



**COPLEY HOSPITAL, INC.**  
**FY25 BUDGET NARRATIVE**  
**TO THE GREEN MOUNTAIN CARE BOARD**  
*July 9, 2024*

This document serves to provide the Green Mountain Care Board (GMCB) with a narrative summary of Copley Hospital's (Copley) Fiscal Year 2025 budget. Our budget projections are based on historical data, current experience, changes in service delivery, and ongoing operational improvements. The Copley Board of Trustees approved this budget on June 24, 2024.

**A. EXECUTIVE SUMMARY**

Pursuant to 18 V.S.A. § 9456(f) and Section D. of the Policy on Budget Amendments and Adjustments, Copley Hospital, Inc. submitted a letter of intent requesting an amendment to its FY 2024 approved budget and a rate increase averaging 12.7%, effective March 1, 2024.

It was assumed that Copley could achieve its net revenue expectation of a 21.3% growth in NPR/FPP from its FY 2022 actual results even with a cut of 7% from its requested 15% rate increase by making up the difference with increased volume over budgeted expectations. For FY 2024 Copley's volume were coming in at budgeted expectations, and due to the reduction of its rate increase, the net revenues were not able to cover expenses.

On April 3, 2024 a request for a mid-year rate increase meeting the GMCB requirements, the board concluded that a 7.0% charge and commercial rate increase above Copley's previously approved FY24 levels was appropriate because it should, based on Copley's budget and current projections, bring Copley's operating margin up to approximately 0%. Ultimately, the board concluded this was appropriate in light of Copley's financial condition and its position in the State as a low-cost provider of care.

Copley continues to face unprecedented workforce challenges for FY 2024. Over the past two years our overall staff vacancy rate has reached as high as 34%. We continue to see high travelers usage/expenses. To be competitive in this tight labor market we have had to make additional wage adjustments for all staff in addition to our regularly scheduled merit and market increases. We have also seen an increase in sign-on incentives and housing expenses for new employees.

On August 17, 2022, the Green Mountain Care Board issued a Certificate of Need (CON) to Copley Hospital to build a much-needed replacement facility for the Waterbury orthopedic practice. The CON includes the purchase of land and construction of a replacement medical office building (MOB) for the purposes of vacating the existing leased medical office, relocating orthopedic, orthopedic diagnostic imaging, rehabilitation, and podiatry to a new location on the west side of Route 100 in Waterbury. The project will be funded by three sources: USDA loan, USDA Emergency Rural Health Care Grant, and working capital. In July 2024 the new MOB will open, the project will be completed on time and at budgeted expectations.

Copley continues to deal with an aging infrastructure. Over the years we have made difficult decisions in prioritizing our needs with limited cash and a need to generate an operating margin in order to fund these improvements. The decrease in available funding has created a large capital backlog, increased risk and is creating challenges in prioritizing unanticipated capital needs. Copley continues to work towards fulfilling these capital needs.

The proposed budget assumes Copley will continue to participate in OneCare’s 2025 Risk-Based ACO Programs for Medicaid and MVP. OneCare will supply Copley with a 2025 Participation Agreement this summer, along with a financial model to help support further decision making. A commitment to participate or not will be made this summer. Should we choose to participate in OneCare’s risk-based programs, Copley will provide further information at that time.

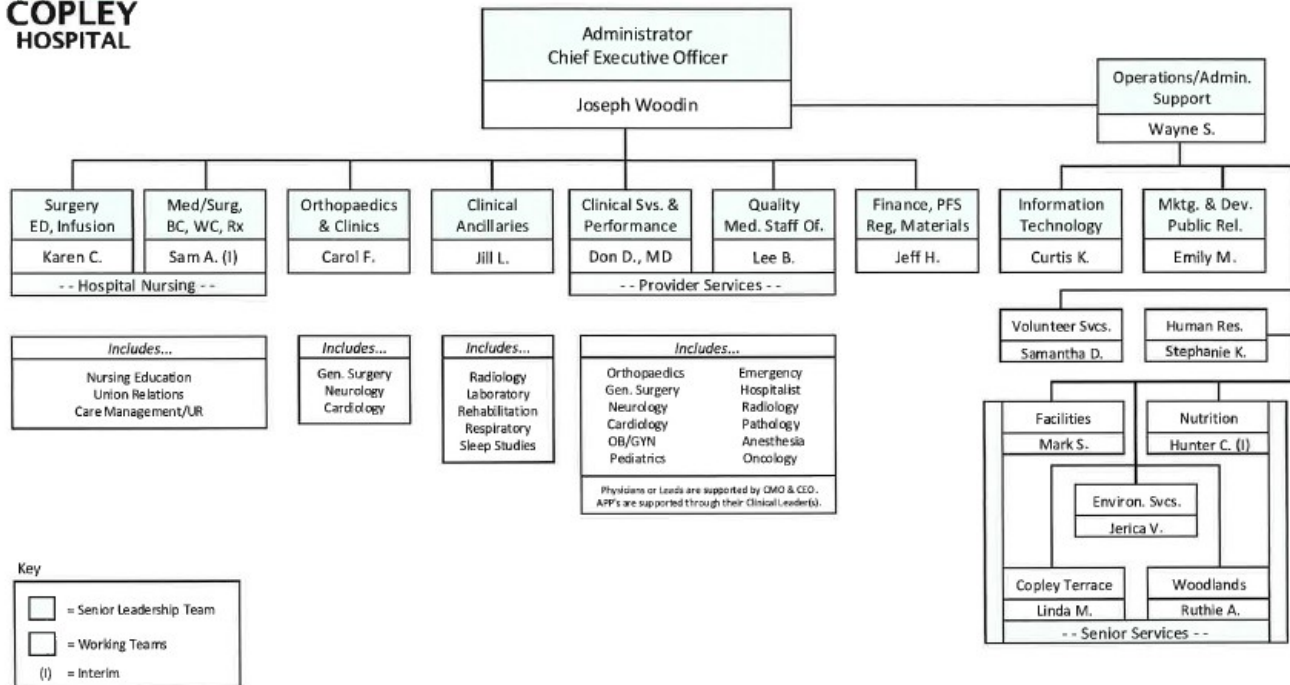
Copley had budgeted an overall operating margin of -2.9% or a loss of \$3,059,523 for FY 2024. Our audited 5-year average operating margin has been a loss of \$518,937. If Copley had not received the needed COVID funding in FY 2021, we would have posted the last seven consecutive years with a loss. Currently Copley is projecting an operating margin of 0.45% or \$485,564 for FY 2024. Copley needs to achieve a reasonable operating margin for the next several years in order to rebuild cash reserves necessary to weather unexpected downturns, take on risk in payment reform, invest in necessary equipment and infrastructure improvements, and provide financial stability for our employees and community.

On June 24<sup>th</sup>, 2024 Copley’s Board approved the FY 2025 budget with an operating margin of 2.80% or \$3,342,264.

**B. ORGANIZATION CHART**



**Organizational Chart**  
January 22, 2024



	1/29/24
Wayne Stebbings, CAO	Date
	1/24/24
Joseph Woodin, CEO	Date



Copley is a proud member of the newly formed NECHN. The purpose of the New England Collaborative Health Network (NECHN) is to provide independent hospitals and their Community Partners in Care the structure, resources, and technical expertise to remain independent by creating an inter-dependent framework of that achieves scale and efficiency for each individual member, and the Collaborative as a whole.

Short-term, assembled collaborative workgroups will be focused on efficiencies within Supply Chain, Human Resources, Information Technology/Cyber Security, Finance, Revenue Cycle, CEO and Board Leadership, and other Shared Support Services. These workgroups will have an added benefit of creating a network of peers for assistance in operationalizing initiatives as well as identifying opportunities for new/improved programs and cost savings.

