FY 2018 HOSPITAL BUDGET SUBMISSIONS REPORTING REQUIREMENTS

March 2017

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Reporting Timeline*

MARCH	GMCB provides hospitals with annual budget guidance
APRIL/MAY	Updated guidance and reporting requirements provided
JULY 3	Hospitals submit budgets to GMCB (includes Verification Under Oath, schedules, narrative, proposed rate change)
JULY-AUG	GMCB review and analysis
JULY 27	GMCB staff provide preliminary budget overview at public board meeting
AUG 15, 17	Hospital budget hearings
AUG 22, 24	Hospital budget hearings
SEPT 7	Board votes to establish each hospital's budget at public board meeting
SEPT 15	Board issues budget decisions and informs hospitals of their approved rates
SEPT 30	Budget Orders (due by October 1) sent to hospitals

* The Office of the Health Care Advocate (HCA), representing the interest of Vermont health care consumers, receives hospital budget materials and other pertinent information during the course of the GMCB budget review process, and participates in the hospital budget hearings.

REPORTING REQUIREMENTS

Narrative Instructions

The budget narrative is a key component of a hospital budget submission that provides the hospitals an opportunity to explain any changes in their budgets and highlight areas of interest for the GMCB. We ask hospitals to follow the format below, respond in sequence to each of the listed sections (1-11), and limit their overall response to this section to ten (10) pages.

1. Executive Summary: Provide an executive summary of the changes in the hospital budget. Include any information the GMCB should know about programmatic, staffing, and operational changes.

2. Describe how your hospital is preparing for and investing in value-based payment and delivery reform and implementation of the All-Payer Model. Include information about contract status, data analysis and transition exercises.

3. Describe your hospital's initiatives addressing your population health goals as identified in the Community Health Needs Assessment.

4. Describe how your hospital is addressing the statewide mental health and substance abuse needs and care shortages.

5. Health Reform Investments: Provide a description of any new health reform activities, investments or initiatives (activity that was not in prior years' budgets) and their corresponding spending estimates for FY 2018.

6. Overall net patient revenue (NPR) budget-to-budget increase. Provide the budgeted NPR increase over the FY 2017 approved budget. Explain in detail why the increase is required, and the assumptions used in determining the needed increase (*e.g*. changes in law, utilization, staffing, programs).

    a. Describe any significant changes to your FY 2017 budget and how they affect the FY18 proposed budget. Significant changes include, but are not limited to, changes in anticipated reimbursements, physician acquisitions and certificates of need.

    b. Describe any cost saving initiatives proposed in FY 2018 and their effect on the budget.

    c. Explain the reasons for the increase or decrease in NPR expected from each payer source.
        i. Medicare Revenue assumptions: Medicare estimates should include assumptions based on the program's *current proposed CMS* reimbursement policy. Hospitals should also identify and describe 1)

any significant changes to prior year Medicare reimbursement adjustments (*e.g*. settlement adjustments, reclassifications) and their effect on revenues; 2) any major changes that occurred during FY 2017 that were not included in the FY 2017 budget, and 3) any anticipated revenues related to meaningful use and 340B funds in FY 2018.

ii. Revenue assumptions: Medicaid. Hospitals should budget for net patient revenues expected from rate changes, utilization and/or changes in services.

iii. Revenue assumptions: Commercial/self-pay/other. Commercial insurance revenue estimates should include the latest assumptions available to the hospital and any other factors that may explain the change in net patient revenues.

7. Overall expenditure budget-to-budget increase. Provide the budgeted net expenditure increase over the FY 2017 approved budget. Explain material increases in labor and physician costs (FTE, wages, and fringe increases), supplies, utilization, and capital costs. Explain assumptions about inflation and major program increases.

8. Rate Request. Each hospital is required to provide its budgeted overall rate/price increase. The hospital will explain how the rate was derived and what assumptions were used in determining the increase.

   The overall rate/price increase will be reported through the rate schedule to be provided by the GMCB in April. Included will be the rate/price for each major line of business, and the gross and net revenues expected from each payer as a result of the rate/price increase.

   For each payer, if the net patient revenue budget-to-budget increase is different than the overall rate/price change, provide a narrative explaining the difference and the supporting rational. For example, if the requested commercial "payer ask" differs from the rate/price change, an explanation for the difference should be provided.

