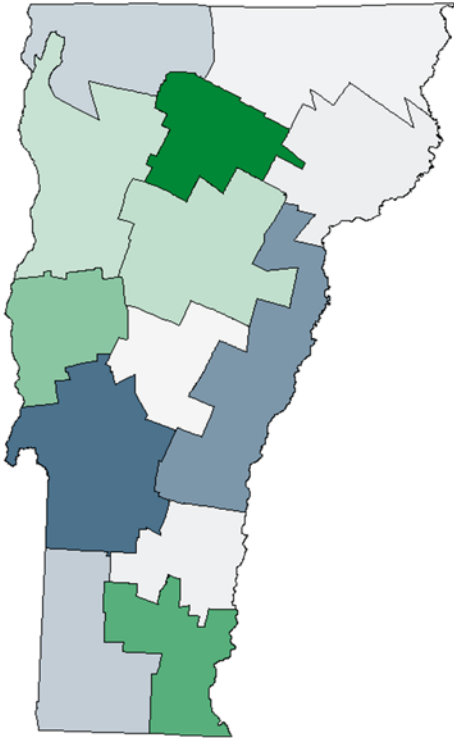


Fiscal Year 2018 Vermont Hospital Budget Submissions

Preliminary Review

Green Mountain Care Board

JULY 27, 2017



Agenda



Timelines, budget guidance



Hospital Budget System Summary



Hospital Budget Reviews



**Samples of Hospital Charges and
Quality Measurement from the Hospital
Report Cards**



Questions?

GMCB FY18 Budget Instructions

Reporting – as described in the Uniform Reporting Manual and the Hospital Budget Reporting Requirements.

Hospitals file narratives explaining net patient revenue change and rate/price change. Filing includes a rate/price schedule.

The Board will evaluate each hospital's financial status in a comprehensive view to include Net Patient Revenue, Operating Surplus, Operating Margin, etc.

In the budget instructions, net patient revenue increase is limited to 3.0% and new health care investments are limited to 0.4%. GMCB will examine whether additional increases in new health care investments are allowable.

GMCB FY18 Budget Instructions, cont.

Hospitals exceeding net patient revenues in Budget 2016 were required to reduce their rate request in Budget 2018.

The following budget policies have been updated effective March 2017:

- Net Patient Revenue,
- Community Health Needs Assessment reporting,
- Physician Acquisition/Transfers, and
- Enforcement

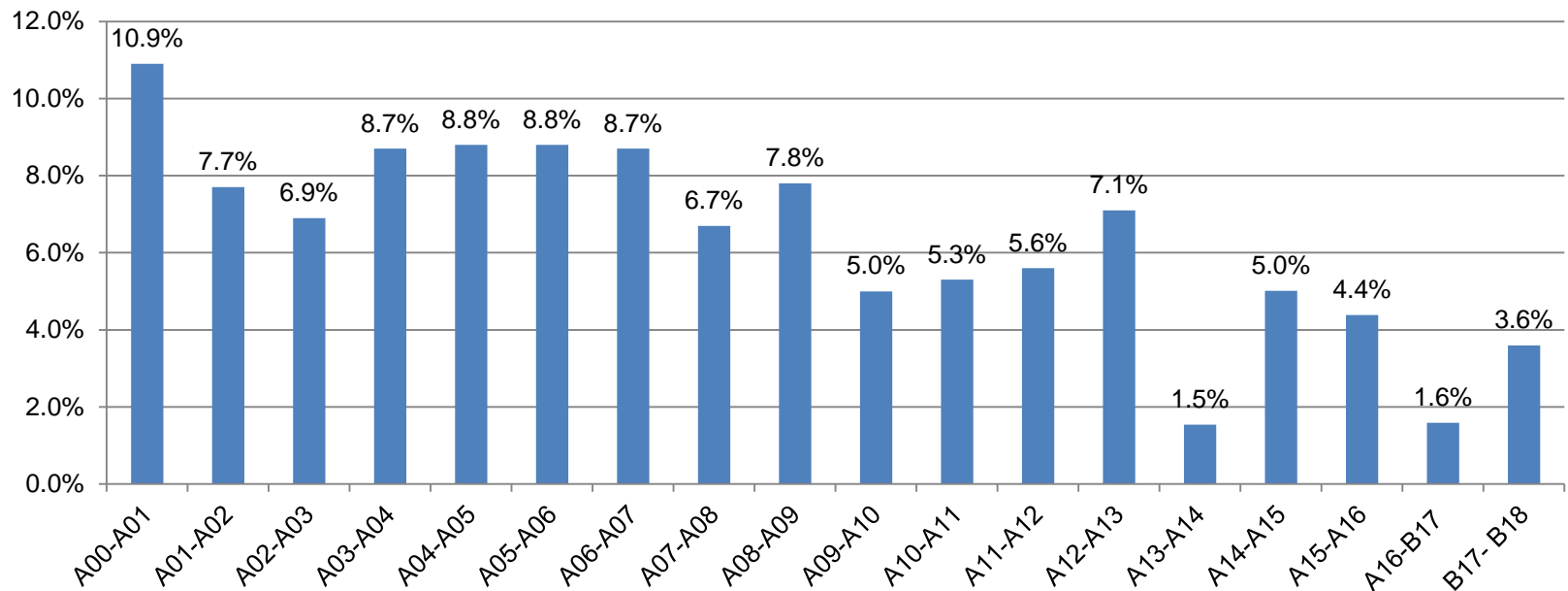
This year hospitals were able to request a Waiver (exemption) from public hospital budget hearing process and from budget adjustments by meeting certain criteria.

Key dates & timelines

July 27	Preliminary presentation of hospital system budgets
July-Aug	<p>Detail review of each budget</p> <ul style="list-style-type: none">• Forward budget materials to Health Care Advocate• Examine individual hospital narratives• Analyses of financial and statistical indicators• Review compliance with GMCB budget instructions• Prepare staff report with key GMCB questions and issues hospitals should address
August 11	GMCB Staff reports with questions have been sent to all hospitals by this date.
August 15 & 17	Hospital Budget Hearings - Montpelier & Rutland
August 22 & 24	Hospital Budget Hearings - Burlington & Montpelier
Aug 25 - Sept 14	GMCB deliberates individual hospital budgets
Sept 15	GMCB informs hospitals of their approved rate and budget as required by statute
Oct 1	GMCB provides written Orders to hospitals

The NPR increase of 3.6% is close to the Board's cap of 3.0% and 0.4% for Health Care Reform Investments

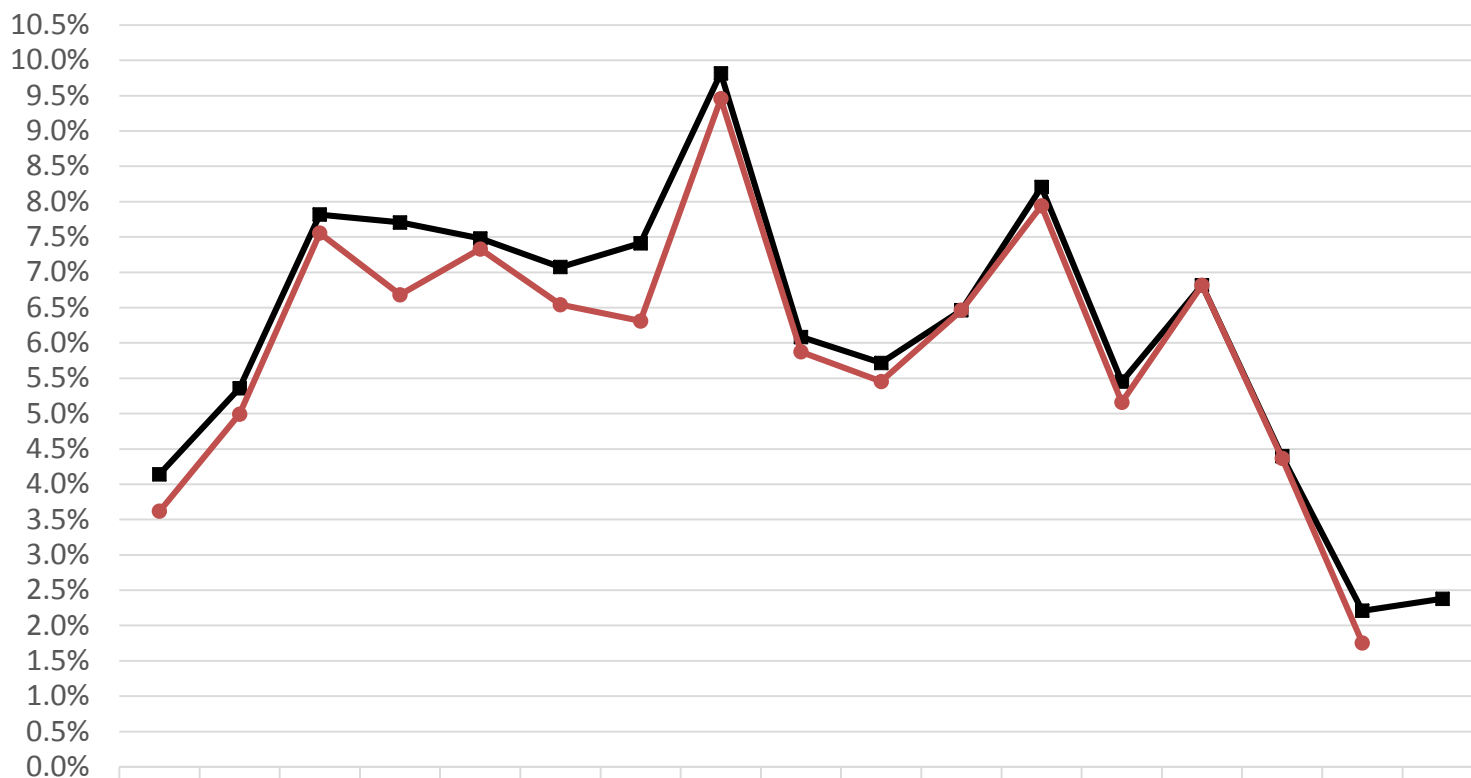
All Vermont Community Hospitals Net Patient Revenue Annual % Increase



Adjusted to reflect bad debt reporting change in 2012

The weighted average price increase is estimated at 2.4%

Vermont Community Hospitals Weighted Average Rate Increases



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Submitted Rate	4.1%	5.4%	7.8%	7.7%	7.5%	7.1%	7.4%	9.8%	6.1%	5.7%	6.5%	8.2%	5.5%	6.8%	4.4%	2.2%	2.4%
Approved Rate	3.6%	5.0%	7.6%	6.7%	7.3%	6.5%	6.3%	9.5%	5.9%	5.5%	6.5%	7.9%	5.2%	6.8%	4.4%	1.8%	

FY 2018 HOSPITAL BUDGET SYSTEM SUMMARY

**All submitted budget information is still under review
and subject to final GMCB approval**

July 2017

FY 2018 Submitted Budgets

Changes - Approved FY 2017 Budget to Submitted FY 2018 Budget

The FY 2018 budgets show a system wide net patient revenue increase of 3.6%.

