



Vermont Association of
Hospitals and Health Systems

Vermont's Hospitals

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House Health Care Committee

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Hospitals Nationwide

Number of U.S. Community Hospitals

4,862

Number of Not-for-Profit Community Hospitals

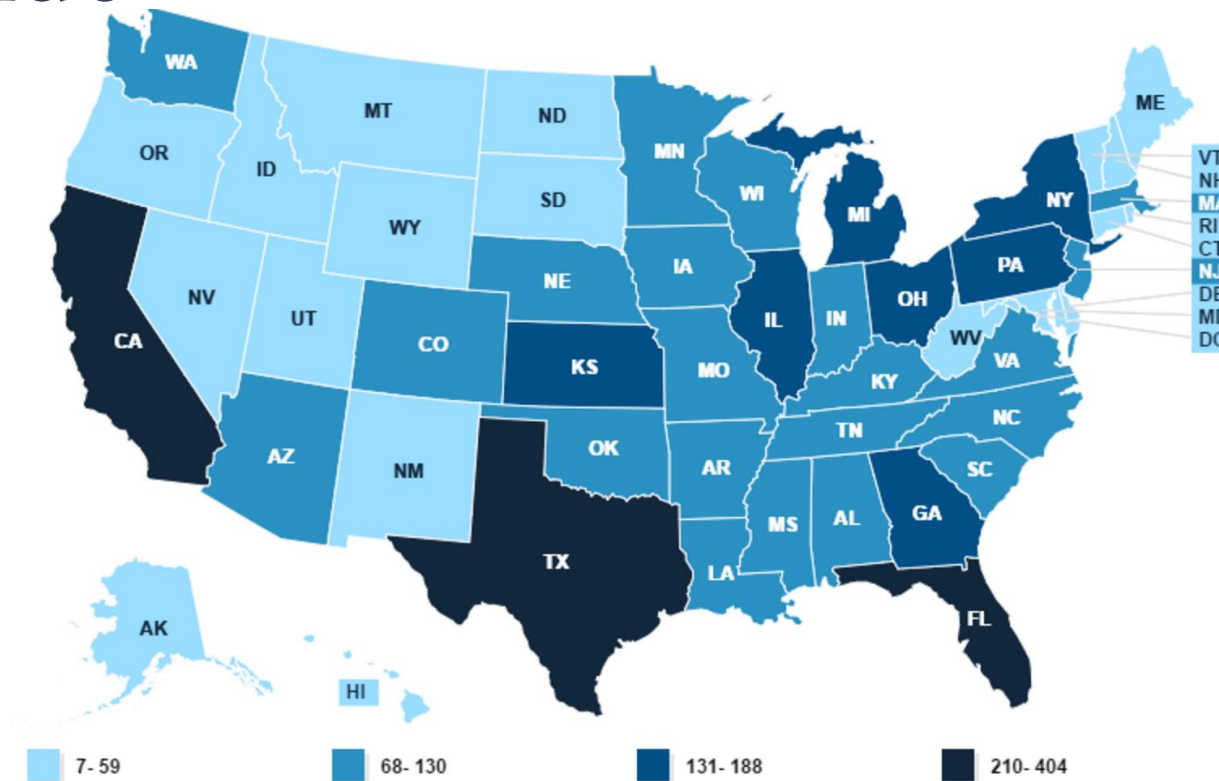
2,845

Number of For-Profit Community Hospitals

1,034

Number of State and Local Government Community Hospitals

983



SOURCE: Kaiser Family Foundation's State Health Facts.



