

FY2025 Budget Presentation Green Mountain Care Board August 14, 2024



NMC's mission is to provide exceptional care for our community.



Introductions

- **Thank you for the opportunity to have this important discussion with you today.**

- **Presenters:**
 - **John Casavant, Chair, Board of Directors**
 - **Peter Wright, President & Chief Executive Officer**
 - **Stephanie Breault, Chief Financial Officer**
 - **Dr. John Minadeo, Chief Medical & Quality Officer**



NORTHWESTERN MEDICAL CENTER

Compassion
Adaptability
Respect
Excellence
Service

MISSION

NMC's mission is to provide exceptional healthcare for our community.

FY 2025 - 2027 Strategic Plan



Quality & Safety

Goal: Zero preventable harm.

Objectives:

- Maintain compliance with regulatory bodies for best safety practices
- Universally apply High-Reliability principles to reduce error and harm
- Implement patient-centered process improvement and project management efforts to reduce waste and improve efficiency
- Continue to promote data-driven decision-making as well as data transparency to improve communication, patient experience, and tracking of goals

Measures of Success:

- Strive for Leapfrog Grade "A"
- Pursue CMS 5-Star Quality Rating



Engagement

Goal: A culture that engages & inspires.

Objectives:

- Advance Diversity, Equity, Inclusion, and Belonging both as an employer and a care provider
- Develop retention and recruitment plans, accounting for workforce values and innovative employment culture; become the "Employer of Choice"
- Invest in education and development for staff, medical staff, and leaders
- Create a comprehensive marketing and outreach plan to continue to build community connection

Measures of Success:

- Reduce voluntary turnover and vacancy rate
- Increase diversity among staff, Medical Staff, and Board
- Increase Employee and Provider Engagement scores



Stewardship

Goal: Achieve financial sustainability.

Objectives:

- Implement organizational service line plan that outlines core services and investment priorities
- Support and foster partnerships to enhance healthcare access and maintain independence
- Identify financial improvement opportunities and implement action plans using process improvement tools

Measures of Success:

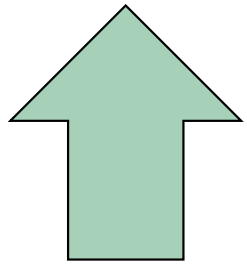
- Consistently improve net operating margin to achieve target of 1-3%
- Increase market share

Approved by Board: TBD

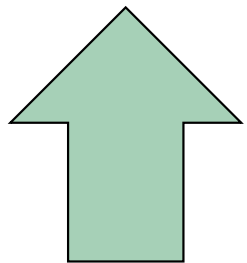


FY2024

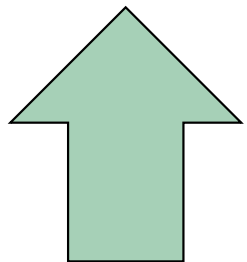
A Year of Improvement



Improvement in Quality & Safety



Improvement in Engagement



Improvement in Stewardship

Quality & Safety



2021

- High reliability training begins (Currently, over 90% of staffed trained and 100% of new hires complete training within 90 days of joining our team)
- Launched hand hygiene initiative
- Created new strategic plan



2022

- Launched sepsis initiative
- Daily Gemba rounds and safety brief performed 7 days a week
- Formed Patient Family Advisory Council

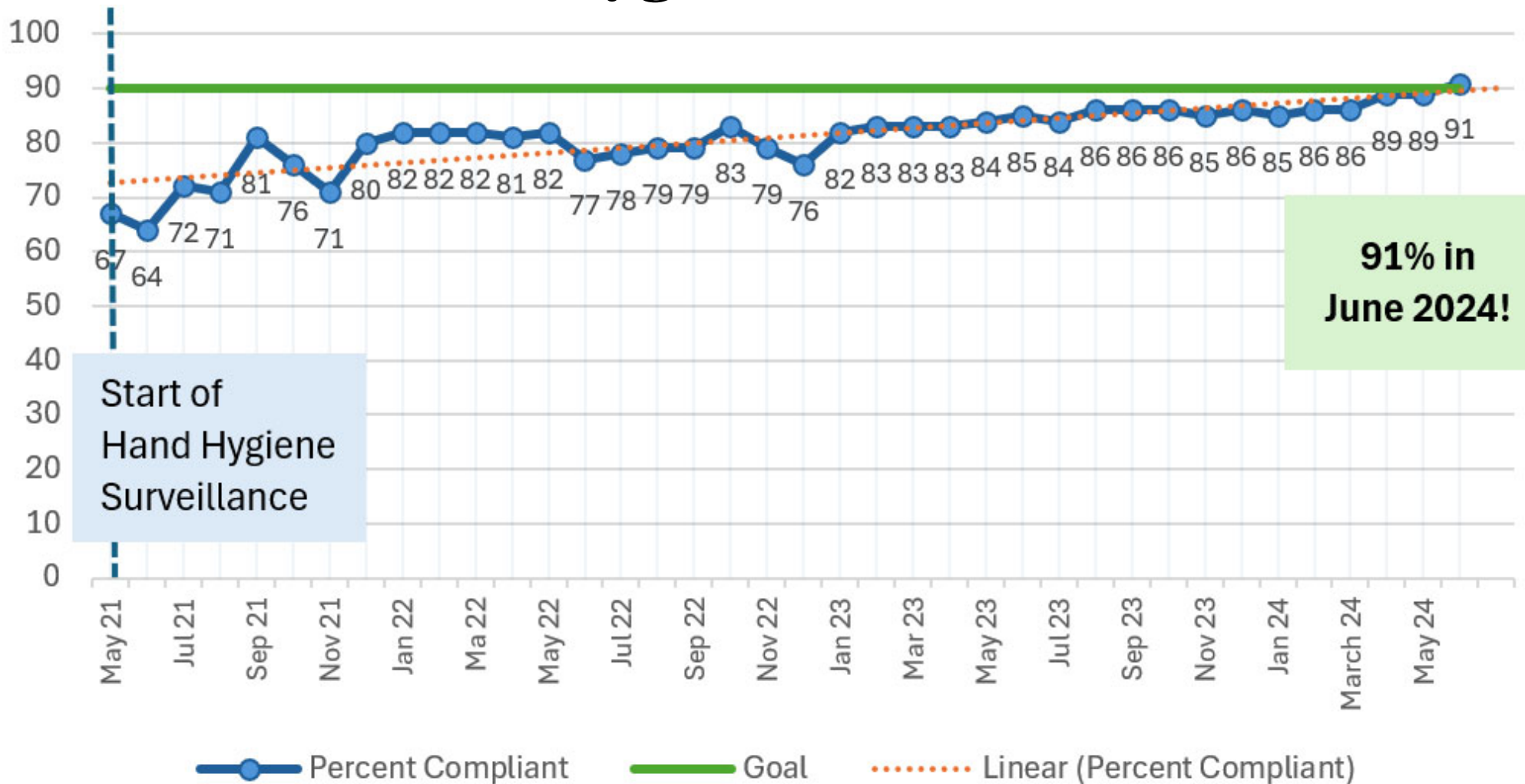


2023 & 2024

- Formed Patient Experience Taskforce
- Engagement & Culture of Safety Survey completed
- Refreshed our strategic plan
- Co-founded New England Collaborative Health Network, LLC

