

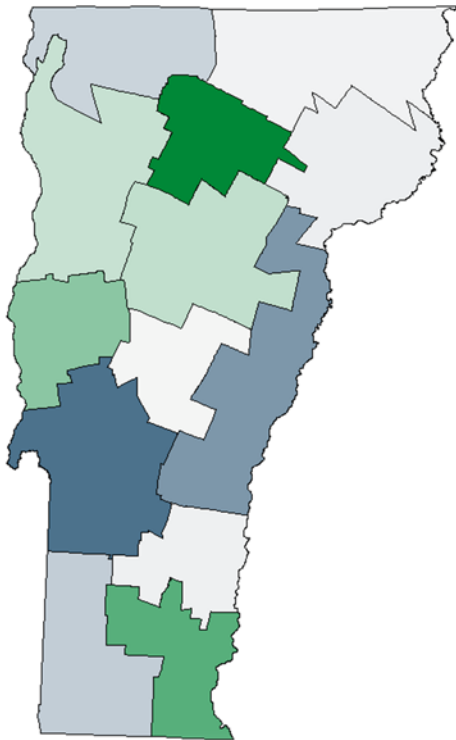
# Fiscal Year 2019 Vermont Hospital Budget Submissions

## Summary of Decision Points

Green Mountain Care Board Meeting

August 29, 2018

GMCB Hospital Budget Team



# Decision Categories

- NPR Growth
- Provider Transfers and Acquisitions
- Health Care Reform Investments
- Other Proposed Adjustments to FY18 Base
- Rate Increases

# Brattleboro Memorial Hospital

- Financial Indicators:
  - FY19 Operating Margin: 0.3% (projected FY18 operating loss)
  - FY19 Days Cash on Hand: 196.2
- FY18 Approved Budget: \$78,879,433
- Proposed Adjustment to FY18 Base:
  - Restore FY18 NPR reduction of \$1,323,198
- **FY19 Proposed Budget: \$83,968,150**
  - NPR growth without proposed adjustment: **6.5%**; \$5,088,717
  - NPR growth with proposed adjustment: **4.8%**; \$3,765,519
- Health Reform Investments:
  - Requested \$776,000 = 1.0% for FY19 (0.4% allowance = \$315,518)
  - Participating in all 3 ACO programs in 2018
- **FY19 Rate Request: 4.9%** (estimated value of 1% rate increase = \$392,275)
- Decision Points:
  - Accept proposed adjustment to FY18 Base NPR?
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?

# Central Vermont Medical Center

- Financial Indicators:
  - FY19 Operating Margin: 1.4%
  - FY19 Days Cash on Hand: 112.7
- FY18 Approved Budget: \$198,452,560
- Proposed Adjustments to FY18 Base:
  - Increase by \$2,561,709 for ACO accounting change
  - Increase by \$353,227 for provider transfers (\$102,702 approved, \$250,525 not effective until FY19)
- **FY19 Proposed Budget: \$211,387,021**
  - NPR growth without proposed adjustments: **6.5%**; \$12,934,461
  - NPR growth with all proposed adjustments: **5.0%**
- Health Reform Investments:
  - Requested \$766,000 = 0.4% for FY19 (0.4% allowance = \$793,810)
  - Participating in all 3 ACO programs in 2018
- **FY19 Rate Request: 2.8%** (estimated value of 1% rate increase = \$1,226,764)
- Decision Points:
  - Accept proposed adjustments to FY18 Base NPR?
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?

# Copley Hospital

- Financial Indicators:
  - FY19 Operating Margin: 2.0% (projected FY18 operating loss)
  - FY19 Days Cash on Hand: 66.4
- FY18 Approved Budget: \$68,024,531
- **FY19 Proposed Budget: \$72,037,976**
  - NPR growth: 5.9%; \$4,013,445
- Health Reform Investments:
  - Requested \$66,351 = 0.1% for FY19 (0.4% allowance = \$272,098)
  - Not participating in ACO programs in 2018
- **FY19 Rate Request: 7.9%** (estimated value of 1% rate increase = \$392,979)
- Decision Points:
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?