Longer-term, NECHN’s goal is to be a tool, a tactic, a resource for our member hospitals and community partners with helping to keep care local, reducing costs, addressing workforce challenges, along with new revenue opportunities:

### Common Challenges / Collaborative Areas of Focus

 <b>Keep Care Local</b>	 <b>Reduce Costs</b>	 <b>Workforce</b>	 <b>Other</b>
<ul style="list-style-type: none"> <li>▪ Reputation / Safety Scores / Ratings / Consumerism</li> <li>▪ Access / Shared Provider Network / Telehealth</li> <li>▪ Capital Investment / Infrastructure / Medical Technology</li> <li>▪ <b>Employee Benefit Design / Narrow Networks</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Total Supply Spend</b></li> <li>▪ <b>Employee Benefits Plan Design</b></li> <li>▪ Regionalization Support Services (EVS, Facilities, Linen)</li> <li>▪ Shared IT Network / Cyber Security Expertise / AI</li> <li>▪ Business &amp; Malpractice Insurance Group Plan</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Leadership Training and Development</b></li> <li>▪ Regional Staffing Company</li> <li>▪ Shared Regional Strategy</li> <li>▪ Shared Development / Programs for Future Workforce &amp; Funding</li> </ul>	<ul style="list-style-type: none"> <li>▪ Optimize Coding, Reimbursement, Payor Contracts</li> <li>▪ External Funding / Grant Resource &amp; Writing Assistance</li> <li>▪ Financially Stable Community Partners</li> <li>▪ Advocacy</li> </ul>

**C. BUDGET QUESTIONS:**

	<b>2024P</b>	<b>2024B</b>	<b>2025B</b>
<b>REVENUES</b>			
<b>Gross Patient Care Revenue</b>	<b>\$ 202,994,705</b>	<b>\$ 194,187,521</b>	<b>\$ 235,989,741</b>
Disproportionate Share Payments	\$ 550,430	\$ 482,000	\$ 600,000
Bad Debt	(5,391,534)	(5,864,463)	(7,126,890)
Free Care	(1,761,591)	(1,747,688)	(2,123,908)
Deductions from Revenue	(93,908,108)	(87,568,719)	(114,646,099)
<b>Net Patient Care Revenue (NPR)</b>	<b>\$ 102,483,902</b>	<b>\$ 99,488,651</b>	<b>\$ 112,692,844</b>
Fixed Prospective Payments	\$ 4,914,103	\$ 5,951,172	\$ 5,168,928
<b>Total NPR &amp; FPP</b>	<b>\$ 107,398,005</b>	<b>\$ 105,439,823</b>	<b>\$ 117,861,772</b>
Other	\$ 1,205,002	\$ 669,072	\$ 1,518,767
<b>Total Operating Revenue</b>	<b>\$ 108,603,007</b>	<b>\$ 106,108,895</b>	<b>\$ 119,380,539</b>
<b>EXPENSES</b>			
Salaries/Contracts/Benefits	\$ 77,454,266	\$ 74,060,564	\$ 78,886,528
Health Care Provider Tax	5,913,918	5,913,916	6,085,450
Depreciation/Amortization	3,364,095	3,457,469	3,896,592
Interest - Short and Long Term	193,396	185,000	650,000
Other Operating Expenses	21,191,768	25,551,484	26,519,705
<b>Operating Expense</b>	<b>\$ 108,117,443</b>	<b>\$ 109,168,433</b>	<b>\$ 116,038,275</b>
<b>Net Operating Income</b>	<b>\$ 485,564</b>	<b>\$ (3,059,538)</b>	<b>\$ 3,342,264</b>
Non-Operating Revenue	\$ 211,450	\$ 302,184	\$ 522,000
<b>Excess (Deficit) of Rev over Exp</b>	<b>\$ 697,014</b>	<b>\$ (2,757,354)</b>	<b>\$ 3,864,264</b>

**a) Variations - Current Year Budget 2024 to Projected 2024:**

On April 3, 2024 the GMCB approved a midyear 7.0% charge and commercial rate increase above Copley's previously approved FY24 levels, based on Copley's budget and current projections, bringing Copley's operating margin up to approximately 0%. Ultimately, the board concluded this increase was appropriate in light of Copley's financial condition and its position in the State as a lower-cost provider of care.

**b) Section 1 Benchmarks:**

**Net Patient Service Revenue Growth:**

Copley's net patient revenue (NPR) growth from Projected 2024 to Budget 2024 is over by 1.9%. The overage is being caused by the GMCB approved midyear rate increase. The growth from Budget 2024 to Budget 2025 is 11.8%, however 5.9% of that growth is being caused by the midyear rate increase which is not in Budget 2024. If we account for the midyear rate increase, Copley is seeing an overall increase of 5.9% increase in NPR.

**Rate Increase:**

Copley is requesting a rate increase to charges of 10.7%. Copley calculated the rate increase based on an understanding of expected volumes, necessary services, and patient needs for the area, the final step is to determine the costs to provide these services.

Copley utilizes these rates as a basis for discussion with our commercial payers. The rates are used to provide both parties with validity and a sense of fairness, given the oversight from both the Copley Board of Trustees and the Green Mountain Care Board.

Copley's overall rate increase is applied to all payers.

Copley's biggest challenge in its rate request, is our inability to charge a fair and reasonable price for basic services provided to Vermonters. Our prices have not kept up with the hospital marketplace in Vermont, and we are spending down our reserves and chipping away at our financial viability at a concerning rate. Although there are many complicated factors in understanding and overseeing the cost/price of healthcare in Vermont, there is a fundamental indicator (data point) that lacks appreciation: prices and what we individually charge for services.

Shortly after the GMCB approved our midyear rate increase we were approached by a commercial payer indicating that they would be looking to renegotiate. During these discussions the payer has conceded that Copley is a low-cost facility for many services relative to other Vermont hospitals. We've communicated that Copley is only looking to charge a fair and reasonable price. Unfortunately, the payer is only looking at revenue beyond what was budgeted for and feels justified to renegotiated regardless of our current low cost.

To justify our 10.7% rate increase, Copley used the Medicare Transparency files required by Medicare to be posted on all Vermont hospital's websites.

The hospital price transparency requirements are codified in regulation at 45 C.F.R. Part 180 and require hospitals to make public their standard charges (as defined at § 180.20) online as a comprehensive machine-readable file that includes the following standard charges for all hospital items and services (as provided in § 180.50): gross charges, discounted cash prices, payer-specific negotiated charges, and de-identified minimum and maximum negotiated charges:

**Gross charge:** This is the charge for an individual item or service that is reflected on your hospital's chargemaster, absent any discounts.

**Payer-specific reimbursement rate (payment):** This is the charge that your hospital has negotiated with a third-party payer for an item or service or service package. Each payer-specific charge in your machine-readable file must be clearly associated with the name of the third-party payer and plan.

The hospital must post a machine-readable file of all items and services on a publicly available website. The standard charge information must be displayed in a prominent manner and must be clearly identified with the hospital location with which the standard charges are associated.

Below is a study of both gross charges and payer-specific reimbursement rate (payment) using the 2024 Medicare price transparency files.