Quality & Safety

Hand Hygiene Initiative



**91% in
June 2024!**

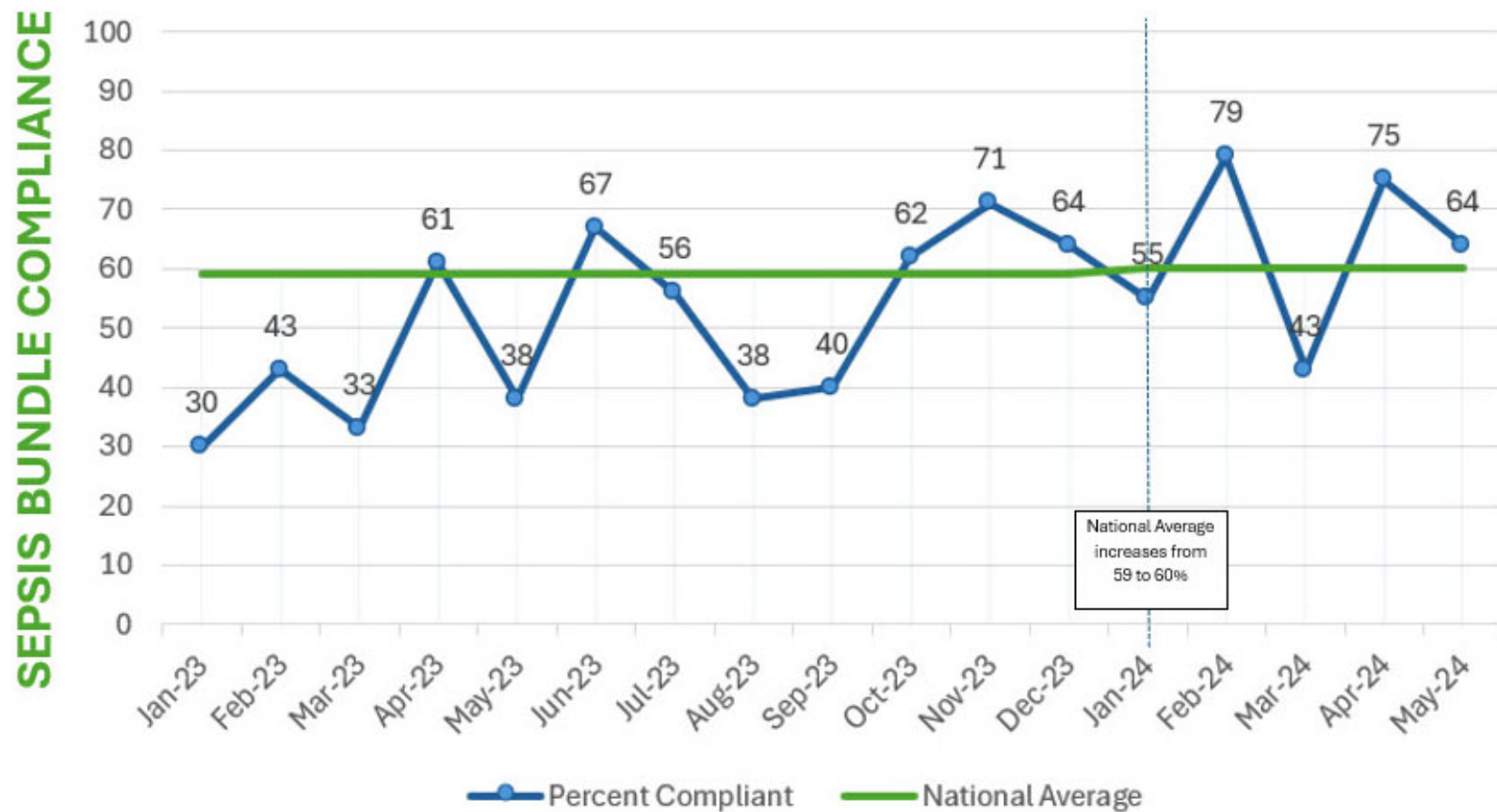
Start of
Hand Hygiene
Surveillance

● Percent Compliant — Goal Linear (Percent Compliant)

