

HSF QUESTIONS FOR HOSPITALS



HOSPITAL 13: SPRINGFIELD HOSPITAL

Follow-Up Questions and Requests Related to Your Budget Submission

On service-line changes

1. How do you anticipate your service line changes, particularly your service line closures, will impact patient access? Do you know whether your hospital or other community providers are taking steps to remedy this issue?
2. Do you foresee any issues in hiring a new cardiologist? How much will your projected cardiology utilization decrease should you prove unable to hire a new cardiologist?

On core justifications

3. Can you provide more detail on why you predict a such a high increase in utilization? What is your contingency plan should such utilization not materialize?

On labor expenses, workforce development, and retention

4. You rely more on travelers than the other critical-access hospitals in Vermont, which puts significant pressure on your operating expenses. As you understand it, what are the main obstacles to reducing your reliance on travelers? Have you considered any other efforts towards workforce development / retention not detailed in your narrative?
5. Why do you predict that traveler salaries will decrease FY2024 (Projected) to FY2025 (Budgeted)?

On utilization

6. Your income statement suggests that inpatient gross revenues are increasing but your rate decomposition sheet suggest that inpatient (including inpatient psych) *net* revenues are decreasing. Can you provide more detail to help us understand this trend?
7. What is your plan on how to drive patients back to Springfield after loss due to leakage?

On pharmaceuticals

8. Why do you predict 10% inflation in pharmaceuticals? This is considerably higher than what other hospitals have predicted.

On cost inflation

9. Likewise, why do you predict 5% inflation in 'supplies and services?'

On rate changes

10. Why is the majority of your commercial price increase allocated to inpatient?

On capital expenditures

11. Have you funded any of your capital expenditures by taking on additional debt? If so, can you please quantify the impact on your debt?

On zero-based budgeting

12. We commend you on your careful approach to your budget. Do you have lessons or recommendations for hospitals that are considering transitioning to a similar approach?

On your workbook submission

13. 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

14. 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.
15. 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.
16. 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.

Narrative Questions That Still Need to Be Answered

17. Question F.a (collections): If a contract with a third party exists to collect payments from patients, please provide this contract and disclose the amount paid for such collection efforts and the revenue generated therefrom.
18. Question F.b (collections cont.): If you have a contract with a third party, please describe the return on investment for this decision compared to managing these activities internally as a part of Patient Financial Assistance Programs.