UVMHN

	NPR + FPP	2017 Budget*	2017 Actual	Amount	% over / Under	Comments
4	**FY17 Approved Budget**	**1,440,711,909**				
8	Utilization	-	59,355,217	59,355,217	4.1%	
12	Reimbursement	-	(7,241,718)	(7,241,718)	-0.5%	
16	Payer Mix	-	9,038,333	9,038,333	0.6%	
20	Bad Debt / Free Care	(42,255,264)	(58,685,722)	(16,430,458)	-1.1%	
24	Physician Acq / Trans	-	368,061	368,061	0.0%	
28	Pharmacy	-	3,273,601	3,273,601	0.2%	
32	Changes in Accounting	-	-	-	0.0%	
36	Changes in DSH	20,651,438	19,618,138	(1,033,300)	-0.1%	
40	Other	1,462,315,735	1,458,833,815	(3,481,921)	-0.2%	
44	**FY17 Actual Results**		**1,484,559,725**	**43,847,816**	**3.0%**	
48						
49	**Other Revenue**	**2017 Budget***	**2017 Actual**	**Amount**	**% over / Under**	
50	**FY17 Approved Budget**	**108,196,441**				
54	Cafeteria & Parking	8,306,152	8,602,425	296,274	0.3%	
58	Premium Revenue And Payer Incentives**	8,534,528	9,993,309	1,458,781	1.3%	
62	Outpatient Pharmacy Revenue	59,349,999	73,524,497	14,174,498	13.1%	
66	*340B Retail Pharmacy Programs****	*19,398,195*	*24,833,417*	*5,435,222*	*5.0%*	
70	*Outpatient Pharmacy Revenue*	*17,702,216*	*18,352,759*	*650,543*	*0.6%*	
74	*Specialty Pharmacy*	*22,249,588*	*30,338,321*	*8,088,733*	*7.5%*	
78	Institutional Services Revenue	11,909,137	8,112,982	(3,796,155)	-3.5%	
82	Other Revenue	20,096,625	21,288,079	1,191,454	1.1%	
86	**FY17 Actual Results**		**121,521,293**	**13,324,852**	**12.3%**	
90						
91	**Expense**	**2017 Budget***	**2017 Actual**	**Amount**	**% over / Under**	
92	**FY17 Approved Budget**	**1,493,859,895**				
96	Salaries	510,706,135	530,661,731	(19,955,596)	-1.3%	
100	Physicians Contract	186,687,967	192,435,939	(5,747,972)	-0.4%	
104	Fringe	184,422,387	196,293,555	(11,871,168)	-0.8%	
108	Health Care Provider Tax	81,577,586	82,593,423	(1,015,837)	-0.1%	
112	Medical & Surgical Supplies	92,832,234	96,185,889	(3,353,655)	-0.2%	
116	Pharmaceuticals	94,633,368	107,612,153	(12,978,785)	-0.9%	
120	Utilities	18,445,959	15,252,777	3,193,182	0.2%	
124	Depreciation and Amortization	65,544,473	60,718,706	4,825,767	0.3%	
128	Other Expenses	259,009,786	252,426,342	6,583,445	0.4%	
132	**FY17 Actual Results**		**1,534,180,515**	**(40,320,621)**	**-2.7%**	
136						
137	**CONTRIBUTION MARGIN**	**55,048,455**	**71,900,503**	**16,852,048**		

UVMMC

NPR + FPP	2017 Budget*	2017 Actual	Amount	% over / Under	Comments
FY17 Approved Budget	**1,172,785,845**				
Utilization		54,509,322	54,509,322	4.6%	- Inpatient Admissions 4% over budget - Total Patient Days 8% over budget - Increase in patients and utilization from Chittenden and Secondary VT counties - Increase in Medicare patients
Reimbursement		(9,300,756)	(9,300,756)	-0.8%	- Lower than budgeted Commercial and Medicare rates, and higher number of denials
Payer Mix		4,668,479	4,668,479	0.4%	- Positive payer mix shift from Medicaid to Medicare
Bad Debt / Free Care	(31,389,518)	(42,292,297)	(10,902,779)	-0.9%	- The cost of insurance for those that purchase on the exchange continues to go up. These are high deductible plans so more falls on the patient to pay. At The same time Medicaid has been looking more closely At income qualifications of its members, which has pushed some off and moved them into one of these high deductible exchange products, or left them uninsured. Charity tends to follow Bad Debt.
Physician Acq / Trans			-	0.0%	
Pharmacy			-	0.0%	- These are currently reported in Other Revenue in adaptive.
Changes in Accounting			-	0.0%	
Changes in DSH	18,115,526	17,474,390	(641,136)	-0.1%	- DSH Payment reduction effective Jul'17.
Other	1,186,059,837	1,186,059,837	0	0.0%	
FY17 Actual Results		**1,211,118,975**	**38,333,130**	**3.3%**	- Our internal NPR per CMI adjusted unique Medical Record Number count grew by 3.3% from FY16 to FY17, below the GMCB growth target and the All Payer Model target

