

Vermont Community Hospital

Fiscal Year 2021 Budget Analysis

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QUESTIONS

TECHNICAL QUESTIONS:

Please be prepared to explain how COVID-19 has affected your staffing. For Non-MD FTEs and MD FTEs.
Please discuss the reductions in force and the plans to return staffing to pre-COVID-19 levels.

Vermont Community Hospital

Vermont Community Hospital												
CEO:		CFO:										
Budget Fiscal Year 2021	GMCB Data Entry					Hospital Data Entry						
INCOME STATEMENT	2019 A	2020 B	1st Qtr FY20	2nd Qtr FY20	3rd Qtr FY20	4th Qtr FY20 Projected	2020 PROJ	2021 B	2019A-2020P	2020B-2020P	2020B-2021B	2020P-2021B
Revenues												
Gross Patient Care Revenue	\$180,000,000	\$185,000,000	\$46,250,000	\$50,875,000	\$37,000,000	\$32,375,000	\$166,500,000		-7.5%	-10.0%	-100.0%	-100.0%
Disproportionate Share Payments	\$1,000,000	\$800,000	\$200,000	\$220,000	\$160,000	\$140,000	\$720,000		-28.0%	-10.0%	-100.0%	-100.0%
Graduate Medical Education (UVMHC only)	\$0	\$0	\$0	\$0	\$0	\$0	\$0		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Bad Debt	-\$3,200,000	-\$3,500,000	-\$875,000	-\$962,500	-\$700,000	-\$612,500	-\$3,150,000		-1.6%	-10.0%	-100.0%	-100.0%
Free Care	-\$3,000,000	-\$3,200,000	-\$800,000	-\$880,000	-\$640,000	-\$560,000	-\$2,880,000		-4.0%	-10.0%	-100.0%	-100.0%
Deductions from Revenue	-\$87,500,000	-\$87,000,000	-\$21,750,000	-\$23,925,000	-\$17,400,000	-\$15,225,000	-\$78,300,000		-10.5%	-10.0%	-100.0%	-100.0%
Net Patient Care Revenue	\$87,300,000	\$92,100,000	\$23,025,000	\$25,327,500	\$18,420,000	\$16,117,500	\$82,890,000	\$0	-5.1%	-10.0%	-100.0%	-100.0%
Fixed Prospective Payments, Reserves & Other												
Fixed Prospective Payments	\$2,500,000	\$4,560,100	\$1,140,025	\$1,254,028	\$912,020	\$798,018	\$4,104,090		64.2%	-10.0%	-100.0%	-100.0%
Reserves									#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments									#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Fixed Prospective Payments, Reserves & Other	\$2,500,000	\$4,560,100	\$1,140,025	\$1,254,028	\$912,020	\$798,018	\$4,104,090	\$0	64.2%	-10.0%	-100.0%	-100.0%
Total NPR & FPP	89,800,000	96,660,100	24,165,025	26,581,528	19,332,020	16,915,518	86,994,090	-	(0)	(0)	(1)	(1)
COVID-19 Stimulus and Other Grant Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other	\$181,472	\$265,200	\$66,300	\$72,930	\$18,233	\$4,558	\$265,200		46.1%	0.0%	-100.0%	-100.0%
Other Operating Revenue	\$181,472	\$265,200	\$66,300	\$72,930	\$18,233	\$4,558	\$265,200		46.1%	0.0%	-100.0%	-100.0%
Total Operating Revenue	\$89,981,472	\$96,925,300	\$24,231,325	\$26,654,458	\$19,350,253	\$16,920,076	\$87,259,290	\$0	-3.0%	-10.0%	-100.0%	-100.0%
Expenses												
Salaries, Fringe Benefits, Physician Fees, Contracts	\$50,500,000	\$54,000,000	\$13,500,000	\$14,850,000	\$10,800,000	\$9,450,000	\$48,600,000		-3.8%	-10.0%	-100.0%	-100.0%
Medical/Surgical Drugs and Supplies	\$3,500,000	\$4,000,000	\$1,000,000	\$1,100,000	\$800,000	\$700,000	\$3,600,000		2.9%	-10.0%	-100.0%	-100.0%
Health Care Provider Tax	\$5,388,000	\$5,799,606	\$1,449,902	\$1,594,892	\$1,159,921	\$1,014,931	\$5,219,645		-3.1%	-10.0%	-100.0%	-100.0%
Depreciation/Amortization	\$3,200,000	\$3,800,000	\$950,000	\$1,045,000	\$760,000	\$665,000	\$3,420,000		6.9%	-10.0%	-100.0%	-100.0%
Interest - Short and Long Term	\$300,000	\$325,000	\$81,250	\$89,375	\$65,000	\$56,875	\$292,500		-2.5%	-10.0%	-100.0%	-100.0%
Other Operating Expenses	\$29,000,000	\$31,500,000	\$7,875,000	\$8,662,500	\$6,300,000	\$5,512,500	\$28,350,000		-2.2%	-10.0%	-100.0%	-100.0%
Total Operating Expense	\$91,888,000	\$99,424,606	\$24,856,152	\$27,341,767	\$19,884,921	\$17,399,306	\$89,482,145	\$0	-2.6%	-10.0%	-100.0%	-100.0%
Net Operating Income	-\$1,906,528	-\$2,499,306	-\$624,827	-\$687,309	-\$534,669	-\$479,230	-\$2,222,855	\$0	16.6%	-11.1%	-100.0%	-100.0%
Non Operating Revenue	\$800,000	\$1,000,000	\$250,000	\$275,000	\$200,000	\$175,000	\$900,000		12.5%	-10.0%	-100.0%	-100.0%
Excess (Deficit) of Rev over Exp	-\$1,106,528	-\$1,499,306	-\$374,827	-\$412,309	-\$334,669	-\$304,230	-\$1,322,855	\$0	19.6%	-11.8%	-100.0%	-100.0%
Income Statement Metrics												
Operating Margin %	-2.1%	-2.6%	-2.6%	-2.6%	-2.8%	-2.8%	-2.5%	#DIV/0!				
Total Margin %	-1.2%	-1.5%	-1.5%	-1.5%	-1.7%	-1.8%	-1.5%	#DIV/0!				

