

THE
University of Vermont
HEALTH NETWORK

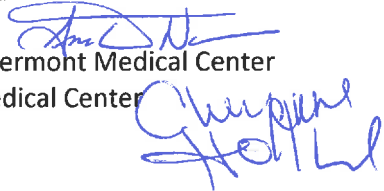
Central Vermont Medical Center

To: The Honorable Kevin Mullin, Chair, Green Mountain Care Board

From: Anna Noonan, President and Chief Operating Officer, Central Vermont Medical Center
Cheyenne Holland, Chief Financial Officer, Central Vermont Medical Center

Date: September 8, 2017

Subject: Net Patient Revenue Adjustment for FY 2018 Budget



Per the September 7, 2017 request of the Green Mountain Care Board, CVMC is providing the attached adjustment to our budgeted net patient service revenue. We have increased our net patient service revenue by \$450,349 to reflect the difference in what we originally budgeted for DSH and what was ultimately provided by the Department of Vermont Health Access.

In addition, we have increased our deductions for charity care, which better reflects our current trend. Our budget was originally based off a trend from October-December 2016. CVMC has experienced a significant increase in self pay and free care since January 2017. We are increasing our 2018 budgeted free care to be 1.1% of gross revenue, which results in an increase of \$481,393. This adjustment will bring our net patient service revenue growth to 3.39%, compliant with the Green Mountain Care Board guidelines.

The \$31,044 difference will be absorbed in operations as a reduction in other operating expense in order to maintain our margin.

	FY 2017	FY 2018 Budget As Submitted		DSH Adjustment	Adjustments for Physician Transfers, Health Care Reform Investments, Changes in Free Care Trend			
		2017 Budget	2018 Budget		FY2017-2018 NPR Growth	NPR % change	Physician Transfers/Acq.	Free care trend not included in budget
Central Vermont Medical Center	2017 Budget \$191,831,143	2018 Budget \$198,726,498	FY2017-2018 NPR Growth \$6,895,355	Additional DSH adjustment not reported in budgets \$450,349	Physician Transfers/Acq. \$368,061	Free care trend not included in budget \$481,393	NPR Growth Adj. for DSH, Phys. Transfers, Free Care Trend \$6,496,250	NPR Growth %Adj. for DSH, Phys. Transfers, Free Care Trend 3.39%