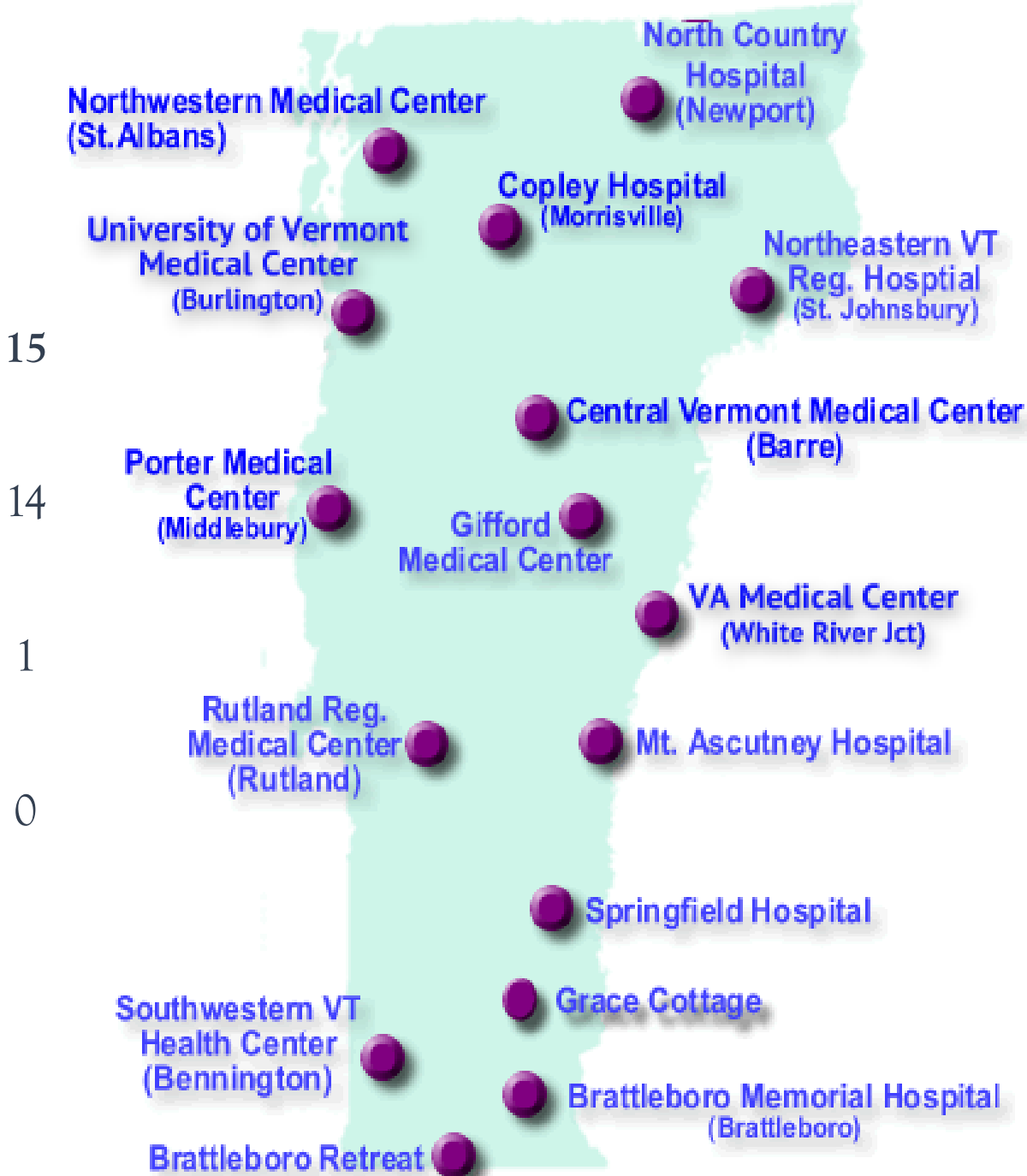
Vermont's Hospitals

Number of Vermont Hospitals

Number of Not-for-Profit Community Hospitals
- includes 8 Critical Access Hospitals

Number of Federal Government Hospitals

Number of Investor-Owned (For-Profit)
Community Hospitals



Vermont's Hospitals are Working for Healthy Communities

- **RiseVT:** Northwestern Medical Center partnered with community leaders to promote small changes for better health outcomes, including strategically placed Health Advocates working with schools, businesses and municipalities
- **Coordination of Pediatric Cardiologist:** Rutland Regional Medical Center and UVMMC have coordinated to ensure greater access for children with cardiology needs
- **Telepsych Pilot:** Brattleboro Memorial and Brattleboro Retreat are doing a telepsych pilot to provide greater access to psychiatric care. Results are expected later this spring



What is a Critical Access Hospital?

