



Gifford Medical Center

44 South Main Street, P.O. 2000 • Randolph, Vermont 05060
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1. *Have the hospital's projections for FY19 changed?*

Response:

No, the hospital's projections for FY19 have not changed.

2. *What is the total ACO reserve on the balance sheet? Are Other Reform Payments recorded in deduction from NPR, if not, where are they recorded?*

Response:

OneCare Program	Participating in Program in CY20?	Budgeted Number of Attributed Lives (monthly avg CY20)	Budgeted Amount of FPP (monthly avg CY20)	Budgeted Maximum Upside/Downside Risk for CY20
Medicaid	Yes	2,600	\$ 233,540	\$ 232,537
Medicare				
BCBSVT				
Self-Insured				
TOTAL		2,600	\$ 233,540	\$ 232,537

The \$233K risk is accounted for as a contractual allowance and is included as a reduction of patient service revenue.

The "other" care reform payments are not considered hospital payments and are attributed to Gifford Health Care (GHC), our FQHC.

3. *GMC's FY19 Budget Order states the "Hospital shall consult with Vermont Information Technology Leaders (VITL) to facilitate patients' ability to electronically consent to adding their clinical data to the Vermont Health Information Exchange (VHIE)." What kind of headway has GMC made to facilitate this?*

Response:

In FY19 Gifford Medical Center consulted with VITL to facilitate the ability to collect and transmit electronic patient consent status to the Vermont Health Information Exchange (VHIE). After working with other hospitals to better understand the added resource and costs to implement the project, it was decided that it was not in the organization's best interest at this time given our financial situation.

4. *For FY19 projections what departments are expenses exceeding revenues?*

Response:

Once a year Gifford files a Medicare Cost Report; the last cost report filed was for FY18 activity. The cost report is a financial report that identifies the cost and charges related to healthcare activities.



To accomplish this task, the report will allocate overhead cost centers to the rest of the hospital departments. Our 2019 cost report will not be filed until February 2020, so at this time we cannot indicate which FY19 departmental expenses are exceeding revenues.

5. *Please suggest a statistic the GMCB can monitor to better understand the trends in the total number of staffed beds in the hospital versus the number of beds available for use, and how full or empty those beds are from month to month?*

Response:

Gifford is licensed for 52 beds. However, given our critical access status, we max out at 25. For Gifford the most straightforward statistic is monthly census to understand how full or empty we are.

6. *What is the value of 1 day of Days Cash on Hand?*

Response:

Gifford's value for 1 day of Cash on Hand = \$134K

Days Cash on Hand	12 Months Rolling 7/1/18-6/30/19	
Unrestricted Cash and Investments	\$	4,619
Add: Unrestricted Board Designated Funds	\$	27,748
Total Unrestricted Funds	\$	32,367
Operating Expenses	\$	51,330
Minus: Depreciation, Amortization, and Community Grant	\$	2,361
Rolling 12 Month Required Cash on Hand	\$	48,969
Divided by: 365 DAYS = Daily Required Cash on Hand	\$	134
Actual Days Cash on Hand		241

7. *What is the value of 1% of GMC's change in charge request? If there is a variance between GMC's calculation and the calculation provided by GMCB staff above, please include the steps to your calculation.*

Response:

Rate Request = 5%

Commercial Rate from NPR Bridges (see below) = \$2,288,802

Value of 1% = \$2,288,802 / (.05*100) = \$457,760



Table 1: Gifford Medical Center
NPR Bridges - FY 2019 Approved Budget to FY 2020 Proposed Budget

NPR	Total	Medicare	Medicaid-VT	Medicaid-OOS	Commercial-Maj	Comm - Self/Sml	Workers Comp	DSH
FY 19 Approved Budget	\$55,894,651	\$ 19,685,269	\$ 4,096,590	\$ 11,236	\$ 31,546,758	\$ -	\$ -	\$ 554,798
Commercial Rate	2,288,802	942,541			1,346,261			
Rate - Non Commercial								
Utilization	(5,847,925)	(2,165,762)	(265,956)	(729)	(3,415,479)			
Reimbursement/Payer Mix	(1,036,788)	633,696	132,949	365	(1,803,798)			
Bad Debt/Free Care	370,016					370,016		
Physician Acq/Trans								
Changes in Accounting	(2,073,575)		(2,073,575)					
Changes in DSH	(14,677)							(14,677)
Fixed Prospective Payments	2,802,480		2,802,480					
Other (please label)								
FY 20 Budget	\$52,382,984	\$ 19,095,745	\$ 4,692,489	\$ 10,871	\$ 27,673,742	\$ 370,016	\$ -	\$ 540,121

8. Are Medicaid and Medicare reimbursement assumptions still valid including Disproportionate Share Payments?

Response:

Yes, the assumptions are still valid.