Quality & Safety

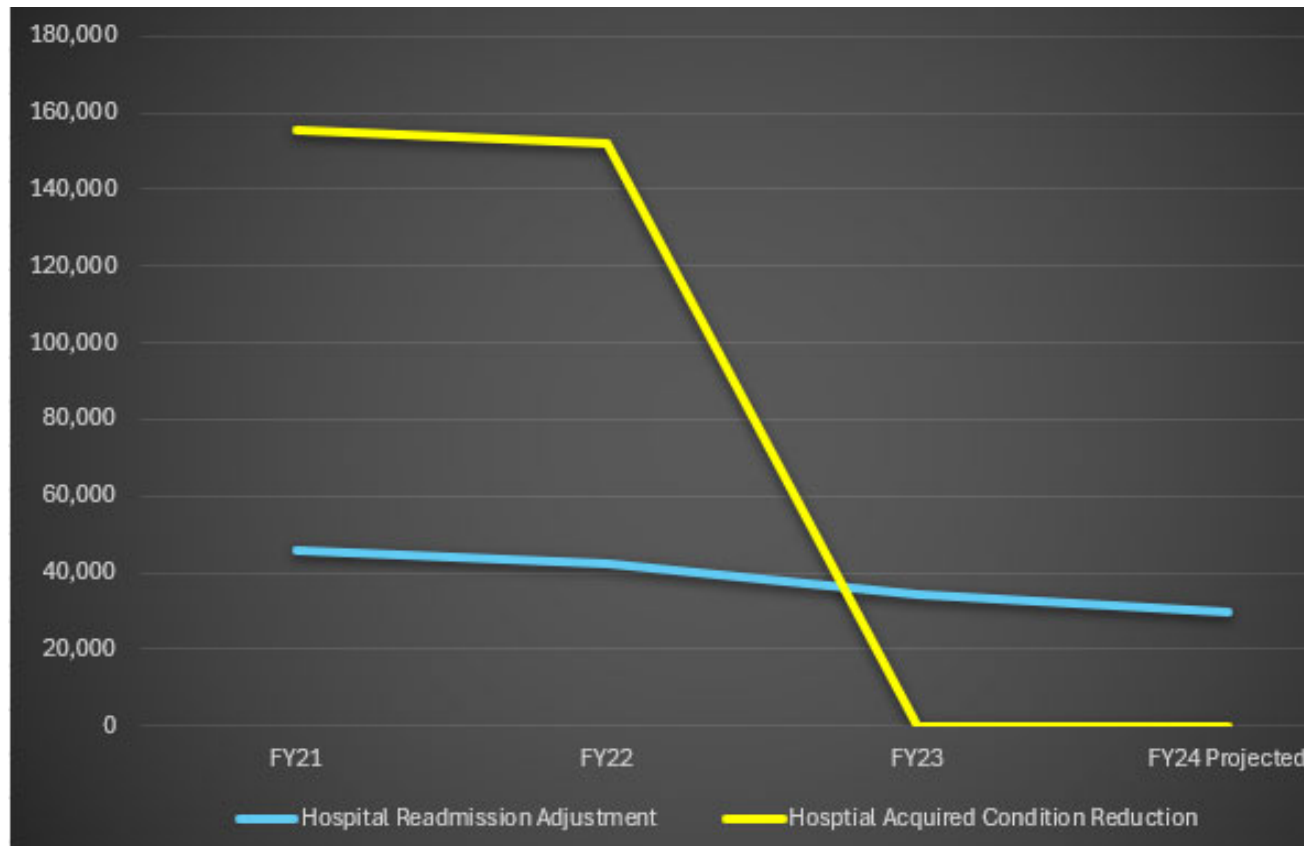
Sepsis Initiative

EARLY TREATMENT OF SEPSIS SAVES LIVES



Quality & Safety

Improvement on CMS Reimbursement Penalties



Source: Provider Statistical &
Reimbursement Report – Run
Date 6/17/24

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Northwestern Medical Center

Mid-Sized Hospital located in St. Albans, VT

Accredited by [Joint Commission](#)



Vermont Program for Quality in Health Care, Inc.

Participation in VPQHC Supported Statewide Quality Activities

July 2024



[Suicide Prevention in Emergency Departments Quality Improvement Project](#)



[Eastern Quality Improvement Collaborative](#)



[Vermont Patient Safety Surveillance & Improvement System](#)

- Serious Reportable Event submission
- Routine periodic monitoring on-site visit



[Vermont Hospital Quality Reporting Program](#) (Hospital Report Card)



[Vermont Hospital Quality Directors & Care Management Directors Networks](#)



[Vermont Hospital Health Equity Quality Improvement Initiative](#)



[Kits Program:](#)

- Emergency Department Pediatric Comfort Kits Program



[Trainings:](#)

- [Trauma Responsive Care in Emergency Departments](#)
- [Structural Competence & Cultural Humility](#) (Baseline Health Equity)
- [Provider Bias](#) (Advanced Health Equity)
- [Counseling on Access to Lethal Means](#)

Northwestern Medical Center



Vermont Program for Quality in Health Care, Inc.

CMS Care Compare Data

Measure	Hospital	State	National	Hospital Compared to National
Hospital Acquired Infections (<u>SIR</u>), July 2022 – June 2023				
Central Line-Associated Bloodstream Infection	NA	0.772	1.000	NA
Catheter-Associated Urinary Tract Infection	0.000	1.058	1.000	●
Methicillin-Resistant <i>Staphylococcus aureus</i> Bacteremia	NA	0.334	1.000	NA
<i>Clostridioides difficile</i> Infection	0.757	0.691	1.000	●
Deaths (<u>RSMR</u> , %), April 2019 – March 2022				
For Heart Attack Patients	11.6	NA	12.6	●
For Chronic Obstructive Pulmonary Disease Patients	9.5	NA	9.2	●
For Heart Failure Patients	12.4	NA	11.8	●
For Pneumonia Patients	17.5	NA	18.2	●
For Stroke Patients	16.8	NA	13.9	●
Readmissions (<u>RSRR</u> , %), July 2019 – June 2022				
30-Day Hospital-Wide All-Cause Unplanned Readmission	15.1	NA	14.6	●

No Different Than the National Rate
 Better Than the National Rate
 Worse Than the National Rate
 NA Not Available

Data Sources

Healthcare Associated Infections - Hospital, State, and National. Data.CMS.gov. Released April 24, 2024. Events July 2022 – June 2023.

Complications and Deaths - Hospital, State, and National. Data.CMS.gov. Released April 24, 2024. Events April 2019 – March 2022.

Unplanned Hospital Visits - Hospital, State, and National. Data.CMS.gov. Released April 24, 2024. Events July 2019 – June 2022.

Contact

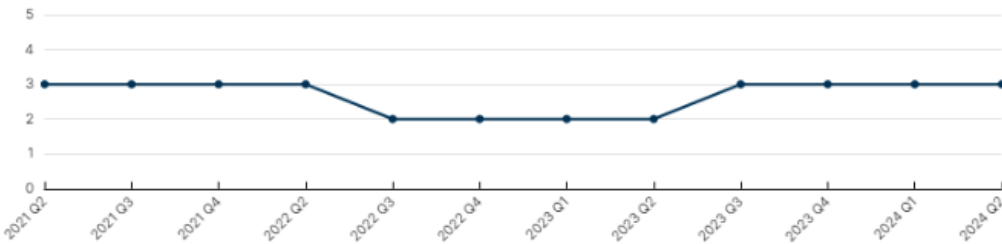
Ali Johnson, MBA, Quality Improvement Specialist, alij@vpqhc.org.

