CommUnity
We can’t build a healthy community without you.

ANNUAL REPORT FY2018
October 1, 2017–September 30, 2018
Because of your support, Copley Hospital is able to help people live healthier lives by providing exceptional care and superior service. Healthcare today is defined by change and transitions, powered by thoughtful and strategic plans and collaborations. Copley continues to work with a number of community partners, all dedicated to a shared effort to improve transitions in care and outcomes, with a goal of improving the health of our community.
First Total Ankle Replacement
Richard Page was the first person to receive a total ankle replacement at Copley Hospital. Dr. Bryan Monier, a foot and ankle specialist at Copley’s Mansfield Orthopaedics, led Mr. Page’s surgical team.

3 TeleMedicine Services
Copley Hospital partnered with Dartmouth-Hitchcock (D-H) Connected Care to bring Rheumatology, Pulmonology and Nephrology services to greater Lamoille County. The services are available via telemedicine, using live, two-way secure video on large format, high-definition mobile carts in the Multi-Specialties Outpatient Clinic at Copley.

3 New Physicians Joined our Medical Staff
Orthopaedic foot and ankle specialist Bryan Monier, MD
Hospitalist Steven Levine, MD
General Surgeon Courtney Olmsted, MD, MSCI

Simulation Mannequin
A $30,000 gift from the Copley Hospital Auxiliary helped raise Copley Hospital’s clinical training program to a new level. The hospital purchased a simulation mannequin that enables clinical personnel to add to and hone their skills and teamwork in real time. The technology allows Copley’s clinical educators to change the mannequin’s clinical stats mid-training, mimicking how a human patient may respond, including asking questions of their providers.

1 of 10…
Mansfield Orthopaedics at Copley is one of 10 clinics across the country involved in a clinical trial studying the safety and efficacy of an investigational cartilage implant compared to the current standard of care.

45 Screenings in 6 Months
In the first six months of offering low-dose computed tomography (LDCT) lung screening, 45 people considered at high risk for lung cancer were screened at Copley. The U.S. Preventive Services Task Force recommends annual screening for adults aged 55 to 80 years who have a 30 pack-year smoking history and currently smoke or have quit within the past 15 years.

Shared Vision
Copley Hospital and the United Nurses and Allied Professionals Local 5109 quickly reached a new 3-year contract agreement in May, 2018. Nursing Union leaders and Hospital officials came together with a shared vision of safe, efficient, quality nursing care throughout our organization. “Both teams demonstrated hard work, respect, and a commitment to patient care and patient safety as key factors in reaching an agreement so quickly,” said Copley Hospital CEO Art Mathisen.
FY2018 was a challenging year for Copley financially with utilization lower than expected, a rate cut for the third year in a row and continued cost pressures related to staffing challenges and medical inflation that outpaces the state-allowed growth in revenue. Copley implemented an expense mitigation plan that allowed for additional cost control without compromising the delivery of high quality care. By the end of FY2018, expenses were within 0.6% of the budget however our NET PATIENT REVENUE (NPR)* was $1.8 million (2.6%) under the Green Mountain Care Board’s approved budget, resulting in an operating loss of $2.2 million. We remain committed to continuing our efforts to reduce the cost of care without compromising access or delivery of high quality care in our community.

Copley has contributed significantly to bending the cost curve by reducing rates over 11% in the last three years. The state as a whole has increased rates by more than 8% during this time, making Copley one of the lowest cost hospitals in Vermont. It is estimated that Copley gave back $1.4 million in Net Patient Revenue to private and commercial payers in FY2018.

Copley has been the largest contributor to the reduction of health care prices in the state via rate decrease over the last three years, despite being a critical access hospital that accounts for less than 3% of the state’s total NPR.

* NET PATIENT REVENUE

Gross Patient Revenues (what providers charge for services regardless of payer)
- Bad Debt (unpaid patient bills)
- Free Care (provided under charitable care policy)
- Deductions from Gross Revenues (payers such as insurance, Medicare/Medicaid, etc. discount off gross charges)
+ Disproportionate Share Payments (payments from CMS for caring for low-income and/or uninsured patients)
= Net Patient Revenue (what hospitals receive for patient care services)

Net Patient Revenue minus Expenses = Hospital’s Operating Margin.
The operating margin is what the hospital uses as savings to reinvest in the facility, equipment and other needs.
### COPLEY HOSPITAL INC. STATEMENT OF REVENUE & EXPENSE

