

FY 2025 Operating & Capital Budget

**Green Mountain Care Board Hearing
Presented by Judi Fox & Jenn Bertrand
August 7, 2024**



Introductions

Presenters:



Judi Fox
President &
Chief Executive Officer



Jennifer Bertrand
Chief Financial Officer



Kelly Watson, DNP, FACHE
Vice President,
Chief Nursing Officer



Mitch Baroody
Vice President,
Chief Legal Officer

Attending:

- Members of the RRHS/RRMC Board of Directors
- Executive Leadership Team
- RRMC Staff



Agenda

1. Background
2. Overview
3. Budget Summary
4. Budget Details
5. Comparative Metrics
6. FY 2023 Performance
7. Questions



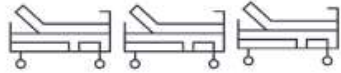
RRMC Statistics



Independent
Sole Community Hospital



Service Area =
60,000 Patients



145 Inpatient Beds



6,350 Inpatient
Admissions



276K Outpatient
Registrations



1,800+
Employees



325
Medical Staff



33,968
Emergency Room Visits



30,148
Volunteer Hours



43
Medical Specialties



5,139
Surgeries



Our Services



- Level II Emergency Care
- Intensive Care Services
- Medical & Radiation Oncology
- Cardiology & Pulmonary
- Gastroenterology & Hepatology
- Surgical Services
- Sleep Medicine
- Maternal Health
- Newborn and Pediatric Care
- Imaging and Interventional Radiology
- Laboratory Testing / Reference Lab
- Rehabilitative Health
- Inpatient Psychiatry

Recognition



Painting Honors Hospital Staff

In 2023, the hospital received a beautiful original oil painting by local artist, Ann McFarren. The painting was commissioned and donated by Dr. David and Julie Charnock in honor of "all hospital and clinic staff taking care of patients and each other." We are grateful for the Chamock's generosity and ongoing dedication and commitment to the hospital and to those we serve.



Rooted in Excellence
Put Down Roots in a Place Where You Will Grow





Mission/Vision/Values

OUR MISSION

We provide high quality, hospital, and specialty care for all through the strength and compassion of our people.



OUR VISION

We excel at meeting the needs of those we serve as the preferred healthcare provider and employer.

OUR VALUES

Excellence

We strive to achieve the highest standards of quality and performance in everything we do.

Professionalism

We act with integrity and respect and hold each other accountable for everything we do.

Innovation

We seek opportunities to continuously improve and adapt to the ever-changing healthcare environment.

Collaboration

We create a diverse and inclusive community and work together as a team to fulfill our mission.

Compassion

We provide empathetic, patient-centered, and equitable care by acting with kindness, dignity, and respect.

Strategic Plan



The five priorities identified were selected by Rutland Regional Medical Center's volunteer Board and Leadership team as long-term focus areas with clear impacts on Rutland Regional's success. The strategies and tactics within each priority may adjust periodically to accommodate the ongoing progress and needs of the organization.



- » Pillars of work were *intentionally* named to describe our *aspirations*
- » The flywheel design acknowledges *the interconnection* – not hierarchy – of our work
- » Resulting in *5 pillars* and *12 strategies*

Develop an **aspirational**, multi-year strategic plan that **focuses** our work, is easy to **broadly communicate**, and links to **specific, measurable outcomes**.

Strategic Initiatives

Employer of Choice

- *Enhance Benefit Offerings*
- *Implement Talent Management Programs*
- *Modernize Recruitment Approach*
- *Improve Employee Experience*

Access to Care

- *Enhance Care Capacity*

Quality Care Delivery

- *Optimize Care Delivery*
- *Advance our Culture of Safety*
- *Improve Health Equity*

Financial & Resource Stewardship

- *Achieve Sustained Financial Resiliency*
- *Optimize Physical Assets*

Transformation

- *Lead Healthcare System Stabilization*
- *9 Strategize on Payment Reform*

Pillars and Organizational Scorecard



Employer of Choice

- » Employee Engagement
- » Employee Turnover
- » Traveler Volume
- » Re-establish Service Excellence Program



Access to Care

- » Clinic Appointment Wait Times
- » Imaging Appointment Wait Times



Quality Care Delivery

- » CMS 5 Star Rating
- » Magnet Designation



Financial & Resource Stewardship

- » Achieve Budgeted Operating Margin
- » Capital Plan Execution
- » Environmental Stewardship Plan



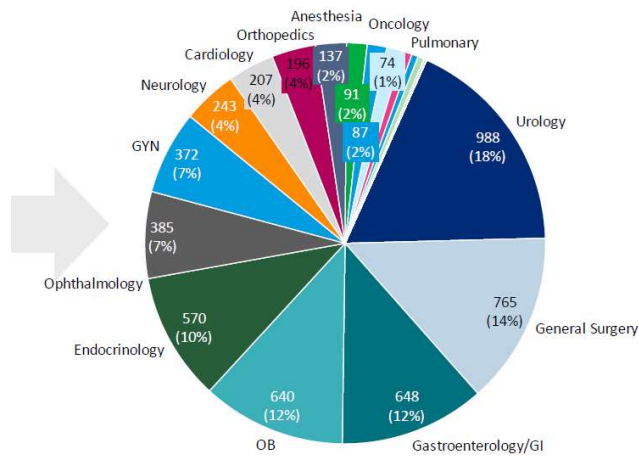
Transformation

- » Payment Model Participation Decision
- » Custodial Patients Average Daily Census

