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GMCB

The University of Vermont Health Network Update
June 19, 2019

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CEO, UVM Medical Center
President and CEO, UVM Health Network

THE
University of Vermont
MEDICAL CENTER

Agenda

- Financial Check-In FY 2019
- Issued CON Updates
 - Miller Building
 - EPIC
- Looking Forward
 - High Value Care
 - Work Force
 - Volume to Value – The APM

UVMHN – VT Hospitals

The University of Vermont Health Network GMCB Summary (UVMHC, CVMC, & Porter Hospital)

Report: BR150 Monthly Departmental Budget Variance Report

Account	Account Description	FY17 Actual	FY18 Actual	FY19 Budget	FY19 Anlzd YTD Mar	FY19 Projected	FY2019 Variance Act - Proj	
							Amount	%
Gross Patient Service Revenue								
	Total Gross Patient Service Revenue	3,195,482,272	3,260,564,606	3,369,890,835	3,401,241,456	3,474,606,131	104,715,295	3.1%
Deductions								
	Total Deductions	1,738,942,854	1,889,696,065	2,061,184,188	2,023,918,151	2,074,963,631	13,779,443	0.7%
	Net Patient Service Revenue	1,456,539,418	1,370,868,542	1,308,706,647	1,377,323,305	1,399,642,500	90,935,853	6.9%
	<i>Collection %</i>	45.6%	42.0%	38.8%	40.5%	40.3%		
	Fixed Prospective Payments (FPP)	27,929,866	155,384,060	254,136,321	174,966,283	187,049,099	(67,087,222)	-26.4%
	OCV Value and Care Coordination Payments	-	2,716,446	6,534,614	4,466,307	4,243,876	(2,290,738)	-35.1%
	TOTAL NPSR + FPP + OCV REVENUE	1,484,469,284	1,528,969,048	1,569,377,582	1,556,755,894	1,590,935,475	21,557,893	1.4%
	<i>Collection % including FPP + OCV</i>	46.5%	46.9%	46.6%	45.8%	45.8%		
Other Revenue								
	Total Other Revenue	121,615,520	128,540,245	124,479,513	155,702,420	156,479,566	32,000,053	25.7%
	TOTAL UNRESTRICTED REVENUE & OTHER	1,606,084,804	1,657,509,294	1,693,857,095	1,712,458,314	1,747,415,041	53,557,946	3.2%
	<i>Total Physician FTEs</i>	697	736	733	737	738	5	0.7%
	<i>Total Staff FTEs (Incl Travelers)</i>	8,004	7,990	8,071	8,150	8,209	137	1.7%
Salaries								
	Total Salaries	724,097,783	758,626,880	769,772,238	782,455,783	795,301,237	25,528,999	3.3%
	Salaries, Payroll Taxes, and Fringe Benefits	920,391,333	944,985,861	964,638,597	969,061,119	987,848,869	23,210,272	2.4%
Non-Salary Expense								
	Total Non-Salary Expense	613,789,182	669,670,706	683,426,982	708,632,240	716,315,888	32,888,905	4.8%
	TOTAL EXPENSES	1,534,180,515	1,614,656,568	1,648,065,579	1,677,693,359	1,704,164,757	56,099,177	3.4%
	NET INCOME (LOSS) FROM OPERATIONS	71,904,289	42,852,726	45,791,516	34,764,955	43,250,284	(2,541,232)	-0.2%
	<i>Income (Loss) Margin</i>	4.5%	2.6%	2.7%	2.0%	2.5%		
	INCREASE/(DECREASE) UNRESTRICTED NET ASSETS	110,830,959	78,343,188	83,369,392	44,988,391	63,642,529	(19,726,863)	