Vermont has 8 Critical Access Hospitals

“Critical Access Hospital” is a designation given to certain rural hospitals by the Centers for Medicare and Medicaid Services (CMS).

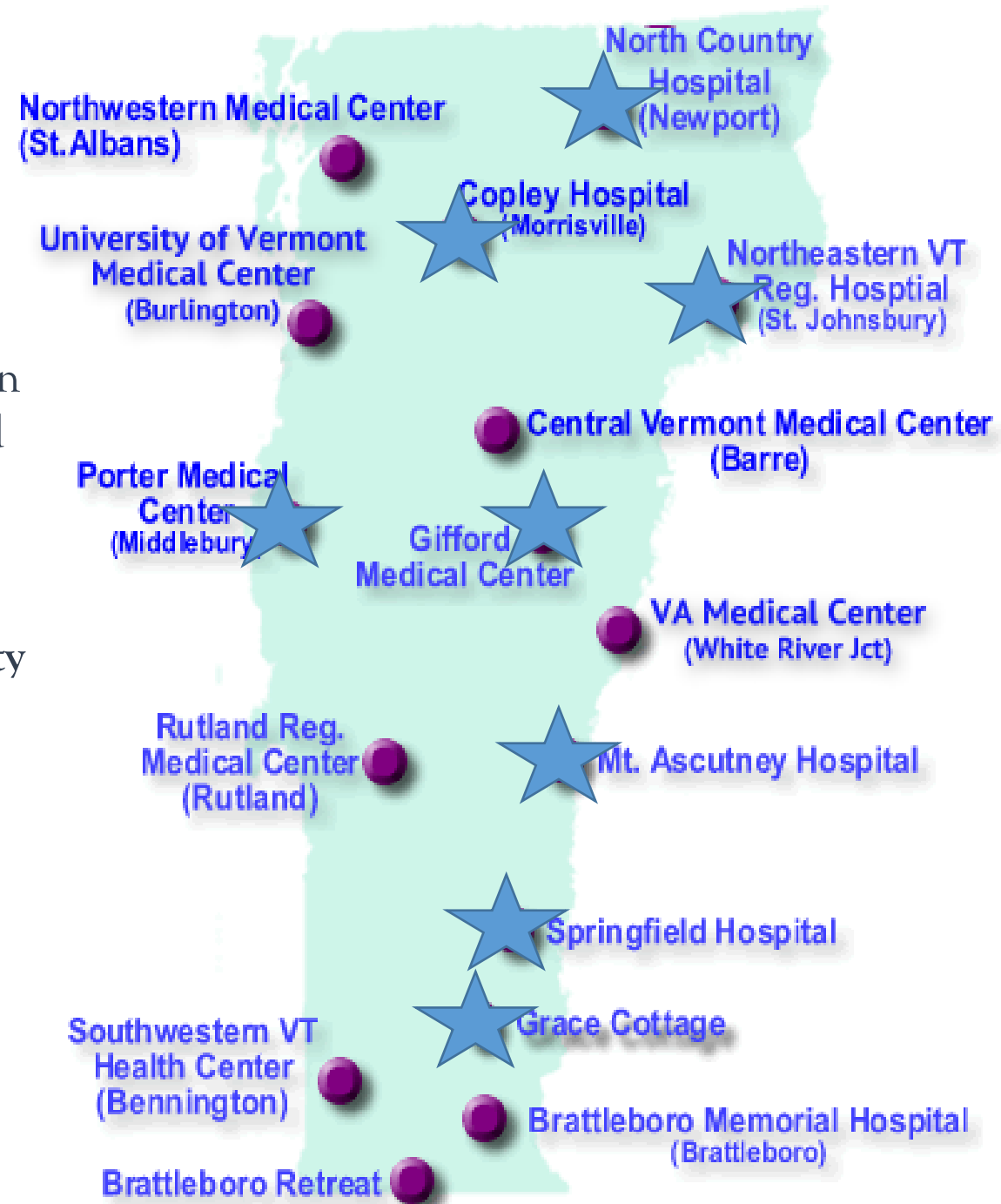
This designation was created by Congress in the 1997 Balanced Budget Act to **reduce the financial vulnerability** of rural hospitals and **improve access to healthcare** by keeping essential services in rural communities.

