompanying notes are an integral part of these consolidated financial statements.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2018 and 2017

1. Organization

The University of Vermont Health Network Inc. (“UVM Health Network”), is a non-profit, tax-exempt Vermont corporation and the sole corporate member of University of Vermont Medical Center, Inc., University of Vermont Health Network Medical Group, Inc., University of Vermont Health Network - Central Vermont Medical Center, Inc., University of Vermont Health Network - Porter Medical Center, Inc., University of Vermont Health Network – Champlain Valley Physicians Hospital Medical Center, University of Vermont Health Network – Elizabethtown Community Hospital, University of Vermont Health Network – Alice Hyde Medical Center, Community Providers, Inc., UVM Health Network Health Ventures, Inc., and University of Vermont Health Network – Home Health & Hospice. UVM Health Network’s purpose is to establish an integrated regional health care system for the development of a highly coordinated health care network to improve the quality, increase the efficiencies, and lower the costs of health care delivery in the regions it serves.

The University of Vermont Medical Center, Inc. (“UVM Medical Center”) is a tertiary care teaching hospital that, in affiliation with The University of Vermont (“UVM”), serves as Vermont’s academic medical center. As a regional referral center, UVM Medical Center provides advanced level care throughout Vermont and Northern New York, with a full time emergency department which is also certified as a Level 1 Trauma Center. It is UVM Medical Center’s mission to improve the health of the people in the communities that it serves by integrating patient care, education, and research in a caring environment. As a charitable organization, UVM Medical Center lives its mission through a number of community benefit programs, many done in collaborative partnership with other community based organizations. These include, but are not limited to, community wellness programs, education, direct grants, free access to a community health resource center, direct financial assistance to patients, and other subsidized programs.

UVM Medical Center is the sole member of the following subsidiaries: University of Vermont Health Network Specialty Care Transport, LLC; University of Vermont Medical Center Skilled Nursing, LLC; University of Vermont Medical Center Foundation, Inc.; University of Vermont Medical Center Executive Services, LLC; and VMC Indemnity Company Ltd. (“VMCIC”). The following entities are partly owned or controlled by UVM Medical Center: Medical Education Center Condominium Association, Inc.; Copley Woodlands, Inc.; University of Vermont Health Network Medical Group – New York, PLLC; and OneCare Vermont Accountable Care Organization, LLC (“OCV”).

OCV is a 50/50 joint venture between UVM Medical Center and Dartmouth Hitchcock Health and a statewide accountable care organization that comprises an extensive network of providers across the full continuum of care, including hospitals in Vermont and New Hampshire, hundreds of primary and specialty care physicians, federally qualified health centers, designated agencies for mental health and substance use, skilled nursing facilities, home health agencies, and area agencies on aging.

The University of Vermont Health Network Medical Group, Inc., (“UVMHN Medical Group”) is organized to serve as the governing organization for physicians who are employed to provide clinical services to affiliated, member hospitals of the UVM Health Network. The purpose of the UVMHN Medical Group is to advance the clinical care, education, and training missions of UVM Health Network and its affiliated member hospitals and the education, training, and research missions of the University of Vermont College of Medicine.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

The University of Vermont Health Network - Central Vermont Medical Center, Inc. ("CVMC") provides health care services under three distinct business units: Central Vermont Hospital, Woodridge Rehabilitation and Nursing ("Woodridge"), and Central Vermont Medical Group Practice. CVMC works collaboratively to meet the needs and improve the health of the residents of central Vermont. CVMC's hospital provides 24-hour emergency care and has a full spectrum of inpatient and outpatient services.

The University of Vermont Health Network – Porter Medical Center, Inc. ("PMC") was organized in 1986 to serve as a parent holding company for three subsidiaries: Porter Hospital, Inc. ("Porter Hospital"), Helen Porter Nursing Home, Inc. ("HPNH") and Porter Real Estate Holdings, LLC ("PREH"). Porter Hospital operates a 25-bed not-for-profit critical access hospital. HPNH operates a 105-bed not-for-profit long-term community oriented skilled healthcare and rehabilitation center. PREH is a single-member LLC real estate holding company that is owned 100% by PMC. All of these companies are Vermont corporations and operate out of facilities in Middlebury, Vermont.

The University of Vermont Health Network – Community Providers, Inc. ("CPI"), includes Mediquest Corp., Emergency Medical Transport of CVPH, Inc., Lake Champlain Physician Services, P.C. ("LCPS"), and Champlain Valley Health Network, Inc. ("CVHN").

The University of Vermont Health Network – Champlain Valley Physicians Hospital Medical Center ("CVPH") is the sole member of CVPH Foundation, Inc. ("Foundation"), Champlain Valley Open MRI, LLC, and Valcour Imaging, Inc., and is a member in Adirondack Accountable Care Organization, LLC ("ADK ACO"). CVPH is part of a six-hospital network serving patients and their families in northern New York and Vermont.

The University of Vermont Health Network – Alice Hyde Medical Center ("AHMC") is a not-for-profit corporation, incorporated in the State of New York, located in Malone, New York. The Medical Center operates 76 acute care beds, 135 nursing facility beds and 30 resident assisted living program in addition to providing emergency and outpatient services.

The University of Vermont Health Network – Elizabethtown Community Hospital ("ECH"), located in Elizabethtown, Essex County, New York, is a 25-bed hospital designated by Medicare and Medicaid as a Critical Access Hospital. The Hospital provides inpatient, outpatient, and emergency care services for residents in Essex County and admitting physicians are primarily practitioners in the local area. Effective April 10, 2018, certain assets and liabilities of Moses - Ludington Hospital, a 15 – bed critical access hospital and real property of Moses – Ludington Nursing Home Company, Inc. both located in Ticonderoga, New York were acquired by ECH. In connection with this transaction, ECH acquired net assets of \$8,900,000 in exchange for \$7,300,000 of cash, resulting in an inherent contribution of \$1,600,000, including \$336,000 of net assets with donor restrictions.

The University of Vermont Health Network – Home Health & Hospice, Inc., ("HH&H"), is a non-profit corporation organized in Vermont. The primary purpose is to provide home care services to residents of Chittenden and Grand Isle Counties.

The UVM Health Network Ventures is a for profit holdings company that holds the various, for profit investment activities of the UVM Health Network.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements have been prepared on the accrual basis of accounting and include the accounts of UVM Health Network and its subsidiaries for which it controls or serves as the sole corporate member. Intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowances for doubtful accounts and contractual allowances, receivables and accruals for estimated settlements with third-party payers, contingencies, self-insurance program liabilities, accrued medical claims, pension and postretirement costs, and the valuation of investments and interest rate swaps. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less when purchased, excluding amounts classified as assets whose use is limited or restricted.

Most of UVM Health Network's banking activity, including cash and cash equivalents, is maintained with multiple regional banks and cash deposits exceed federal insurance limits. It is UVM Health Network's policy to monitor these banks' financial strength on an ongoing basis.

Inventories

Inventories are stated using the lesser of average cost or fair value.

Prepaid and Other Current Assets

Prepaid and other current assets include miscellaneous nontrade receivables and prepaid expenses primarily related to software maintenance and other contracts.

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted primarily include board-designated assets, assets held by trustees under indenture agreements, donor-restricted assets, and restricted assets which are held for insurance-related liabilities. Board-designated assets may be used at the Board's discretion. A significant portion of the assets are made up of investments.

Investments and Investment Income

During fiscal 2018, the UVM Health Network, excluding HH&H and PMC, consolidated all non-pension investment assets into a pooled/unitized structure to gain efficiencies in managing the various investment portfolios, simplify the trading process, and reduce trading and investment manager fees. Assets were separated into five asset class pools: cash, domestic equity, international equity, fixed income and liquid alternative investments. Each participating entity owns a percentage share of each asset class pool depending on its unique asset allocation. Trading is executed at the asset class pool level and allocated down to each investment portfolio based on their pro-rata ownership of each pool. Fair value of the asset class pools is determined by aggregating the fair value of the underlying investments within each pool.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Investments in equity securities and mutual funds with readily determinable fair values and all investments in debt securities are recorded at fair value. Investments for which a fair value is not readily determinable, including investments in hedge funds, are either recorded at cost or at their reported fair value based on information provided by the fund manager, and are reviewed for reasonableness by management. Investment income or loss (including realized gains and losses on investments, interest, and dividends), to the extent not capitalized, is included in nonoperating gains (losses), unless the income or gain (loss) is restricted by donor or law. Realized gains or losses on the sale of investments are determined by use of average costs. Unrealized gains and losses on investments carried at fair value are excluded from the excess of revenue over expenses and reported as an increase or decrease in net assets. Declines in fair value that are judged to be other-than-temporary are reported as realized losses.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

UVM Health Network reviews its investments to identify those for which fair value is below cost. UVM Health Network then makes a determination as to whether the investment should be considered other-than-temporarily impaired. UVM Health Network recognized \$8,849,000 and \$0 in losses related to declines in value that were other-than-temporary in nature for the years ended September 30, 2018 and 2017, respectively, which is included as an offset to investment income in the statement of operations.

Property and Equipment

Property and equipment acquisitions are recorded at cost or, in the case of gifts, at fair market value at the date of the gift. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Equipment under capital lease obligations is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the consolidated financial statements.

Depreciation is calculated using the following estimated useful lives:

Land improvements	2 – 25 years
Leasehold improvements	2 – 30 years
Building and improvements	5 – 40 years
Equipment, furniture, and fixtures	3 – 30 years

Gifts of long-lived assets, such as land, buildings, or equipment, are reported as support without donor restrictions and are excluded from the excess of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, expiration of donor restrictions is reported when the donated or acquired long-lived assets are placed in service.

Impairment of Long-Lived Assets

Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value, less costs to sell.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Costs of Borrowing

Interest cost incurred on borrowed funds during the period of construction of capital assets, net of investment income on borrowed assets held by trustees, is capitalized as a component of the cost of acquiring those assets. Approximately \$4,661,000 and \$4,297,000 of interest was capitalized during the years ended September 30, 2018 and 2017, respectively. Net deferred financing costs totaled \$2,720,000 and \$2,495,000 at September 30, 2018 and 2017, respectively. Such amounts are reported as an offset to long term debt and are amortized over the period the related obligations are outstanding using the effective interest method. Accumulated amortization of deferred financing costs totaled \$1,076,000 and \$851,000 at September 30, 2018 and 2017, respectively.

Net Assets with Donor Restriction

Net assets with donor restrictions include those whose use by UVM Health Network has been restricted by donors or law for a specific purpose, time period or both, either temporarily or in perpetuity.

Consolidated Statement of Operations

For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as revenue and other support and expenses without donor restrictions. Peripheral or incidental transactions are reported as nonoperating gains (losses).

UVM Health Network's measure of operations as presented in the consolidated statements of operations includes revenue from health care services, pharmacy revenue, grants and contracts, the allocation of endowment spending for operations and other revenues. Operating expenses are reported on the consolidated statement of activities by natural classification.

Excess of Revenue over Expenses

The consolidated statements of operations include the excess of revenue over expenses. Changes in net assets without donor restrictions which are excluded from the excess of revenue over expenses, consistent with industry practice, primarily include unrealized gains and losses on investments (other than those on which other-than-temporary losses are recognized), contributions of long-lived assets (including assets acquired using contributions restricted by donors for acquiring such assets) and pension related adjustments.

Net Patient Service Revenue and Fixed Prospective Payment Revenue

Net patient service revenue is reported at the estimated net realizable amounts due from patients and third-party payers for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Under the terms of various agreements, regulations, and statutes, certain elements of third-party reimbursement are subject to negotiation, audit, and/or final determination by the third-party payers. In addition, laws and regulations governing Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Differences between amounts previously estimated for retroactive adjustments and amounts subsequently determined to be recoverable or payable are included in net patient service revenue in the year that such amounts become known. Changes in prior-year estimates increased (decreased) net patient service revenue by approximately \$7,556,000 and (\$2,832,000) in the years ended September 30, 2018 and 2017, respectively.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Beginning January 1, 2017, UVM Medical Center, CVMC and PMC began to receive monthly fixed prospective payments for services provided by hospitals (and hospital-owned practices) participating in the Vermont Medicaid Next Generation Accountable Care Organization (“ACO”) Pilot Program. As of January 1, 2018, the same entities entered into participation agreements with OCV for the Medicare Next Generation ACO, the Vermont Medicaid Next Generation ACO, and the Commercial Blue Cross Blue Shield of Vermont (“BCBS”) ACO programs; all three programs encompass services provided by hospitals (and hospital-owned practices) participating in the ACO arrangement. The Medicare and Medicaid programs provide for a monthly, per member payment received in advance of the services being performed and recognized as revenue in the month to which it relates. The BCBS program pays fee for service and provides for a reconciliation process at the end of the fiscal year. The revenues for the Medicare and Medicaid programs are recorded on the fixed prospective payment line on the statement of operations. Fee-for-service payments continue for all other non-hospital providers in the ACO, for all providers who are not a part of the ACO, and for all services that are not included in the fixed prospective payment. The ACO is responsible for both the cost and quality of care for each attributed member. This is true whether that person uses little or no care or whether they require services consistently throughout the year. UVM Medical Center, CVMC and PMC recognize their share of annual contract settlements as an increase or decrease to fixed prospective revenue.

