VERMONT
GREEN MOUNTAIN CARE BOARD

FY 2021
Vermont Hospital Budgets
Board Deliberations

September 2, 2020
September 9, 2020

GMCB Health System Finance Team

Deliberation & Public Comment

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- August 6, 2020 – Public Comment asking GMCB to approve Northwestern Medical Center's budget
- August 11, 2020 – Public Comment received regarding charge discrepancies between Northwestern Medical Center and University of Vermont Medical Center
- August 24, 2020 – Public Comment asking GMCB should reward hospitals that keep service costs below average
- August 27, 2020 – Public Comment received to support and sustain Northwestern Medical Center
- August 28, 2020 – Public Comment about geographic necessity of Northwestern Medical Center and to support budget increases
- August 28, 2020 – Public Comment asking GMCB to pass Northwestern Medical Center's budget to continue to provide and deliver high quality care to the community, and to improve the community through their partnerships and programs

Note: Some of the above comments were verbally expressed while others were written.

Staff Considerations

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GMCB staff recommends considering the following:

- Hospital's overall financial health, including operating margin and key financial indicators
- Potential financial uncertainty due to COVID-19
- Hospital's capital and infrastructure needs (some project postponement)
- Participation in the All-Payer Model
- Impact of change in charge on commercial rate payers
- Provider transfer and accounting adjustments and adequately justified requests
- Budget guidance on NPR/FPP growth rates and adequately justified requests
- Hospital-specific risks and opportunities

Staff Considerations (continued)

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Additional topics for consideration:

- Cost savings initiatives
- Delivery system reform
- Leadership turnover
- Workforce, specifically travelers
- Utilization
- Other revenue
    - COVID-19 Revenue Replacement Funds recorded

All Vermont Community Hospitals

Fiscal Year 2021 Budget Analysis

INCOME STATEMENT	2019 A	2020 B	2020 PROJ	2021 B	2019A-2020P	2020B-2020P	2020B-2021B	2020P-2021B
Revenues								
Gross Patient Care Revenue	**$5,620,723,474**	**$5,807,875,120**	**$5,293,056,972**	**$6,305,428,888**	**-5.8%**	**-8.9%**	**8.6%**	**19.1%**
Disproportionate Share Payments	$22,721,686	$22,782,671	$23,670,522	$22,609,651	4.2%	3.9%	-0.8%	-4.5%
Graduate Medical Education (UVMMC only)	$30,000,000	$30,000,000	$32,293,753	$30,000,000	7.6%	7.6%	0.0%	-7.1%
Bad Debt	-$85,112,035	-$83,253,454	-$79,447,505	-$93,469,791	-6.7%	-4.6%	12.3%	17.6%
Free Care	-$45,031,467	-$46,571,630	-$44,731,755	-$53,372,211	-0.7%	-4.0%	14.6%	19.3%
Deductions from Revenue	-$3,218,774,923	-$3,408,434,395	-$3,128,025,236	-$3,793,180,159	-2.8%	-8.2%	11.3%	21.3%
Net Patient Care Revenue	**$2,324,526,736**	**$2,322,398,313**	**$2,096,816,751**	**$2,418,016,378**	**-9.8%**	**-9.7%**	**4.1%**	**15.3%**
Fixed Prospective Payments, Reserves & Other								
Fixed Prospective Payments	**$274,411,758**	**$395,414,708**	**$330,036,574**	**$408,082,319**	20.3%	-16.5%	3.2%	23.6%
Reserves	**-$9,864,870**	**-$1,000,000**	**-$6,383,695**	**-$8,614,548**	-35.3%	538.4%	761.5%	34.9%
Other Reform Payments	**$470,602**	**$518,620**	**$4,765,049**	**-$10,354,593**	912.5%	818.8%	-2096.6%	-317.3%
Fixed Prospective Payments, Reserves & Other	**$265,017,490**	**$394,933,328**	**$328,417,928**	**$389,113,179**	**23.9%**	**-16.8%**	**-1.5%**	**18.5%**
Total NPR & FPP	**$2,589,544,226**	**$2,717,331,641**	**$2,425,234,679**	**$2,807,129,557**	**-6.3%**	**-10.7%**	**3.3%**	**15.7%**
COVID-19 Stimulus and Other Grant Funding	$0	$0	$152,622,019	$1,479,796				
Other	$227,399,213	$217,904,611	$257,863,985	$268,743,625	13.4%	18.3%	23.3%	4.2%
Other Operating Revenue	**$227,399,213**	**$217,904,611**	**$410,486,005**	**$270,223,421**	**80.5%**	**88.4%**	**24.0%**	**-34.2%**
Total Operating Revenue	**$2,816,943,439**	**$2,935,236,252**	**$2,835,720,684**	**$3,077,352,978**	**0.7%**	**-3.4%**	**4.8%**	**8.5%**
Expenses								
Salaries, Fringe Benefits, Physician Fees, Contracts	$1,623,801,115	$1,681,734,837	$1,676,809,625	$1,770,822,088	3.3%	-0.3%	5.3%	5.6%
Medical/Surgical Drugs and Supplies	$267,859,914	$268,955,512	$318,833,453	$366,782,598	19.0%	18.5%	36.4%	15.0%
Health Care Provider Tax	$145,702,680	$155,700,026	$148,288,743	$157,758,139	1.8%	-4.8%	1.3%	6.4%
Depreciation/Amortization	$110,186,941	$127,838,573	$124,625,037	$122,589,838	13.1%	-2.5%	-4.1%	-1.6%
Interest - Short and Long Term	$20,900,737	$24,042,162	$24,110,149	$24,184,508	15.4%	0.3%	0.6%	0.3%
Other Operating Expenses (includes ACO Participation Fees)	$627,390,964	$610,451,941	$548,191,035	$578,766,151	-12.6%	-10.2%	-5.2%	5.6%
Operating Expense	**$2,795,842,352**	**$2,868,723,052**	**$2,840,858,041**	**$3,020,903,324**	**1.6%**	**-1.0%**	**5.3%**	**6.3%**
Net Operating Income	**$21,101,087**	**$66,513,200**	**-$5,137,357**	**$56,449,654**	**-124.3%**	**-107.7%**	**-15.1%**	**-1198.8%**
Non Operating Revenue	**$32,615,840**	**$36,386,396**	**-$13,183,862**	**$35,862,106**	**-140.4%**	**-136.2%**	**-1.4%**	**-372.0%**
Excess (Deficit) of Rev over Exp	**$53,716,927**	**$102,899,596**	**-$18,321,219**	**$92,311,760**	**-134.1%**	**-117.8%**	**-10.3%**	**-603.9%**
Income Statement Metrics								
Operating Margin %	0.7%	2.3%	-0.2%	1.8%				
Total Margin %	1.9%	3.5%	-0.6%	3.0%				

Change in Charge % FY2016-2021

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Vermont Hospitals
Annual Change in Charge Increase
History

	2016	2017	2018	2019	2020		2021		2021 COVID-19	
	Approved	Approved	Approved	Approved	Approved	Commercial Effective Rate	Submitted	Commercial Effective Rate	Submitted	Commercial Effective Rate
Brattleboro Memorial Hospital	-1.4%	3.5%	5.7%	3.9%	3.4%		2.9%	2.9%	2.0%	2.0%
Central Vermont Medical Center	4.7%	2.5%	0.7%	2.3%	3.0%	5.9%	6.0%	8.5%		
Copley Hospital	-4.0%	-3.7%	-3.4%	4.5%	9.8%		8.0%			
Gifford Medical Center	5.8%	3.9%	4.0%	4.0%	5.0%		4.0%			
Grace Cottage Hospital	5.0%	5.0%	5.0%	3.2%	3.2%		3.2%			
Mt. Ascutney Hospital & Health Center	5.7%	4.9%	4.9%	2.9%	3.2%		2.1%		2.2%	
North Country Hospital	4.8%	3.5%	5.0%	3.6%	4.2%		3.6%			
Northeastern VT Regional Hospital	5.2%	3.8%	3.2%	3.0%	3.0%		2.8%		1.1%	
Northwestern Medical Center	-8.0%	0.0%	3.5%	2.0%	5.9%		19.9%		1.2%	
Porter Medical Center	5.3%	5.3%	3.0%	2.8%	0.0%	2.6%	0.0%	5.8%		
Rutland Regional Medical Center	3.7%	-5.1%	4.9%	2.6%	2.65%		6.0%			
Southwestern VT Medical Center	3.8%	3.4%	2.9%	3.0%	2.8%		3.5%			
Springfield Hospital	2.8%	0.0%	6.5%	10.0%	0.0%		4.0%			
The University of Vermont Medical Center	6.0%	2.5%	0.7%	2.5%	3.0%	3.5%	8.0%	8.0%		
Estimated Weighted Average For All Hospitals**	**4.4%**	**1.8%**	**2.0%**	**2.9%**	**3.1%**	**n/a**	**6.8%**	**n/a**	**0.2%**	**n/a**