To be a Critical Access Hospital:

- 25 beds or fewer

- 35 miles (or 15 miles if mountainous) between hospitals

- average length of stay is less than 4 days



What is an Academic Medical Center?

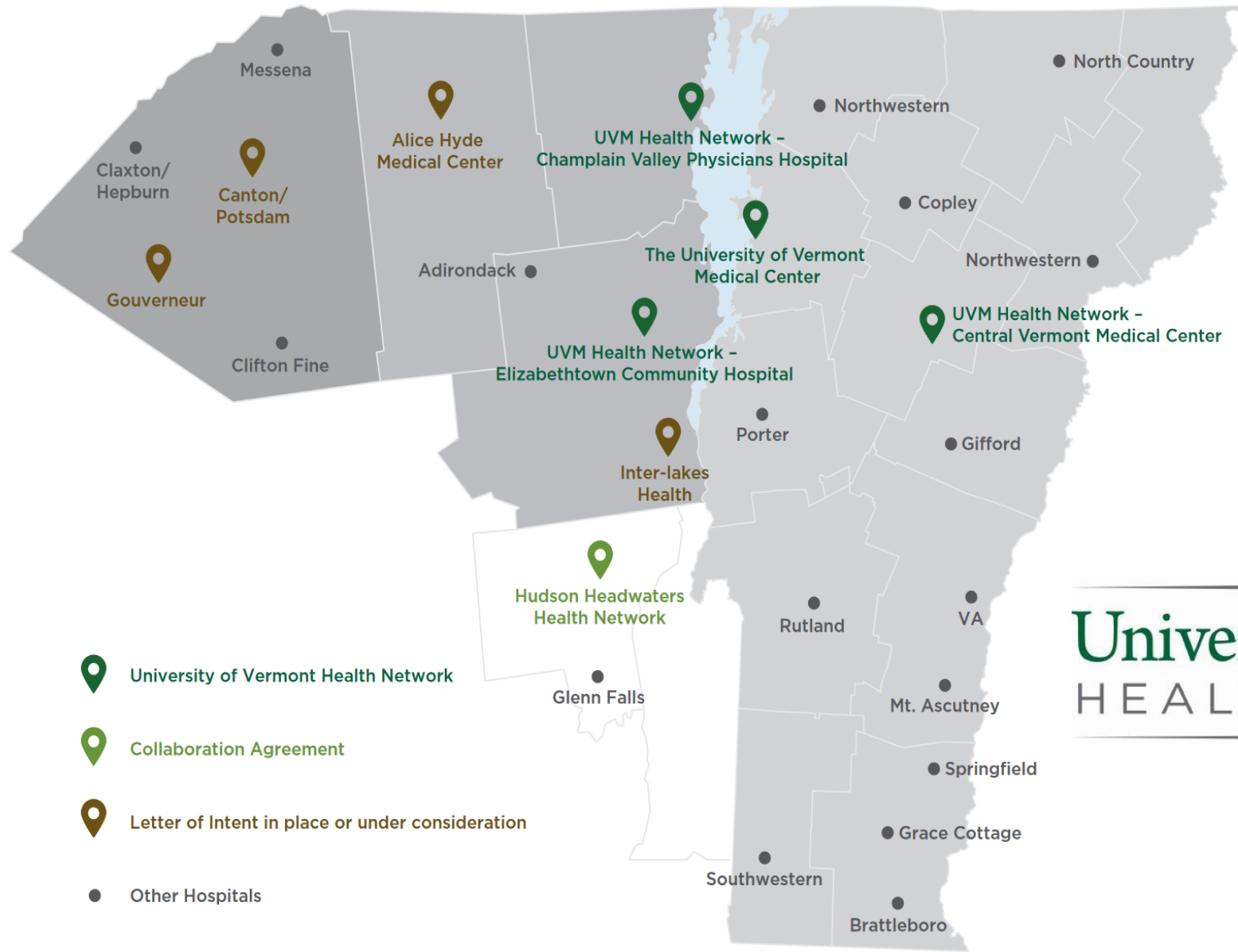
- A hospital that has been accredited to participate in residency training by the Accreditation Council for Graduate Medical Education
- Receive graduate medical education (GME) payments to offset part of the cost of training doctors, caring for the sickest patients and specialized services such as trauma care and neonatal intensive care
- Vermont's academic medical center is the University of Vermont Medical Center (formerly known as Fletcher Allen), along with The University of Vermont College of Medicine and College of Nursing and Health Sciences







