APPENDIX X

Vermont Legal Aid, Inc.

Health Care Advocate Hospital Budget Guidance Questions FY2020:

1. Please provide by payer (Medicare, Medicaid, BCBSVT, TVHP, MVP, and Cigna):
   a. Your budgeted net patient revenue (NPR) and proposed NPR change from FY2019.

	BY 2019	Proposed Change in NPR	Proposed BY 2020
Medicare (including HMO)	100,984,995	(496,000)	100,488,995
Medicaid	29,449,328	(1,660,898)	27,788,430
BCBSVT (includes OOS and TVHP)	90,539,127	3,165,785	93,704,912
TVHP (included in BCBSVT)	0	0	0
MVP	5,562,713	5,034,149	10,596,862
Cigna	14,629,373	1,666,655	16,296,028

Unable to determine NPSR for segments of BCBS (i.e. OOS, VT, TVHP, Health Connect, Etc.)

MVP and BCBS large increases due to Health Connect programs.

   b. The formula(s) you used to calculate your budgeted NPR, the definition of each variable in the formula(s), and the budgeted value of each variable for FY2020.

The NPR is determined based on the Gross Revenue current and historical payer mix and service mix. Anticipated changes in service are factored in to determine Total Gross Revenue by payer. The current reimbursement percentage by payer is then adjusted for known or anticipated reimbursement changes by payer. The only reimbursement changes incorporated in the Proposed budget 2020 were in Medicare and Medicaid. For Medicare a 2.6% improvement in IP facility effective 10/1/19 and a .5% improvement in Physician effective 1/1/20 were included. For Medicaid the DVHA estimated improvement of $212k for OPPS and the 3.4% improvement in Physician IP and OP of $77,000 were both included.

   c. The average ratio of the payer's reimbursement rate to Medicare's reimbursement rate.

For Proposed Budget 2020 the ratios are as follows:

- Medicaid 87.35%
- BCBSVT 238.02%
- TVHP (included in BCBSVT)
- MVP 286.61%
- Cigna 266.68%

2. Please delineate the hospital's financial performance and patient distribution by capitated business, fee for service business, and any other payment methodologies. (If you only have one type of business please state which type.)

   RRMC participates in the following types of payment methodologies:

- Fee for Service: Commercial and Uninsured.
- Fee for Service - Fixed Payment: Medicare and Medicaid who are non-attributed and Medicare Advantage.
- Fixed Payment: For attributed Medicaid patients (approximately 8,700 lives), attributed University of Vermont Medical Center employees.
- Fee Schedule: Blue Cross, UHC, Medicare Advantage, Cigna and other commercial plans for professional fees.
- Lab Capitation: One commercial payer.

   a. Please indicate which entities the hospital has capitated or other alternative payment agreements with (e.g., insurer(s), ACO).

      Fixed Payment - OneCare Vermont
      Lab Capitation - MVP

3. Please describe any initiatives that you have implemented to address the inadequate access to mental health treatment experienced by Vermonters.

   RRMC has been a leader in the provision of hospital based mental health services.

   Inpatient Services - RRMC provides services to adults through our 20-bed general admission unit and dedicated 6-bed psychiatric intensive care unit (State Designated Level 1 beds).

   Outpatient Services - Rutland Regional Behavioral Health (9 providers) offers outpatient behavioral health services through a team of psychiatrists, nurse practitioners, psychologists and social workers. RRBH has developed an Open Access model of intake that does not require prior appointment or pre-registration to access care within the program. Additionally, our Integrated Behavioral Health Team (5 FTEs) provides screening, referral, care coordination and brief treatment by licensed clinical social workers within several of our specialty care clinics.

Emergency Services - Within our Emergency Department we have a five-bed area specially designed for the care of patients experiencing psychiatric crisis. Direct supervision of patients at high risk for self-harm are supervised by a team of trained psychiatric technicians while awaiting discharge or placement. We continue to work closely with the Crisis Team from Rutland Mental Health to identify the most appropriate placement for patients and provide support through the social work staff dedicated to the ED.

a. What other avenues are you pursuing to address this crisis in a sustainable way?

