

# Follow-up from Orientation Sessions



- The following slides were reviewed in orientation sessions.
- Based on feedback, some changes were made to the guidance:
  - Guidance update: Narrative question f revised to better account for information provided on CON sheets.
  - Guidance update: Section II C on page 14 updated for consistent tax year (i.e., FY22)
  - Appendix exhibits:
    - Changed proportions to constant units
    - Changed FY23 projections to actuals to date (Oct to Feb)
    - Updated budget column labels to FY22 to FY24
  - Exhibit 9 (Payer and Case Mix):
    - Added All other categories so subtotals foot to totals
    - Added sections for bad debt, free care, and DSH for Net Revenue
    - Combined NPR and FPP for cash allocations
  - Appendix exhibit 10 (Utilization and Rate Assumptions):
    - Changed price to rate
    - Added columns to adjust for payer mix changes in addition to utilization and rate
    - Added breakouts by service type (i.e., inpatient, outpatient, professional)
  - Appendix exhibit 11 (Staffing Summary)
    - Changed total contracted hours to median hourly rates for traveling nurses, physician locums, with other rows as appropriate for your contractual staffing arrangements.

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- Clarifications on narrative questions:
  - j (Facility fees): Many patients in the US (including Vermont) receive bills containing specific charges for “facility fees” regardless of what insurance they have. Provide the total **charges and allowed amounts** associated with the facility fee as invoiced. The intent of the question is to better understand the scope and scale of facility fees in Vermont. There is no presupposition that charging facility fees is improper. Hospitals should include caveats and methodological considerations if they are concerned about this information being misinterpreted.
  - l.i. (administrative costs): The idea is to capture actual expenses and not “costs” as reported in Medicare cost reports. This may include non-salary expenditures.

# Orientation to FY24 Hospital Budget Process

GMCB Health Systems Finance Team

May 2023

# Agenda

- Overview of Vermont hospital budget regulation
- Review FY24 guidance and supplementary materials
  - What to submit
  - When to submit
  - How to submit
- Walk through Adaptive changes
- Budget review and hearings

# Overview of Vermont Hospital Budget Regulation: Vermont Statute



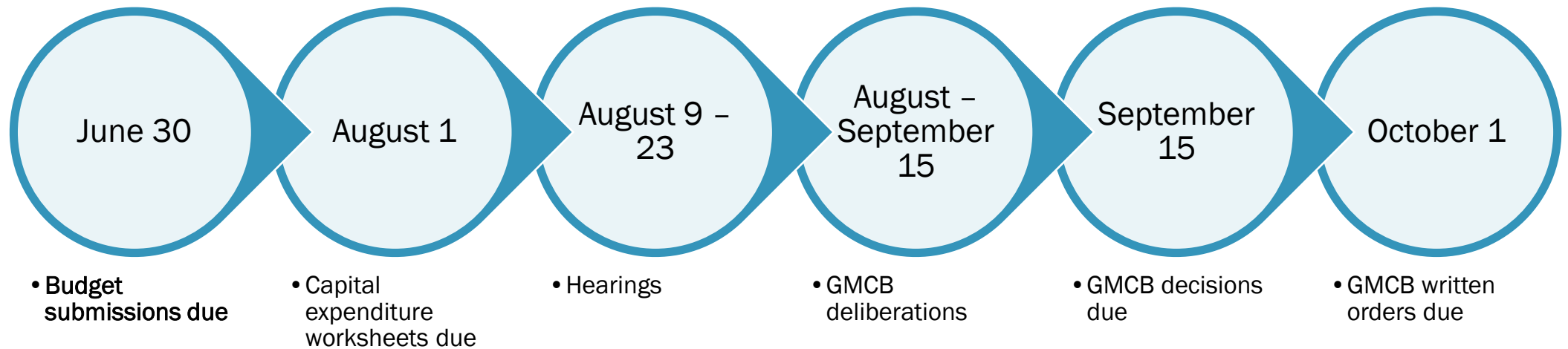
- The GMCB must establish budgets for each hospital on or before September 15<sup>th</sup> (with written decisions by Oct 1<sup>st</sup>)
- Statutory duties from 18 V.S.A. § 9546 (c):
  - (1) be consistent with the Health Resource Allocation Plan;
  - (2) take into consideration national, regional, or in-state peer group norms, according to indicators, ratios, and statistics established by the Board;
  - (3) promote efficient and economic operation of the hospital;
  - (4) reflect budget performances for prior years;
  - (5) include a finding that the analysis provided in subdivision (b)(9) of this section is a reasonable methodology for reflecting a reduction in net revenues for non-Medicaid payers; and
  - (6) demonstrate that they support equal access to appropriate mental health care that meets standards of quality, access, and affordability equivalent to other components of health care as part of an integrated, holistic system of care.

# Overview of Vermont Hospital Budget Regulation: GMCB Rule 3.000 and Guidance



- The GMCB has a rule governing its process, which
  - outlines operational deadlines and processes
  - summarizes criteria for the GMCB's review and budget adjustments
  - establishes criteria for waivers of public hearings
  - lists hospitals' duties and obligations
- Each year, the GMCB establishes guidance and reporting requirements.
  - The GMCB is in the process of updating its regulatory process and is working toward stable, predictable guidance.
  - There will be changes to the data model in Adaptive in FY25, which will be developed in a collaborative process.

# Overview of Vermont Hospital Budget Regulation: Timeline



# FY24 Guidance and Supplementary Material



- <https://gmcboard.vermont.gov/FY24-Hospital-Budgets>
  - Note: Excel workbooks were emailed on 5/8. Contact the team if you need a copy:

[GMCB.HealthSystemsFinances@vermont.gov](mailto:GMCB.HealthSystemsFinances@vermont.gov)



# Overview of Changes to Adaptive



- Excel Interface
  - New optional tool allowing users to view and update Adaptive sheets directly from Excel.
- Dashboards
  - In-Development
    - Would welcome feedback on whether they are useful!
  - Can be used similarly to reports, but are dynamic
    - Goal is to enable faster validation of entries and to minimize errors due to the manual nature of how Adaptive “Reports” are built and maintained.
- Training provided upon request!

# FY24 Budget Review and Hearings (August 2023)



	Monday	Tuesday	Wednesday	Thursday	Friday
	7	8	9	10	11
Slot 1: 8 to 9:30 am			GMCB Staff Intro		
Slot 2: 10am to noon			Southwestern		
Slot 3: 1 to 3pm			Brattleboro		
	14	15	16	17	18
Slot 1: 8 to 9:30 am	Grace Cottage		State of Vermont holiday		Gifford
Slot 2: 10am to noon	Northwestern				Mt. Ascutney
Slot 3: 1 to 3pm	Rutland				Northeastern
	21	22	23	24	25
Slot 1: 8 to 9:30 am	North Country		UVMHN		
Slot 2: 10am to noon			Springfield		
Slot 3: 1 to 3pm	Copley		UVMHN		

# FY24 Hearings

- Hospitals will *not* be expected to produce presentations.
- GMCB staff will walk through submitted budgets, including review of how expense factors compare with the indicators listed in the guidance.
- The intent is to frame the hearings as a dialogue.
- Hospitals should staff as they see fit.
- Staff will review budget assumptions and highlight relevant detail from submitted narratives.

# Further assistance?



- Reach out if there is anything we can do to help navigate the hospital budget process:

[GMCB.HealthSystemsFinances@vermont.gov](mailto:GMCB.HealthSystemsFinances@vermont.gov)

