

# VERMONT LEGAL AID, INC.

## OFFICE OF THE HEALTH CARE ADVOCATE

264 NORTH WINOOSKI AVE. - P.O. BOX 1367

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March 23, 2022

Kevin Mullin, Chair  
Green Mountain Care Board  
144 State Street, Montpelier, VT 05602

To Chair Mullin and Members of the Green Mountain Care Board:

Thank you for soliciting comments from the Office of the Health Care Advocate (HCA) on the draft FY2023 Hospital Budget Guidance. The HCA submits the following comments as well as a set of questions (attached) that we request be incorporated into the Board's guidance. We have limited our questions in deference to hospitals' increased workload from the Covid-19 pandemic. The HCA will submit separate comments expressing our concerns about the new method used to calculate the staff recommended NPR target.

As Vermont moves towards global hospital budgets, it is more important than ever to have reliable, standardized, and transparent hospital data as well as clear guideposts for achieving our reform goals. With that in mind, the HCA requests that the Board adopt the following recommendations:

1. In Section III, subsection iii (Charge Request), we recommend asking each hospital to provide a high-level contingency plan for how it would amend its business strategy if the Board reduced or denied its charge request.
2. In Section III, subsection (v)(b) of the Narrative, the Board asks hospitals to list "COVID-19 advances, relief funds, and other grants received." We suggest that you add an additional request: "Explain the impact of any one-time causes of losses over the last two years other than the impact of COVID-19 such as cyber-attacks, department or division closures, or similar events."
3. We continue to believe that it is vital for the Board to adopt metrics to understand base hospital prices. We suggest asking hospitals for their commercial prices compared to Medicare, which we have drafted in the attached document, question 1.

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4. We recognize that the Board will not be able to fully incorporate these final recommendations into this years' budget process. We ask the Board to develop a plan to address these issues and consider whether it would be helpful to ask hospitals questions to elicit their feedback on any of these points. We ask the Board to commit to the following goals:
  - a. standardize data submitted through the hospital budget process,<sup>1</sup>
  - b. develop fixed prospective payment vs fee for service revenue ratio targets for hospitals, and
  - c. adopt metrics to evaluate how much money Vermont's hospitals, all of which are nonprofit, donate to the community through initiatives such as charity care and public health programs (termed "community benefit") compared to how much money they save in taxes.

Please feel free to contact us at [hcapolicystaff@vtlegalaid.org](mailto:hcapolicystaff@vtlegalaid.org) with any questions.

Sincerely,

Sam Peisch  
Policy Analyst  
Advocate

Eric Schultheis  
Staff Attorney

Kaili Kuiper  
Staff Attorney

Mike Fisher  
Chief Health Care

Enclosure: Health Care Advocate FY2023 Hospital Budget Guidance Questions

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<sup>1</sup> On February 8, 2021, the HCA submitted a letter to the Board expressing concern that the hospitals report substantially different values for the same data elements to the Board, CMS, and the IRS. We have urged the Board to specify how hospitals should calculate each reported data element to ensure that the meanings of the hospitals' responses are fully transparent and standardized. We were told that the Board would create a workgroup to look at this after last year's hospital budget process concluded, but as far as we are aware, the workgroup never occurred. Without clear and transparent definitions for hospital budget data elements, we cannot compare a hospital's responses to other hospitals or to the same hospital across time – hospitals may define the same data element differently and the same hospital may change its definitions over time. We note that the hospitals' auditors accept various reporting standards. The auditors cannot ensure data element clarity nor standardization across hospitals or within hospitals. We continue to urge the Board to develop and implement a plan to correct this issue.

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### Health Care Advocate FY2022 Hospital Budget Guidance Questions

#### 1. Reimbursement Ratios Relative to Medicare

- a. Please complete the table below regarding actual reimbursement rate relative to Medicare reimbursement rate by payer category for FY2022 (Q1-Q3)

	Ratio of Inpatient Reimbursement to Medicare Inpatient Reimbursement, Standardized by MS-DRG Relative Weights	Ratio of Outpatient Reimbursement to Medicare Outpatient Reimbursement, Standardized by APC Relative Weights
Medicare	1	1
Medicaid		
Commercial		

To the extent that your organization tracks the information by commercial payer, please complete the table below for FY 2022 (Q1-Q3).<sup>2</sup>

	Ratio of Inpatient Reimbursement to Medicare Inpatient Reimbursement, Standardized by MS-DRG Relative Weights	Ratio of Outpatient Reimbursement to Medicare Outpatient Reimbursement, Standardized by APC Relative Weights
BCBSVT		
TVHP		
MVP		
Cigna		

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<sup>2</sup> In light of CMS mandates requiring hospitals to publicly disclose prices by commercial payer, we do not expect that commercial payer contracts limit such disclosure.