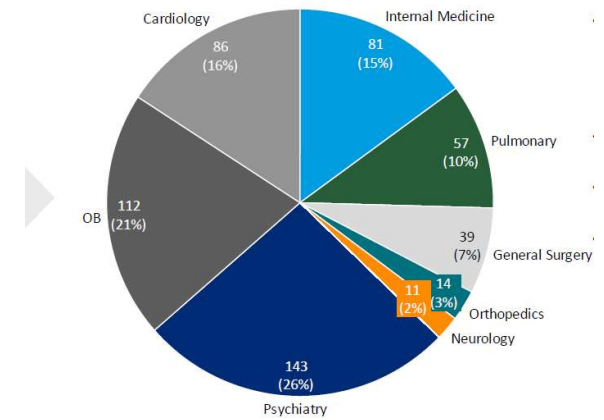
Act 167: Transformation Considerations

Findings of the Oliver Wyman study for Rutland

1. Build Capacity to recapture outpatient service revenue



3. Build capacity to recapture inpatient service revenue



3. Specific Care Delivery services identified for growth

- Primary care, recruitment and efficiency
- IP dialysis
- Continued expansion of orthopedics
- Invasive cardiology
- Use ICU beds for ICU patients
- Expand telehealth

4. Continue to evaluate and integrate efficiency opportunities

- Shared services
- Regional care delivery centers
- Eliminate hospital waste – care that should be provided in other settings



Transformation

Rutland, like many rural communities, faces ongoing challenges including an aging population, increased substance misuse and addiction, mental health issues, transportation, lack of post-acute care option, ongoing homelessness, inadequate housing, and workforce shortages.

- The current landscape is **not sustainable**.
- We know that payment transformation cannot be successfully achieved without **care delivery transformation**.
- Most recently filed Cost Report RRMC **lost \$39 million from State and Federal payers** - this trajectory is unsustainable and has been subsidized by commercial payers which can't continue at the current levels.
- Within the next 5 years data suggests that RRMC will **lose 12% of the working age population**, leaving us with about ½ our residents of less than 19 years of age or older than 65.

Our Commitment: *“We commit to remain engaged and inquisitive to innovative approaches that result in better access, higher quality and lower costs.”*

- Rutland provided a letter of support to collaborate with GMCB and AHS in applying for AHEAD.
 - We're not sure if it's the right program for VT but felt it was a responsibility to support the evaluation of the merits of the program.
- Developed a multi-year strategic plan that serves as the roadmap to support Rutland transformation.



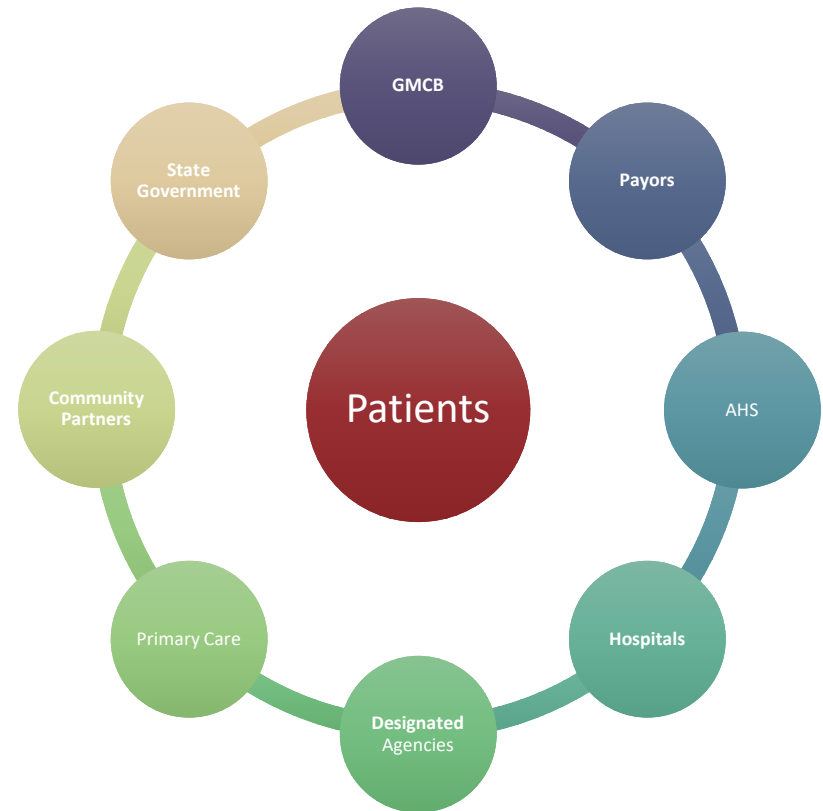
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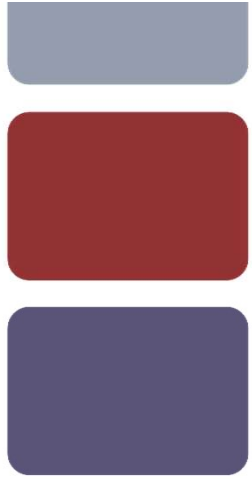
Some of the initiatives have been identified in our Strategic Plan while others will need to be evaluated against several criteria to determine care could be delivered appropriately with optimal outcomes.

