



Northern Counties

HEALTH CARE

Compassionate Care in Our Home or Yours

2019

ANNUAL REPORT

43rd Annual Meeting

Burke Mountain Hotel & Conference Center

Thursday, October 10, 2019

Respect



Excellence



Teamwork

Some of the **NATION'S BEST**
health and dental centers are here
in the **NORTHEAST KINGDOM!**



Northern Counties

HEALTH CARE

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"These awards recognize that Northern Counties is delivering on our mission to provide high-quality, accessible, patient-centered health care that helps patients, families, and communities thrive."

Michael Costa, CEO NCHC



Northern Counties Health Care is proud to have won quality awards from the U.S. Department of Health & Human Services for our outstanding commitment to quality care.



We are one of only 48 health centers nationwide designated as a National Quality Leader for behavioral health and we ranked in the top 10% of health centers nationwide for quality measures that promote heart health, diabetes, and preventative care.

NCHC offers care for all ages regardless of ability to pay.



Northern Counties Health Care, Inc.

Northern Counties Health Care, Inc. was established in 1976 by community residents concerned about their poor access to health care. NCHC provides health care services in the medically-underserved, three-county region of northeastern Vermont known as the Northeast Kingdom. It does so through a rural network of five community health centers, three dental centers, a Medicare-certified home care and hospice division and in partnership with three critical access hospitals. All of Northern Counties' community health centers are NCQA recognized as patient-centered medical homes at the highest level.



Northern Counties
HEALTH CARE

Compassionate Care in Our Home or Yours

Our Mission

To provide high quality, accessible, patient-centered health care.

Our Vision

NCHC is a key partner in building healthy families and thriving communities.

Our Values

We pursue quality in all that we do and are committed to:

- **Mutual Respect and Trust** – working together and providing care that respects every individual's dignity, privacy, and culture.
- **Excellence** – investing in our most valuable asset, our employees, is crucial to delivering high quality care.
- **Teamwork and Collaboration** – working within NCHC and with community partners to provide a continuum of health care and social support.
- **Stewardship and Spirit of Service** – serving our communities with integrity and intention in all our interactions.
- **Resilience** – approaching every challenge as an opportunity to pursue creative solutions, achieve financial sustainability, and deepen our resolve.

Northern Counties Health Care, Inc.

43rd Annual Meeting

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Thursday, October 10, 2019



Northern Counties

HEALTH CARE

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5:00-6:00pm

Cocktail Hour

6:00-6:15pm

Welcome

Michael Costa & Thad Richardson

6:15-7:15pm

Dinner

7:15-7:45pm

Employee Recognition

Kennedy Palmieri & Michael Costa

7:45-8:30pm

Her Majesty's Secret Circus

Brent & Maya McCoy

8:30-8:45pm

Closing Remarks

Michael Costa & Chris Towne

Northern Counties Health Care, Inc.

Members of the Board of Directors

Thad Richardson, President, Lyndonville

Marie Waring, Vice President, Glover

Al Cronauer, Treasurer, Lunenburg

Cynthia Stuart, Secretary, Concord

Ann Creaven, Glover

Caroline Frey, St. Johnsbury

Kathy Gent, Wheelock

Jennifer Guss, St. Johnsbury

Ellen Moore, East Haven

Laura Newell, St. Johnsbury

Nancy Reynolds, St. Johnsbury

Laural Ruggles, Danville

Karena Shippee, Danville

Ray Small, Cabot

Ron Steen, St. Johnsbury

Outgoing Members:

Thank you for your time and commitment to NCHC's success!

Thad Richardson, Outgoing President, Lyndonville

Marie Waring, Outgoing Vice President, Glover

Laural Ruggles, Danville



Providing Entertainment: Her Majesty's Secret Circus

Maya & Brent McCoy are Agents Butterfly & Honeymoon. They have performed Her Majesty's Secret Circus Show, an action-packed spy-fi comedy show, since 2009 performing at festivals, fairs & colleges all over the world. Featuring a spectacular juggling act, audience sleeper agents, and all the spy thriller references you can think of, Her Majesty's Secret Circus is comic espionage at its best.