CVPH, through the Adirondack Regional Medical Home Pilot, which was established as a joint venture initiative of medical providers and public and private insurers to transform healthcare deliver in the rural, upstate New York region, receives monthly fixed prospective payments for the provision of care management services. This is a monthly, per member payment received in advance of the services being performed and recognized as revenue in the month to which it relates.

UVM Health Network has agreements with third-party payers that provide for payments to UVM Health Network at amounts different from its established rates. A summary of the payment arrangements with major third-party payers both Fee For Service (“FFS”) and Fixed Prospective Payments (“FPP”), is as follows:

Medicare

Inpatient acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient rehabilitation services are paid based on a prospective per discharge methodology. These rates vary according to a patient classification system based upon services provided, the patient’s level of functionality and other factors. Outpatient services are paid based upon a prospective standard rate for procedures performed or services rendered. UVM Health Network is reimbursed for cost-reimbursable items at tentative rates, with final settlement determined after submission of annual cost reports by UVM Health Network and audits thereof by the Medicare Audit Contractor (“MAC”). Medicare reimbursement for professional billings is determined by a standard fee schedule that is determined by the Centers for Medicare and Medicaid Services of the U.S. Department of Health and Human Services. The percentage of net patient service revenue and FPP revenue derived from the Medicare program was approximately 34% (28% FFS and 6% FPP) and 33% (33% FFS and 0% FPP) in the years ended September 30, 2018 and 2017, respectively.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2018 and 2017

Medicaid

Inpatient services rendered to Vermont Medicaid program beneficiaries are paid at prospectively determined rates per discharge. As with Medicare, reimbursement is based on a diagnosis-related group (“DRG”) system that is based on clinical, diagnostic, and other factors. In Vermont, additional reimbursement for inpatient rehabilitation and neonatal cases is paid through a per diem add-on. In Vermont, additional reimbursement for inpatient psychiatric cases is based on a per diem rate calculation, including adjustments for diagnostic factors and length of stay. Outpatient services rendered to Vermont Medicaid beneficiaries are paid based upon a prospective standard rate. Certain laboratory, mammography, therapy, and dialysis services are paid on a fee schedule. Outpatient services rendered to New York Medicaid beneficiaries are paid under an Ambulatory Patient Group (“APG”). Ancillaries (i.e. lab) ordered by an Article 28 provider get bundled into the clinic visit and are paid under an APG. Medicaid reimbursement for professional services is determined by a standard fee schedule. The Medicaid program accounts for approximately 12% (10% FFS and 2% FPP) and 9% (8% FFS and 1% FPP) of UVM Health Network’s net patient service revenue and FPP revenue for the years ended September 30, 2018 and 2017, respectively.

Managed Care and Commercial Insurers

Services rendered to patients with commercial insurance are generally reimbursed at standard charges, less a negotiated discount or according to DRG or negotiated fee schedules. Approximately 47% (47% FFS and 0% FPP) and 50% (49% FFS and 1% FPP) of UVM Health Network’s net patient service and FPP revenue were derived from contracted insurers in the years ended September 30, 2018 and 2017. Approximately 8% of UVM Health Network’s net patient service revenue and FPP revenue were derived from non-contracted insurers in the years ended September 30, 2018 and 2017, respectively.

Enhanced Medicaid Graduate Medical Education Revenues (Hospital and Professional)

Under an Amendment to the Vermont State Medicaid Plan TN#11-019 (the “State Plan Amendment”), UVM Medical Center received increased Vermont Medicaid payments to support graduate medical education (“GME”) beginning in fiscal year 2013. The State Plan Amendment provided for enhanced Medicaid payments of GME through two funding mechanisms: (1) payments to “qualified teaching hospitals” and (2) payments to “qualified teaching physicians.” Under the definitions contained in the State Plan Amendment, UVM Medical Center is a qualified teaching hospital and physicians employed by UVM Medical Group are qualified teaching physicians.

The nonfederal source of these payments was provided by payments from UVM from its governmental appropriations from the State of Vermont (“the State”). UVM has entered into a contract with the State to provide annual amounts during the State’s fiscal year as the nonfederal share of GME payments for that year. UVM Medical Center expects that UVM will enter into similar contracts for subsequent years, though there is no assurance of this. UVM Medical Center entered into a contract with the State, by which UVM Medical Center agrees to assess and monitor program benefits to Medicaid beneficiaries and to report to the State annually on its performance on certain quality measures and improvement focus areas for Medicaid beneficiaries pertaining to UVM Medical Center’s GME programs, and the State agrees to provide GME payments to UVM Medical Center during the State fiscal year. UVM Medical Center expects to enter into similar contracts with the State for future years, but these are subject to continued funding by UVM of the nonfederal source. The State, UVM Medical Center and UVM have also entered into a Memorandum of Understanding (“MOU”), dated July 1, 2017 through June 31, 2021 that describes the State Plan Amendment and these funding arrangements.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

UVM Medical Center recognized enhanced GME revenue under the State Plan Amendment totaling \$30,000,000 and \$29,445,000 for the fiscal years ended September 30, 2018 and 2017, respectively. Under the MOU, both UVM and the State retain the right to discontinue GME payments at any time in the future.

Premium Revenue

Premium revenue consists primarily of payer incentives.

Outpatient and Specialty Pharmacy Revenue

Pharmacy revenue consists of sales of pharmaceuticals and related products, including 340b revenue.

Other Revenue

Other revenue consists primarily of research revenue, non-patient related contract revenues, cafeteria sales, parking garage income, net assets released from restrictions used for operations, and rental income.

Research Grants and Contracts

Revenue related to research grants and contracts is recognized as the related costs are incurred. Research grants and contracts are accounted for as exchange transactions. Amounts received in advance of incurring the related expenditures are recorded as unexpended research grants and are included within accrued expenses and other liabilities. Amounts expended in advance of the receipt of funding are included within patient and other trade accounts receivable.

Reserves for Outstanding Losses and Loss-Related Expenses for Malpractice and Workers' Compensation Claims

The liabilities for outstanding losses and loss-related expenses and the related provision for losses and loss-related expenses include estimates for malpractice losses incurred but not reported, losses pending settlement, as well as for workers' compensation claims and underwriting expenses. Such liabilities are not necessarily based on estimates and, while management believes the amounts provided are adequate, the ultimate liabilities may be in excess of or less than the amounts provided. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The methods for making such estimates and the resulting liabilities are actuarially reviewed on an annual basis and any adjustments required are reflected in estimated incurred but not reported medical claims.

Income Taxes

Entities within the UVM Health Network, with the exception of entities specifically named below, are incorporated and recognized by the Internal Revenue Service ("IRS") as tax-exempt under Section 501(c)(3) of the Internal Revenue Code (the "Code"). Accordingly, the IRS has determined that these organizations are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. UVM Health Network Specialty Care Transport, UVM Medical Center Executive Services, and UVM Medical Center Skilled Nursing are single-member limited liability corporations. As such, for tax purposes, these organizations are treated as divisions of UVM Medical Center. OCV and ADK ACO are limited liability companies and treated for tax purposes as partnerships. Earnings and losses are passed through to the owners, which are tax-exempt, and are treated in the same manner for tax purposes. No provision for federal income taxes has been recorded in the accompanying consolidated financial statements for these organizations.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

For tax years beginning after December 31, 2017, the Tax Cuts & Jobs Act provided for an excise tax on the sum of remuneration in excess of one million dollars paid to a covered employee, and an unrelated business income tax on the value of certain qualified transportation fringe benefits. The tax provisions and related liabilities for these items are not material to the consolidated financial statements.

University of Vermont Health Network Health Ventures, VMCIIC, Mediquest and CVHN are for-profit subsidiaries subject to federal and state taxation. The tax provisions and related tax assets and liabilities for these entities are not material to the consolidated financial statements.

UVM Health Network accounts for recognition and measurement of uncertain tax positions in accordance with Accounting Standards Codification (ASC) 740 *Income Taxes*, which addresses how to account for and report the effects of taxes based on income. No provision for uncertain tax positions is recorded in the accompanying consolidated financial statements.

VMCIIC is currently not a taxable entity under the provisions of the territory of Bermuda and, accordingly, no provision for taxes has been recorded by VMCIIC. In the event that such taxes are levied, VMCIIC has received an undertaking from the Bermuda Government exempting it from all such taxes until March 31, 2035.

Asset Retirement Obligations

UVM Health Network recognizes a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. Uncertainty about the timing and/or method of settlement of a conditional asset retirement obligation is factored into the measurement of the liability when sufficient information exists. The types of asset retirement obligations that UVM Health Network considers are those for which it has a legal obligation to perform an asset retirement activity, however, the timing and/or method of settling the obligation are conditional on a future event that may or may not be within its control. The fair value of a liability for the legal obligation associated with an asset retirement is recorded in the period in which the obligation is incurred. When the liability is initially recorded, the cost of the asset retirement is capitalized.

The estimated future undiscounted value of the asset retirement obligation is approximately \$3,753,000 and \$4,153,000 at September 30, 2018 and 2017, respectively, substantially all of which relates to the estimated costs to remove asbestos that is contained within UVM Health Network's facilities. The initial asset retirement obligation was calculated using discount rates of 2.0%-6.0%. The recorded asset retirement obligation at September 30, 2018 and 2017 was approximately \$2,543,000 and \$2,555,000, respectively.

Defined Benefit Pension and Other Postretirement Benefit Plans

UVM Health Network recognizes the overfunded or underfunded status of its defined benefit pension and other postretirement benefit plans (collectively, "postretirement benefit plans") in the consolidated balance sheets. Changes in the funded status of the plans are reported in the year in which the changes occur as a change in net assets without donor restrictions presented below the excess of revenue over expenses in the consolidated statements of operations and changes in net assets.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (also referred to as an “exit price”). A fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. In determining fair value, the use of various valuation approaches, including market, income, and cost approaches, is permitted.

GAAP establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity’s own assumption about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

UVM Health Network uses the following fair value hierarchy to present its fair value disclosures:

- Level 1 Quoted (unadjusted) prices for identical assets or liabilities in active markets. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 Other observable inputs, either directly or indirectly, including:
- Quoted prices for identical or similar assets in non-active markets (few transactions, limited information, noncurrent prices, high variability over time).
 - Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates).
 - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 Pricing inputs are generally unobservable for the assets or liabilities and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require management’s judgment or estimation of assumptions that market participants would use in pricing the assets or liabilities.

Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the above fair value hierarchy.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Equities, Mutual Funds, Money Market Funds, and Real Estate Investment Trusts

The fair values of equities, mutual funds, money market funds, and real estate investment trusts are based on quoted market prices and are categorized as Level 1 or Level 2 based on the nature of the inputs.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Debt Securities

The estimated fair values of debt securities are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices. The marketable debt securities classified as Level 1 are classified based on quoted prices of the actual debt instruments in active markets. The marketable debt securities classified as Level 2 are classified as such due to the usage of observable market prices for similar securities that are traded in less active markets or when observable market prices for identical securities are not available. Marketable debt instruments are priced using: nonbinding market consensus prices that are corroborated with observable market data; quoted market prices for similar instruments; or pricing models, such as a discounted cash flow model, with all significant inputs derived from or corroborated with observable market data. These Level 2 debt securities primarily include corporate bonds, notes and other debt securities.

Beneficial Interest in Perpetual Trusts

The estimated fair values of UVM Health Network's beneficial interests in perpetual trusts are determined based upon information provided by the trustees. Such information is generally based on the pro rata interest in the net assets of the underlying investments. The assets held in trust consist primarily of cash equivalents and marketable securities. The fair values of the perpetual trusts are measured using the fair value of the assets contributed to the trusts, and therefore are categorized as level 3.

Hedge Funds

The fair values of investments in hedge funds were primarily determined using the calculated net asset value ("NAV"). The hedge funds include investments in funds that invest primarily in securities whose underlying values are based on Level 1 inputs. The fund managers receive prices from nationally recognized pricing services based on observable market transactions. Certain of the underlying securities held by the funds are listed on recognized securities exchanges and valued at the closing price as is customarily ascertained by the respective exchange.

Investments at Middlebury College

PMC has investments held with Middlebury College. These investments are considered Level 3 as the fair value is based on PMC's share of the quoted market prices of the underlying assets of the Middlebury pooled funds and beneficial trusts or of similar securities, as provided by the respective custodians.

Interest Rate Swap Agreements

Interest rate swap agreements are valued at the present value of the estimated series of cash flows resulting from the exchange of fixed rate payments for floating rate payments from the counterparty over the remaining life of the contract from the balance sheet date. Each floating rate payment is calculated based on forward market rates at the valuation date for each respective payment date. The valuation based on the estimated series of cash flows is obtained from third parties and assessed by management for reasonableness. Because the inputs used to value the contract can generally be corroborated by market data, the fair value is categorized as Level 2.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Provider Tax Payments

The states of Vermont and New York operate provider tax programs related to certain patient services revenues and operating cash receipts, respectively, collectively referred to as provider tax expenses. UVM Health Network recorded provider tax expenses of approximately \$88,944,000 and \$82,939,000 for the years ended September 30, 2018 and 2017, respectively. UVM Health Network recorded provider tax liabilities of \$0 and \$337,000 at September 30, 2018 and 2017, respectively, which are included in current portion of third party payer settlements in the accompanying consolidated balance sheets.