Major increases related to prices(rates), utilization, and physician transfers

The system weighted prices(rates) increase is estimated at 2.4%

The last two years have been the lowest increases in 17 years.

The total Net Patient Revenue increase is \$86.9 million

No significant shifts in payer revenues

Other non-patient revenues increasing \$20.2 million

This is a summary of all hospital budgets submitted

Vermont Community Hospitals Profit and Loss Statement						
	2016 Actual	2017 Budget	2017 Projection	2018 Budget	2017 Budget to 2018 Budget	
					\$ Change	% Change
Gross Patient Care Revenue	\$ 5,022,142,448	\$ 5,016,332,354	\$ 5,077,150,357	\$ 5,287,893,346	\$ 271,560,992	5.4%
Net Revenue Deductions	\$ (2,643,935,629)	\$ (2,600,289,849)	\$ (2,648,207,371)	\$ (2,784,987,799)	\$ (184,697,950)	-7.1%
Net Patient Care Revenue	\$ 2,378,206,819	\$ 2,416,042,505	\$ 2,428,942,986	\$ 2,502,905,547	\$ 86,863,043	3.6%
Other Operating Revenue	\$ 141,073,877	\$ 144,655,312	\$ 156,062,162	\$ 164,807,265	\$ 20,151,954	13.9%
Total Operating Revenue	\$ 2,519,280,696	\$ 2,560,697,816	\$ 2,585,005,148	\$ 2,667,712,813	\$ 107,014,996	4.2%
Total Operating Expense	\$ 2,419,805,495	\$ 2,489,822,131	\$ 2,519,434,754	\$ 2,593,832,180	\$ 104,010,050	4.2%
Net Operating Income (Loss)	\$ 99,475,201	\$ 70,875,686	\$ 65,570,395	\$ 73,880,632	\$ 3,004,946	4.2%
Non-Operating Revenue	\$ 41,449,741	\$ 36,146,043	\$ 55,663,897	\$ 38,755,106	\$ 2,609,064	7.2%
Excess (Deficit) Of Revenue Over Expense	\$ 140,924,942	\$ 107,021,728	\$ 121,234,292	\$ 112,635,738	\$ 5,614,010	5.2%
Operating Margin %	3.9%	2.8%	2.5%	2.8%		

Hospital Budgets

Net Patient Revenue Growth

Hospital	Net Patient Revenue as submitted (NPR)			NPR Cap and Allowances				
	2018 Bud	FY2017 - FY2018 NPR Growth	NPR % change	3% NPR Cap	0.4% Allowed for Health Reform Investments	Total Allowed NPR, 3% Cap & 0.4% Health Investments	NPR \$ Growth Variance over Cap & Allowed Health Reform Investments	NPR % Growth Variance over Cap & Allowed Health Reform Investments
Brattleboro Memorial Hospital	\$80,202,627	\$3,794,016	4.97%	\$2,292,258	\$305,634	\$2,597,893	\$1,196,123	1.6%
Central Vermont Medical Center	\$198,726,498	\$6,895,355	3.59%	\$5,754,934	\$767,325	\$6,522,259	\$373,097	0.2%
Copley Hospital	\$69,663,508	\$4,844,103	7.47%	\$1,944,582	\$259,278	\$2,203,860	\$2,640,243	4.1%
Gifford Medical Center	\$59,497,391	\$1,734,962	3.00%	\$1,732,873	\$231,050	\$1,963,923	\$0	0.0%
Grace Cottage Hospital	\$18,649,074	-\$556,429	-2.90%	\$576,165	\$76,822	\$652,987	\$0	0.0%
Mt. Ascutney Hospital & Health Center	\$48,395,281	\$650,581	1.36%	\$1,432,341	\$190,979	\$1,623,320	\$0	0.0%
North Country Hospital	\$79,670,761	-\$1,518,901	-1.87%	\$2,435,690	\$324,759	\$2,760,449	\$0	0.0%
Northeastern VT Regional Hospital	\$79,385,200	\$8,045,800	11.28%	\$2,140,182	\$285,358	\$2,425,540	\$5,620,260	7.9%
Northwestern Medical Center	\$105,776,757	\$3,840,821	3.77%	\$3,058,078	\$407,744	\$3,465,822	\$374,999	0.4%
Porter Medical Center	\$78,682,778	\$2,587,856	3.40%	\$2,282,848	\$304,380	\$2,587,227	\$629	0.0%
Rutland Regional Medical Center	\$251,547,278	\$8,131,830	3.34%	\$7,302,463	\$973,662	\$8,276,125	\$0	0.0%
Southwestern VT Medical Center	\$159,497,504	\$7,135,244	4.68%	\$4,570,868	\$609,449	\$5,180,317	\$1,954,927	1.3%
Springfield Hospital	\$59,375,198	\$227,957	0.39%	\$1,774,417	\$236,589	\$2,011,006	\$0	0.0%
University of Vermont Medical Ctr	\$1,213,835,692	\$41,049,847	3.50%	\$35,183,575	\$4,691,143	\$39,874,719	\$1,175,128	0.1%
Totals	\$2,502,905,547	\$86,863,043	3.60%	\$72,481,275	\$9,664,170	\$82,145,445	\$13,335,407	0.6%

Note: This is "as reported" information. It is prior to any GMCB changes to the budgets.

Net Patient Revenue Growth

Approved FY 2017 Budget to Submitted FY 2018 Budget

(in millions)

Increases due to Rate Changes	\$39.6
Increases due to Other Changes	
Physician Transfers	\$1.7
Utilization Changes	\$87.1
Rate Difference (FY 17 Experience and FY16 Act Decisions)	(\$27.4)
New Programs, Health Reform, Reimbursement Changes, etc	\$2.4
Disproportionate Share	(\$8.4)
Changes in Bad Debt and Free Care	(\$8.1)
Total FY17 - FY18 Change	\$86.9

FY 2018 Submitted Budgets-Payer Changes

Approved FY 2017 Budget to Submitted FY 2018 Budget

Overall net patient revenue increase is \$86.9 million

Medicaid revenues show a reduction of \$6.0 million

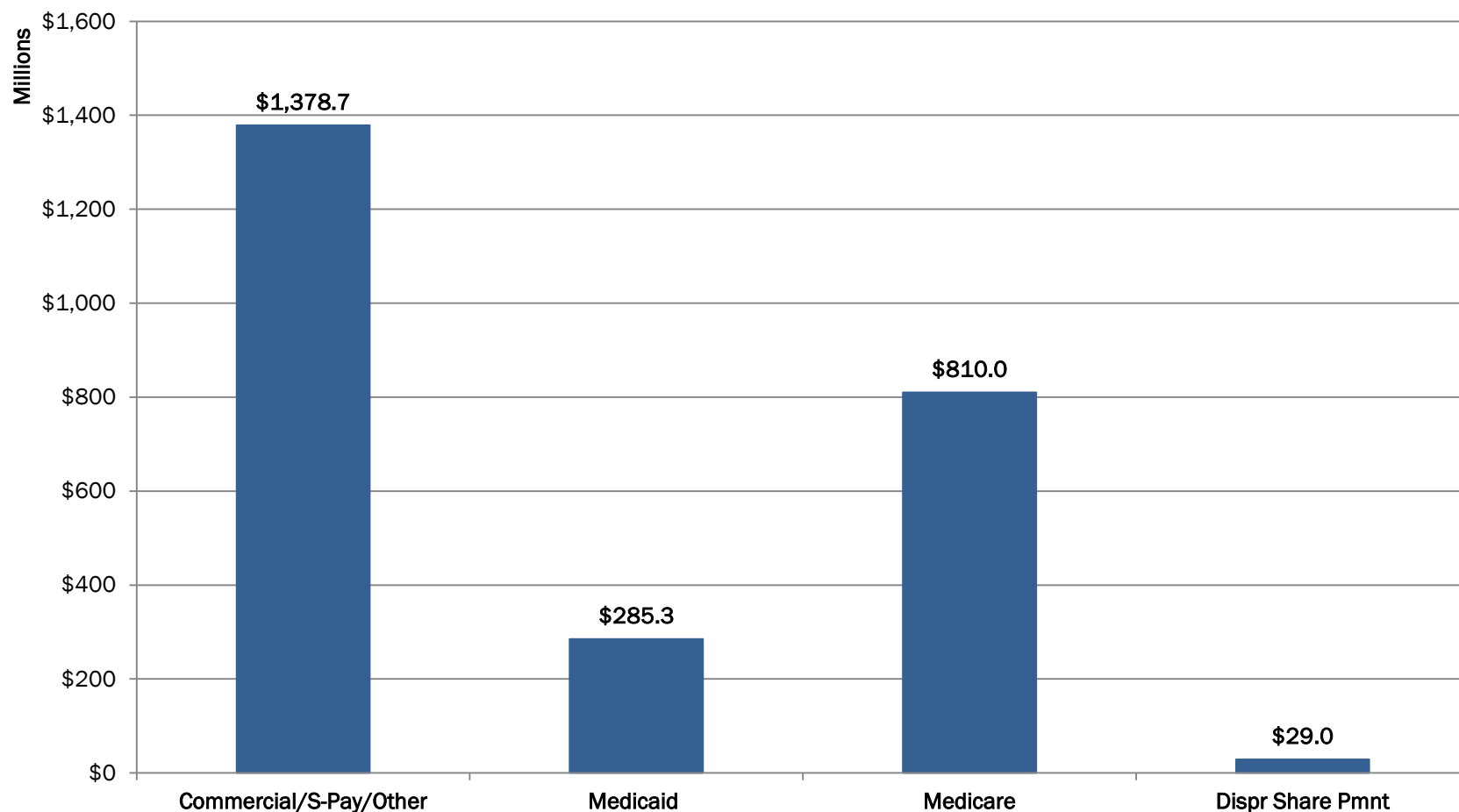
Disproportionate share revenues show a reduction of \$8.4 million
(legislative changes)