Northern Counties Health Care, Inc.

NCHC Supporting Our Community



Northern Counties Health Care, Inc.

NCHC Supporting Our Community



Northern Counties Health Care, Inc.

Celebrating NCHC Members

**5
Years**

*Ashley Leonard
Pamela Hurst-
Brinkerhoff
Richelle Patron
Laurie A Bellizzi
Magdalene Miller
Angela Morales
Ronald St. John
Crystal Whitcomb
Susan Duckett
Richard Lajoie
Karrie Briggs
Peter Guilfoyle*

*Tamika Wallek
Tracy Turner
Brette McAllister
Carolyn Willson
Kristin Freeto
Craig Taylor
Donna Bacchiochi
Jeri Wohlberg
Melissa Moffatt
Danielle Meyers
Beth Kimball
Christel Mosher
Hannah Prevost*

**10
Years**

*Kathleen Blindow
Karen Sjolander
Brook Marcotte
Thomas Pitts
Regina Wahlen
Della Racine*

*Jody Fenoff
Ashley Stevens
Scott Tetreault
Michelle Downing
Jodie Peck*

**15
Years**

*Sarah Morgan
Sheri Colby-Schenck
Brandy Newland*

**20
Years**

*Arthur Jennings
Allison Wright-Roberts*

**25
Years**

*Ellen Afzelius
Gayle Wormer
Michelle Tetreault*

**30
Years**

Rita Foss

**35
Years**

Joan Sjolander

Northern Counties Health Care, Inc.

Annual Report of the President

On behalf of the Board I want to thank you for all you do, both for this organization and the communities we serve. I am very proud to be associated with NCHC and the important work you all do every day. My first Board meeting at Northern Counties Health Care, nearly seven years ago, found the organization without a CEO and in a period of stress, both financially, and more critically in the morale of employees. Since that time, due to your dedication and perseverance, much has changed for the better along both of these critical lines. NCHC is financially sound, continues to be a model both in VT and nationally for quality of care, and has an amazingly talented and committed group of employees at all levels.

In 2019 we added a new leader to the team in Michael Costa. The recruiting process was very deliberate and time consuming, however I think we can now see it was well worth the effort. I thank all of the employees, board, and community members that participated in this important process, and Tom Pitts for his leadership during that time. With his prior experience I would say that Michael knows the mechanics of the VT healthcare system as well as anyone in the state. Perhaps even more valuable to NCHC, and the entire Northeast Kingdom, are the relationships and mutual respect Michael has earned with the players involved at the highest levels of state government.

With major changes to payment methodology underway, both in Primary Care and Home Health, having our CEO at the table of the OneCare ACO, and now the Vermont Association of Hospitals and Health Systems (VAHHS) will be critical to ensuring our voices are heard. It is also very important to recognize that these outside efforts would not be possible without very strong operational and clinical leadership teams in place.

Many of you completed an extensive joy and wellness survey this year, and the Board was very impressed with the commitment to participate by employees, as well as the commitment from the leadership team to act on the results. The Board will be looking for updates on this program to review progress, and I have no doubt we will see meaningful improvements from this effort. Attracting and retaining talented employees is essential for our success, and NCHC remains committed to continued success in this area.

From a financial perspective, NCHC has performed very well the last few years, which allowed the repayment of all debt, continued facility investments, and the ability to share the annual surplus with employees via a bonus and/or market adjustments. We are well positioned to withstand any short term financial adversity, but these past results cannot be guaranteed going forward, and the coming years will be critical as our payment methodologies are dramatically altered.

In closing, it has been an honor to serve on the Board, and I have the highest respect for all that you do for our communities. I look forward to watching the organization continue its success in the future.

Respectfully,



Thad Richardson
NCHC Board President

Northern Counties Health Care, Inc.