Other Revenue	2017 Budget*	2017 Actual	Amount	% over / Under	Comments
FY17 Approved Budget	**92,152,380**				
Cafeteria & Parking	7,121,152	7,321,199	200,048	0.2%	
Premium Revenue And Payer Incentives**	6,444,079	7,437,040	992,960	1.1%	
Outpatient Pharmacy Revenue	52,271,239	64,890,924	12,619,685	13.7%	- Higher than budgeted 340B related pharmacy revenue
340B Retail Pharmacy Programs	*12,379,435*	*16,252,093*	*3,872,658*	*4.2%*	
Outpatient Pharmacy Revenue	*17,642,216*	*18,300,510*	*658,294*	*0.7%*	
Specialty Pharmacy	*22,249,588*	*30,338,321*	*8,088,733*	*8.8%*	
Institutional Services Revenue	11,909,137	8,112,982	(3,796,155)	-4.1%	
Other Revenue	14,406,773	14,939,796	533,024	0.6%	
FY17 Actual Results		**102,701,941**	**10,549,561**	**11.4%**	

Expense	2017 Budget*	2017 Actual	Amount	% over / Under	Comments
FY17 Approved Budget	**1,217,011,600**				
Salaries	405,725,624	419,350,487	(13,624,862)	-1.1%	- More nurses to handle higher inpatient volumes - More observers, ER & mental health providers to handle higher mental health population
Physicians Contract	150,670,509	155,179,685	(4,509,176)	-0.4%	- Unbudgeted adds in primary care, mental health and subspecialties that required improved access.
Fringe	148,588,439	159,016,796	(10,428,357)	-0.9%	- Includes one-time $18M for prior years actuarial loss adjustment for pension group annuity purchase - Without one-time pension adjustment, would have been under again due to better self-funded plan experience
Health Care Provider Tax	66,868,073	66,889,902	(21,829)	0.0%	
Medical & Surgical Supplies	82,425,322	85,147,055	(2,721,733)	-0.2%	- MedSurg over due to higher volume
Pharmaceuticals	82,025,722	92,831,360	(10,805,638)	-0.9%	- Outpatient Pharmacy over due to higher 340B related volume - Pharmaceuticals over due to higher volume and more costly drugs
Utilities	15,530,259	12,440,854	3,089,405	0.3%	- Utilities under due to lower energy costs
Depreciation and Amortization	52,148,230	48,073,712	4,074,518	0.3%	- Depreciation under due to lower capital spend
Other Expenses	213,029,423	206,310,273	6,719,150	0.6%	- Other expenses under due to reduction in PO liability
FY17 Actual Results		**1,245,240,122**	**(28,228,523)**	**-2.3%**	
CONTRIBUTION MARGIN	**47,926,625**	**68,580,794**	**20,654,169**		- $15.5M of margin variance driven by operational efficiencies (supply chain, non-clinical staff reductions, lower than trend health plan costs, lower interest cost from refinancing's), $12.6M was from non-patient related 340B pharmacy revenue