- ***What should Rutland lead? How is Rutland positioned to grow? Do we have supporting services to support growth? What are building and equipment requirements? Do we have the right clinicians?***
- **What should the State and Federal partners lead?** How would Rutland support State and Federal initiatives?

RRMC is Committed to Collaboration

- We must commit to engage with local, state and federal partners to build our healthcare infrastructure to allow for the ***right care in the right settings***.
- Collaboration is necessary to ensure we minimize waste in the system.
 - It is common for 8 to 10% of our volume to be related to “custodial care” – patients who don’t require inpatient care but have no where else to go.
 - We also know that patients and community members seek emergency room care when there are no other options, when wait times for testing is long or access to primary care is challenging.
- Goals should include:
 - Eliminating overlapping responsibilities
 - Focus on care delivery reform at the same time we are considering payment reform
 - Alignment across healthcare providers of goals
 - Engage our legislators to make meaningful change that keeps the patient-centered





FY 2025 Budget Summary



Summary of Budget Proposal

- GMCB Benchmark Requirements:

GMCB Benchmark Requirements	
Net Revenue	≤ 3.50%
Commercial Rate Growth	≤ 3.40%
Operating Margin	> 0.00%

- RRMC is meeting 2 of the 3 benchmarks:

Commercial Rate Growth	
Payer 1	2.01%
Payer 2	3.01%
Payer 3	3.05%
Payer 4	2.25%
Aggregate	2.80%

Operating Margin =
2.50%

- RRMC exceeds the net revenue benchmark by 2.6% due to improvements in access to care.



FY 2025 Primary Budget Goals

- Increase access to care
- Reduce wait times
- Balance patient affordability
- Integrate cost saving initiatives
- Continue to focus on operational efficiency
- Incorporate estimated impact of the union negotiation
- Implement an increase to the organizational minimum wage
- Achieve a moderate operating margin

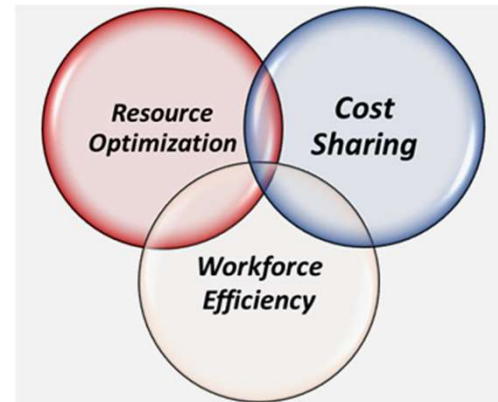
FY 2025 Budget Risks



Risk	Mitigation Plan
Continued Workforce Challenges	<ul style="list-style-type: none"> > Prioritize retention and recruitment initiatives > Continued talent pipeline development
Upcoming Labor Negotiation	Would require further cost saving initiatives, which will be challenging
Unanticipated Provider Changes	<ul style="list-style-type: none"> > Leverage use of Locums & Per Diem staff > Expand telehealth services
340B Program	Continue work with state and federal agencies to communicate the benefits of the program

Opportunities

- OW – RRMC is well-positioned to provide comprehensive healthcare services to neighboring communities
- Implementation of technology solutions that establish optimal utilization of our resources
- Workforce efficiency initiatives
- Potential cost sharing strategies
- Resource optimization and continuous process improvement



Patient Demand from Other Regions

- There has been an increasing trend in utilization from patients seeking services outside RRMCs health service area:

	2020	2021	2022	2023	2024B	2024P	2025B
Non-Rutland HSA Gross Charges	72,003,184	85,608,715	96,043,973	118,683,991	126,637,643	139,796,357	150,490,099

- Sought after services include:
 - Orthopedics
 - Inpatient Care
 - Oncology Services
 - Emergency Services

Primary HSAs Seeking Services:
Windsor, Bennington, and Addison
Counties

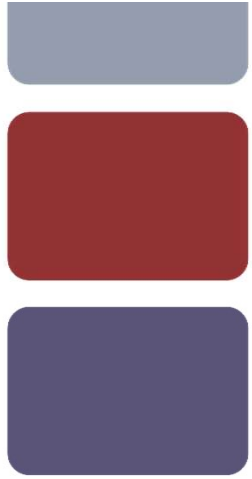
FY 2024 Projection

- Our FY 2025 Budget was based on the utilization trends we are experiencing in FY 2024.

FY 2024 Utilization Impact on Gross Revenue	
FY 2024 Budget	904,554,594
Increased Volume Occuring in FY 2024	27,421,117
FY 2024 Projection	931,975,711
Additional FY 2025 Volume	42,415,283
FY 2025 Budget (Prior to Charge Increase)	974,390,994

FY 2024 Approved Budget	FY 2024 Projection	Variance	Reason For Change
2,568,801	3,222,100	653,299	Infusion Expansion
58,633,464	68,376,373	9,742,909	2nd CT Scanner
29,286,721	25,714,879	(3,571,842)	Low MRI Volume in Q1
99,259,726	101,737,696	2,477,970	Increase in Surgical Service Volume
155,939,910	170,881,344	14,941,434	Increased Pharmacy Due to Infusion Expansion
558,865,972	562,043,319	3,177,347	Other Misc Utilization Changes
904,554,594	931,975,711	27,421,117	

- FY 2024 projected net revenue is exceeding budgeted expectations by 2.45%.



