



July 18, 2017

Attn: Mr. Andy Pallito, Director of Health System Finances
Green Mountain Care Board
89 Main Street, Third Floor, City Center
Montpelier, Vermont 05620

Re: Budget 2018 Exemption

Dear Mr. Pallito,

This letter serves to formally request an exemption from the FY 2018 Budget Hearings. As outlined below, we qualify based on the "criteria for exemption". Our budget performance over the last few years has been consistent and reasonable and our 2018 budget is commensurate with current and prior performance. We do not feel that there are material changes in our situation that merit a hearing.

Assuming that the exemption is approved, we would also offer the opportunity of an informal meeting with the MAHHC leadership. With many new faces on both sides, it might be beneficial to the Green Mountain Care Board, the staff, and the hospital.

Please consider our exemption request and let us know if there are questions or concerns.

Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "DS", written over the word "Sincerely,".

David C. Sanville
C.F.O./V.P. Finance

cc: J. Perras, M.D.; C.E.O.

FY2018 Application for Exemption

1. The budget includes all reporting requirements, including a budget narrative.

Mt. Ascutney Hospital and Health Center (MAHHC) has met all reporting requirements of the GMCB for the 2018 Budget cycle.

2. Budget assumptions are reasonable.

MAHHC built their 2018 budget based on very reasonable assumptions. Overall volume is essentially flat. Normal, industry appropriate inflation factors were used for expense growth. No significant changes in reimbursement or in sources of revenue were used.

3. All related budget schedules can be reconciled.

MAHHC is unaware of any outstanding reconciliation issues relative to the Adaptive Planning schedules.

4. The hospital has not undergone significant organizational changes or restructuring.

MAHHC has not experienced, nor is there any plan for any significant changes or restructuring.

5. The budget meets the NPR target level as established by the Board.

MAHHC's budget to budget change in NPR, 1.4%, is well within expectations and the targets established by the Board.

6. The hospital has met its approved NPR target in two of the last three years.

MAHHC has not exceeded the approved NPR target for the last three years.

7. The hospital was not exempted from public hearing for the two prior consecutive years.

MAHHC has not applied for, nor has it received, an exemption in the prior two years.