



Health Care Advocate FY2020 Hospital Budget Review Follow up Questions:

1. Please provide your budgeted changes in utilization by payer and service category (e.g., inpatient, outpatient, professional).
 - *Please see Appendix VI, Table 1*

2. Commercial Charge/Rate Change and Net Patient Revenue
 - a. Please explain in detail how you plan to implement your commercial charge or rate change, if applicable.
 - *Most Physician charges won't change, a few will if we see anomalies in the prices. The average impact of profession charges is expected to be 0.*
 - *Most other charges will be raised across the board. Some will be less than the stated percentage and some will be more as we adjust any charge that appears out of line. The aggregate intent is to achieve the % stated in the Appendix VIII.*

 - b. What is your anticipated commercial charge/rate change for each service area (e.g., inpatient, outpatient, professional)?
 - *Please see Appendix VIII.*

 - c. What commercial utilization assumptions for each service area were used to determine how the commercial charge/rate change translates to the commercial net patient revenue change included in your budget?
 - i. Do these utilization assumptions align with those in the Green Mountain Care Board's 2020 Vermont Health Connect rate filings? If no, please explain any differences.
 - *For the most part we maintain same mix of services as we are seeing in the current year to date. We do not monitor the GMCB Health Connect Rate Filings.*

3. Pharmacy Costs
 - a. Please provide your budgeted medical pharmacy trend for commercial payers, separated by unit cost and utilization.
 - *We don't budget at this level of detail*

 - b. Please separate any change in unit cost by expense (cost of obtaining the drug) and profit margin.
 - *Our drug cost budget is set by straightline projecting the entire drug budget. It is not prepared at the detail line level. We have little control of the cost or the volume of drugs utilized.*

 - c. How does the hospital determine its profit margin for each drug (e.g., flat fee, percent of cost)?

- *Our charge is based on the average wholesale cost of the drug. We don't determine a profit margin for a drug.*

4. How would you approach splitting your expenses into medical, administrative, and other categories?

- *I would ask for better definitions to guide the splitting or you'll get a wide variety of inconsistent results. Note that the financial records have many different rules to follow. Don't place more where the result isn't going to be worth the time, effort and cost.*