FY 2025 Budget: Net Revenue



Net Revenue

- GMCB allows a 3.5% budget-to-budget net revenue increase.
- RRMC's FY 2025 net revenue budget yields a 6.1% increase over the FY 2024 Budget.
- The majority of RRMC's net revenue increase is related to improved access to care as utilization comprises 4.3% of the 6.1% increase.

Budget-to-Budget Change		
Net Patient Revenue Increase		% Δ
FY 2024 Budget	328,821,700	
FY 2025 Budget	348,766,196	
Total Increase	19,944,496	6.1%

Budget 2024	328,821,700	\$ Δ	% Δ
Mix	329,429,084	607,384	0.2%
Utilization	343,415,203	13,986,119	4.3%
Commercial Rate	347,543,872	4,128,669	1.3%
Medicare & Medicare Advantage	348,766,196	1,222,324	0.4%
Budget 2025	348,766,196	19,944,496	6.1%



Access to Care/Utilization

- Increased access/utilization (4.3%) accounts for \approx \$14.0M in net revenue.
- Assumed increased utilization for:
 - Infusion Center Expansion – to meet clinical demand (Full Year)
 - Mobile MRI – reduce wait times (Half Year)
 - The 2nd CT – reduce wait times (Full Year)
 - New Provider Volume – meet community need
 - Five Additional OR Days – to meet clinical demand
- Other notable shifts – laboratory services, endoscopy, general diagnostic imaging, and oncological pharmaceuticals.



Custodial Patients

- Custodial patients comprise 8.4% of RRMC's budgeted patient activity.
- Caring for 6 – 8 custodial patients per day, on average, limits our ability to accept acute care patients.
- The estimated cost of caring for these patients is \$6.2M.
- Currently, RRMC is caring for three custodial patients that have been in the facility for longer than six months.
- RRMC's case management team is actively engaged in various initiatives with community partners to transition these patients to more appropriate care settings.

Reasoning – NPSR Increase

- Aforementioned improved access to care and utilization impacts.
- Goal of reducing wait times, specifically for imaging, endoscopy, sleep medicine, and cardiology.
- Utilization comprises 70% of the increase in net revenue, budget-to-budget:

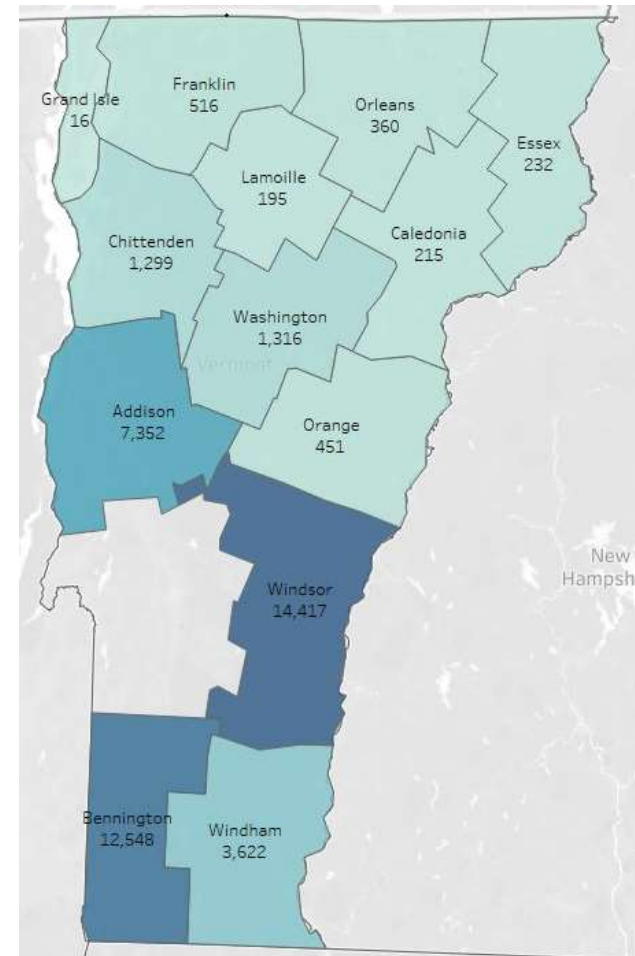
Budget 2024	\$ Δ	% Δ
Mix	607,384	3.0%
Utilization	13,986,119	70.1%
Commercial Rate	4,128,669	20.7%
Medicare & Medicare Advantage	1,222,324	6.1%
Budget 2025	19,944,496	100.0%

- Approximately 15% of anticipated utilization pertains to the care of patients located outside of our HSA.

