Vermont Hospital Budgets
FY 2017 Budget to Actual

GMCB Meeting
February 14, 2018
Next Steps for Budget to Actual Process

- Feb 14 – GMCB gives guidance to staff on further analysis/action.
- Feb 21 - Follow up from 2/14, possible GMCB vote.
- March 14 – Follow up from 2/21 (if needed), possible GMCB vote.
- March – Letters written to hospitals.
- May – Final Summary telling the Fiscal Year 2017 budget to actual story
Enforcement Policy

Enforcement Mechanism

The following enforcement mechanism, adopted in 2013 for FY14-16, has been re-adopted by the GMCB and will be used when examining the operating results of the FY 2017 budgets:

1) Net patient revenue (NPR) amounts as ordered will be enforced.
2) The GMCB will review hospitals whose year-end NPRs exceed the NPR requirement by 0.5% above or below their approved NPR. Such a review will not necessarily lead to action by the GMCB.
3) Budget reviews will compare each outlier to results of the total system.
4) Reporting requirements for the review will be determined by the GMCB.
5) The GMCB will afford the hospital the opportunity for a hearing, and may require a hearing if it deems one necessary.
6) If the GMCB determines that a hospital’s performance has differed substantially from its budget, the GMCB may take actions including but not limited to (see GMCB Rule 3.000, § 3.401(c)):
   a) Reduce or increase in a hospital’s rates;
   b) Reduce or increase net revenue and/or expenditure levels in current year budget;
   c) Use finding as a consideration to adjust the hospital’s budget in a subsequent year or years; and
   d) Establish full budget review of actual operations for that budget year.

Effective February 25, 2016

The above language is from Hospital Budget Reporting Requirements for Fiscal Year 2017
## Analysis of Enforcement Policy Trigger
### FY 2017 Actuals

<table>
<thead>
<tr>
<th>Vermont Community Hospitals</th>
<th>Budget 2017</th>
<th>FY 2017 Actuals</th>
<th>Amount Over/Under Budget</th>
<th>% Change Over/Under</th>
<th>Allowed 0.5% Variance per GMCB Policy</th>
<th>Amount Over/Under 0.5% Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vermont Community Hospitals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Patient Revenue &amp; Fixed Prospective Payments</strong></td>
<td>Budget 2017 Approved</td>
<td>FY 2017 Actuals</td>
<td>Amount Over/Under</td>
<td>% Change Over/Under</td>
<td>Allowed 0.5% Variance per GMCB Policy</td>
<td>Amount Over/Under 0.5% Allowance</td>
</tr>
<tr>
<td>Brattleboro Memorial Hospital</td>
<td>$76,408,612</td>
<td>$75,062,532</td>
<td>$(1,346,080)</td>
<td>-1.8%</td>
<td>$(382,043)</td>
<td>$(964,037)</td>
</tr>
<tr>
<td>Central Vermont Medical Center</td>
<td>$191,831,143</td>
<td>$195,237,530</td>
<td>$3,406,387</td>
<td>1.8%</td>
<td>$959,156</td>
<td>$2,447,231</td>
</tr>
<tr>
<td>Copley Hospital</td>
<td>$64,819,405</td>
<td>$64,983,966</td>
<td>$164,561</td>
<td>0.3%</td>
<td>$324,097</td>
<td>ok</td>
</tr>
<tr>
<td>Gifford Medical Center</td>
<td>$57,762,429</td>
<td>$54,307,372</td>
<td>$(3,455,056)</td>
<td>-6.0%</td>
<td>$(288,812)</td>
<td>$(3,166,244)</td>
</tr>
<tr>
<td>Grace Cottage Hospital</td>
<td>$19,205,503</td>
<td>$16,955,398</td>
<td>$(2,250,105)</td>
<td>-11.7%</td>
<td>$(96,028)</td>
<td>$(2,154,077)</td>
</tr>
<tr>
<td>Mt. Ascutney Hospital &amp; Health Ctr</td>
<td>$47,744,700</td>
<td>$48,253,025</td>
<td>$508,325</td>
<td>1.1%</td>
<td>$238,724</td>
<td>$269,601</td>
</tr>
<tr>
<td>North Country Hospital</td>
<td>$81,189,662</td>
<td>$76,686,887</td>
<td>$(4,502,775)</td>
<td>-5.5%</td>
<td>$(405,948)</td>
<td>$(4,096,827)</td>
</tr>
<tr>
<td>Northeastern VT Regional Hospital</td>
<td>$77,069,500</td>
<td>$76,794,700</td>
<td>$(274,800)</td>
<td>-0.4%</td>
<td>$(385,348)</td>
<td>ok</td>
</tr>
<tr>
<td>Northwestern Medical Center</td>
<td>$101,935,936</td>
<td>$101,110,424</td>
<td>$(825,512)</td>
<td>-0.8%</td>
<td>$(509,680)</td>
<td>$(315,832)</td>
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<tr>
<td>Porter Medical Center</td>
<td>$76,094,921</td>
<td>$78,203,218</td>
<td>$2,108,297</td>
<td>2.8%</td>
<td>$380,475</td>
<td>$1,727,822</td>
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<tr>
<td>Rutland Regional Medical Center</td>
<td>$243,415,448</td>
<td>$242,193,431</td>
<td>$(1,222,017)</td>
<td>-0.5%</td>
<td>$(1,217,077)</td>
<td>$(4,940)</td>
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<tr>
<td>Southwestern VT Medical Center</td>
<td>$152,362,260</td>
<td>$152,602,902</td>
<td>$240,642</td>
<td>0.2%</td>
<td>$761,811</td>
<td>ok</td>
</tr>
<tr>
<td>Springfield Hospital</td>
<td>$59,147,241</td>
<td>$51,999,349</td>
<td>$(7,147,892)</td>
<td>-12.1%</td>
<td>$(295,736)</td>
<td>$(6,852,156)</td>
</tr>
<tr>
<td>The University of Vermont Medical Center</td>
<td>$1,172,785,845</td>
<td>$1,211,118,975</td>
<td>$38,333,130</td>
<td>3.3%</td>
<td>$5,863,929</td>
<td>$32,469,201</td>
</tr>
<tr>
<td>All Vermont Community Hospitals</td>
<td>$2,421,772,605</td>
<td>$2,445,509,709</td>
<td>$23,737,104</td>
<td>1.0%</td>
<td>$12,108,863</td>
<td>$19,359,742</td>
</tr>
</tbody>
</table>