Commercial revenues increasing \$67.6 million
(reflects utilization and prices)

Medicare increasing \$41.8 million

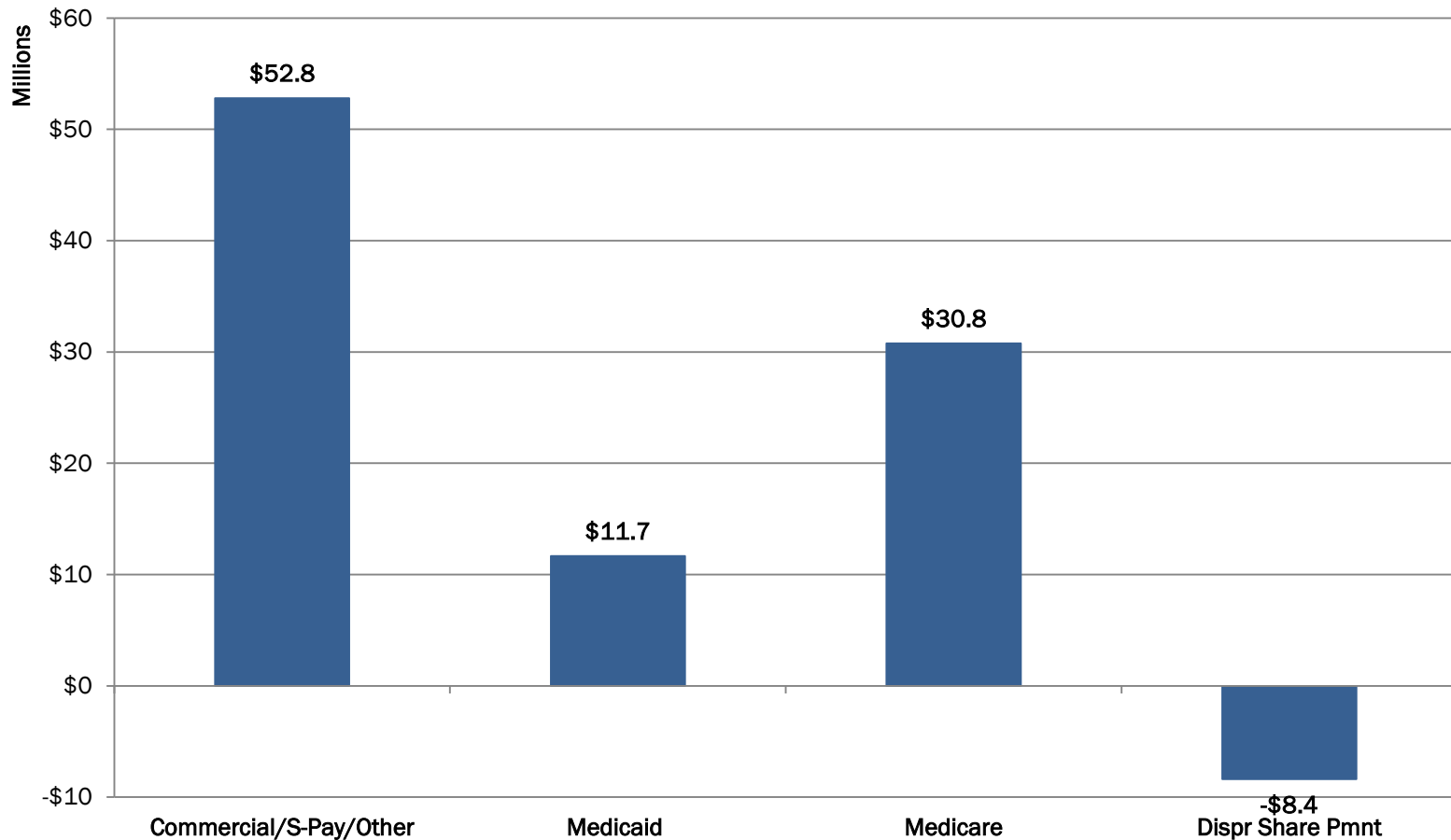
Bad Debt and Free Care is increasing (but shown as a negative) -\$8.1 million

Total Net Patient Revenue by payer, \$2.5 billion



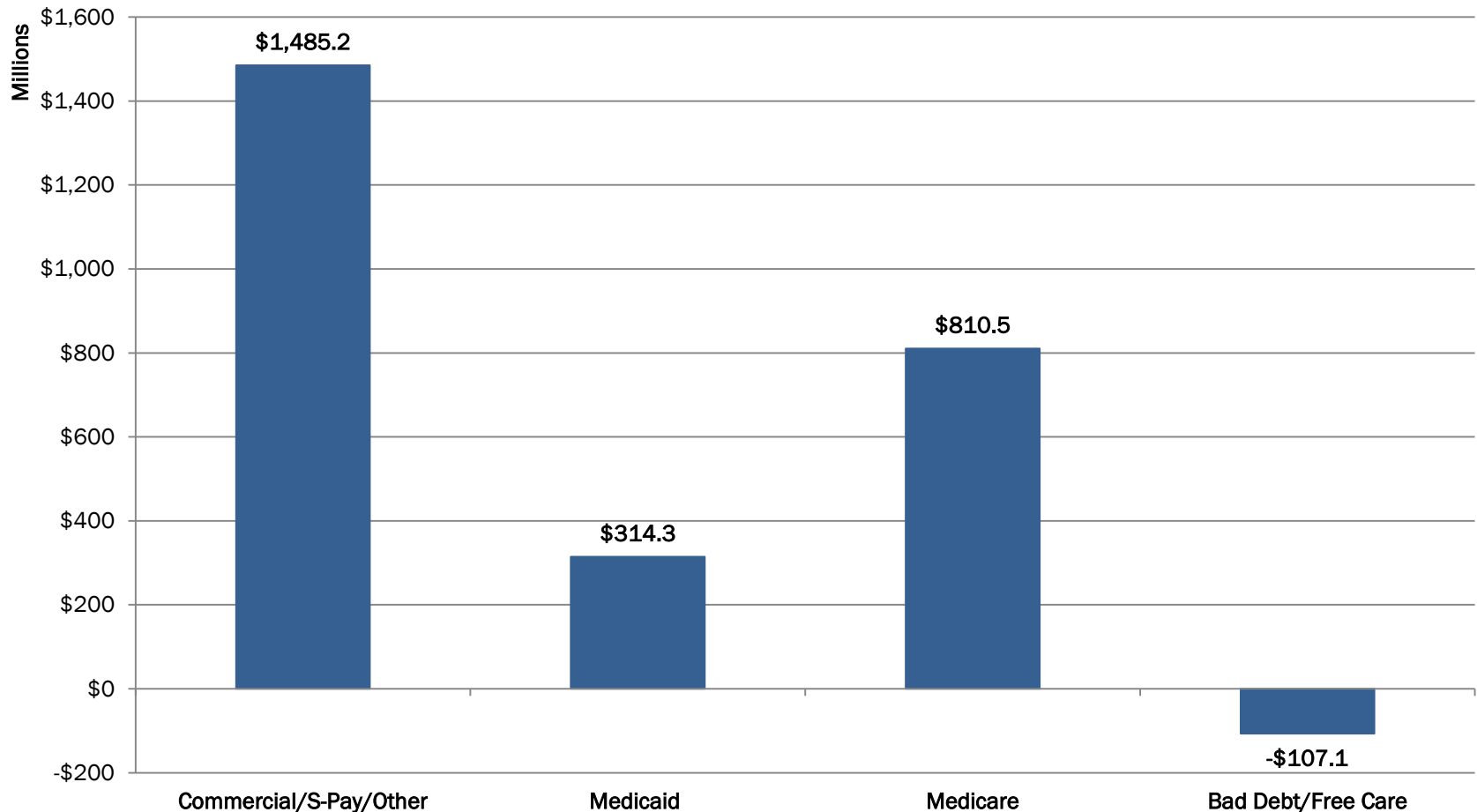
Note: Commercial includes Bad Debt/Free Care

Net Patient Revenue change by payer Budget FY 2017 to Budget FY 2018 \$86.9 Million



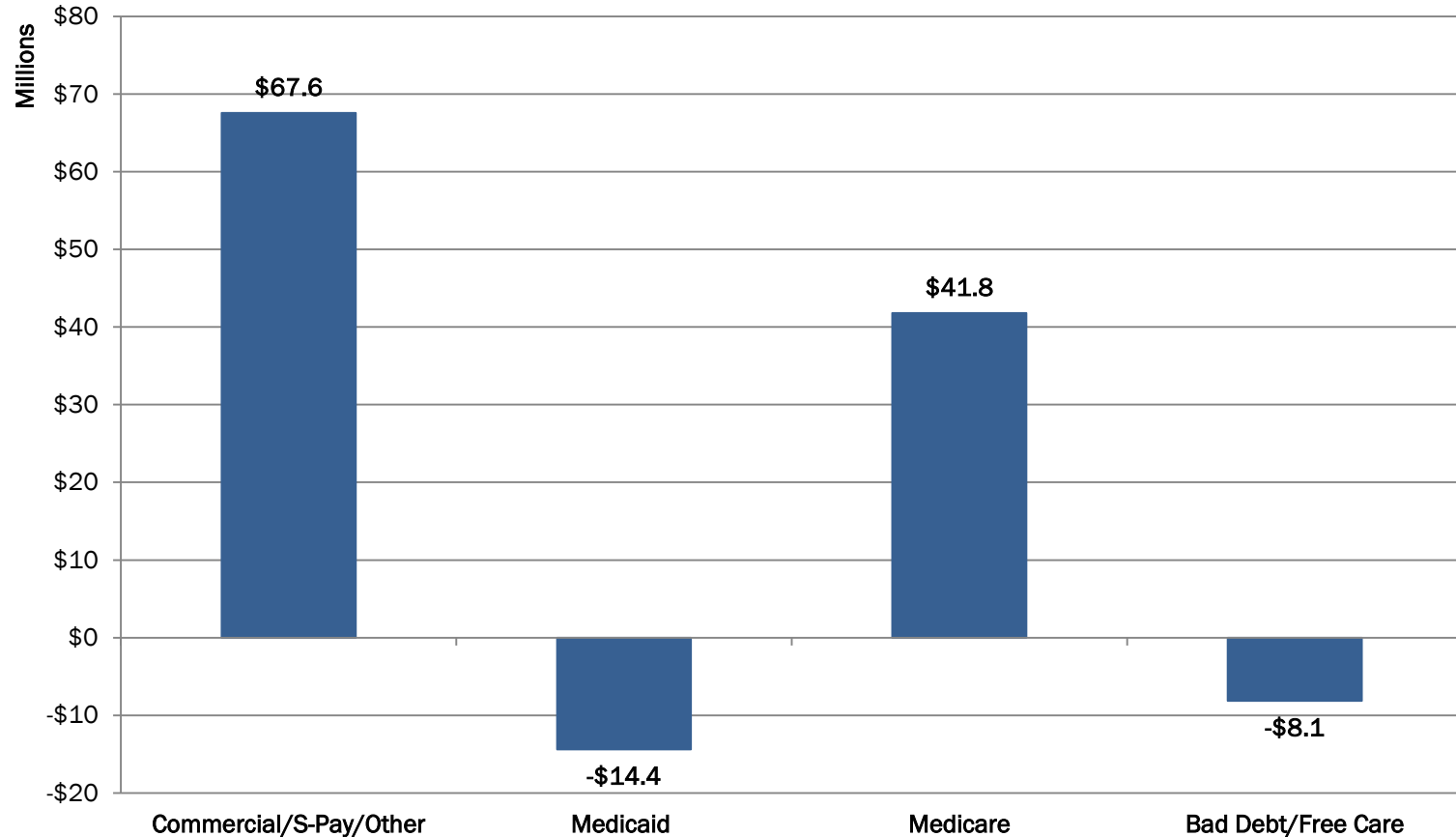
Note: Commercial includes Bad Debt/Free Care

