

# Response to Hearing Follow-up Questions

Updated September 10, 2019



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**NORTHEASTERN VERMONT  
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# Q1. NPR Growth Justification

## - Summary

"Allowable" NPR with 3.5%)	\$ 84,639,200
Budget NPR After ED Adjustment	87,130,900
NPR Above "Allowable" Limit	2,491,700
Justifications for Additional Revenue:	
-NH Inpatient NPR Increase (Slide 5)	325,000
-NH Outpatient NPR Increase (Slide 6)	250,000
-Case Mix Increase (Slide 7)	715,000
-Returning Medicaid Patients (Slide 13)	430,000
-Increasing New Patients, Aging Population, Improved Access to Care	771,700
Total Justification for Additional NPR	\$ 2,491,700

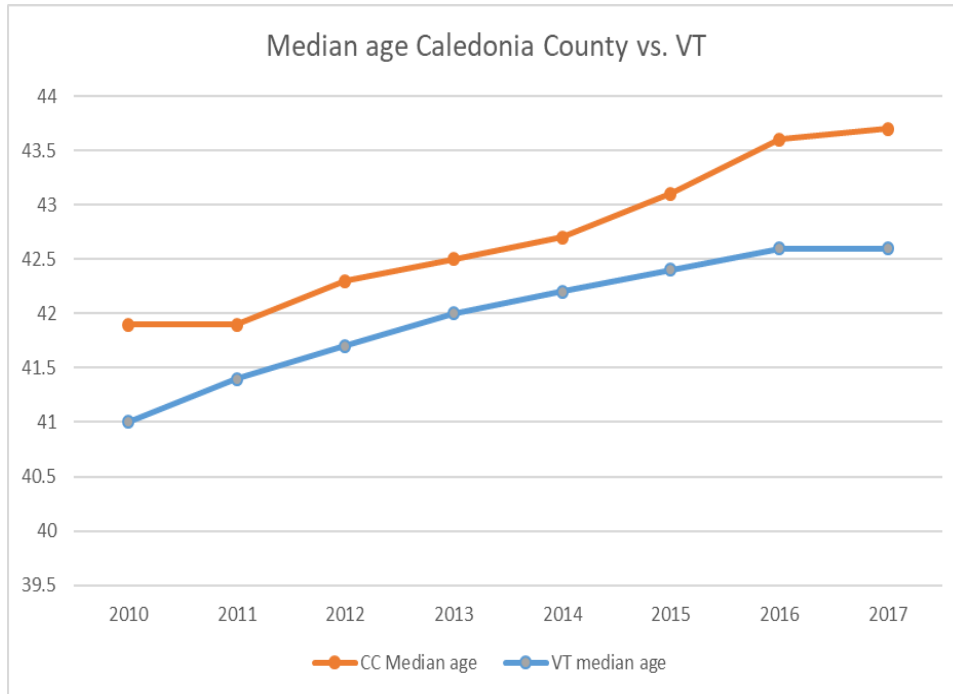


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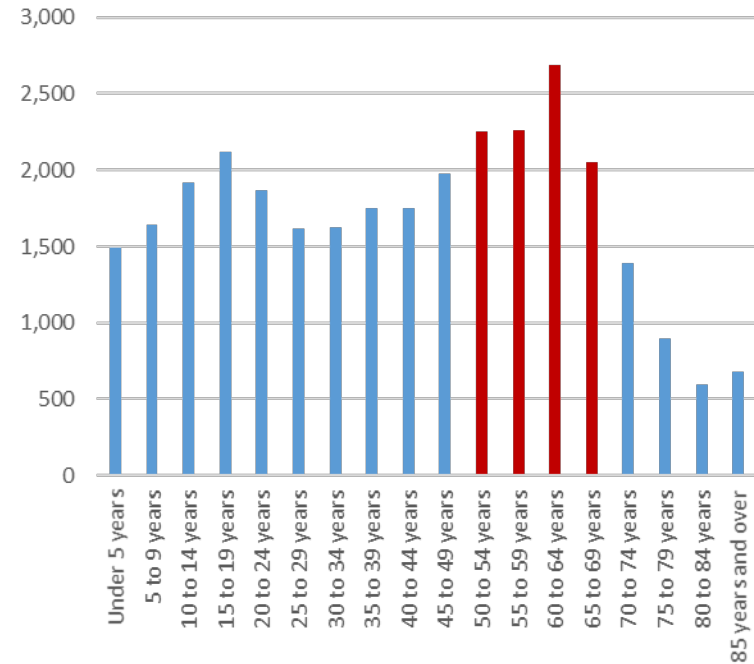
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# Q1. Justification for NPR Growth – Our HSA Demographics