What is the UVM Health Network?

- The UVM Health Network is an affiliation of hospitals in New York and Vermont
 - The University of Vermont Medical Center, formerly known as Fletcher Allen Health Care, and affiliated with the University of Vermont Colleges of Medicine and Nursing and Health Sciences
 - Alice Hyde Medical Center
 - Central Vermont Medical Center
 - Champlain Valley Physicians Hospital
 - Elizabethtown Community Hospital





-  University of Vermont Health Network
-  Collaboration Agreement
-  Letter of Intent in place or under consideration
-  Other Hospitals

THE

University of Vermont

HEALTH NETWORK

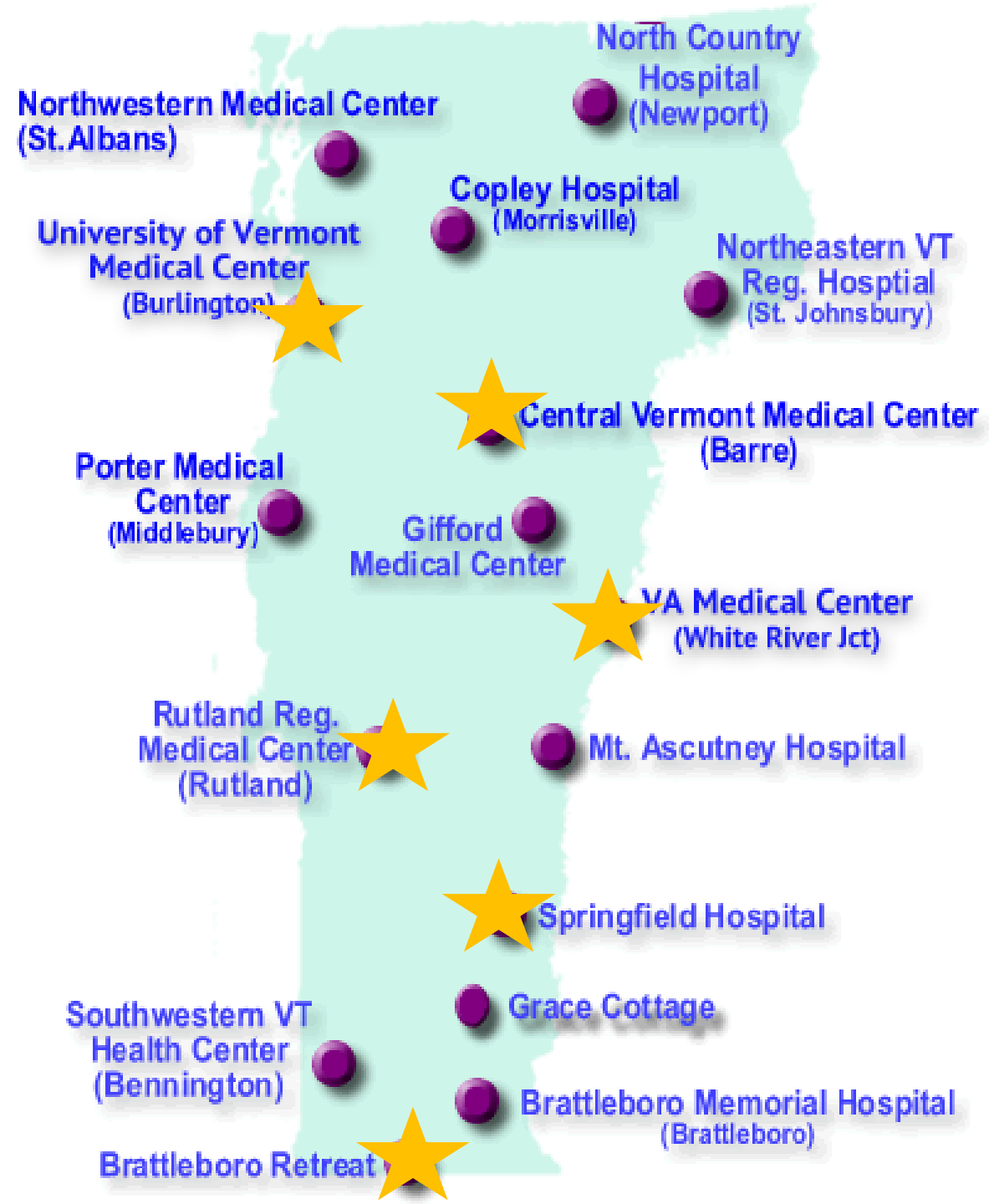


What is a Designated Hospital?

A hospital designated by the Department of Mental Health to provide psychiatric inpatient care