Total Net Patient Revenue by payer, \$2.5 billion



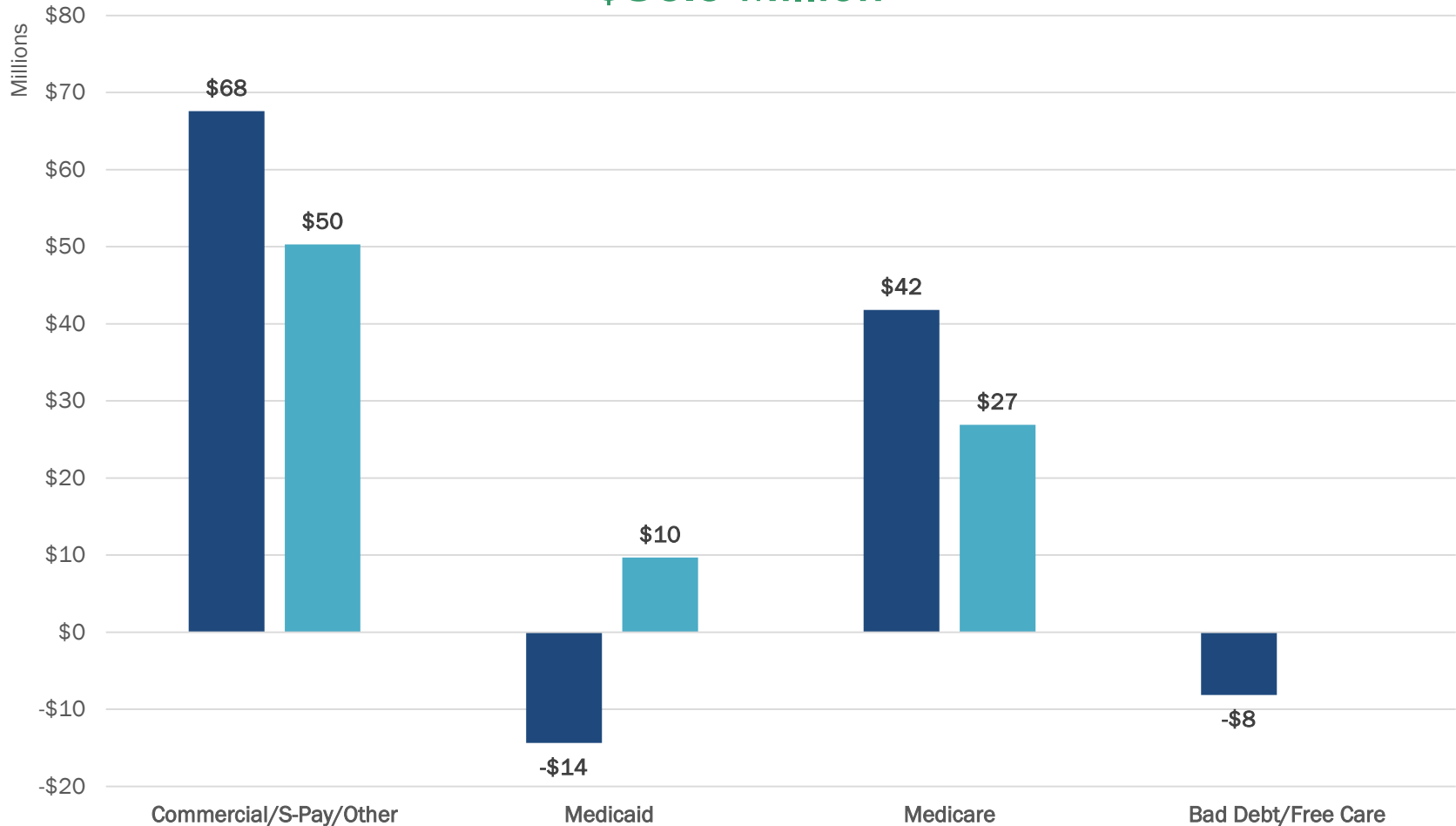
Note: Medicaid includes Dispr. Share Payment

Net Patient Revenue change by payer Budget FY 2017 to Budget FY 2018 \$86.9 Million



Note: Medicaid includes Dispr. Share Payment

Net Patient Revenue change by payer Budget FY 2017 to Budget FY 2018 \$86.9 Million



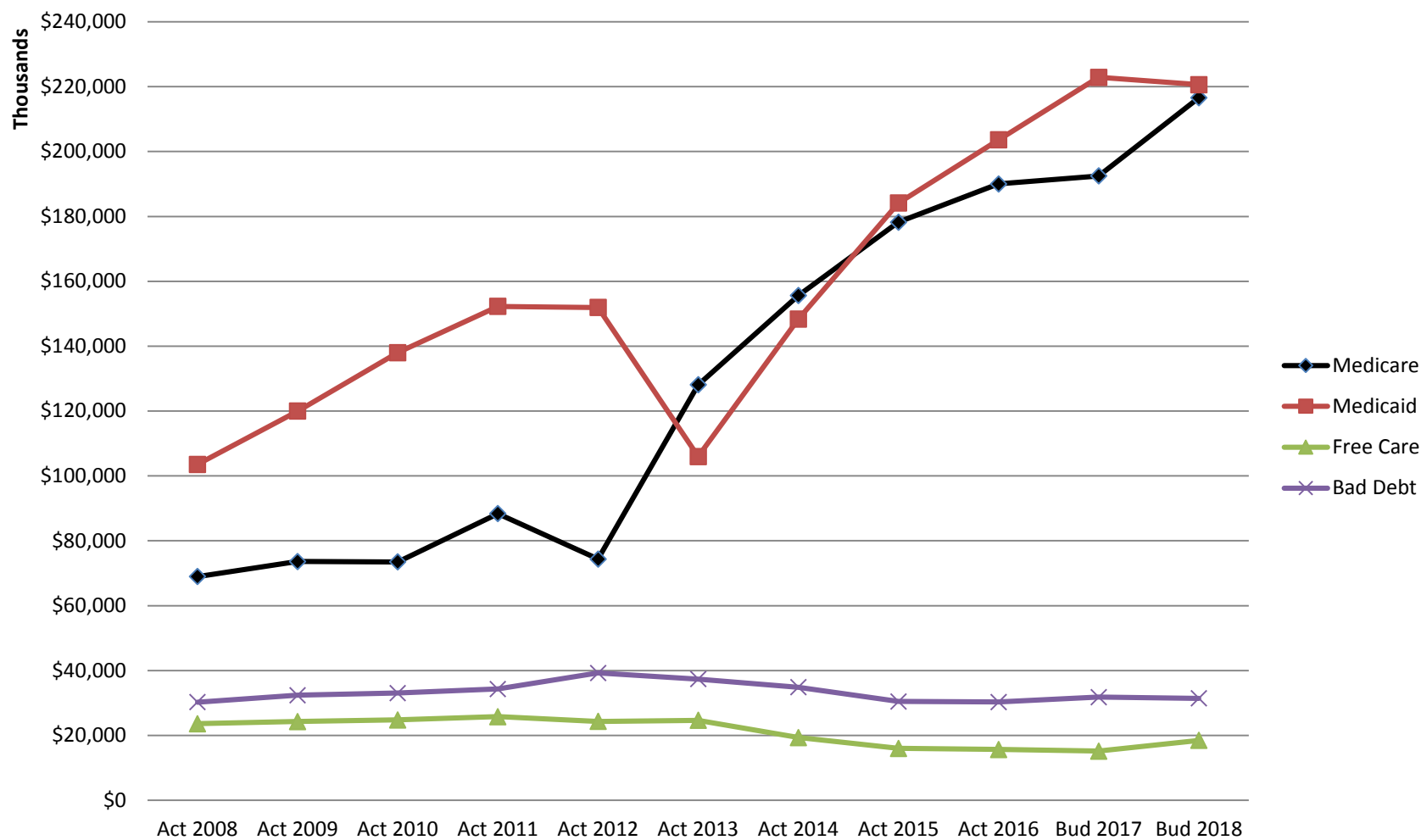
Notes: Expected- estimate by GMCB Staff
Medicaid includes Dispr. Share Payment