Revision of 2017 Statement of Operations for Prior Period Error

The 2017 consolidated statement of operations has been revised from the previous presentation in the UVM Health Network's 2017 consolidated financial statements to correctly present \$80,380,000 of provider tax expenses as an operating expense. This amount excludes provider tax expense of \$2,559,000 related to PMC that was reported in operating expenses in 2017. Previously, this item had been presented in error as an offset to net patient service revenue. The UVM Health Network has concluded that this revision did not have a material impact to the prior period financial statements.

3. New Accounting Guidance

On October 1, 2017, UVM Health Network early adopted ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*, which made targeted changes to the not-for-profit financial reporting model and applied these changes retroactively. The new ASU marks the completion of the first phase of a larger project aimed at improving not-for profit financial reporting. Under the new ASU, net asset reporting has been streamlined and clarified. The existing three category classification of net assets has been replaced with a simplified model that combines temporarily restricted and permanently restricted into a single category called "net assets with donor restrictions." The guidance for classifying deficiencies in endowment funds and on accounting for the lapsing of restrictions on gifts to acquire property, plant, and equipment have also been simplified and clarified. New disclosures have been incorporated to highlight restrictions on the use of resources that make otherwise liquid assets unavailable for meeting near-term financial requirements (Note 4). The ASU also imposes several new requirements related to reporting expenses (Note 18). As a result of early adopting this standard, certain prior year amounts were reclassified to conform to the presentation requirements.

A summary of the net asset reclassifications resulting from the adoption of ASU 2016-14 on the previously issued September 30, 2017 consolidated financial statements is as follows:

<i>(in thousands)</i>	Without donor restrictions	With donor restrictions	Total Net Assets
Net Assets Classifications			
As previously presented:			
Unrestricted	\$ 1,083,350	\$ -	\$ 1,083,350
Temporarily restricted	-	50,938	50,938
Permanently restricted	-	38,443	38,443
Net assets as reclassified	<u>\$ 1,083,350</u>	<u>\$ 89,381</u>	<u>\$ 1,172,731</u>

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

In May 2014, the FASB issued ASU 2014-09 *Revenue from Contracts with Customers*. This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard is effective for fiscal years beginning after December 15, 2017. UVM Health Network is evaluating the impact this will have on the consolidated financial statements upon adoption in fiscal year 2019.

In September 2015, the FASB issued ASU No. 2015-16 *Simplifying the Accounting for Measurement-Period Adjustments* which is applicable to organizations that have had an acquisition and the accounting for which is not complete at the end of the reporting period and an adjustment was made in the next reporting period. The updated guidance requires an organization to present separately on the face of the statement of operations or disclose in the notes, the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if an adjustment to the provisional amounts had been recognized. The revised guidance is effective for fiscal year 2018. The adoption of this guidance did not have a material impact on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*, which, requires a lessee to recognize a right-of-use asset and a lease liability for most leases, initially measured at the present value of the lease payments, in its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The ASU is effective for fiscal years beginning after December 15, 2018, or fiscal year 2020 for UVM Health Network. Early adoption is permitted. The UVM Health Network is evaluating the impact of the new guidance on the consolidated financial statements upon adoption in fiscal year 2020.

In March 2017, the FASB issued ASU 2017-07, *Compensation – Retirement Benefits (Topic 705): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. This guidance requires the service cost component of net periodic benefit cost for pension and other postretirement benefits to be presented as a component part of employee benefit expense. The other components of net periodic benefit cost, such as interest, expected return on plan assets, and amortization of other actuarially determined amounts, are required to be presented as a nonoperating change in net assets without restrictions. The ASU is effective for fiscal years beginning after December 15, 2018, or fiscal year 2020 for UVM Health Network. Early adoption is permitted. The UVM Health Network is evaluating the impact of the new guidance on the consolidated financial statements upon adoption in fiscal year 2020.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new standard applies to all entities that receive or make contributions. The guidance clarifies the definition of transactions accounted for as an exchange transaction subject to ASU 2014-09 or other applicable guidance, and transactions that should be accounted for as contributions (non-exchange) subject to the contribution accounting model. Further, the guidance provides criteria for evaluating whether contributions are unconditional or conditional. Conditional contributions must specify a barrier that the recipient must overcome and a right of return that releases the donor from its obligation if the barrier is not achieved, otherwise the contribution is unconditional. This ASU is

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

applicable for annual periods beginning after September 30, 2018 and thus fiscal year 2019 for UVM Health Network. The UVM Health Network is evaluating the impact of the new guidance on the consolidated financial statements upon adoption in fiscal year 2019.

4. Financial Assets and Liquidity Resources

As of September 30, 2018 and 2017, respectively, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, consisted of the following:

<i>(in thousands)</i>	2018	2017
Liquidity and Availability:		
Cash and cash equivalents	\$ 246,681	\$ 264,293
Short-term investments	32,932	28,910
Current portion of assets whose use is limited or restricted	54,523	93,349
Patient and other trade accounts receivable, net	<u>237,633</u>	<u>238,902</u>
Financial assets available at year end for current use	<u>\$ 571,769</u>	<u>\$ 625,454</u>

The UVM Health Network's endowment funds consist of donor-restricted funds. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure.

To manage liquidity, UVM Health Network maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, CDs, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to the UVM Health Network. Short-term investments without donor restriction are also utilized to generate a higher yield on balances versus cash and cash equivalents, and to provide the UVM Health Network with an additional layer of liquidity for daily operations if needed. As of September 30, 2018 and 2017, the balances held in cash and cash equivalents and short-term investments were \$279,613,000, and \$293,203,000, respectively. The UVM Health Network also maintains a line of credit in the amount of \$20,000,000 for use by UVM Health Network entities that are part of the UVM Medical Center Obligated Group. As of September 30, 2018 and 2017, the amount outstanding under this line of credit was \$4,550,000 and \$0, respectively. Additionally, CPI has a line of credit of \$3,000,000 and AHMC has a line of credit of \$1,500,000 and no amounts were outstanding at September 30, 2018 on either of these lines. Each of these lines of credit can be used to support short-term cash and/or working capital needs. In addition, the UVM Health Network has Board-designated assets without donor restriction that can be utilized at the discretion of management to help fund both operational needs and/or capital projects. As of September 30, 2018 and 2017, the balance in Board-designated assets were \$656,229,000 and \$614,890,000 respectively.

5. University of Vermont Health Network – Home Health & Hospice, Inc. Affiliation

On January 1, 2018, UVM Health Network entered into an affiliation agreement whereby UVM Health Network became the sole corporate member of HH&H. HH&H is a non-profit corporation organized in Vermont. HH&H's primary purpose is to provide home care services to residents of Chittenden and Grand Isle Counties.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

No consideration was given for this transaction that was accounted for using the acquisition method of accounting, which requires all the assets and liabilities of HH&H to be revalued at fair value as of the acquisition date. In connection with the acquisition, UVM Health Network received an inherent contribution of \$29,881,000 reflecting the fair value of the contributed net assets of HH&H on the transaction date. There were no intangible assets recorded as a result of this transaction. Of this amount, \$19,019,000 represents net assets without donor restriction and is included as a nonoperating gain in the accompanying consolidated statement of operations. \$10,862,000 was recorded as contribution income within changes in net assets with donor restriction. The consolidated statements of operations and changes in net assets include HH&H's activities for the 9-month period January 1, 2018 to September 30, 2018, as follows:

<i>(in thousands)</i>	2018
Revenue and other support without donor restrictions	
Net patient service revenue	\$ 22,281
Less: Provision for bad debts	<u>(140)</u>
Net patient service revenue after provision for bad debts	22,141
Other revenue	<u>151</u>
Total revenue and other support without donor restrictions	<u>22,292</u>
Expenses	
Salaries, payroll taxes, and fringe benefits	18,278
Supplies and other	3,643
Purchased services	1,876
Depreciation and amortization	<u>505</u>
Total expenses	<u>24,302</u>
Loss from operations	<u>(2,010)</u>
Nonoperating gains (losses)	
Investment income	96
Other	<u>1,693</u>
Total nonoperating gains, net	<u>1,789</u>
Deficit of revenue over expenses	(221)
Net change in unrealized gains on investments	(147)
Other adjustments	<u>375</u>
Increase in net assets without donor restrictions	<u>7</u>
Changes in net assets with donor restrictions	
Gifts, grants and bequests	9
Investment income	208
Net change in unrealized (losses) on investments	(328)
Net assets released from restrictions used in operations	<u>(226)</u>
Decrease in net assets with donor restrictions	<u>(337)</u>
Decrease in net assets	<u>\$ (330)</u>

Public Disclosure Copy

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

The table below discloses the assets and liabilities at fair value as of January 1, 2018 for HH&H and the inherent contribution received from this transaction:

<i>(in thousands)</i>	2018
Assets	
Current assets	
Cash and cash equivalents	\$ 2,013
Patient and other trade accounts receivable, net	3,124
Prepaid and other current assets	<u>1,289</u>
Total current assets	6,426
Assets whose use is limited or restricted	20,023
Property and equipment, net	<u>8,148</u>
Total assets	<u>\$ 34,597</u>
Current liabilities	
Accounts payable	\$ 340
Accrued expenses and other liabilities	1,528
Accrued payroll and related benefits	<u>2,320</u>
Total current liabilities	<u>4,188</u>
Long-term liabilities	
Other	<u>528</u>
Total long-term liabilities	<u>528</u>
Total liabilities	<u>4,716</u>
Net assets	
Without donor restrictions	19,019
With donor restrictions	
Time or purpose	4,370
Perpetual	<u>6,492</u>
Total net assets	<u>29,881</u>
Total liabilities and net assets	<u>\$ 34,597</u>

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

A summary of the consolidated financial results of UVM Health Network for the years ended September 30, 2018 and 2017 as if the transaction had occurred on October 1, 2016 is as follows (unaudited):

<i>(in thousands)</i>	2018	2017
Total operating revenues	\$ 2,178,039	\$ 2,046,266
Total operating expenses	<u>2,146,540</u>	<u>1,979,708</u>
Gain from operations	31,499	66,558
Nonoperating gains	<u>34,430</u>	<u>114,741</u>
Excess of revenue over expenses	65,929	181,299
Net assets released from restriction used for capital purchases	4,607	1,118
Other adjustments	2,898	(10,332)
Pension related adjustments	19,542	52,816
Transfer of assets	<u>(266)</u>	<u>-</u>
Increase in net assets without donor restrictions	<u>\$ 92,710</u>	<u>\$ 224,901</u>

6. Charity Care and Community Service

UVM Health Network provides care to patients who meet certain criteria under its charity care policies without charge or at amounts less than its established rates. Because UVM Health Network does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

The amount of charges foregone for services and supplies furnished under UVM Health Network's charity care policy aggregated approximately \$28,677,000 and \$27,577,000 for the years ended September 30, 2018 and 2017, respectively.

Approximately \$13,169,000 and \$11,964,000 of UVM Health Network's total expenses for the years ended September 30, 2018 and 2017 arose from providing services to charity patients. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on UVM Health Network's total expenses divided by gross patient service revenue. For the years ended September 30, 2018 and 2017, respectively, UVM Health Network used \$568,000 and \$533,000 in charitable endowment earnings to help defray the costs of indigent care.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

7. Investments, including Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted at September 30, 2018 and 2017 consisted of the following:

<i>(in thousands)</i>	2018	2017
Equities	\$ 2,553	\$ 1,121
Mutual funds		
Bond funds	370,599	330,379
U.S. treasury obligation funds	-	323
International equity funds	167,387	157,562
Domestic equity funds	216,577	187,576
Real estate funds	37,005	32,791
Total mutual funds	791,568	708,631
Money market funds	11,327	54,946
U.S. Treasuries	6,060	-
Bonds and notes	14,049	15,408
Beneficial interest in perpetual trusts	18,016	17,470
Hedge funds	3,523	3,175
Investments held at Middlebury College	6,245	367
	853,341	801,118
Less: Current portion	(54,523)	(93,349)
Less: Other short term pooled investments	(20,638)	-
	<u>\$ 778,180</u>	<u>\$ 707,769</u>

Public Disclosure Copy

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

The table below summarizes the fair value measurements of the investments in certain entities that calculate net asset value per share as of September 30, 2018 and 2017.

Category of Investment	2018					
	Fair Value	Unfunded Commitments	Remaining Life, if Applicable	Redemption Terms, If Currently Eligible	Redemption Restrictions and Terms	Redemption Restrictions and Terms in Place at Year End
Hedge Funds	\$ 3,523	-	Not applicable	Ranges from 60 - 95 days notice, quarterly	100% of these funds are either not under lock or have a lock of one year or less.	None

Category of Investment	2017					
	Fair Value	Unfunded Commitments	Remaining Life, if Applicable	Redemption Terms, If Currently Eligible	Redemption Restrictions and Terms	Redemption Restrictions and Terms in Place at Year End
Hedge Funds	\$ 3,656	-	Not applicable	Ranges from 60 - 95 days notice, quarterly	100% of these funds are either not under lock or have a lock of one year or less.	None

As of and for the years ended September 30, 2018 and 2017, the fair value of the assets and change in the value of the assets measured using significant unobservable inputs (Level 3) were related to beneficial interests in perpetual trusts and investments held at Middlebury College (“College”). Distributions from the investments held at the College are to be made by a disbursement from the College to the UVM Health Network, based on the value of the fund after providing the College with thirty (30) days written notice. The investments held at the College shall thereafter be valued as of the end of the calendar month following such notice and distributed as soon as is practicable but in no event later than sixty (60) days after such notice. At least 20% of the value of the investments held at the College will be made available to the UVM Health Network within thirty (30) days of College’s receipt of the notice for a distribution up to that amount.