Caring for Patients Across the State

Patients outside of RRMC's HSA are seeking services for:

- Orthopedics
- Inpatient Care
- Oncology Services
- Inpatient Psychiatric Care
- Emergency Services

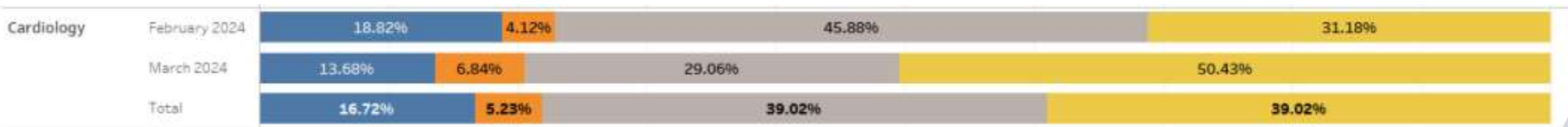
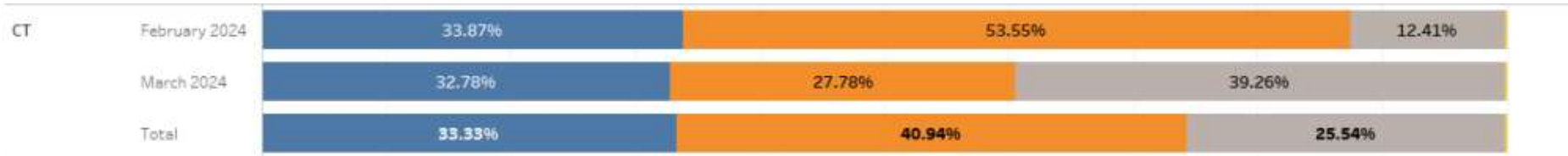


*Map includes encounters YTD thru June 2024

Goal – Improving Wait Times

Established goals to reduce wait times:

- *Imaging – targeting 50% of visits to be scheduled within 2 weeks for general imaging services, particularly CT.*
- *High demand specialty services – targeting 45% within 2 weeks.*





Charge Increase

- Incorporates the following charge increases by core service area:
 - Inpatient – 3.40%
 - Outpatient – 3.40%
 - Professional – 0.00%
- FY 2025 pricing methodology considers patient affordability and meets the GMCB guidance.
- The charge increase = \$28.9M in gross patient revenue, which equates to \$5.4M in net revenue for all payers.
- There is a distinct difference between an increase in price/charge and how that translates to commercial rate growth or the reimbursement received.

Commercial Rate Growth

- FY 2025 commercial rate growth is below the GMCB 3.4% benchmark.

System Median Commercial Rate Growth = 4.6%

System Average Commercial Rate Growth = 4.8%

- RRMC's commercial rate increase, due to the change in charge, is no more than 3.05% for any commercial payer:

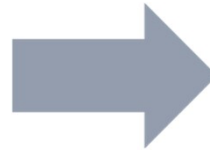
	Rate	Mix	Utilization	Total
Payer 1	2.01%	0.05%	11.45%	13.52%
Payer 2	3.01%	0.03%	12.63%	15.67%
Payer 3	3.05%	0.42%	5.31%	8.77%
Payer 4	2.25%	-0.35%	-25.75%	-23.84%

- The primary driver of the impact to commercial payers is improved access to care as evidenced in the rise in utilization.
- It is not exclusively due to a rate increase.

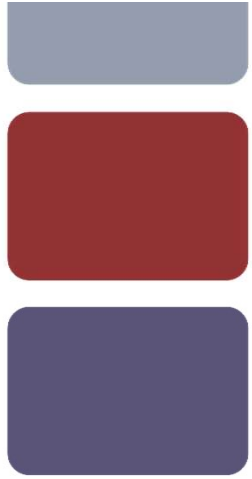
Impact of Inflation on Rate

- RRMC is absorbing a shortfall of approximately \$2M due to the difference between the proposed rate change and the increase in expenses caused by inflationary impacts.
- Thus, dividing the cost burden equally with the commercial payers.

Inflationary Impact:	\$	%
Wages & Benefits	5,667,306	3.0%
Pharmaceuticals	1,200,043	4.0%
Med/Surg Supplies	297,089	3.8%
Purchased Services	40,376	2.0%
Other	107,865	2.0%
Total Inflation	7,312,679	2.1%



Commercial Mix	28%
Commercial Portion of Inflation	2,010,987
Medicare Advantage Reimbursement Increase (2.6%)	364,753
Medicare Reimbursement Increase (2.6%)	857,571
Medicaid Reimbursement Increase = 0.0%	-
Total Rate Prior to Other Impacts	3,233,311
Cost Shift & Payer Policy Change Impact	2,117,682
Total Rate Growth - All Payers	5,350,993
Inflationary Shortfall	1,961,686



FY 2025 Budget: Other Operating Revenue

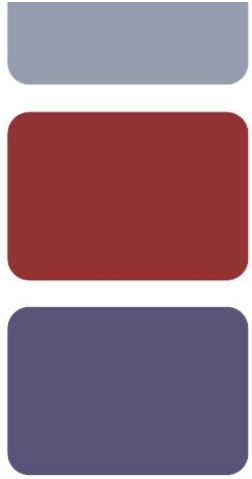


Other Revenue Assumptions

- FY 2025 budget assumes an additional reduction of \$3.8M in 340B funding from prior year budget:

RRMC 340B Program					
2021	2022	2023	2024B	2024P	2025B
11,185,386	8,518,348	9,161,349	7,250,000	3,430,000	3,430,000

- 340B revenue is an area of risk as erosion of the program may continue.
- Did not assume any further grant funding.
- Assumes an increase in retail pharmacy revenue to align with FY 2024 projection.