CEO Report 2019



Northern Counties Health Care enjoyed a successful year, continuing to be a beacon of care, innovation, and success in the Northeast Kingdom. The community knows us in many ways, - the knock at your door from Caledonia Home Health Care and Hospice, the open doors of our health and dental centers, the skill of our health care providers, the reassuring voice of a care coordinator navigating the health and human services system for you, and the smiling face at the front desk. We are many people, but we are one team working in service of patients achieving goals both big and small. Times may change, but providing high quality, accessible, patient centered health care will always be our purpose and mission.

I am proud to report that we are well-positioned to carry out that mission and meet the goals of our strategic plan today and in the future.

- We continue to build a strong organizational culture. I am particularly proud of the teamwork that emerged from our Joy and Wellness Survey, which I believe will lead to investments that attract and retain the best talent across the organization.
- Northern Counties Health Care received national recognition for our high quality of care, placing in the top 2% of health centers in America. We continue to add resources and services to sites, such as community resource coordinators, that acknowledge that we are committed to the well-being of the whole person.
- The organization improved our facilities with projects across our network, including completing an extraordinary expansion of the Orleans Dental Center, making the Northern Counties Dental Center more welcoming by improving the waiting area, enhancing the safety of the Island Pond Health and Dental Center by expanding the parking lot and improving the grounds, and starting a transformation of the Hardwick Area Health Center that will benefit the team and patients.
- Northern Counties is in perhaps the best financial position in the history of the organization due to hard work and skillful financial management. We continue to balance investments in our future with caution given uncertainty in the health care system and the simple fact that a handful of federal or state policy changes could reverse our good fortune.
- We continue to invest money, time, and talent in our communities through collaboration, our leadership of NEKProsper!, and our participation in a statewide Accountable Care Organization. Beyond our local communities, Northern Counties Health Care is consistently asked to be a leader in health care reform statewide.
- The team continues to cultivate the organization's brand, launching a new web site, thinking hard about how to measure and respond to the patient experience, and taking every opportunity to tell our story.

Our story is one of community benefit at the individual and organizational level. All of us, together, serve thousands of community members, save money for patients with our sliding scale fee schedule, grow a business that employs hundreds of people as a source of economic vitality for our local communities, engage in community partnerships, and support those at home who prefer to be there. We can marshal facts and figures to support our community benefit, and we will do so as our work becomes more data driven.

Data is important; however, it tells us the story of where we are, not how we got here. The daily experience of health care, and how we build the future for ourselves, our patients, and our communities, every day, is what focuses me on the word joy. I believe, sincerely, that joy in our work and our communities, an optimistic view of what we can achieve together, is an essential ingredient in the recipe for future success in health care. Today, we celebrate our success this past year and look towards the future. I hope that you, like me, look to the future with joy and optimism.

I am impressed and humbled by this team every day, and I am proud of everything we do on behalf of our patients and community. I am grateful to be a member of the team. Thank you for all you do.



Michael Costa
CEO of Northern Counties Health Care

Northern Counties Health Care, Inc.

Annual Report of the Treasurer – Fiscal Year 2019

The fiscal year ended March 31, 2019 was another strong year for NCHC. Primary Care continued to post strong earnings, however Home Health posted a loss. It is also worth noting these results were achieved after paying out a 3rd consecutive year-end bonus, totaling \$253K among all employees.

Total operating revenues increased 10.4% from \$24.2M last year to \$26.7M this year. Operating expenses increased 9.5% from \$23.4M to \$25.7M. There was an operating gain of \$978K vs \$705K last year. Including other revenues, investment gains, and grant income used for capital acquisition, total net assets increased by \$1.27M vs \$1.09M last year.

The Primary Care division reported revenue of \$18.7M and an operating gain of \$1.48M. Last year's revenue was \$16.2M with an operating gain of \$899K. The 340B drug program was the primary driver for profitability. Walgreens' acquisition of 4 Rite Aid pharmacies in early 2018, and their addition of generic drugs to the program, increased 340B earnings by \$786K from a year ago. We also received \$337K more than last year for Medicaid cost settlements, in part due to our growing dental program.