   Staff from RRMC are leading a comprehensive, community-wide initiative to reduce the rate of suicide in our community. Utilizing a Zero Suicide framework, we are implementing suicide screenings across the hospital as part of our standard nursing assessment. Through a grant provided by the Bowse Health Trust, we are also working closely with primary care and mental health providers in the community to make suicide screening part of any routine health assessment. The model also includes engagement of the broader community including schools and human service agencies to increase awareness, decrease stigma and ultimately reduce the number of people dying from suicide in our community.

   In partnership with Rutland Mental Health, RRMC has submitted a proposal to the Department of Mental Health and to the Vermont General Assembly to construct and operate an eight-bed secured residential facility in Rutland for adults recovering from mental illness.

4. Please provide data on substance use treatment at your hospital, including:
   a. The number of patients currently enrolled in medication-assisted treatment at your hospital,

      RRMC owns and operates the West Ridge Center which is a federally licensed Opiate Treatment Program. It serves as a Hub for the Rutland Region in the State of Vermont Hub and Spoke System. As of June 25, 2019, there were 405 enrolled patients at the West Ridge Center. The West Ridge Center provides open access every Monday which does not require pre-registration or an appointment in order to access services. They do not maintain a waitlist for services.

   b. The number of MAT providers employed by your hospital, and

      RRMC employees two physicians who share responsibility for the 405 patients at the West Ridge Center.

   c. Other avenues that you are pursuing to address this crisis in a sustainable way.

      The RRMC Community Health Team manages the contracts that direct funds to support all area MAT spoke providers. We are very active in engaging primary

care and specialty care practices in maintaining the MAT practice or becoming a new provider. At the present time there are available slots in most spoke provider caseloads such that treatment is available for most patients interested in accessing treatment. The West Ridge Center maintains a close working relationship with all the area spoke providers to facilitate referrals between the levels of care.

5. Please provide the number of patient bed days attributable to patients awaiting placement in an appropriate Skilled Nursing Facility bed, and average bed days per patient, for:
   a. FY2018 (1,959 days)
   b. FY2019 to date. (1,167 projection)

The Patient Days awaiting Skilled Nursing Facility Placement:

	FY 2018	FY 2019 YTD April
Total Patients	52	37
Average Length of Stay	36.8	24.4
Maximum Length of Stay	325	182

6. Please provide the hospital's per unit profit margin on each 340B drug dispensed and the number of units of each drug dispensed.

We are not able to track per unit profit for any drug spend, 340B eligible or not. As stated in question 2, there are numerous reimbursement methodologies that must be considered for all services. Tracking reimbursement for all individual drugs at a payer contract level would take a significant amount of time and would be at risk for material errors.

Overall the 340B program is expected to have a $10 and $11 million impact on our operating margin in 2020. The impact is a result of two different programs:

- **In-house:** Allows discounts on purchase of pharmaceuticals provided to eligible outpatients.
- **Contracted retail:** RRMC pays all pharmaceutical invoice purchase costs for 340B patients and receives the reimbursement. RRMC pays the retail pharmacies a per script fill.

The 340B program is highly regulated by the Federal Government and specifically by the Health Resources and Services Administration (HRSA). To ensure compliance with all requirements RRMC has engaged a 340B Oversight Committee for the purpose of providing administrative oversight, coordinating regulatory compliance audits and managing day-to-day operational support to ensure program requirements are met.

As stated by Health Resources and Services Administration (HRSA) 340B drug pricing program, the 340B program enables covered entities to stretch scarce federal resources as

far as possible reaching more eligible patients and providing more comprehensive services. RRMC complies with this program criteria as with 340B funding we are able to offer programs in our service area that relate to substance abuse, women and childrens services, oncology, and medication management. And the 340B program allows us to provide financial assistance at levels beyond 300% of federal poverty level.

7. Please describe any changes to the hospital's shared-decision making programs.
   a. For any new initiatives, please describe the initiative(s), which departments participate, how you chose which departments participate, and how you plan to identify cost savings and quality improvement.

      At Rutland Regional Medical Center shared decision making is a process in which both the patient and physician contribute to the medical decision-making process. It is not simply a program, but rather a philosophy of care. Our providers are expected to explain the risks, benefits, and limitations of various treatment options available to patients for treatments. At the surgical level, this is the expectation of the informed consent process. At the medical treatment level, it is an expectation of proper physician communication. The informed consent process for procedures is an important shared decision-making process. All physicians performing procedures at Rutland Regional Medical Care are expected to utilize shared decision-making techniques when obtaining informed consent.