Median age Caledonia County vs. VT



2017 Caledonia County Population



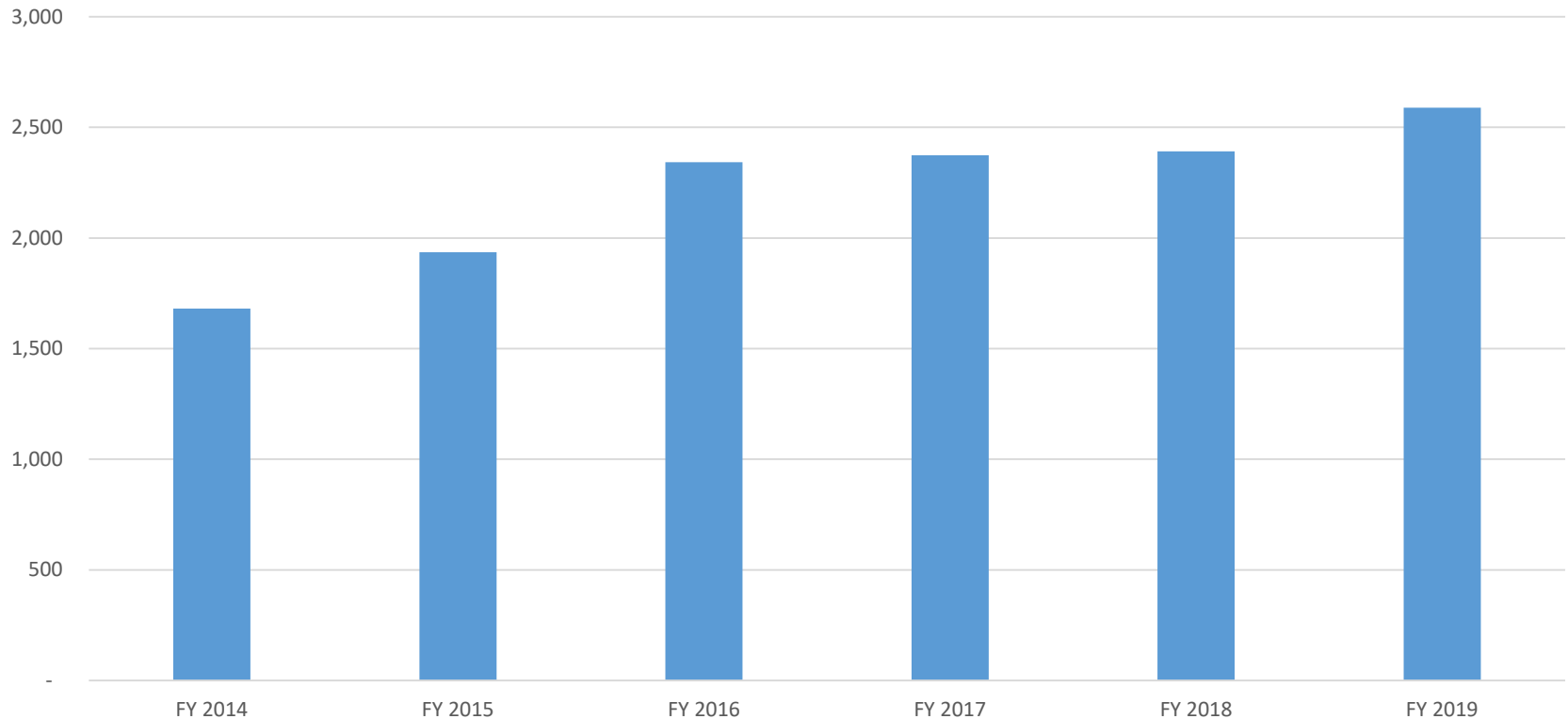
Caledonia County Median Age Higher than VT average and continues to increase while VT median age leveled off



