

GREEN MOUNTAIN CARE BOARD (GMCB)
GMCB Board Meeting Minutes
Wednesday, September 4, 2019
1:00 pm

Attendance

Kevin J. Mullin, Chair
Susan J. Barrett, JD, Executive Director
Michael Barber, General Counsel
Robin Lunge, JD, MHCDS
Maureen Usifer
Jessica Holmes, PhD
Tom Pelham

Executive Director's Report

Kevin Mullin called the meeting to order at approximately 1:00 pm. Susan Barrett announced there will be a Board Meeting on Monday, September 9, 2019 at 9:00 am in the Pavilion Auditorium, 109 State St, Montpelier, VT. During this meeting, there will be a potential vote on the GMCB General Advisory Committee Charter and continued FY 2020 hospital budget deliberations and potentials vote(s). On Monday, September 9, 2019 there will be a General Advisory Committee Meeting at 2:00 pm in Room 10 of the Vermont State House, 115 State St, Montpelier, VT. On Wednesday, September 11, 2019 from 9:00 am to 4:00 pm (end time could vary) there will be another Board Meeting in the Pavilion Auditorium to continue FY 2020 hospital budget deliberations and potential vote(s). There is a tentative date held for Friday, September 13, 2019 at 9:00 am in the Pavilion Auditorium, in case continued deliberations are needed. The September 2019 Board Meeting schedule can be seen [here](#) on the GMCB website.

Minutes

The Board voted (5-0) to approve the minutes from August 7, 2019.

GMCB General Advisory Committee Charter – Potential Vote

Christina McLaughlin, Health Policy Analyst, GMCB

Christina McLaughlin reviewed the draft charter for the redesigned General Advisory Committee started in December 2018. The charter was shared during the application process, was discussed at two committee meetings, and revised with Committee member suggestions. Christina McLaughlin presented the purpose and scope of the General Advisory Committee, the officers of the committee, and the membership requirements. GMCB staff recommended the Board approve the latest draft of the General Advisory Committee Charter. There is a special comment period until Monday, September 9, 2019, which can be seen on the GMCB website [here](#). The presentation and the draft charter can be seen [here](#) on the GMCB website.

Public Comment

Susan Aranoff

FY 2020 Hospital Budgets – Potential Vote(s)

Patrick Rooney, Director of Health Systems Finances, GMCB
Lori Perry, Health Finance Analytics Director, GMCB
Agatha Kessler, Health Policy Director, GMCB

Patrick Rooney introduced the staff and reviewed the outline of the presentation. Chair Kevin Mullin announced there is a possible budget resubmission from Central Vermont Medical Center, so it will not be reviewed/voted on during this presentation. Lori Perry reviewed the FY 2020 budget resubmissions and updates from North Country Hospital, Northwestern Medical Center, Central Vermont Medical Center, and University of Vermont Health Network. Patrick Rooney presented the staff considerations, including Electronic Health Record (EHR) conversions, cost savings initiatives, delivery system reform, leadership turnover, workforce, utilization, other revenue, and Medicare cost report settlements. Agatha Kessler presented the submitted Net Patient Revenue/Fixed Prospective Payment (NPR/FPP) for each hospital, the updated NPR/FPP, the NPR/FPP percent growth with requested adjustments, and the impact of adjustments. Lori Perry presented the change in charge for five years.

Patrick Rooney introduced the compliant hospital budget requests from Gifford Medical Center, Rutland Regional Medical Center, and Springfield Hospital. These requests do not exceed the 5.0% cap for those hospitals whose budget-to-projection variance exceeds -2.0% and the request is within the 3.5% target growth rate. Agatha Kessler reviewed Gifford Medical Center's FY 2020 requested NPR/FPP percent change of -6.3% and the change in charge of 5.0%. The hospital's justification included utilization, an aging population, the age of plant, and the change in charge to support a positive operating margin. Agatha Kessler reviewed the FY 2019 operating performance, the historical operating performance, the change in charge, and Accountable Care Organization (ACO) participation. Patrick Rooney reviewed Rutland Regional Medical Center's FY 2020 requested NPR/FPP percent change of 3.5% and the change in charge of 2.65%. The hospital's justification included the cost structure outpacing NPR, reimbursement deterioration, state psychiatric care, ACO impact on financial performance, and their 5-year average charge request below 3%. Patrick Rooney reviewed the FY 2019 operating performance, the historical operating performance, the change in charge, and Accountable Care Organization (ACO) participation. Lori Perry reviewed Springfield Hospital's FY 2020 requested NPR/FPP percent change of -19.2% and the change in charge of 0%. The hospital's justification included decreased utilization and closure of labor and delivery service line. Lori Perry reviewed the FY 2019 operating performance, the historical operating performance, the change in charge, and Accountable Care Organization (ACO) participation.