1. Gross Charges by Hospital – Comparison using common charges
2. Rate Increase Study – Rate increase Copley would need to implement to get to other Vermont hospitals
3. Net Reimbursement by Hospital – Comparison of reimbursement by charges by payer

### 1. Gross Charges by Hospital (includes Copley’s midyear rate increase):

CPT	Description	Copley	Vermont Hospitals														
			VT Avg	*A	B	*C	D	E	F	G	H	I	J	K	L	M	
<b>Estimated FY 2024 Semi Private Rooms</b>																	
	Semi Private Medical Surgical Room & Bed Rate	\$ 1,700	\$ 2,463	\$ 2,749	\$ 2,450		\$ 2,366	\$ 2,087	\$ 3,377	\$ 2,866		\$ 1,807	\$ 3,115	\$ 2,052	\$ 1,850	\$ 3,140	
<b>Estimated FY 2024 Emergency Room Levels of Care</b>																	
99281	EMERGENCY VISIT LEVEL 1	\$ 323	\$ 354	\$ 350	\$ 283		\$ 288	\$ 363	\$ 678	\$ 490	\$ 251	\$ 152	\$ 405	\$ 253	\$ 358	\$ 402	
99282	EMERGENCY VISIT LEVEL 2	\$ 510	\$ 530	\$ 613	\$ 498		\$ 445	\$ 406	\$ 1,066	\$ 490	\$ 431	\$ 262	\$ 599	\$ 316	\$ 400	\$ 858	
99283	EMERGENCY VISIT LEVEL 3	\$ 804	\$ 877	\$ 1,049	\$ 740		\$ 824	\$ 601	\$ 1,968	\$ 876	\$ 651	\$ 460	\$ 707	\$ 674	\$ 747	\$ 1,296	
99284	EMERGENCY VISIT LEVEL 4	\$ 1,179	\$ 1,223	\$ 1,748	\$ 1,281		\$ 1,265	\$ 960	\$ 1,167	\$ 1,316	\$ 1,159	\$ 717	\$ 1,224	\$ 944	\$ 902	\$ 2,039	
99285	EMERGENCY VISIT LEVEL 5	\$ 1,608	\$ 1,818	\$ 2,623	\$ 1,656		\$ 1,769	\$ 1,540	\$ 3,110	\$ 1,316	\$ 1,865	\$ 1,030	\$ 1,834	\$ 1,158	\$ 932	\$ 3,188	
<b>Estimated FY 2024 Laboratory Services:</b>																	
80053	COMPREHEN METABOLIC PANEL	\$ 119	\$ 145	\$ 134	\$ 135		\$ 185	\$ 208	\$ 235	\$ 221	\$ 66	\$ 182	\$ 56	\$ 135	\$ 95	\$ 119	
80061	LIPID PANEL	\$ 109	\$ 133	\$ 185	\$ 117		\$ 155	\$ 196	\$ 131	\$ 227	\$ 58	\$ 137	\$ 71	\$ 135	\$ 113	\$ 99	
84443	ASSAY THYROID STIM HORMONE	\$ 129	\$ 196	\$ 209	\$ 213		\$ 212	\$ 288	\$ 282	\$ 335	\$ 97	\$ 190	\$ 103	\$ 245	\$ 116	\$ 125	
85025	COMPLETE CBC W/AUTO DIFF WBC	\$ 63	\$ 101	\$ 98	\$ 65		\$ 123	\$ 145	\$ 140	\$ 168	\$ 79	\$ 97	\$ 45	\$ 128	\$ 110	\$ 51	
80048	METABOLIC PANEL TOTAL CA	\$ 89	\$ 116	\$ 107	\$ 89		\$ 162	\$ 177	\$ 142	\$ 179	\$ 66	\$ 120	\$ 51	\$ 105	\$ 114	\$ 101	
87088	URINE BACTERIA CULTURE	\$ 36	\$ 83	\$ 48	\$ 88			\$ 79	\$ 232	\$ 88	\$ 28	\$ 75	\$ 39		\$ 91	\$ 109	
85027	COMPLETE CBC AUTOMATED	\$ 59	\$ 79		\$ 58		\$ 87	\$ 118	\$ 99	\$ 139	\$ 46	\$ 68	\$ 42	\$ 73	\$ 105	\$ 48	
87070	CULTURE OTHR SPECIMN AEROBIC	\$ 56	\$ 168	\$ 107	\$ 211		\$ 144	\$ 182	\$ 460	\$ 185	\$ 58	\$ 127	\$ 232	\$ 203	\$ 106	\$ 110	
<b>Estimated FY 2024 Diagnostic Imaging:</b>																	
73030	X-RAY EXAM OF SHOULDER	\$ 448	\$ 722	\$ 510	\$ 574		\$ 393	\$ 607	\$ 1,941	\$ 855	\$ 671	\$ 455	\$ 517	\$ 813	\$ 754	\$ 854	
73630	X-RAY EXAM OF FOOT	\$ 448	\$ 648	\$ 510	\$ 530		\$ 393	\$ 679	\$ 1,449	\$ 687	\$ 546	\$ 438	\$ 435	\$ 608	\$ 870	\$ 827	
77067	SCR MAMMO BI INCL CAD	\$ 736	\$ 704	\$ 530	\$ 749			\$ 757	\$ 606	\$ 1,250	\$ 441	\$ 651	\$ 579	\$ 746	\$ 620	\$ 777	
73610	X-RAY EXAM OF ANKLE	\$ 448	\$ 688	\$ 510	\$ 535		\$ 393	\$ 700	\$ 2,111	\$ 726	\$ 585	\$ 446	\$ 464	\$ 608	\$ 573	\$ 839	
70450	CT HEAD/BRAIN W/O DYE	\$ 1,539	\$ 2,080	\$ 1,667	\$ 1,979		\$ 2,404	\$ 2,412	\$ 2,194	\$ 533	\$ 2,078	\$ 1,810	\$ 2,103	\$ 2,408	\$ 2,025	\$ 3,892	
73110	X-RAY EXAM OF WRIST	\$ 448	\$ 656	\$ 510	\$ 574		\$ 367	\$ 808	\$ 1,193	\$ 687	\$ 557	\$ 439	\$ 552	\$ 709	\$ 837	\$ 849	
73562	X-RAY EXAM OF KNEE 3	\$ 580	\$ 763	\$ 510	\$ 574		\$ 508	\$ 776	\$ 2,407	\$ 701	\$ 916	\$ 490	\$ 375	\$ 581	\$ 613	\$ 889	
73560	X-RAY EXAM OF KNEE 1 OR 2	\$ 448	\$ 646	\$ 510	\$ 535		\$ 349	\$ 620	\$ 1,986	\$ 649	\$ 779	\$ 439	\$ 334	\$ 518	\$ 501	\$ 735	
73130	X-RAY EXAM OF HAND	\$ 448	\$ 685	\$ 510	\$ 574		\$ 393	\$ 690	\$ 2,044	\$ 710	\$ 507	\$ 393	\$ 607	\$ 581	\$ 635	\$ 813	
74176	CT ABD & PELVIS W/O CONTRAST	\$ 1,899	\$ 3,773	\$ 3,390	\$ 3,844		\$ 3,929	\$ 4,939	\$ 3,480	\$ 1,056	\$ 4,078	\$ 3,008	\$ 4,630	\$ 3,795	\$ 4,547	\$ 6,458	
73721	MRI JNT OF LWR EXTRE W/O DYE	\$ 2,729	\$ 3,778	\$ 3,272	\$ 3,405			\$ 4,902	\$ 3,591	\$ 3,616	\$ 5,299	\$ 3,353	\$ 3,785	\$ 3,934	\$ 2,235	\$ 5,220	

\*Note: Hospital A & C haven't submitted ACT 53 data for FY24

Copley Price is Lower      Copley Price is Higher

## 2. Rate Increase Study:

### Vermont Hospital 2024 Rate & 2021 Rate Study Used Act 53 procedures as basis for study

	Copley increase		Copley increase	
	2021 *Rank	needed to get to hosp rates	2024 *Rank	needed to get to hosp rates
Hospital I	9	22%	13	-4%
Copley	12	0%	12	0%
Hospital L	11	19%	11	6%
Hospital H	10	22%	10	12%
Hospital K	8	28%	9	17%
Hospital B	7	31%	8	22%
Hospital J	5	38%	7	25%
Hospital D	6	36%	6	28%
Hospital E	4	51%	5	29%
Hospital G	3	68%	4	41%
Hospital M	2	92%	2	76%
Hospital F	1	124%	1	111%
**Hospital A	N/A	N/A	3	43%
***Hospital C	N/A	N/A	N/A	N/A
<b>VT Average</b>		<b>44%</b>		<b>32%</b>

#### For example:

1. In 2021, we were the lowest in gross charges for the 12 hospital data points available. To move up one position, we would need a 19% rate increase. To get to the most expensive, we would need a 124% increase.
2. In 2024, we were the second lowest in gross charges for the 13 hospital data points available. To move up one position, we would need a 6% rate increase. To get to the most expensive, we would need a 111% increase.

