

Southwestern Vermont Medical Center

FY 2025 Budget

NPSR & Public Payer Reimbursement

11. Known pricing changes for Medicare and Medicaid

Included in the FY 2025 budget SVMC budgeted a 2.5% increase for Medicare for inpatients effective October 1, 2024 and 1% for outpatients. SVMC used this amount for the outpatient Medicare payments since when SVMC's budget was completed the outpatient guidance effective January 1, 2025, have not been issued. SVMC's Wage Index will decrease by .05%. Also, SVMC will see a change of -\$200k attributable to decrease in Add-on Population loss. In aggregate,

SVMC will realize \$746k increase from the proposed rate increase and reduction from wage index adjustments.

SVMC budgeted no increase for Medicaid rates. As for the preparation of the SVMC budget the State of Vermont proposed FY 2025 budget does not have this increase included.

In addition, SVMC has seen a continues increase in bad debt and charity care and anticipates a \$850,000 increase in bad debt expense over the FY 2024 Budget.

The table below shows the rate increases included in SVMC's NPSR budget for both commercial and governmental payers.

<u>Rate changes</u>	Amount	Percent of FY 2024 NPSR
Net realization of the charge increase—Commercial payers	\$4,071,000	2.0%
Medicare proposed rate increase	746,000	0.3%
Medicaid proposed rate increase	0	0.0%
<i>Subtotal</i>	<i>4,817,000</i>	<i>2.4%</i>
 Net change in bad debt and charity care	 (850,000)	 (0.4%)
 Net changes in rate	 \$3,967,000	 2.0%

FY 2024 Budgeted NPSR is approximately \$203,460,000 and the \$4.0 million change in rate per the table represents an overall 2.2% increase over FY 2024 Budgeted NPSR.