9. For those hospitals that received a letter regarding their FY 2016 budget-to-actual overages results, specifically address the issues and requirements outlined in the letter.

10. Capital budget investments. Describe the major investments that have been budgeted for FY 2018 and their effect on the FY 2018 operating budget.

    a. Provide a brief comment on anticipated major investments for FY 2019-FY 2021.
    b. Provide the estimated NPR and expense effect for any proposed Certificate of Need (CON) that may be approved during FY 2018.

11. Technical concerns. Provide any technical concerns or reporting issues the GMCB should examine for possible changes in the future.

User Access to Adaptive Insights

Budget information should be provided through the Adaptive Insights (Adaptive) website. A maximum of two individuals ("users") from each hospital are allowed to access Adaptive. To add or remove users, please use the following form found in the reports directory in Adaptive:

Reports>Shared Reports>FY 2018 BUDGET>HOSPITAL DIRECTORY>Hospital Budget Instructions >User Access Request Form for Adaptive Insights

If you cannot access the directory, contact Janeen or Lori at the GMCB.

Budget Schedules and Input Instructions

Instructions on how to input your budget into Adaptive can be found by logging into the website and going to:

Reports>Shared Reports>FY 2018 BUDGET>HOSPITAL DIRECTORY>Hospital Budget Instructions

In the directory you will find:

- FY 2018 Hospital Budget Submission Reporting Requirements (this document)
- GMCB-Import Guide
- GMCB-Reports Guide
- Oath APPENDIX II (also found in this document)

Documents 1 through 3 are the most helpful for input of your budget:

1. GMCB Hospital Budget Checklist (a quick list for input of each sheet, also found in User Guide)
2. GMCB User Guide (a complete step-by-step guide)
3. Data dictionary (explains the mapping of each account of the old Excel sheets to Adaptive Insights)

There are several reports that can be run (*e.g*. income statement, balance sheet, edits report) to review your input. These reports are located in the following directory:

Reports>Shared Reports>FY 2018 BUDGET>HOSPITAL DIRECTORY>HOSPITAL REPORT PACKAGE

POLICIES – As adopted in March 2017

Net Patient Revenue Policy FY 2018

At its March 30, 2017 public meeting, the Green Mountain Care Board (GMCB) voted to adopt the Net Patient Revenue Policy explained below.

Net Patient Revenue growth for FY2018

The GMCB has set a 3.0% limit for increases in hospital net patient revenues for FY 2018 budgets.

The GMCB authorizes an additional allowance of 0.4% in NPR for **new** (not included in prior budgets) health care reform activities, investments and initiatives related to the following:

- Support for Accountable Care Organization (ACO) infrastructure or ACO programs;
- Support of community infrastructure related to ACO programs;
- Building capacity for, or implementation of, population health improvement activities identified in the Community Health Needs Assessment, with a preference for those activities connected with the population health measures outlined in the All-payer Model Agreement;
- Support for programs designed to achieve the population health measures outlined in the All-payer Model Agreement.

The Board encourages the hospitals to consider implementing evidence-based strategies found in the Clinical Guide to Preventive Services developed by the U.S. Prevention Services Task Force, or in the Guide to Community Preventive Services developed by the U.S. Department of Health and Human Services.

In their budget submissions, hospitals must provide a detailed description of each new health care reform activity, investment or initiative included within the designated 0.4%, provide any available data or evidence-based support for the activity's effectiveness or value, and identify the benchmark or measure by which the hospital can determine that the activity reduces costs, improves health, and/or increases Vermonters' access to health care.

The GMCB will use the hospital revenue growth target to help monitor total system costs, identify areas of potential excess growth, identify priorities for data analysis, and to inform its review of health insurer rate increases. Additionally, the GMCB will review each hospital's key performance indicators (KPIs), which will be compiled in a "budget dashboard" that allows the Board to take a comprehensive view of hospital performance.

Finally, the GMCB realizes that each hospital is a unique entity that must maintain its financial health to continue to provide quality services to its community. Accordingly, the Board may revisit this policy, if such review proves needed, in a transparent public process.