A roll forward of the Level 3 fair value measurements (defined above) for the years ended September 30, 2018 and 2017, is as follows:

	2018		
	Investments held at Middlebury College	Beneficial Interest in Perpetual Trusts	Total Level 3 Assets
<i>(in thousands)</i>			
Beginning of year	\$ 6,049	\$ 17,470	\$ 23,519
Change in beneficial interest in perpetual trusts	-	546	546
Realized gains	196	-	196
End of the year	\$ 6,245	\$ 18,016	\$ 24,261

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

<i>(in thousands)</i>	2017		
	Investments held at Middlebury College	Beneficial Interest in Perpetual Trusts	Total Level 3 Assets
Beginning of year	\$ -	\$ 13,445	\$ 13,445
Investments due to affiliation	6,077	3,431	9,508
Change in beneficial interest in perpetual trusts	-	594	594
Realized gains	(28)	-	(28)
End of the year	\$ 6,049	\$ 17,470	\$ 23,519

8. Property and Equipment

A summary of property and equipment at September 30, 2018 and 2017 is as follows:

<i>(in thousands)</i>	2018	2017
Land	\$ 37,347	\$ 33,320
Land improvements	24,922	24,297
Leasehold improvements	68,835	66,258
Buildings	887,503	829,444
Equipment, furniture, and fixtures	586,238	543,978
	<u>1,604,845</u>	<u>1,497,297</u>
Less: Accumulated depreciation	(901,522)	(813,696)
	<u>703,323</u>	<u>683,601</u>
Construction-in-progress	164,049	82,126
	<u>\$ 867,372</u>	<u>\$ 765,727</u>

UVM Health Network sold, traded-in or wrote off approximately \$8,006,000 and \$10,774,000 in gross property and equipment in the years ended September 30, 2018 and 2017, respectively. In conjunction with these sales, trade-ins or disposals, a gain of \$273,000 and a loss of \$288,000 were recorded in the years ended September 30, 2018 and 2017, respectively. These gains and losses are included in supplies and other expense. At September 30, 2018, UVM Health Network had commitments to purchase approximately \$125,063,000 of property and equipment, which are primarily composed of the following: \$25,591,000 related to the Inpatient Bed replacement project (the "Miller Building Project"), \$90,573,000 related to the EPIC project and \$1,807,000 related to other projects. Anticipated future cash flows related to these commitments are \$70,434,000, \$28,546,000, and \$18,991,000 for the years ending September 30, 2019, 2020 and 2021, respectively.

UVM Health Network recorded depreciation expense of \$86,841,000 and \$84,229,000 for the years ended September 30, 2018 and 2017, respectively.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

9. Long-Term Debt

Long-term debt at September 30, 2018 and 2017 consisted of the following:

<i>(in thousands)</i>	2018	2017
Vermont Educational and Health Buildings Financing Agency		
Hospital Revenue Bonds		
Series 2009A Loan, fixed rate at (5.08%), payable through 2024	\$ -	\$ 682
Series 2008A Bonds, variable rate (1.50% and 0.84% at September 2018 and 2017, respectively), payable through 2030	54,706	54,706
Series 2013A Bonds, fixed rate (2.60%), payable through 2027	27,713	28,038
Series 1996 Loan, fixed rate (3.50%), payable through 2021	4,029	5,193
Series 2015A Bonds, fixed rate (2.27%), payable through 2023	17,695	19,815
Series 2016A Bonds, fixed rate (3.00% to 5.00%), payable through 2036 (including unamortized premium of \$22,994 and \$24,204 at September 30, 2018 and 2017, respectively)	192,584	197,189
Series 2016B Bonds, fixed rate (3.13% to 5.00%), payable through 2046 (including unamortized premium of \$10,980 and \$11,370 at September 30, 2018 and 2017, respectively)	99,980	100,370
Series 2015A Bonds, fixed rate (2.85%), payable through 2025	13,866	14,495
Essex County Capital Resource Corporation		
Hospital Revenue Bonds		
Series 2011 Bonds, variable rate, (2.92% and 2.35% at September 30, 2018 and 2017, respectively), payable through 2032	4,635	4,870
Other long-term debt		
Bank of America Loan, fixed rate (2.92%), payable through 2027	42,920	47,918
KeyBank Loan, fixed rate (3.13%), payable through 2023	29,315	34,320
Series 2016A Bonds variable rate, (2.52% at September 30, 2018), payable through 2042	13,260	13,775
Series 2016B Bonds, variable rate (2.20% at September 30, 2018), payable through 2042	16,210	16,840
Community Bank Loan, fixed rate (3.38%), payable through 2027	13,716	14,253
Series 2013A variable rate bonds, 1.60% average rate for 2018, payable through 2038, (including unamortized discount of \$386K at September 30, 2018)	24,810	25,264
Capital leases, fixed rate (0.68% to 24.8%), payable through 2024	7,059	10,221
TD Bank fixed rate loan at 3.59%, interest only payment through April 2020, payable through April 2030	10,000	-
TD Bank fixed rate loan at 3.87% at September 30, 2018, payable through 2033	18,313	-
Lines of Credit	4,550	10,967
Other debt	39,211	31,395
	<u>634,572</u>	<u>630,311</u>
Less: Current portion	(29,168)	(39,368)
Less: Unamortized discount and debt issuance costs	(2,720)	(2,495)
Long-term debt	<u>\$ 602,684</u>	<u>\$ 588,448</u>

Obligated Group

UVM Medical Center, UVM Health Network, CVMC, CVPH and ECH are the members of the UVM Medical Center Obligated Group ("Obligated Group") at September 30, 2018.

The Master Trust Indenture contains provisions permitting the addition, withdrawal or consolidation of members of the Obligated Group under certain conditions. The Master Trust Indenture constitutes joint and several obligations of the members of the Obligated Group.

As of September 30, 2018 an obligated group does not exist for AHMC, HH&H, or PMC.

Series 2008A Bonds

On May 21, 2008, UVM Medical Center converted the Series 2004B auction rate bonds from 35-day variable-rate bonds to fixed-rate bonds through a mandatory tender of the bonds as provided for under the original bond agreement. The tender was financed through the reissuance of \$160,525,000 of Series 2004B bonds as tax-exempt fixed-rate bonds, and a payment of \$2,700,000 from UVM Medical Center's debt service reserve funds. The 2004B bonds were refunded in 2016 as part of the Series 2016A bond issuance.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Also on May 21, 2008, UVM Medical Center in connection with the Vermont Educational and Health Buildings Financing Agency ("VEHBFA"), issued \$54,706,000 of tax-exempt variable-rate hospital revenue bonds ("Series 2008A"), the proceeds of which were used to refund its Series 2000B bonds in the amount of \$50,000,000, pay an early termination payment in the amount of \$3,128,000 on a related interest rate swap, and pay issuance costs in the amount of \$1,577,000. The Series 2008A bonds are collateralized by an irrevocable letter of credit from a bank in the amount of \$55,334,000 (covers principal of \$54,706,000 and interest of \$629,000), which expires in 2021. The interest rate on the Series 2008A bonds is set weekly. Series 2008A bondholders have the option to put the bonds back to UVM Medical Center. Such bonds would be subject to remarketing efforts by UVM Medical Center's remarketing agent. To the extent that such remarketing efforts were unsuccessful, the nonmarketable bonds would be purchased from the proceeds of the letter of credit. Monthly payments of principal on the letter of credit borrowings would commence on the first calendar day of the first month that commences more than one year after the borrowing. Repayment in full of the letter of credit would be required by the earlier of four years from the date of the borrowing under the letter of credit or the stated expiration date, currently, April 30, 2021.

In conjunction with these transactions, the notional amount of the original swap agreement covering the 2004B bonds was reduced from \$135,000,000 to \$55,190,000 and transferred to the 2008A bonds in exchange for the payment of \$3,128,000.

UVM Medical Center and certain subsidiaries are obligated under various other revenue bonds, capital leases, and notes payable. Various trustee-held funds are required under the terms of the loan agreements. Under one of the loan agreements, a reserve fund is required only upon the failure to meet certain financial ratios. As of September 30, 2018 and 2017, no funding has been required under this agreement.

UVM Medical Center has granted a mortgage on substantially all of its property and an interest in its gross receipts, as defined in connection with the issuance of its long-term debt.

The 2008A letter of credit was not drawn upon as of September 30, 2018, and the scheduled maturities of long-term debt assume the Series 2008A bonds are not put back to the UVM Health Network Obligated Group. If the letter of credit was drawn upon, the repayment would begin one year and one day from the date of the letter of credit being drawn upon. The repayment schedule would occur over the remaining three years of the letter of credit term. The repayment of principal would be as follows: \$21,176,000 in year two, \$21,176,000 in year three and \$12,354,000 in the final year.

Series 2011 Bonds

On December 1, 2011, ECH issued Essex County Capital Resource Corporation Revenue Bonds, Series 2011 in the amount of \$6,160,000. The Series 2011 bonds were purchased by Key Bank, N.A. under a bond purchase agreement. As part of the agreement, the Series 2011 bonds are subject to mandatory redemption and are subject to optional tender by the bank for purchase by ECH at a price equal to the principal plus accrued and unpaid interest beginning on June 1, 2017. As of September 30, 2018, Key Bank informed ECH that they have no intention of tending the bonds back to ECH. The Series 2011 bonds are collateralized by a mortgage that Key Bank holds with ECH. The Series 2011 bonds carry a variable interest rate of 65% of 1-month LIBOR plus 155 basis points (2.92% at September 30, 2018) due in quarterly installments through March 1, 2032.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Series 2013A Bonds (UVM Medical Center)

The 2000A Bonds were partially refunded in 2011. The remaining \$32,550,000 balance of the initial aggregate principal amount of the Series 2000A Bonds with maturities between December 2025 and December 2027 were refunded in March 2013 and replaced with a tax-exempt direct bank private placement with TD Bank (the 2013A bonds), in the aggregate principal amount of \$29,500,000 with a final maturity date in December 2027. As part of the agreement, the series 2013A bonds are subject to an optional tender by the bank for purchase by UVM Medical Center in whole or in part, at a redemption price equal to the principal amount tendered plus accrued and unpaid interest beginning March 1, 2023 and on any date thereafter.

The Series 2013A bonds carry a fixed interest rate of 2.60%.

Series 2013A Bonds (AHMC)

In October 2013, AHMC secured \$27,375,000 in financing from the Franklin County Civic Development Corporation Tax – Exempt Variable Rate Demand Revenue Bonds, Series 2013A (2013A Revenue Bonds) to provide funding for the Skilled Nursing Home facility.

The Revenue Bonds consist of variable interest rate, term bonds, requiring annual sinking fund payments ranging from \$765,000 to \$1,645,000 through October 2037, with a \$1,715,000 principal amount maturing on October 1, 2038 to be paid at maturity. Interest rates are variable and are reset weekly by the remarketing agent. The interest rate as of September 30, 2018 was 1.60%. Interest payments are due monthly. In addition to interest to bondholders, interest is paid to HSBC Bank at a rate of 2.50% on the outstanding balance. Interest is paid to HSBC Bank quarterly. The bonds are collateralized by a direct pay letter of credit with a bank aggregating the outstanding principal amount plus 35 days interest at an assumed rate of 12% per annum for the term of the bonds. Any outstanding balance put to the letter of credit would be repaid in accordance with the payment schedule of the 2013A Revenue Bonds and must be repaid prior to the letter of credit expiring on October 1, 2019. The Revenue Bonds are administered by the provisions of a Master Trust Indenture (Indenture) between the AHMC and bond trustee.

Series 2015A Bonds (UVM Medical Center)

The remaining \$30,480,000 par of the initial aggregate principal amount of the Series 2004A Bonds, with maturities between December 2015 and December 2023, were refunded in January 2015 and replaced with a tax-exempt direct bank private placement with Key Government Finance (the 2015A bonds), in the aggregate principal amount of \$23,840,000 with a final maturity date in December 2023. Debt service reserve fund proceeds of \$6,640,000 were used to buy down the par amount of the new bonds. The Series 2015A bonds carry a fixed interest rate of 2.27%.