Quality & Safety

Hospital Quality Overall Star Rating

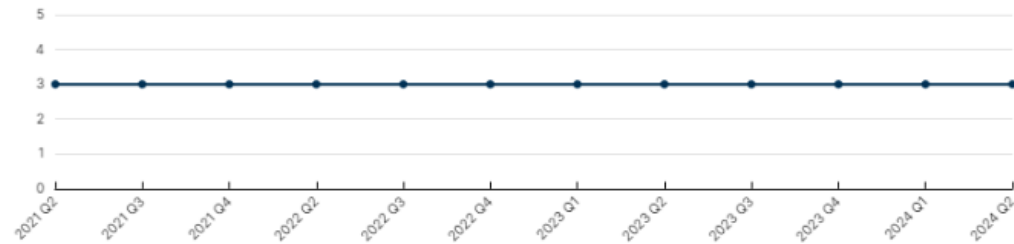
CMS Release April 2024
1 = Worst and 5 = Best

This Rating consists of 5 domains: patient experience, mortality, readmission, safety, and timely/effective care



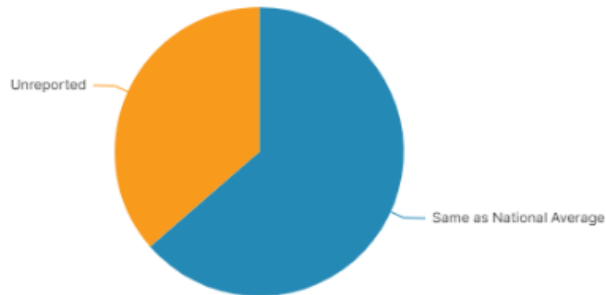
Hospital Patient Experience Star Rating

CMS Release April 2024
1 = Worst and 5 = Best



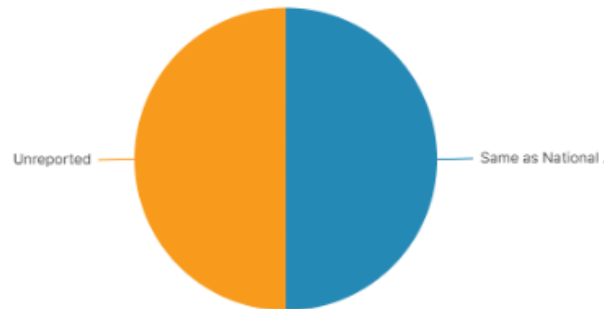
Quality Performance on 11 Readmission Measures

CMS Release April 2024



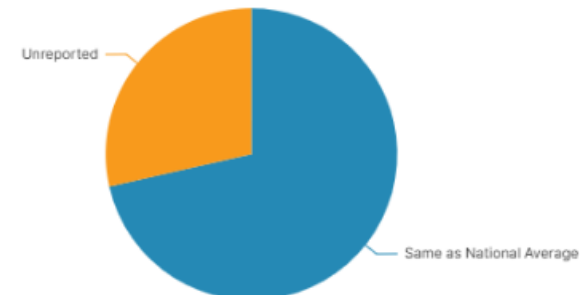
Quality Performance on 8 Safety Measures

CMS Release April 2024



Quality Performance on 7 Mortality Measures

CMS Release April 2024



■ Same as National Average
 ■ Unreported
 ■ Better than National Average
 ■ Worse than National Average

■ Same as National Average
 ■ Unreported
 ■ Better than National Average
 ■ Worse than National Average

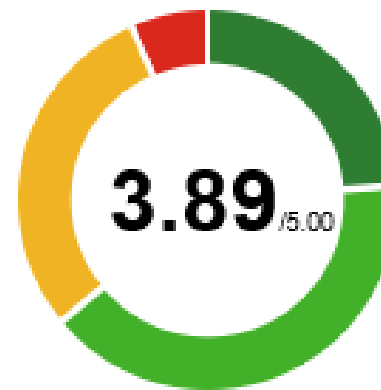
■ Same as National Average
 ■ Unreported
 ■ Better than National Average
 ■ Worse than National Average

Engagement

Engagement and culture of safety survey results

A lot of work to do and meaningful improvement compared to the 2022 survey

Your Organization's Engagement Score and Respondent Distribution



● Highly Engaged	24%
● Engaged	40%
● Neutral	29%
● Disengaged	7%

↑ **+0.27** vs. 2022 survey

27th Rank vs. Nat'l HC (Empl)