****Estimated Weighted Average for All Hospitals is calculated by factoring in each hospital's proportion of gross revenue to the change in charges (rate).**

Approved Overall Change in Charge 5-Year Average: FY2016-2020

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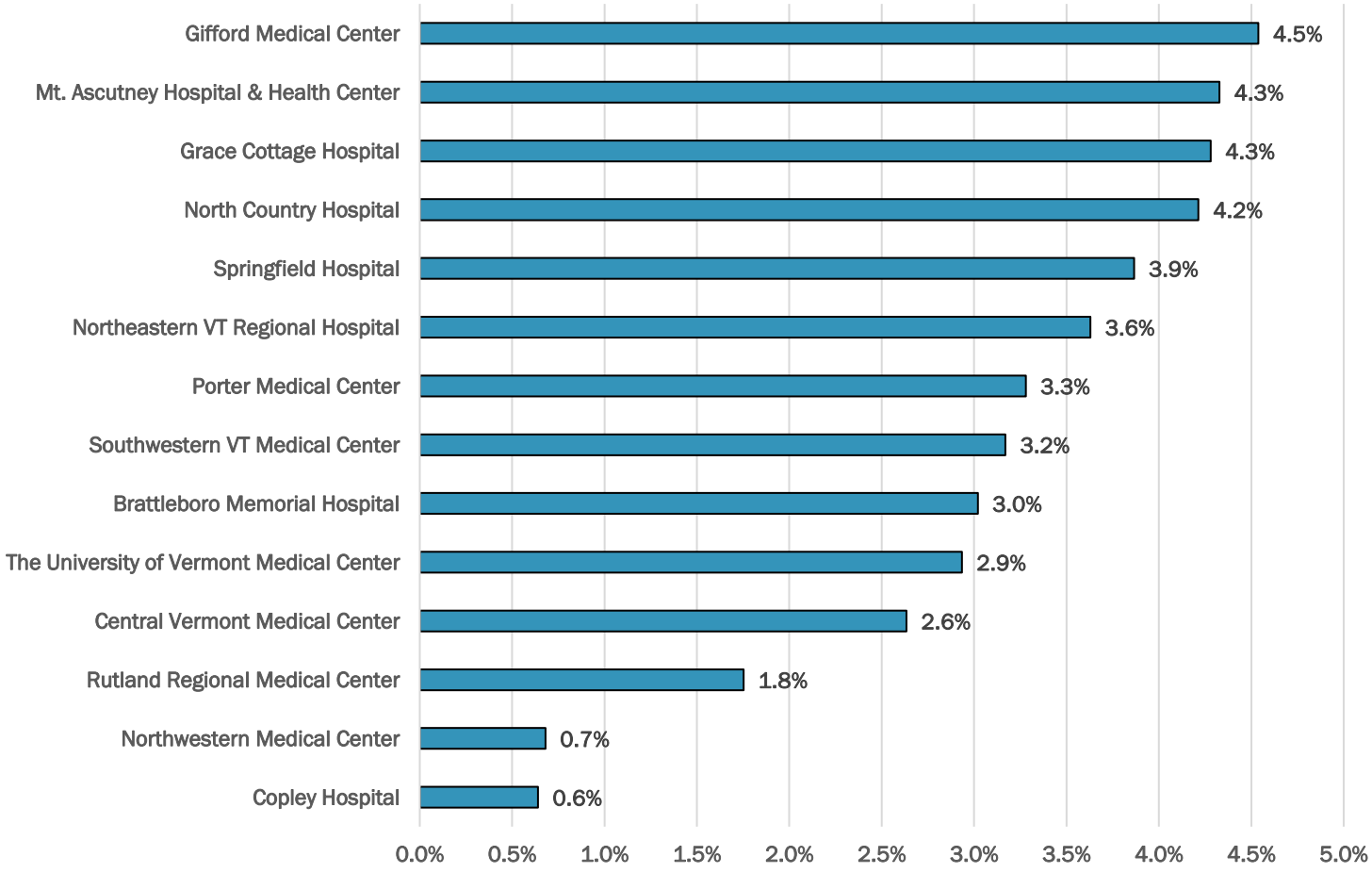

Note: This does not include UVMHN's commercial effective rate

Net Patient Revenue and Fixed Prospective Payments: FY2019-2021

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Hospital	FY2019 Actuals	FY2020 Approved Budget	FY2020 Projections	FY2021 Budget
Brattleboro Memorial Hospital	$ 83,994,257	$ 88,145,092	$ 78,270,953	$ 92,802,428
Central Vermont Medical Center	$ 208,006,996	$ 218,043,247	$ 199,719,050	$ 237,013,421
Copley Hospital	$ 66,993,816	$ 72,658,362	$ 67,611,608	$ 77,070,621
Gifford Medical Center	$ 50,052,096	$ 52,382,984	$ 46,426,301	$ 52,083,148
Grace Cottage Hospital	$ 18,734,702	$ 19,967,821	$ 18,124,746	$ 21,029,541
Mt. Ascutney Hospital & Health Ctr	$ 50,849,386	$ 53,755,559	$ 47,869,172	$ 56,294,272
North Country Hospital	$ 80,634,917	$ 83,623,249	$ 74,050,203	$ 82,736,965
Northeastern VT Regional Hospital	$ 84,684,742	$ 87,253,844	$ 78,839,600	$ 90,525,300
Northwestern Medical Center	$ 106,529,464	$ 116,926,579	$ 97,389,133	$ 116,693,229
Porter Medical Center	$ 84,961,115	$ 87,487,539	$ 77,155,098	$ 89,810,556
Rutland Regional Medical Center	$ 256,402,902	$ 267,787,827	$ 233,920,097	$ 247,487,684
Southwestern VT Medical Center	$ 163,952,570	$ 172,284,645	$ 149,647,911	$ 167,089,128
Springfield Hospital	$ 48,513,070	$ 48,889,189	$ 40,817,916	$ 51,518,932
University of Vermont Medical Center	$ 1,285,234,193	$ 1,348,125,703	$ 1,215,392,893	$ 1,424,974,332
All Vermont Community Hospitals	$ 2,589,544,226	$ 2,717,331,641	$ 2,425,234,679	$ 2,807,129,557

Net Patient Revenue and Fixed Prospective Payments: FY2019-2021 percentage changes

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Hospital	FY19 Actual-to-FY20 Projection	FY20 Projection-to -FY20 Budget	FY20 Budget-to -FY21 Budget	FY20 Projection-to -FY21 Budget
Brattleboro Memorial Hospital	-6.8%	-11.2%	5.3%	18.6%
Central Vermont Medical Center	-4.0%	-8.4%	8.7%	18.7%
Copley Hospital	0.9%	-6.9%	6.1%	14.0%
Gifford Medical Center	-7.2%	-11.4%	-0.6%	12.2%
Grace Cottage Hospital	-3.3%	-9.2%	5.3%	16.0%
Mt. Ascutney Hospital & Health Ctr	-5.9%	-11.0%	4.7%	17.6%
North Country Hospital	-8.2%	-11.4%	-1.1%	11.7%
Northeastern VT Regional Hospital	-6.9%	-9.6%	3.7%	14.8%
Northwestern Medical Center	-8.6%	-16.7%	-0.2%	19.8%
Porter Medical Center	-9.2%	-11.8%	2.7%	16.4%
Rutland Regional Medical Center	-8.8%	-12.6%	-7.6%	5.8%
Southwestern VT Medical Center	-8.7%	-13.1%	-3.0%	11.7%
Springfield Hospital	-15.9%	-16.5%	5.4%	26.2%
University of Vermont Medical Center	-5.4%	-9.8%	5.7%	17.2%
All Vermont Community Hospitals	-6.3%	-10.7%	3.3%	15.7%

