



1) Your budget assumes a 50% reduction in sub-acute days, attributable to both the anticipated SOV facility and the Care Management team's efforts to reduce LOS. How much of this assumption is dependent on the new facility?

This is an area where we have taken risks in our budget and have challenged ourselves to meet this aggressive benchmark. There are multiple factors that will contribute to the achievement of this goal. We have received more information since our budget was submitted, and that information indicates that the new facility will play a role as one factor but is unlikely to be the most significant factor. Those factors and initiatives include:

- A long-term care facility in Bennington is expected to open with 60 beds in the next 120 days. Some patients from NMC may qualify for placement there, and we expect a domino effect as other referring facilities utilize these beds for higher acuity patients, allowing for the acceptance of lower acuity patients from NMC and other hospitals.
- The base period includes two cases with sub-acute stays exceeding 200 days (546 days, 30% of FY2022 Actual). With data going back to 2013, we have only two other cases that exceeded 200 days. While we are acknowledging that the need for sub-acute care has increased during that time, we are reluctant to assume that we will have multiple outlier cases in the next fiscal year.
- We have stabilized our Care Management team and implemented Navihealth, a software tool used by many referring and receiving facilities locally and nationally. This has improved workflows for our care management team and allowed our pending referrals to remain visible to receiving facilities, while we may have been overlooked in the past in favor of referring facilities that were already using the system. Responses are received more quickly, allowing for more efficient and timely discharge planning and discharges.
- The capacity for community partners to provide post-discharge care in Franklin County has been limited over the past few years. We have received confidential indications that this will be improved. Additional information will be shared by those community partners when they deem it appropriate.
- We will be piloting a program based on the Harbor Place Model currently in use in Chittenden County. Using grant funding through the State of Vermont, we will have access to 2-3 hotel rooms for placement after discharge. These can be used for a variety of situations that currently result in avoidable sub-acute days, such as providing a setting for a homeless individual to receive home health services, or a temporary discharge location for a post-surgical patient who lives on an upper floor and can't negotiate stairs, among others.

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2) Vermont's FY24 budget indicates an increase in Vermont Medicaid's RBRVS fee schedule to 110% of Medicare for primary care providers and a 3.8% inflation increase to specialty care providers. Have these increases been factored into your budget? If not, indicate what effect that would have on the submitted commercial rate increase.

OneCare will be treating all Medicaid visits as capitated encounters paid through the fixed prospective payment model in CY2024. For January through September, the FY2024 budget includes the estimate of fixed prospective payments provided by OneCare. We do not operate any primary care offices. The effect of a 3.8% increase for specialty care providers for September through December is negligible, equating to less than \$10,000 in net patient revenue. We did not include this in our budget.

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