36th Rank vs. AHA-1 Empl

72% Response Rate



PressGaney

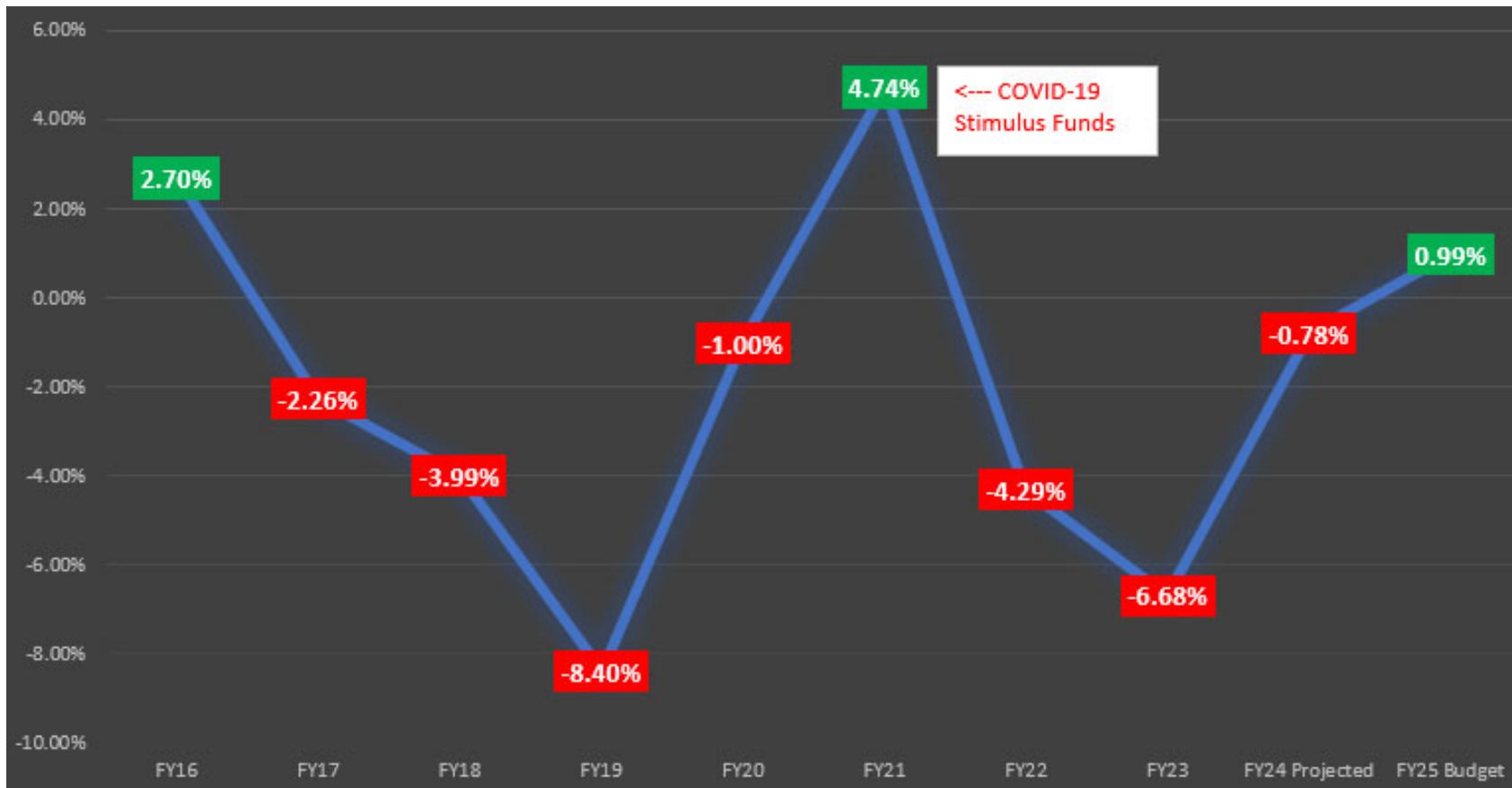
Engagement

Items Included in Your Engagement Score

Item Text	Respondent Distribution			Overall Score & Trend	Rank vs. Nat'l HC (Empl)	Rank vs. AHA-1 Empl
	Unfav	Neut	Fav			
I would like to be working at this organization three years from now.	6%	21%	74%	3.99 ↑ +0.21	38th	52nd
Overall, I am a satisfied employee.	6%	18%	76%	3.90 ↑ +0.32	38th	52nd
I would stay with this organization if offered a similar position elsewhere.	9%	29%	61%	3.74 ↑ +0.28	33rd	45th
I would recommend this organization as a good place to work.	5%	20%	75%	3.90 ↑ +0.33	30th	39th
I am proud to tell people I work for this organization.	5%	21%	75%	3.98 ↑ +0.26	20th	24th
I would recommend this organization to family and friends who need care.	6%	22%	72%	3.84 ↑ +0.23	15th	24th
Engagement Indicator	6%	22%	72%	3.89 ↑ +0.27	27th	36th

Note: Neutral labels are hidden when percentage is less than 5%.

Stewardship



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Stewardship – FY2024 Improvement Efforts

Applied for and received
one-time Medicare low
volume payment
\$1.5M

Applied for an received a
3-year nursing pathways
grant
\$193,000

Reorganized Occupational
Health and Employee
Wellness Services
\$132,000

Pharmacy Formulary
Changes
\$168,620

Cost shared Chief People
Officer with another
community hospital while
they recruited
\$24,000

Reduced vaccine waste
\$7,700

Moved certain lab testing
to another vendor
\$15,000

Deferred wage increases
for all team members 90
days, reduced wage
increase for leaders, held
FTEs
\$524,000

Leaders of clinical units
worked one open shift per
week for 90 days
\$42,500

FY2025 Budget Highlights

6.8% Growth
in Net Patient
Revenue that
Improves
Access to
Care

7.0%
Commercial
Rate Increase
that Maintains
Strong
Operational
Efficiency

0.99%
Positive
Operating
Margin

Improved Access to Care

Visit lag data for February through March 2024

Specialty Practices

Specialty	Within Category					Appointments
	Within 2 Weeks	Within 1 Month	Within 3 Month	Within 6 Month	Greater Than 6 Months	
General Surgery	25%	16%	18%	12%	28%	528
Cardiology	19%	5%	14%	31%	31%	798
Endocrinology	11%	9%	27%	38%	14%	592
ENT	9%	9%	34%	35%	13%	1654
Obstetrics	28%	33%	31%	2%	7%	1488
Orthopedics	33%	21%	39%	4%	3%	3164
Pulmonology	30%	5%	16%	18%	32%	818
Urology	25%	17%	32%	10%	16%	477
Ophthalmology	17%	8%	16%	22%	37%	1020

Patients are waiting too long for an appointment – significant focus on recruitment to improve access to care

Improved Access to Care

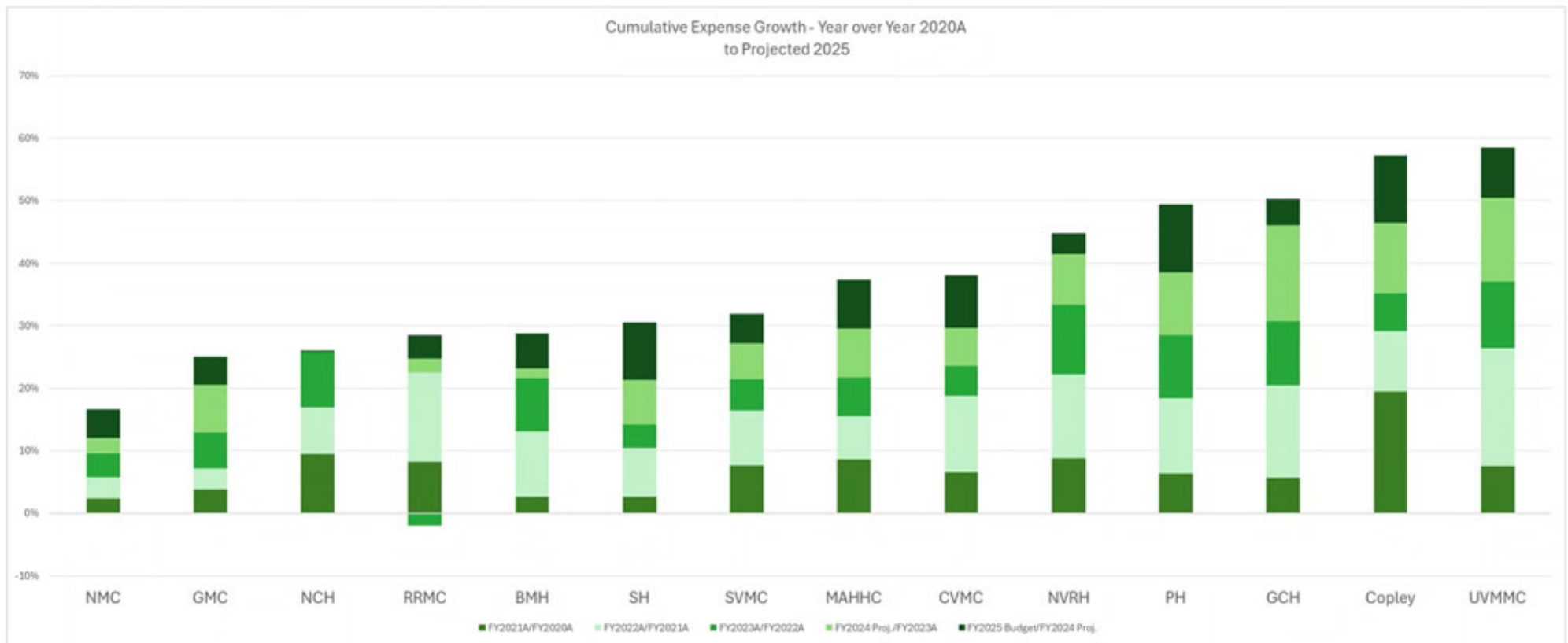
General Surgery	<ul style="list-style-type: none">• Dr. Gino Trevisani joined July 2024• Currently recruiting for an additional General Surgeon	
Cardiology	<ul style="list-style-type: none">• Dr. Steven Anisman joined June 2024• Partnership with Copley to share Dr. Adam Kunin	↑ 30%
ENT	<ul style="list-style-type: none">• Increased Kristie Oliver, PA to full-time in April 2024	↑ 21%
Obstetrics	<ul style="list-style-type: none">• Dr. Liel Navi joined in January 2024 (part-time)• Dr. Jane Lowell joined in February 2024 (per diem)• Stephanie Boswell-Davies, CNM joining August 2024 (part-time)	
Orthopedics	<ul style="list-style-type: none">• Dr. Carter Lindborg joining September 2024• Dr. Allicia Imada joining September 2024	↑ 37%
Pulmonology	<ul style="list-style-type: none">• Dr. Ben Chaucer joining August 2024	↑ 56%
Urology	<ul style="list-style-type: none">• Dr. Kevan Sternberg joined July 2024	↑ 42%
Ophthalmology	<ul style="list-style-type: none">• Signed LOI full-time Pediatric Ophthalmologist October 2024	↑ 16%