FY2021 Fixed Prospective Payments

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Hospital	FY2021 Budget	FPP as a % of NPR/FPP
Brattleboro Memorial Hospital	$ 13,839,826	14.9%
Central Vermont Medical Center	$ 45,514,084	19.2%
Copley Hospital	$ 4,820,035	6.3%
Gifford Medical Center	$ 3,200,000	6.1%
Grace Cottage Hospital	$ -	0.0%
Mt. Ascutney Hospital & Health Ctr	$ 1,200,000	2.1%
North Country Hospital	$ 7,035,060	8.5%
Northeastern VT Regional Hospital	$ 7,799,000	8.6%
Northwestern Medical Center	$ 20,376,132	17.5%
Porter Medical Center	$ 20,661,081	23.0%
Rutland Regional Medical Center	$ 14,824,780	6.0%
Southwestern VT Medical Center	$ 37,050,000	22.2%
Springfield Hospital	$ 5,787,881	11.2%
University of Vermont Medical Center	$ 225,974,440	15.9%
All Vermont Community Hospitals	$ 408,082,319	14.5%

Total Operating Revenue: FY2019-2021

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Hospital	FY2019 Actuals	FY2020 Approved Budget	FY2020 Projections	FY2021 Budget
Brattleboro Memorial Hospital	$ 87,765,845	$ 91,855,725	$ 93,691,805	$ 96,497,282
Central Vermont Medical Center	$ 223,738,002	$ 234,243,239	$ 231,136,856	$ 254,472,362
Copley Hospital	$ 68,138,092	$ 73,472,043	$ 73,813,871	$ 77,899,302
Gifford Medical Center	$ 51,525,194	$ 53,203,802	$ 52,742,022	$ 53,570,950
Grace Cottage Hospital	$ 19,441,546	$ 20,902,981	$ 21,329,133	$ 22,751,577
Mt. Ascutney Hospital & Health Ctr	$ 54,523,816	$ 57,057,036	$ 57,205,406	$ 60,084,053
North Country Hospital	$ 87,674,697	$ 90,100,422	$ 85,690,840	$ 90,386,885
Northeastern VT Regional Hospital	$ 88,816,877	$ 91,922,244	$ 89,867,135	$ 95,432,700
Northwestern Medical Center	$ 110,824,117	$ 122,139,925	$ 114,552,767	$ 122,167,101
Porter Medical Center	$ 91,354,445	$ 93,867,865	$ 90,460,524	$ 96,718,336
Rutland Regional Medical Center	$ 275,188,690	$ 286,193,703	$ 272,528,021	$ 268,471,649
Southwestern VT Medical Center	$ 171,361,145	$ 178,006,790	$ 165,997,161	$ 174,594,302
Springfield Hospital	$ 50,240,769	$ 50,432,863	$ 47,692,696	$ 53,280,404
University of Vermont Medical Center	$ 1,436,350,203	$ 1,491,837,614	$ 1,439,012,448	$ 1,611,026,075
All Vermont Community Hospitals	$ 2,816,943,439	$ 2,935,236,252	$ 2,835,720,684	$ 3,077,352,978

COVID-19 Funds Reported in Other Operating Revenue: FY2020-2021

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Hospital	FY2020 Projections	FY2021 Budget
Brattleboro Memorial Hospital	$ 11,761,507	$ -
Central Vermont Medical Center	$ 17,294,746	$ -
Copley Hospital	$ 5,210,421	$ -
Gifford Medical Center	$ 5,148,081	$ -
Grace Cottage Hospital	$ 2,476,766	$ 882,396
Mt. Ascutney Hospital & Health Ctr	$ 5,256,145	$ -
North Country Hospital	$ 4,328,238	$ -
Northeastern VT Regional Hospital	$ 7,192,000	$ 597,400
Northwestern Medical Center	$ 12,616,067	$ -
Porter Medical Center	$ 6,814,738	$ -
Rutland Regional Medical Center	$ 19,909,383	$ -
Southwestern VT Medical Center	$ 10,221,192	$ -
Springfield Hospital	$ 5,790,543	$ -
University of Vermont Medical Center	$ 38,602,192	$ -
All Vermont Community Hospitals	$ 152,622,019	$ 1,479,796

Other Operating Revenue: FY2016–2021

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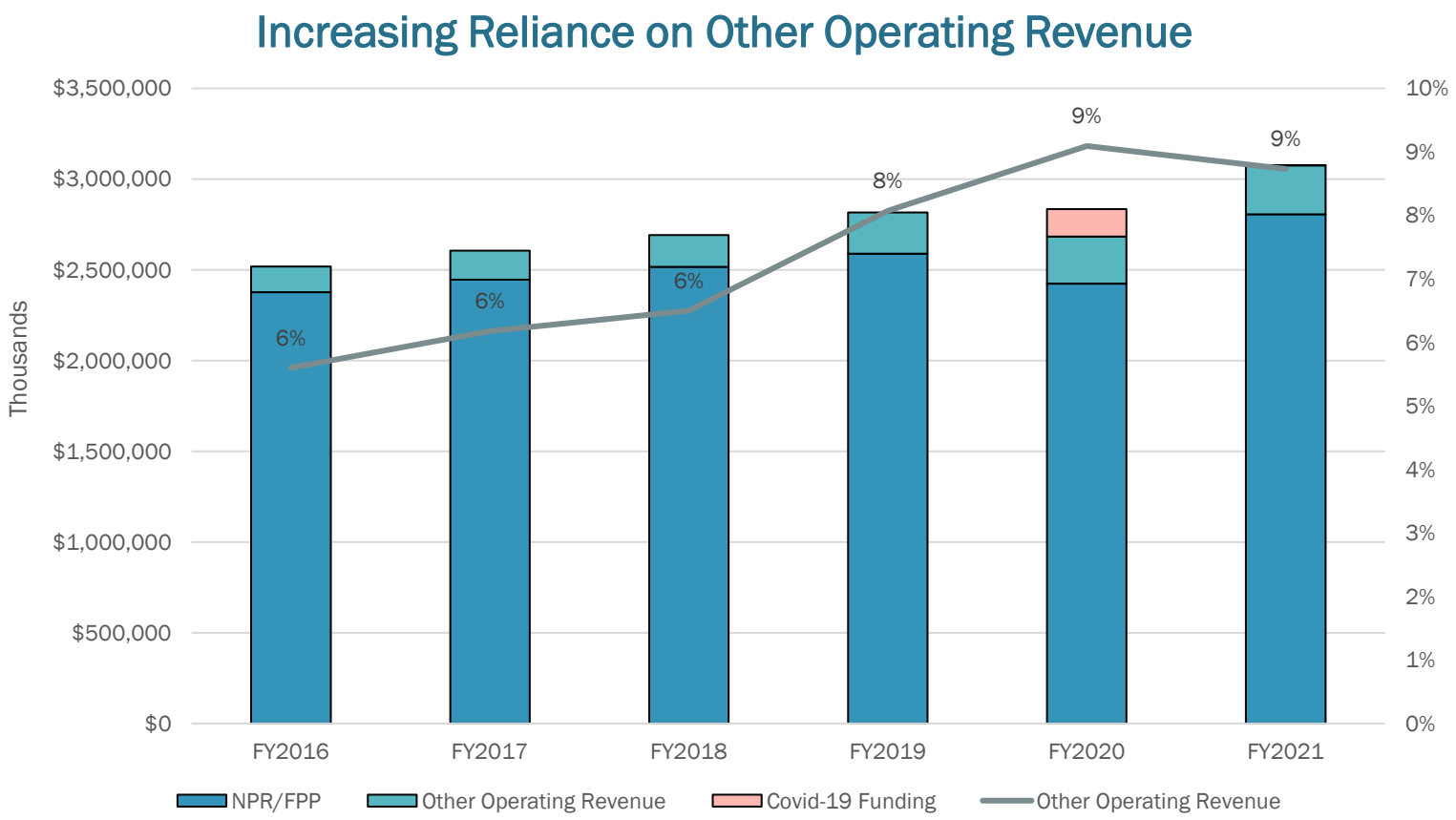