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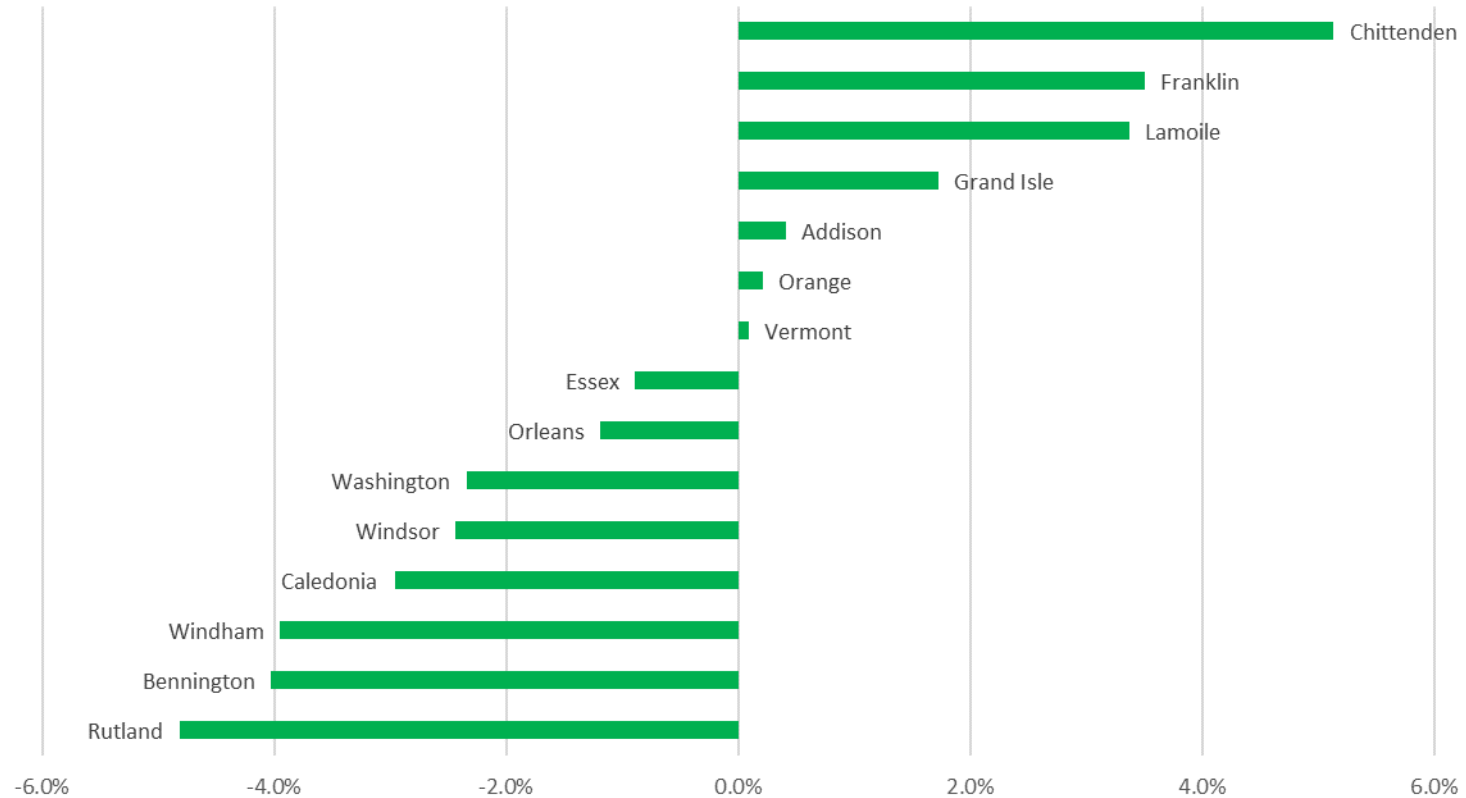
The University of Vermont Health Network

