



**Springfield Hospital**

*Where People Come First*



# Act 167 Update

SENATE HEALTH & WELFARE &  
HOUSE HEALTH CARE COMMITTEES

APRIL 23, 2025

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SPRINGFIELD HOSPITAL

# CHALLENGING HEALTH CARE ENVIRONMENT

*It is Complicated.*

- ▶ FEDERAL - Unpredictable
- ▶ STATE - Multiple Financial Pressures
- ▶ LOCAL - Fragile / Improving

**Springfield Hospital seeks to be part of the solution.**

# THE SPRINGFIELD SITUATION

**We have blazed the trail...**

- ▶ **SMCS / Springfield Hospital**
- ▶ **Chapter 11 - Reorganization**
- ▶ **Restructure - Cost Cutting**
- ▶ **Successful Chapter 11 Exit Dec 2020 – 2 Corporations**
- ▶ **Developed Strategic Plan**  
**Finances / Core Services / Culture / Quality / Infrastructure**

# THE SPRINGFIELD SITUATION

**Financial Pressures. Difficult Choices.**

- ▶ **Close ChildBirth Center**
- ▶ **Reduction in Force**
- ▶ **Wage Cuts**
- ▶ **No PPP Funding – Sustained Workforce Employment**
- ▶ **Efficiency Strategy - Keep Costs Low**
- ▶ **Collaborate – Share Resources Regionally**

# SPRINGFIELD'S STRATEGY

## STRATEGIC GROWTH.

- ▶ **Recapture Lost Volume**
- ▶ **Target Outpatient Services.**
- ▶ **Local Access = Meeting the Need = Cost Savings**
- ▶ **Continue Shared Resources Strategy**
- ▶ **Win / Win / Win Strategy**  
**Patient Access / Hospital Sustainability / State Savings**

# IDENTIFIED CORE SERVICES

*Targeting Outpatient Growth.*

- ▶ General Surgery
- ▶ Podiatry
- ▶ Ear, Nose & Throat (ENT)
- ▶ Orthopaedics
- ▶ Urology
- ▶ Gynecology
- ▶ Adult Day Care/Physical Therapy

*Re-Start*

- ▶ Cardiology

# **SPRINGFIELD'S STRATEGY**

## **EFFICIENCY.**

- ▶ **Revenue Cycle Improvement**
- ▶ **Tight Expense Management**
- ▶ **Regional Collaboration**
- ▶ **Core Service Focus**
- ▶ **Avoid Duplication of Services**