Operating Expenses: FY2019-2021

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GREEN MOUNTAIN CARE BOARD

Hospital	FY2019 Actuals	FY2020 Approved Budget	FY2020 Projections	FY2021 Budget
Brattleboro Memorial Hospital	$ 87,095,267	$ 91,380,159	$ 91,298,308	$ 96,055,096
Central Vermont Medical Center	$ 228,415,989	$ 234,056,135	$ 235,679,408	$ 253,272,192
Copley Hospital	$ 70,299,334	$ 72,467,424	$ 72,794,807	$ 77,460,709
Gifford Medical Center	$ 51,938,902	$ 51,663,036	$ 51,415,445	$ 52,584,178
Grace Cottage Hospital	$ 20,743,344	$ 22,166,811	$ 21,329,060	$ 22,751,505
Mt. Ascutney Hospital & Health Ctr	$ 54,566,701	$ 57,057,036	$ 56,290,134	$ 59,732,546
North Country Hospital	$ 85,997,751	$ 88,628,481	$ 83,876,743	$ 88,834,100
Northeastern VT Regional Hospital	$ 87,189,684	$ 90,308,894	$ 91,051,635	$ 93,488,000
Northwestern Medical Center	$ 119,729,265	$ 122,388,212	$ 119,259,134	$ 119,362,165
Porter Medical Center	$ 86,649,174	$ 90,277,341	$ 87,629,707	$ 92,343,473
Rutland Regional Medical Center	$ 274,016,504	$ 279,494,600	$ 271,204,487	$ 266,770,899
Southwestern VT Medical Center	$ 165,778,101	$ 171,954,316	$ 164,525,410	$ 174,402,372
Springfield Hospital	$ 58,479,694	$ 51,418,019	$ 51,328,902	$ 53,095,665
University of Vermont Medical Center	$ 1,404,942,642	$ 1,445,462,587	$ 1,443,174,861	$ 1,570,750,423
All Vermont Community Hospitals	$ 2,795,842,352	$ 2,868,723,052	$ 2,840,858,041	$ 3,020,903,324

Operating Expense Growth: FY2019-2021

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GREEN MOUNTAIN CARE BOARD

Hospital	FY19 Actual-to-FY20 Projection	FY20 Projection-to -FY20 Budget	FY20 Budget-to -FY21 Budget	FY20 Projection-to -FY21 Budget
Brattleboro Memorial Hospital	4.8%	-0.1%	5.1%	5.2%
Central Vermont Medical Center	3.2%	0.7%	8.2%	7.5%
Copley Hospital	3.5%	0.5%	6.9%	6.4%
Gifford Medical Center	-1.0%	-0.5%	1.8%	2.3%
Grace Cottage Hospital	2.8%	-3.8%	2.6%	6.7%
Mt. Ascutney Hospital & Health Ctr	3.2%	-1.3%	4.7%	6.1%
North Country Hospital	-2.5%	-5.4%	0.2%	5.9%
Northeastern VT Regional Hospital	4.4%	0.8%	3.5%	2.7%
Northwestern Medical Center	-0.4%	-2.6%	-2.5%	0.1%
Porter Medical Center	1.1%	-2.9%	2.3%	5.4%
Rutland Regional Medical Center	-1.0%	-3.0%	-4.6%	-1.6%
Southwestern VT Medical Center	-0.8%	-4.3%	1.4%	6.0%
Springfield Hospital	-12.2%	-0.2%	3.3%	3.4%
University of Vermont Medical Center	2.7%	-0.2%	8.7%	8.8%
All Vermont Community Hospitals	1.6%	-1.0%	5.3%	6.3%

Operating Margins: FY2019-2021

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Hospital	FY2019 Actuals	FY2020 Approved Budget	FY2020 Projections	FY2021 Budget
Brattleboro Memorial Hospital	$ 670,579	$ 475,566	$ 2,393,497	$ 442,186
Central Vermont Medical Center	$ (4,677,987)	$ 187,103	$ (4,542,553)	$ 1,200,170
Copley Hospital	$ (2,161,242)	$ 1,004,619	$ 1,019,064	$ 438,593
Gifford Medical Center	$ (413,707)	$ 1,540,766	$ 1,326,577	$ 986,772
Grace Cottage Hospital	$ (1,301,798)	$ (1,263,830)	$ 73	$ 72
Mt. Ascutney Hospital & Health Ctr	$ (42,885)	$ (0)	$ 915,272	$ 351,507
North Country Hospital	$ 1,676,946	$ 1,471,941	$ 1,814,097	$ 1,552,785
Northeastern VT Regional Hospital	$ 1,627,193	$ 1,613,350	$ (1,184,500)	$ 1,944,700
Northwestern Medical Center	$ (8,905,148)	$ (248,287)	$ (4,706,367)	$ 2,804,936
Porter Medical Center	$ 4,705,271	$ 3,590,524	$ 2,830,817	$ 4,374,863
Rutland Regional Medical Center	$ 1,172,186	$ 6,699,103	$ 1,323,534	$ 1,700,750
Southwestern VT Medical Center	$ 5,583,044	$ 6,052,474	$ 1,471,751	$ 191,930
Springfield Hospital	$ (8,238,925)	$ (985,156)	$ (3,636,206)	$ 184,739
University of Vermont Medical Center	$ 31,407,561	$ 46,375,027	$ (4,162,414)	$ 40,275,652
All Vermont Community Hospitals	$ 21,101,087	$ 66,513,200	$ (5,137,357)	$ 56,449,654

Operating Margins (%): FY2019-2021

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Hospital	FY2019 Actuals	FY2020 Approved Budget	FY2020 Projections	FY2021 Budget
Brattleboro Memorial Hospital	0.8%	0.5%	2.6%	0.5%
Central Vermont Medical Center	-2.1%	0.1%	-2.0%	0.5%
Copley Hospital	-3.2%	1.4%	1.4%	0.6%
Gifford Medical Center	-0.8%	2.9%	2.5%	1.8%
Grace Cottage Hospital	-6.7%	-6.0%	0.0%	0.0%
Mt. Ascutney Hospital & Health Ctr	-0.1%	0.0%	1.6%	0.6%
North Country Hospital	1.9%	1.6%	2.1%	1.7%
Northeastern VT Regional Hospital	1.8%	1.8%	-1.3%	2.0%
Northwestern Medical Center	-8.0%	-0.2%	-4.1%	2.3%
Porter Medical Center	5.2%	3.8%	3.1%	4.5%
Rutland Regional Medical Center	0.7%	2.3%	0.5%	0.6%
Southwestern VT Medical Center	3.3%	3.4%	0.9%	0.1%
Springfield Hospital	-16.4%	-2.0%	-7.6%	0.3%
University of Vermont Medical Center	2.2%	3.1%	-0.3%	2.5%
All Vermont Community Hospitals	0.7%	2.3%	-0.2%	1.8%

Days Cash on Hand: Average FY2015-2019, FY2020 and FY2021

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GREEN MOUNTAIN CARE BOARD

Hospital	FY2015 - 2019 5 Year Average	FY2020 Approved Budget	FY2020 Projections	FY2021 Budget
Brattleboro Memorial Hospital	194	122	280	154
Central Vermont Medical Center	106	75	112	108
Copley Hospital	80	72	76	66
Gifford Medical Center	208	241	256	263
Grace Cottage Hospital	85	88	110	103
Mt. Ascutney Hospital & Health Ctr	126	134	181	150
North Country Hospital	197	202	266	229
Northeastern VT Regional Hospital	121	114	114	112
Northwestern Medical Center	322	279	246	226
Porter Medical Center	113	125	134	126
Rutland Regional Medical Center	205	205	230	217
Southwestern VT Medical Center*	50	36	1	20
Springfield Hospital	74	4	1	29
University of Vermont Medical Center	203	193	195	185
System Average	***149***	***135***	***169***	***145***

Note: Days Cash on Hand numbers do not include funds received for COVID-19 relief.