\*Rank - 1 = highest 12 = Lowest

\*\*Note1: Act 53 data not available

\*\*\*Note2: Act 53 as well as Medicare Transparency data not available



3. Net Reimbursement by Payer:

## BC/BS Reimbursement Rates

CPT	Description	Copley	Vermont Hospitals									
			VT Avg	*A	B	*C	D	E	F	G	H	I
<b>Estimated FY 2024 Emergency Room Levels of Care</b>												
99281	EMERGENCY VISIT LEVEL 1	\$ 144	\$ 255	\$ 315	\$ 266		\$ 143	\$ 323	\$ 323		\$ 196	\$ 7
99282	EMERGENCY VISIT LEVEL 2	\$ 258	\$ 389	\$ 552	\$ 468		\$ 270	\$ 361	\$ 361		\$ 337	\$ 10
99283	EMERGENCY VISIT LEVEL 3	\$ 376	\$ 635	\$ 944	\$ 697		\$ 522	\$ 535	\$ 535		\$ 508	\$ 30
99284	EMERGENCY VISIT LEVEL 4	\$ 690	\$1,002	\$1,574	\$1,206		\$ 828	\$ 854	\$ 854		\$ 904	\$ 40
99285	EMERGENCY VISIT LEVEL 5	\$ 1,041	\$1,468	\$2,361	\$1,558		\$1,178	\$1,371	\$1,371		\$1,454	\$ 70

**Estimated FY 2024 Laboratory Services:**

80053	COMPREHEN METABOLIC PANEL	\$ 101	\$ 125	\$ 121	\$ 153		\$ 179	\$ 185	\$ 196		\$ 54	\$ 14
80061	LIPID PANEL	\$ 76	\$ 110	\$ 122	\$ 123		\$ 294	\$ 174	\$ 109		\$ 54	\$ 10
84443	ASSAY THYROID STIM HORMONE	\$ 117	\$ 178	\$ 188	\$ 176		\$ 401	\$ 257	\$ 235		\$ 82	\$ 10
85025	COMPLETE CBC W/AUTO DIFF WBC	\$ 55	\$ 82	\$ 89	\$ 67		\$ 82	\$ 129	\$ 117		\$ 65	\$ 8
80048	METABOLIC PANEL TOTAL CA	\$ 53	\$ 109	\$ 96	\$ 91		\$ 307	\$ 158	\$ 119		\$ 54	\$ 10
87088	URINE BACTERIA CULTURE	\$ 27	\$ 66		\$ 80			\$ 70	\$ 194		\$ 23	\$ 5
85027	COMPLETE CBC AUTOMATED	\$ 44	\$ 63		\$ 58		\$ 82	\$ 105	\$ 83		\$ 38	\$ 5
87070	CULTURE OTHR SPECIMN AEROBIC	\$ 60	\$ 122	\$ 96	\$ 118		\$ 139	\$ 162	\$ 123		\$ 109	\$ 10

**Estimated FY 2024 Diagnostic Imaging:**

73030	X-RAY EXAM OF SHOULDER	\$ 359	\$ 538	\$ 459	\$ 491		\$ 418	\$ 540	\$ 810		\$ 547	\$ 30
73630	X-RAY EXAM OF FOOT	\$ 359	\$ 499	\$ 459	\$ 454		\$ 418	\$ 604	\$ 605		\$ 476	\$ 30
77067	SCR MAMMO BI INCL CAD	\$ 598	\$ 551	\$ 477	\$ 656			\$ 674	\$ 503		\$ 360	\$ 50
73610	X-RAY EXAM OF ANKLE	\$ 338	\$ 508	\$ 459	\$ 458		\$ 421	\$ 623	\$ 882		\$ 477	\$ 30
73110	X-RAY EXAM OF WRIST	\$ 343	\$ 556	\$ 459	\$ 491		\$ 393	\$ 719	\$ 996		\$ 454	\$ 30

## Cigna Reimbursement Rates

CPT	Description	Copley	Vermont Hospitals									
			VT Avg	*A	B	*C	D	E	F	G	H	I
<b>Estimated FY 2024 Emergency Room Levels of Care</b>												
99281	EMERGENCY VISIT LEVEL 1	\$ 307	\$ 277	\$ 333	\$ 271		\$ 140	\$ 338	\$ 273		\$ 206	\$ 15
99282	EMERGENCY VISIT LEVEL 2	\$ 485	\$ 439	\$ 583	\$ 476		\$ 264	\$ 378	\$ 497		\$ 354	\$ 19
99283	EMERGENCY VISIT LEVEL 3	\$ 764	\$ 718	\$ 996	\$ 708		\$ 511	\$ 559	\$ 935		\$ 534	\$ 30
99284	EMERGENCY VISIT LEVEL 4	\$ 1,120	\$1,099	\$1,661	\$1,226		\$ 811	\$ 893	\$1,040		\$ 950	\$ 60
99285	EMERGENCY VISIT LEVEL 5	\$ 1,528	\$1,578	\$2,492	\$1,584		\$1,153	\$1,432	\$1,454		\$1,529	\$100

**Estimated FY 2024 Laboratory Services:**

80053	COMPREHEN METABOLIC PANEL	\$ 113	\$ 126	\$ 128	\$ 130		\$ 176	\$ 193	\$ 210		\$ 54	\$ 14
80061	LIPID PANEL	\$ 104	\$ 120	\$ 129	\$ 118		\$ 288	\$ 182	\$ 117		\$ 54	\$ 10
84443	ASSAY THYROID STIM HORMONE	\$ 123	\$ 185	\$ 198	\$ 204		\$ 392	\$ 269	\$ 250		\$ 82	\$ 10
85025	COMPLETE CBC W/AUTO DIFF WBC	\$ 60	\$ 82	\$ 93	\$ 62		\$ 81	\$ 135	\$ 125		\$ 65	\$ 8
80048	METABOLIC PANEL TOTAL CA	\$ 53	\$ 104	\$ 101	\$ 85		\$ 301	\$ 165	\$ 127		\$ 54	\$ 8
87088	URINE BACTERIA CULTURE	\$ 34	\$ 68		\$ 84			\$ 73	\$ 208		\$ 23	\$ 5
85027	COMPLETE CBC AUTOMATED	\$ 56	\$ 67		\$ 56		\$ 81	\$ 110	\$ 89		\$ 38	\$ 5
87070	CULTURE OTHR SPECIMN AEROBIC	\$ 53	\$ 129	\$ 101	\$ 202		\$ 136	\$ 169	\$ 131		\$ 109	\$ 10

**Estimated FY 2024 Diagnostic Imaging:**

73030	X-RAY EXAM OF SHOULDER	\$ 359	\$ 554	\$ 485	\$ 549		\$ 409	\$ 565	\$ 869		\$ 550	\$ 30
73630	X-RAY EXAM OF FOOT	\$ 359	\$ 515	\$ 485	\$ 507		\$ 409	\$ 631	\$ 648		\$ 480	\$ 30
77067	SCR MAMMO BI INCL CAD	\$ 598	\$ 594	\$ 504	\$ 717			\$ 704	\$ 543		\$ 362	\$ 50
73610	X-RAY EXAM OF ANKLE	\$ 338	\$ 528	\$ 485	\$ 511		\$ 412	\$ 651	\$ 945		\$ 480	\$ 30
73110	X-RAY EXAM OF WRIST	\$ 343	\$ 578	\$ 485	\$ 549		\$ 385	\$ 751	\$1,067		\$ 457	\$ 30