Policy effective March 31, 2017

Community Health Needs Assessment Policy FY 2018

Section 9007 of the Patient Protection and Affordable Care Act (ACA) called for strengthening and clarifying the community benefit obligations of nonprofit hospitals that seek federal tax-exempt status. The ACA provisions added a Community Health Needs Assessment (CHNA) requirement to the Internal Revenue Code in order to promote hospital investments that reflect community health priorities. The ACA provisions require all nonprofit hospitals to adopt an Implementation Strategy and describe how the Implementation Strategy meets the community health needs identified through the CHNA.

Under the ACA, the CHNA must be made "widely available," which has been construed by the Internal Revenue Service (IRS) to mean, at minimum, the document must be posted to the hospital's web site. The IRS has also encouraged hospitals to post the CHNA on other organizational websites along with clear instructions for obtaining the report from the hospital. Furthermore, a hospital organization and its facility must make the document available to any individual who requests it.

The Implementation Strategy, described in Section 501(r)(3)(A)(ii) of the Internal Revenue Code, is essentially the document that links hospital community benefit expenditures to assessed community health needs. The Implementation Strategy describes (i) how the hospital organization is addressing the needs identified in each CHNA, and (ii) any needs that are not being addressed, together with the reasons why such needs are not being addressed.

The Board requests that hospitals submit the following information concerning their communities' needs and priorities, for review with their FY 2018 budgets:

- The most recent version of the hospital's CHNA report;
- The Implementation Strategy that has been adopted by the hospital organization's governing board pursuant to IRS guidelines; and
- The most current version of Schedule H (filed in 2017) that has been submitted to the Internal Revenue Service (IRS) as part of the hospital organization's Form 990 reporting obligations under Section 501(c)(3) of the Internal Revenue Code.

Hospitals are expected to provide any updated or new implementation strategies, and to identify any new expenditures that are being requested to address the hospital's CHNA or Implementation Strategy, as part of the FY 2018 Budget Narrative. The Board's staff will review the hospital's 990 Schedule H filings, including the hospital's responses to questions posed by the IRS, and summarize for the Board the status of each hospital's CHNA report. If the Board requires additional information or clarification, it may require a hospital to respond in writing to additional questions concerning its community needs.

Taken together, these reporting obligations offer transparent information about the hospitals' expenditures on community benefit activities and initiatives, as well as specific hospital expenditures intended to implement the CHNA. This information is essential to the Board's

hospital budget review process and commitment to advancing community health improvement and population health through all sectors of the Vermont health care system.

Policy effective March 31, 2017

Enforcement Policy for FY 2018 Hospital Budget Submissions

Background and Justification

Vermont law requires that the Green Mountain Care Board establish the budgets of Vermont's hospitals, and mandates that "[e]ach hospital . . . operate within the budget established." 18 V.S.A. §§ 9375(b)(7); 9456(d). GMCB Rule 3.000 governs the hospital budget review process and outlines the parameters used to assess budget performance and adjustments. *See* GMCB Rule 3.000, § 3.401. In addition, the Board's annual Uniform Reporting Manual Supplement outlines a methodology to compare actual budget results for the fiscal year to what had been previously budgeted by the hospital and approved by the Board.

In adopting a policy for FY 2014-2016, the Board found that Vermont hospitals' aggregate budget-to-actual performance had improved since the early 2000s, but that many hospitals nonetheless continued to exceed net revenue thresholds. Some of these budget-to-actual differences resulted from one-time events such as physician practice acquisitions, or from prior year Medicare settlements. Some hospitals, however, enjoyed greater reimbursement than had been forecasted. In such instances, prior to the Board's adoption of an enforcement policy in 2013, no meaningful regulatory action was taken.

The Board extended its FY 2014-2016 enforcement policy through FY 2017 because its enforcement mechanisms allowed the Board to initiate corrective action when a hospital's actual revenue diverged significantly from its budgeted revenue, whether the cause related to free care, disproportionate share payments, the migration of uninsured Vermonters into insurance plans, or any of the myriad of factors that impact a hospital's revenue and expenses. In addition, the criteria in the policy proved transparent, understandable, and readily administrable.

For these reasons, the Board leaves this policy intact for FY 2018.