*SVMC's parent company holds additional cash on hand: Budget 2020 is 163, Projected 2020 is 170, Budget 2021 is 172

Age of Plant: Average FY2015-2019 and Budget FY2020

VERMONT
GREEN MOUNTAIN CARE BOARD

Hospital	5 Year Average FY2015-2019	FY2020 Budget
Brattleboro Memorial Hospital	10.0	12.9
Central Vermont Medical Center	10.4	12.9
Copley Hospital	10.8	11.7
Gifford Medical Center	14.9	21.3
Grace Cottage Hospital	18.8	21.2
Mt. Ascutney Hospital & Health Ctr	11.5	12.4
North Country Hospital	11.2	14.2
Northeastern VT Regional Hospital	13.2	12.3
Northwestern Medical Center	10.8	10.1
Porter Medical Center	12.0	12.0
Rutland Regional Medical Center	12.8	14.1
Southwestern VT Medical Center	17.4	18.4
Springfield Hospital	15.4	20.2
University of Vermont Medical Center	12.6	11.8
System Average	***13.0***	***14.7***

ACO Planned Participation FY2021

VERMONT
GREEN MOUNTAIN CARE BOARD

Hospital	Medicaid	Medicare	Commercial	Does Not Participate
Brattleboro Memorial Hospital	X	X	X	
Central Vermont Medical Center	X	X	X	
Copley Hospital	X			
Gifford Medical Center	X		X	
Grace Cottage Hospital				X
Mt. Ascutney Hospital & Health Ctr	X	(?)	X	
North Country Hospital	X		X	
Northeastern VT Regional Hospital	X			
Northwestern Medical Center	X	X	X	
Porter Medical Center	X	X	X	
Rutland Regional Medical Center	X	X	X	
Southwestern VT Medical Center	X	X	X	
Springfield Hospital	X		X	
University of Vermont Medical Center	X	X	X	

Note: Some hospitals' ACO planned participations are pending hospital BOD approval

Hospital Benefit Plan Participation in ACO

VERMONT
GREEN MOUNTAIN CARE BOARD

Hospital	BCBSVT	Other	Does Not Participate
Brattleboro Memorial Hospital			X
Central Vermont Medical Center	X		
Copley Hospital			X
Gifford Medical Center			X
Grace Cottage Hospital			X
Mt. Ascutney Hospital & Health Ctr			X
North Country Hospital			X
Northeastern VT Regional Hospital			X
Northwestern Medical Center			X
Porter Medical Center			X
Rutland Regional Medical Center	X		
Southwestern VT Medical Center			X
Springfield Hospital			X
University of Vermont Medical Center	X		

Note: Information as of May 2020

NPR/FPP Performance: YTD February 2020 Actuals

VERMONT
GREEN MOUNTAIN CARE BOARD

Hospital	FY2020 YTD Budget	FY2020 YTD Actuals February 2020	Budget-to-Actual % Variance	Actual-to-Actual % Change
Brattleboro Memorial Hospital	$36,727,122	$36,899,538	0.5%	6.8%
Central Vermont Medical Center	$88,616,428	$91,174,763	2.9%	4.0%
Copley Hospital	$30,274,318	$31,168,326	3.0%	12.0%
Gifford Medical Center	$21,826,243	$23,159,957	6.1%	10.5%
Grace Cottage Hospital	$8,319,925	$7,752,573	-6.8%	4.4%
Mt. Ascutney Hospital & Health Ctr	$22,398,149	$20,735,981	-7.4%	-2.5%
North Country Hospital	$34,103,564	$33,174,937	-2.7%	2.4%
Northeastern VT Regional Hospital	$36,355,768	$35,614,707	-2.0%	2.0%
Northwestern Medical Center	$48,719,408	$45,170,676	-7.3%	-2.2%
Porter Medical Center	$35,209,273	$32,704,813	-7.1%	-1.9%
Rutland Regional Medical Center	$111,578,261	$107,093,204	-4.0%	-0.4%
Southwestern VT Medical Center	$71,785,269	$67,645,682	-5.8%	1.4%
Springfield Hospital	$20,370,495	$19,817,635	-2.7%	-16.2%
University of Vermont Medical Center	$550,780,074	$547,007,340	-0.7%	4.3%
All Vermont Community Hospitals	$1,117,064,297	$1,099,120,131	-1.6%	2.8%

COVID-19 Related Revenue
as reported by all hospitals

VERMONT
GREEN MOUNTAIN CARE BOARD

Budget Fiscal Year 2021
COVID-19 Related Hospital Revenue Replacement Funding Sources FY20
Total Funding Sources

Funding Sources	Amount	% of Total
Medicare Advance Funding	$ 161,394,493	44.2%
Social Security Tax Deferral	$ 18,403,704	5.0%
SBA PPP Loans	$ 13,049,389	3.6%
Medicaid Retainer	$ 6,699,101	1.8%
BCBSVT Advances	$ 10,621,930	2.9%
Federal Stimulus Grant	$ 134,780,243	36.9%
Rural Stimulus Grant	$ 11,355,216	3.1%
VAHHS ASPR Grant	$ 154,368	0.0%
VHEPC Grant	$ 54,544	0.0%
HRSA Uninsured Program	$ 102,053	0.0%
SHIP Grant	$ 995,388	0.3%
DCF Grant	$ 215,140	0.1%
FEMA	$ 6,000,000	1.6%
Medicare Sequestration Suspension	$ 44,416	0.0%
Other	$ 1,194,311	0.3%
TOTAL:	**$ 365,064,296**	**100%**

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	$ 161,394,493	79.1%
Social Security Tax Deferral	$ 18,403,704	9.0%
SBA PPP Loans	$ 13,049,389	6.4%
Medicaid Retainer	$ 669,910	0.3%
BCBSVT Advances	$ 10,621,930	5.2%
		0.0%
		0.0%
		0.0%
		0.0%
		0.0%
		0.0%
		0.0%
		0.0%
		0.0%
		0.0%
		0.0%
TOTAL:	**$ 204,139,426**	**100%**

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
Medicare Advance Funding		0.0%
Social Security Tax Deferral		0.0%
SBA PPP Loans		0.0%
Medicaid Retainer	$ 6,029,191	3.7%
BCBSVT Advances		0.0%
Federal Stimulus Grant	$ 134,780,243	83.8%
Rural Stimulus Grant	$ 11,355,216	7.1%
VAHHS ASPR Grant	$ 154,368	0.1%
VHEPC Grant	$ 54,544	0.0%
HRSA Uninsured Program	$ 102,053	0.1%
SHIP Grant	$ 995,388	0.6%
DCF Grant	$ 215,140	0.1%
FEMA	$ 6,000,000	3.7%
Medicare Sequestration Suspension	$ 44,416	0.0%
Other	$ 1,194,311	0.7%
TOTAL:	**$ 160,924,870**	**100%**

Source: hospital budget submission files and narratives

CRF Funding Application Information

VERMONT
GREEN MOUNTAIN CARE BOARD

Vermont Hospitals	Anticipated CRF Funding				
	AIPBP	Telehealth	Other	TOTALS	Applied
Brattleboro Memorial Hospital	$ -	$ -	$ -	$ -	No
Central Vermont Medical Center	$ 3,898,140	$ 42,892	$ -	$ 3,941,032	Yes
Copley Hospital	$ -	$ -	$ -	$ -	Yes
Gifford Medical Center	$ -	$ -	$ -	$ -	Yes
Grace Cottage Hospital	$ -	$ -	$ -	$ -	No
Mt. Ascutney Hospital & Health Ctr	$ -	$ -	$ -	$ -	No
North Country Hospital	$ -	$ -	$ -	$ -	No
Northeastern VT Regional Hospital	$ -	$ -	$ -	$ -	No
Northwestern Medical Center	$ -	$ -	$ -	$ -	Yes
Porter Medical Center	$ 777,904	$ -	$ -	$ 777,904	Yes
Rutland Regional Medical Center	$ -	$ -	$ 2,000,000	$ 2,000,000	Yes
Southwestern VT Medical Center	$ -	$ -	$ -	$ -	No
Springfield Hospital	DNS	DNS	DNS	$ -	N/A
The University of Vermont Medical Center	$ 9,265,831	$ 556,358	$ 3,176,825	$ 12,999,014	Yes

If the Hospital responded 'Yes' to applying, and $0 is entered into the columns two possibilities exits: 1.) They do not expect to receive any CRF funds; 2.) They do not know what they expect to receive as the application process does not offer a dollar figure.

DNS=Did Not Submit

Source: July 2020 YTD submissions

Compliance with Budget Guidance

VERMONT
GREEN MOUNTAIN CARE BOARD

Compliant Requests

Request is within budget-to-budget growth ceiling 3.5%

- Gifford Medical Center
- North Country Hospital
- Northwestern Medical Center*
- Porter Medical Center (UVMHN)
- Rutland Regional Medical Center
- Southwestern Vermont Medical Center

Non-Compliant Requests

Request exceeds budget-to-budget growth ceiling 3.5%

- Brattleboro Memorial Hospital*
- Central Vermont Medical Center (UVMHN)
- Copley Hospital
- Grace Cottage Hospital
- Mt. Ascutney Hospital & Health Center*
- Northeastern Vermont Regional Hospital**
- Springfield Hospital
- University of Vermont Medical Center (UVMHN)

*Hospital's NPR/FPP budget request includes accounting adjustments and/or provider transfers/enhancements.
**NVRH's request is compliant when pass-through drug costs are removed from FY2021 NPR/FPP growth.