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# Q1-Cont'd. Justification for NPR Growth - Orthopedic Visits Still Increasing but Slowing Down

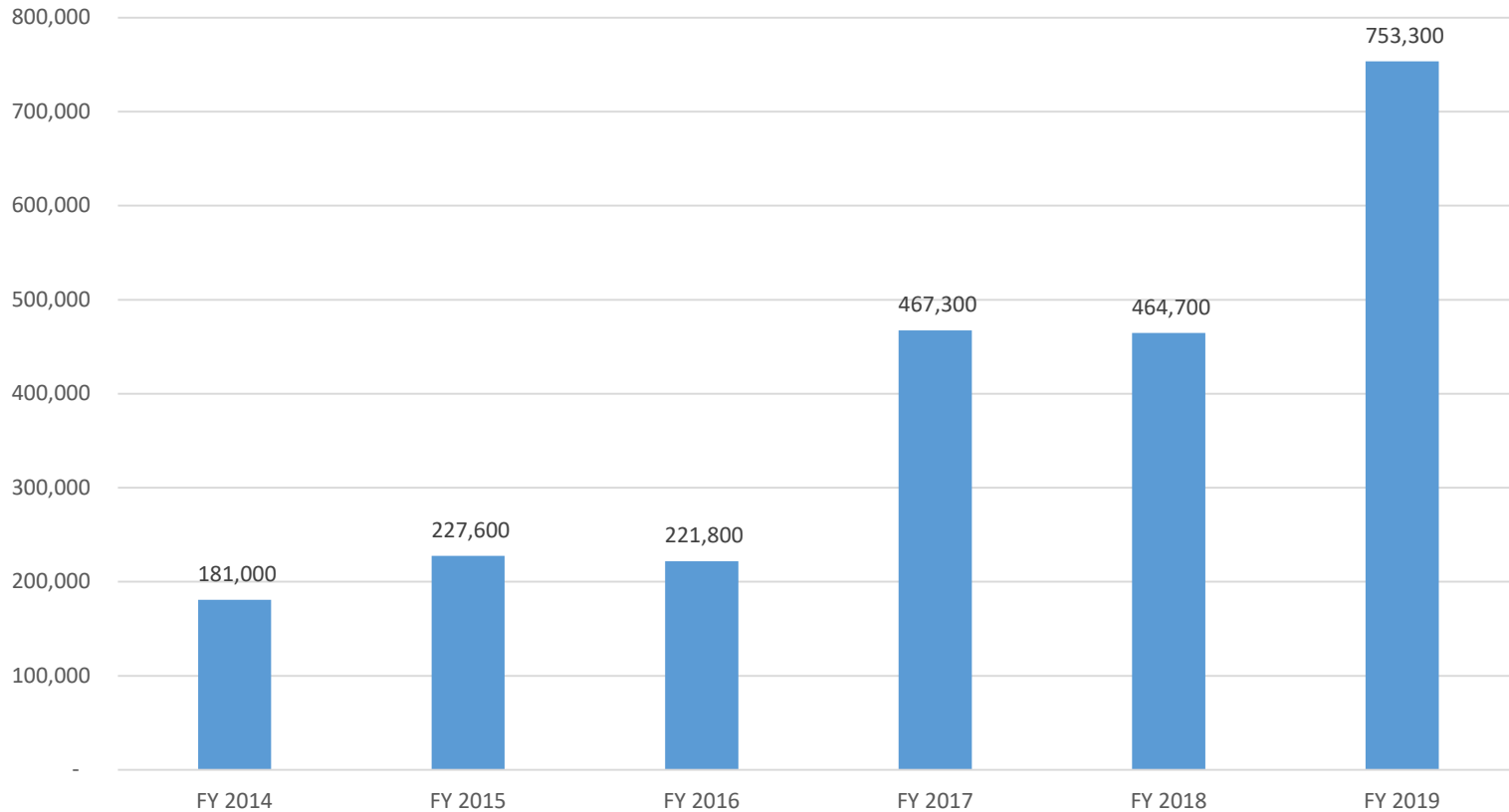


