

FY 2021

Vermont Hospital Budgets

Provider Transfers

May 19, 2021

GMCB Health System Finance Team

Budget Amendments and Adjustments Policy

Intro

- Hospital may request changes to approved budgets
- Board expects to be reasonably informed
- Changes prior to May 1 are expected to occur in the current fiscal year
- Changes after May 1 are expected to occur in the July 1 budget submission
- Includes changes resulting from provider transfers

Process

- For independent provider transfers:
 - Letter of intent and documents to the GMCB regarding a revised budget shall be filed within 30 days prior to transfers and other reporting requirements
 - Notice to patients
 - GMCB does not approve transfers; GMCB tracks and acknowledges resulting changes to hospital budget and ensures patients receive notice
- For budget adjustments: GMCB staff will review within 15 days after receiving a complete request and make recommendations to the Board.

Provider Transfers- Effecting NPR

- Board tracks existing health care dollars in and out of hospitals, these are not “new” dollars to the health care system, but they do impact a hospital’s budget. This policy does not require that the Board approve a provider transfer or acquisition.
- Independent Providers move into a hospital (patients are to be given notice)
 - Hospital Provider Practice separates from a hospital

Central Vermont Medical Center and University of Vermont Medical Center: Provider Transfers



- Timeline
 - Email received February 22, 2021, from CVMC with provider transfers schedules
 - GMCB Staff sent communication to CVMC and UVMMC to confirm that these transfers also effected UVMMC
 - Received confirmation and supporting schedules from UVMMC in April

Central Vermont Medical Center and University of Vermont Medical Center: Provider Transfers



- UVMHN justification:
 - At the end of FY20, UVMHC transferred three practices to CVMC – a general surgery, family medicine, and ENT
 - Transfers are not reflected in either hospital's FY20 or FY21 budgets
 - Changes needed before the end of FY20, in order to file at least one set of claims before the end of the fiscal year to continue providing low cost 340B drug benefits for the practice patients without a gap in coverage
 - Providers located at CVMC already; no change to physical practice location or operations

Provider Transfers

CVMC			
Name of Provider	NPR/FPP	Expenses	Operating Margin
ENT	\$ 827,403	\$ 985,840	\$ (158,437)
Family Medicine	\$ 2,558,804	\$ 3,379,783	\$ (820,979)
General Surgery	\$ 1,121,825	\$ 1,199,928	\$ (78,103)
	\$ 4,508,032	\$ 5,565,551	\$ (1,057,519)

UVMC			
Name of Provider	NPR/FPP	Expenses	Operating Margin
ENT	\$ (827,403)	\$ (985,840)	\$ 158,437
Family Medicine	\$ (2,558,804)	\$ (3,379,783)	\$ 820,979
General Surgery	\$ (1,121,825)	\$ (1,199,928)	\$ 78,103
	\$ (4,508,032)	\$ (5,565,551)	\$ 1,057,519

Staff Recommendations

- Require UVMHC and CVMC to reflect these transfers in FY21 budgets when submitting their FY22 budgets so that the FY22 budget is based on the hospitals' FY21 budget adjusted for these transfers
- This approach treats the transfers as if they were changes that occurred after May 1 under the [Budget Amendments and Adjustments policy](#)
- This approach is recommended instead of asking the hospitals to request a formal amendment to their FY21 budgets because of the pandemic having skewed actual performance for FY21 which would be below their budgets
 - The board decided it will not take enforcement action with respect to FY21 budgets
 - In staff's view, based on where we are in the budget cycle and considering ongoing effects of the pandemic, most effective use of time and resources is focus on having correct FY21 budget baseline for FY22 budget submissions

Discussion and Suggested Motion Language

Comments and discussion.

Suggested motion language:

- *The Green Mountain Care Board acknowledges the provider transfers from the University of Vermont Medical Center to Central Vermont Medical Center, which were effective at the end of FY2020, and not reflected in those hospitals approved FY21 budgets.*
- *The Board instructs UVMMC and CVMC to include the appropriate adjustments to their FY21 budgets to reflect the provider transfers when submitting their FY22 budgets in order to establish their FY21 adjusted baseline budget.*