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## 2. Hospital Financial Assistance and Bad Debt during COVID-19

- a. Please provide the following updates since last year's hospital budget process:
  - i. How have you changed your official or unofficial patient financial assistance policies and/or procedures?
  - ii. How has your handling of patient collections changed?
  - iii. Please estimate the most recent quarter when you reviewed whether your free care policy documents (full policy, plain language summary, application, etc.) align.
- b. Collecting on patient debt:
  - i. If a patient is overcharged, please explain your ability to correct a bill once the collection process has begun.
  - ii. Do you inform patients when patient balances owed are written off as bad debt?
  - iii. How many patients had bills that you sent to a third party to collect the debt during the following timespans: (1) Q4 FY2020 and Q1-Q3 FY2021 and (2) Q4 FY2021 and Q1-Q3 FY2022?
  - iv. What is the total dollar amount of bills sent to collections during the following timespans: (1) Q4 FY2020 and Q1-Q3 FY2021 and (2) Q4 FY2021 and Q1-Q3 FY2022?
- c. Please provide the FY2021 actual and FY2022 projected bad debt by whether the patient who accrued the debt was insured or uninsured. Please split the insured category by whether the patient's primary insurance is Medicaid, Medicare, or a commercial plan.

## 3. Medicaid Screening Processes

- a. Emergency Medicaid
  - i. If your organization has written policies regarding screening for emergency Medicaid under HBEE Rule 1702(d),<sup>3</sup> please provide them.
  - ii. For Q1-Q3 of FY 2022, please provide the number of facility patients screened for emergency Medicaid and the number of facility patients who received emergency Medicaid.
  - iii. For Q1-Q3 of FY 2022, please provide the number of labor and delivery patients screened for emergency Medicaid and the number of labor and delivery patients who were covered by emergency Medicaid.

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<sup>3</sup> ["Health Benefits Eligibility and Enrollment Rules."](#) *State of Vermont*. 2021.

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- iv. If your organization has outreach materials on the application process and eligibility criteria for Emergency Medicaid, please provide them. Please explain how your patients can access these materials and list the languages into which the materials have been translated.
- b. Deemed Newborns<sup>4</sup>
  - i. If your organization has written policies regarding screening newborns for Medicaid in line with HBEE rule 9.03(b), please provide them.
  - ii. For Q1-Q3 of FY 2022, please provide the number of newborns screened for Medicaid without an application and the number of those newborns who received Medicaid.
- c. Since the passage of “H. 430/Act No. 48 An act relating to eligibility for Dr. Dynasaur-like coverage for all income-eligible children and pregnant individuals regardless of immigration status,”<sup>5</sup> what steps have you taken to prepare for the implementation? Do you have outreach materials, and if so, what languages are they translated into? If you have such materials, please provide them.

#### 4. Health Equity

- a. Please provide examples of any policies, procedures, and initiatives that your hospital has undertaken, or plans to undertake, to address systemic racism within your institution and community.
- b. If you have a funded DEI / Racial Equity position or DEI committee at the hospital, what are their primary roles and responsibilities? How is this position empowered and supported within the hospital? If you do not have this type of position, are you planning to create one? What obstacles are preventing you from creating this type of position?
- c. Please describe the process for how your hospital handles patient complaints related to discrimination.
- d. How much funding in your current and future budgets has been allocated to DEI and/or racial equity focused projects, trainings, or collaborations?
- e. What percentage of staff and administrative leadership have received training in language access needs, implicit bias, and cultural competency? Does this vary significantly by job category?

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<sup>4</sup> Deemed newborns are children who were born to a Medicaid recipient. In accordance with 42 C.F.R. § 435.117 and HBEE 9.03 (b) (2) (i), these individuals are automatically enrolled in Medicaid without an additional application.

<sup>5</sup>[“Act No. 48 – As Enacted.”](#) 2021.

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- f. Are patient satisfaction surveys given in languages other than English? In what languages is the survey available? Is race/ethnicity data collected as a part of these surveys?
- g. Please discuss any analyses or tracking your hospital conducts or is considering conducting regarding access to care, care efficacy, or satisfaction among vulnerable populations including, *but not limited to*,
  - i. patients whose primary language is not English,
  - ii. BIPOC patients,
  - iii. patients with no or intermittent broadband and/or cellular telephone service, and
  - iv. patients who are not U.S. citizens.
- h. Please discuss how you utilize health disparities data to inform hospital policies and procedures.