



Rutland Regional Medical Center

An Affiliate of Rutland Regional Health Services

160 Allen Street, Rutland, VT 05701 • www.rrmc.org • 802.775.7111

DELIVERED ELECTRONICALLY

May 30, 2019

Donna Jerry
Green Mountain Care Board
144 State Street
Montpelier, VT 05602

RE: Docket No. GMCB-009-19con, Renovations and Substantial Remediation to Remedy Ligature Risks at Rutland Regional Medical Center. Project Cost: \$4,067,353.

Dear Ms. Jerry,

In response to your letter of May 24, 2019:

1. **RRMC is assuming a 2.9% increase in NPR and FPP for FY2020, and a 2.8% increase in both FY2021 and FY2022. It also shows a decrease in NPR due to the project in FY2020 but shows no effect in 2021 or 2022. Explain whether this is correct, or if not, resubmit the P&L reflecting the change in NPR for Proposed Years 2 and 3.**

We have updated the financial tables to reflect our proposed FY2020 Budget. Although there could be slight modifications prior to submitting our budget to the GMCB we believe that this budget is a close representation of our final budget. In response to your specific questions, included in our FY2020 budget is a NPR growth of 3.5% from 2019 to 2020. This growth rate is consistent with the guidance provided by GMCB. Our projected growth for years 2021 and 2022 is 3%.

2. **Does RRMC expect a change in gross charges due to this project?**

No, this project alone does not require a change in gross revenue (rate increase). Our FY2020 Budget will project a rate increases between 2.5% and 3% but is the result of increased cost pressures related to pharmaceutical spend, labor costs related to recruiting and retaining nursing and physician staff, and an increase in bad debt and free care related to increases in the uninsured and underinsured populations.

If you have any further questions, please do not hesitate to contact me at 802-747-1600.

Sincerely,



Claudio Fort
CEO and President

Attachment: Financial Tables