#### Revenue

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>$107,028,309</td>
<td>$109,770,218</td>
</tr>
<tr>
<td>Less: Charges not paid by payers</td>
<td>($38,304,310)</td>
<td>($42,667,373)</td>
</tr>
<tr>
<td>Less: Bad debts</td>
<td>($1,877,839)</td>
<td>($1,428,812)</td>
</tr>
<tr>
<td>Less: Charity care</td>
<td>($619,711)</td>
<td>($690,041)</td>
</tr>
<tr>
<td>Other operating revenue</td>
<td>$1,245,038</td>
<td>$1,442,746</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>$67,471,487</td>
<td>$66,426,738</td>
</tr>
</tbody>
</table>

#### Expenses

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, fees and benefits</td>
<td>$41,077,678</td>
<td>$39,941,000</td>
</tr>
<tr>
<td>Supplies and other</td>
<td>$20,653,405</td>
<td>$19,533,021</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$2,911,044</td>
<td>$2,384,021</td>
</tr>
<tr>
<td>Medicaid provider tax</td>
<td>$3,852,435</td>
<td>$3,747,213</td>
</tr>
<tr>
<td>Insurance</td>
<td>$1,071,167</td>
<td>$1,148,240</td>
</tr>
<tr>
<td>Interest</td>
<td>$117,927</td>
<td>$26,868</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>$69,683,656</td>
<td>$66,780,363</td>
</tr>
</tbody>
</table>

#### Operating income (loss)

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>($2,212,169)</td>
<td>($353,625)</td>
<td></td>
</tr>
</tbody>
</table>

#### Total non-operating revenue

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>$559,838</td>
<td>$3,029,737</td>
<td></td>
</tr>
</tbody>
</table>

#### Net income (loss)

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>($1,652,331)</td>
<td>$2,676,112</td>
<td></td>
</tr>
</tbody>
</table>

### BALANCE SHEETS

#### Assets

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash and cash equivalents</td>
<td>$8,788,288</td>
<td>$13,409,572</td>
</tr>
<tr>
<td>Patient accounts receivable, net</td>
<td>$5,294,823</td>
<td>$4,978,617</td>
</tr>
<tr>
<td>Inventory</td>
<td>$3,360,814</td>
<td>$3,337,286</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$1,468,842</td>
<td>$1,578,154</td>
</tr>
<tr>
<td>Other accounts receivable</td>
<td>$435,079</td>
<td>$199,406</td>
</tr>
<tr>
<td>Assets limited as to use</td>
<td>$2,911,344</td>
<td>$1,478,371</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>$27,109,453</td>
<td>$28,145,738</td>
</tr>
<tr>
<td>Donor restricted assets</td>
<td>$4,656,728</td>
<td>$4,634,446</td>
</tr>
<tr>
<td>Deferred compensation</td>
<td>$2,543,461</td>
<td>$2,248,762</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$56,568,832</td>
<td>$60,010,352</td>
</tr>
</tbody>
</table>

#### Liabilities and net assets

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$2,445,476</td>
<td>$3,227,354</td>
</tr>
<tr>
<td>Accrued payroll and related expenses</td>
<td>$3,566,030</td>
<td>$3,366,736</td>
</tr>
<tr>
<td>Estimated third-party payer settlements</td>
<td>$200,000</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>Deferred compensation</td>
<td>$2,543,461</td>
<td>$2,248,762</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>$8,398,785</td>
<td>$8,922,371</td>
</tr>
<tr>
<td>Restricted net assets</td>
<td>$4,656,728</td>
<td>$4,634,446</td>
</tr>
<tr>
<td>Unrestricted net assets</td>
<td>$34,758,352</td>
<td>$36,410,683</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$56,568,832</td>
<td>$60,010,352</td>
</tr>
</tbody>
</table>