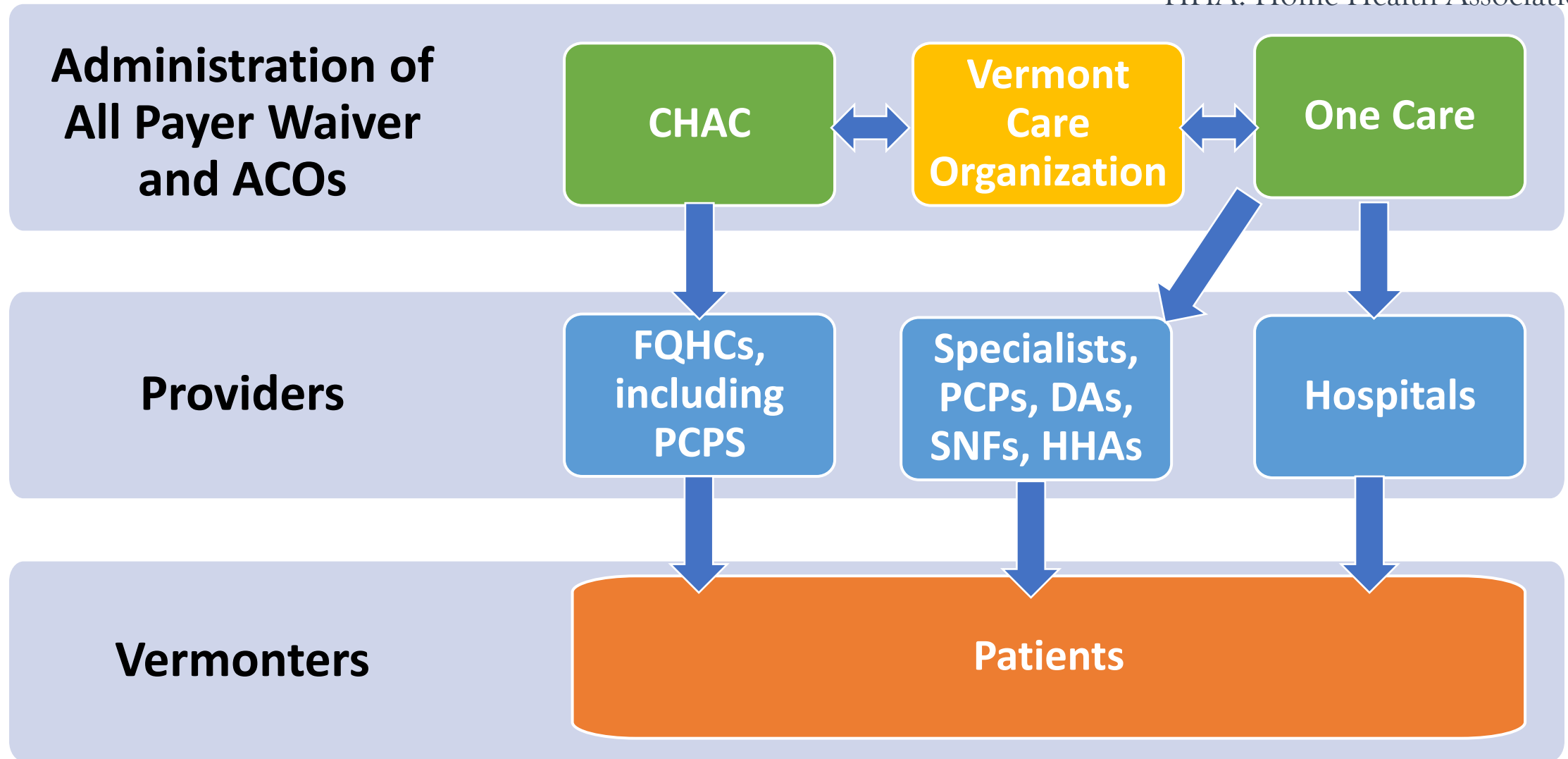
Vermont has 7 designated hospitals

Not listed: Vermont Psychiatric Care Hospital



FQHC: Federally Qualified Health Center
PCP: Primary Care Physician
DA: Designated Agency
SNF: Skilled Nursing Facility
HHA: Home Health Association

