



Green Mountain Care Board FY2021 Hospital Budget Follow Up Questions

- 1. What are your inflation assumptions for your major operating expense categories such as medical supplies and pharma and percentage of operating expenses?**

We made no assumptions for additional inflation factor on the major categories of medical supplies and pharmaceuticals. The medical supply category percent of total operating expenses is 3.3% and the pharmaceutical category percent of total operating expenses is 5.1%.

- 2. What is your Commercial/Medicare reimbursement ratio?**

Medicare reimbursement is budgeted to be 40% of charges. Commercial reimbursement is budgeted to be 74% of charges. So the average Medicare reimbursement rate is 53.9% of the Commercial average reimbursement rate in fy2021.

- 3. What are your ACO dues for FY19, FY20 and FY21?**

BMH did not budget specifically for dues in FY19 or FY20. The actual ACO dues for 2019 were \$1,295,360 and for 2020 are projected at \$976,193. The FY2021 budgeted dues are \$427,122.

- 4. What are your assumptions for FY21 provider tax and do you want to resubmit your budget if this assumption changes?**

- o (Your provider tax assumptions don't make sense since your FY20 NPR/FPP projections are less than your FY19 NPR/FPP actuals and you are assuming more provider tax for FY21.)**

The Provider Tax assumptions used for FY21 budget were to maintain the same level of tax that has been assessed and that we are paying for the months of July, 2020 through March, 2021. There is typically a true up by the Department of Vermont Health Access (DVHA) which is done each year based on prior year

actual for the remaining 3 months of the state fiscal year. This year the true up was not done and the new tax rate was based on the actual annualized net patient revenues for the time period October 1, 2019 through March 31, 2020. Therefore our assumption is that DVHA will use this annualized amount to calculate our provider tax for FY2021.

We do not wish to resubmit our FY2021 budget.

5. Are you applying for the State of Vermont Health Care Provider Stabilization Grant funds

BMH had not originally planned on applying for the State of Vermont Health Care Provider Stabilization Grant Program. The CARES funds received from HHS and the estimated FEMA grants cover the revenue shortfalls and the additional expenses incurred through the end of June. Any additional funds received for this time period would put BMH in a liability position based on the original criteria for the Stabilization grant. These grant funds are to be used for the time period where the expenses and revenue shortfalls occurred, not for future projected expenses. If additional criteria for applying for this grant materializes we would take the opportunity to apply for that funding.