The accounting records for Copley Hospital, Inc. have been audited by Certified Public Accountants. The complete audited report is on file and is available for inspection at Copley Hospital’s Finance Office.
Copley Hospital is grateful to the following individuals and organizations that supported our not-for-profit community hospital in Fiscal Year 2018 (October 1, 2017 through September 30, 2018). A special appreciation to members of the Copley Consecutive Club, our most loyal donors. In addition to the donors listed, we also extend thanks to our many anonymous donors.
William Ellis, MD
Rick & Linda Ely
Bruce Emerson
John & Josephine Emery
Rudolph & Eleanor Erno
Dr. & Mrs. Arthur J. Esswein
Tom & Mary Evslin, Evslin Family Foundation
Patricia A. Eyler
FM Global Foundation, matching gift
John & Judy Farmer
Carol A. Farnham
Mrs. Monica S. Farrington
Dr. Arthur Felgar, in honor of Dr. Dupuis
Ann K. Fender, in honor of Dr. Huber, Leah, the surgical team and all the nurses
Robert & Diane Ferguson, in memory of John Ferguson
Mr. & Mrs. M. S. Fernandez
Carol & Frank Ferrante
Amy Fitzgerald
Francis & Betty Flory
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Marsha D. Gadoury
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Arthur Gardiner & Robin Nuse
Conrad Garven
Daniel & Robin Gauthier
John & Brenda Geishecker
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Edith Geller
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Omar & Becky Graddock
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Harold S. Gray
Phil Gray
Tiffany V. Gray
Esther L. Greaves
Sharon Green & David Vinick
Gerry & Terri Griffin
Judith M. Grosvenor
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Sam & Lorna Guy
H.P. Cummings Construction Company
Ellen Hagman
Donald & Margot Hall
Ms. Anne C. Halvorsen
Connie & Phil Hamel
Lise & Lawrence Hamel
Joseph Hameline Jr.
Jean Hamilton
Brenda Hammond
Claire Hancock
Norman & Jane Hanson, in appreciation to the medical and nursing staff
Van & Jane Harissis
Betsy Harper & Jeff Sparks
Susan C. Harris
Mr. & Mrs. Robert D. Harter
Marsha Harvey
Patricia Haslam
Hawk Rock Foundation
Dr. Patrick E. Heaghney
Colleen Heaslip
Edward J. Hefferman
Penny Hester Ingram
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Mr. & Mrs. John B. Hewett
Eudalia P. Hicks
Andrea Higginbottom
Margaret Higgins
Nancy Hill
Elwin & Sin Hill
William F. Hill
Leah Hollenberger & Christopher Demars
Valerie W. Holliis
David & Trina Hosmer
Jim & Zona Hostetler
Thomas & Natalie Hubbs
Dr. & Mrs. Bryan Huber
Peter C. Huber
Daniel & Susan Hudson
Bill & Lisa Hunt
Neal Hurwitz
Brenda Hutchinson
Hyde Park VFW Auxiliary, Post 7779, in memory of Isabelle Sheltra
Ida S. Thorpe Charitable Trust
James E. Robinson Foundation Inc.
Dr. Richard James & Dr. Clea James
Nancy Jewett

333,292 LABORATORY PROCEDURES

176 BIRTHS

5,262 PATIENT DAYS OF CARE

14,710 REHAB THERAPY HOURS

4,021 ATTENDEES TO WELLNESS EVENTS
Copley changed my life for the better. As a former high school and college football player with a family history of arthritis, I needed three total joint replacements. Gardening, traveling, playing with my grandchildren, I’d have lost out on all of it were it not for the care I received at Copley.

