



Gifford Medical Center

44 South Main Street, P.O. 2000 • Randolph, Vermont 05060
802-728-7000 • fax 802-728-4245 • giffordhealthcare.org

To: Sarah Lindberg, Director of Health Systems Finance, Green Mountain Care Board
From: Daniel Bennett, Chief Executive Officer
Jennifer Bertrand, Chief Financial Officer
Date: August 1, 2023
Subject: Gifford Medical Center Response to Staff Questions, Budget Year 2024

- 1. Page 6 of your narrative highlights the challenges in realizing commercial price changes previously approved by the GMCB, which is expected to add \$1.5 million in NPR. Provide the effective collection rate (proportion of revenue collected based on gross charge) for Medicaid, Medicare Advantage, Traditional Medicare, and commercial payers for FY21, FY22, FY23 (projected), and the budgeted assumptions for FY24 broken out for inpatient, outpatient, and professional services.

Please see the table below for the requested information:

	FY 2021 Actual			FY 2022 Actual			FY 2023 Projected			FY 2024 Budget		
	IP	OP	Pro	IP	OP	Pro	IP	OP	Pro	IP	OP	Pro
Medicare	53%	35%	51%	73%	27%	79%	52%	35%	36%	52%	35%	36%
Medicare Adv				57%	46%	77%	54%	43%	52%	54%	43%	52%
Medicaid	26%	8%	14%	2%	32%	30%	16%	30%	30%	16%	30%	33%
Commercial	80%	65%	71%	68%	75%	43%	70%	63%	54%	79%	69%	64%

- 2. Provide a complete response to question k.ii. in the narrative, including any third party contracts that exist to collect payments from patients. Hospitals may reach out to the GMCB to request confidential treatment of materials that are exempt from public inspection and copying under Vermont’s Public Records Act.

We have requested confidential treatment as it pertains to our third-party contracts and will be providing this information to the Board once we obtain the release of information authorization from our vendors. GMCB and GMC legal counsel have collaborated on this matter and are aware of the necessary communication to be established with our vendors before disclosing the contracts, which includes sensitive information that will need to be exempt from public inspection and copying under Vermont’s Public Records Act.

- 3. Elaborate on the variance in the “Due From Third Parties” from FY23B to 24B % (Balance Sheet).

The "Due From Third Parties" increase of \$586K or 83% from the FY 2023 budget to the FY 2024 Budget is primarily related to our Medicare cost report interim rate adjustment and tentative cost report settlement anticipated for FY 2024 (\$350K). Additionally, the delta between the anticipated FY 2024 settlement and the amount remaining is attributed to estimated prior year cost report receivables (based on recent favorability with particular adjustments during desk reviews) that may be recognized in FY 2024.