

August 4, 2022

Ms. Sarah Lindberg
Green Mountain Care Board
144 State Street
Montpelier, VT 05602

Dear Ms. Lindberg,

Below is Southwestern Vermont Medical Center's (hereafter "SVMC") response to the questions included in your August 1, 2022 email.

GMCB Question

- 1) *FEMA recently extended the time period for eligible COVID-related expenses in its public assistance program. Do you anticipate pursuing any of this funding? If so, what is the approximate timing and estimated amount of any potential funding?*

Management Response

In FY 2020, SVMC received FEMA funding which cost the Hospital in time and effort nearly as much as was received. We currently are monitoring all sources of funding. When appropriate, SVMC will apply.

GMCB Question

- 2) *Describe the methods used to estimate the effect of inflation on your expenses. Include how the calculations are applied to expense categories (e.g. wage and salary, pharmaceuticals).*

Management Response

As I stated in our conversation "high level amounts" were included in the budget, not exact amounts. As an example, the Hospitals Materials Management received notices that costs for certain medical surgical supplies were to increase by nearly 8%, then received weeks later that the items may go up over 10%. In the budget process, management told

department directors of these supplies that they had 7% provided for in the budget, for price increases.

To make up the difference, either utilization would need to be reduced or alternative products at lower prices need to be utilized if the cost of the products exceeded 7%. It is worth noting directors were also advised that quality and safety of patient care should not be jeopardized as well as the safety of our employees when making decisions.

GMCB Question

3) *How does your organization evaluate the affordability of services for patients?*

Management Response

Affordability to patients is an interesting concept. Assuring high quality and safety around patient care is the driving force in what we do at SVMC. It is well documented that high quality usually drives cost lower thus making it affordable to patients.

GMCB Question

4) *Do you anticipate any changes to your budgeted fixed prospective payments for FY23?*

Management Response

Nothing material, except increases in rates and volume shifts.

VALUE-BASED CARE PARTICIPATION

GMCB Question

i. Referencing the data submitted in Appendix 5, if there are any value-based care programs that the hospital is not participating in for CY 2023, please explain why and describe any barriers that exist. What changes, if any, to each of these programs would need to be made in order to facilitate your participation?

Management Response

SVMC is participating in each.

GMCB Question

ii. Understanding that the pandemic has just started to recede, what changes in each of the hospital's cost centers that relate to value-based care initiatives (e.g. population health management, care coordination, chronic condition management, etc.) have been made as a result of participating in the ACO? Be specific in describing each cost center and how it has changed since joining the ACO. Additionally, speak to how the fixed payments or other ACO payments from OCV are or are not advancing value-based care at your hospital.

Management Response

The Hospital Care Teams continue to review results with provides, discuss strategies to improve patient outcomes. No specific cost centers have materially changed, however, process and the sharing of results and process have been revised and evolving.

GMCB Question

iii. A. As the pandemic recedes, what specific population health priorities are emerging for the hospital?

Management Response

Outside of COVID-19, Mental Health issues are priority for the organization. In addition, there is focus on four quality performance measures agreed upon with OCV.

- Medicare Annual Visits;
- Diabetes Control;
- Child and Adolescent Well Visits;
- Development Screening for adolescents.

GMCB Question

B. How will each of these priorities be conveyed to providers to in order to impact care delivery?

Management Response

Currently, the Care Coordination team jointly with OCV are developing the monitoring tools and meeting with providers to gain their input and will be reporting to the providers quarterly.

GMCB Question

C. How will success be measured for each of these initiatives?

Management Response

Success is a long-term measurement. In the short-term, once the baseline is determined progress against the baseline will be the measurement. Long-term identifying and treating health conditions early will improve outcomes.

GMCB Question

iv. As of CY2022, OCV is providing each HSA with quarterly quality reports. How are the results of these reports being communicated to providers in a way that will impact care delivery and quality outcomes?

Management Response

OCV and SVMC care teams review the data and as mentioned earlier and below, look for opportunities to improve care to the patients we serve.

GMCB Question

v. A. Regarding the CY2020 settlement information for the hospital (Separate tables will be provided by GMCB), what are the planned investments of those dollars in furthering the hospital's health care reform goals? If no investments in health care reform were made with these dollars, how were they invested?

Management Response

Not sure I understand the question. Have not seen tables.

GMCB Question

v. B. If the hospital experienced a net shared loss during this time period, how is the hospital using that information to inform change to the delivery system?

Management Response

As mentioned above, if we are in a positive or negative position the Care teams review the data with providers and look for opportunities to improve care and outcomes.

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I hope these responses meet the intent of the questions. If you should have any questions please do not hesitate to call me at 802.447.5011.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stephen D. Majetich", with a large, stylized flourish at the end.

Stephen D. Majetich
VP Finance/CFO