Enforcement

For FY 2018, the Board will continue to enforce hospital budget compliance consistent with policy adopted in 2013 for FY 2014-2016 and extended to FY 2017:

1) Net patient revenue (NPR) amounts as ordered will be enforced.
2) The GMCB will review hospitals whose year-end NPRs exceed the NPR requirement by 0.5% above or below their approved NPR. Such a review will not necessarily lead to action by the GMCB.
3) Budget reviews will compare each outlier to results of the total system.
4) Reporting requirements for the review will be determined by the GMCB.
5) The GMCB will afford the hospital the opportunity for a hearing, and may require a hearing if it deems one necessary.

6) If the GMCB determines that a hospital's performance has differed substantially from its budget, the GMCB may take actions including but not limited to (*see* GMCB Rule 3.000, § 3.401(c)):
    a) Reduce or increase the hospital's rates;
    b) Reduce or increase net revenue and/or expenditure levels in the hospital's current year budget;
    c) Use its finding as a consideration to adjust the hospital's budget in a subsequent year or years; and
    d) Establish full budget review of actual operations for that budget year.

In addition, consistent with the overarching goal to restrain health care spending, the Board may issue further guidelines, after consultation with stakeholders and discussion in a public meeting, to help provide the hospitals with clear expectations concerning application of the Board's enforcement mechanisms.

Policy effective March 31, 2017

Physician Transfer and Acquisition Policy

Introduction

In 2013, the Green Mountain Care Board (GMCB) voted to adopt budget review guidance for hospitals for fiscal years (FYs) 2014 through 2016. *See Guidance and Principles Governing the Green Mountain Care Board Hospital Budget Review Process for Fiscal Years 2014 through 2016*. The guidance referenced the GMCB's intention to "create an expedient process to review all physician transfers." For FY 2016, the GMCB adopted a written policy that outlined the information that an acquiring hospital must provide to the GMCB to enable it to monitor the impact of any physician transfer or acquisition[1] on the hospital's budget.

Act 143 of 2016[2]outlined specific criteria that must be included in the GMCB's physician transfer policy.[3] This document contains reporting guidelines for hospitals inclusive of those criteria, and supersedes previous policy documents approved by the GMCB on this subject.

Background

The GMCB is charged with improving the health of Vermonters while controlling and managing costs in the state's health care system. Through the hospital budget review process, the GMCB can measure and track increases in health care spending for a segment of the system by focusing on the year-to-year growth of net patient revenue (NPR). An underlying principle for this review is to limit growth to a pace comparable to other sectors of the Vermont economy.

In Vermont, the majority of practicing physicians are employed by hospitals. When independent physicians move from outside of the hospital system to within, the dollars associated with the physician practice also shift to the hospital. Though these are not "new" dollars in the overall health care system, they can have a substantial impact on the acquiring hospital's budget and NPR, and must be appropriately accounted for in the GMCB's review process.

Accordingly, the GMCB needs a consistent policy for examining hospital physician acquisitions and transfers to understand the net effect of these transactions on the growth in spending of the entire system and the impact on the NPR and overall budget.

Policy Guidelines

Effective January 1, 2017, this policy is established to better understand and recognize the effect on hospital budgets of physician transfers and acquisitions that occur during the course of the current fiscal year. Consistent with Act 143 of 2016, this policy only applies to transfers and

[1] The term "physician transfers" will be used to denote "physician transfers and acquisitions."

[2] The language of Act 43 (2016) § 1 is included at the end of this document.

[3] The Act 143 criteria, although applicable to "physician acquisitions and transfers," appear only applicable to tranfers *into* a hospital, rather than out, and this policy similarly does not expressly address provider departures. Because an outgoing transfer may substantially impact a hospital's budget, however, the hospital should notify the GMCB when such transfers are pending to determine the need for any additional reporting requirements.

acquisitions of existing physician practices, and does not apply to the expansion of a hospital's physician service line as a result of ongoing physician recruitment.