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# Q1-Cont'd. Justification for NPR Growth

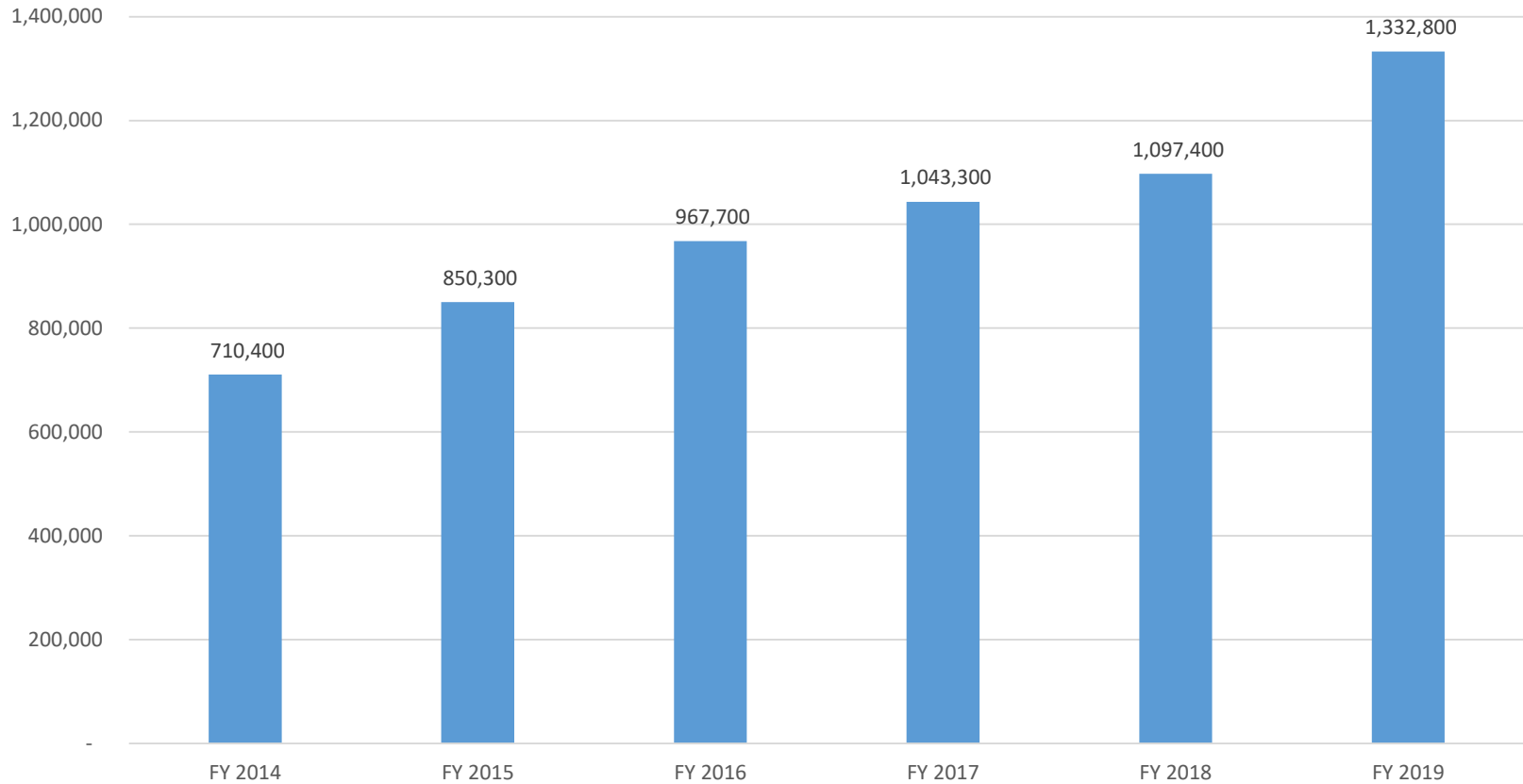
## – Inpatient NPR from Unique NH Residents Increasing