■ Submitted ■ Expected

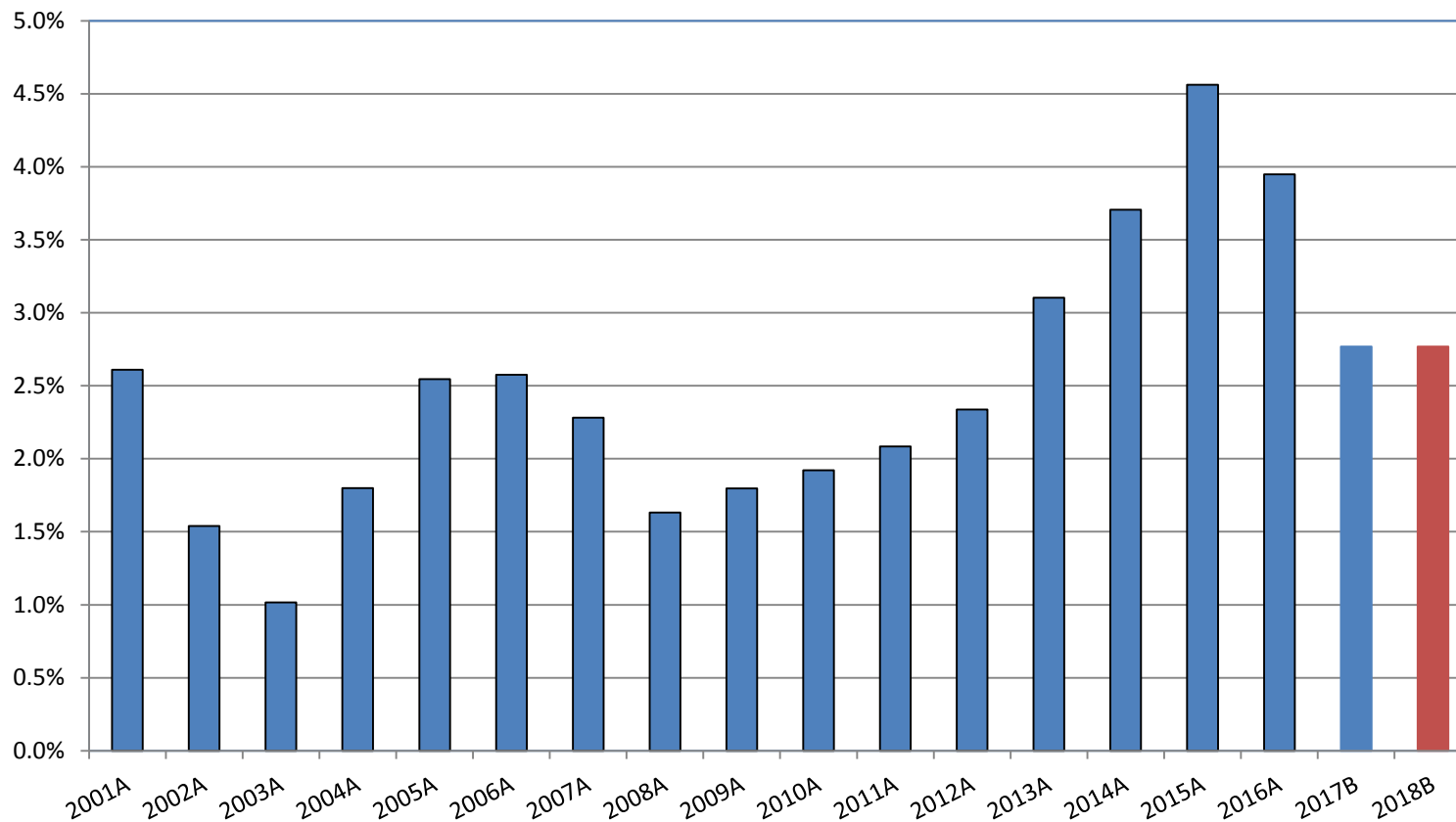
Payer Summary - showing bad debt and free care separately

Net Payer Revenue	FY2017B	FY2018B	\$ Change	% Change	Change due to Rate	Change due to Non-Rate Items
Medicaid	\$ 291,323,503	\$ 285,313,045	\$ (6,010,458)	-2.1%	\$ 615,328	\$ (6,642,221)
Medicare	\$ 768,711,818	\$ 810,517,117	\$ 41,805,299	5.4%	\$ 6,349,938	\$ 35,329,462
Commercial	\$ 1,417,620,533	\$ 1,485,195,017	\$ 67,574,484	4.8%	\$ 32,589,993	\$ 26,991,951
Bad Debt/Free Care	\$ (98,954,329)	\$ (107,089,200)	\$ (8,134,870)	8.2%	n/a	n/a
Disproportionate Share Payments	\$ 37,340,979	\$ 28,969,567	\$ (8,371,412)	-22.4%	n/a	\$ (8,371,412)
Total	\$ 2,416,042,505	\$ 2,502,905,547	\$ 86,863,043	3.6%	\$ 39,555,259	\$ 47,307,781

Vermont Community Hospitals Cost Shift Trends



Operating Margin (surplus) %



Dashboard of Key Performance Indicators

Fiscal Year 2018 Budget Analysis	Vermont Community Hospitals					Vermont Peers			2017 Almanac of Hospital Financial and Operating Indicators (Optum) FY2015			
DASHBOARD	FY2015A	FY2016A	FY2017B	FY2017P	FY2018B	FY2018B Vermont 25th Percentile	FY2018B Vermont 50th Percentile	FY2018B Vermont 75th Percentile	Northeast Region	Northeast CAH	25-99 beds	Teaching Hospitals
Net Patient Care Revenue	2,278,270,306	2,378,206,818	2,416,042,505	2,428,942,986	2,502,905,547							
Budget to Budget NPR Growth Rate	2.2%	3.1%			3.6%	1.8%	3.5%	4.5%				
Actual to Actual NPR Growth Rate	5.0%	4.4%										
Three Year NPR CAGR (FY15A - FY18B)					3.2%	2.7%	3.2%	3.7%				
Three Year NPR CAGR (FY14A - FY17P)					3.8%	2.2%	3.5%	4.1%				
Operating Expense	2,309,283,512	2,419,805,495	2,489,822,131	2,504,754,754	2,593,832,180							
Budget to Budget Oper Exp Growth Rate	1%	2%			4.2%	1.8%	4.2%	4.6%				
Actual to Actual Oper Exp Growth Rate	4.6%	4.8%										
Three Year OE CAGR (FY15A - FY18B)					3.9%	2.7%	3.3%	4.6%				
Three Year OE CAGR (FY14A - FY17P)					4.5%	3.0%	3.8%	5.2%				
Revenue												
Operating Margin %	4.6%	2.5%	2.5%	2.5%	2.8%	0.7%	1.7%	2.2%	0.5%		-0.2%	3.3%
Total Margin %	3.7%	5.0%	4.6%	4.6%	4.2%	1.8%	2.8%	3.7%	2.4%	-0.6%	2.9%	4.2%
Cost												
Cost per Adjusted Admission	10,220	10,258	10,677	10,905	11,264	8,988	10,994	12,687	7,467		7,977	7,822
Capital Cost % of Total Expense			5.3%	5.1%	5.3%	4.4%	4.9%	5.6%	5.4%	4.5%	6.5%	6.0%
Salary & Benefits per FTE - Non-MD	87,704	87,704	83,669	85,414	85,010	79,870	82,506	86,619				
Overhead Expense w/ fringe, as a % of Total Operating Exp	26.9%	26.6%	28.0%	29.5%	30.7%	22.2%	26.8%	32.0%				
Productivity												
FTEs Per Adjusted Occupied Bed	5.7	5.7	6.1	5.9	6.0	5.4	5.9	6.7	3.5		3.8	3.2
FTEs per 100 Adj Discharges	7.2	7.0	7.5	7.5	7.7	5.0	5.9	6.9				
Cash												
Days Cash on Hand	178.5	183.3	165.8	186.2	166.6	90.4	136.6	192.3	113.3	114.9	117.4	116.3
Current Ratio	3.4	3.9	3.5	4.4	3.7	2.4	3.1	4.2	1.61	1.1	2.3	1.8
Capital												
Age of Plant	11.4	11.8	12.3	12.4	12.9	12.1	12.7	14.5	12.3	12.4	11.3	11.2
Long Term Debt to Capitalization	27.6%	30.5%	29.6%	31.1%	29.5%	20%	24%	29%	28.2%	22.8%	24.7%	35.3%
Debt Service Coverage Ratio	3.71	5.03	3.12	4.00	3.85	3.6	3.7	4.0	3.04	1.60	2.65	5.30
Capital Expenditures to Depreciation	97.1%	101.7%	128.2%	135.7%	115.3%	104%	123%	160%				

CAGR = Compounded Annual Growth Rate

FY 2018 Submitted Budgets

Budget FY 2017 to Budget FY 2018 changes

Overall utilization as measured by adjusted admissions shows a decrease: 0.3%

Acute admissions up + 2.1%

Physician & clinic visits down - 17.3% (reporting change for UVMMC)