To appropriately document the budget effect of new physician affiliations, the hospital shall file as follows:

- Any new affiliation shall require filing of reporting documents as discussed below, to document the acquisition or transfer.
- Such documents shall be filed with the GMCB 30 days prior to formal establishment of the acquisition or transfer.
- No filings will be recognized by the GMCB for establishing a new budget base after May 1.
- The GMCB shall issue an updated Budget Order within 30 days of its acceptance of an acquiring hospital's filing.
- Following issuance of an updated Budget Order, the acquiring hospital shall file its updated budget information through the Adaptive reporting tool, as directed by GMCB staff.
- Physician transfers occurring after May 1 shall be reported in the July 1 budget submission for the coming year. Reporting documents must be filed in addition to the budget submission.

Note that the GMCB is not imposing a requirement that each physician transfer be approved by the GMCB separate from or in addition to the hospital budget review process.

Confidentiality
The GMCB recognizes that that pending physician transfers and acquisitions generally cannot be made public during the negotiation stage. Disclosing details of a transaction before they are agreed upon could hamper the parties' ability to negotiate, and could place the parties at a competitive disadvantage with respect to non-party hospitals or other providers. Vermont's Public Records Act specifically exempts from public disclosure "business records or information . . . which gives its user or owner an opportunity to obtain business advantage over competitors who do not know it or use it," 1 V.S.A. § 317(c)(9), and records related to contract negotiations, 1 V.S.A. § 317(c)(15). Accordingly, hospitals may request that the GMCB keep physician transfer information confidential and, assuming it meets either or both of the statutory exemptions, the GMCB will treat the information as confidential.

Reporting Requirements and Documentation

1. <u>Notice to patients</u>

Act 143 requires a hospital to provide written notice about a new acquisition or transfer of health care provider(s) to each patient served by the health care provider(s). The notice shall:

- Notify the patient that the provider is now affiliated with the hospital;
- Provide the hospital's name and contact information;
- Notify the patient that the change in affiliation may affect the patient's out-of-pocket costs, depending on his or her health insurance plan and the services provided; and
- Recommend that the patient contact his or her insurance company with specific questions or to determine actual financial liability.

The hospital shall include one copy of the written notice, not including patient name, with the reporting documents outlined below.

2. Reporting documents

The GMCB requires hospitals to file Schedules A and B (available in Excel format at http://gmcboard.vermont.gov/hospital-budget) at least 30 days prior to the effective date of an acquisition or transfer occurring no later than May 1. Both a full annualized effect and a partial year effect must be completed for these "off-cycle" transfers. Physician acquisitions and transfers occurring after May 1 must be reported with the annual budget submission in accordance with the instructions outlined below

In addition to the information requested here, a hospital may file any other information it deems appropriate to further describe the budget effect of the physician transfer. The GMCB may also request additional information to assist it in its review.

1) Off-cycle Budget change (transfers occurring after budget approval but no later than May 1)
    a. Budget Schedule A will be required to provide financial information about why the transaction is budget-neutral.
    b. Budget Schedule B will be required to provide financial information about the effect on the current year and the next projected budget.
    c. A narrative must be submitted with the Schedules to describe the physician transfer and any related budgetary issues.

2) Annual Budget Submission
    a. Budget Schedule A will be required to provide financial information about why the transaction is budget neutral.
    b. Physician budget detail will be reported as described in the GMCB User's Guide for Adaptive Insights.
    c. The narrative will include a brief description of the transfer as outlined on page 6 of this document.

Physician Practice Transfer and/or Acquisitions Worksheet - Budget Schedule A

Hospital Name:

Physician Practice Name:

Effective Date of Transfer or Acquisition:

Note: This information should be submitted 30 days prior to the effective date of the transfer

Physician Practice Financial Information

	A	B	C
	Prior Year 12 Months	Current Year Projection 12 Months	Partial Current Year Projections
Gross Patient Care Revenue			
Deductions from Revenue			
Net Patient Revenue - Physician			
Provider Salaries			
Provider Fringe Benefits			
Staff Wages & Benefits (Non MD)			
Malpractice			
Depreciation/Amortization			
Rent			
Billing Service			
Medical/Surgical Supplies			
Other Costs			
Total Operating Expense	$ -	$ -	$ -
Net Operating Income/Loss	$ -	$ -	$ -
Utilization			
Relative Value - Units of Service			
Total Physician FTEs Acquired or Transferred			

A: The operations of the practice for the previous 12 months.