# MVP Reimbursement Rates

CPT	Description	Copley	Vermont Hospitals									
			VT Avg	*A	B	*C	D	E	F	G	H	I
<b>Estimated FY 2024 Emergency Room Levels of Care</b>												
99281	EMERGENCY VISIT LEVEL 1	\$ 252	\$ 263	\$ 315	\$ 261		\$ 110	\$ 330	\$ 271		\$ 201	\$ 16
99282	EMERGENCY VISIT LEVEL 2	\$ 398	\$ 410	\$ 552	\$ 459		\$ 209	\$ 369	\$ 494		\$ 345	\$ 21
99283	EMERGENCY VISIT LEVEL 3	\$ 627	\$ 674	\$ 944	\$ 683		\$ 404	\$ 547	\$ 930		\$ 524	\$ 35
99284	EMERGENCY VISIT LEVEL 4	\$ 920	\$1,033	\$1,574	\$1,181		\$ 641	\$ 874	\$1,034		\$ 927	\$ 75
99285	EMERGENCY VISIT LEVEL 5	\$ 1,254	\$1,471	\$2,361	\$1,526		\$ 911	\$1,401	\$1,446		\$1,492	\$1,11

## Estimated FY 2024 Laboratory Services:

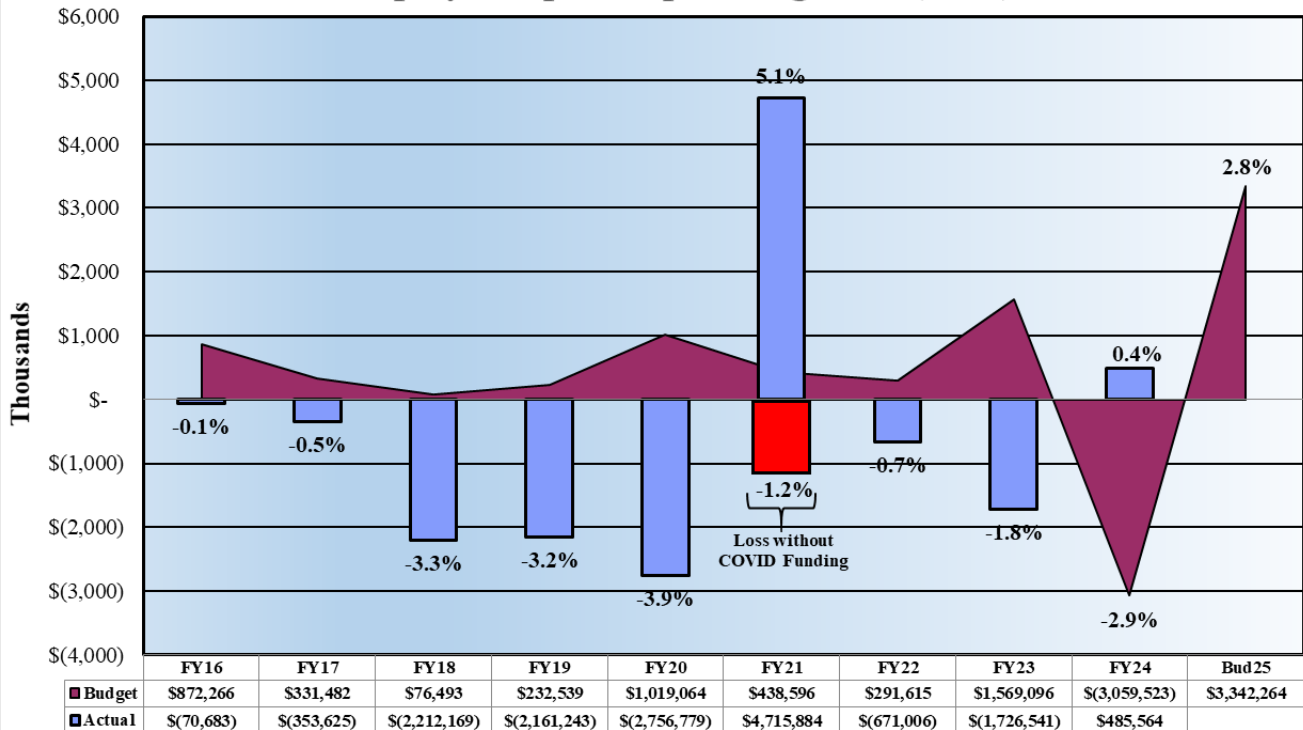
80053	COMPREHEN METABOLIC PANEL	\$ 93	\$ 121	\$ 121	\$ 125		\$ 139	\$ 189	\$ 209		\$ 53	\$ 16
80061	LIPID PANEL	\$ 85	\$ 113	\$ 122	\$ 114		\$ 227	\$ 178	\$ 117		\$ 53	\$ 11
84443	ASSAY THYROID STIM HORMONE	\$ 101	\$ 177	\$ 188	\$ 196		\$ 310	\$ 263	\$ 273		\$ 80	\$ 17
85025	COMPLETE CBC W/AUTO DIFF WBC	\$ 49	\$ 80	\$ 89	\$ 60		\$ 64	\$ 132	\$ 124		\$ 63	\$ 7
80048	METABOLIC PANEL TOTAL CA	\$ 69	\$ 104	\$ 96	\$ 82		\$ 238	\$ 161	\$ 127		\$ 53	\$ 9
87088	URINE BACTERIA CULTURE	\$ 28	\$ 68		\$ 81			\$ 72	\$ 206		\$ 22	\$ 6
85027	COMPLETE CBC AUTOMATED	\$ 46	\$ 64		\$ 54		\$ 64	\$ 107	\$ 88		\$ 37	\$ 7
87070	CULTURE OTHR SPECIMN AEROBIC	\$ 44	\$ 126	\$ 96	\$ 194		\$ 107	\$ 166	\$ 131		\$ 107	\$ 10

## Estimated FY 2024 Diagnostic Imaging:

73030	X-RAY EXAM OF SHOULDER	\$ 349	\$ 530	\$ 459	\$ 529		\$ 323	\$ 552	\$ 864		\$ 537	\$ 36
73630	X-RAY EXAM OF FOOT	\$ 349	\$ 492	\$ 459	\$ 489		\$ 323	\$ 618	\$ 645		\$ 468	\$ 36
77067	SCR MAMMO BI INCL CAD	\$ 574	\$ 582	\$ 477	\$ 691			\$ 689	\$ 540		\$ 353	\$ 57
73610	X-RAY EXAM OF ANKLE	\$ 349	\$ 502	\$ 459	\$ 493		\$ 326	\$ 637	\$ 940		\$ 468	\$ 36
73110	X-RAY EXAM OF WRIST	\$ 349	\$ 560	\$ 459	\$ 529		\$ 304	\$ 735	\$1,157		\$ 446	\$ 36

## Operating Margin:

### Copley Hospital Operating Gain (Loss)



Copley has budgeted an overall operating margin of 2.80% or \$3,342,264 for Budget 2025. Our audited 5-year average operating margin has been a loss of \$518,937. If Copley had not received the needed COVID funding in FY 2021, we would have posted the last eight consecutive years with a loss. Currently Copley is projecting an operating margin of 0.45% or \$485,564 for FY 2024. Copley needs to achieve a reasonable operating margin for the next several years in order to rebuild cash reserves necessary to weather unexpected downturns, take on risk in payment reform, invest in necessary equipment and infrastructure improvements, and provide financial stability for our employees and community.

