



January 31, 2024

Green Mountain Care Board  
 144 State Street  
 Montpelier, VT 05602

Net Patient Revenue was 0.7% above budget for FY23. While there was a shift in payor mix resulting in a reduction of revenue by \$141K this was offset by the increased utilization of ambulatory services and outpatient ancillary. FY23 saw a return to more normalized volume of services at BMH after COVID had depressed volumes in FY22. The primary driver in the positive variance of Bad Debt/Charity Care was due to charity care. BMH continues to experience a decline in Free Care applications. BMH saw a small decrease in budgeted DSH revenue which varies based on Inpatient Medicaid and Self-Pay volumes.

NPR/FPP	Total	% over/under
FY 23 Approved Budget	\$ 105,484,860	
Utilization	485,721	
Reimbursement/Payer Mix	(140,869)	-0.2%
Bad Debt/Free Care	414,220	-6.3%
Physician Acq/Trans	-	
Changes in Accounting	-	
Changes in DSH	(34,361)	-5.6%
Contractual Rate		
Other (please label)	-	
FY 23 Actual Results	\$ 106,209,571	0.7%

BMH's Expenses for FY2023 were higher than budgeted expenses by \$4.2 million or 3.9%.

- Salaries and Benefits were under budget by \$138K.
- Fringe Benefits were over budget by \$1.3M. BMH has a self-funded health plan with claims higher than anticipated
- Physician Contracts were over budget by \$898K due to accounting change; no net increase overall
- Contract Staffing over budget by \$498K due to continued labor shortages and reliance on Contract labor for specific departments
- Medical/Surgical supplies are over budget due to increased volume of joint replacement surgeries and overall cost of supplies.
- Drug expenses are under budget by \$287K due to efforts to reduce inventory



- Depreciation increased in FY23 by \$609K due to the capitalization of the Ron Read Building project
- Interest expense was a credit of \$574K because, due to capitalization of the Ron Read project, we were able to capitalize all interest payments made in FY23 related to the project.
- Health Care Provider Tax was budgeted with the information known at the time. The calculation is based on 6% of Net Patient Revenue and varies with volume fluctuations.
- Other Supplies/Contract Services increased over budget by 5.8% due to inflation and overall market cost of goods.

Expenses	Amount	% over/under
FY 23 Approved Budget	\$ 108,480,389	
Salaries	(137,751)	-0.3%
Fringe Benefits	1,252,810	10.2%
Physician Contracts	897,961	14.7%
Contract Staffing	497,549	16.6%
Supplies	1,264,619	30.7%
Drugs	(287,140)	-4.2%
Facilities		
IT Related	825,318	8.9%
Health Reform Programs	-	
Depreciation	609,399	16.0%
Interest	(574,025)	-119.0%
Health Care Provider Tax	(627,167)	-9.8%
Other (please label)	504,377	5.8%
Other (please label)		
Cost Savings		
FY 23 Actual Results	\$ 112,706,339	3.9%

BMH received no COVID relief funding in FY23.

BMH reported a total operating loss of \$1,904,536 for FY23.

Non-operating revenue has a significant positive variance of \$4.1 due to market gains.