

# University of Vermont Medical Center

## Fiscal Year 2024 Budget

# University of Vermont Medical Center

## Questions 1 of 3:

- 1) Specify how many of the 165 open physicians positions are UVMHC's and which department/ specialty.
- 2) Your narrative indicates that UVMHC Ortho surgeons are working at Porter, how are these financials reported on each of the facilities statements?
- 3) If you provide the 13 comparators UVMHC believes are appropriate for UVMHC, we can add them to our comparator list. Include the rationale used for selecting these comparators.
- 4) What is the estimated underpayment by commercial plans for the past 3 FYs (i.e., FY21, FY22, and FY23 projected) for UVMHC?
- 5) Exhibit 10 does not indicate gross charges increases for previous years. Either update the exhibit or provide the percent change in charge implemented by payer and service type.
- 6) What is the payer mix for revenues from 340b by for the Vermont network hospitals (UVMHC, Porter, CVMC)? What proportion of formulae offered by UVMHC facilities is eligible for a 340b subsidy?
- 7) Is your part C plan with MVP profitable? Provide a summary of profit and loss.
- 8) Explain line items on the balance sheet where variances between FY23B to FY24B exceed 100% (last column), with particular attention to "Other Designated Assets" (134% variance) and "Other" within "Board Designated Assets" (174%). (Balance Sheet)
- 9) Explain line items on your profit and loss statement where variances between FY23-FY24 B % exceed 100%. (Profit and Loss Statement)
- 10) How are physician FTEs captured in Exhibit 11?
- 11) "Bad debt rates were higher in FY22 for CVMC and PMC due to the transition to the new Epic revenue cycle system, and the need to write-off older balances. Also affecting all three organizations are more customer service friendly payment mechanisms introduced in FY23 making it easier for patients to pay their balance." - If there are more customer friendly payment mechanisms to make it easier for patients to pay their balance, then why is bad debt higher in FY22 than in previous years? (Narrative, 28)
- 12) "We do not use a third party for self-pay collections. We do list patients with bad debt agencies after we have exhausted our internal self-pay efforts." What about patients that are not self-pay? If a patient is contacted by a debt collection agency, and they do pay some or the full bill, who receives that money? (Narrative, 28)
- 13) Explain what is contained in the accounts "other nonsalary expense, other purchased services – consulting, other purchased services – misc., and other services." (Profit and Loss Statement)
- 14) Page #7; para #5 et al: While we laud your PHI program, we are concerned that its efforts may well be duplicative of other Statewide initiatives such as OneCare Vermont, Vermont Blueprint for Health, and SASH. How are you planning to leverage these existing resources and better manage costs in your plans for the future?

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## Questions 2 of 3:

- 15) Are OCV employees a part of the PHSO or a separate? If separate, where do they fall on this chart? (Narrative, Page 45)
- 16) PHSO – 154 FTEs – this is substantial – 5th highest group / 19 admin groups in terms of total FTEs – what are the short and long-term goals of this organization and how do they relate to the goals and vision for OCV? Detail the employee titles of this PHSO. (Narrative, Page 45)
- 17) Page #2; para# 2; line #4: Of the 1,061 employed physicians how many are based in Vermont and how many are practicing primary care? what actions are you taking with the UVM Medical School to definitively increase the number of primary care physicians training and to retain those trained ?
- 18) Page #2; para #5; line #6: You reference the Commonwealth score card and the Board appreciates the work of all Vermont hospitals. However, we are concerned that Vermont has experienced worsening numbers in 30-day mortality, women ages 18 -44 receiving routine care, and diabetic adults without recent A1C tests. In addition, Vermont is the lowest ranked New England state in Reproductive Health. How are these issues specifically addressed through your proposed budget?
- 19) Page#3; para #2; line #8: How do you reconcile your rate increases at both UVMMC and CVMC, which far exceed the cost of 7% trend increase in the HRI projection?
- 20) Page #8 et al: What were the total physician recruitment expenses in each of the past 5 years and the amount budgeted in the 2024 budget?
- 21) Page #11: para #2: et al: What amount is budgeted in 2024 to support the development of the Respiratory Therapy Program with VTSU?
- 22) Page #12; para #1; line #2: You reference “the staggering impact of the cost shift onto private payers.” There are many hospitals/hospital systems that now “manage to Medicare”, targeting those cases for break-even performance. Has UVMHN leadership considered adopting that operating approach and, if so, how will it be accomplished?
- 23) Page #20; Labor Expenses; para #1; line #10: Provide details on the additional FTEs to be devoted to “access improvement efforts”. Of specific interest are the numbers, qualifications and cost of the additional FTEs and how long you anticipate they will be employed.
- 24) Page #25; para #1; line #5: Provide the Board with any recent (past three years) evaluation of the appropriateness of employee staffing levels at Vermont UVMHN hospitals.
- 25) Page #26: Financial Indicators. Based on current market rates, please inform the Board of the borrowing cost of \$100,000,000 at institutional grade A, A-, BBB+, BBB, and BBB-.
- 26) Page #31; para #2; line #2: In addition to working with payers and Legislators, what other approaches are you taking to address “non-value cost in the healthcare system”.
- 27) Page #31; Patient Referral Lag Time: In a two-week period, there were 85 families seeking pediatric healthcare from UVMHN hospitals that were unable to do so. In addition, there were 112 women’s seeking care that failed to get prompt access. In addition, there were 142 patients seeking primary medical care that could not be scheduled within 30 days. In addition, there were 315 women seeking women’s health care, 196 of whom were seeking obstetrical care and were unable to get it within a full month. Provide an outline of your definitive plans for resolving the above systemic challenge. What is hindering your ability to address it?

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### Questions 3 of 3:

28) Page #34; Last Para: line #6: Of the envisioned \$666M in capital needs that have been identified for investment in UVMHN, what proportion are for Vermont versus New York expenditures?

29) Page #34; et al: Identify by position employees within the capital budget planning process who represent patient needs, expectations, and experience.

30) Page #37; para #2; line #4: We believe that a more appropriate calculation on the impact of uncompensated excess inpatient care would be to utilize the actual 2020 UVMHC average length-of-stay which is at least one day longer than the expected Vizient number. Utilize this actual number and resubmit the three tables at the top of page #38.

31) Page #41; Emergency Department Charges: Please add a column to the charts reflecting the actual expense of providing these services.

32) Page #44; para #1; line #1: How long has this shared service organization been in place?

33) Page #46: Et Al: What is UVMHN's expected management spans of control which, within this document range from 2 to 1 to 18 to 1?

34) Page #45: Et Al: How will you measure the success of the investment of \$4M and 19 FTEs in the Diversity, Equity, and Inclusion effort?