**c) Budget assumptions:**

**a. Labor Expenses:**

COVID-19 tipped the seesaw for an already exasperated healthcare workforce, which led to a 500% increase in contract labor demand in fall 2021 compared to 2019. While demand has since decreased, it is still nearly doubled pre-pandemic levels. Moving forward, Vaya Workforce, a leader in healthcare staffing services, projects contracted labor demand to remain as high as 20% above the 2019 baseline.

With this forecast in mind, the two most pressing considerations for Copley continue to be quality and cost.

On the cost front, unprecedented demand for contracted labor is straining already thin financial margins. Shifting our mindset to approach contracted labor as a strategic advantage can bolster employee retention and promote a culture of flexibility, which can help us rethink traditional approaches to improving the bottom line. As a result, Copley is thinking differently to create a long-term contracted labor strategy that balances reliance with efficiency — and ultimately avoids seesaw reactions.

- Cost Inflation Metrics - Copley annually participates in the Northern New England Compensation survey administered by Gallagher
- FTEs – Up 12.4 from FY2024 budget
  - Ancillary – up 4.3 (3.3 to increase patient access, 1.0 for the new Waterbury MOB)
  - Clinic – up 5.8 (2.0 for cessation planning, 3.8 for the new Waterbury MOB)
  - ED – down 1.0
  - Nursing – down 2.0
  - Other areas up 5.3 (3.5 FTE’s added for 24-hour security, 1.0 for the new Waterbury MOB)
- Traveler FTEs are budgeted at 21 (budget 2024 =27)
- Benefits – Up 23.0% (inflationary increases supplied by the Richards Group)
  - Health Insurance up 12.4%
  - Vermont Child Care Tax - \$188k

Copley’s operating expense shows a 6.3% increase from the FY 2024 budget. Staffing has been one of our largest challenges since the pandemic began. To mitigate our reliance on temporary staff we have added FTEs and salary costs to support our recruitment and retention efforts.

**b. Utilization:**

Utilization is driven by physicians, services, and staff. Stable staffing, improvements to technology, enhanced services, and consistent management enable us to best meet the needs of our community.

Copley's FY 2025 budgeted utilization is increasing by 0.6% from FY 2024 projected, and 4.2% from FY 2024 budgeted.

**c. Pharmaceutical expenses (Budget 24 vs Budget 25):**

Overall pharmaceuticals are going down 0.5%. Inflationary increases/decreases are determined by our GPO who uses Vizient. For our eligible hospital-based outpatient spaces and child site clinics, we use the replenishment model for our 340B purchases. This program works as an accumulation of each dose of eligible medication administration. Once we reach enough doses accumulated to reach a package size, we can purchase that package at the 340b pricing to replace our GPO purchased stock.

**d. Other cost inflation (Budget 24 vs Budget 25):**

Non-Medical - Investing into our IT infrastructure up \$465k

Non-Medical – Interest expense up \$265k due to \$9.9 million USDA loan

Medical – Provider Tax up \$172k

Medical – Supplies up \$818k (inflationary increases supplied by “Vizient” (GPO))

Non-Medical – Supplies up \$561k (inflationary increases supplied by “Vizient” (GPO))

**e. Case Mix Index (CMI):**

No substantive changes in CMI.

**f. Rate changes by payer:**

Copley is requesting a weighted rate increase of 10.7%.

Copley calculated the rate increase based on an understanding of expected volumes, necessary services, and patient needs for the area, and then determined the costs to provide these services.

Copley utilizes these rates as a basis for discussion with our commercial payers. The rates are used to provide both parties with validity and a sense of fairness, given the oversight from both the Copley Board of Trustees and the Green Mountain Care Board.

Copley's overall rate increase is applied to all payers.

Medicare:

Critical Access Hospital (CAH) payments are based on costs and the share of those costs allocated to Medicare patients. Copley receives cost-based reimbursement for inpatient and outpatient services provided to Medicare patients. The cost of treating Medicare patients is estimated using cost accounting data from Medicare cost reports.

Copley has realized the rate increase in its NPR for Medicare due to the relationship in the increase of cost as compared to the increase in charges.

Medicaid:

Copley is not budgeting any additional reimbursement due to the rate increase for Medicaid.

Commercial:

Increases in gross charges will increase net patient service revenue but not on a dollar-for-dollar basis. The commercial insurance impact varies depending on the individual payer contracts.

**g. Capital expenses:**

Copley faces an aging infrastructure. Many of the buildings, which were built decades ago, are now in need of major renovations in order to ensure optimal operation of key functions. Over the years, Copley has made difficult decisions in prioritizing its needs with limited cash. We need to generate an operating margin in order to fund these improvements to provide a safe and comfortable patient environment, high quality care, and seamless coordination of care among providers. The decrease in available funding has created a large capital backlog, increased risk and is creating challenges in prioritizing unanticipated capital needs. Copley continues to work towards fulfilling these capital needs.

**Budget 2025 Total:** \$5,356,606 (CON projects = 0)

**Projects over \$100k:**

**Facilities:** \$1,235,000

Notes:

Infrastructure Improvements - \$510,000

Outpatient Procedure renovations - \$275,000

Property Acquisition - \$150,000

DI Room Upgrades for new equipment - \$150,000

Bulk Oxygen - \$150,000

**DI Replacement of Mammography and Digital X-ray Units:** \$764,045

Note: We are no longer able to secure service contracts for the current systems

**Laboratory Chemical Analyzers:** \$410,000

Note: Current equipment requires weekly maintenance, end of life

**Network Upgrades Phase 3 & 4:** \$391,910

Note: Phase 3 – Security, end-point performance, Phase 4 – Wireless performance

**Rad Link Software:** \$100,000

Note: Software package specifically used for surgical OR patients

The above capital projects will be funded through operations & capital leases.

**h. Financial indicators:**

Copley needs to achieve a reasonable operating margin for the next several years in order to rebuild cash reserves necessary to weather unexpected downturns, take on risk in payment reform, invest in necessary equipment and infrastructure improvements, and provide financial stability for our employees and community.

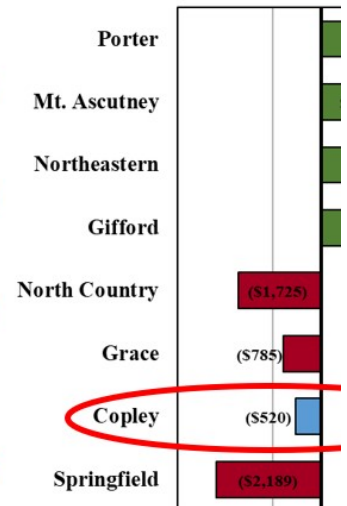
Unfortunately, Copley has not been allowed to raise rates like other Vermont hospitals. This inability to raise rates, coupled with all the other issues plaguing healthcare over the years, has resulted in substandard operating margins, and depleted days cash on hand.

(next page)

### CAH 5 Year Operating Margins

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	5 Year Average
Copley	(\$2,161,242)	(\$2,756,792)	\$4,715,884	(\$670,999)	(\$1,726,541)	(\$519,938)
Gifford	(\$413,707)	\$1,417,726	\$5,456,163	\$4,380,666	(\$4,733,932)	\$1,221,383
Grace	(\$1,301,798)	\$237,545	\$1,707,912	(\$2,229,065)	(\$2,339,003)	(\$784,882)
Mt. Ascutney	(\$42,885)	\$538,310	\$6,142,843	\$1,119,070	\$1,402,140	\$1,831,896
North Country	\$1,676,946	\$3,336,242	\$4,532,332	(\$9,383,220)	(\$8,788,077)	(\$1,725,155)
Northeastern	\$1,627,193	\$1,181,218	\$2,927,072	\$258,482	\$588,642	\$1,316,521
Porter	\$4,705,271	\$3,673,600	\$7,669,728	\$3,229,913	\$9,054,914	\$5,666,685
Springfield	(\$9,021,952)	(\$5,314,274)	\$639,922	\$3,309,654	(\$557,083)	(\$2,188,747)