Overall increase of 257 Non MD Full Time Equivalents

Overall Physician increase of 60

Capital Budgets total \$131.5 million

Planned CONs of an additional \$161.4 million

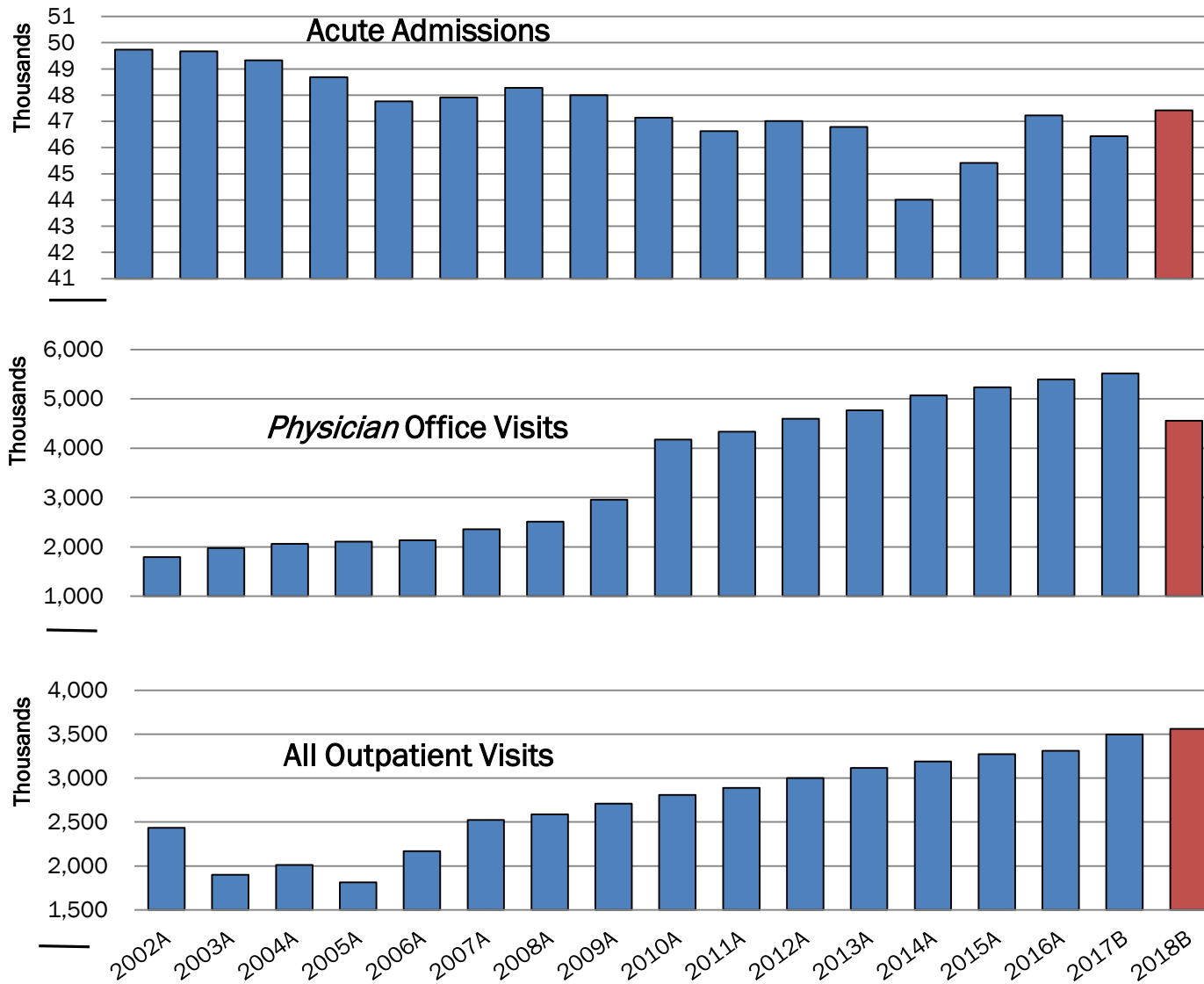
Overall financial health

Days cash on hand are decreasing

Overall net assets increasing

Debt measures are stable

Hospital Utilization History

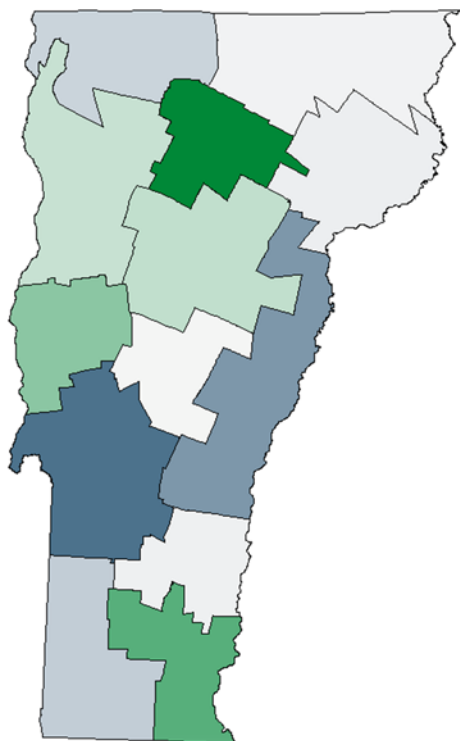


Waiver Considerations

The GMCB adopted a policy this year to exempt up to four hospitals from the annual public hearings and from budget adjustments if they met a set of established criteria. If the waiver is granted, the GMCB is essentially deeming their FY 2018 budgets approved and the hospital will not be presenting at the currently scheduled August public hearings. If interested, those hospitals will be allowed to present their budget plans before the Board on a later date. A Budget Order will be delivered on or before October 1, 2017.

The three hospitals under consideration are:

- Gifford Medical Center
- Grace Cottage Hospital
- Mt. Ascutney Hospital



Preliminary Review Hospital Charges From the Vermont Department of Health- Hospital Report Cards

Green Mountain Care Board

JULY 27, 2017

Act 53 – Hospital Report Cards

the Vermont Health Department publishes an annual statewide comparative report containing information about quality of care, health care-acquired infection ratios, patient safety, nurse staffing levels, financial health and cost for services and other related information. <http://www.healthvermont.gov/health-statistics-vital-records/health-care-systems-reporting/hospital-report-cards>

- Under Vermont law (18 V.S.A. § 9405b) all Vermont community hospitals are required to report charges for “high volume health care services.” The goal is to report “...valid, reliable, useful, and efficient information” to be used as a tool in helping the consumer make informed decisions about their health care.
- There are three different lists: hospital charges for inpatient stays (DRG codes), hospital charges for outpatient procedures (CCS - Services and Procedures), and hospital and physician charges for common outpatient services (CPT codes).
- Charges could vary because of the unique circumstances related to each patient’s illness. Also, hospitals have a unique mix of patients served, as well as different types and quantities of services that could be provided. All of these are factors that affect the charge for a given service.

Samples of Hospital Gross Charges

These are a sample of hospital gross charges only. Physician charges are NOT included. Sample charges displayed for each community hospital's is for the period of 10/1/2014 to 9/30/2015. Because each patient receives treatment based on their individual needs, the gross charge to each patient will vary.

For individual hospitals, charges for diagnoses having fewer than 15 cases are excluded. Hospital System Number of Cases and Average Gross Charges include all hospitals. Blanks in the table indicate that the hospital has fewer than 15 cases for that diagnosis or the hospital does not admit patients with that diagnosis. The hospital, however, may admit patients with similar diagnoses under a different code which may not be shown. Treating a given diagnosis may entail more than one procedure.

To completely understand all possible charges that may apply for services received, please call your hospital and/or physician. Every patient event may have unique circumstances that could require additional services determined at the time of care, which can affect your total charges. The gross charges shown do NOT take into account any discounts or insurance.

Please call the hospital for more information.

Samples—Inpatient Admissions Diagnosis

10/1/2014 to 9/30/2015

HOSPITAL	Diseases & Disorders of the Circulatory System--- Heart failure with Complications	Diseases & Disorders of the Musculoskeletal System and Connective Tissue--- Hip or Knee replacement or reattachment of feet or legs without Major Complications	Diseases & Disorders of the Kidney & Urinary Tract--- Kidney or Urinary Tract Infection without Major Complications	Newborns & Other Neonates with Conditions Originating in the Perinatal Period--- Normal Newborn
Brattleboro Memorial Hospital	\$14,480	\$28,238	\$12,732	\$2,881
Central Vermont Medical Center	\$16,663	\$32,913	\$13,014	\$3,015
Copley Hospital	\$6,686	\$49,051	\$5,934	\$2,102
Gifford Medical Center	\$18,139	\$59,458	\$13,347	\$2,814
Grace Cottage Hospital				
Mt. Ascutney Hospital & Health Ctr	\$10,896		\$9,824	
North Country Hospital	\$19,074	\$43,764	\$12,113	\$4,476
Northeastern VT Regional Hospital	\$15,597	\$61,851	\$15,187	\$3,595
Northwestern Medical Center	\$12,778	\$35,518	\$12,600	\$3,011
Porter Medical Center		\$58,450		\$2,465
Rutland Regional Medical Center	\$18,869	\$41,997	\$13,948	\$4,353
Southwestern VT Medical Center	\$11,540	\$38,284	\$11,357	\$3,011
Springfield Hospital	\$13,458	\$40,443	\$13,258	\$3,223
The University of Vermont Medical Center	\$19,087	\$41,886	\$16,136	\$2,631
System Average Gross Charges	\$16,010	\$42,898	\$12,845	\$2,920
System Number of Cases	580	2,131	502	3,386

Data source: the Vermont Uniform Hospital Discharge Data Sets as of June 2016. Please see the Act 53 Pricing FAQs for more information.

1. Based on "Medicare Severity - Diagnostic Related Group" (MS-DRG), a code that defines an inpatient diagnosis. Treating a given diagnosis may entail more than one procedure.

Major Diagnostic Category (MDC) is a grouping of similar MS DRGs, such as all those affecting a given organ system of the body.

2. System Number of Cases includes the number of cases for all hospitals with charges. Records with zero charges are not included.

3. System Average Gross Charge is an average based on all hospital cases with charges.

Samples—Outpatient Surgical Procedures

10/1/2014 to 9/30/2015

HOSPITAL	Operations on the Eye---	Operations on the	Obstetrical	Operations on the
	Lens & cataract Procedures	digestive system--- Colonoscopy & Biopsy	Procedures--- Fetal Monitoring	musculoskeletal system--- Treatment, fracture or dislocation of lower extremity
Brattleboro Memorial Hospital	\$5,794	\$3,913	\$630	\$12,837
Central Vermont Medical Center	\$4,500	\$3,983	\$482	\$13,941
Copley Hospital	\$6,148	\$2,660	\$498	\$25,731
Gifford Medical Center	\$6,850	\$5,426	\$694	\$31,941
Grace Cottage Hospital				
Mt. Ascutney Hospital & Health Ctr	\$7,671	\$2,091		
North Country Hospital	\$6,560	\$4,583	\$988	\$19,114
Northeastern VT Regional Hospital	\$9,572	\$4,800	\$684	\$25,905
Northwestern Medical Center	\$5,581	\$2,064	\$152	\$9,709
Porter Medical Center	\$4,079	\$3,854	\$909	\$22,701
Rutland Regional Medical Center	\$5,761	\$4,225	\$1,143	\$6,379
Southwestern VT Medical Center		\$2,530	\$990	\$10,744
Springfield Hospital	\$4,066	\$2,089	\$387	\$14,156
The University of Vermont Medical Center	\$5,160	\$3,770	\$945	\$13,531
System Average Gross Charges	\$5,971	\$3,523	\$789	\$15,394
System Number of Cases	4,285	23,280	4,145	468

Data source: the Vermont Uniform Hospital Discharge Data Sets as of June 2016. Please see the Act 53 Pricing FAQs for more information.

1. Based on "Medicare Severity - Diagnostic Related Group" (MS-DRG), a code that defines an inpatient diagnosis. Treating a given diagnosis may entail more than one procedure. Major Diagnostic Category (MDC) is a grouping of similar MS DRGs, such as all those affecting a given organ system of the body.
2. System Number of Cases includes the number of cases for all hospitals with charges. Records with zero charges are not included.
3. System Average Gross Charge is an average based on all hospital cases with charges.

Samples of Physician and Hospital Pricing of Common Outpatient Procedures - Gross Charges

Most of the charges in the table are effective for the period of October 1, 2016 through September 30, 2017. They are based on Common Procedural Terminology (CPT®) codes, which are defined as "a listing of descriptive terms and identifying codes for reporting medical services and procedures performed by physicians. The purpose of the terminology is to provide a uniform language that will accurately describe medical, surgical, and diagnostic services, and will thereby provide an effective means for reliable nationwide communication among physicians, patients, and third parties." (CPT® 2012 Standard Edition codebook - American Medical Association)

The tables of CPT code charges shown on VDH's website provide hospital and physician gross charge information for selected commonly used outpatient procedures and related physician services. The charges listed are for the procedures themselves and do not represent other procedures that your physician may order or recommend. For some procedures, additional services such as blood collection or sedation may be required in conjunction with delivering the listed procedure. There may also be charges for supplies and pharmaceuticals used in the procedure.

