



Choosing Health

NORTHEASTERN VERMONT REGIONAL HOSPITAL

October 20, 2023

Owen Foster, J.D., Chair
Green Mountain Care Board
144 State Street
Montpelier, VT 05602

Dear Chair Foster:

On October 1, 2023 Northeastern Vermont Regional Hospital (NVRH) received the Green Mountain Care Board’s (GMCB) FY 2024 Budget Order. We hereby request a change to that Budget Order. Specifically, NVRH requests Section A of the Budget Order be modified to the language presented below at “Revised FY 2024 Revised Budget Order Section A.” The modification will correct an apparent inconsistency between NVRH’s approved FY 2024 NPR/FPP as calculated from Section A of the Budget Order and NVRH’s approved FY 2024 NPR/FPP as calculated from Section B of the Budget Order.

Sections A and B of the October 1, 2023 Budget Order

A. NVRH’s FY24 NPR/FPP budget is approved at a growth rate of not more than 9.0% over its FY22 actual, with a total NPR/FPP of not more than \$115,178,726 for FY24, reflecting a reduction of \$8,381,484 from NVRH’s submitted budget. NVRH’s FY24 operating expenses must also be reduced by \$8,381,484

B. NVRH’s overall change in charge and commercial rate increases are approved at not more than 8% over current approved levels, with no commercial rate increase for any payer at more than 8% over current approved levels. The commercial rate increase overall or with respect to any payer may be less than 8% as negotiated between the hospital and payer.

Inconsistency in Approved NPR/FPP

As illustrated in the table shown below, NVRH’s approved FY 2024 NPR/FPP as calculated from Section A of the Budget Order is \$5,144,453 lower than the approved NPR/FPP as calculated from Section B of the budget order.

NVRH	
Approved NPR/FPP Calculated From Sections A and B of Budget Order	
FY 2024 Budget	
NPR/FPP As Submitted	
FY 2024 NPR/FPP as Submitted	123,560,210
FY 2022 Actual NPR/FPP	105,668,500
NPR/FPP Growth Rate	16.9%
NPR/FPP As Revised by Section A of Budget Order	
FY 2024 NPR/FPP as Submitted	123,560,210
Reduction Imposed by Budget Order A	(8,381,484)
FY 2024 Approved NPR/FPP as Adjusted By Budget Order A	115,178,726
FY 2022 Actual NPR/FPP	105,668,500
NPR/FPP Growth Rate	9.0%
NPR/FPP As Revised by Section B of Budget Order	
FY 2024 NPR/FPP as Submitted	123,560,210
Reduction imposed by Budget Order B (\$462,433*7)	(3,237,031)
FY 2024 Approved NPR/FPP as Adjusted by Budget Order B	120,323,179
FY 2022 Actual NPR/FPP	105,668,500
NPR/FPP Growth Rate	13.9%
Difference in Approved NPR/FPP Budget Order A vs Budget Order B	
FY 2024 NPR/FPP Based on Order A	115,178,726
FY2024 NPR/FPP Based on Budget Order B	120,323,179
Difference	(5,144,453)

A 1% change in charge equals \$462,433 in NPR as referenced in Exhibit 10, cell E19 which is the commercial change in NPR related to Rate for FY22-FY24 of \$11,907,660 divided by the two years of rate request increase of 25.75% (10.75% for FY23 and 15% for FY24). Therefore the decrease in rate request of 7% multiplied by \$462,433 per 1% change equals \$3,237,031 change in NPR. We believe the intent of the board is to reduce NPR by \$3,237,031 consistent with the reduction in rate request. In order to best reflect this intent, we propose the following:

Revised FY 2024 Revised Budget Order Section A

NVRH is requesting the GMCB set our approved FY 2024 NPR/FPP at \$120,323,179 and that Budget Order Section A be changed to the read as follows:

NVRH's FY24 NPR/FPP budget is approved at a growth rate of not more than 14.0% over its FY22 actual, with a total NPR/FPP of not more than \$120,323,179 for FY24, reflecting a reduction of \$3,237,031 from NVRH's submitted budget. NVRH's FY24 operating expenses must also be reduced by \$3,237,031.

We would greatly appreciate the Board's prompt consideration of our request to modify Section A of the Budget Order issued by the GMCB on October 1, 2023. I, and my team, are available to promptly answer any questions related to our request.

Sincerely,



Shawn P. Tester
CEO

CC