UVMMMC

Report: BR150 Monthly Departmental Budget Variance Report

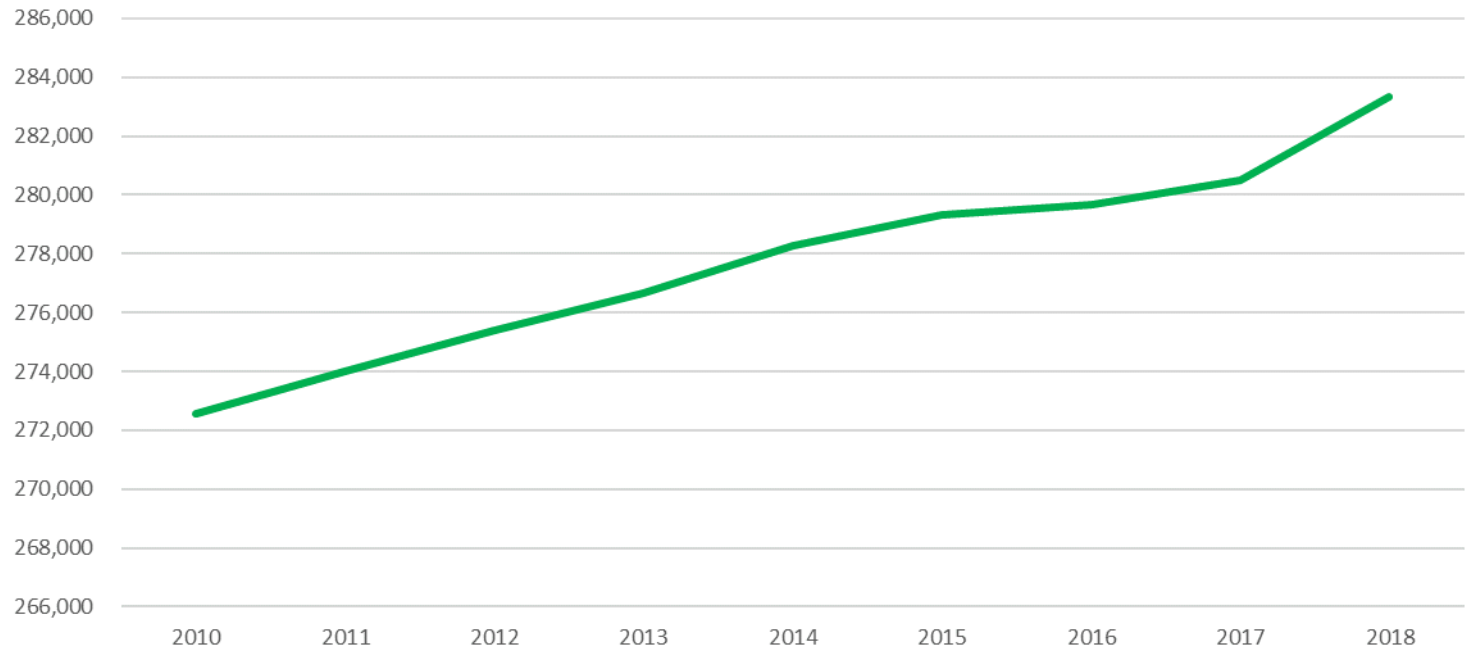
Account	Account Description	FY17 Actual	FY18 Actual	FY19 Budget	FY19 Anlzd YTD Mar	FY19 Projected	FY2019 Variance Act - Proj	
							Amount	%
Gross Patient Service Revenue								
	Total Gross Patient Service Revenue	2,648,146,194	2,703,898,960	2,785,724,813	2,821,397,248	2,890,835,979	105,111,166	3.8%
Deductions								
	Total Deductions	1,455,538,141	1,568,349,459	1,705,112,039	1,682,328,513	1,728,948,188	23,836,149	1.4%
	Net Patient Service Revenue	1,192,608,052	1,135,549,501	1,080,612,774	1,139,068,735	1,161,887,791	81,275,017	7.5%
	<i>Collection %</i>	45.0%	42.0%	38.8%	40.4%	40.2%		
	Fixed Prospective Payments (FPP)	18,510,923	116,287,643	189,023,262	126,663,910	133,209,080	(55,814,183)	-29.5%
	OCV Value and Care Coordination Payments	-	2,199,365	3,824,010	2,518,725	2,361,426	(1,462,583)	-38.2%
	TOTAL NPSR + FPP + OCV REVENUE	1,211,118,975	1,254,036,510	1,273,460,046	1,268,251,370	1,297,458,297	23,998,251	1.9%
	<i>Collection % including FPP + OCV</i>	45.7%	46.4%	45.7%	45.0%	44.9%		
