

November 1, 2024

Mr. Matthew Sutter, Deputy Director of Health Systems Finance
 Green Mountain Care Board
 144 State Street
 Montpelier, Vermont 05633

Subject: RRMC Responses to FY 2024 Rebase Request Questions

Dear Matthew,

The following information discloses Rutland Regional Medical Center’s (RRMC) responses to the requested questions received on October 10, 2024.

1. Please describe the payer mix associated with the identified, non-Rutland HSA overage. That is, is it generally aligned with RRMC’s overall payer mix or different?

Payer Mix from non-Rutland HSA compared to RRMC overall payer mix indicates the non-Rutland shift is primarily Medicare and Medicare Advantage as shown below. There is no increased financial burden placed on commercial payers with this shift in the payer mix for patients seeking services from outside RRMC’s HSA.

FY 2024			
Primary Payer	Non- Rutland HSA Payer Mix	Overall RRMC Payer Mix	Variation to RRMC Overall Payer Mix
Medicare	40.64%	36.86%	3.78%
Medicare Advantage	16.96%	15.11%	1.86%
Medicaid	16.46%	19.25%	-2.80%
Major Commercial	19.84%	21.47%	-1.63%
Other Commercial	5.27%	5.92%	-0.65%
Self Pay & Other	0.83%	1.39%	-0.55%

2. Please describe where you are seeing increased utilization (i.e., imaging, infusions, etc.).

RRMC gross revenue in FY 2024 is exceeding budget in the areas below.

Department	Variance from 24 Budget	% over budget
Pharmacy	12,500,000	8.0%
Diagnostic Imaging	12,400,000	9.0%
Orthopedics Services	1,900,000	5.0%

Pharmacy-- Utilization exceeded budget primarily due to the use of drugs required in Oncology and the Infusion Clinic settings. Infusion Clinic services overall grew in 2024.

Imaging-- Utilization exceeded budget with demand for CT Scans for patients in Rutland and non-Rutland HSAs. This is a service where access to care improved.

Orthopedic Services -- Utilization exceeded budget due to the increase in patients from Rutland and non-Rutland HSAs driven in part by out of area provider vacancies.

3. With Porter Medical Center’s hiring of an orthopedist, how has RRMC adjusted its anticipated volume projections?

In developing our FY 2025 budget, we were not yet aware of the timeline for Porter’s recruitment of an orthopedist. Porter recently announced that Dr. Anderson has joined their orthopedic practice. Throughout FY 2024, we provided orthopedic support to their community, and given the timing of our budget formulation, we projected this volume forward into the FY 2025 budget. This was based on the best available information at the time of submission. It is important to note, however, that as part of our efforts to align with the FY 2025 budget order and its required revenue reductions, RRMC has proactively scaled back orthopedic service volumes by eliminating one of the additional five OR days per month planned for FY 2025. In addition, we removed MRI volume which is highly correlated to orthopedic care.

4. What do you believe is driving the increased utilization from Windsor and Bennington Counties?

The increase in patient care services is broad based and not only from Windsor and Bennington County residents. We believe that timely availability and more immediate access to the service offerings of RRMC are the driving factors for patients choosing Rutland. Specifically, Windsor and Bennington County patients are seeking orthopedic surgical and clinic care, emergency care, endoscopy, infusion, imaging services, oncology treatments, inpatient care and lab services.

Service Category	% increase FY 23 to FY 24
Day Surgery	14.5%
Endoscopy and Infusion Care	30.4%
Psychiatric IP Care	84.2%

Factors influencing care delivery at RRMC:

- Specialty care services are available, supported by physicians and advance practice professionals including a well-established multispecialty medical practice within the Bennington County service area, located in Dorset VT.
- Scheduling times and access to care have improved.
- Provider vacancies in Windsor and Bennington Counties
- Demand for infusion services has increased as clinical care transitions to more OP services with advanced drug therapies.
- RRMC orthopedic care is a regional service, reaching beyond Rutland County with a strong reputation and award-winning care.
- RRMC is a regional and statewide service location for inpatient acute and intensive care psychiatric services.

5. What do you believe is driving increased utilization within the Rutland HSA?

Within the Rutland service area, we believe we are experiencing the same increase in service access and availability resulting in increased utilization in orthopedic care, infusion services, imaging and endoscopy services, with downstream utilization increases in pharmacy, surgical services, anesthesiology.

Factors influencing care delivery at RRMC

- Recruitment of specialty care services available and supported by physicians and advance practice professionals
- Scheduling times and access to care have improved.
- Delayed treatment in prior years
- Advancing clinical care with best practice care delivery
- Provider and advance practice professional vacancies at primary care practices

6. Your application provides the FY23 to FY24 growth in patient encounters for Addison, Windsor, and Bennington Counties. Please provide the growth assumptions used in developing your FY24 budget—that is, what was the assumed/modelled growth in patient encounters from FY23 to FY24 used for these counties when developing the FY24 budget.

The growth assumption for non-Rutland HSA utilization and revenue was based on the volume and utilization of services for the first five to six months of 2023 annualized. There was not a direct budget calculation of baseline services within and outside of Rutland County with specific assumptions of services transitioning in or out of the RRMC service area.

7. What were RRMC’s budgeted and actual advertising costs in FY24?

In FY 2024 RRMC budgeted and actual advertising costs are detailed below.

Expense Category	FY 2024 Budget	FY 2024 Actual
Direct Marketing	419,080	372,850
Marketing Support	155,100	125,840
Web Hosting and Website Support	229,000	208,546
Grand Total	803,180	707,236

We remain available to answer any further questions or inquiries you may have as it pertains to our actual FY 2024 performance.

Sincerely,

J. Bertrand

Jennifer Bertrand
Chief Financial Officer
Rutland Regional Medical Center

CC: Mr. Owen Foster, J.D., Chair – Green Mountain Care Board
Judi Fox, President & CEO – Rutland Regional Medical Center