CARL SZLACHETKA, Hyde Park
Tammy Pasette
Patricia Passmore Alley,  
in honor of Alden Lounier & Saul Trevino
Joseph G. Pastor Jr.
Megan Paterson-Brown
Christy Patt & Bob Juzek
Jack & Caroline Patten
Cleveland & Virginia Patterson
Janet Showers & Day Patterson
Mr. & Mrs. John Patterson
Chris Pazandak
Cole Pearson
Lorraine M. Pease,  
in honor of Dr. Joel Silverstein
Ivan & Sonia Pelov
Barbara Percy
Mr. Randolph Perkins
Patricia Perl
Walter Pesaresi
David & Elinor Peters
Jennifer Peters, MD
Bertil Peterson
Doug & Mary Philipsen
Merton S. Pike
Rhoda & Joel Pinsky,  
in honor of Dr. Donald Dupuis
Joan Plaisted, in honor of Dr. Macy
John Polakowski
Sylvia Pope
Paula Poquette,  
in honor of Leah Hollenberger
Heather Dale Porter
Francis Potter
Katharine A. Powell, in honor of Dr. Joseph McLaughlin and his surgical team
Dan Predpall
Michele Pressman
Joanne & Michael Priestley
Lori & Tim Profota
Cindy Provost
Paul & Catherine Provost
George & Nancy Putnam
Linda Ramsdell
Rassoul & Ann Rangaviz
Harvey C. Reed
Jean Renda
Stephen & Kathleen Rhinesmith
Karen & Lawrence Rhodes
Barbara & Jim Roberts
Richard & Susan Rogers
Mr. & Mrs. Geoffrey Rogg,  
in memory of Philip Comley
Leslie Rollins
Geralyn Roscoe
Marilyn & Skip Rosskam
Elizabeth P. Rouse
William & Cherry Rowell
Mr. & Mrs. Randolph Rowland
David & Ruth Roy
Janice Roy & Steven Young
Sarah & Allen Rubin
Carolyn Ruschp & Walter Levering Jr.
Carolyn L. Ryan,  
in memory of Willie Ryan and Carl Harvey
SK Consulting
George & Jayne Sabbagh
Leah & Kern Sare
John Sargent & Caroline McKinney
Richard & Heather Sargent
Stella B. Sargent,  
in memory of Walter M. Sargent
Sue Sargent
Timothy & Bethany Sargent
Dean Scarborough
Heidi Scheuermann
Schlageter Family
Donald H. Schmuck
Leonard Schneider
Helen Schneider
Jim & Joanna Schoff
John Schweizer
Mr. & Mrs. Sam Scofield
Robert C. Sechrest
Kerry Sedutto
Anthony & Janet Sedutto
Dick & Judy Shanley
Peter L. Shaw, Jr.
Elizabeth J. Sheahan
Wendell A. Shedd Jr.,  
in honor of Dr. Noyes
Clarence Shedd Jr., in honor of the Orthopaedics and OR Surgical team
Kathy Shepard
Andrea & Alan Sheredy, Esq.
Amy Shopland
Janet Showers & Day Patterson
Mr. & Mrs. Jon Shreter
David & Barbara Siegel
Kathleen Sikora
Joel & Elizabeth Silverstein
Katharine Simonds
Kate Simone
H. Clay & Katherine Simpson
Mary Ann Skelton
Susan Slater
William & Marilyn Slocum
‘Cilla & Nat Smith
Richard & Anne Smith
Sarah C. Smith
Shapleigh & Peggy Smith
Olea Smith-Kaland
Joan B. Snell
Adrienne Soule
Treva Southworth
Dr. & Mrs. James Sowles
Mr. & Mrs. Kermit R. Spaulding
Mary C. Speare
Alice Spencer, in honor of Lee Spencer
John & Tina Springer-Miller
Mr. & Mrs. Harold G. Sprague
Steve & Peggy Sprague
Leatrice T. Sprague
Jane Sprenger
John & Anne Steel
Robert Steinberg
Pamela M. Stengel
Robert & Judith Sterns
Harold & Carol Stevens
Bayne Stevenson
Duwella Stewart
Robert W. Stilson
Cynthia A. Stockwell
John & Marcia Stone, in honor of Henry & Lanny King
Stanley & Helen Stoney
Tim & Cindy Stotz
Insurance Agency
Bill Stritzler, in memory of Viola Stritzler
Irene D. Strong
Laurie & Scott Stuart
Zarina Suárez O’Hagan
Dr. Joseph Subasic
Lynne F. Suddaby
Mark Sutton
Michael & Meike Sweatman
Dawn & Kenneth Sweetser
Carl & Diane Szlachetka
Elizabeth A. Taylor
Mr. & Mrs. Scott Taylor
The Capital Group Companies Charitable Foundation, corporate matching gift
Tanya D. Thomas
Brian R. Thomsitt
Alan & Ellen Thorndike
Mr. & Mrs. Herbert T. Tilley
Bob & Susan Titterton
Barsha Tolin
Walt Towslee
Jack & Ellen Travelstead
Timothy J. Trombley
Tara Trombley
Trust Company of Vermont
Allison Turkowski,
in honor of Neil J. Negra, MD
George & Martha Twombly
Union Bank
Union Bank, in memory of Cynthia Borch
The Honorable Howard E. Van Benthuyzen
John & Jeannette Van Blarcom
Ann D. Van Gilder
Mr. & Mrs. Charles B. VanWinkle
Gerard Vaughan
Roland R. Vautour
Jamey & Elly Ventura
Vermont Radiologists
Salvatore & Anne-Marie Vespa
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George & Patricia von Trapp
Karin Vossler
Nancy Wagner
Margaret Walker
Chris & Jennifer Walton
Jeffrey L. Warren
Douglass & Marjorie Washburn
Lisa Washburn
Mary & Marty Waterman
Peter & Katherine Watson
Richard & Sally Watts
Joe & Bonnie Wauters
Tracy & Edwin Webster
Stacy A. Wein
The Weller Family
Rick Wells
Warren & Rosemarie West
Mary West
Bill & Claire Westermann
Richard Westman & Joan Nagy
Deborah Wheeler
Alice G. Whiting
Judy & Bill Whitman
Dana & Doris Wildes
Irene Wilkins,
in memory of Glenn Wilkins
William T. & Marie J. Henderson Foundation, Inc.
Dian Williams
Elsa Williams
Reid Williams, in honor of Dr. Aros and Dr. Huber and staff
James Wills
Robb Wills
Susan Wiserhart & Howard Duchacek
Arthur & Marion Wittels
Judi Womack
Jena S. Wood
Cathy & Robert Wright
John Wyosimerski & Caroline Hendel
Paula Yankauskas
Linda Hazen & Stephen Yanow
Olive Ylin
Andre & Frances Yokana
Oran Young & Gail Osherenko
Linda Zamvil & John Angier,
in memory of Wendy Nourgian
Ronna & Arny Ziegel