Other Revenue								
	Total Other Revenue	102,701,941	109,480,250	105,693,036	134,652,003	135,251,437	29,558,401	28.0%
	TOTAL UNRESTRICTED REVENUE & OTHER	1,313,820,916	1,363,516,760	1,379,153,082	1,402,903,373	1,432,709,734	53,556,652	3.9%
	<i>Total Physician FTEs</i>	577	613	601	608	608	6	1.1%
	<i>Total Staff FTEs (Incl Travelers)</i>	6,146	6,309	6,333	6,466	6,523	190	3.0%
Salaries								
	Total Salaries	574,530,171	607,913,585	613,944,051	627,142,352	639,069,184	25,125,132	4.1%
	Salaries, Payroll Taxes, and Fringe Benefits	733,546,967	757,237,929	770,865,219	775,766,358	792,412,006	21,546,787	2.8%
Non-Salary Expense								
	Total Non-Salary Expense	511,693,155	560,151,386	569,043,838	594,078,390	600,906,574	31,862,736	5.6%
	TOTAL EXPENSES	1,245,240,122	1,317,389,315	1,339,909,057	1,369,844,748	1,393,318,580	53,409,523	4.0%
	NET INCOME (LOSS) FROM OPERATIONS	68,580,794	46,127,445	39,244,025	33,058,625	39,391,154	147,129	
	<i>Income (Loss) Margin</i>	5.2%	3.4%	2.8%	2.4%	2.7%	-0.1%	
	INCREASE/(DECREASE) UNRESTRICTED NET ASSETS	89,672,035	71,192,586	72,175,796	42,340,260	56,807,783	(15,368,013)	