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# Q1. Justification for NPR Growth-Outpatient NPR from Unique NH Residents Increasing



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# Q1-Cont'd. Justification for NPR Growth

## – NVRH Case Mix Index Continues to Increase

Vermont Hospital Case Mix Index					
	Hospital Fiscal Year (10/1 - 9/30)				
Hospital	2015	2016	2017	2018	2019*
BMH	1.24	1.26	1.24	1.22	1.19
Copley	1.20	1.23	1.28	1.35	1.41
CVMC	1.22	1.24	1.21	1.28	1.42
Gifford	1.01	1.02	1.01	1.04	0.93
Grace Cottage	0.87	0.91	0.87	0.92	0.88
MAHHC	1.14	1.06	0.98	1.06	1.03
NCH	1.04	1.05	1.05	1.06	1.10
NMC	1.32	1.37	1.35	1.31	1.33
<b>NVRH (*)</b>	<b>1.18</b>	<b>1.20</b>	<b>1.21</b>	<b>1.22</b>	<b>1.30</b>
Porter	1.12	1.20	1.17	1.28	1.29
RRMC	1.34	1.38	1.38	1.35	1.34
Springfield	1.04	1.05	1.03	1.06	1.06
SVMC	1.25	1.23	1.25	1.23	1.23
UVMMC	1.70	1.75	1.77	1.75	1.75



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Each .1 change in CMI increases NPR by \$850,000

# Q2. Steps to Reduce Preventable ED Visits – What's Already in Place

- All primary care practices now fully staffed and accepting new patients
- ED care managers monitor and follow-up on patients with no PCP
- ED care managers and primary care coordinators constantly focused on avoidable ED visits
- Recovery coaches available 24/7 for substance abuse disorder patients seeking help, reducing return ED visits
- Ongoing patient education around calling PCP before trip to ED
- Pediatricians see patients day and night to avoid ED visits



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# Q2-Cont'd. Steps to Reduce Preventable ED Visits – Convenient Care Initiative

- Fall 2019 rollout
- Emedded ED provider in clinics
- Expanded office hours Monday-Friday
- Saturday clinic hours



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## Q2.- Cont'd Steps to Reduce Preventable ED Utilization- Improve Access to Primary Care

Practices	New Primary Care Patients 2018
NCHC	181
NVRH KIM	350
NVRH Corner med	118
NVRH Pedes	300
TOTAL:	949 new patients



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## Q2.- Cont'd Steps to Reduce Preventable ED Utilization- FY 2020 NPR Impact

Proposed Changes to Visits and NPR:

- Original Budgeted Visits
  - 15,200 ED plus
  - 1,000 Convenient Care
- Move Up Convenient Care Opening to Fall, 2019 and Continue Focus on Reducing Preventable Visits
- Revised Budgeted Visits
  - 14,200 ED plus
  - 1,500 Convenient Care
- NPR Impact – \$310,000 NPR Reduction



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# Q3. Provide Demographics on Patients Returning To NVRH – St J HSA Inpatient Medicaid Admission % by Hospital