NPR/FPP Request: Excluding COVID Change in Charge

VERMONT
GREEN MOUNTAIN CARE BOARD

Hospital	NPR/FPP Request FY2021	COVID Change in Charge	NPR/FPP Request Excluding COVID Charge FY2021
Brattleboro Memorial Hospital	5.3%	2.0%	4.3%
Mt. Ascutney Hospital & Health Ctr	4.7%	2.2%	2.9%
Northeastern VT Regional Hospital	3.7%	1.1%	3.3%
Northwestern Medical Center	-0.2%	1.2%	-0.8%

Standard Budget Order Conditions

VERMONT
GREEN MOUNTAIN CARE BOARD

- Monthly reporting of FY2021 year-to-date operating performance beginning on November 20, 2020 as instructed by GMCB staff
- Telephonic check-ins to be scheduled at the discretion of Chair in consultation with GMCB staff based on FY2021 year-to-date operating performance
- Notification to the Board if any revenue and expense assumptions used to prepare the budget materially change
- File information necessary for the Board to review FY2020 operating results, including the filing of audited financials, as instructed by GMCB staff
- Timely filing of all provider acquisitions/transfers and other material accounting adjustments, as instructed by GMCB staff
- [Hospital] shall continue to file all requested data and other information in a timely and accurate manner.
- Participate in GMCB's strategic sustainability planning

Gifford Medical Center

VERMONT
GREEN MOUNTAIN CARE BOARD

NPR/FPP	
FY20 Budget-to-Projection Variance	-11.4%
FY20 Budget ($)	$52,382,984
FY20 Projection ($)	$46,426,301
FY21 Request ($)	$52,083,148
FY21 Request (% change FY20B)	**-0.6%**
FY21 Request (% change FY20P)	12.2%

Gifford's -0.6% request is below the 3.5% growth rate ceiling.

Change in Charges	
Commercial	$1,152,685
Medicaid	$190,207
Medicare	$667,072

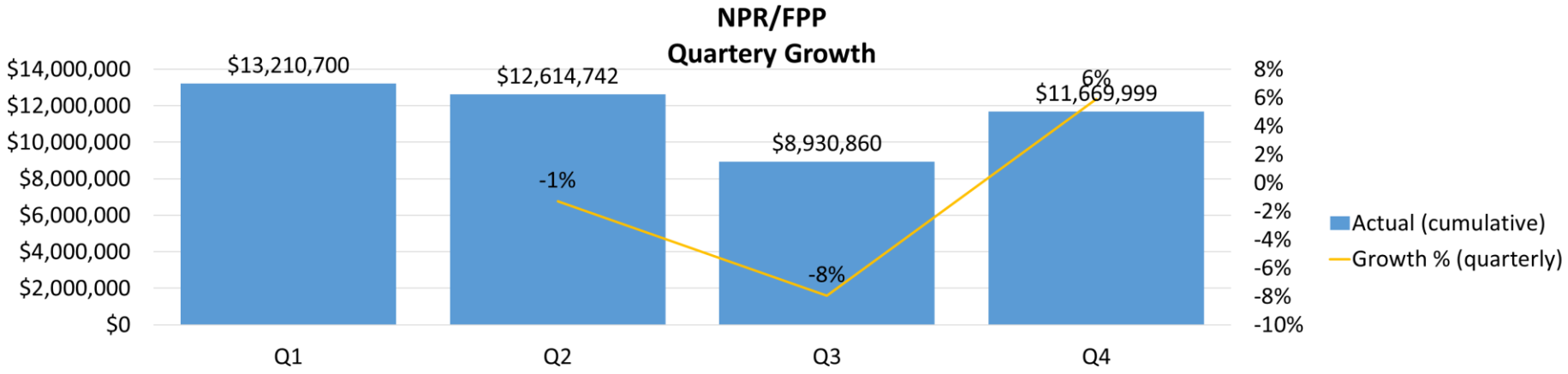
4.0% Change in Charge

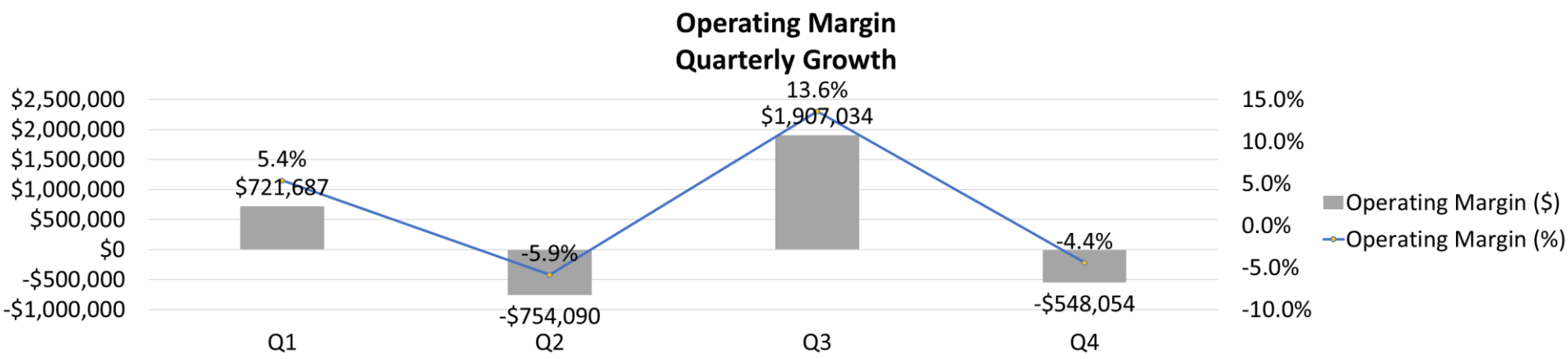
Hospital Justification:

- Continued diligence on improvement plan
- Extensive cost savings program
- Future renovations for aging plant (capital expenditures)
- Ensuring access for community
- Working to get volumes back
- Volumes expected to be pre-COVID levels