# **RURAL EMERGENCY HOSPITAL**

## **The Risk is Too Great**

**Analysis:  
Not a Good Fit  
for Springfield**

**Current Lack  
of Bed Access**

**Lack of  
Transportation -  
Emergent and Other**

**Loss of  
Cost-Based  
Reimbursement**

**Loss of Mental  
Health Beds  
340B Pharmacy**

**Grandfathered  
CAH Designation**

# VISION FOR SUSTAINABILITY

Respond to the  
Need - CHNA

Invest in  
Medical Staff for  
Core Services

Invest in  
Capital  
Improvements

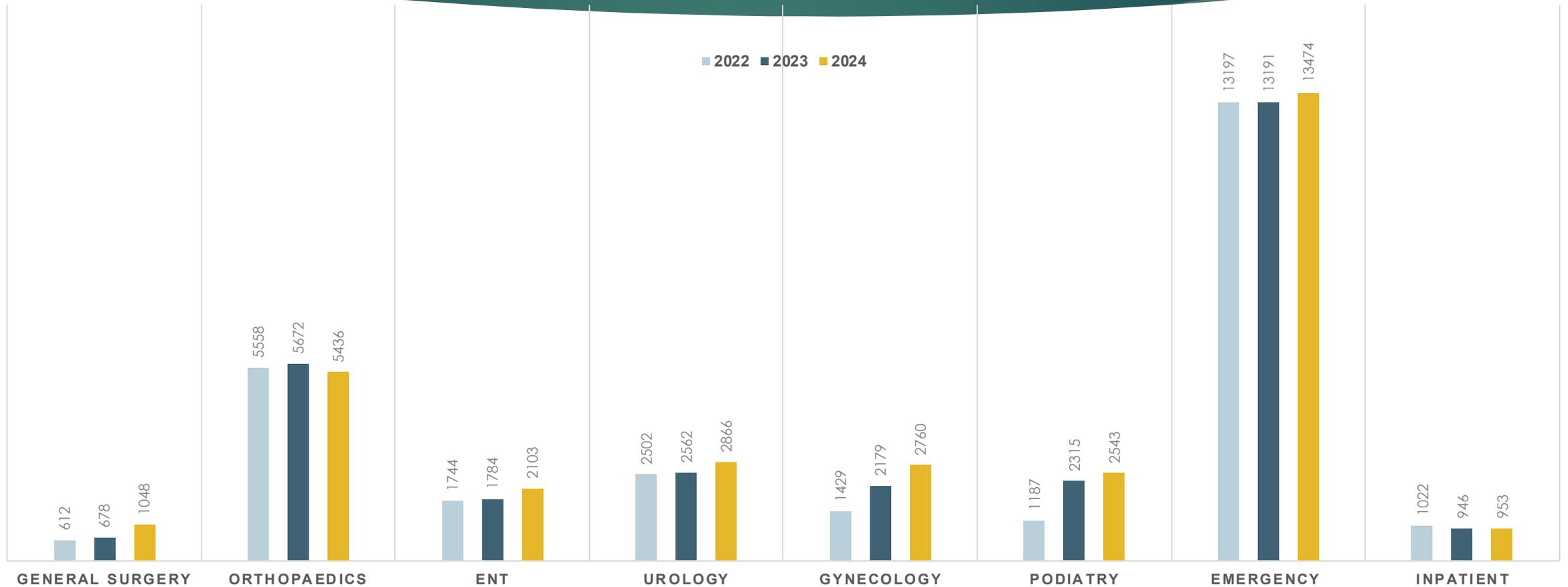
Collaborate  
with North Star /  
Primary Care  
Regional / Specialty

Encourage  
Payment Reform  
that Cover Cost

Recapture  
Outpatient  
Services

# MAKING POSITIVE PROGRESS

## SPRINGFIELD HOSPITAL SERVICE LINE RESULTS 2022 - 2024



# FINANCIAL PERFORMANCE

| <b>FINANCIAL PERFORMANCE</b> |                |                |                |
|------------------------------|----------------|----------------|----------------|
| <i>Dollars in Thousands</i>  | <b>2022</b>    | <b>2023</b>    | <b>2024</b>    |
| Gross Revenues               | <b>117,083</b> | <b>126,375</b> | <b>146,102</b> |
| Net Patient Revenues         | <b>53,067</b>  | <b>55,409</b>  | <b>62,441</b>  |
| Other Operating Revenue      | <b>8,316</b>   | <b>4,100</b>   | <b>1,230</b>   |
| Total Expenses               | <b>57,851</b>  | <b>60,065</b>  | <b>64,377</b>  |
| Operating Income (Loss)      | <b>3,532</b>   | <b>-556</b>    | <b>-706</b>    |

## Kaufman Hall National Hospital Flash Report September 2024

Note: The following data reflects national and regional median averages:

- ▲ National Hospitals, Operating EBIDTA Margin for 2024 (- 2%)
- ▲ Northeast Hospitals, Operating EBIDTA Margin for 2024 (- 4%)
- ▲ Springfield Hospital Operating EBIDA Margin for 2024 (- 1%)

# TRANSFORMATION EFFORTS

## *Key Areas of Alignment*

- ▶ **Affordability – Financial Assistance Program**
- ▶ **Sustainability – Synergy – We Use Many Shared Services  
Strategic Plan Implementation**
- ▶ **Access – Primary Care and Regional Collaboration  
Manage appointment schedule lag time**
- ▶ **Equity – Community Collaborative  
Project Action Efforts**

# IN SUMMARY...

## *Sustainability is a Mutual Goal.*

- ▶ **Recapturing out of State volume serves patients well, saves cost and strengthens the VT healthcare system.**
- ▶ **Sustainability requires participation and collaboration.**
- ▶ **Statewide EMR would benefit all.**
- ▶ **Trust the plan and give it time to work.**
- ▶ **Focus resources on successful implementation.**