

## **HSF QUESTIONS FOR HOSPITALS**



# HOSPITAL 12: SOUTHWESTERN VERMONT MEDICAL CENTER (SVMC)

## **Follow-Up Questions and Requests Related to Your Budget Submission**

### On labor expenses

1. You've implemented some impressive programs to avoid relying on travelling staff. Would SVMC recommend other hospitals take similar measures? What are your biggest lessons from these programs?

### On utilization

2. Can you provide a more specific assessment of where volume has increased above FY2024 budgeted expectations. How have you recalibrated your expectations as to not underpredict your NPR for FY2025?

### On pharmaceuticals

3. Why do you anticipate an approximately 21% increase in pharmaceutical expenditures compared to the FY2024 budget?
4. 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?
5. Do you make a profit off your pharmaceutical operations. If so, please specify how much. Please specify any profits made from the 340B program specifically.

### On rate changes

6. Why is none of your price increase allocated to professional services?

### On administrative vs. clinical spending

7. Do you foresee that your partnership with Dartmouth Health will be able to further reduce your administrative spending? If so, do you have an administrative to clinical ratio to which you're aspiring?

### On your workbook submission

8. 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?

### On last year's deliberations

9. Last year, the board authorized an increase in NPR/FPP for FY24B in part because your hospital was embarking on “strong investments.” Can you provide an update on major investments you’ve made in the past year?

Other

10. 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.
11. 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.
12. 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**

From Background

13. B. Background, d: Explain and quantify any service-line closures, transfers, or additions since the prior year budget review.