Hospitals and the All Payer Model

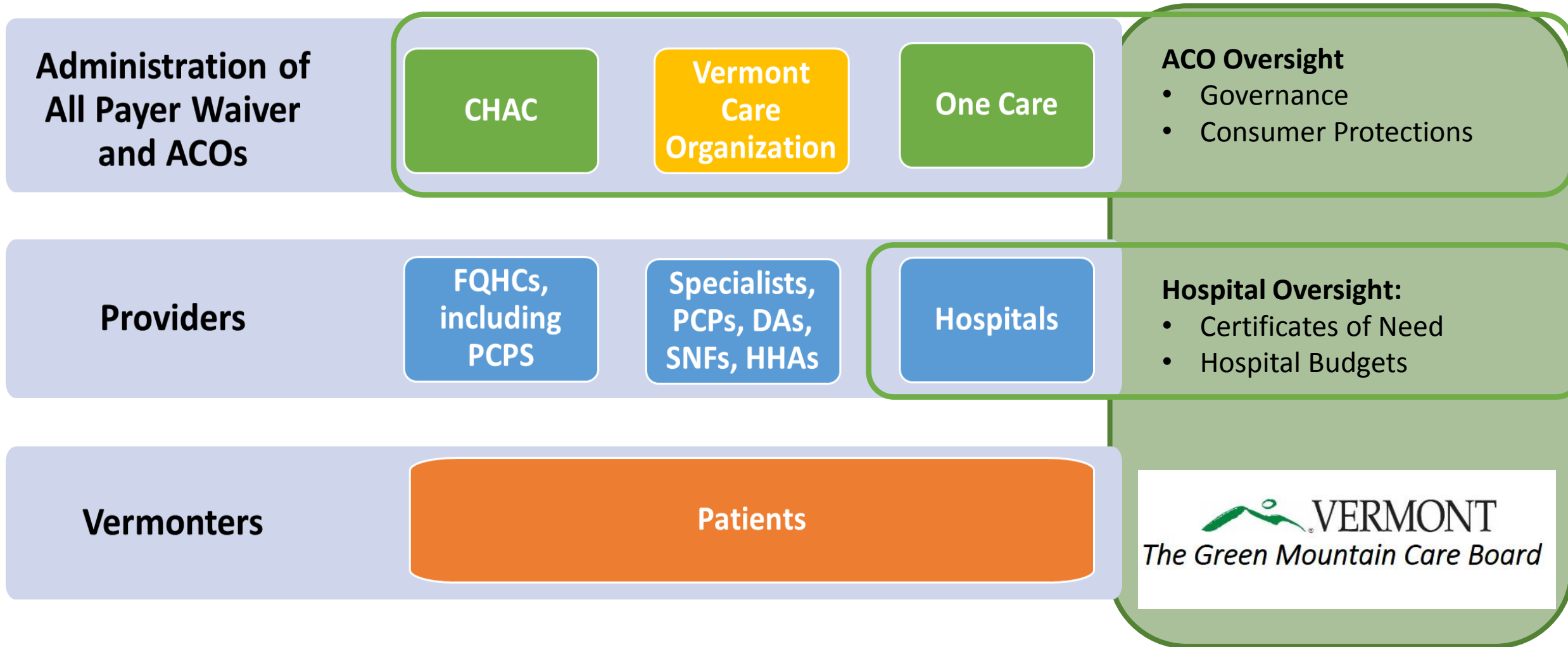


Hospitals and the All Payer Model

- For 2015-25, health spending is projected to grow at an average of 5.8% per year.
 - Medicare is projected to grow to 7.9% in 2020
- The APM looks to limit growth to 3.5% while maintaining or improving quality of care
- Hospitals know that investing upstream provides better outcomes
- Hospitals are cautiously optimistic about the APM- they are waiting to hear more details



Hospitals and Green Mountain Care Board



Hospitals and Green Mountain Care Board

Certificates of Need

- New health care projects in Vermont must obtain a Certificate of Need (CON) from the Green Mountain Care Board prior to implementation.
- The CON process is intended to prevent unnecessary duplication of health care facilities and services, guide their establishment in order to best serve public needs, promote cost containment as well as ensure the provision and equitable allocation of high quality health care services and resources to all Vermonters.

Hospital Budgets

- The Board must consider access to care, enhancing the patient and health care professional experience of care, supporting the recruitment and retention of high-quality health care professionals, and achieving administrative simplification and health care delivery



Hospital Budget 101

Gross patient revenue (what hospitals charge)

- Bad Debt (unpaid patient bills)
- Free Care (provided under charitable care policy)
- Deductions from Revenue (what payers DON'T allow from charges)
- + Disproportionate Share (DSH) Payments (for uncompensated care AND Medicaid)
- + Graduate Medical Education Payments (academic medical centers only)

= Net patient revenue (what hospitals are paid)

+ Other Operating Revenue (cafeteria, etc.)

= Total Operating Revenue

- Total Operating Expense (staff, electricity, etc.)

= Net Operating Income (loss)

+ Non-Operating Revenue (interest on investments)

= Excess (Deficit) of Revenue over Expense (MARGIN)



Thank you

Any questions ?

