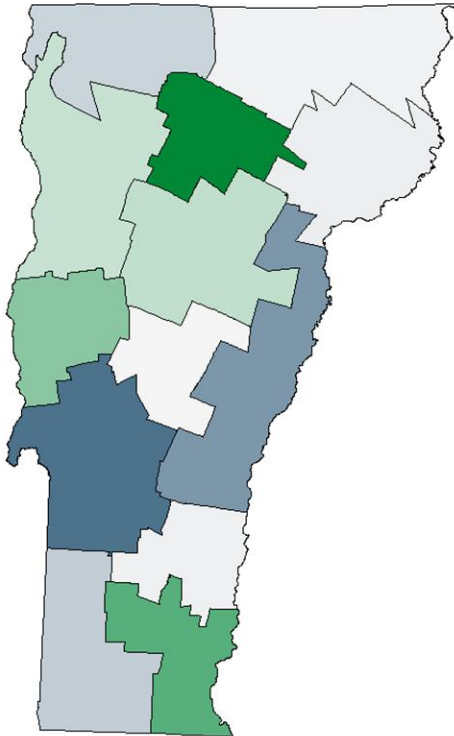


Fiscal Year 2018 Springfield Hospital

Enforcement Discussion

April 24, 2019

Lori Perry, Senior Healthcare Financial Systems Analyst
Kelly Theroux, Healthcare Financial Systems Analyst
Agatha Kessler, Health Policy Director



Overview

1. FY18 Actuals
2. FY19 Year-to-Date (as of February 28, 2019)
3. FY19 Forecast
4. 5-Year Results
5. Discussion with Springfield Hospital

Springfield Hospital

FY18 and FY19 Budgets Submitted and Approved¹

Net Patient Revenue/Fixed Prospective Payment (NPR/FPP)

FY18			FY19		
Submitted	Approved	% Change from FY17 Budget	Submitted	Approved	% Change from FY18 Budget
\$59,375,198	\$59,375,198	0.4%	\$59,996,953	\$59,996,953	1.0%

Charge

FY18		FY19	
Submitted	Approved	Submitted	Approved*
6.5%	6.5%	5.0%	5.0%

*On March 27, Springfield Hospital requested an increase in charge of an additional 5.0%.

Data Sources:

¹ FY18 & FY19 Budget Orders

Springfield Hospital

FY18 Actuals^{2,6}

Budget-to-Actual FY18 % Variance		FY18 Year-End Results As of September 30, 2018		
NPR/FPP % Variance	Operating Expenses % Variance	Operating Margin	Total Margin	Days Cash on Hand
-10.8%	3.5%	-12.8%	-12.0%	47

FY18 Projection Presented to the GMCB on August 29, 2018				
Budget-to-Projection Variance		Operating Margin	Total Margin	Days Cash on Hand
NPR/FPP % Variance	Operating Expenses % Variance			
-3.8%	-0.3%	-1.6%	-0.4%	178
		-\$921,697*	-\$263,697	

*8/9/18- In response to staff questions as to whether projections have changed, Springfield Hospital stated that the projections were updated to show a loss from operations of \$2.5 million. The year-end results for operating margin were -\$6,996,078.

Actual-to-Actual FY17 to FY18 Comparison				
NPR/FPP % Change	Operating Expenses % Change	Operating Margin % Change (points)	Total Margin % Change (% points)	Days Cash on Hand Change (days)
1.9%	7.6%	-5.7%	-8.8%	-55

Operating Margin and Total Margin, when expressed as a percentage (%): comparisons between years are represented as a % change in points, not a % change in value. Results represent the difference in % points between the original value and the comparison value.

Data Sources:

² [FY18 Year-End Actuals Report](#)

⁶ [FY2019 Budget submissions and related correspondences](#)

Springfield Hospital

FY19 Year-to-Date as of February 28, 2019³

Budget-to-Actual FY19 YTD February			FY19 YTD February As of February 28, 2019		
NPR/FPP % Variance	Operating Expenses % Variance		Operating Margin	Total Margin	Days Cash on Hand
-5.4%	3.9%		-7.9%	-12.7%	9.4

Actual-to-Actual FY18 to FY19 YTD Comparison			FY18 YTD February As of February 28, 2018		
NPR/FPP % Change	Operating Expenses % Change		Operating Margin	Total Margin	Days Cash on Hand*
1.6%	5.0%		-4.6%	-1.8%	NA

FY19 Projection					
	NPR/FPP	Operating Expenses	Operating Margin	Total Margin	Days Cash on Hand
Projection (full-year)	\$56,744,498	\$61,263,104	-4.9%	-6.5%	8.8
Budget-to-Projection Variance (%, points or days)	-5.4%	1.0%	-6.2%	-9.2%	-98.0

*Hospitals did not submit Days Cash on Hand as part of FY2018 year-to-date reporting.

Data Sources:

³ FY18 and FY19 year-to-date February submission from hospital

Springfield Hospital

5-Year Results^{2,4}

NPR/FPP

	Actuals FY2014	Actuals FY2015	Actuals FY2016	Actuals FY2017	Budget FY2018	Projection FY2018	Actuals FY2018	5-year Actuals CAGR	Budget FY2019
(\$)	\$49,727,116	\$55,926,090	\$53,638,120	\$51,999,349	\$59,375,198	\$57,136,272	\$52,978,810	1.6%	\$59,996,953
(% Change from previous year)		12.5%	-4.1%	-3.1%	-	-	1.9%		

Operating Expenses

	Actuals FY2014	Actuals FY2015	Actuals FY2016	Actuals FY2017	Budget FY2018	Projection FY2018	Actuals FY2018	5-year Actuals CAGR	Budget FY2019
(\$)	\$55,453,904	\$55,629,486	\$55,187,774	\$57,491,695	\$59,796,044	\$59,611,969	\$61,860,030	2.8%	\$60,641,591
(% Change from previous year)		0.3%	-0.8%	4.2%	-	-	7.6%		

Data Sources:

² [FY18 Year-End Actuals Report](#)

⁴ FY19 Hospital Budget Submissions

Springfield Hospital

5-Year Results^{2,4,5,6}

Operating Margin								
	Actuals FY2014	Actuals FY2015	Actuals FY2016	Actuals FY2017	Budget FY2018	Projection FY2018*	Actuals FY2018	Budget FY2019
(\$)	-\$3,783,385	\$2,264,152	\$181,122	-\$3,835,857	\$1,037,154	-\$921,697	-\$6,996,078	\$810,362
(%)	-7.3%	3.9%	0.3%	-7.1%	1.7%	-1.6%	-12.8%	1.3%

*8/9/18- In response to staff questions as to whether projections have changed, Springfield Hospital stated that the projections were updated to show a loss from operations of \$2.5 million. The year-end results for operating margin were -\$6,996,078.

Total Margin								
	Actuals FY2014	Actuals FY2015	Actuals FY2016	Actuals FY2017	Budget FY2018	Projection FY2018	Actuals FY2018	Budget FY2019
(\$)	-\$6,021,404	-\$435,797	\$380,184	-\$1,778,238	\$2,327,154	-\$263,697	-\$6,628,574	\$1,670,362
(%)	-12.2%	-0.8%	0.7%	-3.2%	3.7%	-0.4%	-12.0%	2.7%

Data Sources:

² [FY18 Year-End Actuals Report](#)

⁴ FY19 Hospital Budget Submissions

⁵ Adaptive Insights Planning

⁶ [FY219 Budget submissions and related correspondences](#)

Springfield Hospital

- Swearing-in and Oath
- Discussion with Springfield Hospital
- GMCB Deliberation