FY 2025 Budget: Expenses





Operational Efficiency

- Workforce efficiency – refining and adjusting utilization practices
- Continued enhancement of position control process & labor benchmarking
- Continuous process improvement – reduce manual processes
- Established a more disciplined and rigorous contract approval process
- Continually leveraging technology to adopt best practices and reduce over customization that leads to higher interfacing expense
- Optimizing the balance between in-house and third-party solutions to enhance cost efficiency and operational effectiveness

Cost Saving Initiatives

- Incorporated cost saving initiatives that equate to \$3.8M:
 - Revised approach to premium compensation structure.
 - Optimizing our staffing strategy by increasingly utilizing internal resources, which will reduce reliance on contract labor.
 - Integration of nursing units to enhance operational efficiency and optimize staffing levels.
 - Strategic FTE realignment to more efficiently support operational needs.
 - Adjusted FTE vacancy factor to better align with current trend.
- RRMC's diligent expense reduction strategies have resulted in a favorable decline in the cost per adjusted discharge:

	FY 2021A	FY 2022A	FY 2023A	FY 2024B	FY 2025B
Cost Per Adjusted Discharge	\$ 16,755	\$ 17,703	\$ 17,236	\$ 16,760	\$ 16,560

Impact of Cost Saving Initiatives

- RRMC supports an ongoing commitment to operational efficiency and realizing cost savings.
- For FY 2024 and FY 2025, RRMC has implemented cost saving measures to minimize the impact of its request on commercial rates.

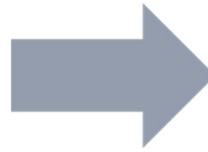
	2021	2022	2023	2024	2025
Cost Savings	3,400,000	1,208,000	675,000	5,000,000	3,800,000
Proposed Aggregate Increase	6.00%	3.64%	17.80%	5.62%	2.80%
GMCB Approved Increase	6.00%	3.64%	17.40%	5.62%	
Value of 1% Increase	1,377,458	1,246,892	1,276,149	1,498,359	1,474,525
Impact of Cost Savings	2.47%	1.00%	0.53%	3.34%	2.58%
				≈ 6.00%	
Commercial Request w/out Cost Savings	8.47%	4.64%	17.93%	8.96%	5.38%

In the last 2 years, RRMC has reduced expenses by \$8.8M and its commercial request by nearly 6%

Expenses

FY 2025 expenses are increasing by 5%:

Budget-to-Budget Change		
	Expense Increase	% Δ
FY 2024 Budget	338,945,676	
FY 2025 Budget	355,988,189	
Total Increase	17,042,513	5.0%



Expense Variances	
Clinical Salaries	8,881,570
Non-Clinical Salaries	929,836
Contract Labor	(1,663,963)
Benefits	918,665
Medical Surgical Supplies	1,823,826
Pharmaceuticals	4,905,576
All Other Expenses	1,247,004
Total Expense Increase	17,042,513

- The predominant share of the expense increase is attributed to salaries.
 - Clinical salaries account for 86% of the overall increase in salaries.
- Pharmacy and supply expense increases are commensurate with the increase in revenue and inflation.

Wang & Bai

- RRMCs administrative and general costs over the last three filed cost reports have been below pre-COVID levels:

General & Administrative Costs						
	FY2019	FY2020	FY2021	FY2022	FY2023	% Δ
RRMC Defined	11.8%	12.3%	10.1%	11.4%	10.9%	-7.6%
Wang & Bai Defined	22.7%	23.0%	21.9%	21.9%	20.9%	-7.9%

- Administrative & General expenses encompass a wide range of costs.
- While classified as administrative, it is important to note that a significant portion of these costs originate from departments that provide essential support to our patients.

Personnel

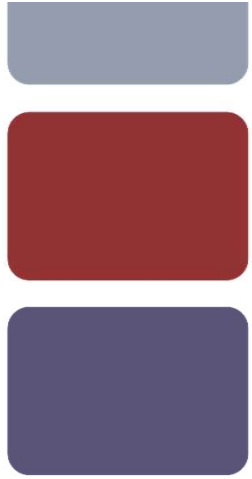
FY 2025 FTEs are increasing by 11.0:

Budget-to-Budget Change	
FTE Increase	
FY 2024 Budget	1,310
FY 2025 Budget	1,321
Total Increase	11.0



FTE Variances	
New Providers - General Surgery & OB/GYN	3.0
Physician Per Diems	3.0
Summer Intern Program	2.0
Mobile MRI	0.6
Additional OR Clinical Staff	1.6
Support Staff & Administrative	(4.5)
Diagnostic Imaging Clinical Instructor	1.0
Behavioral Health APPs	1.3
Clinical Staff - 2nd CT Scanner	3.0
Total Expense Increase	11.0

- FTE increases are supporting strategic planning initiatives:
 - Improved access to care – 2nd CT Scanner, Mobile MRI, 5th OR Day
 - Recruitment & Retention – Clinical Instructor, Intern Program



FY 2025 Budget: Operating Margin



FY 2025 Budgeted Operating Margin

- FY 2025 budget achieves an operating margin of 2.5% or \$9.2M.