Gifford Medical Center: FY2020 Operating Performance

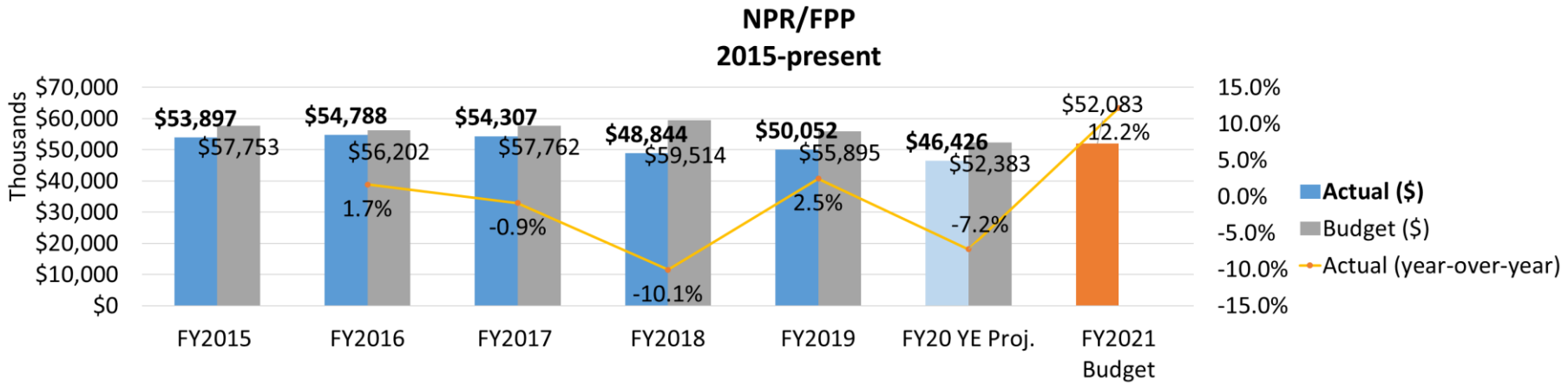
VERMONT
GREEN MOUNTAIN CARE BOARD

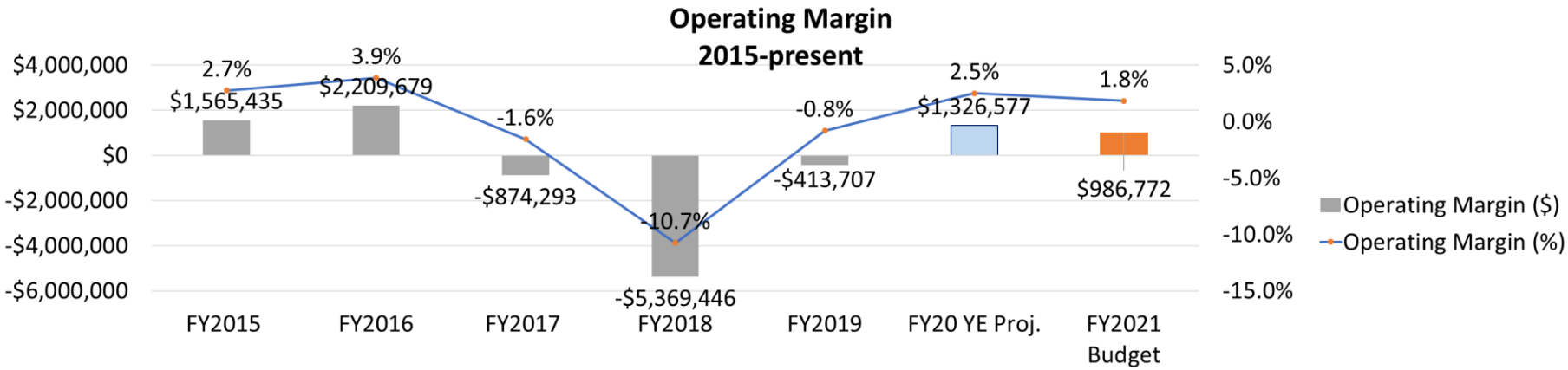




Gifford Medical Center: Historical Operating Performance

VERMONT
GREEN MOUNTAIN CARE BOARD





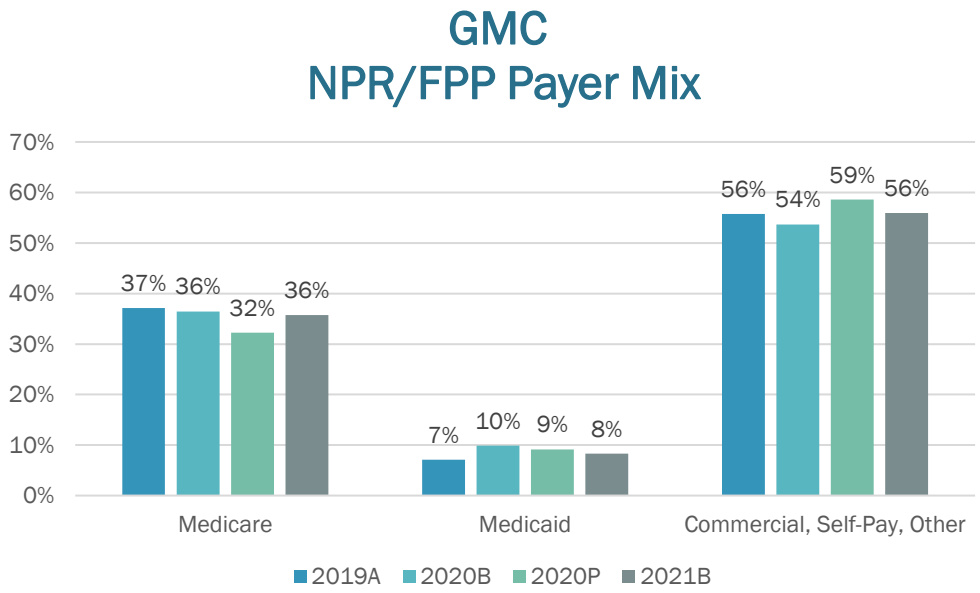
Gifford Medical Center: Change in Charge

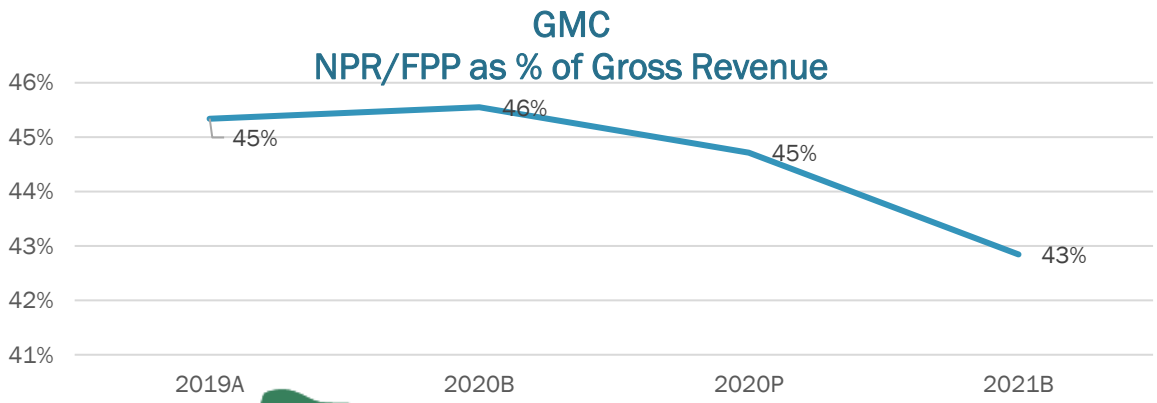
VERMONT
GREEN MOUNTAIN CARE BOARD

Request	
Overall Change in Charge %	4.0%
NPR due to Change in Charge	$2,009,964
Value of 1% Change in Charge	$502,491
Service Category	
Hospital Inpatient Change in Gross	4.0%
Hospital Outpatient Change in Gross Charges	4.0%
Professional Services- Specialty Care Change in Gross Charges	4.0%
Skilled Nursing Facility	0.0%
Hospital Swing	0.0%
Payer	
Commercial	$1,152,685
Medicaid	$190,207
Medicare	$667,072
% of NPR/FPP Increase	
FY21 Request ($ change FY20B)	$(299,836)
Change in Charge ($)	$2,009,964
Change in Charge as a % of NPR/FPP Increase	NA

	FY16	FY17	FY18	FY19	FY20	5-year average
Approved %	5.8%	3.9%	4.0%	4.0%	5.0%	4.5%
Submitted %	5.8%	3.9%	4.0%	4.0%	5.0%	4.5%

Gifford Medical Center: NPR/FPP Payer Mix and Gross to Net Revenue (%)





Gifford Medical Center: Recommendations

VERMONT
GREEN MOUNTAIN CARE BOARD

	FY2021 Request	Options	Preliminary Decision
NPR/FPP	-0.6% request is within budget-to-budget growth rate ceiling	• Approve as submitted	
Change in Charge	4.0%	• Approve as submitted	
Additional Recommendation			

Suggested motion language:
Move to approve Gifford Medical Center's budget as submitted, with a 0.6% ***decrease*** *from FY2020 to FY2021 budgeted NPR/FPP, a 4.0%* ***increase*** *to overall charges, and subject to the standard budget conditions as outlined on Slide 27.*

Southwestern Vermont Medical Center

VERMONT
GREEN MOUNTAIN CARE BOARD

NPR/FPP	
FY20 Budget-to-Projection Variance	-13.1%
FY20 Budget ($)	$172,284,645
FY20 Projection ($)	$149,647,911
FY21 Request ($)	$167,089,128
FY21 Request (% change FY20B)	**-3.0%**
FY21 Request (% change FY20P)	11.7%

SVMC's -3.0% request is below the 3.5% growth rate ceiling.