9. What is budgeted between current liabilities and long term liabilities for FY20?

Response:

When you look at the adaptive planning report for current liabilities, it shows an increase of over \$2 million from projections. Our FY19 accounts payable is low due to a \$1.5 million cost report settlement Gifford received in the 3rd quarter. With these monies we have paid down outstanding payables. However, the budget for FY20 is based on historical year-end actuals, which run around \$5.2 – \$5.3 million.

Our long-term liabilities continue to decrease because we are not planning on any new debt and continue to pay down our outstanding debt.

	2018A	2019B	2019P	2020B
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$5,274,793	\$5,208,277	\$3,910,656	\$5,316,957
SALARIES, WAGES AND PAYROLL TAXES PAYABL	\$1,918,622	\$1,603,173	\$1,382,623	\$2,169,119
ESTIMATED THIRD-PARTY SETTLEMENTS	\$0	\$0	\$0	\$0
OTHER CURRENT LIABILITIES	\$59,385	\$59,000	\$58,389	\$58,800
CURRENT PORTION OF LONG-TERM DEBT	\$652,939	\$740,000	\$675,894	\$1,056,832
TOTAL CURRENT LIABILITIES	\$7,905,740	\$7,610,450	\$6,027,562	\$8,601,708
LONG-TERM DEBT				
BONDS & MORTGAGES PAYABLE	\$18,109,241	\$17,310,000	\$17,632,737	\$16,471,715
CAPITAL LEASE OBLIGATIONS	\$0	\$0	\$0	\$0
OTHER LONG-TERM DEBT	\$367,363	\$367,568	\$343,762	\$343,540
TOTAL LONG-TERM DEBT	\$18,476,603	\$17,677,568	\$17,976,499	\$16,815,255
OTHER NONCURRENT LIABILITIES	\$465,387	\$108,772	\$77,161	\$168,696
TOTAL LIABILITIES	\$26,847,729	\$25,396,790	\$24,081,222	\$25,585,659



10. *What is the Medicaid accounting adjustment mentioned in your bridges document?*

Response:

It's the 100% write-off for the Medicaid ACO accounts that have received services and have been attributed to us. Given that this is our first year in the program, we will see this write-off only for this year and not in future years.



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Green Mountain Care Board Follow-Up Questions Received on August 1 and 5, 2019:

Question 2 (Amended):

What is the total ACO reserve on the balance sheet for Projected FY19 and Budget 20? Do you anticipate realizing savings or owing OneCare money when the FY18 settlements are finalized? Are other reform payments recorded in deduction from NPR, if not, where are they recorded?

Response: *GMC did not participate in risk-based contracts with OCV during FY18.*

Additional Questions:

1. What is your basis for booking ACO-related reserves and how do you evaluate those reserves through the year?

Response: *GMC relies upon OCV to supply estimates of our potential financial risk, which we receive prior to the start of the year and during the year. We follow our independent auditor's guidance in recording our reserves. We book reserves monthly and make adjustments as we receive updated information from OCV.*

2. Do you believe your ACO-related reserves affect other types of reserves (e.g. bad debt) that you carry on your balance sheet? If so, how?

Response: *No – revenue from ACO-related patients is removed prior to calculating other reserves.*

GMCB Board Member Questions:

9. For FY19 projections what departments are expenses exceeding revenues.

Response: *This question was answered via staff question #4.*

10. Please suggest a statistic the GMCB can monitor to better understand the trends in the total number of staffed beds in the hospital versus the number of beds available for use and how full or empty those beds are from month to month?

Response: *This question was answered via staff question #5.*

11. What is the impact of the now known Medicaid reimbursement increases? Any update on inpatient Medicaid reimbursement changes?

Response: *Gifford does not assume any additional reimbursement from Medicaid related to its charge request.*



12. If you assumed Medicare increases, what is the value and what would a reduction in commercial be to maintain your NPR?

Response: *As indicated on the NPR Bridges table, we expect an increase in Medicare reimbursement of \$633,696. Since this revenue is already included in our budget, any reduction in commercial revenue from what we have included in our budget would result in a decrease in our NPR.*

13. What are the key drivers of the increase in non-operating revenue in the 2019 projections from Budget?

Response: *The 2019 projected increase in non-operating revenue is due the market returns thus far in FY 2019.*