	A	B	C	D	E	G
1	**CVMC**					
2						
3	**NPR + FPP**	**2017 Budget ***	**2017 Actual**	**Amount**	**% over / Under**	**Comments**
4	**FY17 Approved Budget**	**191,831,143**				
5	Utilization		2,296,415	2,296,415	1.2%	- Increase primarily due to increase in outpatient services and in Medicare.
6	Reimbursement		602,659	602,659	0.3%	- Lower than budgeted Medicaid and Medicare rates, higher than budget commercial rates largely driven by service mix.
7	Payer Mix		4,331,137	4,331,137	2.3%	- Shift out of Medicaid into Medicare due to a continuing trend of the aging population and an increased number of self pay.
8	Bad Debt / Free Care	(7,342,995)	(11,112,301)	(3,769,306)	-2.0%	- Shift into more self pay patients and patients with high deductibles.
9	Physician Acq / Trans	-	368,061	368,061	0.2%	- Copley oncology and Vassar replacement - Cynthia Smith.
10	Pharmacy		3,273,601	3,273,601	1.7%	- This is oncology related chemotherapy and other high cost drugs.
11	Changes in Accounting			-	0.0%	
12	Changes in DSH	2,029,504	1,606,925	(422,579)	-0.2%	- Timing of information.
13	Other NPR	197,144,634	193,871,033	(3,273,601)	-1.7%	- If our FPP had been equal to what we would have received under FFS our NPSR would have been $2.4M less and we would have been .5% over budget.
14	**FY17 Actual Results**		**195,237,530**	**3,406,387**	**1.8%**	
15						
16	**Other Revenue**	**2017 Budget ***	**2017 Actual**	**Amount**	**% over / Under**	
17	**FY17 Approved Budget**	**11,363,838**				
18	Cafeteria & Parking	949,000	1,078,721	129,721	1.1%	- Cafeteria only.
19	Premium Revenue And Payer Incentives **	1,965,448	2,201,347	235,899	2.1%	- CHT, Blueprint.
20	Outpatient Pharmacy Revenue	4,385,200	5,608,122	1,222,922	10.8%	- Additional child sites registered with HRSA.
21	*340B Retail Pharmacy Programs*	*4,325,200*	*5,555,873*	*1,230,673*	*10.8%*	
22	*Outpatient Pharmacy Revenue*	*60,000*	*52,249*	*(7,751)*	*-0.1%*	
23	*Specialty Pharmacy*	*-*	*-*	*-*	*0.0%*	
24	Institutional Services Revenue	-	-	-	0.0%	
25	Other Revenue	4,064,190	4,037,709	(26,481)	-0.2%	
26	**FY17 Actual Results**		**12,925,899**	**1,562,061**	**13.7%**	
27						
28	**Expense**	**2017 Budget ***	**2017 Actual**	**Amount**	**% over / Under**	
29	**FY17 Approved Budget**	**199,521,392**				
30	Salaries	78,884,889	83,390,137	(4,505,248)	-2.3%	- Nurse Travelers ($2.9M) of which ($1.5M) was for Woodridge, ($833K) for MGP additional staff to support primary care initiatives, ($732K) increase in hospital nursing for patient care.
31	Physicians Contract	26,665,906	27,678,828	(1,012,922)	-0.5%	- Physician Travelers ($978K).
32	Fringe	26,433,465	28,148,870	(1,715,405)	-0.9%	- Settlement charge for pension annuity purchase $638K, higher utilization of health care $492K. Plan changes made for FY2018.
33	Health Care Provider Tax	10,529,277	11,214,416	(685,139)	-0.3%	
34	Medical & Surgical Supplies	9,300,805	9,615,365	(314,560)	-0.2%	
35	Pharmaceuticals	10,749,066	12,593,549	(1,844,483)	-0.9%	- High cost drugs.
36	Utilities	2,915,700	2,811,924	103,777	0.1%	
37	Depreciation and Amortization	10,107,631	9,792,873	314,758	0.2%	- Reduction in capital spend.
38	Other Expenses	23,934,653	24,819,543	(884,890)	-0.4%	- Onecare $345K.
39	**FY17 Actual Results**		**210,065,504**	**(10,544,112)**	**-5.3%**	
40						
41	**CONTRIBUTION MARGIN**	**3,673,589**	**(1,902,075)**	**(5,575,664)**		

