

# VERMONT LEGAL AID, INC.

## OFFICE OF THE HEALTH CARE ADVOCATE

264 NORTH WINOOSKI AVE. - P.O. BOX 1367

BURLINGTON, VERMONT 05402

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August 11, 2016

Arthur Mathisen  
Chief Executive Officer  
Copley Hospital  
528 Washington Highway  
Morrisville, VT 05661

Re: HCA Pre-Hearing Questions – Fiscal Year 2017 Hospital Budget Review

Dear Mr. Mathisen:

In accordance with our new role in the Green Mountain Care Board's hospital budget review process under 18 V.S.A §9456(d)(3)(A), the Office of the Health Care Advocate respectfully submits the following questions in advance of your upcoming budget review hearing. Please respond to each question and/or provide the location where the answer can be found in your budget materials. Please submit all responses to the email addresses listed below before your hospital budget hearing, if possible. Additionally, please address the questions marked with an asterisk in your budget presentation.

### General

1. \*If you included a rebasing in your proposed budget, why do you believe the Green Mountain Care Board should agree to rebase your budget? How do you plan to contain your growth going forward?
2. What is your expected All-Payer and/or Medicare case mix index for FY17?
  - a. Please also provide your case mix index for FY14 (actual), FY15 (actual) and FY16 (budget and projected) along with any drivers (e.g. demographic shifts, product line additions, payer mix changes, etc.) that explain increases or decreases over time.
  - b. Please explain the basis for anticipated changes to your case mix index going forward from FY16, if any.
3. Please explain the basis of any anticipated changes in your payer mix for FY17. What are the changes you expect to see going forward?
4. As a nonprofit with a duty to benefit your community, please explain any policies your hospital has, if any, to put a reasonable cap on executive pay and on the percentage of your overall budget that is made up of administrative costs.
5. If you have varied your commercial rate increases by program or service, how do you determine these increases? Are they based on projected cost increases by program or service or based on something else?
6. What is your margin target, and how was it determined?
  - a. Is this a long-range target for your hospital?
7. Please describe how your budget process would differ if a 3- or 5- year net patient revenue cap were used rather than a yearly cap.

\* Please address this question in your hospital budget presentation in addition to providing a written response.

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8. What is your budgeted amount for Medicaid underpayment for FY17?
9. What is the extent of your Choosing Wisely initiative(s), if any?
  - a. Please describe the initiative(s) and how you have chosen which departments participate.
  - b. Which of these initiatives, if any, have led to identifiable cost savings and/or quality improvement?

### Community Benefit

10. Please explain how the federal regulations on nonprofit hospital financial assistance policies and billing practices that go into effect on October 1, 2016 affect your budget proposal for FY17 as compared to FY16.
  - a. Include how you anticipate the regulations affecting your bad debt and charity care.
  - b. Which charges did you base your financial assistance discounts upon in FY16?
11. \*For all community benefits that you listed on your Form 990 Schedule H, what is the dollar amount you are budgeting for each benefit by year (FY14 Actual, FY15 Actual, FY16 Budget, FY16 Projection, and FY17 Budget)?
12. \*What is your current level of community benefit as a percentage of revenues?
  - a. \*What percentage level are you willing to commit to on an ongoing basis?
  - b. \*Please provide a detailed breakdown of the programs and other components you include in your community benefit calculation.
13. How does the money you plan to spend on community benefit align with the top five issues identified in your most recent Community Health Needs Assessment (CHNA)? If your assessment of your top five issues has changed since your last Community Health Needs Assessment, please explain the change as part of your answer.
  - a. Are there needs identified in your CHNA that you would like to address, but feel that additional cooperation by outside entities is required for an effective solution?

### Health Information Technology

14. Do you anticipate needing to replace your electronic health records system in the next five years?
15. Do you use any of the services offered by VITL (Vermont Information Technology Leaders)?
  - a. If so, which services?
  - b. To what extent are VITL's services integrated into the hospital's care delivery?
  - c. Has the hospital experienced any cost savings or quality improvement from VITL's services?
  - d. Do VITL's services compliment your other health information technology initiatives? If so, how?

\* Please address this question in your hospital budget presentation in addition to providing a written response.

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### Substance Abuse and Mental Health

16. \*What percent of your employed primary care providers are participating in the Hub and Spoke program?
- \*What is the average number of substance abuse patients that those providers treat?
  - \*How many additional providers would be required to fully meet your community's needs in a reasonable amount of time? Please take into consideration any waitlists for treatment.
  - \*If your hospital is involved in any medication assisted treatment programs, do you have any information on your costs for these programs versus savings to your hospital?
17. \*Please explain to what extent mental health patients presenting at your Emergency Department impacts your budget?
- \*Please explain how mental health patients are handled when they present to your Emergency Department or other triage location, including a description of any holding or isolation areas that you use, and how often you expect to use this type of area in FY17.
  - \*How do you train your security staff, contracted or in-house, on handling situations involving people experiencing mental health crisis? If some security staff members have been trained but not all, please explain which ones and why.

Thank you for taking the time to respond to our questions. Feel free to contact us if you need any clarifications or extra time to submit your answers.

Sincerely,

s/ Julia Shaw

Health Care Policy Analyst

[jshaw@vtlegalaid.org](mailto:jshaw@vtlegalaid.org)

s/ Kaili Kuiper

Staff Attorney

[kkuiper@vtlegalaid.org](mailto:kkuiper@vtlegalaid.org)

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