Series 2016A Bonds (UVM Medical Center)

The remaining \$192,965,000 par of the initial aggregate principal amount of the Series 2004B and 2007A Bonds, with maturities between December 2016 and December 2036, were advance refunded in February 2016 and replaced with a tax-exempt public bond issue (the 2016A bonds), in the aggregate principal amount of \$176,375,000 with a final maturity date in December 2036. The Series 2016A bonds carry fixed interest rates ranging between 3.00% - 5.00%. The premium on the 2016A bonds was \$27,500,000. Bond issuance costs of \$579,000 at September 30, 2018 will be amortized over the life of the loan. The 2016 refunding resulted in a loss on extinguishment of debt of \$22,320,000.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Series 2016B Bonds (UVM Medical Center)

On July 28, 2016, UVM Medical Center, in connection with the VEHBFA, issued \$89,000,000 of tax-exempt fixed rate hospital revenue bonds ("Series 2016B"), the proceeds of which are being used to partially fund the Miller Building Project on the UVM Medical Center's main campus, fund a capitalized interest account in the amount of \$12,278,224, and pay issuance costs in the amount of \$1,205,400. The Series 2016B bonds carry fixed interest rates ranging from 3.13% - 5.00%, with an average coupon of 4.54%, bonds mature on December 31, 2046. The premium on the 2016B bonds was \$12,600,000. The Series 2016B Bonds were labeled "Green Bonds" as a result of their usage to finance the Miller Building Project for which UVM Medical Center expects to obtain Silver LEED-certified status. The purpose of the "Green Bonds" label was to allow investors to invest directly in an environmentally beneficial project. However, there is no guarantee that UVM Medical Center will obtain Silver LEED-certified status.

Series 2015A Bonds (PMC)

PMC issued VEHBFA Revenue Bond Refunding Series 2015A on August 1, 2015 with a fixed rate of 2.85%, payable in monthly payments of \$69,000 for the hospital and \$17,000 for the nursing home. The bonds are collateralized by gross receipts and payable through August 2025. The indenture requires PMC to meet certain covenants annually.

Series 2016A and 2016B Bonds (CVPH)

On October 31, 2016, CVPH, through the Clinton County Capital Resource Corporation, issued \$14,255,000 of tax-exempt variable rate hospital revenue refunding bonds ("Series 2016A CVPH") and \$17,425,000 of tax-exempt variable rate hospital revenue refunding bonds ("Series 2016B CVPH"). The proceeds, along with the bond escrow funds of \$1,890,000 as of October 31, 2016, were used to refund its Series 2007A, Series 2007B and Series 2002A bonds in the amount of \$33,170,000 and debt issuance costs of \$400,000. The Series 2016A bonds are bank qualified bonds payable in annual installments ranging from \$355,000 to \$780,000, plus interest at one month LIBOR times 65% plus 115 basis points adjusted monthly through July 1, 2042. The Series 2016B bonds are bank qualified bonds, payable in annual installments ranging from \$440,000 and \$960,000, plus interest at one-month LIBOR times 70% plus 72.8 basis points adjusted monthly through July 1, 2042.

People's United Loan (UVM Medical Center)

On September 30, 2013, UVM Medical Center entered into a mortgage for property ("Holly Court") in the amount of \$9,903,000. The mortgage is payable through September 2028, and bears interest at a variable rate equal to one month LIBOR plus 105 basis points (3.16% at September 30, 2018). Concurrent with the issuance of the Holly Court mortgage, an interest rate swap was entered into whereby UVM Medical Center pays a fixed rate of 2.67% a variable rate of one month LIBOR, (see footnote 10).

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Scheduled Maturities of Long-Term Debt

As of September 30, 2018, scheduled maturities of long-term debt, not including a net unamortized premium of \$33,198,000 for the next five years and thereafter are as follows:

(in thousands)

Years Ending September 30,	
2019	\$ 29,168
2020	37,027
2021	28,894
2022	27,979
2023	29,910
Thereafter	<u>448,396</u>
	<u>\$ 601,374</u>

Loan Covenants

Under the terms of the Master Trust Indenture agreement, the Obligated Group is required to meet certain covenant requirements, as is AHMC and PMC for its respective long-term debt. In addition, the indenture provides for restrictions on, among other things, additional indebtedness and dispositions of property of the Obligated Group.

Lines of Credit

CPI has an uncollateralized line of credit in the amount of \$3,000,000 at September 30, 2018. The interest rate is set at a floating rate equal to LIBOR plus 150 basis points (3.67% at September 30, 2018). At September 30, 2018, CPI had no outstanding borrowings under the line of credit. This revolving line of credit is interest only payments with accrued interest and principal due upon maturity. The maturity date for the line of credit is July 31, 2019.

AHMC has an uncollateralized line of credit in the amount of \$1,500,000 at September 30, 2018. The interest rate is set at a floating rate equal to prime plus 100 basis points (5.75% at September 30, 2018). At September 30, 2018, AHMC had no borrowings under the line of credit. The revolving line of credit is interest only payments with accrued interest and principal due upon maturity. The maturity date for the line of credit is October 31, 2019.

As of September 30, 2018, UVM Health Network has an available line of credit in the amount of \$20,000,000, less the face value of all Letters of Credit that may be issued by the lender for the benefit of the UVM Health Network. The Line of Credit is available to each member of the Obligated Group (UVM Medical Center, UVM Health Network CVMC, CVPH and ECH). The Line of Credit is secured by a joint and several obligation of the UVM Health Network and each member of the Obligated Group. The interest rate is set at a floating rate equal to 1 Month LIBOR plus 40 basis points (2.57% at September 30, 2018) adjusting monthly. At September 30, 2018, the UVM Health Network had borrowings under the line of credit of \$4,550,000. The maturity date for the line of credit is May 10, 2020.

Guarantor

As of September 30, 2018, UVM Medical Center is the guarantor of the letter of credit at AHMC for the Series 2013A bonds and the 2018 TD Bank loan at AHMC.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

10. Interest Rate Swap Agreements

For certain variable rate debt, interest rate swap agreements are used to manage interest rate risk and hedge the risk of cash flow volatility. The table below details UVM Health Network's swap agreements. None of the swap agreements require collateral posting. Both UVM Health Network and the counterparties in the interest rate swap agreements are exposed to credit risk in the event of nonperformance or early termination of the agreements. In addition, each agreement may be terminated following the occurrence of certain events, at which time UVM Health Network or the counterparty may be required to make a termination payment to the other.

Swap	Bond Series	Notional Amount September 30 2018 (\$ in 000's)	Notional Amount September 30 2017 (\$ in 000's)	Counterparty	Expiration Date	Pay Fixed	Receive Floating
LIBOR Swap (Series B-1)	2008A	\$ 27,595	\$ 27,595	Citibank, NA	October 28, 2032	3.76 %	66.5% of LIBOR + 32bps
LIBOR Swap (Series B-2)	2008A	27,595	27,595	Citibank, NA	November 4, 2032	3.76 %	66.5% of LIBOR + 32bps
LIBOR Swap	Holly Court Loan	7,255	7,834	Bank	October 2, 2028	2.67 %	1 Month LIBOR
LIBOR Swap	Series 2007B	10,465	10,705	Key Bank	July 1, 2042	4.06 %	68.0% of LIBOR
LIBOR Swap	Series 2007A	16,545	16,905	Key Bank	July 1, 2042	4.00 %	65.0% of LIBOR
SIFMA Swap	Series 2011	4,635	4,870	Key Bank	December 1, 2021	3.24 %	65.0% of LIBOR

The fair value of interest rate swap agreements, all of which are recorded as Other long-term liabilities at September 30, is as of follows:

<i>(in thousands)</i>	2018	2017
2008A Swaps	\$ (7,394)	\$ (11,077)
Holly Court Loan	80	(277)
2006A Swap	-	-
2007B Swap	(2,366)	(3,279)
2007A Swaps	(3,754)	(5,169)
2011 Swap	(188)	(382)
	<u>\$ (13,622)</u>	<u>\$ (20,184)</u>

The effect of interest rate swap agreements on the consolidated statements of operations and changes in net assets for 2018 and 2017 are as follows:

<i>(in thousands)</i>	2018	2017
2008A Swaps	\$ 3,683	\$ 5,001
Holly Court Loan	357	485
2006A Swap	-	36
2007B Swap	913	1,429
2007A Swaps	1,415	2,261
2011 Swap	194	231
	<u>\$ 6,562</u>	<u>\$ 9,443</u>

UVM Health Network also made payments on the interest rate swap agreements of \$2,260,000 and \$3,415,000 for the years ended September 30, 2018 and 2017, which are included in interest expense on the statement of operations.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

11. Operating Leases

UVM Health Network has entered into certain operating lease agreements for the rental of building space and equipment. Rental expense, inclusive of common area maintenance charges, amounted to \$20,069,000 and \$18,917,000 for the years ended September 30, 2018 and 2017, respectively.

Minimum future lease payments required under noncancelable operating leases at September 30, 2018, were as follows:

(in thousands)

Years Ending September 30,	
2019	\$ 20,718
2020	16,521
2021	12,312
2022	8,266
2023	7,264
Thereafter	15,123
	<u>\$ 80,204</u>

12. Net Assets

Net Assets with Donor Restrictions

At September 30, 2018 and 2017, net assets with donor restrictions are available for the following purposes:

(in thousands)

	2018	2017
Indigent care	\$ 17,372	\$ 7,690
Education and research	24,751	22,158
Children's programs	6,342	5,580
Capital projects and other health care services	55,874	51,232
Long-term care services at Woodridge	2,553	2,721
	<u>\$ 106,892</u>	<u>\$ 89,381</u>

At September 30, 2018 and 2017, net assets with donor restrictions include approximately \$28,436,000 and \$23,725,000, respectively, of accumulated gains, which are subject to Board appropriation in accordance with state law.

Endowment Funds

UVM Health Network's endowment funds consist of 139 funds established for a variety of purposes. UVM Health Network does not currently have any unrestricted funds designated by the Board to function as endowment. Accordingly, for the purposes of this disclosure, endowment funds include only donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Interpretation of Relevant Law

UVM Health Network has interpreted relevant state laws for the states in which it operates as requiring realized and unrealized gains of net assets with donor restrictions to be retained in a with donor restrictions net asset classification until appropriated by the Board and expended. These state laws allow the Board to appropriate the net appreciation of net assets with donor restrictions as is prudent considering UVM Health Network's long and short-term needs, present and anticipated financial requirements, and expected total return on its investments, price level trends, and general economic conditions. In the years ended September 30, 2018 and 2017, \$1,355,000 and \$569,000, respectively, was appropriated.

As a result of this interpretation, UVM Health Network classifies net assets with donor restrictions as the original value of the gifts donated to the with donor restrictions endowment when explicit donor stipulations requiring permanent maintenance of the historical fair value are present, and (b) the original value of subsequent gifts to the with donor restrictions endowment when explicit donor stipulations requiring permanent maintenance of the historical fair value are present. The remaining portion of the donor-restricted endowment fund is comprised of accumulated gains not required to be maintained in perpetuity. These amounts are classified as with donor restrictions net assets until those amounts are appropriated for expenditure in a manner consistent with the donor's stipulations. UVM Health Network considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: duration and preservation of the fund, purposes of the donor-restricted endowment funds, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, other resources of UVM Health Network, and the investment policies of UVM Health Network.

Endowment Net Asset Composition and Changes in Endowment Net Assets

The following is a summary of the endowment net asset composition by type of fund at September 30, 2018 and 2017, and the changes therein for the years then ended:

(in thousands)

	2018
	With Donor
	restrictions
Changes in the fair value of endowment investments:	
Investment returns, net	\$ 3,064
Effect of affiliation	10,862
Appropriations of endowment assets for expenditure	(1,355)
Other	1,193
Net change in endowment investments	<u>13,764</u>
Endowment investments at:	
Beginning of year	<u>44,698</u>
End of year	<u>\$ 58,462</u>

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

<i>(in thousands)</i>	2017 With Donor restrictions
Changes in the fair value of endowment investments:	
Investment returns, net	\$ 4,032
Effect of affiliation	118
Appropriations of endowment assets for expenditure	(569)
Other	218
Net change in endowment investments	<u>3,799</u>
Endowment investments at:	
Beginning of year	<u>40,899</u>
End of year	<u>\$ 44,698</u>

Beneficial Interest in Perpetual Trusts

The above amounts exclude UVM Health Network's beneficial interest in perpetual trusts, which are not within management's investment control. Such beneficial interests totaled \$18,016,000 and \$17,470,000 at September 30, 2018 and 2017, respectively.

Charitable Remainder Trust

UVM Health Network has received an irrevocable charitable remainder trust, for which UVM Health Network does not serve as trustee. For this trust, UVM Health Network recorded its beneficial interest in those assets as contributions revenue and pledges receivable at the present value of the expected future cash inflows. Trusts are recorded at the date UVM Health Network has been notified of the trust's existence and sufficient information regarding the trust has been accumulated to form the basis for an accrual. Changes in the value of these assets are recorded in net assets with donor restrictions.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires UVM Health Network to retain as a fund of perpetual duration. The UVM Health Network has a policy that does not allow the spending from underwater endowments. At September 30, 2018 and 2017, there were no funds with deficiencies.

Investment Return Objectives and Spending Policy

UVM Health Network has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s). Under this policy, the endowment assets are invested in a manner to generate returns at least equal to and preferably greater than the consumer price index. To satisfy its return objective, UVM Health Network targets a diversified asset allocation that provides for a balanced portfolio.