# Gifford Medical Center

- Financial Indicators:
  - FY19 Operating Margin: 2.5% (projected FY18 operating loss)
  - FY19 Days Cash on Hand: 177.5
- FY18 Approved Budget: \$59,514,010
- **FY19 Proposed Budget: \$55,894,653**
  - NPR growth: **-6.1%**; (\$3,619,357)
- Health Reform Investments:
  - Requested \$590,000 = 1.0% for FY19 (0.4% allowance = \$238,056)
  - Not participating in ACO programs in 2018
- **FY19 Rate Request 4.0%** (estimated value of 1% rate increase = \$401,670)
- Decision Points:
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?

# Grace Cottage Hospital

- Financial Indicators:
  - FY19 Operating Margin: 0.7% (projected FY18 operating loss)
  - FY19 Days Cash on Hand: 92.5
- FY18 Approved Budget: \$18,649,074
- **FY19 Proposed Budget: \$19,292,581**
  - NPR growth: 3.5%; \$643,507
- Health Reform Investments:
  - Requested \$0 for FY19 (0.4% allowance = \$74,596)
  - Not participating in ACO programs in 2018
- **FY19 Rate Request: 3.2%** (estimated value of 1% rate increase = \$88,273)
- Decision Points:
  - Accept proposed NPR?
  - Accept proposed rate increase?

# Mt. Ascutney Hospital and Health Center

- Financial Indicators:
  - FY19 Operating Margin: 0.0%
  - FY19 Days Cash on Hand: 176.4
- FY18 Approved Budget: \$48,682,309
- **FY19 Proposed Budget: \$51,195,770**
  - NPR growth = 5.2%; \$2,513,461
- Health Reform Investments:
  - Requested \$0 for FY19 (0.4% allowance = \$194,729)
  - Participating in Medicaid ACO program in 2018
- **FY19 Rate Request: 2.9%** (estimated value of 1% rate increase = \$489,084)
- Decision Points:
  - Accept proposed NPR?
  - Accept proposed rate increase?



# North Country Hospital

- Financial Indicators:
  - FY19 Operating Margin: 1.1%
  - FY19 Days Cash on Hand: 196.3
- FY18 Approved Budget: \$79,074,579
- **FY19 Proposed Budget: \$81,523,350**
  - NPR growth: 3.1%; \$2,448,771
- Health Reform Investments:
  - Requested \$379,842 = 0.5% for FY19 (0.4% allowance = \$316,298)
  - Participating in Medicaid ACO program in 2018
- **FY19 Rate Request: 3.6%** (estimated value of 1% rate increase = \$649,294)
- Decision Points:
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?

# Northeastern Vermont Regional Hospital

- Financial Indicators:
  - FY19 Operating Margin: 1.7%
  - FY19 Days Cash on Hand: 122.3
- FY18 Approved Budget: \$77,077,400
- Proposed Adjustment to FY18 Base:
  - Increase by \$129,700 for provider transfer (approved)
- **FY19 Proposed Budget: \$80,938,697**
  - NPR growth without proposed adjustment: **5.0%**; \$3,861,297
  - NPR growth with proposed adjustment: **4.8%**; \$3,731,597
- Health Reform Investments:
  - Requested \$300,000 = 0.4% for FY19 (0.4% allowance = \$308,310)
  - Not participating in ACO programs in 2018
- **FY19 Rate Request: 4.0%** (estimated value of 1% rate increase = \$384,400)
- Decision Points:
  - Accept proposed adjustment to FY18 Base NPR?
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?

# Northwestern Medical Center

- Financial Indicators:
  - FY19 Operating Margin: 2.3%
  - FY19 Days Cash on Hand: 306.5
- FY18 Approved Budget: \$106,128,223
- Proposed Adjustment to FY18 Base:
  - Increase by \$3,249,654 for provider transfers (approved)
- **FY19 Proposed Budget: \$112,773,980**
  - NPR growth without proposed adjustment: **6.3%**; \$6,645,757
  - NPR growth with proposed adjustment: **3.2%**; \$3,396,103
- Health Reform Investments:
  - Requested \$424,513 = 0.4% for FY19 (0.4% allowance = \$424,513)
  - Participating in all 3 ACO programs in 2018
- **FY19 Rate Request: 2.0%** (estimated value of 1% rate increase = \$529,558)
- Decision Points:
  - Accept proposed adjustments to FY18 Base NPR?
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?