Strong Operational Efficiency

Operating Expense Growth: Cumulative 2020 to 2025 Requested



Cumulative Expense Growth - Year over Year 2020A
to Projected 2025



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Stewardship – FY2025 Improvement Efforts

Bedside medication
verification in Operating
Room
\$1.2M

New linen program to
reduce par levels
\$70,000

Reduced information
management storage
services
\$101,700

Restructure PACS system
and telephone system
licenses
\$83,700

Helping our community
partners save via the New
England Collaborative
Health Network, LLC
\$1.4M

Reduce travel & seminars
in various departments
\$30,140

Reduced outside contract
service for Pathology
\$132,610

Reduced advertising
\$196,738

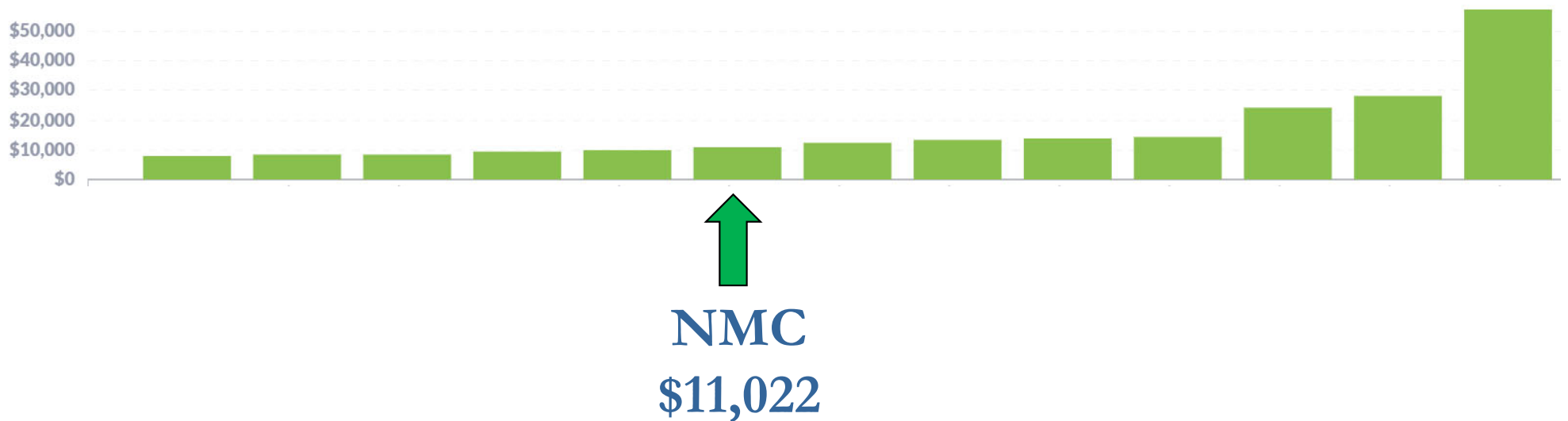
All Other
~\$223,000

Strong Operational Efficiency



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Hospital operating costs per adjusted patient discharge for each selected hospital



Median hospital operating costs per adjusted patient discharge for each selected state and nationally

^ State	^ Health System	^ Bed Size	^ Hospital Ownership	^ Median ^
National	All	All	All	\$11,987
Vermont	All	All	All	\$12,430

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Strong Operational Efficiency



Each department receives a biweekly workforce productivity report that compares their staffing levels per unit of service to a national benchmark provided by Premier. For the pay period ended May 25th, the organization wide year-to-date score was 98.



Northwestern Medical Center
6000 Progressive Care Unit
Period Ending: May 25, 2024

Current 89	6 Mo. Avg. 94	YTD 96	Primary Unit of Service: Unit Patient Days Target Mod Comment:		
			90th %ile	75th %ile	50th %ile
			Standard Benchmarks: 9.412	10.423	11.575

Unit Of Service (UOS)	Standard (Hrs/UOS)	Standard Effective Date	Relevant UOS Component	UOS Source and Notes
Med Surg Observation Patient Days	11.575	10/1/2021	Yes	QHR 2022 BM 75% MED
Med/Surg Patient Days	11.575	10/1/2021	Yes	QHR 2022 BM 50% MED
Step Down Patient Days	12.342	10/1/2022	Yes	QHR 2022 Benchmarks 50th
Sub Acute Patient Days	8.052	10/1/2021	Yes	QHR 2022 BM 75% MED