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

13. Malpractice and Other Contingencies

Malpractice and Workers' Compensation

UVM Health Network is insured against malpractice losses under a claims-made insurance policy with VMCIC, its wholly owned subsidiary. VMCIC has reinsurance with commercial carriers for coverage above a self-insured per claim retainage amount of \$5,000,000, \$1,000,000, \$2,000,000 and \$2,000,000 for UVM Medical Center, CVMC, CVPH and ECH, respectively, for Professional Liability, and per claim retainage amount of \$2,000,000, \$1,000,000, \$1,000,000 and \$1,000,000 for UVM Medical Center, CVMC, CVPH and ECH, respectively, for Commercial General Liability with a \$20,000,000 aggregate for Professional Liability and \$10,000,000 for Commercial General Liability, with limits on such reinsurance. VMCIC provides claims-made coverage to certain affiliates of UVM Medical Center for periods prior to the merger that created UVM Medical Center.

UVM Health Network, excluding AHMC, PMC, and HH&H (discussed below), is also self-insured for workers' compensation claims, and maintains an excess insurance policy to limit its exposure on claims up to \$1,000,000 per occurrence in the year ended September 30, 2018, with a \$25,000,000 aggregate limit.

The workers compensation insurance policy year for AHMC is from September 1 – September 1 each year. AHMC's potential workers compensation exposure covers the period between September 1 2012, and September 30, 2018. A related liability of approximately \$1,136,000 and \$1,081,000 has been recorded as of September 30, 2018 and 2017, respectively.

PMC has a guaranteed cost policy for worker's compensation insurance. The policy year is October 1 – October 1 each year. The policy coverage is \$500,000 per employee. There is no liability recorded related to this policy.

HH&H insures its medical malpractice risks on a claims-made basis. There were no known malpractice claims outstanding at September 30, 2018, nor were there any unasserted claims or incidents which require loss accrual. HH&H intends to renew coverage on a claims-made basis and anticipates that such coverage will be available.

The reserves for outstanding losses at UVM Medical Center, CVMC, CVPH and ECH, have been discounted at a rate of 1.93% at September 30, 2018 and 2017, resulting in a decrease in the reserve for professional liability of approximately \$2,414,000 and \$2,400,000 at September 30, 2018 and 2017, respectively, and an increase (decrease) in the reserve for workers' compensation of approximately \$341,000 and (\$310,000) at September 30, 2018 and 2017, respectively.

As a result of changes in estimates of incurred events in prior years, primarily professional liability, the estimate of incurred losses increased (decreased) by approximately (\$750,000) and \$1,459,000 for the years ended September 30, 2018 and 2017, respectively.

Employee Health and Dental Insurance

UVM Medical Center, CVPH, CVMC, and PMC maintain self-insured plans for employee health insurance. Under the terms of the plans, employees and their dependents are eligible for participation and, as such, UVM Medical Center, CVPH, CVMC, and PMC are responsible for paying claims and third party administrator costs. UVM Medical Center and CVPH maintained a stop-loss insurance policy for its medical plan to limit its exposure on nondomestic claims to the first \$650,000 and \$400,000, respectively, per member per plan year ending September 30, 2018, of which, \$100,000 of each entity's exposure is covered by VMCIC. PMC maintained a stop-loss insurance policy for its medical plan to limit its exposure on all claims to the first \$175,000 per

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

member per plan year. CVMC maintains a stop loss insurance policy for its medical plan to limit its exposure on all claims to the first \$400,000 per member, per plan year ending September 30, 2018, of which, \$100,000 of each entities exposure is covered by VMCIC. In addition, UVM Medical Center, CVMC and PMC maintain self-insured plans for employee dental.

Other Contingencies

UVM Health Network and its subsidiaries are parties in various legal proceedings and potential claims arising in the ordinary course of business. In addition, the health care industry as a whole is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to government review and interpretation, as well as regulatory actions, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenue from patient services. Management does not believe that these matters will have a material adverse effect on UVM Health Network's consolidated balance sheet or results of operations.

14. Statutory Capital and Surplus

VMCIC is registered under the Bermuda Insurance Act of 1978 and related regulations (the "Act") and is obligated to comply with various provisions of the Act regarding minimum levels of solvency and liquidity. Statutory capital and surplus at September 30, 2018 and 2017, was \$35,926,000 and \$31,255,000, respectively. The required minimum statutory capital at September 30, 2018 and 2017 was \$3,531,000 and \$3,351,000, respectively. In addition, a minimum liquidity ratio must be maintained whereby liquid assets, as defined by the Act, must exceed 75% of defined liabilities. The required minimum level of liquid assets was \$26,789,000 and \$25,475,000 at September 30, 2018 and 2017, respectively. The measurement of liquid assets at September 30, 2018 and 2017 is \$71,645,000 and \$65,222,000, respectively. UVM Health Network reports all of VMCIC's investments in marketable securities as restricted assets in the accompanying consolidated balance sheets.

15. Pension Plans

Substantially all employees of UVM Health Network are covered under various noncontributory defined benefit pension plans, various defined contribution pension plans, or combinations thereof. Total expense for these plans consists of the following:

<i>(in thousands)</i>	2018	2017
Defined benefit plans	\$ 2,799	\$ 22,295
Defined contribution plans	40,254	39,032
	<u>\$ 43,053</u>	<u>\$ 61,327</u>

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Information regarding UVM Health Network benefit obligations, plan assets, funded status, expected cash flows and net periodic benefit cost for the pension plan follows within this footnote.

Benefit Obligations

<i>(in thousands)</i>	2018	2017
Changes in benefit obligations		
Projected benefit obligations - beginning of year	\$ (431,139)	\$ (491,771)
Effect of Affiliation	-	(16,699)
Service cost	(6,234)	(6,907)
Interest cost	(16,402)	(17,952)
Benefits paid	24,592	23,992
Settlements	5,039	57,359
Actuarial gain	23,547	17,943
Administrative expenses paid	2,952	2,896
Projected benefit obligation - end of year	<u>(397,645)</u>	<u>(431,139)</u>
Accumulated benefit obligation	<u>(395,074)</u>	<u>(427,629)</u>
Changes in plan assets		
Fair value of plan assets - beginning of year	341,842	369,153
Effect of Affiliation	-	10,582
Actual gain on plan assets	14,631	37,421
Contributions	10,898	8,933
Benefits paid	(24,592)	(23,992)
Settlements	(5,039)	(57,359)
Administrative expenses paid	(2,952)	(2,896)
Fair value of plan assets - end of year	<u>334,788</u>	<u>341,842</u>
Funded status of the plan (long-term)	(62,857)	(89,297)
Funded status of plans - asset	1,376	-
Funded status of plans (liability)	<u>\$ (64,233)</u>	<u>\$ (89,297)</u>

During 2017, UVM Health Network completed a retiree annuity purchase initiative as part of a de-risking strategy around its various plans. Retiree monthly benefits ranging up to \$325, \$500, and \$1,000 for CVPH, CVMC, and UVM Medical Center, respectively, were bundled into a single offering that settled the obligation for 1,655 participants. This activity, along with some lump-sum acceptances, are reported as settlements in the tables above.

The reconciliation of the unrecognized actuarial losses for the years ended September 30, 2018 and 2017 is as follows:

<i>(in thousands)</i>	2018	2017
Unrecognized actuarial losses - beginning of year	\$ 67,302	\$ 120,118
Net gain amortized during year	(2,856)	(3,735)
Settlements	-	(18,637)
Net prior service cost amortized during year	21	21
Net loss during year	(16,707)	(30,465)
Unrecognized actuarial losses - end of year	<u>\$ 47,760</u>	<u>\$ 67,302</u>

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

The cost components of the net periodic benefit cost for the years ended September 30, 2018 and 2017 are as follows:

<i>(in thousands)</i>	2018	2017
Service cost	\$ 6,234	\$ 6,907
Interest cost	16,402	17,952
Settlements	-	18,637
Expected return on plan assets	(21,492)	(24,936)
Amortization of unrecognized net loss	1,655	3,735
Net periodic benefit cost	<u>\$ 2,799</u>	<u>\$ 22,295</u>

The expected net periodic benefit cost to be recognized in fiscal year 2019 is \$2,655,000.

The assumptions used in accounting for the defined benefit pension plan are as follows:

	2018	2017
Weighted-average assumptions used to determine the benefit liability		
Discount rates	4.4 %	3.9% - 4.0%
Rates of increase in future compensation levels	3.0% - 3.5%	3.0% - 4.1%
Weighted-average assumptions used to determine expense		
Discount rates	3.9 %	3.6% - 4.1%
Rates of increase in future compensation levels	3.0% - 3.5%	3.0% - 3.5%
Expected long-term rate of return on plan assets	5.2% - 7.3%	5.7% - 7.3%

The expected long-term rate of return for the UVM Health Network Plans' total assets is based on the expected return of each of its asset categories, weighted based on the median of the allocation for each class. Equity securities are expected to return 9% to 11% over the long-term, while cash and fixed income is expected to return between 5% and 6%. Based on historical experience, UVM Health Network expects that the plans' asset managers will provide a modest (0.5% to 1.0% per annum) premium to their respective market benchmark indices.

Plan Assets

UVM Health Network's pension plans weighted-average asset allocations as of September 30, 2018 and 2017, by asset category, are as follows:

	2018	2017
Asset category		
Money market	<u>3 %</u>	<u>4 %</u>
Mutual funds		
Bond funds	37	37
U.S. treasury obligation funds	8	0
International equity funds	21	27
Domestic equity funds	28	27
Real estate funds	<u>3</u>	<u>5</u>
Total mutual funds	<u>97</u>	<u>96</u>
	<u>100 %</u>	<u>100 %</u>

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Cash Flows - Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service as appropriate, are expected to be paid:

(in thousands)

Years Ending September 30,

2019	\$	21,101
2020		21,854
2021		22,689
2022		23,436
2023		24,158
2024–2028		127,828

Multi-employer Defined Benefit Plan

UVM Health Network participates in multi-employer defined benefit pension plans. UVM Health Network makes cash contributions to these plans under the terms of collective-bargaining agreements that cover its union employees based on a fixed rate and hours of service per week worked by the covered employees. The risks of participating in these multi-employer plans are different from other single-employer plans in the following aspects: (1) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers; (2) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and (3) if UVM Health Network chooses to stop participating in some of its multi-employer plans, UVM Health Network may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability. The measurement dates for the following plans are as of June 30 and December 31, as applicable.

As required by collective bargaining agreements, UVM Health Network is obligated to contribute to the 1199 SEIU multi-employer plan on behalf of union employees at a contribution rate required by the Trustees for participation in the fund, in the amounts and on the dates determined by the Trustees.

UVM Health Network has contributed cash and recorded expenses of \$6,672,000 and \$5,970,000 for the following multi-employer defined benefit plans for the years ended September 30, 2018 and 2017, respectively.

The following table includes additional disclosure information related to the following pension funds:

Pension Fund	EIN/Pension Plan Number	Zone Status		FIP/RP Status Pending/ Implemented	Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
		Pension Protection Act				
		September 30, 2018	September 30, 2017			
1199 SEIU Health Care Employees Pension Fund	13-3604862-001	not available	Green	June 26, 2009	No	April 30, 2020
1199 SEIU Health Care Employees Pension Fund	16-1112391	not available	Green	N/A	No	June 30, 2022

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Members of the UVM Health Network were not listed on the Plans' Forms 5500 as providing more than 5 percent of the total contributions.

Postretirement Health Benefits

In addition to providing pension benefits, UVM Medical Center sponsors a defined benefit postretirement health care plan for retired employees. Substantially all of UVM Medical Center's employees who are at least age 55 with 15 years of service and all employees who are eligible for retirement may become eligible for such benefits. The postretirement health care plan is contributory with retiree contributions adjusted annually. The marginal cost method is used for accounting purposes for postretirement healthcare benefits.

As of September 30, 2018 and 2017, the premiums paid by retirees did not exceed the costs and a \$4,247,000 and \$1,504,000, respectively, accumulated postretirement benefit obligation was recorded. The plan does not have any assets as of September 30, 2018 and 2017. Net assets without donor restrictions at September 30, 2018 include unrecognized actuarial loss of \$2,082,000 and an unrecognized actuarial gain at September 30, 2017 of \$1,578,000. The expected amortization of the unrecognized losses to be recognized in postretirement benefit obligation expenses in the year ending September 30, 2019 is \$212,000. Assumptions used in accounting for the plan include a discount rate of 4.30%, a current health care cost trend rate of 6.75%, an ultimate health care cost trend rate of 4.75%, the year of ultimate trend rate of 2023, and census data as of January 1, 2018. The accumulated postretirement benefit obligation is highly sensitive to the health care cost trend rates; as such, the effect of a 1% increase in the trend rate would increase the accumulated postretirement benefit obligation by \$5,967,000 or 141%, effect of a 1% decrease in the trend rate would decrease the accumulated postretirement benefit obligation by \$4,247,000 or 100%.