PH

NPR + FPP	2017 Budget	2017 Actual	Amount	% over / Under	Comments
FY17 Approved Budget	**76,094,921**				Please Note: Axiom reporting is not reflective of how Porter reports the information to GMCB. We have provided this breakout based off of adaptivet entry.
Utilization		2,549,480	2,549,480	3.4%	- We introduced a new service line that was not included in the original budget, Porter Express Care. During the duration of the first 3 1/2 months of the opening of the Express Care, Emergency Room visits were reduced by 13% as compared to budgeted expectations; this reduction allowed us to provide a lower cost of care to our patients. The services offered in the Infusion Center expanded over those offered during the initial opening of the service line in FY 16. The enhancement of the services offered, resulted in an increased demand that necessitated expanding the hours of operation to meet the need in the community. There was a 15% increase in the amount of CT scans that were preformed. By moving the radiology answering service to our Porter Access Center where we were able to field calls in a more timely manner, become more efficient in shceduling,
Reimbursement		1,456,380	1,456,380	1.9%	- Increase in Cigna patients due to local major employer switching insurance carriers resulting in a higher rate of reimbursement. Also representative of the fixed perspective payments rolling under in state medicaid.
Payer Mix		38,717	38,717	0.1%	-Slight change in payor mix correlative to the shift to Cigna.
Bad Debt / Free Care	(3,522,751)	(5,281,123)	(1,758,372)	-2.3%	- Increased receipt of applicants for Financial Assistance due to the heightened promotion of our FA policy as a result of the 501R regulations. This equated to a 21% increase in applications over prior year. We budget bad debt based on the prior year run rate, which was considerably less. In FY 17 there was and increase of 16.4% in Self Pay which impacted the prior run rate experience.
Physician Acq / Trans			-	0.0%	
Pharmacy			-	0.0%	- This is currently reported in Non Operating Revenue in adaptive
Changes in Accounting			-	0.0%	
Changes in DSH	506,408	536,822	30,414	0.0%	
Other NPR	79,111,264	78,902,944	(208,320)	-0.3%	Admissions down 5% to budget and patient days were down 3% to budget.
FY17 Actual Results		**78,203,220**	**2,108,299**	**2.8%**	

Other Revenue	2017 Budget	2017 Actual	Amount	% over / Under	
FY17 Approved Budget	**4,680,223**				4,680,223
Cafeteria & Parking	236,000	202,505	(33,495)	-0.7%	
Premium Revenue And Payer Incentives	125,001	354,923	229,922	4.9%	This is reflective of meaningful use and the PCCM payment faciliated by one care.
Outpatient Pharmacy Revenue	2,693,560	3,025,452	331,892	7.1%	This is captured in Non-operating in adaptive.
*340B Retail Pharmacy Programs****	*2,693,560*	*3,025,452*	*331,892*	*7.1%*	
Outpatient Pharmacy Revenue	*-*	*-*	*-*	*0.0%*	
Specialty Pharmacy	*-*	*-*	*-*	*0.0%*	
Institutional Services Revenue	-	-	-	0.0%	
Other Revenue	1,625,662	2,310,573	684,911	14.6%	
FY17 Actual Results		**5,893,453**	**1,213,230**	**25.9%**	

Expense	2017 Budget	2017 Actual	Amount	% over / Under	Please Note: Axiom reporting is not reflective of how Porter reports the information to GMCB. We have provided this breakout based off of adaptivet entry.
FY17 Approved Budget	**77,326,903**				
Salaries	26,095,622	27,921,108	(1,825,486)	-2.4%	- Porter experienced a high volume of temp labor, which was driven by a high turnover rate in the Nursing units.
Physicians Contract	9,351,552	9,577,426	(225,874)	-0.3%	- Salary increase is reflective of the providers hired to fill the new service line started in FY 2017. A new compensation model was rolled out to the providers and a large portion of this variance is attributed to this implementation.
Fringe	9,400,483	9,127,889	272,594	0.4%	- Savings attributed to the vacancies experienced due to turnover rate.
Health Care Provider Tax	4,180,236	4,489,105	(308,869)	-0.4%	
Medical & Surgical Supplies	1,106,107	1,423,468	(317,361)	-0.4%	- Increase driven by implantables. This is due to expanded surgical procedures offered at Porter (Urolift, Conformis Knee, ect.)
Pharmaceuticals	1,858,580	2,187,245	(328,665)	-0.4%	- The pharmaceutical expense is reflecting the enhanced services offered and increase in utilization in the Infusion Center.
Utilities			-	0.0%	- Net increase was driven mainly by phone and data services increased to service the growing utilization of the Porter Access Center that was formed in the later portion of FY 16.
Depreciation and Amortization	3,288,613	2,852,122	436,491	0.6%	- The depreciation is reflective of the restriction of the capital expenditure over the past several years.
Other Expenses	22,045,711	21,296,526	749,185	1.0%	- Decrease in Other Expenses was driven by Consulting and a variety of network savings.
FY17 Actual Results		**78,874,889**	**(1,547,986)**	**-2.0%**	
CONTRIBUTION MARGIN	**3,448,241**	**5,221,784**	**1,773,543**		- Our Margin improvement was attributed to increases in revenue, specifically to the aforementioned Outpatient areas.