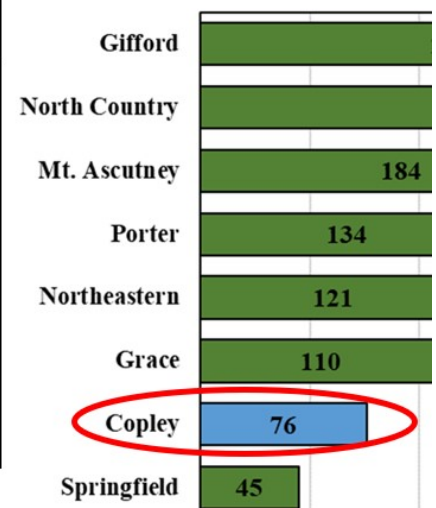
### CAH Operating M



### CAH 5 Year Days Cash on Hand (without COVID-19 Advance Payments)

	FY 2019	FY 2020	FY 2021	FY 2022	*Estimate FY 2023	5 Year Average
Copley	62	130	93	66	43	76
Gifford	237	270	289	204	153	229
Grace	93	142	157	98	77	110
Mt. Ascutney	144	168	215	208	233	184
North Country	221	270	285	213	193	233
Northeastern	107	147	154	106	93	121
Porter	129	141	165	120	120	134
Springfield	17	38	38	70	60	45

### CAH 5 Year Days Cash on Hand



\*FY 2023 estimate using GMBC Data for 10/2023

Due to Copley's relatively low debt, our debt to service ratio is projected to be 3.9 for FY 2024, and will increase to 5.1 for the 2025 budget. Over the years Copley was not using its debt properly. It was not borrowing enough, which made investing in new products and technologies difficult to stay ahead of our aging infrastructure. In prior years Copley could not secure tradition debt due to its poor operating performance over the past 7 years.

#### i. Uncompensated care:

Affordable Care is being budgeted at 0.9% of gross patient revenue (GPR). Copley's Affordable Care is an application-driven process based on income, family size, and extenuating circumstances. We endeavor to be "payer of last resort" relative to settlements, accidents, and other similar matters.

Bad Debt, as a percentage of GPR, is budgeted at 3.0%. Copley helps to ensure that patients receive the financial assistance they need, including setting up affordable payment plans.



**j. Community benefit:**

Copley Hospital's mission is to help people live healthier lives by providing exceptional care and superior service. Copley Hospital has provided inpatient, outpatient, and emergency services to residents and guests of Vermont's Greater Lamoille Valley since 1932. With more than two dozen specialties and service offerings, Copley is dedicated to providing care to patients and their family members regardless of the ability to pay. Copley provides patients with access to the highest quality care close to home. Our surgeons and other medical providers practice in accordance with the latest research and techniques and perform state-of-the-art procedures with a minimally invasive approach. Match that with the warm, personalized feel of a community hospital and it's no wonder Copley is known for its exceptional patient-focused care.

**d) Risks/Opportunities:**

As a small Critical Access Hospital, we have a systemic risk that the loss of one or more key providers could bring about a devastating impact on financial performance. This also holds true for our nurses, support staff, technologists, billers, and even leadership team (to name a few). We are always looking to manage those scenarios by ensuring we have options such as cross-training programs, incentives, shared assignments, part-time staff, per diems, etc.

The risk of sustainability, considering our financial performance, has been a concern over these past years given our operating losses. We are assertively managing these issues, many of which are rooted in a need for improved operations, standardization, and increased accuracy in data collection and indicators. Opportunity in our organization is ongoing, we continuously try to improve our clinical quality, patient experience, and coordination of care within our service areas. People do still leave our community and seek care at St. Elsewhere, which humbles and inspires us to work even harder to regain their trust and respect.

We produced a reasonable Master Facility Plan in 2021 with input from our staff and community. We continue to use this strategic road map to put us in a position to provide needed services to our community for years to come.

Lastly, we see opportunity in continuing the coordinated efforts initiated to address the COVID-19 emergency. We convened six organizations, representing the largest health care provider teams in this area, which supported each other through the unfolding crisis. The Executive Directors from the following providers signed on to this Team, entitled CRT-MV (Coronavirus Reposes Team: Morrisville):

1. Copley Hospital (CAH)
2. Lamoille Health Partners (FQHC)
3. Tamarack Health Care (large PCP Practice)
4. Lamoille County Mental Health Services (the local designated mental health agency)
5. Lamoille County Home Health and Hospice
6. The Manor (SNF)

We expect these relationships to continue as we address the need for mutual aid and support, and coordinate services in the midst of ongoing efforts at Health Care Reform in the State.

**e) Administrative vs. Clinical expenses:**

	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>Bud24</b>	<b>Bud25</b>
Mixed	\$ 21,221,781	\$ 19,221,849	\$ 19,355,843	\$ 20,571,604	\$ 22,864,262	\$ 26,898,756
Administration	\$ 7,834,831	\$ 8,626,530	\$ 9,059,959	\$ 9,749,080	\$ 8,469,242	\$ 9,042,144
Clinical	\$ 58,995,384	\$ 67,445,722	\$ 71,427,511	\$ 73,251,870	\$ 77,834,919	\$ 80,097,374
<b>Total</b>	<b>\$ 88,051,996</b>	<b>\$ 95,294,101</b>	<b>\$ 99,843,313</b>	<b>\$ 103,572,554</b>	<b>\$ 109,168,423</b>	<b>\$ 116,038,275</b>

From FY21 to FY22 Copley saw an increase in expenses for both the administration and clinical areas. The reason was due primarily to the “Great Resignation” brought on by the COVID-19 pandemic. As a hospital we needed to hire highly compensated travelers to care for patients or utilize expensive contracted services to get the bills out.

For Budget 2025 we are seeing larger than normal increase due to our health insurance increases, additional payroll taxes, 24/7 security, etc. We are also bringing on a new MOB which is affecting capital related cost, as well as much need IT infrastructure improvements related to our IT security, end-point performance and wireless performance.

**f) Facility fees:**

Please refer to section C.) Budget Questions, b) Section 1 benchmarks (Rate Increase).

**g) Consumer affordability:**

Please refer to section C.) Budget Questions, b) Section 1 benchmarks (Rate Increase).

Copley acknowledges the need to deliver the highest quality service at the most affordable price possible. As part of the budget process each year we compare the price of our services to the price of those services at other Vermont hospitals, we also evaluate how much our charity care is being utilized and the trending in our bad debt.

**h) Budget adjustments:**

Copley calculated the rate increase based on an understanding of expected volumes, necessary services, and patient needs for the area, and then determined the costs to provide these services. If the board reduces or denies our charge request we would need to revisit these assumptions.

**i) Projected 2024 Lobbying and Marketing Costs (detailed):**

Lobbying = \$67,935

Marketing:

VOX AM/FM, LLC – \$15,414

Radio Vermont FM, Inc - \$12,600

Stowe Reporter - \$9,340

Vt Sports/Vt Ski+Ride - \$9,000

WLVB-Radio Vermont - \$7,592

WCVT Radio Vt Classics - \$2,736

Other – \$2,458

The Point - \$1,600

Stowe Area Association - \$400

**j) Fundraising efforts:**

Fundraising in FY2025 will come from events (three annual fundraisers and smaller in-home events with major donors) that could raise an estimated \$150,000 in gross revenue. In addition, the Grateful Patient program could bring in \$15,000.

**k) Projected Investment Income:**

For Budget 2025 Copley is budgeted \$277k (5% return)

**l) Payer reduction due to quality:**

None.

**m) Workforce development investments:**

Labor and Retention Efforts – To help reduce costs Copley is focusing on ways to reduce travelers. The unprecedented demand for contracted labor is straining already thin financial margins. Copley is working to create a long-term labor strategy to strengthen our workforce and employee retention.

