

Shawn Tester, NVRH—Friday February 6th testimony:

- Thank you for having me here and thanks Mike for giving that overview.
- My name is Shawn Tester and I'm the President and CEO of Northeastern Vermont Regional Hospital in St. Johnsbury.
- Thank you also for everything you are doing to help us move constructively towards a system that's more affordable for our patients and where we can keep the right services in each community.
- Following the legislative action over the last two years, NVRH has truly leaned into the hard work of transformation and affordability. Doing our part to reduce hospital spending statewide by \$230M, let me share with you what our team did.
 - For perspective, NVRH is one of two small critical-access hospitals serving one of the poorest, oldest, and least-healthy regions of the state. Based in St. Johnsbury, we work closely with our partners at North Country Hospital in Newport to serve the entire Northeast Kingdom.
 - Through our cost-reduction efforts last year, we were able to achieve approximately \$2.5 million in expense reductions. Let me highlight some of the things we did to make that happen:
 - Voluntary early retirement program, with 15 participants.
 - Elimination of Occupational Medicine program- Rolled into Express care.
 - 8 FTE staff reductions (5 administrative, 3 clinical)
 - Restructure nursing scheduling and staffing to reduce travelers & overtime.
 - Efficiency improvements in multiple departments- ED, hospitalist, Birthing program. These resulted in staffing cost reductions in those areas.
 - Targeted savings in benefits and staff education- Including eliminating coverage for weight loss drugs.
 - Terminating ENT partnership with Littleton Regional Healthcare, focusing on growing our own ENT services
 - Found Savings in Information Systems (licenses, end user training support, other)
- And we're doing even more in the coming years.
- Through the consultation with Kaufmann Hall, which has been very helpful, we believe we can find another \$1.5M in savings over the next two years.
- We know that won't be easy, and we have hard decisions ahead of us, but we also recognize how important this work is—both for our patients and the people we serve as well as for ALL Vermonters.
- And one thing I want you to know is that ALL the hospitals are leaning in on transformation work and we're doing it together.
- Here are the important things NVRH has already accomplished in partnership with North Country:
 - Our boards have held two joint meetings to discuss collaboration- this sets the tone for our organizations moving forward.
 - We are sharing a Pharmacy Director, who works part-time at each hospital.
 - We are collaborating on HR policies and procedures, so neither hospital is re-inventing the wheel.

- We are working with the UVMMC to expand partnerships in care delivery, including for specialty services (Cardiology, etc.) as well as doc-to-doc telehealth (Tele-ICU). This will help us save money and keep care in our communities.
- We are using our grant funds to engage transformation consultants, who will help us develop strategies to coordinate and integrate clinical services to meet the needs of the entire Northeast Kingdom.
- I want to close by thanking these committees again for their hard work to help address Vermont's affordability crisis over the past two sessions. You have enacted a lot of legislation focused on transforming the entire healthcare system and we're doing the work of implementation.
- While your hospitals remain fragile, especially our hospital, we are committed to the change and are likewise committed to serving our communities.
- We look forward to your continued support as we balance these priorities.

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