

HSF QUESTIONS FOR HOSPITALS



HOSPITAL 8: NORTHEASTERN VERMONT REGIONAL HOSPITAL (NVRH)

Follow-Up Questions and Requests Related to Your Budget Submission

On substantive variations from last budget

1. What are your expected savings from switching from on-prem services to cloud?

On core justifications

2. You've requested a high rate in part to invest \$29 million in your facilities. Can you detail why these investments are necessary?
3. We commend you on your attempts to reduce wait times to your pain management clinic. Can you please provide more detail on how you've worked with North Country to avoid duplicating pain management services.

On labor expenses

4. Can you explain why your projected FY24 labor expenses are so much higher than budgeted?
5. The reduction in contracted labor from FY24 (projections) to FY25 (budget) is very steep (~50% reduction). There is a ~3% increase in labor expense on the I&E which (one might expect) is on par with inflation expense and not what would be attributed to additional FTE hires. Can you explain why you've made these calculations?

On pharmaceuticals

6. Does the 340B program reduce pharmaceutical prices for patients as well as the hospital? Can you please provide a sense of how much of the 340B discounts you're passing onto patients?
7. Do you make a profit off your pharmaceutical operations. If so, can you please specify how much. Please specify any profits made from the 340B program specifically.

On rate changes

8. Why is none of the price increase allocated to professional services?

On capital expenditures

9. Do you have a risk mitigation plan in the event that construction delays arise or in the event that unforeseen financial pressures arise related to your bridge loan?

On uncompensated care

10. What do you predict will be the financial impact of your new financial assistance policy? What do you expect will be the impact on patient utilization of financial assistance?

On zero-based budgeting

11. Were the remaining expense categories given a flat rate increase? How did you determine the budget for the remaining budget items?

On your workbook submission

12. In Table 6 in the workbook, you attribute a high number of associated expenditures for just 5 episodes of patient boarding. Do you have a plan to prevent these expenses in the future?
13. In Table 7 in the workbook, the majority of departments fall well below even the 50th percentile. Can you explain these lower levels of productivity? What methods have you considered to improve these levels going forward?
14. Please review the rate decomposition details you submitted as well as the “summary” tab and explain the following (where available, show supporting calculations):
 - a. How did you arrive at the assumed rates of growth for price, volume, and payer mix shifts by payer?
 - b. For non-zero values in the “other” column, how did you derive these estimates?

Other

15. 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.
16. 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.
17. 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.