2010 to 2018 Change in Population

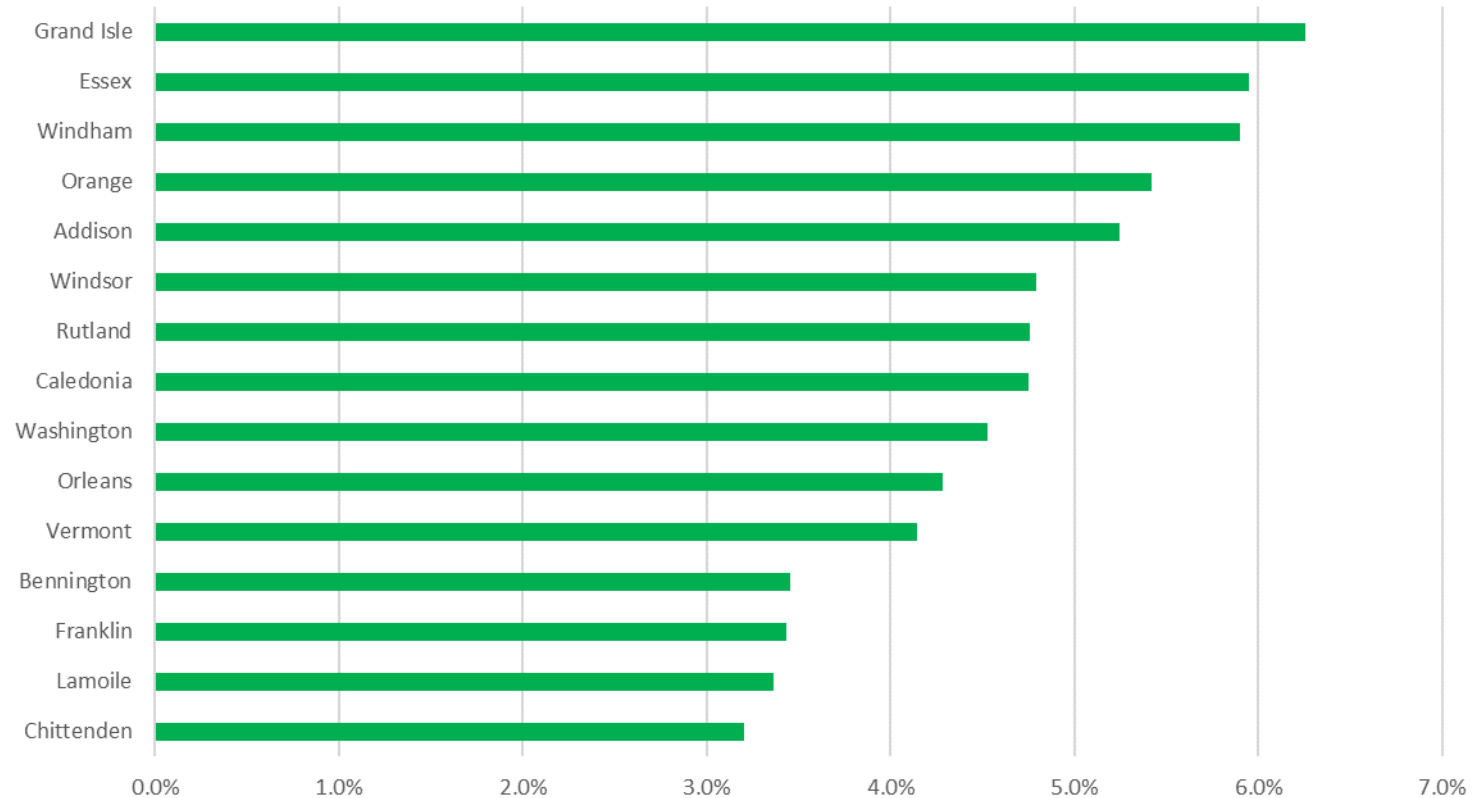


Primary Market Population

Chittenden, Franklin, Grand Isle, Lamoile, Addison



2010 to 2018 Percent Change in Population Over 65



NPR/FPP Adjusted for Patient Volume & CMI

	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Projected
CMI Adjusted NPR& FPP per Unique Patient	\$2,782	\$2,877	\$2,979	\$2,979
Percent Change from Prior Year		2.0%	3.4%	0.0%

340B Growth and Lower than Required Commercial Rate Increase

	FY16	FY17	FY18	FY19
Commerical Rate Increase	6.0%	2.5%	0.7%	2.5%
Value of 1% Increase	\$ 5,700,000	\$ 5,702,000	\$ 5,784,000	\$ 5,746,000
Difference Between Required 6% and Actual Increase	\$ -	\$ 19,957,000	\$ 30,655,200	\$ 20,111,000
Net Increase in 340B Related Programs from Prior Year	\$ 6,929,203	\$ 12,423,218	\$ 5,569,780	\$ 15,556,152
Difference Between 340B Increase and Required 6% Commercial Increase Gap	\$ 6,929,203	\$ (7,533,782)	\$ (25,085,420)	\$ (4,554,848)
Operating Margin	6.3%	5.2%	3.4%	2.8%