Vermont Community Hospital

Budget Fiscal Year 2021		GMCB Data Entry		Hospital Data Entry					
BALANCE SHEET	2019 A	2020 B	2020 PROJ	2021 B	2019A-2020P	2020B-2020P	2020B-2021B	2020P-2021B	
Cash & Investments	\$5,800,000	\$8,500,000	\$700,000		-87.9%	-91.8%	-100.0%	-100.0%	
Net Patient Accounts Receivable	\$9,200,000	\$9,000,000	\$8,200,000		-10.9%	-8.9%	-100.0%	-100.0%	
ACO Risk Reserve/Settlement Receivable	\$0	\$0			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Other Current Assets	\$4,000,000	\$3,000,000	\$6,100,000		52.5%	103.3%	-100.0%	-100.0%	
Current Assets	\$19,000,000	\$20,500,000	\$15,000,000	\$0	-21.1%	-26.8%	-100.0%	-100.0%	
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Board Designated Assets	\$18,900,000	\$18,500,000	\$16,900,000		-10.6%	-8.6%	-100.0%	-100.0%	
Net, Property, Plant And Equipment	\$22,000,000	\$25,000,000	\$23,500,000		6.8%	-6.0%	-100.0%	-100.0%	
Other Long-Term Assets	\$7,500,000	\$7,300,000	\$7,000,000		-6.7%	-4.1%	-100.0%	-100.0%	
Assets	\$67,400,000	\$71,300,000	\$62,400,000	\$0	-7.4%	-12.5%	-100.0%	-100.0%	
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Accounts Payable	\$2,600,000	\$4,200,000	\$7,700,000		196.2%	83.3%	-100.0%	-100.0%	
Salaries, Wages And Payroll Taxes Payable	\$5,800,000	\$5,500,000			-100.0%	-100.0%	-100.0%	#DIV/0!	
ACO Risk Reserve/Settlement Payable	\$0	\$0	\$400,000		#DIV/0!	#DIV/0!	#DIV/0!	-100.0%	
COVID-19 Funding Short-Term Liabilities	\$0	\$0			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Other Current Liabilities	\$2,900,000	\$5,000,000	\$4,000,000		37.9%	-20.0%	-100.0%	-100.0%	
Current Liabilities	\$11,300,000	\$14,700,000	\$12,100,000	\$0	7.1%	-17.7%	-100.0%	-100.0%	
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Long Term Liabilities	\$11,000,000	\$12,000,000	\$9,300,000		-15.5%	-22.5%	-100.0%	-100.0%	
Other Noncurrent Liabilities	\$4,500,000	\$1,000,000	\$3,000,000		-33.3%	200.0%	-100.0%	-100.0%	
COVID-19 Funding Long-Term Liabilities	\$0	\$0			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Fund Balance	\$40,600,000	\$43,600,000	\$38,000,000		-6.4%	-12.8%	-100.0%	-100.0%	
Liabilities and Equities	\$67,400,000	\$71,300,000	\$62,400,000	\$0	-7.4%	-12.5%	-100.0%	-100.0%	
Balance Sheet Metrics					Change in Points				
Days Cash on Hand	110.0	115.0	70.0		-40.0	-45.0	-115.0	-70.0	
Days Cash on Hand-COVID-19	0.0	0.0			0.0	0.0	0.0	0.0	
Debt Service Coverage Ratio	4.5	4.0	(1.3)		-5.3	-5.8	-4.0	1.3	
Long Term Debt to Capitalization	0.2	0.2	0.2		0.0	0.0	-0.2	-0.2	
Days Payable	45.9	61.5	56.0		-5.5	10.1	-61.5	-56.0	
Days Receivable	40.0	40.0	38.0		-2.0	-2.0	-40.0	-38.0	