The Home Health division reported revenue of \$8.04M and an operating loss of \$340K. Last year's revenue was \$7.96M with an operating loss of \$83K. The average daily hospice census fell to 32 from 35 last year, and is the reason for the small revenue growth. Cost increases continue to outpace payment increases from Medicare and Medicaid. Staff recruitment is an ongoing challenge and caused us to increase spending on contract labor for nursing and therapy.

Our balance sheet is strong. This ensures that we can continue to invest in our mission while weathering any short term challenges that the pending payment reform or other industry-wide changes may create.

A complete set of audited financial statements are available for public review at our administrative office in St. Johnsbury. We received an unqualified opinion from our independent auditors, which means our financial statements are fairly presented in accordance with generally accepted accounting principles. As a consequence of receiving federal grants, we are also required to conduct a compliance audit according to government auditing standards. We had no material weaknesses and are considered a low risk auditee.

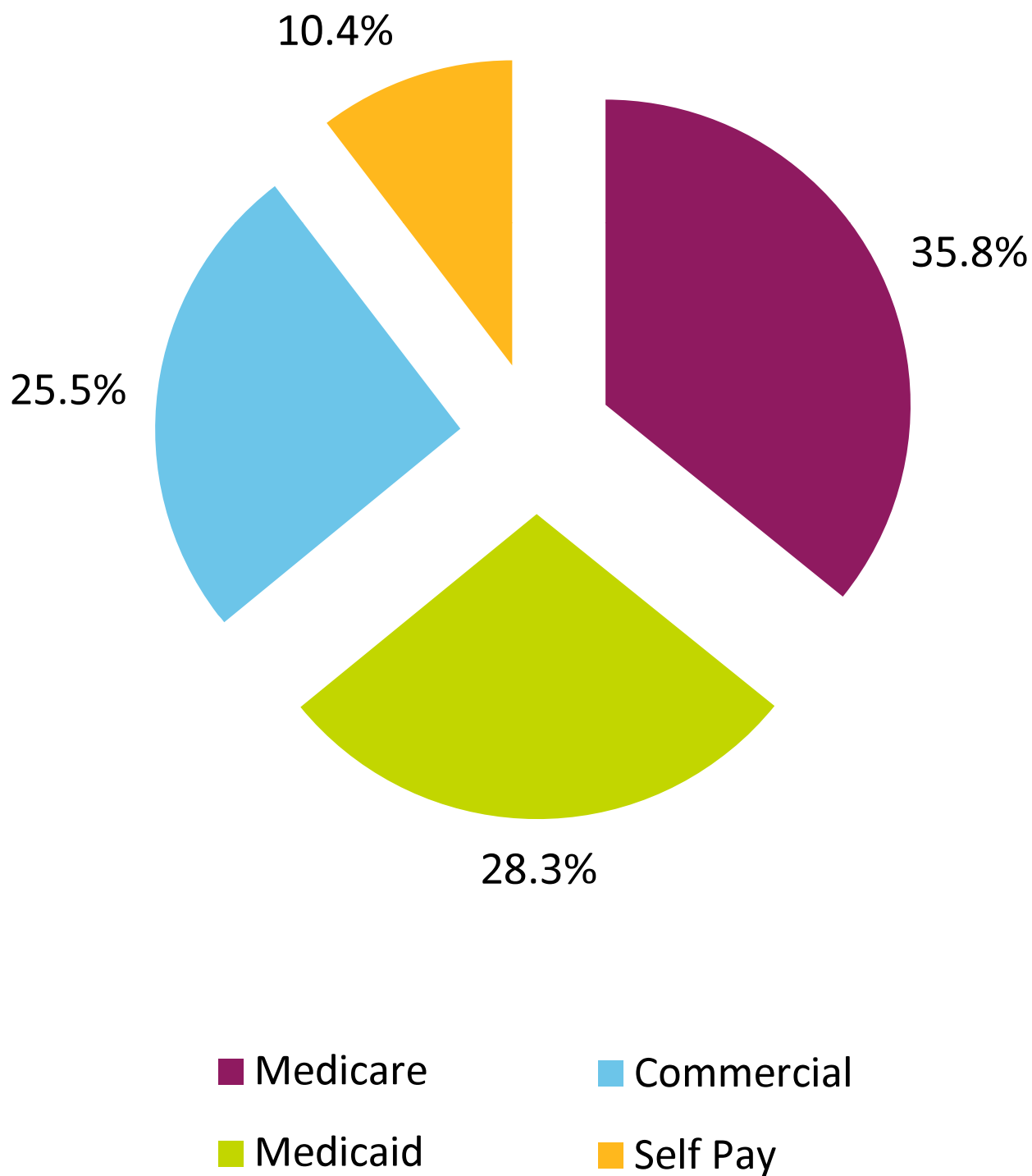
Respectfully Submitted,



Al Cronauer
Treasurer
NCHC Board of Directors

Northern Counties Health Care, Inc.

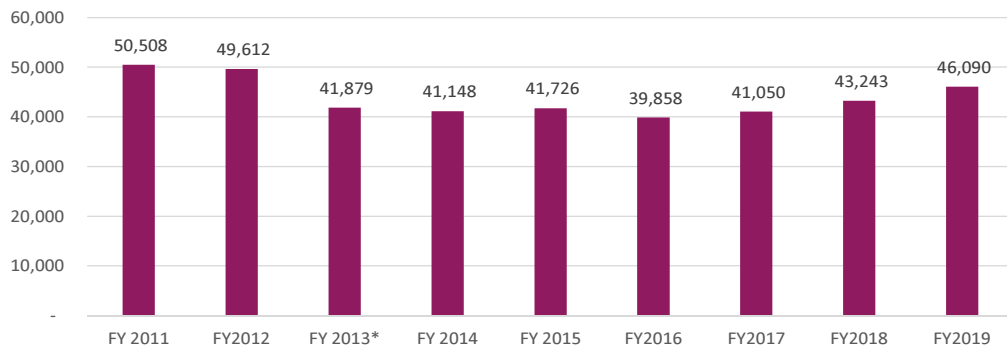
Financial Summary - Fiscal Year 2019



Northern Counties Health Care, Inc.