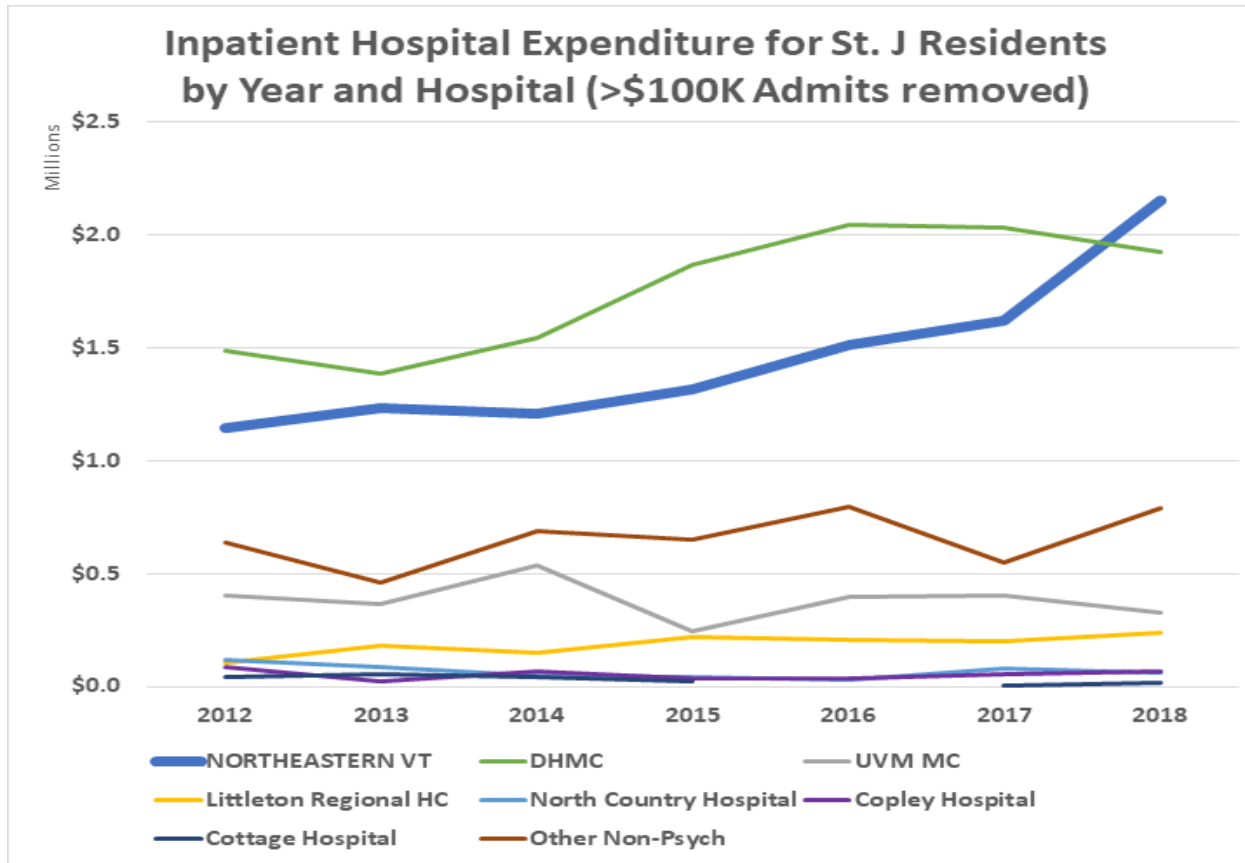
Hospital	2012	2013	2014	2015	2016	2017	2018	2019	Trend
Northeastern VT Regional Hospital	46%	50%	46%	40%	48%	49%	53%	57%	
Copley Hospital	2%	2%	2%	1%	1%	1%	1%	0%	
Cottage Hospital	2%	3%	2%	1%	0%	1%	1%	2%	
Littleton Regional HC	10%	10%	11%	14%	13%	10%	11%	8%	
DHMC	20%	21%	19%	25%	22%	24%	18%	20%	
UVM MC	5%	5%	7%	4%	5%	3%	3%	5%	
North Country Hospital	4%	1%	2%	2%	2%	3%	2%	2%	
Other Non-Psych	11%	9%	11%	13%	9%	10%	10%	6%	