To completely understand all possible charges that may apply for services received, please call your hospital and/or physician. Every patient event may have unique circumstances that could require additional services determined at the time of care, which can affect your total charges. The gross charges shown do NOT take into account any discounts or insurance.

Samples—Physician and Hospital Pricing of Common Outpatient Procedures (CPT Codes)

10/1/2016 to 9/30/2017

HOSPITAL	Radiology Services---MRIs Lumbar Spine (there is usually a physician charge for interpreting these procedures)			
	Office Visit---New Patient level 1	Office Visit---Established Patient level 5	Laboratory Services---Comprehensive Metabolic Panel	
Brattleboro Memorial Hospital	\$95	\$235	\$81	\$3,362
Central Vermont Medical Center	\$141	\$294	\$101	\$4,575
Copley Hospital	\$75	\$257	\$122	\$3,026
Gifford Medical Center	\$119	\$303	\$125	\$2,517
Grace Cottage Hospital	\$89	\$294	\$143	N/A
Mt. Ascutney Hospital & Health Ctr	\$125	\$327	\$167	\$6,755
North Country Hospital	\$124	\$775	\$156	\$4,349
Northeastern VT Regional Hospital	\$58	\$165	\$146	\$3,800
Northwestern Medical Center	\$130	\$322	\$40	\$1,764
Porter Medical Center	\$131	\$279	\$169	\$3,960
Rutland Regional Medical Center	\$30	\$125	\$29	\$3,587
Southwestern VT Medical Center	\$118	\$316	\$95	\$2,678
Springfield Hospital	\$81	\$196	\$108	\$2,263
The University of Vermont Medical Center	\$124	\$408	\$103	\$5,311
System Average Gross Charges	\$103	\$307	\$113	\$3,688

- All charges shown are for hospitals and hospital-employed physicians only.
 - "N/A" for hospital charges indicates that the hospital does not perform this particular procedure. Check with the hospital as it may perform a similar procedure that is not listed.
 - The Hospital System Averages at the bottom of the table are the averages of the charges shown for each CPT code, and do not include any charges that are "N/A".
 - Note that many of the codes on the list are diagnostic tests in which the physician charge component represents the medical interpretation of a resulting image, lab specimen analysis, etc.
- ® CPT is a registered trademark of the American Medical Association.

Resources

Vermont Department of Health



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HOSPITAL REPORT CARDS – REVIEW AND COMPARE HOSPITALS

To help consumers find information about the quality of health care provided in Vermont, the Health Department publishes an annual statewide comparative report containing information about quality of care, health care-acquired infection ratios, patient safety, nurse staffing levels, financial health and cost for services and other related information.

<http://www.healthvermont.gov/health-statistics-vital-records/health-care-systems-reporting/hospital-report-cards>

Contact:

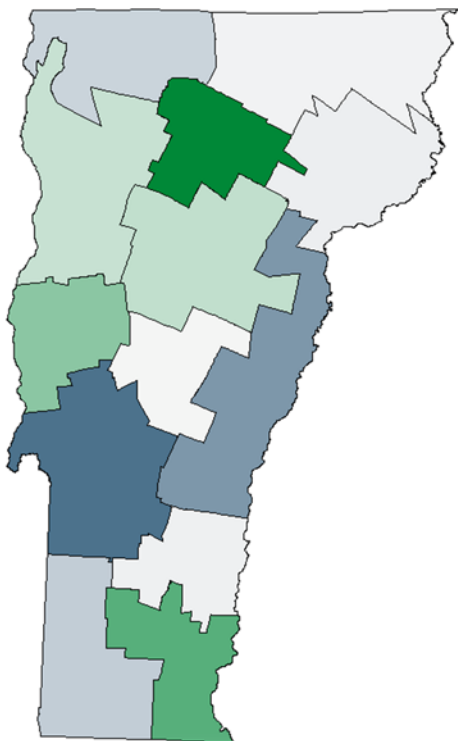
Teri Hata

Division of Health Surveillance

108 Cherry Street Burlington, VT 05402

Teri.Hata@vermont.gov

Phone: 802-657-4209



Quality Measurement & Hospital Budgets

July 27, 2017

Michele Lawrence, GMCB Health Policy Advisor

Background

- “Also new this year, the Board will incorporate key performance indicators (KPIs) into a “dashboard” to provide a more comprehensive view of each hospital’s financial status, and will review available data and reports from CMS and the Vermont Department of Health relating to quality of care (*e.g.* Hospital Compare; Hospital Report Cards) and pricing (inpatient admissions, outpatient procedures, and physician and hospital pricing) to assist in its decision-making.” ([2018 Hospital Budget Cover Letter](#))

Background

- In this initial trial, we will be looking at three quality measures:
 - 30 day hospital-wide all-cause unplanned readmission
 - Patient Experience Survey (HCAHPS*): Patients who “strongly agree” they understood their care when they left the hospital
 - Patient Experience Survey (HCAHPS*): Patients who reported that “yes”, they were given information about what to do during their recovery at home

* HCAHPS: Hospital Consumer Assessment of Healthcare Providers and Systems

HCAHPS Measures

Who:

- Administered to random sample of adult patients regardless of payer type or medical condition
- All 14 of Vermont's hospitals participate

What:

- 21 core questions; sliding scale or Yes/No; organized into 7 composite categories
- Hospitals may self-administer or use a vendor

When:

- Survey sent between 48 hours and 6 weeks after discharge

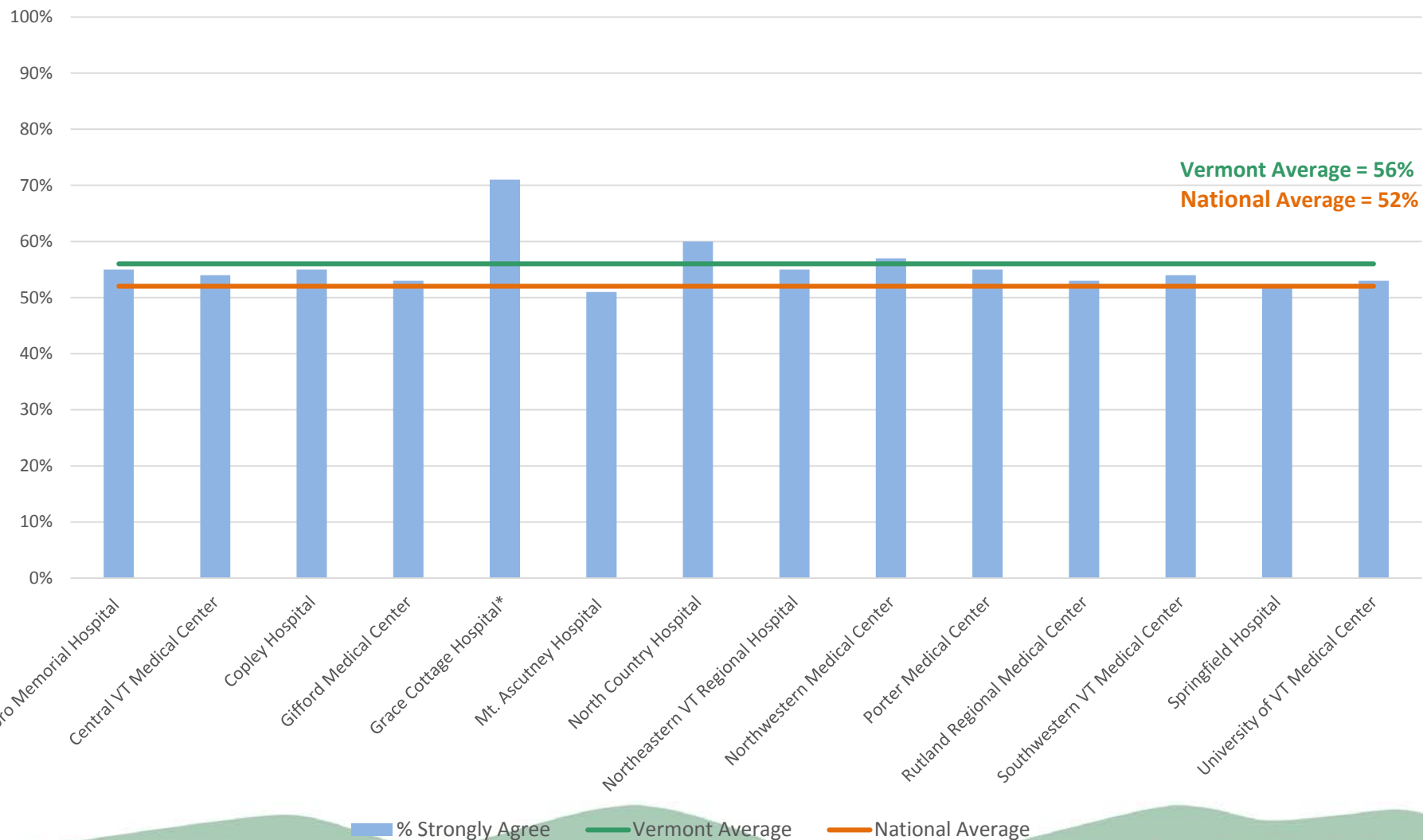
Where Results are Published:

- Publicly reported on the federal **Hospital Compare** website; updated on the State of Vermont's **MonAHRQ website**
- Results are adjusted for differences in hospital's patient mix