	12/9/23	12/23/23	1/6/24	1/20/24	2/3/24	2/17/24	3/2/24	3/16/24	3/30/24	4/13/24	4/27/24	5/11/24	5/25/24	Low	Avg	High
Productivity																
Productivity Index	99	116	109	111	103	97	87	88	81	85	93	59	89	59	94	116
Hours / Relevant UOS																
Target Worked	10.82	10.95	10.90	10.83	10.59	10.67	10.81	10.92	11.04	11.16	11.09	10.75	11.04	10.59	10.89	11.16
Actual Worked	10.96	9.45	10.03	9.79	10.25	10.96	12.39	12.44	13.60	13.07	11.90	18.21	12.37	9.45	11.96	18.21
Actual Paid	12.26	9.92	11.22	10.60	10.76	11.98	12.77	13.74	14.24	14.20	12.76	20.05	12.83	9.92	12.87	20.05
FTEs																
Target Worked	46.1	56.4	47.7	49.7	47.6	46.9	44.4	38.8	38.5	39.8	44.2	25.2	45.0	25.2	43.9	56.4
Actual Worked	46.7	48.7	43.9	45.0	46.1	48.2	50.8	44.2	47.5	46.6	47.5	42.7	50.3	42.7	46.8	50.8
Worked Diff	0.6	(7.7)	(3.8)	(4.7)	(1.5)	1.3	6.5	5.4	8.9	6.8	3.2	17.5	5.4			
Target Paid	51.5	59.2	53.3	53.8	50.0	51.3	45.7	42.9	40.4	43.2	47.4	27.7	46.6	27.7	47.2	59.2
Actual Paid	52.2	51.1	49.0	48.7	48.4	52.7	52.4	48.9	49.7	50.6	50.9	47.0	52.2	47.0	50.3	52.7
Paid Diff	0.7	(8.1)	(4.2)	(5.1)	(1.6)	1.4	6.7	6.0	9.3	7.4	3.5	19.3	5.6			
Key Measures																
Overtime Percent	3.6	5.1	5.2	5.7	5.6	5.0	3.7	3.7	3.6	3.3	3.3	1.0	3.9	1.0	4.1	5.7
PTO Percent	10.6	4.7	10.5	7.6	4.8	8.5	3.0	9.5	4.5	7.9	6.7	9.2	3.6	3.0	7.0	10.6
Relevant Unit Volume																
Total Relevant UOS	341	412	350	367	360	352	328	284	275	285	319	188	326	188	322	412
All Volumes																
Med Surg Observation Patient Days	113	141	74	76	52	29	26	57	55	46	41	24	63	24	61	141
Med/Surg Patient Days	155	198	209	213	207	233	231	174	182	205	234	120	214	120	198	234
Step Down Patient Days	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub Acute Patient Days	73	73	67	78	101	90	71	53	42	34	44	44	49	34	63	101



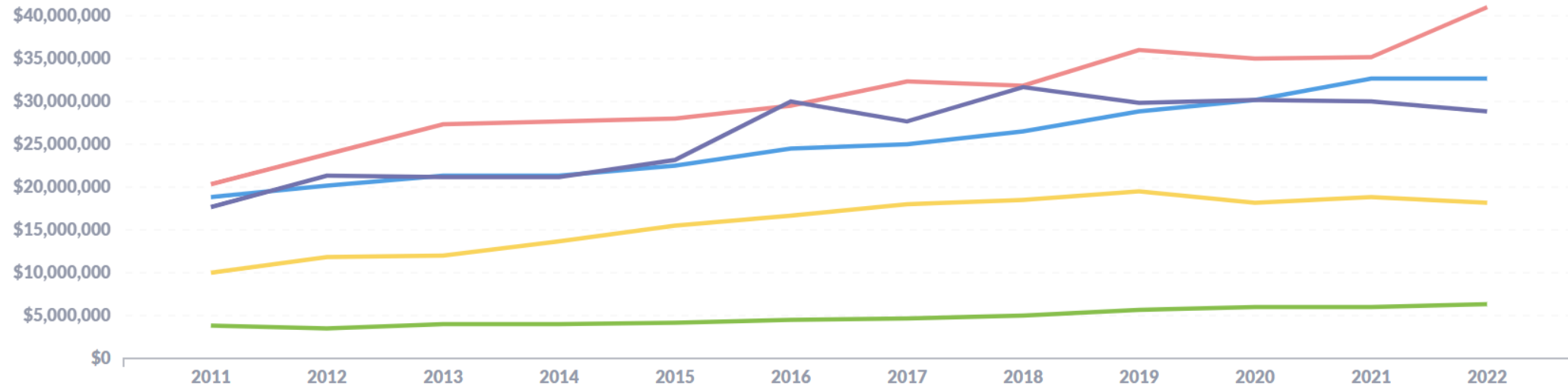
Strong Operational Efficiency



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Hospital expenses by category

● Direct Patient Care L... ● Labor Cost Other than Direct Patie... ● Capital Relate... ● Other Hospital Operat... ● Additional Operating Expenses not related to Hos.



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Strong Operational Efficiency



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Labor Costs

How much labor do hospitals use for direct patient care and how much does it cost?

Critical access hospitals are excluded from the following analyses as their labor cost metrics are set to missing.

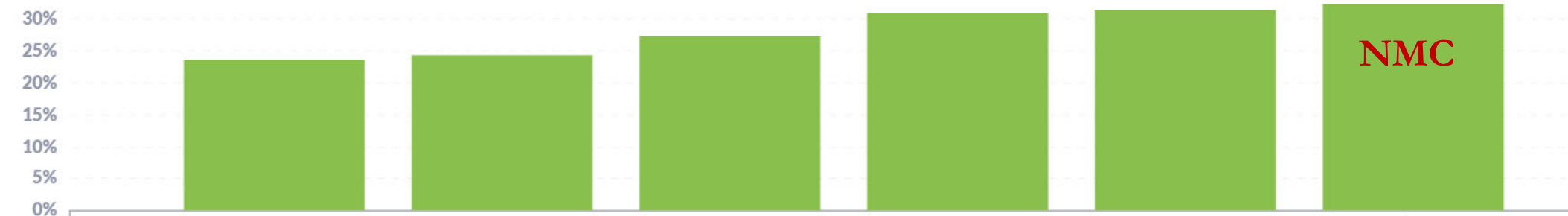
Direct Patient Care Labor Cost as % of Hospital Expenses (Inclusive of All Services)

Percentage of Hospital Expenses (Inclusive of All Services) attributed to direct patient care labor.

Direct Patient Care Labor Cost as % of Hospital Expenses (Inclusive of All Services) = Direct Patient Care Labor Cost ÷ Hospital Expenses (Inclusive of All Services)

Direct Patient Care Labor Cost = Direct Patient Care Hospital Labor Cost + Direct Patient Care Contracted Labor Cost

