

SPRINGFIELD HOSPITAL

GMCB Staff Questions post Budget Hearings

September 5, 2019

Questions and Answers.

1. TCOC, please resubmit and differentiate between the 1-2 standard deviations above and below

See attached Power Point revised slide.

2. Are all psych beds step down?

No. All 10 beds are acute.

3. If Medicare reimburses \$100 for a service, how much would Commercial and Medicaid patients reimburse?

Commercial would be \$178 and Medicaid would be \$108. Also, see answer to question 6 below.

4. Do you agree with DVHA's assessment (attached) of the financial impact of increased Medicaid reimbursement will have on your NPR?. If not, why and what is your estimate?

Yes a 4% increase based on the same volumes is what we would expect

What impact does the Medicaid reimbursement increase have on your requested NPR and change in charge and commercial price increases?

N/A as we did not ask for a rate increase.

5. Please confirm whether the CMS wage index final rule has an impact on your hospital? If so, please quantify.

There is no impact we can calculate at this time.

6.To give us a sense of relative pricing, please answer the following: if Medicare reimburses \$100 for a particular service, what would your commercial payers and Medicaid reimburse on average for the same service? Or in other words, what is the ratio of commercial and Medicaid payment to Medicare payment for the same service?

Commercial payers average contractual allowance is 32% of Gross Charges and they represent approximately 50% of Net Patient Revenues. Commercial would pay \$178 if Medicare pays \$100.

Medicaid average contractual allowance is 59% of Gross Charges and represent approximately 18% of Net Patient Revenues. Medicaid would pay \$108 if Medicare pays \$100.

Medicare average contractual allowance is 62% of Gross Charges and represent approximately 32% of Net Patient Revenues.