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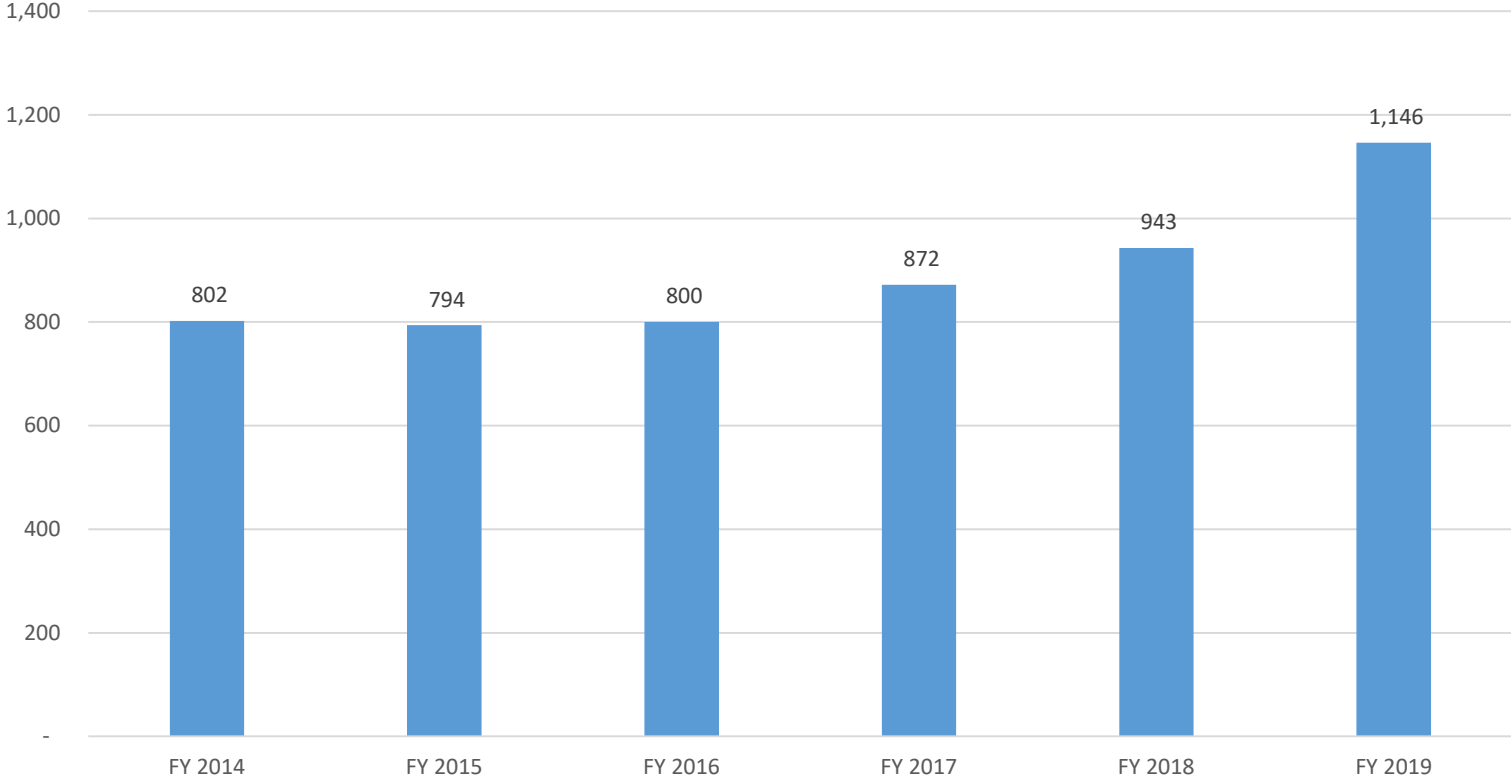
# Q3. Provide Demographics on Patients Returning To NVRH – St J HSA Inpatient Medicaid Dollars by Hospital