RRMC - Operating Margin					
Actual FY 2021	Actual FY 2022	Actual FY 2023	Budget FY 2024	Projected FY 2024	Budget FY 2025
6,970,064	(12,483,357)	7,422,668	7,892,315	7,174,492	9,152,169
2.2%	-3.8%	2.1%	2.3%	2.0%	2.5%

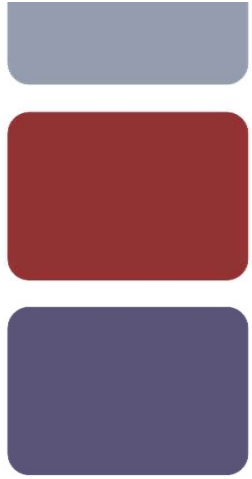
System average operating margin = 2.3%

- Aligns with several of our strategic planning initiatives:
 - Strategy 1: Enhance Benefit Offerings
 - Strategy 5: Enhance Care Capacity
 - Strategy 9: Achieve Sustained Financial Resiliency
 - Strategy 10: Optimize Physical Assets

Bond Covenant Compliance

- RRMC has more recently recovered from a breach of its bond covenants and has spent nearly the past two years rebuilding and stabilizing its balance sheet.
- The recovery has been achieved at the cost of sufficient reinvestment in capital expenditures.

Bond Covenant Compliance				
	2022A	2023A	2024P	2025B
Debt Service Coverage Ratio (> 1.4)	1.27	4.84	5.04	4.39
Days Cash on Hand (> 90)	182.0	188.3	201.5	202.9
Debt to Capitalization (< 60%)	17.0%	15.0%	12.6%	13.2%
Age of Plant	16.1	16.7	17.3	17.5
Capital Spending as a % of Depreciation	60%	103%	128%	212%



FY 2025 Budget: Capital



FY 2025 Financial Framework

RRMC utilizes a comprehensive financial framework to strike a balance between achieving its margin targets and appropriate reinvestment in capital expenditures.

This approach ensures financial stability while supporting necessary investments in infrastructure and strategic planning initiatives.

2025 Financial Framework

Operating Margin	2.5%
Status	Survive
Funding Sources:	
Margin Equivalent in \$	9,152,169
Add Back Depreciation (Net of DCOH Increase)	11,446,000
Philanthropy & Grants	350,000
Funding Sub Total	20,948,169
Debt Payment	(4,545,000)
Remaining Funding	16,403,169
Draw Down - One Time Funding Source	5,350,000
FY 2025 Capital Budget	29,001,338
Excess/(Deficiency) of Funding Over CapEx	(6,948,169)



FY 2025 Capital Budget

FY 2025 Total Capital Spend:

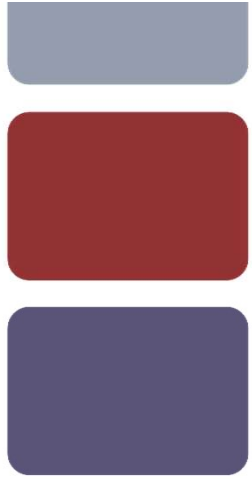
FY 2025 Capital Expenditures	
Facility	17,981,680
Land & Building Purchase	1,000,000
Equipment	8,035,783
Information Technology	1,033,875
Planning & Design	150,000
Contingency	800,000
Total Spend	29,001,338

FY 2025 Total Funding Sources:

Funding Sources	
Sourcing From Operations	16,403,000
One Time Excess Funds Allocation	5,350,000
Fundraising Proceeds for Specific Projects	350,000
Debt Issuance Required	6,900,000
	29,003,000

Debt Funding Options:

- Fixed rate loan with current or local banking institution – market interest rate
- Draw on line of credit – higher interest rate

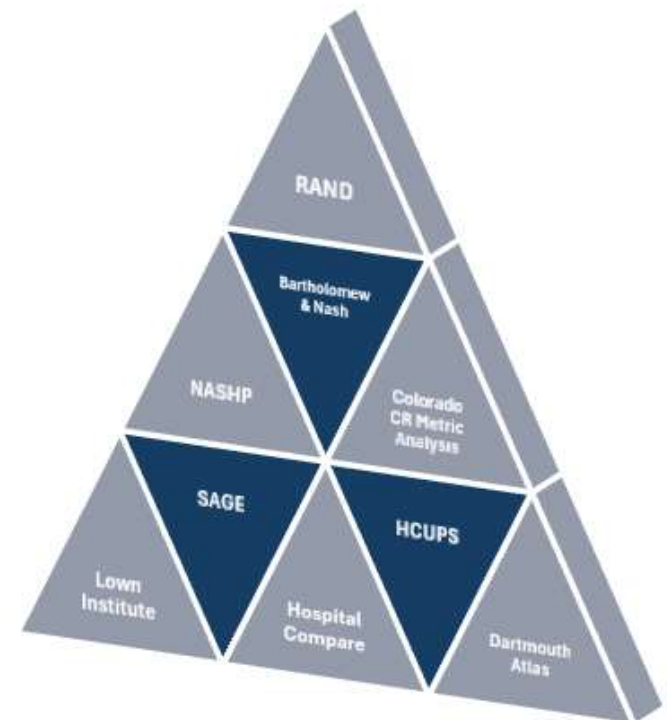


FY 2025 Budget: Comparative Metrics



Comparative Metrics –General Observations

- Our initial review of the comparative sources has identified several areas that require further consideration, clarification, and evaluation.
 - To inform and guide RRMC's priorities and strategic plans, we customarily utilize various benchmarks that align with our goals.
- A deeper understanding of the prioritized metrics and their significance in the overall analysis of our budget submission is necessary to proceed effectively.
- RRMC recognizes the diversity in data sources and calculation methods and is committed to partnering and collaborating with board members and staff.