Patrick Rooney introduced the provider transfer and accounting adjustment requests from North Country Hospital, Northwestern Medical Center, and Southwestern Vermont Medical Center. Lori Perry reviewed North Country Hospital's FY 2020 requested NPR/FPP percent change of 3.4% (with accounting adjustment) and the change in charge of 4.2%. The hospital's justification

included recovery of operating margin, increased complexity of care, and utilization increases. Lori Perry reviewed the FY 2019 operating performance, the historical operating performance, the change in charge, and Accountable Care Organization (ACO) participation. Patrick Rooney reviewed Northwestern Medical Center's FY 2020 requested NPR/FPP percent change of 3.5% (when including the provider transfer) and the change in charge of 5.9%. The hospital's justification included a trend in decreasing operating margin, utilization, "overcorrection" in change in charge, and the change in charge to support operating margin recovery. Patrick Rooney reviewed the FY 2019 operating performance, the historical operating performance, the change in charge, and Accountable Care Organization (ACO) participation. Agatha Kessler reviewed Southwestern Vermont Medical Center's FY 2020 requested NPR/FPP percent change of 3.5% (when considering request for provider transfer) and the change in charge of 2.8%. The hospital's justification included utilization increases and an anesthesia provider transfer. Agatha Kessler reviewed the FY 2019 operating performance, the historical operating performance, the change in charge, and Accountable Care Organization (ACO) participation.

Agatha Kessler introduced the non-compliant requests from Brattleboro Memorial Hospital, Copley Hospital, Northeastern Vermont Regional Hospital, Mt. Ascutney Hospital & Health Center, and Grace Cottage Family Health & Hospital. Agatha Kessler reviewed Brattleboro Memorial Hospital's FY 2020 requested NPR/FPP percent change of 7.2% and the change in charge of 3.4%. The hospital's justification included increased utilization and a three-year trend of negative operating margin. Agatha Kessler reviewed the FY 2019 operating performance, the historical operating performance, the change in charge, and Accountable Care Organization (ACO) participation. Lori Perry reviewed Copley Hospital's FY 2020 requested NPR/FPP percent change of 3.5% and the change in charge of 9.8%. The hospital's justification included a four-year trend of negative operating margin, a requirement to build cash for deferred maintenance and risk mitigation, cost pressures, service mix, complexity of care, and the change in charge to support a positive operating margin. Lori Perry reviewed the FY 2019 operating performance, the historical operating performance, the change in charge, and Accountable Care Organization (ACO) participation. Patrick Rooney reviewed Northeastern Vermont Regional Hospital's FY 2020 requested NPR/FPP percent change of 7.2% and the change in charge of 3.5%. The hospital's justification included utilization increases. Patrick Rooney reviewed the FY 2019 operating performance, the historical operating performance, the change in charge, and Accountable Care Organization (ACO) participation. Agatha Kessler reviewed Mt. Ascutney Hospital & Health Center's FY 2020 requested NPR/FPP percent change of 7.4% and the change in charge of 3.2%. The hospital's justification included utilization increases and the change in charge to support the hospital's operating margin. Agatha Kessler reviewed the FY 2019 operating performance, the historical operating performance, the change in charge, and Accountable Care Organization (ACO) participation. Lori Perry reviewed Grace Cottage Family Health & Hospital's FY 2020 requested NPR/FPP percent change of 8.7% and the change in charge of 3.2%. The hospital's justification included utilization increases and the change in charge to support the hospital's operating margin. Lori Perry reviewed the FY 2019 operating

performance, the historical operating performance, the change in charge, and Accountable Care Organization (ACO) participation.