- Copley is placing great effort into labor and retention in a difficult labor market. Our human resources department uses market surveys to be sure we are competitive in the market yet never the leader in the market. We have expanded our retention efforts to areas outside of Vermont in hopes of attracting new employees to this area. Unfortunately, our area is not always attractive to people who are from the south once winter hits. Copley also tries to convert travelers to staff as contracted labor agreements end. Management is working towards reducing contracted labor whenever possible.
- Workforce development, including education and promotion is a crucial investment for improving retention at Copley Hospital. In 2021, Copley’s Nursing Division started a Nursing Assistant Education Program (NAEP). The program consists of three cohorts per year with a maximum of eight participants accepted into each cohort. The NAEP is based on the American Red Cross model and prepares the participants to take the Vermont Nursing Assistant Examination which is required to become a Licensed Nursing Assistant (LNA) in the State of Vermont. The program is a paid-to-learn program funded by Copley. Upon successful completion of the program and licensure exam, the candidate becomes an LNA and receives a promotion. In 2022, a donor pledged \$100 thousand a year for ten years to fund a scholarship program at Copley, providing education and training for our employees. The scholarship program will impact the hospital for decades to come, not only improving the lives of those who work at Copley, but the patients and community as well. This gift makes it possible for many employees to pursue certifications, designations, and advanced degrees as well as supporting individuals to take their first steps towards a career in healthcare.

**D. Hospital & Health System Improvement:**

To coordinated efforts initiated to address the COVID-19 emergency, we convened six organizations, representing the largest health care provider teams in this area, which supported each other through the unfolding crisis. The Executive Directors from the following providers signed on to this Team, entitled CRT-MV (Coronavirus Reposes Team: Morrisville):

1. Copley Hospital (CAH)
2. Lamoille Health Partners (FQHC)
3. Tamarack Health Care (large PCP Practice)
4. Lamoille County Mental Health Services (the local designated mental health agency)

5. Lamoille County Home Health and Hospice
6. The Manor (SNF)

These relationships address the need for mutual aid and support, and coordinate services in the midst of ongoing efforts at Health Care Reform in the State.

Copley continues to focus on value-based initiatives that involve expanding and improving on collaborative strategies with our community primary care practitioners to improve beneficiaries' outcomes. We have implemented the below strategies:

- Worked with Vermont Information Technology Leaders to ensure that primary care practitioners (PCPs) receive necessary documentation after a shared patient has been discharged from our inpatient unit.
- Facilitate the exchange of data between PCPs and our emergency department (ED) when shared patients are seen for a visit.
- Completed standardized training on necessary data elements to ensure exchange of data between Copley Hospital and our community partners was successful. Continue to monitor for improvement around data elements entered at registration.
  - October 2021 46% of ED visits did not have PCP documented at registration
  - March 2022 38% of ED visits did not have PCP documented at registration
  - June 2022 26% of ED visits did not have PCP documented at registration
- Coordinate care for beneficiaries after ED visits. Copley sends a list of patients to each care coordinator at our community PCP offices so that they can provide follow-up telephone calls to check on the patient after an ED visit and to ensure they have scheduled a primary care visit.
- Collaborated with community partners to embed a shared staff member within the ED to focus on providing shared beneficiaries with timely and more direct referrals to community organizations to meet the beneficiaries' needs.
- Collaborated with community partners to embed a shared staff member part-time in The Women's Center to increase social determinant of health screening and referrals.
- Embedded risk-assessment screening tools into our electronic health record documentation to expand our ability to more quickly identify at risk populations for intervention.
- Provide discharge planning for all inpatients, observation patients, and certain ED patients which includes multiple staff from outside organizations to enhance ability to provide needed resources after discharge.

Copley Hospital does not receive fixed payments, and the Value-Based Incentive Fund (VBIF) payment of \$18,000 is not enough funding to make much of a dent in the cost of working to advance value-based care at the hospital. What has changed is the willingness and interest of the PCPs to collaborate and share services or assist in funding staff who assist them to receive a PMPM fixed payment as well as receive increased care coordination payments.

For the Rise Vermont and VBIF funds, Copley is looking into using this funding to support staff to participate and attend community collaboration meetings around Zero Suicide, Health Equity, Women's Health Initiative, Suicide Screening, workforce recruitment, and Nursing Leadership.

Population health priorities emerging for Copley Hospital involve behavioral and mental health patients wait times and "boarding" in the emergency department while waiting on transfer and placement for patients. Copley Hospital is taking part in the Vermont Program for Quality in Health Care "Vermont Emergency Department Suicide Prevention Quality Improvement Initiative" project.

Copley Hospital is also involved in a quality initiative to increase rapid treatment access for patients with Alcohol Use Disorder (AUD). We are working on a standardized clinical patient pathway in collaboration with community partners. Our goals include improving and increasing referrals and tracking to show improvements in patient outcomes by ensuring treatment and follow-up occurs within 3 days of an ED visit.

To convey to providers the impacts of the care delivered, the hospital uses wide quality initiative data that is shared with all staff, community partners and our Board of Trustees. Our CMO Dr. Dupuis and Chief of Surgery Dr. Macy both participate on the state-wide committee working to develop meaningful quality metrics.

Success is measured and tracked for each initiative. Success in meeting our metric goals is demonstrated with data. Some examples are:

- **Alcohol Use Disorder Initiative:** Development of process for identification of patients with AUD diagnosis, implementation of tracking system to demonstrate increase in number of patients who receive follow-up and treatment within three days of an ED visit.
- **Suicide Prevention Initiative:** number of ED staff trained in Counseling on Access to Lethal Means. Increase in number of patients appropriately screened using the standardized screening tool.
- **Completion of Mock Survey** to identify areas for improvement. Completion of suggested improvements identified at Mock Survey

#### **F. Other:**

- a) This is not a zero-based budget.
- b) Patient financial assistance program

#### **a. Third Party Cash Acceleration System:**

Copley uses E-Management Associates (EMA) for our cash acceleration system which has been tailored to meet Copley's specific needs. For FY 2023 Copley paid \$95k for these services. For contract, please refer to last year's filing.

#### **b. ROI:**

Managing self-pay accounts can be time-consuming and require specific expertise. Outsourcing to EMA has maximized Copley's recovery rates. EMA specialize in recovering outstanding accounts and have expertise in navigating the complexities of the process. They have resources, technology, and established procedures to improve collection rates. EMA specialists serve as an extension of revenue cycle efforts. They employ trained professionals who specialize in negotiating and recovering payments, and have dedicated resources and tools to track and pursue outstanding accounts more effectively. Using EMA also helps with the overall patient experience, having conversations around payments is difficult and would be more complicate if you knew the person you're working with. Partnering has brought valuable expertise and resources to Copley

#### **c.-d. Patient Financial Assistance:**

Copley Hospital will pursue every opportunity to inform its patients of the existence of the Financial Assistance Program and encourage patients/guarantors to submit application for assistance if paying a Copley Hospital bill may create an undue financial hardship. This includes advising patients of the Financial Assistance Program in the following ways:

- Signage and/or brochures will be located in registration areas, written in plain language.
- Copley Hospital's website will include a page related to the Financial Assistance Program, written in plain language, and an electronic copy of the policy and application.



- Patients presenting without insurance will be informed of the Financial Assistance Program and provided with a copy of the application form during the registration and/or admissions process.
- Each billing statement sent to the patient/guarantor will advise the guarantor of the Financial Assistance Program, contact information for financial counseling, and contain a short form that can be submitted to initiate the application process.
- Patient Account Representatives will advise patients/guarantors of the Financial Assistance Program during normal collections activities should a patient/guarantor indicate that they cannot afford their medical bills or cannot afford payment arrangement terms in accordance with the Payment Arrangements Policy.

**In closing, thank you for looking into our FY 2025 Budget materials, and please feel free to ask if you have any.**