



**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**

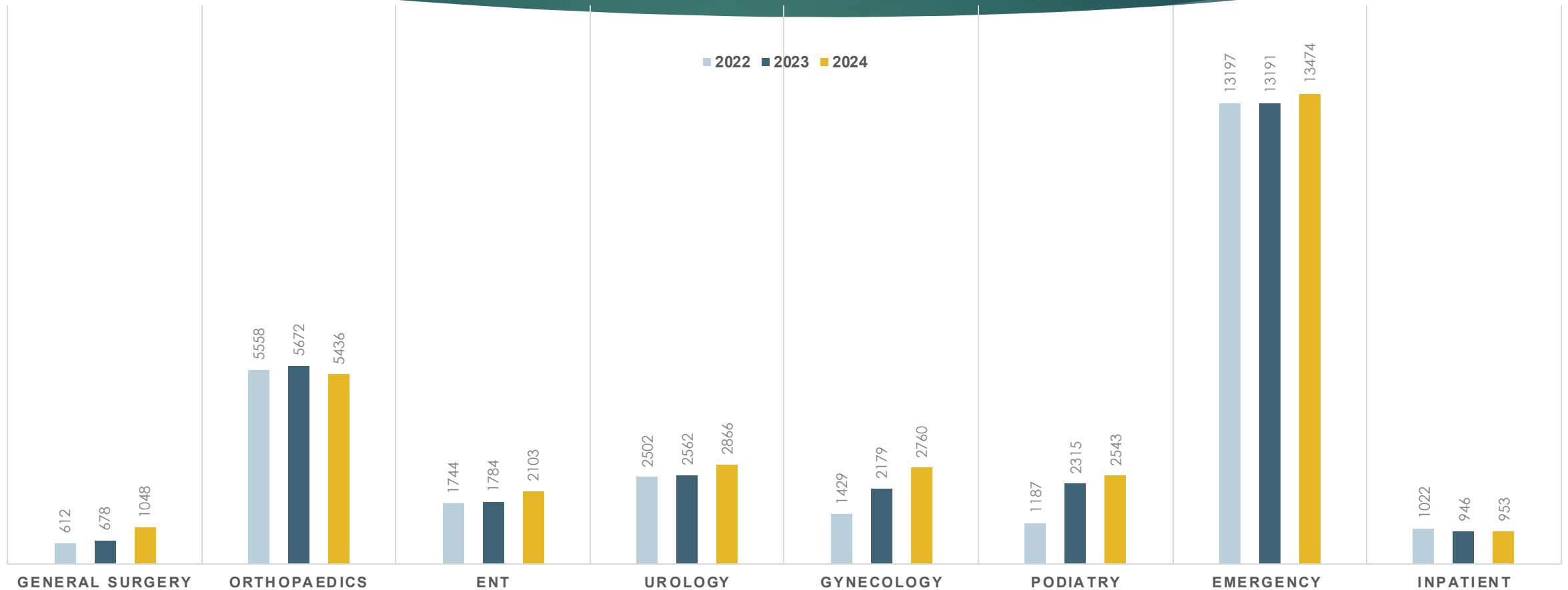
**Collaborate  
with North Star /  
Primary Care  
Regional / Specialty**

**Encourage  
Payment Reform  
that Cover Cost**

**Recapture  
Outpatient  
Services**

# MAKING POSITIVE PROGRESS

## SPRINGFIELD HOSPITAL SERVICE LINE RESULTS 2022 - 2024



# FINANCIAL PERFORMANCE

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

## 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.