Examples of Metric Variations

- Example 1:

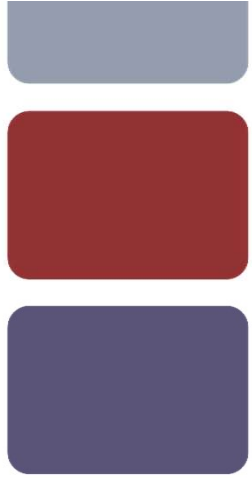
- In the Bartholomew and Nash analysis, the focus is on the price to cost ratio for Medicare inpatient services only; whereas the Colorado analysis considers the price to cost ratio for total hospital and professional services across all payers.
- RRMC would like to understand the impact of custodial patient days as it compares to its peers and these calculations.

	B & N	Colorado	Peer
Payment to Cost	73%	89%	93%

- Additionally, RRMC is currently unable to reconcile the CMI and regional adjustment calculations.

- Example 2:

- The adjusted discharges calculated by Bartholomew & Nash differ from those calculated by NASHP, as Bartholomew & Nash in this example now include total hospital data, while NASHP uses facility-only data.



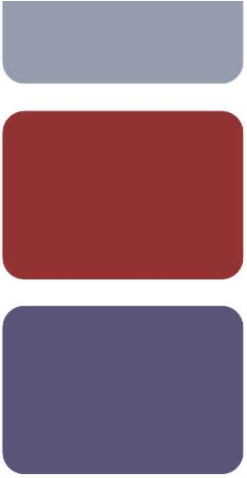
FY 2025 Budget: Concluding Summary



FY 2025 Budget – Concluding Overview

- The budget we are proposing is responsible and thoughtful
- Considers patient affordability
- Continues to focus on improving access to care and reducing wait times
- Incorporates cost saving initiatives
- Leverages currently identified operational efficiencies
- Supports strategic planning initiatives
- Meets two of the three benchmarks set forth



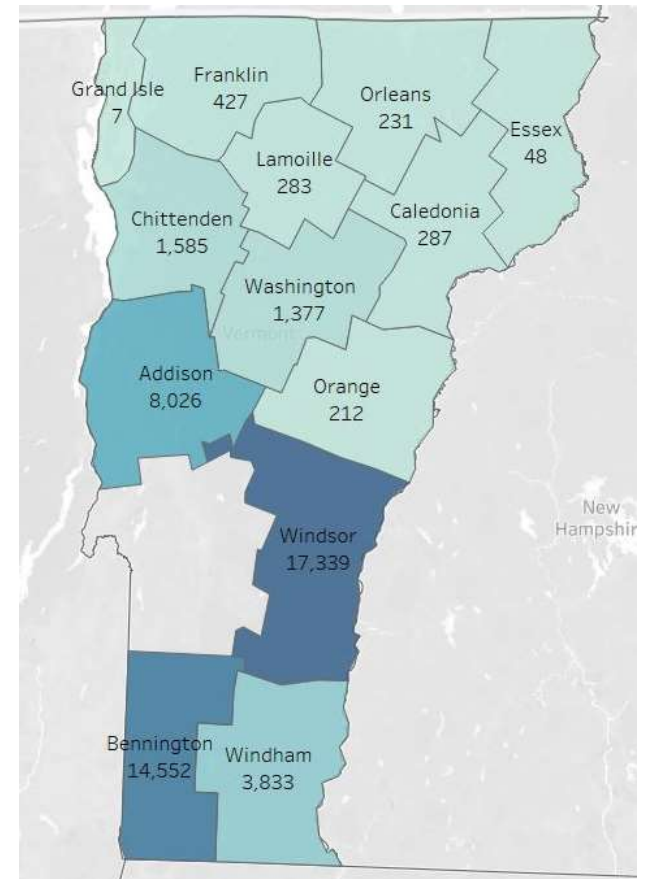


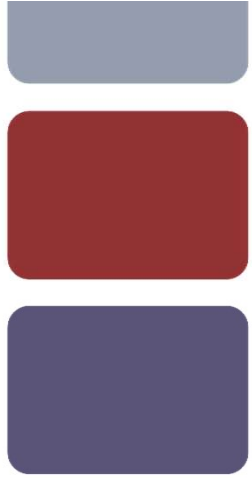
FY 2023 Enforcement



FY 2023 Enforcement

- The primary reason RRMC's net patient revenue exceeded budget was increased utilization:
 - Improved access to care
 - Serving patients outside RRMC's HSA:
 - Increased 24% over FY 2022
 - Seeking Orthopedic & Imaging Services
 - Emergency Care increased due to lack of access to primary care.
 - Introduction of new pharmaceutical treatments – cancer, autoimmune, and infectious diseases.





Questions