ANNONYMOUS GIFTS
In honor of Dr. Gannon, Rebecca and Roger
In honor of Dr. Antell and Mae Hickory
In honor of Jennifer Fabian and the entire nursing team who work in the OR and the post-surgery floor of the hospital
In honor of Jeff Fuller
In honor of Chuck Dudley

SPONSORS
We thank our area businesses for their generosity and support of Copley events and activities.
Baker Plumbing & Heating, Inc.
Berry Dunn
Bradford Country Club
CCS Constructors, Inc.
Casella Waste Systems, Inc.
Cellars at Jasper Hill
Charlmont Restaurant
Coca Cola Bottling Co. of Northern New England, Inc.
Community National Bank
Concept2
Copley Country Club
Copley Hospital Food Service
Country Home Center
Demars Properties, LLC
Donald P. Blake, Jr. Inc.
Downs Rachlin Martin PLLC
Farrell Distributing
Fred’s Energy
Freeman French Freeman, Inc.
Front Porch Forum
Gravel Construction, Inc.
Hickock & Boardman Retirement Solutions
Hobble Inn, LLC
Kinney Drugs Foundation
Liquid Studio
Lost Nation Brewing
 Manufacturin. Solutions, Inc.
McMahon Chevrolet Buick
MetLife
Moog’s Place
Mt. Mansfield Creamery, LLC
MVP Health Care
NFP Property & Casualty Service Inc.
Northeast Delta Dental
Orleans Country Club
Rock Art Brewery, LLC
Shaw’s General Store
Sibson Consulting, a Division of Segal
Spruce Peak Realty
Star 92.9
Stowe Area Realty
Stowe Charities, Inc.
Stowe Cinema
Stowe Country Club
Stowe Insurance Breen Insurance
Stowe Kitchen, Bath & Linens, Inc.
Stowe Motel
Stowe Mountain Club
Sunset Motor Inn/Manosh Hospitality
Stowe Reporter/Stowe Today.com
The Point
The Whip Bar and Grill
Top Notch Resort
Trapp Family Lodge
TruCode
Union Bank
Vermont Artisan Coffee & Tea
Vermont Federal Credit Union
Vermont Mechanical, Inc.
Vermont Web Marketing
X-Press Print & Copy
During FY 2018 Copley contributed more than $7.1 million in community benefits.

- Access to care with our charitable care program
- Wellness, prevention and education programs
- Community-building activities
- Health professions education and training
- In-kind contributions

Copley conducted a Community Health Needs Assessment in 2018. One hundred seventy-two community members participated along with 78 local experts. You can read the report online at copleyvt.org/community-health-needs-assessment

2018 Employee Recognition Highlights

Chaplain Alden Launer received a standing ovation when named Copley Hospital’s Employee of the Year for his outstanding service to patients, community members and employees. On any given day he can be comforting a family as they struggle with a recent death in the family, provide support to an employee who is dealing with a devastating diagnosis, making plans to officiate a marriage, or sitting with an elderly patient. 1

The Goddard Family Award, recognizing excellence in a non-nursing position was awarded to James Wills. The Edward French Award, an award that recognizes nursing excellence, was presented to Kelly Langston, RN of Surgical Services. Langston has been a key member of the OR team since 2014. 2

Dorothy Cook, RN was honored for her 45 years of service. Thank you Dorothy! 3

$16,407 RAISED THROUGH A VARIETY OF DELICIOUS EVENTS DURING VERMONT TASTE

$21,200 RAISED BY 124 GOLFERS DURING COPLEY GOLF SCRAMBLE
What surprised me most about this experience was just the kindness, the caring, the professionalism of everybody at Mansfield Orthopaedics and Copley Hospital. It was just eye opening for me. I've just never experienced that much caring concern from so many people across so many different job responsibilities. I've been around law and I used to manage retail establishments and so forth so I'm very familiar with customer care and customer service and I've never experienced anything like it. It was just that pronounced for me.

MARK GALLE, Milton, VT