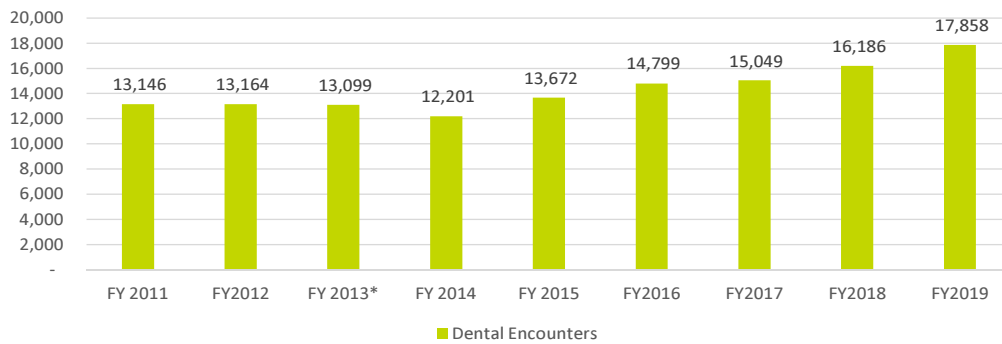
Key Measures of Patient Services

Medical Encounters

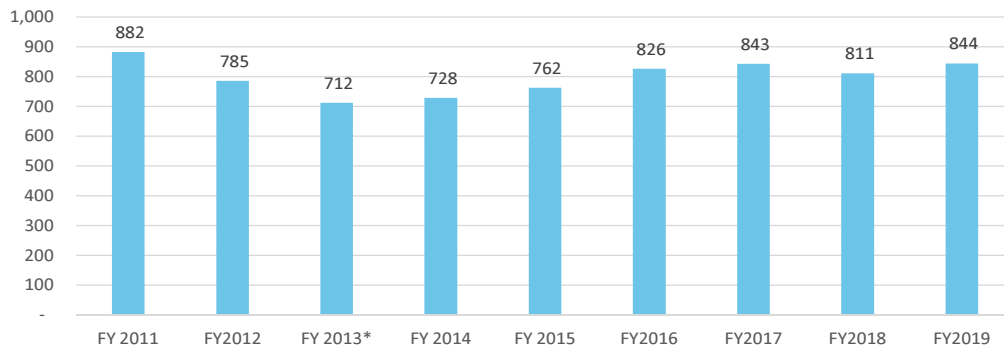


* Reflects closure of NCHC's Caledonia Internal Medicine practice

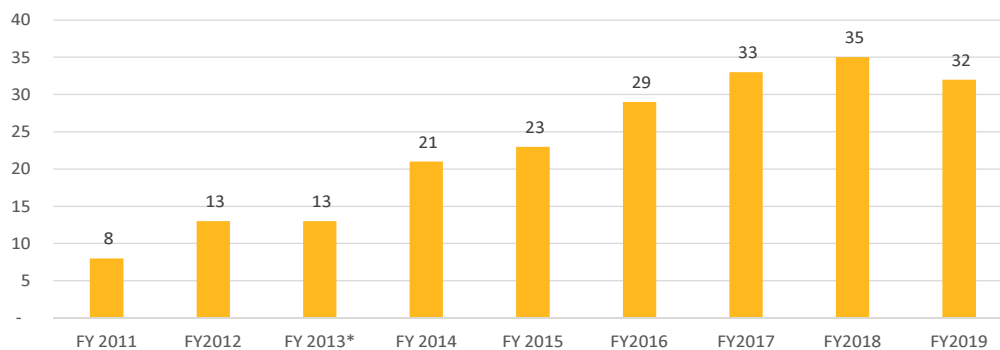
Dental Encounters



Home Care Episodes



Hospice Census



Northern Counties Health Care, Inc.

Thank You

Giving comes in many ways. Your generous donation of money, time, and energy are essential in helping us meet our Mission to provide high quality, accessible, and patient-centered health care. Our donors help necessary programs become great, and ensure no community residents are left without care. We are enormously grateful for the support we have received from our friends and neighbors in the community.

Patricia Acker-Bailey
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Norman & Rita Airoidi
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Steve & Trudy Harran
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Gene Hays
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Vivian Hovey
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Donald Marshal
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NHTI Health & Counseling

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Order of the Eastern Star
Michael & Jennifer Paine
Ron Pal
John & Susan Palmer
Lanny Paris
Brothers of Passumpsic Lodge
No. 27 F. & A. M.
Passumpsic Savings Bank
Robert & Sharon Payeur
Peacham Volunteer Fire
Department
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Richard & Patricia Reed
Nancy Reid
Mary Ellen Reis
David & Nancy Reynolds
Joseph Richard
Lindsey Robb
Jane Rooney
Claire Rosenzweig
Tim & Laura Ruggles
Nancy & Family Saidi
Janine Sanford
Hobart & Judith Selle
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Walter Sevigny
Debbie Shipp
Cynthia Sidney Allen Patridge Trust
Charles Smith
Dennis & Deborah Smith
Robert & Lynn Snedeker
Marlene Somerville
Karen Spear
David & Nancy Spencer
St. Johnsbury Elks Lodge #1343
St. J Subaru
Peter & Cynthia Stanton
Wayne & Ann Marie Stellfox
Brenda Stewart
Susan Streloff
Julia Sturm
Sullivan & Merritt Construction
Robert & Patricia Swartz
Shawn & Lorelee Tester
Ernest & Barbara Thurston