B: The operations of the practice for the projected year (12 months).

C: The operations of the practice from the beginning effective date of transfer to year end.

Physician Practice Transfer and/or Acquisitions Worksheet - Budget Schedule B

Hospital Name:
Physician Practice Name:
Effective Date of Transfer or Acquisition:

Note: This information should be submitted 30 days prior to the effective date of the transfer

Hospital Budget and Physician Practice Financial Information

Partial Year Effect

	Prior Year 12 Months Actual	Current Year Approved Budget (12 Months)	Partial Current Year Projections	Final Current Year Budget Including Change	% Change from Orig Budget
Net Patient Revenue - Hospital			$ -	$ -	#DIV/0!
Net Patient Revenue - Physician				$ -	#DIV/0!
Total Net Patient Revenue	$ -	$ -	$ -	$ -	#DIV/0!
Other Operating Revenue					#DIV/0!
Expenses - Hospital			$ -	$ -	#DIV/0!
Expenses - Physician				$ -	
Total Expenses	$ -	$ -	$ -	$ -	#DIV/0!
Surplus	$ -	$ -	$ -	$ -	

Annualized Effect

		Current Year Approved Budget (12 Months)	Annualized	Budget for Next FY Including Change	% Change from Orig Budget
Net Patient Revenue - Hospital	$ -	$ -	$ -	$ -	#DIV/0!
Net Patient Revenue - Physician	$ -	$ -	$ -	$ -	#DIV/0!
	$ -	$ -	$ -	$ -	#DIV/0!
Other Operating Revenue					#DIV/0!
Expenses - Hospital	$ -	$ -	$ -	$ -	#DIV/0!
Expenses - Physician	$ -	$ -	$ -	$ -	
	$ -	$ -	$ -	$ -	#DIV/0!
Surplus	$ -	$ -	$ -	$ -	

For an Excel version of these schedules please visit our website at: http://gmcboard.vermont.gov/hospital-budget or call Janeen Morrison (802-828-2903).

Policy effective January 1, 2017

Act 143 of 2016 § 1.

Sec. 1. GREEN MOUNTAIN CARE BOARD; NOTICE TO PATIENTS OF NEW AFFILIATION

The Green Mountain Care Board shall maintain a policy for reviewing new physician acquisitions and transfers as part of the Board's hospital budget review responsibilities. The policy shall require hospitals to provide written notice about a new acquisition or transfer of health care providers to each patient served by an acquired or transferred health care provider, including:

(1) notifying the patient that the health care provider is now affiliated with the hospital;

(2) providing the hospital's name and contact information;

(3) notifying the patient that the change in affiliation may affect his or her out-of-pocket costs, depending on the patient's health insurance plan and the services provided; and

(4) recommending that the patient contact his or her insurance company with specific questions or to determine his or her actual financial liability.

APPENDIX I

POLICY FOR CHANGES TO APPROVED BUDGET

A hospital requesting a modification to its approved budget before the end of that fiscal year must do the following:

a. Obtain approval of the change from its Board of Directors.
b. Submit a letter of intent regarding a revised budget. The submission should be delivered to the GMCB no less than 30 days prior to the date the budget adjustment or rate change will be effective.
c. Submit to GMCB within a time to be determined by GMCB, a complete “modified” budget in the same form as required during the regular budgeting process, along with an explanation as to the purpose of any changes and variances.
d. Provide contact information for the available staff member with knowledge of the budget to answer questions.

The Board’s hospital budget staff will review the request within 15 days after the receipt of the complete “modified” budget information, and will make its recommendations and forward them to the GMCB. A final decision will be provided within 14 days of the GMCB’s receipt of the recommendations.

Note: The GMCB will not act upon any interim rate changes with effective dates after May 1.

APPENDIX II

STATE OF VERMONT
Green Mountain Care Board

In re: FY 2018 Hospital Budget Submission [Hospital Name]

Exhibit A – Form of Verification Under Oath

[Officer or other deponent], being duly sworn, states on oath as follows:

1. My name is [name]. I am [title]. I have reviewed the [identify information/document subject to verification].

2. Based on my personal knowledge, after diligent inquiry, the information contained in [identify information/document subject to verification] is true, accurate and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact necessary to make the statement made therein not misleading, except as specifically noted herein.

