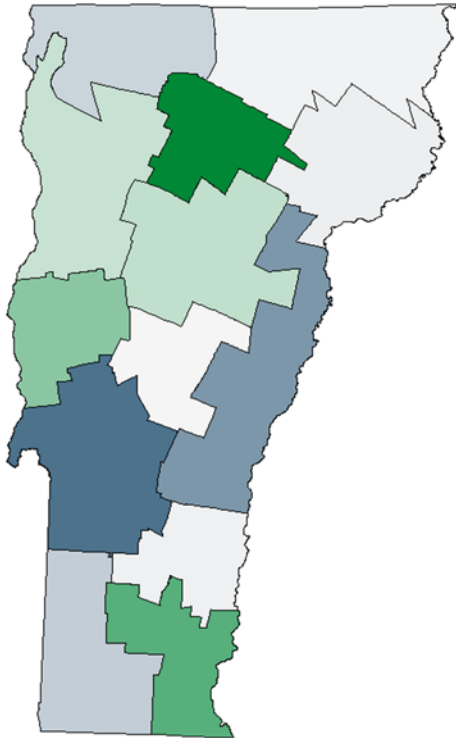


Fiscal Year 2019 Amended Budget Request Staff Recommendation

**Green Mountain Care Board Meeting
April 24, 2019
GMCB Hospital Budget Team**



Springfield Hospital

Request for Budget Modification

- Springfield Hospital requested a FY 2019 budget modification on March 27, 2019.
- The request is for a 5.0% increase in the hospital's average charges, effective May 1, 2019. The increase in FY 2019 NPR/FPP is estimated at \$488,924. The annualized increase is estimated at \$1,173,417.
- The hospital's Board of Trustees authorized the request at its March 12, 2019 meeting.
- Reasons for the request include:
 - Financial health
 - Negative operating margins FY2017, FY2018 and continuing in FY2019 despite cost containment efforts; and cash position is tenuous at best.
 - They recently terminated their Child Birth services.
 - Reduced FTE's and salaries for a number of employees.

Springfield Hospital

Request for Budget Modification

Submitted Budget July 9, 2018

- FY19 Proposed Budget: \$59,996,953
- FY18 - FY19 Proposed NPR Growth: 1.0%; \$621,755
- FY19 Submitted Change in Charge Request: 5.0%
- Participating in all 3 ACO programs in 2018 and 2019

Approved Budget September 12, 2018

- FY19 Approved Budget: \$59,996,953
- FY19 Approved Change in Charge: 5.0%

Budget modification request received and presented to the Board March 27, 2019

- FY19 Change in Charge requested increase of 5.0%, to 10.0% effective no earlier than May 1, 2019.

Springfield Hospital

Request for Budget Modification

Financial Indicators FY19A YTD October through February:

- Operating Margin: **-7.9%**
- Total Margin: **-12.7%**
- Days Cash on Hand: 9.4
- Days Payable 85.5
- Days Receivable 62.3

Approved	FY19 Budget	Staff Recommendation	Decision
Commercial Charge Increase	5.0%	<i>Participating in ACO for All Payers</i>	5.0%
Request	FY19 Budget	Staff Recommendation	Decision
Commercial Charge Increased to	10.0%	<i>Increase Change in Charge: 5.0% FY19 YTD Operating Loss of \$1,922,875, Financial Solvency Risk</i>	