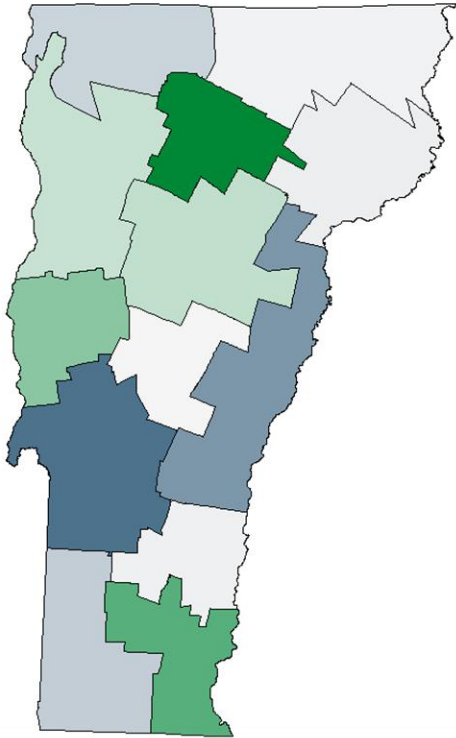


Vermont Hospital Budgets FY 2017 Budget to Actual

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

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