Agatha Kessler reviewed Porter Medical Center's FY 2020 requested NPR/FPP percent change of 3.4% (compliant after considering adjustments), the overall change in charge of 0%, and the commercial change in charge of 2.6%. The hospital's justification included case mix index, provider transfers, an accounting adjustment, and the change in charge to cover annual inflation on commercial business. Agatha Kessler reviewed the FY 2019 operating performance, the historical operating performance, the change in charge, and Accountable Care Organization (ACO) participation. Patrick Rooney reviewed University of Vermont Medical Center's FY 2020 requested NPR/FPP percent change of 6.1%, the overall change in charge of 3.0%, and the commercial change in charge of 4.0%. The hospital's justification included case mix index, unique patients, an ACO accounting adjustment, and the change in charge to cover annual inflation on commercial business and support long term operating margin. Patrick Rooney reviewed the FY 2019 operating performance, the historical operating performance, the change in charge, and Accountable Care Organization (ACO) participation. Agatha Kessler reviewed the ACO Accounting adjustment and the three different ways to look at the UVM budget on the slide deck. The presentation can be seen [here](#) on the GMCB website.

The individual Board Members made comments on the FY 2020 hospital budgets, the broad impacts on the health care system, and their initial thoughts. The transcript from the court reporter is available upon request.

Public Comment

Walter Carpenter
Jennifer Bertrand
Mike Fisher

FY 2020 Hospital Budget Deliberations – Staff Recommendations -Potential Vote(s)

Patrick Rooney, Director of Health Systems Finances, GMCB
Lori Perry, Health Finance Analytics Director, GMCB
Agatha Kessler, Health Policy Director, GMCB

Patrick Rooney presented the GMCB staff recommendation to approve Gifford Medical Center's FY 2020 budget as presented. Board Member Jessica Holmes moved to approve the budget with the standard conditions ordinarily included in hospital budget orders and with two additional conditions: that the GMCB would continue monitoring with in-person meetings every other month and that the hospital work with GMCB staff to submit a sustainability plan, with a format and content to be determined by the GMCB staff in consultation with hospital representatives.

Board Member Maureen Usifer seconded the motion. The Board voted to approve the motion (5-0). The presentation can be seen [here](#) on the GMCB website.

Patrick Rooney presented the GMCB staff recommendation to approve Rutland Regional Medical Center's FY 2020 budget as presented. Board Member Tom Pelham moved to approve the budget as presented with the standard conditions ordinarily included in hospital budget orders. Board Member Maureen Usifer seconded the motion. The Board voted to approve the motion (5-0).

Patrick Rooney presented the GMCB staff recommendation to approve Springfield Hospital's FY 2020 budget as presented. Board Member Robin Lunge made a motion to approve the budget with the standard conditions ordinarily included in hospital budget orders with an additional condition of continued monthly monitoring including a requirement to report the impact of bankruptcy on its FY 2020 budget. Board Member Jessica Holmes seconded the motion. The Board voted to approve the motion (5-0).

Agatha Kessler presented the accounting adjustment request from North Country Hospital to reflect double counting of swing bed revenues in FY 2019 in the amount of \$638,225 and an adjusted \$644,200 in capitation and incentive income in their FY 2020 budget. Board Member Robin Lunge made a motion to accept the resubmitted budget. Board Member Jessica Holmes seconded the motion. The Board voted to approve the motion (5-0).

Agatha Kessler presented the provider transfer request from Northwestern Vermont Medical Center, which resulted in a 0.2% adjustment to the FY 2020 NPR/FPP. Chair Kevin Mullin made a motion to approve the request on the two provider transfers with a net effect of 0.2% on the FY 2020 NPR/FPP subject the hospital board's approval and meeting the requirements of Act 43. Board Member Tom Pelham seconded the motion. The Board voted to approve the motion (5-0).

Public Comment

None

Old Business

None

New Business

None

Adjourn

The Board voted (5-0) to adjourn at approximately 4:00 pm.