16. Concentrations of Credit Risk

UVM Health Network grants credit without collateral to its patients, most of whom are local residents and are insured under third-party agreements. The mix of net receivables from patients and third-party payers at September 30, 2018 and 2017 is as follows:

	2018	2017
Medicare	24 %	27 %
Medicaid	9	10
Contracted Commercial	31	29
Noncontracted Insurers	16	16
Patients	20	18
	<u>100 %</u>	<u>100 %</u>

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

17. Transactions With UVM

UVM Medical Center's Affiliation Agreement with UVM was renewed as of June 19, 2014, for a five year term. The Affiliation Agreement expresses the shared goals of UVM and UVM Medical Center for teaching, clinical care and research, documents the many points of close collaboration between the two organizations, provides the underpinnings for UVM Medical Center's status as an academic medical center, and obligates UVM Medical Center to provide substantial, annual financial support to UVM. The current Affiliation Agreement provides for three components of financial support to UVM: (1) payments by UVM Medical Center, known as the "commitment," to fund two costs: (a) a portion of the salary, benefits and related expenses paid through UVM to physician-faculty who are jointly employed by both UVM and UVM Medical Group and, (b) a portion of the cost of UVM facilities, utilities and other campus operating expenses that are not paid or reimbursed by any form of federal funding; (2) an academic support payment paid by UVM Medical Center and, (3) a Dean's Tax paid by UVM Medical Group. The amounts of the commitment approximated \$46,724,000 and \$40,507,000 in the years ended September 30, 2018 and 2017, respectively. In addition, UVM Medical Center reimburses UVM for equipment rental, research, and certain other administrative expenses through the commitment. In addition to the commitment, UVM Medical Center made academic support payments to UVM in monthly installments. The amount of the academic support payment was \$7,936,000 and \$7,857,000 in the years ended September 30, 2018 and 2017, respectively. Under the Affiliation Agreement, the Dean's Tax is paid to UVM by UVM Medical Center in an amount equal to 2.3% of the Medical Group's net patient service revenues exclusive of all Medicaid revenues for that fiscal year. The amount of the Dean's Tax approximated \$4,710,000 and \$6,268,000 in the years ended September 30, 2018 and 2017, respectively. A guaranteed payment of \$1,000,000 in Dean's Taxes on UVM Medical Group net patient revenues of community-based physicians was recorded in the years ended September 30, 2018 and 2017.

Under the current affiliation agreement, the base payments for the academic support payments increased to \$8,166,000 in fiscal year 2019, with an inflationary increase in the years thereafter.

18. Functional Expenses

UVM Health Network provides general health care services to residents within its geographic location. Expenses related to providing these services for the years ended September 30, 2018 and 2017, are as follows:

	2018		
	Healthcare Service	Administrative Support	Total
Salary, payroll taxes and fringe benefits	\$ 1,102,046	\$ 203,364	\$ 1,305,410
Supplies and other	385,951	137,002	522,953
Purchased services	58,574	57,794	116,368
Provider taxes	88,944	-	88,944
Depreciation and amortization	58,129	27,402	85,531
Interest expense	11,063	7,427	18,490
	<u>\$ 1,704,707</u>	<u>\$ 432,989</u>	<u>\$ 2,137,696</u>

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

	2017		
	Healthcare Service	Administrative Support	Total
Salary, payroll taxes and fringe benefits	\$ 985,298	\$ 212,213	\$ 1,197,511
Supplies and other	380,049	89,792	469,841
Purchased services	56,399	37,596	93,995
Provider taxes	82,939	-	82,939
Depreciation and amortization	56,742	26,044	82,786
Interest expense	11,493	7,475	18,968
	<u>\$ 1,572,920</u>	<u>\$ 373,120</u>	<u>\$ 1,946,040</u>

Expenses are presented by functional classification in accordance with the overall service mission of the organization. Each functional classification displays all expenses related to the underlying operations by natural classification. Depreciation expense is allocated based on square footage occupancy. Interest expense on external debt is allocated to the functional categories which have benefited from the proceeds of the external debt. Plant operations and maintenance represents space related costs which are allocated to the functional categories directly and/or based on the square footage occupancy.

19. Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. UVM Health Network analyzes its past history for patients with self-pay balances, either after third party insurance payment (deductible and copayment balances) or those without insurance. UVM Health Network records an allowance for doubtful accounts in the period of service based on past experience of patients unwilling to pay a portion of their bill for which they are financially responsible.

Accounts receivable, prior to adjustment for doubtful accounts, is summarized as follows at September 30, 2018 and 2017:

<i>(in thousands)</i>	2018	2017
Receivables		
Patients	\$ 68,842	\$ 62,612
Third-party payers	215,394	224,847
	<u>\$ 284,236</u>	<u>\$ 287,459</u>

The allowance for doubtful accounts is summarized as follows at September 30, 2018 and 2017:

<i>(in thousands)</i>	2018	2017
Allowance for doubtful accounts		
Patients	\$ 30,427	\$ 31,190
Third-party payers	16,176	17,367
	<u>\$ 46,603</u>	<u>\$ 48,557</u>

The University of Vermont Health Network Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Bad debt expense for non-patient related accounts receivable is reflected in total operating expenses on the statements of operations. Patient related bad debt is reflected as a reduction in patient service revenues on the statements of operations.

Net patient service revenue before the provision for bad debts and enhanced Medicaid graduate medical education revenues for the years ended September 30, 2018 and 2017, is summarized as follows:

<i>(in thousands)</i>	2018	2017
Net patient service revenue		
Patients	\$ 47,371	\$ 39,004
Third-party payers	<u>1,813,826</u>	<u>1,819,284</u>
	<u>\$ 1,861,197</u>	<u>\$ 1,858,288</u>

20. Subsequent Events

The UVM Health Network has assessed the impact of subsequent events through January 23, 2019, the date the audited consolidated financial statements were issued, and has concluded that there were no such events that require adjustment to the audited consolidated financial statements or disclosure in the notes to the audited consolidated financial statements other than as noted below.

Supplemental Consolidating Information

The University of Vermont Health Network Inc. and Subsidiaries
Note to Supplemental Consolidating Information
September 30, 2018 and 2017

1. Basis of Presentation

The following supplemental consolidating information includes the consolidating balance sheets and the consolidating statement of operations of the individual consolidated subsidiaries of UVM Health Network Inc. as of and for the fiscal year ended September 30, 2018. All intercompany accounts and transactions between subsidiaries have been eliminated. The consolidating information presented has been prepared in accordance with accounting principles generally accepted in the United States of America consistent with the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements and is not required as part of the basic financial statements.

The following supplemental information also includes the consolidating balance sheet and statement of operations of the University of Vermont Medical Centers Obligated Group as of and for the fiscal year ended September 30, 2018. The University of Vermont Health Network Obligated Group consists of UVM Health Network, UVM Medical Center, CVMC, CVPH, and ECH. All intercompany accounts and transactions between these subsidiaries have been eliminated. The consolidating information presented has been prepared in accordance with accounting principles generally accepted in the United States of America consistent with the consolidated financial statements. The consolidating information of the University of Vermont Health Network Obligated Group is presented for purposes of additional analysis of the consolidated financial statements and is not required as part of the basic financial statements.

The University of Vermont Health Network Inc. and Subsidiaries
 Consolidating Balance Sheet
 September 30, 2018

(in thousands)	Total UVM Medical Center Obligated Group (1)	Alice Hyde Medical Center	PH	HPNH	PMC/PREH	PMC Eliminations	Total PMC	UVM Health Network Home Health & Hospice	Other Entities	Total Eliminations	Total UVM Health Network
Assets											
Current assets											
Cash and cash equivalents	\$ 211,628	\$ 7,246	\$ 21,047	\$ 530	\$ 2,491	\$ -	\$ 24,068	\$ 2,332	\$ 1,407	\$ -	\$ 246,681
Short-term investments	27,115	-	-	-	-	-	-	-	5,817	-	32,932
Current portion of assets whose use is limited or restricted	-	-	123	139	8	-	270	-	54,253	-	54,523
Patient and other trade accounts receivable, net	212,441	8,227	12,772	1,072	-	-	13,844	2,997	124	-	237,633
Due from related parties	22,431	-	1,035	22	501	(1,558)	-	-	1,589	(24,020)	-
Inventories	40,738	769	1,759	18	-	-	1,777	-	112	-	43,396
Receivables from third-party payers	5,263	3,730	-	-	-	-	-	-	-	-	8,993
Prepaid and other current assets	36,490	490	1,687	19	80	-	1,786	784	4,528	-	44,079
Total current assets	556,106	20,462	38,423	1,800	3,080	(1,558)	41,745	6,113	67,831	(24,020)	668,237
Assets whose use is limited or restricted											
Board-designated assets	638,125	3,018	5,866	-	170	-	6,036	9,050	-	-	656,229
Assets held by Trustee under bond indenture agreements	197	-	3,684	-	-	-	3,684	-	-	-	3,881
Restricted assets	9,234	277	1,205	-	208	-	1,413	-	16,499	-	27,423
Donor-restricted assets for specific purposes	45,346	-	339	62	-	-	401	-	-	-	45,747
Donor-restricted assets for permanent endowment	33,980	-	118	-	-	-	118	10,802	-	-	44,900
Total assets whose use is limited or restricted	726,882	3,295	11,212	62	378	-	11,652	19,852	16,499	-	778,180
Property and equipment, net	789,061	46,295	18,977	2,082	603	(58)	21,604	8,168	2,244	-	867,372
Other	84,761	1,042	-	-	1,939	(1,939)	-	117	11,034	(43,734)	53,220
Total assets	\$ 2,156,810	\$ 71,094	\$ 68,612	\$ 3,944	\$ 6,000	\$ (3,555)	\$ 75,001	\$ 34,250	\$ 97,608	\$ (67,754)	\$ 2,367,009
Liabilities and Net Assets											
Current liabilities											
Current installments of long-term debt	\$ 27,340	\$ 914	\$ 692	\$ 130	\$ -	\$ -	\$ 822	\$ -	\$ 92	\$ -	\$ 29,168
Accounts payable	56,528	2,704	1,404	31	(1)	-	1,434	436	428	-	61,530
Accrued expenses and other liabilities	52,624	1,793	1,606	486	185	-	2,277	868	20	89	57,671
Accrued payroll and related benefits	106,584	6,084	6,680	986	742	-	8,408	2,575	2	(437)	123,216
Current portion of third-party payer settlements	13,964	-	1,721	125	-	-	1,846	-	-	-	15,810
Due to related parties	12,333	3,036	830	760	372	(1,558)	404	311	7,872	(23,956)	-
Incurred but not reported claims	8,361	-	425	105	45	-	575	-	4,919	-	13,855
Total current liabilities	277,734	14,531	13,358	2,623	1,343	(1,558)	15,766	4,190	13,333	(24,304)	301,250
Long-term debt, net of current installments	555,739	33,696	10,647	2,602	-	-	13,249	-	-	-	602,684
Malpractice and workers' compensation claims, net of current portion	7,363	-	700	-	-	-	700	-	31,247	-	39,310
Pension and other postretirement benefit obligations	59,957	-	3,580	612	84	-	4,276	-	-	-	64,233
Third-party payer settlements, net of current portion	20,571	-	1,053	-	-	-	1,053	-	-	-	21,624
Other	33,103	1,588	-	766	-	(742)	24	505	161	-	35,381
Total long-term liabilities	676,733	35,284	15,980	3,980	84	(742)	19,302	505	31,408	-	763,232
Total liabilities	954,467	49,815	29,338	6,603	1,427	(2,300)	35,068	4,695	44,741	(24,304)	1,064,482
Net assets											
Without donor restrictions	1,112,656	20,448	35,159	(2,799)	4,573	(1,255)	35,678	19,026	51,277	(43,450)	1,195,635
With donor restrictions											
Time or purpose	54,355	647	314	140	-	-	454	4,026	1,268	-	60,750
Perpetual	35,332	184	3,801	-	-	-	3,801	6,503	322	-	46,142
Total net assets	1,202,343	21,279	39,274	(2,659)	4,573	(1,255)	39,933	29,555	52,867	(43,450)	1,302,527
Total liabilities and net assets	\$ 2,156,810	\$ 71,094	\$ 68,612	\$ 3,944	\$ 6,000	\$ (3,555)	\$ 75,001	\$ 34,250	\$ 97,608	\$ (67,754)	\$ 2,367,009

(1) The consolidating balance sheet for the UVM Medical Center Obligated Group is presented on page 50.

The accompanying note is an integral part of this supplemental consolidating information.