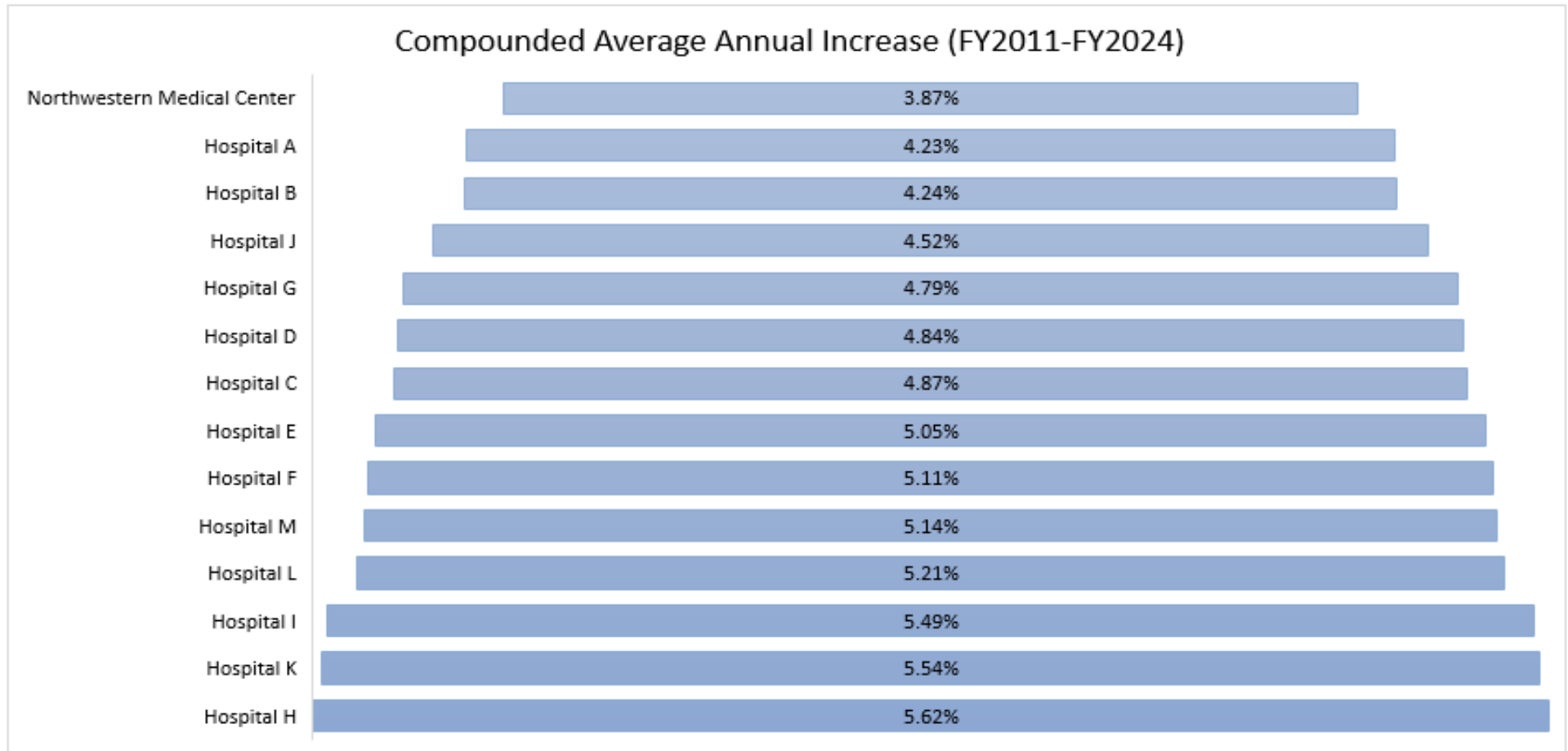
Direct patient care labor costs as % of hospital expenses (inclusive of all services) for each selected hospital



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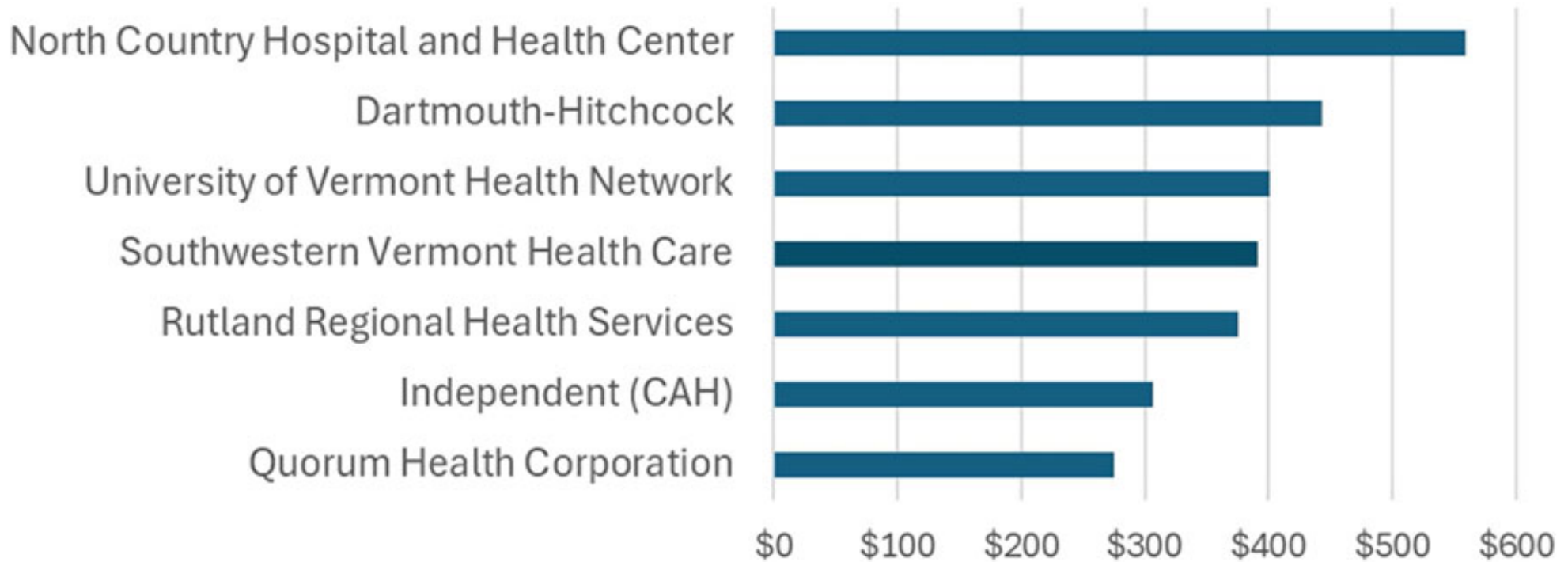
Strong Operational Efficiency



NMC has not negotiated reimbursement increases with commercial insurers above and beyond approved rate increases

Strong Operational Efficiency

Standardized Price per VT Outpatient Service, 2022



Average Allowed Amount (Dollars) per Standardized Outpatient Service

Source: RAND 5.0

Positive Operating Margin

**FY2024 Projected
Operating Margin
of -0.78%**

**FY2025 Budgeted
Operating Margin
of 0.99%**

**Financial
Sustainability is a
Minimum
Operating Margin
of 3.0%**

Thank you

We ask that you vote to approve NMC's FY25 budget as submitted. What questions do you have?



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