

HSF QUESTIONS FOR HOSPITALS



HOSPITAL 14: UNIVERSITY OF VERMONT MEDICAL CENTER (UVMCC)

Follow-Up Questions and Requests Related to Your Budget Submission

On your executive summary

1. Can you provide more detail on how you've struggled to accommodate a larger than expected demand for inpatient care? In what service areas did you struggle most to meet patient demands? Do you expect this issue to persist in the future?
2. Can you quantify how much you've expanded access to surgical services, primary care, or other services (akin to how you've done with radiology and GI/Endoscopy)?

On regional collaborations

3. Are you able to quantify the impact of your hospital's training and expertise-sharing with out-of-network area hospitals?

On substantive variations from last budget

4. It appears almost 36% of your new staff/FTEs included in this budget are for non-clinical positions (see Staff/FTE sheet in adaptive). In particular, it looks like there have been 47 new positions added in your administrative department, and another 16.5 in fiscal services serving in non-clinical roles. Can you please explain this resource allocation decision and how these positions are expected to drive value for Vermonters? Please provide the estimated costs associated with these positions (compensation and benefits).
5. What proportion of your labor expense growth is for new positions versus increases to compensation & benefits for existing positions?

From the May 7th meeting:

6. You launched a project using Epic data and Vizient to improve operating room efficiency. Can you provide an update on this project?
7. We previously asked you if UVMHN used a service to benchmark wait times against other hospitals. At the time, you responded that you were not sure. Could you now clarify your answer with a yes or no?

On utilization

8. 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

9. You've written that a higher NPR is necessary in part because of rising pharmaceutical expenses. Can you explain why you predict pharmaceutical expenses to increase by 18% compared to the FY2024 budget? It seems that pharmaceutical cost inflation is limited (only budgeted = 4%) and

pharmaceutical utilization is actually expected to *decrease* (page 21). So why do you predict such a large increase in expenses?

10. 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?

11. Do you make a profit off your pharmaceutical operations? If so, can you please specify how much. Please specify any profits made from the 340B program specifically.

On rate changes

12. Regarding rate changes by payer, please describe any assumptions you have made across payers and across settings of care.

On contingency plan

13. Why do you cite the same contingency plan for UVMHC that you cite for Porter Medical Center?

On investments in mental health, SUD, LTC, and primary care

14. You've attributed a large increase in expenses to free care related to SUD patients and wound care. At the moment, do you undertake any proactive efforts to prevent SUD-related wounds/infections within your community? Since your hospital has already hired two FTEs to handle the patient influx, do you think such upstream programs might be cost-efficient?

Performance improvement plan (systemwide-cost reduction plan)

15. "In your analysis you reference \$21.1M of non-patient administrative services revenue to be generated in FY 2024, with \$3.1M through administrative services and another \$16.1M through PHSO services. Please provide the Board with an itemize accounting of how these are being generated.

16. Please provide data on the costs of your HR department, IT department, and Revenue Cycle services.

On network-shared services

17. To what extent does your organization share physicians and other clinical staff with other hospitals in your network? Have you taken these partnerships into account in your budget?

18. Please quantify transfers from UVMHC to NY hospitals (3-year actuals, 2024 projected, 2025 budgeted?). Please also quantify your projected rate increases for NY hospitals in 2025.

On last year's deliberations

19. Last year, some board members expressed skepticism that UVMHC has not pursued all revenue streams at its disposal, including increased FPP payments and increased utilization at outpatient clinics. Do you believe there is room for revenue growth? Can you provide evidence that would address the Board's concerns?

On your workbook submission

20. In Table 1 of the workbook, it seems that, with the exception of the pain management clinic, many services take more than 3 days to process a referral. Can you explain the reasons for these delays? Do you have an estimate of how much longer these patients are waiting to receive care?
21. In Table 7 of the workbook, your RVUs vary widely, though notably there are many that fall far below the 50th percentile. Why do you believe this is the case? How do you plan to improve productivity in the future?
22. 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

23. In your narrative discussion of your operating expense trends overtime (beginning on page 13), can you describe how you picked your peer group against which you benchmarked yourself, and why you chose not to use the peer groups established in the FY25 guidance?
24. According to your audited financial statements, you are funding the University of Vermont Medical School at approximately \$80M/year. Net of Medicaid subsidies, this is still a substantial sum that is passed on to commercial rate payers. Why should Vermont commercial rate payers fund these activities? What other sources of funding have you explored?
25. Your hospital had planned to build a mental health facility but redirected those funds towards other ends. What is the current plan for these funds?
26. 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.
27. 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.
28. 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

29. Question F. b. (collections ROI): If you have a contract with a third party [for your collection efforts], please describe the return on investment for this decision compared to managing these activities internally as a part of Patient Financial Assistance Programs?