Vermont Community Hospital		
Budget Fiscal Year 2021		
COVID-19 Related Hospital Revenue Replacement Funding Sources FY20		
Total Funding Sources		
Funding Sources	Amount	% of Total
Medicare Advance Funding	\$ 5,000,000	26.4%
State Funding	\$ 200,000	1.1%
Federal Funding	\$ 8,000,000	42.3%
Other (Please Specify)	\$ 5,500,000	29.1%
Other (Please Specify)	\$ 150,000	0.8%
Other (Please Specify)	\$ 35,000	0.2%
Other (Please Specify)	\$ 25,000	0.1%
TOTAL:	\$ 18,910,000	100%

Vermont Community Hospital		
Budget Fiscal Year 2021		
COVID-19 Related Hospital Revenue Replacement Funding Sources FY20		
Funding Sources to be Paid Back		
Funding Sources	Amount	% of Total
Medicare Advance Funding	\$ 5,000,000	32.4%
State Funding	\$ 200,000	1.3%
Federal Funding	\$ 6,500,000	42.2%
Other (Please Specify)	\$ 3,500,000	22.7%
Other (Please Specify)	\$ 150,000	1.0%
Other (Please Specify)	\$ 35,000	0.2%
Other (Please Specify)	\$ 25,000	0.2%
TOTAL:	\$ 15,410,000	100%

Vermont Community Hospital		
Budget Fiscal Year 2021		
COVID-19 Related Hospital Revenue Replacement Funding Sources FY20		
Funding Sources Not to be Paid Back		
Funding Sources	Amount	% of Total
Other (Please Specify)	\$ -	0.0%
State Funding	\$ -	0.0%
Federal Funding	\$ 1,500,000	42.9%
Other (Please Specify)	\$ 2,000,000	57.1%
Other (Please Specify)	\$ -	0.0%
Other (Please Specify)	\$ -	0.0%
Other (Please Specify)	\$ -	0.0%
TOTAL:	\$ 3,500,000	100%

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Vermont Community Hospital

CHANGE IN CHARGE AND NET PATIENT REVENUE INCREASE

Change in charge is the average change in price for services provided.

	FY2018	FY2019	FY2020	FY2021
Weighted Average Approved Rate (all hospitals)	2.0%	2.9%	3.1%	
Weighted Average Submitted Rate (all hospitals)	2.3%	3.9%	3.2%	
Approved % Change in Charge	3.8%	3.2%	3.0%	n/a
Commercial Approved % Change in Charge	3.8%	3.2%	3.0%	n/a
Submitted % Change in Charge	3.8%	4.3%	4.0%	3.5%
Commercial Submitted % Change in Charge	3.8%	4.3%	4.0%	3.5%

Hospital Inpatient Change in Gross Charges	3.5%
Hospital Outpatient Change in Gross Charges	3.5%
Professional Services Change in Gross Charges	0.0%
Primary Care Change in Gross Charges	0.0%
Specialty Care Change in Gross Charges	0.0%
Skilled Nursing Facility Change in Gross Charges	0.0%
Other (please specify)	
Other (please specify)	

Net Patient Revenue Change Due to Charge Request	Dollar Value	Value of 1% Charge
Commercial	\$ 1,317,200	0%
Medicaid	\$ -	0%
Medicare	\$ -	0%
Total Change Due to Charge Request	\$ 1,317,200	0%

Vermont Community Hospital

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Payer Mix	2019 A	2020 B	2020 PROJ	2021 B	2019A-2020P	2020B-2020P	2020B-2021B	2020P-2021B
Gross Patient Revenue								
Medicare	\$77,754,068	\$80,273,400			-100.0%	-100.0%	-100.0%	#DIV/0!
Medicaid	\$36,470,274	\$37,584,400			-100.0%	-100.0%	-100.0%	#DIV/0!
Commercial	\$57,261,105	\$59,408,100			-100.0%	-100.0%	-100.0%	#DIV/0!
Self-Pay/Other/WC	\$6,294,165	\$5,582,600			-100.0%	-100.0%	-100.0%	#DIV/0!
Total Gross Patient Revenue	\$177,779,612	\$182,848,500			-100.0%	-100.0%	-100.0%	#DIV/0!
Net Patient Revenue/Fixed Prospective Payments								
Medicare	\$33,964,345	\$35,550,490			-100.0%	-100.0%	-100.0%	#DIV/0!
Medicaid	\$12,118,287	\$12,028,459			-100.0%	-100.0%	-100.0%	#DIV/0!
Commercial	\$33,905,366	\$35,048,750			-100.0%	-100.0%	-100.0%	#DIV/0!
Self-Pay/Other/WC	\$3,737,560	\$3,638,400			-100.0%	-100.0%	-100.0%	#DIV/0!
Total NPR & FPP	\$83,725,558	\$86,266,099			-100.0%	-100.0%	-100.0%	#DIV/0!
Reimbursement Ratio								
Medicare	44%	44%	#DIV/0!	#DIV/0!				
Medicaid	33%	32%	#DIV/0!	#DIV/0!				
Commercial	59%	59%	#DIV/0!	#DIV/0!				
Self-Pay/Other/WC	59%	65%	#DIV/0!	#DIV/0!				
Total Reimbursement Ratio	47%	47%	#DIV/0!	#DIV/0!				