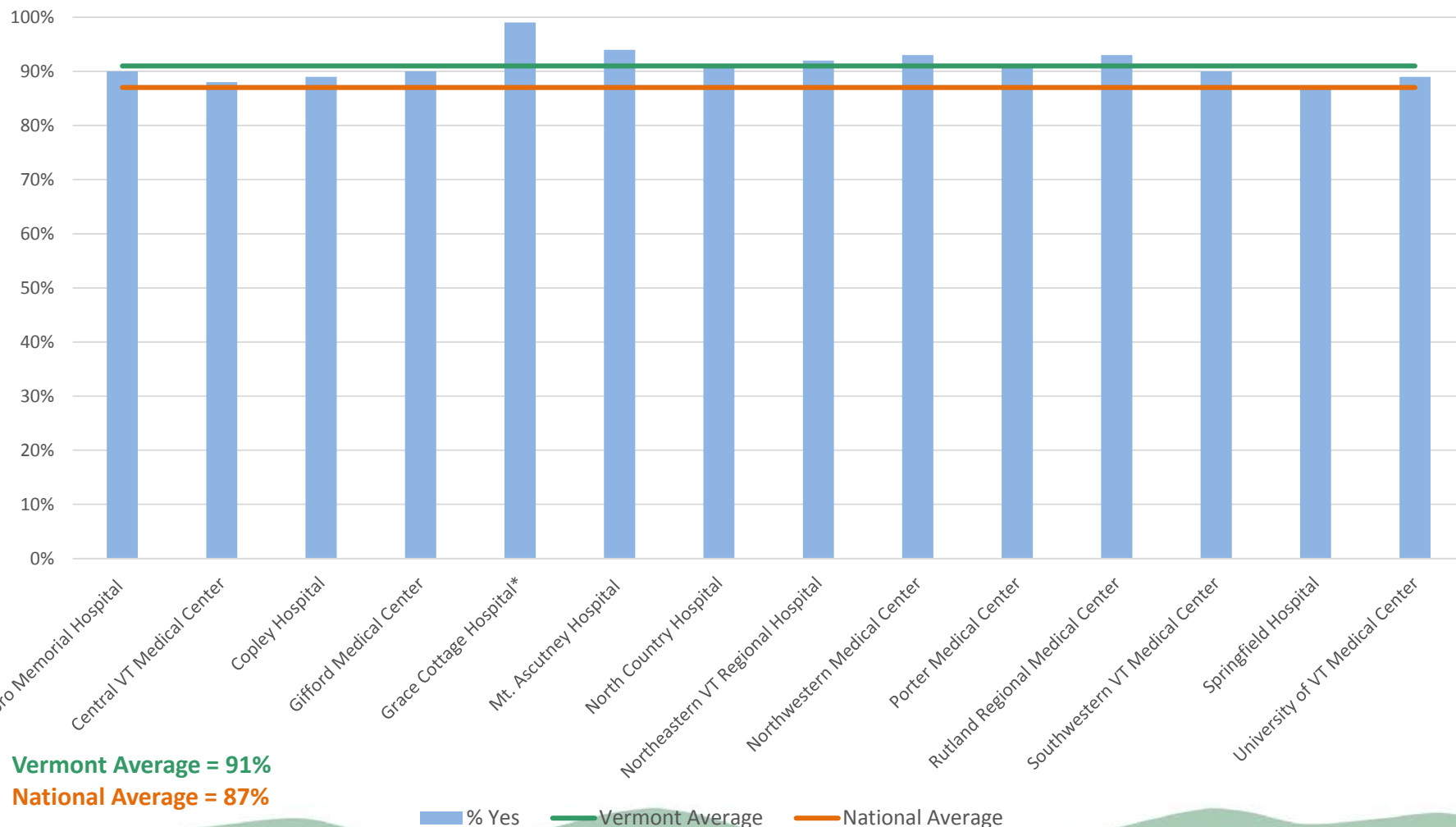
HCAHPS Measures: Limitations & Considerations

- Small numbers – some of our smallest Critical Access Hospitals do not have enough data to report, or have a limited number of completed surveys
- Inherent bias – respondents are typically highly satisfied or dissatisfied

Patients who “Strongly Agree” they understood their care when they left the hospital: 10/1/15 – 9/30/16



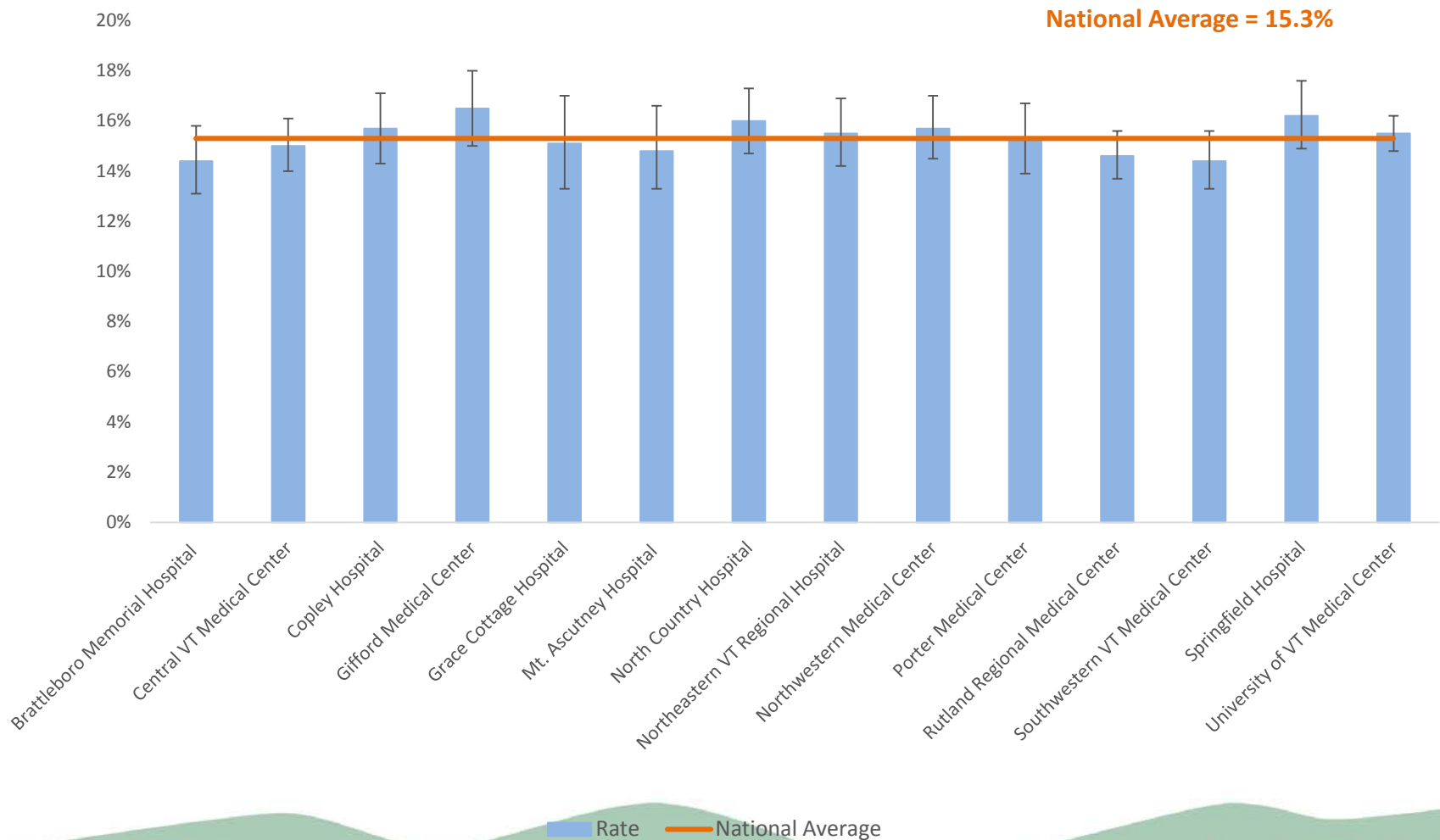
Patients who reported that “YES”, they were given information about what to do during their recovery at home: 10/1/15 – 9/30/16



All-Cause Readmission Measure: Limitations & Considerations

- Calculated using Medicare Fee-For-Service (FFS) hospital claims data
 - Includes beneficiaries 65+
 - Adjusted for patient characteristics (age, medical history, comorbidities, primary diagnosis, etc.)
- Measure looks at readmissions for any cause, including causes unrelated to initial stay
- Measure includes readmissions to same hospital or another hospital

30 Day Hospital-Wide All-Cause Unplanned Readmission: 7/1/2015 – 6/30/2016 (lower rates are better)





Next Steps

Issues to Examine

- Review net patient revenue change for each hospital
 - Test and understand payer revenue estimates
 - Identify physician acquisitions, changes
 - Description of health care reform investments
 - Other program changes such as ACO changes, expectations
- Analysis of assumptions used for building rate request
- Reconciliation of utilization and FTE changes in each hospital
- Capital budget impacts on 2018 budgets
- Identify and understand variances for key indicators and measures
- GMCB to provide Quality and Price indicators



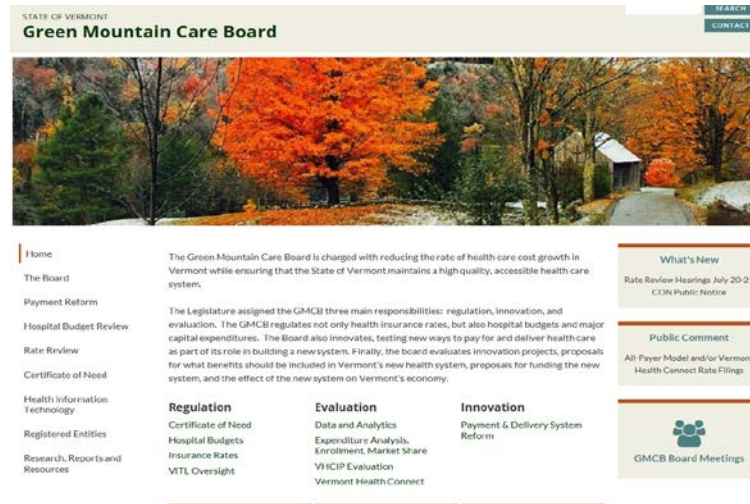
Next steps

Board Review & Decision-making

- **GMCB will review:**
 - individual budgets & narratives
 - capital plans
 - staff reports
- **GMCB will hear hospital budget testimony in August**
- **GMCB will review comments from the public and from the Health Care Advocate**
- **GMCB will establish budgets for FY 2018 by Sept 15th**

Resources

Green Mountain Care Board
89 Main Street,
Montpelier, VT 05620



Hospital Budget Hearings schedule:

<http://gmcboard.vermont.gov/sites/gmcb/files/files/hospital-budget/GMCB%20B18%20Hearing%20Calendar.pdf>

Hospital Budget Information <http://gmcboard.vermont.gov/content/fy-2018-hospital-budget>

To provide public comment on the web: <http://gmcboard.vermont.gov/board/comment>

Or email/mail comments to: Christina.McLaughlin@vermont.gov

Questions about this report call (802) 828-2177 and ask for: Andy Pallito, Thomas Crompton, Lori Perry or Janeen Morrison

End