3. My personal knowledge of the truth, accuracy and completeness of the information contained in the [identify information/document subject to verification] is based upon either my actual knowledge of the subject information or, where identified below, upon information reasonably believed by me to be reliable and provided to me by the individuals identified below who have certified that the information they have provided is true, accurate and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact necessary to make the statement made therein not misleading.

4. I have evaluated, within the 12 months preceding the date of this affidavit, the policies and procedures by which information has been provided by the certifying individuals identified below, and I have determined that such policies and procedures are effective in ensuring that all information submitted or used by [the hospital] in connection with the Hospital Budget program of the Green Mountain Care Board (GMCB) is true, accurate, and complete. I have disclosed to the [governing board of the hospital] all significant deficiencies, of which I have personal knowledge after diligent inquiry, in such policies and procedures, and I have disclosed to the [governing board of the hospital] any misrepresentation of facts, whether or not material, that involves management or any other employee participating in providing information submitted or used by [the hospital] in connection with the GMCB Hospital Budget program.

5. The following certifying individuals have provided information or documents to me in connection with [identify information/document subject to verification], and each such individual has certified, based on his or her actual knowledge of the subject information or, where specifically identified in such certification, based on information reasonably

believed by the certifying individual to be reliable, that the information or documents they have provided are true, accurate and complete, do not contain any untrue statement of a material fact, and do not omit to state a material fact necessary to make the statement made therein not misleading:

(a) [1. identify each certifying individual providing information or documents pursuant to Paragraphs 3 and 4, above;
(b) 2. identify with specificity the information or documents provided by the certifying individual;
(c) 3. identify the subject information of which the certifying individual has actual knowledge, and identify the individuals and the information reasonably relied on by the certifying individual; and
(d) 4. in the case of documents identify the custodian of the documents]

6. In the event that the information contained in the [identify information/document subject to verification] becomes untrue, inaccurate or incomplete in any material respect, I acknowledge my obligation to notify GMCB and to supplement the [identify information/document subject to verification], as soon as I know, or reasonably should know, that the information or document has become untrue, inaccurate or incomplete in any material respect.

____
[Signature of the deponent]

On [date], [name of deponent] appeared before me and swore to the truth, accuracy and completeness of the foregoing.

____
Notary public
My commission expires [date]
[seal]

APPENDIX III

STATE OF VERMONT
Green Mountain Care Board

EXEMPTION FROM PUBLIC HOSPITAL BUDGET HEARING

Green Mountain Care Board Rule 3.000 allows the Board to exempt up to four hospitals from annual public budget hearings, and from budget adjustment, provided they meet established benchmarks. Recognizing the value of a transparent budget review process, this document more fully explains the Board's criteria and procedure for determining such exemptions.

A. Background

The Board may in its discretion annually exempt up to four Vermont hospitals from participating in annual public budget hearings, and from budget adjustments, provided they meet established benchmarks and criteria for exemption.

Pursuant to rule, the four largest hospitals, as determined by their net patient revenues (NPRs), are not exempt and must appear at public hearing even if they otherwise qualify for exemption. Absent mutual agreement to the contrary, however, the Board will not adjust the budget of any hospital meeting all benchmarks and criteria, whether they appear at public hearing or not.

B. Criteria for Exemption

A hospital that timely submits its budget may qualify for exemption from public hearing if the following criteria are met:

1. The budget includes all reporting requirements, including a budget narrative.
2. Budget assumptions are reasonable.
3. All related budget schedules can be reconciled.
4. The hospital has not undergone significant organizational changes or restructuring.
5. The budget meets the NPR target level as established by the Board.
6. The hospital has met its approved NPR target in two of the last three years.
7. The hospital was not exempted from public hearing for the two prior consecutive years.

C. Application for Exemption

1. A hospital that believes it meets Criteria 1-7 must include with its budget submission a written request for exemption from public hearing that describes, with specificity, how it meets each criterion.
2. If more than four hospitals, excluding the four largest hospitals referenced in Section A, above, qualify for an exemption, the Board shall determine which if any of the four will be exempted.