

HSF QUESTIONS FOR HOSPITALS



HOSPITAL 9: NORTHWESTERN MEDICAL CENTER (NMC)

Follow-Up Questions and Requests Related to Your Budget Submission

On corporate structure

1. Please provide details of the corporate structure of the New England Collaborative Health Network. In addition, please provide any contract(s) you have with the New England Collaborative Health Network, including any contract(s) with the consulting firm Ovation.
2. To the best of your ability, please estimate your expected return on investment for your participation in the New England Collaborative Health Network. What do you anticipate will be the main driver of your savings/improvements in quality etc.? Where do you anticipate potential risks associated with your ability to achieve the expected value?

On labor expenses

3. What is the likelihood of filling these traveler positions with permanent employees, especially with number of current vacancies? If not filled, how will your NPR be affected?

On utilization

4. Can you provide a more specific assessment of where volume has increased above FY2024 budgeted expectations. How have you recalibrated your expectations as to not underpredict your NPR for FY2025?

On pharmaceuticals

5. Why do you expect both pharmaceutical expenses and pharmaceutical revenues to decrease in the coming year?

On rate changes

6. Why is the increase to professional services almost zero?

On financial indicators

7. Will NMC be out of compliance with your bond covenant for FY24 since your operating margin is projected to be negative?

On your workbook submission

8. In Table 3 in the workbook, it appears there are still many patients who cannot be seen within 180 days. In your opinion, what are the main obstacles to reducing these wait times?
9. In Table 5 in the workbook, there appeared to be a large jump from FY23 to FY24 in boarders. Can you attribute this to anything specific? Have you taken any measures to prevent this continued increase in FY25?
10. Please review the rate decomposition details you submitted as well as the "summary" tab and explain the following (where available, please show supporting calculations):

1. How did you arrive at the assumed rates of growth for price, volume, and payer mix shifts by payer?
2. For non-zero values in the “other” column, how did you derive these estimates?

Other

11. Do you think Medicaid is underfunding the cost of delivering care to your Medicaid patients? If so, please quantify this amount based on 2023 actuals. Please explain your calculation.
12. Do you think Medicare is underfunding the cost of delivering care to your Medicare patients? If so, please quantify this amount based on 2023 actuals. Please explain your calculation.
13. In the attached spreadsheet, please review the measures of financial health that we have calculated for your hospital. We have included the measure definitions. Confirm that these calculated values reflect your understanding. If your financial measures differ from our calculations, please review our formulas, provide your calculation, and explain why you believe your calculation is a better measure for your organization.