      "Choosing Wisely" is an excellent program for reducing unnecessary utilization. We have multiple clinical variation reduction initiatives that are modeled after some of the tenants of "Choosing Wisely" occurring at Rutland Regional Medical Center in the physician group. We have point of care access to "UpToDate" imbedded in our Electronic Medical Record. "UpToDate's" recommendations are consistent with "Choosing Wisely's" initiatives to ensure appropriate utilization and clinical variation reduction.

8. Please provide copies of your financial assistance policy, application, and plain language summary (noting any changes from your last submission).

   Please note: Effective 4/1/2019, if the patient is within the Medicaid federal poverty guidelines, we require them to submit a Medicaid notice of decision denial letter prior to being approved for the financial assistance program.

   Refer to Exhibit F - Financial Assistance Program Application.

   Refer to Exhibit G - Financial Assistance Program Summary

   Refer to Exhibit H - RRMC Financial Assistance Policy

a. Please provide detailed information about the ways in which these three items can be obtained by patients, including links if they are available online.

   Link to detailed information on the website: https://www.rrmc.org/patient-visitors/billing-insurance/financial-assistance/.

   The plain language summary and application are available at all check in locations at RRMC. For example, registration, clinics, emergency room, etc. It is also advertised on the back of each patient statement with instructions on how to obtain these documents. We have also recently added advertisements for financial assistance on the front of our new upgraded patient statements.

   If a patient calls the phone number listed on the website or statement, the representative will also discuss and offer to mail these documents if the patient is finding it a hardship to pay their medical bills.

   There are signs located in patient areas offering assistance with medical bills, promoting the financial assistance program with contact information to the Financial Counseling team.

b. Please provide the following data by year, 2014 to 2019 (to date):
   i. Number of people who were screened for financial assistance eligibility,

      Refer to Exhibit I - Financial Assistance Chart 1

   ii. Number of people who applied for financial assistance,

      Refer to Exhibit I - Financial Assistance Chart 1: dark blue, red and green lines combined.

   iii. Number of people who were granted financial assistance by level of financial assistance received,

      Refer to Exhibit J - Financial Assistance Chart 2: orange, blue and pink lines.

      RRMC started tracking by level of assistance received in October of 2018.

   iv. Number of people who were denied financial assistance by reason for denial.

      Refer to Exhibit J - Financial Assistance Chart 2: green line.

      RRMC does not track denial by reason code but will state that most of the time the application is denied for failure to complete the application and provide documentation.

   v. Percentage of your patient population who received financial assistance.

      As a percentage of gross revenue free care is 1%.

c. Please provide the statistics and analyses you relied on to determine the qualification criteria, including any geographic restrictions, and the amount of assistance provided under your current financial assistance program. For example, analysis of financial need in the community and analysis of how much people can afford to pay.

Refer to Exhibit F - Financial Assistance Program Application

Refer to Exhibit H - RRMC Financial Assistance Policy

9. For the hospital's inpatient services, please provide your total discharges, case mix adjusted discharges, all payer mix index, and average cost per case mix adjusted discharge for 2014 (actual) through the present (2019 budget and projected) and 2020 (budget).

Refer to Exhibit K - Discharges

10. Last year the Board's hospital budget orders instructed hospitals to negotiate with insurers rather than seeing the Board's approval as a specific set rate. Please describe how you implemented this directive.

RRMC maintains active relationships and dialogues with our Third Party commercial payors. The ongoing communications include healthcare reform initiatives, reimbursement rates, network expansion, covered services, provider credentialing and extends to prior authorization and denied claims review. Throughout 2019, RRMC and BCBS of VT have been actively engaged in developing an Episode of Care Payment Bundle for the total cost of care for BCBS beneficiary Hip and Knee Replacements.

a. What average commercial rate increase did you implement for FY2019?

The average commercial rate increase for FY 2019 was aligned with the total hospital GMCB approved net patient service rate increase of 2.6%.

b. What commercial rate increase did you get from each commercial payer (BCBSVT, TVHP, MVP, Cigna)?

The RRMC commercial payer contracts were not specifically amended or renegotiated for a reimbursement change based on the approved rate increase. Commercial contracts with a percentage of charge discount continue to reimburse with the same discount percentage. Commercial contracts with fee-based or other fixed rate reimbursement continued with that methodology.