# Porter Medical Center

- Financial Indicators:
  - FY19 Operating Margin: 3.7%
  - FY19 Days Cash on Hand: 133.0
- FY18 Approved Budget \$78,348,499; **rebased to \$80,862,127** for FY19 purposes
- Proposed Adjustments to FY18 rebased budget:
  - Increase by \$1,067,391 for ACO accounting change
- **FY19 Proposed Budget \$84,530,515**
  - NPR growth without proposed adjustment: **4.5%**; \$3,668,387
  - NPR growth with proposed adjustment: **3.2%**; \$2,600,996
- Health Reform Investments:
  - Requested \$335,000 = 0.4% for FY19 (0.4% allowance = \$323,449)
  - Participating in all 3 ACO programs in 2018
- **FY19 Rate Request: 2.8%** for commercial; -1.0% overall (estimated value of 1% rate increase = \$396,963)
- Decision Points:
  - Accept proposed adjustment to FY18 Base NPR?
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?

# Rutland Regional Medical Center

- Financial Indicators:
  - FY19 Operating Margin: 2.3%
  - FY19 Days Cash on Hand: 205.7
- FY18 Approved Budget: \$250,963,330
- **FY19 Proposed Budget: \$258,925,111**
  - NPR growth in submitted budget: **3.2%**; \$7,961,781
  - Revised NPR growth from 8-27-18 presentation: **3.1%**
- Health Reform Investments:
  - Requested \$1,012,440 = 0.4% for FY19 (0.4% allowance = \$1,003,853)
  - Not participating in ACO programs in 2018
- **FY19 Rate Request:**
  - **3.0% in submitted budget** (estimated value of 1% rate increase = \$829,651)
  - Revised rate request from 8-27-18 presentation: **2.6%**
- Decision Points:
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?

# Southwestern Vermont Medical Center

- Financial Indicators:
  - FY19 Operating Margin: 3.6%
  - FY19 Days Cash on Hand: 46.3 (180-189 with Parent Organization)
- FY18 Approved Budget: \$159,497,504
- Proposed Adjustment to FY18 rebased budget:
  - Increase by \$581,310 for dental home CON project
- **FY19 Proposed Budget: \$165,201,376**
  - NPR growth without proposed adjustment: **3.6%**; \$5,703,872
  - NPR growth with proposed adjustment: **3.2%**; \$5,122,562
- Health Reform Investments:
  - Requesting \$1,792,236 = 1.1% for FY19 (0.4% allowance = \$637,990)
  - Participating in Medicaid ACO program in 2018
- **FY19 Rate Request: 3.2%** (estimated value of 1% rate increase = \$811,177)
- Decision Points:
  - Accept proposed adjustment to FY18 Base NPR?
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?

# Springfield Hospital

- Financial Indicators:
  - FY19 Operating Margin: 1.3% (projected FY18 operating loss)
  - FY19 Days Cash on Hand: 106.8
- FY 2018 Approved Budget: \$59,375,198
- **FY 2019 Proposed Budget: \$59,996,953**
  - NPR growth: **1.0%**; \$621,755
- Health Reform Investments:
  - Requested \$0 for FY19 (0.4% allowance = \$237,501)
  - Participating in all 3 ACO programs in 2018
- **FY19 Rate Request: 5.0%** (estimated value of 1% rate increase = \$318,779)
- Decision Points:
  - Accept proposed NPR?
  - Accept proposed rate increase?

# University of Vermont Medical Center

- Financial Indicators:
  - FY19 Operating Margin: 2.8%
  - FY19 Days Cash on Hand: 192.4
- FY18 Approved Budget: \$1,209,654,762; **rebased to \$1,252,297,020** for FY19 purposes
- Proposed Adjustments to FY18 rebased budget:
  - Increase by \$7,919,705 for ACO accounting change
- **FY19 Proposed Budget: \$1,273,460,046**
  - NPR growth without adjustment: **1.7%**; \$21,163,026
  - NPR growth with adjustment: **1.1%**; \$13,243,321
- Health Reform Investments:
  - Requested \$8,572,000 = 0.7% in FY19 (0.4% allowance = \$5,009,188)
  - Participating in all 3 ACO programs in 2018
- **FY19 Rate Request: 4.0%** commercial; **3.0%** overall (estimated value of 1% commercial rate increase = \$4,500,353; 1% overall rate increase = \$6,337,346)
- Decision Points:
  - Accept proposed adjustment to FY18 Base NPR?
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?