The University of Vermont Medical Center Obligated Group
Consolidating Balance Sheet
September 30, 2018

<i>(in thousands)</i>	Central Vermont Hospital and Medical Group Practice	Woodridge Rehabilitation and Nursing	CVMC Eliminations	Total CVMC	UVM Medical Center	Champlain Valley Physicians Hospital	Elizabethtown Community Hospital	UVM Health Network	Obligated Group Eliminations	Total UVM Medical Center Obligated Group
Assets										
Current assets										
Cash and cash equivalents	\$ 8,690	\$ 196	\$ -	\$ 8,886	\$ 144,114	\$ 4,929	\$ 11,906	\$ 41,793	\$ -	\$ 211,628
Short-term investments	-	-	-	-	15,444	11,671	-	-	-	27,115
Current portion of assets whose use is limited or restricted	-	-	-	-	-	-	-	-	-	-
Patient and other trade accounts receivable, net	19,404	1,169	-	20,573	143,106	42,889	5,873	-	-	212,441
Due from related parties	5,957	-	(5,957)	-	35,562	-	-	8,787	(21,918)	22,431
Inventories	4,199	-	-	4,199	29,747	6,245	547	-	-	40,738
Receivables from third-party payers	282	-	-	282	4,981	-	-	-	-	5,263
Prepaid and other current assets	4,529	-	-	4,529	22,605	6,691	2,665	-	-	36,490
Total current assets	43,061	1,365	(5,957)	38,469	395,559	72,425	20,991	50,580	(21,918)	556,106
Assets whose use is limited or restricted										
Board-designated assets	50,341	2,817	-	53,158	556,642	25,416	2,909	-	-	638,125
Assets held by trustee under bond indenture agreements	-	-	-	-	183	14	-	-	-	197
Restricted assets	-	-	-	-	848	8,386	-	719,883	(719,883)	9,234
Donor-restricted assets for specific purposes	6,061	-	-	6,061	37,988	-	1,297	-	-	45,346
Donor-restricted assets for permanent endowment	3,274	-	-	3,274	30,370	-	336	-	-	33,980
Total assets whose use is limited or restricted	59,676	2,817	-	62,493	626,031	33,816	4,542	719,883	(719,883)	726,882
Property and equipment, net	63,999	4,584	-	68,583	583,952	102,822	33,704	-	-	789,061
Other	3,271	-	-	3,271	70,185	7,081	99	4,125	-	84,761
Total assets	\$ 170,007	\$ 8,766	\$ (5,957)	\$ 172,816	\$ 1,675,727	\$ 216,144	\$ 59,336	\$ 774,588	\$ (741,801)	\$ 2,156,810
Liabilities and Net Assets										
Current liabilities										
Current installments of long-term debt	\$ 3,311	\$ -	\$ -	\$ 3,311	\$ 18,476	\$ 4,790	\$ 763	\$ -	\$ -	\$ 27,340
Accounts payable	2,616	-	-	2,616	45,468	6,193	2,251	-	-	56,528
Accrued expenses and other liabilities	5,624	45	-	5,669	43,860	3,066	601	-	(572)	52,624
Accrued payroll and related benefits	11,376	928	-	12,304	78,226	13,915	2,139	-	-	106,584
Current portion of third-party payer settlements	5,497	-	-	5,497	2,122	4,454	1,891	-	-	13,964
Due to related parties	13,728	6,457	(5,957)	14,228	689	18,925	210	-	(21,699)	12,333
Incurred but not reported claims	-	-	-	-	7,211	1,150	-	-	-	8,361
Total current liabilities	42,152	7,430	(5,957)	43,625	196,032	52,493	7,855	-	(22,271)	277,734
Long-term debt, net of current installments	11,594	1,261	-	12,855	472,646	50,073	15,615	4,550	-	555,739
Malpractice and workers' compensation claims, net of current portion	1,463	416	-	1,879	-	5,412	72	-	-	7,363
Pension and other postretirement benefit obligations	19,662	-	-	19,662	4,247	36,048	-	-	-	59,957
Third-party payer settlements, net of current portion	-	-	-	-	15,975	-	4,596	-	-	20,571
Other	2,746	-	-	2,746	18,831	-	810	-	-	33,103
Total long-term liabilities	35,465	1,677	-	37,142	509,699	104,249	21,093	4,550	-	676,733
Total liabilities	77,617	9,107	(5,957)	80,767	705,731	156,742	28,948	4,550	(22,271)	954,467
Net assets										
Without donor restriction	82,908	(348)	-	82,560	894,693	56,139	28,756	770,038	(719,530)	1,112,656
With donor restriction	-	-	-	-	-	-	-	-	-	-
Time or purpose	6,208	7	-	6,215	44,933	1,919	1,288	-	-	54,355
Perpetual	3,274	-	-	3,274	30,370	1,344	344	-	-	35,332
Total net assets	92,390	(341)	-	92,049	969,996	59,402	30,388	770,038	(719,530)	1,202,343
Total liabilities and net assets	\$ 170,007	\$ 8,766	\$ (5,957)	\$ 172,816	\$ 1,675,727	\$ 216,144	\$ 59,336	\$ 774,588	\$ (741,801)	\$ 2,156,810

The accompanying note is an integral part of this supplemental consolidating information.

The University of Vermont Health Network Inc. and Subsidiaries
 Consolidating Statement of Operations
 Year Ended September 30, 2018

(in thousands)

	Total UVM Medical Center Obligated Group (1)	Alice Hyde Medical Center	PH	HPNH	PMC/ PREH	PMC Eliminations	Total Porter	UVM Health Network Home Health & Hospice	Other Entities	Total Eliminations	Total UVM Health Network
Revenue and other support without donor restrictions											
Net patient service revenue	\$ 1,670,868	\$ 84,444	\$ 73,655	\$ 9,740	\$ -	\$ (80)	\$ 83,315	\$ 22,281	\$ 881	\$ (592)	\$ 1,861,197
Less: Provision for bad debts	(43,450)	(2,375)	(4,231)	(47)	-	-	(4,278)	(140)	(50)	-	(50,293)
Net patient service revenue after provision for bad debts	1,627,418	82,069	69,424	9,693	-	(80)	79,037	22,141	831	(592)	1,810,904
Enhanced Medicaid Graduate Medical Education revenues – Hospital	10,389	-	-	-	-	-	-	-	-	-	10,389
Enhanced Medicaid Graduate Medical Education revenues – Professional	19,611	-	-	-	-	-	-	-	-	-	19,611
Net patient service revenue after provision for bad debts and enhanced Graduate Medical Education revenues	1,657,418	82,069	69,424	9,693	-	(80)	79,037	22,141	831	(592)	1,840,904
Fixed prospective payment revenue	148,636	-	10,480	-	-	-	10,480	-	56	-	159,172
Premium revenue	6,377	-	110	-	-	-	110	-	-	-	6,487
Outpatient and specialty pharmacy revenue	94,328	6,419	3,102	-	-	-	3,102	-	-	-	103,849
Net assets released from restrictions	3,340	-	2	-	-	-	2	-	-	-	3,342
Other revenue	39,898	3,861	2,709	(67)	4,618	(4,384)	2,876	151	20,451	(11,088)	56,149
Total revenue and other support without donor restrictions	1,949,997	92,349	85,827	9,626	4,618	(4,464)	95,607	22,292	21,338	(11,680)	2,169,903
Expenses											
Salary, payroll taxes and fringe benefits	1,160,930	57,353	50,043	8,295	3,576	(62)	61,852	18,278	6,933	64	1,305,410
Supplies and other	484,379	21,204	12,338	1,407	342	(85)	14,002	3,643	10,908	(11,183)	522,953
Purchased services	97,030	8,389	10,945	1,161	368	(4,318)	8,156	1,876	1,478	(561)	116,368
Provider taxes	82,769	955	4,703	517	-	-	5,220	-	-	-	88,944
Depreciation and amortization	76,736	4,538	2,859	212	26	-	3,097	505	655	-	85,531
Interest expense	17,121	820	345	81	5	-	431	-	118	-	18,490
Total expenses	1,918,965	93,259	81,233	11,673	4,317	(4,465)	92,758	24,302	20,092	(11,680)	2,137,696
Income (loss) from operations	31,032	(910)	4,594	(2,047)	301	1	2,849	(2,010)	1,246	-	32,207
Nonoperating gains (losses)											
Investment income	24,995	198	459	4	9	-	472	96	674	-	26,435
Change in interest in investment pool	(23)	20	-	-	-	-	-	-	3	-	-
Change in fair value of interest rate swap agreements	6,562	-	-	-	-	-	-	-	-	-	6,562
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-
Contribution revenue from acquisitions	1,249	-	-	-	-	-	-	19,019	-	-	20,268
Other	(842)	451	209	-	147	(36)	320	1,693	(206)	(1,759)	(343)
Total nonoperating gains (losses)	31,941	669	668	4	156	(36)	792	20,808	471	(1,759)	52,922
Excess (deficit) of revenue over expenses	62,973	(241)	5,262	(2,043)	457	(35)	3,641	18,798	1,717	(1,759)	85,129
Net change in unrealized gains (losses) on investments	3,103	(114)	-	-	-	-	-	(147)	160	(104)	2,898
Net assets released from restrictions for capital purchases	4,181	-	66	360	-	-	426	-	-	-	4,607
Pension related adjustments	18,084	-	1,166	199	93	-	1,458	-	-	-	19,542
Transfers and other adjustments	(1,167)	(358)	(1,700)	2,250	-	-	550	375	1,503	(794)	109
Increase (decrease) in net assets without donor restrictions	\$ 87,174	\$ (713)	\$ 4,794	\$ 766	\$ 550	\$ (35)	\$ 6,075	\$ 19,026	\$ 3,380	\$ (2,657)	\$ 112,285

(1) The consolidating statement of operations for the UVM Medical Center Obligated Group is presented on page 52.

The accompanying note is an integral part of this supplemental consolidating information.

**The University of Vermont Medical Center Obligated Group
Consolidating Statement of Operations
Year Ended September 30, 2018**

(in thousands)

	Central Vermont Hospital and Medical Group Practice	Woodridge Rehabilitation and Nursing	Total CVMC	UVM Medical Center	Champlain Valley Physicians Hospital	Elizabethtown Community Hospital	UVM Health Network	Obligated Group Eliminations	Total UVM Medical Center Obligated Group
Revenue and other support without donor restrictions									
Net patient service revenue	\$ 155,370	\$ 13,578	\$ 168,948	\$ 1,134,859	\$ 331,949	\$ 34,419	\$ -	\$ 693	\$ 1,670,868
Less: Provision for bad debts	(3,053)	-	(3,053)	(29,309)	(9,529)	(1,559)	-	-	(43,450)
Net patient service revenue after provision for bad debts	152,317	13,578	165,895	1,105,550	322,420	32,860	-	693	1,627,418
Enhanced Medicaid Graduate Medical Education revenues – Hospital	-	-	-	10,389	-	-	-	-	10,389
Enhanced Medicaid Graduate Medical Education revenues – Professional	-	-	-	19,611	-	-	-	-	19,611
Net patient service revenue after provision for bad debts and enhanced Graduate Medical Education revenues	152,317	13,578	165,895	1,135,550	322,420	32,860	-	693	1,657,418
Fixed prospective payment revenue	27,552	1,139	28,691	118,487	1,458	-	-	-	148,636
Premium revenue	1,535	-	1,535	4,842	-	-	-	-	6,377
Outpatient and specialty pharmacy revenue	6,416	-	6,416	74,117	11,934	1,861	-	-	94,328
Net assets released from restrictions	552	18	570	2,067	629	74	-	-	3,340
Other revenue	4,525	533	5,058	28,455	8,066	2,454	-	(4,135)	39,898
Total revenue and other support without donor restrictions	192,897	15,268	208,165	1,363,518	344,507	37,249	-	(3,442)	1,949,997
Expenses									
Salary, payroll taxes and fringe benefits	124,510	13,194	137,704	757,238	242,759	21,477	-	1,752	1,160,930
Supplies and other	43,628	2,510	46,138	358,227	74,683	9,991	-	(4,660)	484,379
Purchased services	10,064	298	10,362	69,475	17,942	-	175	(924)	97,030
Provider taxes	10,758	753	11,511	69,820	1,327	111	-	-	82,769
Depreciation and amortization	8,964	865	9,829	48,959	15,208	2,740	-	-	76,736
Interest expense	421	69	490	13,668	2,500	463	-	-	17,121
Total expenses	198,345	17,689	216,034	1,317,387	354,419	34,782	175	(3,832)	1,918,965
Income (loss) from operations	(5,448)	(2,421)	(7,869)	46,131	(9,912)	2,467	(175)	390	31,032
Nonoperating gains (losses)									
Investment income	8,167	839	9,006	13,585	1,707	(9)	(5,450)	6,156	24,995
Change in interest in investment pool	385	28	413	6,098	126	10	-	(6,670)	(23)
Change in fair value of interest rate swap agreements	-	-	-	4,040	2,328	194	-	-	6,562
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-
Contribution revenue from acquisitions	-	-	-	-	-	1,249	-	-	1,249
Other	870	3	873	(937)	(396)	8	-	(390)	(842)
Total nonoperating gains (losses)	9,422	870	10,292	22,786	3,765	1,452	(5,450)	(904)	31,941
Excess (deficit) of revenue over expenses	3,974	(1,551)	2,423	68,917	(6,147)	3,919	(5,625)	(514)	62,973
Net change in unrealized gains (losses) on investments	(7,032)	(520)	(7,552)	3,684	213	88	7,315	(645)	3,103
Net assets released from restrictions for capital purchases	-	-	-	186	1,572	2,423	-	-	4,181
Pension related adjustments	7,018	-	7,018	129	10,937	-	-	-	18,084
Transfers and other adjustments	-	-	-	(1,631)	825	14	718,349	(718,724)	(1,167)
Increase (decrease) in net assets without donor restrictions	\$ 3,960	\$ (2,071)	\$ 1,889	\$ 71,285	\$ 7,400	\$ 6,444	\$ 720,039	\$ (719,883)	\$ 87,174

The accompanying note is an integral part of this supplemental consolidating information.