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# Q4. Provide Information on Unique Patients – Unique NH Outpatient Visits to NVRH Increasing



# Q5. Cost Savings Initiatives

• Maximize 340B Savings	\$1,000,000	(Annual) *
• Maximize GPO Drug Contracts	\$ 325,000	(Annual)
• Maximize GPO Supply Contracts	\$ 419,000	(Annual) **
• Elimination of 3.9 FTES	\$ 232,500	(Permanent)
• Temporary Staffing Reduction	\$2,000,000	(One Time)
• LED Lighting Project Savings	\$ 33,000	(Annual)
• Net Metering Project Reduction	\$ 36,000	(Annual)
• ECRI Capital Purchase Savings	\$ 40,000	(Annual)

\* \$200,000 new budget 2019 to budget 2020

\*\* \$ 90,000 new budget 2019 to budget 2020



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# Q6. Does NVRH Agree with DVHA's Financial Impact of Increased Medicaid Reimbursement on NPR?

- DVHA estimates a \$150,000 Medicaid reimbursement increase. We estimate the effect will be \$100,000
- The DVHA baseline is CY 2018 utilization, which is before NVRH's participation in OCV Medicaid Next Gen Risk Model
- DVHA OPPS increase won't apply to attributed Medicaid lives in the risk program, or approximately 1/3 of NVRH's Medicaid patient base
- OCV has increased NVRH's 2020 maximum risk, a net revenue reduction, by \$160,000 thereby eliminating the \$100,000 potential positive impact of increased OPPS reimbursement



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## 7. Does CMS Wage Index Final Rule Effect NVRH

- No. As a Critical Access Hospital NVRH is not effected by the CMS Wage Index Final Rule



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## **8. If Medicare Reimburses \$100 for a Service What Would Commercial Payers and Medicaid Reimburse for the Same Service?**

- Medicare reimbursement = \$100
- Average commercial reimbursement = \$160
- Medicaid reimbursement = \$72



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# 9. Provide Update on TCOC

Cost Per Member Per Month Feb 2018-Jan 2019	OneCare	St. Johnsbury	Cost Per Member Per Month January -July 2019	OneCare	St. Johnsbury
Total	\$263.038	\$296.04	Total	\$233.98	\$246.04
Inpatient Medical	\$15.85	\$14.17	Inpatient Medical	\$14.56	\$14.12
Inpatient Surgery	\$26.10	\$27.19	Inpatient Surgery	\$23.11	\$26.71
Maternity	\$8.461	\$5.47	Maternity	\$6.51	\$2.99
Outpatient Surgery	\$14.43	\$17.06	Outpatient Surgery	\$12.97	\$13.10
Emergency Department	\$15.32	\$16.68	Emergency Department	\$13.80	\$16.28
Advanced Imaging	\$5.84	\$6.62	Advanced Imaging	\$5.32	\$6.95
Pathology/Lab	\$8.67	\$8.09	Pathology/Lab	\$8.72	\$7.06
Medical Pharmacy	\$11.20	\$21.72 *	Medical Pharmacy	\$11.69	\$19.33 *
DME and Supplies	\$8.15	\$7.04	DME and Supplies	\$8.15	\$6.81
Preventive <sup>3</sup>	\$10.55	\$4.53	Preventive <sup>3</sup>	\$8.75	\$4.32
All other claims combined <sup>2</sup>	\$104.43	\$116.63	All other claims combined <sup>2</sup>	\$101.89	\$109.82
Confidential Claims <sup>1</sup>	\$34.04	\$50.04	Confidential Claims <sup>1</sup>	\$18.51	\$18.56

For 12 mos. Feb 18\_Jan 19 NVRH was 12.5% above OCV average TCOC. For Q1 of 2019 NVRH was just 5.2% higher. ED acuity a factor. 1 patient med pharm cost = \$7.50 pmpm



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