Miller Building









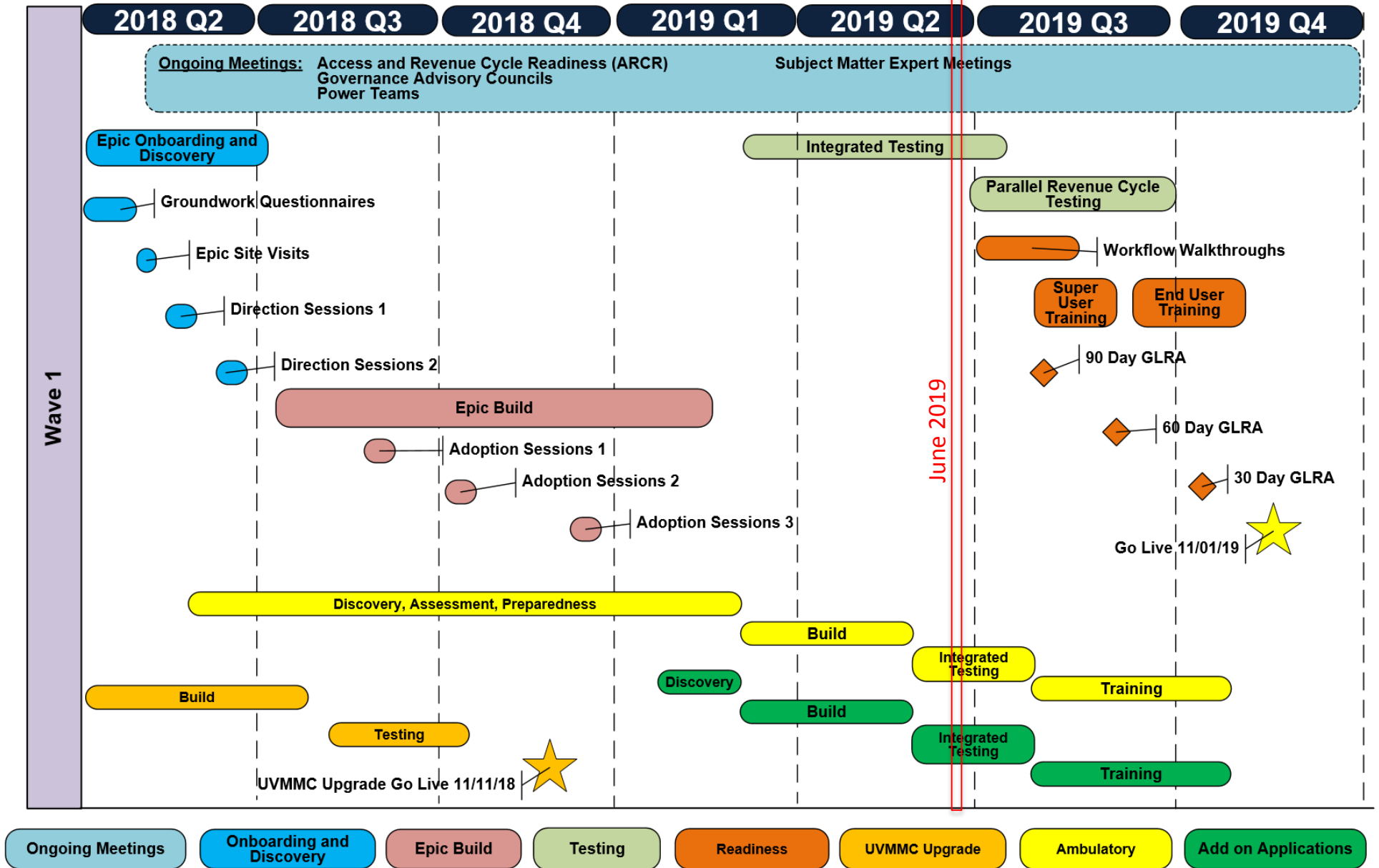


Miller Building Budget Status

Miller Building Project				5/31/2019
Detailed Project Summary	CON Budget	Projected Cost		Payments Processed
		PO Commitments	Estimated Cost of Completion <i>(PO + Forecasts)</i>	Cost to Date
Land Acquisition	\$ 9,700,000	\$ 9,724,650	\$ 9,724,650	\$ 9,724,650
Architectural / Engineering Fees	\$ 9,419,481	\$ 8,743,591	\$ 9,807,859	\$ 8,287,785
Contracted Construction	\$ 116,891,059	\$ 121,986,071	\$ 123,773,138	\$ 120,752,862
Owner Construction	\$ -	\$ 2,836,025	\$ 3,785,735	\$ 2,471,249
Administrative Expenses and Permits	\$ 3,695,601	\$ 1,636,886	\$ 2,684,053	\$ 1,636,809
Fixed Equipment	\$ 4,989,108	\$ 2,795,885	\$ 2,795,885	\$ 2,619,741
Furnishings, Fixtures and Other Equipment	\$ 12,718,123	\$ 7,352,226	\$ 7,602,226	\$ 5,345,306
Construction Contingency	\$ 17,533,660	\$ -	\$ 8,012,409	\$ -
Debt Financing Expenses <i>(includes capitalized interest)</i>	\$ 12,350,697	\$ 11,385,291	\$ 11,385,291	\$ 11,385,291
Total Project Cost	\$ 187,297,729	\$ 166,460,624	\$ 179,571,245	\$ 162,223,693

Wave 1 Overview

Epic Implementation Overview



Looking Forward

- High Value Care
- Work Force
- Volume to Value – The APM



Questions?