Tops VT # 96
Tops VT #130
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Town of Barnet
Town of Burke
Town of Concord
Town of Danville
Town of East Haven
Town of Granby
Town of Greensboro
Town of Groton
Town of Guildhall
Town of Hardwick
Town of Kirby
Town of Lunenburg
Town of Lyndon
Town of Maidstone
Town of Newark
Town of Peacham
Town of Ryegate
Town of Sheffield
Town of Stannard
Town of St. Johnsbury
Town of Sutton
Town of Victory
Town of Waldon
Town of Waterford
Town of Wheelock
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Shirley Urie
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Joanne Washburn
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Karl & Muriel Wieland
Francis & Jeanne Williams
Cecil & Diane Williams
Elizabeth & Dave Williams
Thomas & Darlene Wirth
Dennis & Sharon Wogaman
Lynn Wojtala
Women's Fellowship of the
First Congregational Church of
Lyndonville
Mary Kay Wood
Nathalie Wood
Joan & Christine Woolrath
Dan Wyand
Nancy Young
Thomas & Beth Ziobrowski

If you made a donation since October of last year, but your name does not appear on the list above, please accept our sincere apologies and contact Marilyn Young-Bishop at 802.748.8116 or marilynb@nchcvt.org
Northern Counties Health Care, Inc. is funded in part through a grant from the U.S. Health and Human Services Administration.

The Northern Counties Health Care Annual Meeting is a meaningful and informative gathering of our NCHC family, area community partners, and friends to review the accomplishments that we have advanced together during our fiscal year. It is also a time to reflect and recognize those who have dedicated their passion, expertise, and time to the mission of NCHC. Without the commitment of our staff, trustees, volunteers, community partners and friends, our organization would not be able to deliver the high-quality, compassionate care to the communities we serve.

Thank you to the employees of Northern Counties Health Care and all of its divisions for helping to provide high-quality, accessible, patient-centered health care to the residents of the Northeast Kingdom.



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Share the Love Event



Northern Counties Health Care's Caledonia Home Health Care & Hospice was honored to be chosen as a Hometown Charity for St. J Subaru's annual Share The Love Event. On April 25, 2019, representatives from Subaru New England and St. J Subaru presented a check to Caledonia Home Health Care & Hospice in the amount of \$16,910.

Pictured left to right: Evan Loschiavo, Marketing Director of St. J Subaru; Kari Dexter, Community Relations Coordinator of St. J Subaru; Treny Burgess, Director of CHHC; Kelly Coons, CHHC Rehab Manager; John Loschiavo, Owner of Saint J Subaru; Kim Wood, CHHC Physical Therapy Assistant; Casey Legge, Executive Assistant at Northern Counties Health Care (NCHC), Marilyn Young-Bishop, CHHC Clinical Receptionist; JoAnne Massey-Dean, CHHC Nurse Manager; Michael Loschiavo, Owner of Saint J Subaru; Kristina Sheehan, CHHC Triage Nurse; Michael Costa, CEO of NCHC, Bill Bergeron, District Sales Manager, Subaru New England; and Chris Matte, General Manager of Saint J Subaru.

Northern Counties Health Care, Inc.

Caledonia Home Health Care & Hospice

161 Sherman Drive
St. Johnsbury, VT 05819
802.748.8116

Island Pond Health & Dental Center

82 Maple Street
Island Pond, VT 05846
802.723.4300

Concord Health Center

201 East Main Street
Concord, VT 05824
802.695.2512

Northern Counties Dental Center

151 North Main Street
Hardwick, VT 05843
802.754.6973

Danville Health Center

26 Cedar Lane
Danville, VT 05828
802.684.2275

Orleans Dental Center

11 Union Street
Orleans, VT 05860
802.754.6973

Hardwick Area Health Center

4 Slapp Hill Road
Hardwick, VT 05843
802.472.3300

St. Johnsbury Community Health Center

185 Sherman Drive
St. Johnsbury, VT 05819
802.748.5041

Administration Building

165 Sherman Drive
St. Johnsbury, VT 05819
802.748.9405

www.nchcvt.org



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