Change in Charges	
Commercial	$3,027,000
Medicaid	$0
Medicare	$0

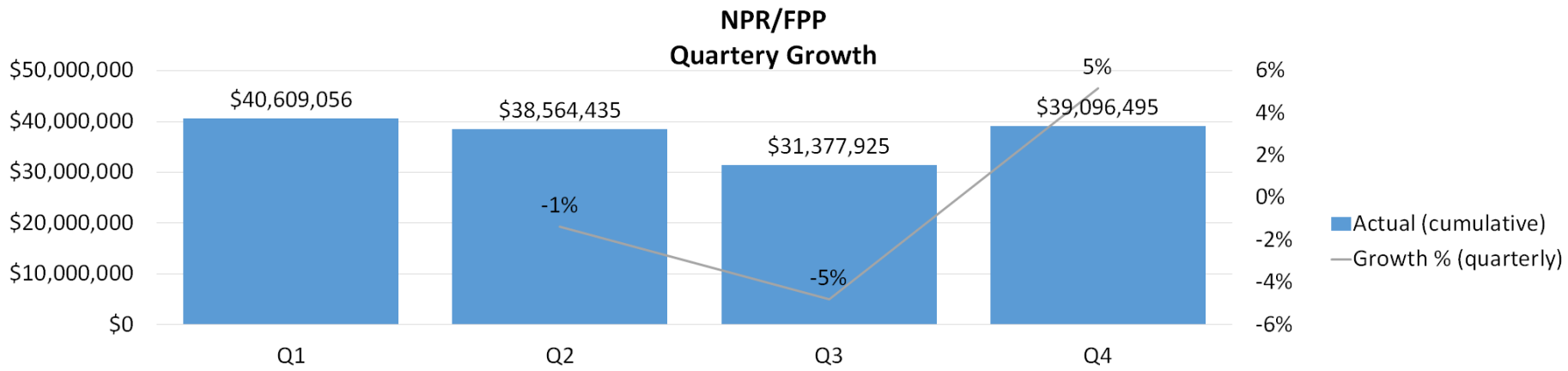
3.5% Change in Charge

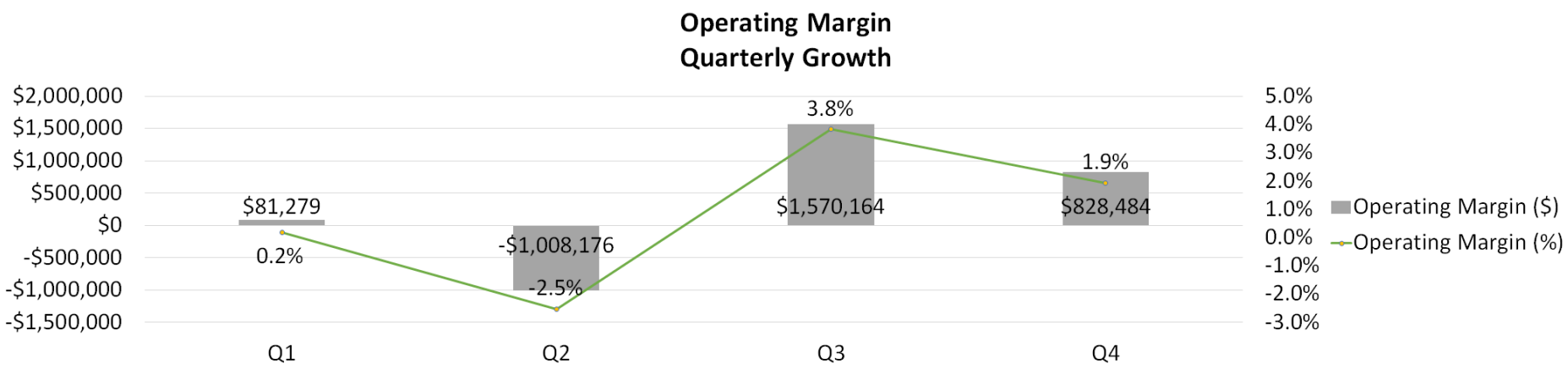
Hospital Justification:

- Volumes back to pre-pandemic “12 month run rate” levels
- Budgeted down in a couple of areas
- Average age of plant is aging
  - Capital projects in the near future

Southwestern Vermont Medical Center: FY2020 Operating Performance

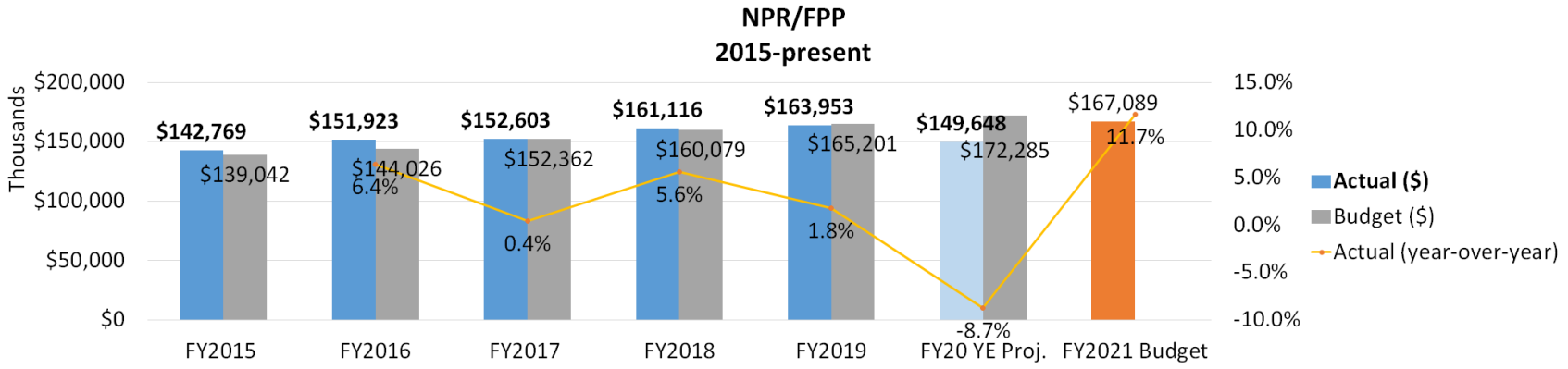
VERMONT
GREEN MOUNTAIN CARE BOARD

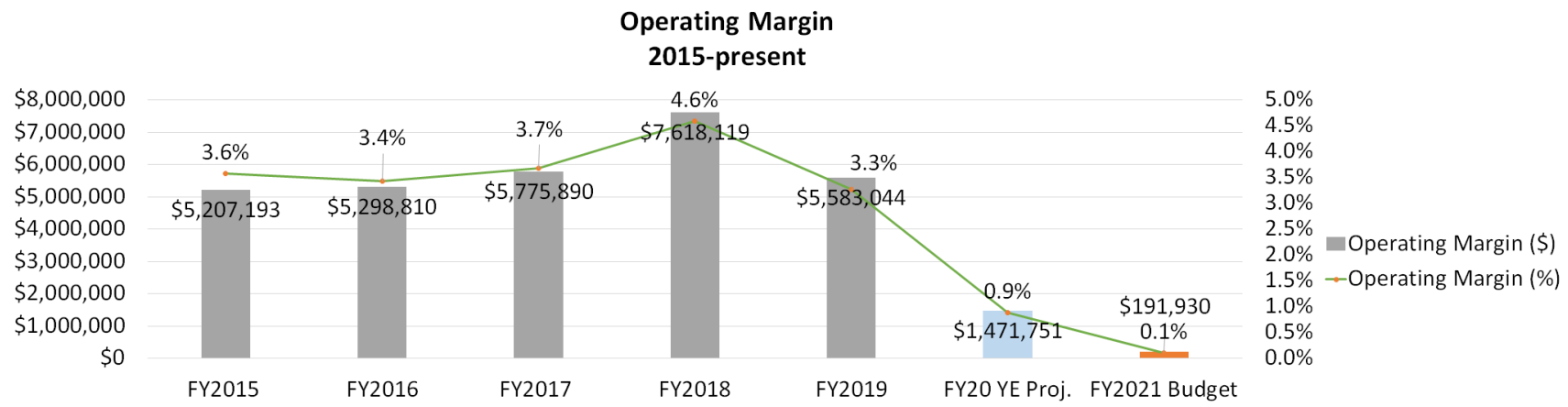




Southwestern Vermont Medical Center: Historical Operating Performance

VERMONT
GREEN MOUNTAIN CARE BOARD





Southwestern Vermont Medical Center: Change in Charge

VERMONT
GREEN MOUNTAIN CARE BOARD

Request	
Overall Change in Charge %	3.5%
NPR due to Change in Charge	$3,027,000
Value of 1% Change in Charge	$605,400

Service Category	
Hospital Inpatient Change in Gross	5.0%
Hospital Outpatient Change in Gross Charges	5.0%
Professional Services Change in Gross Charges	0.0%

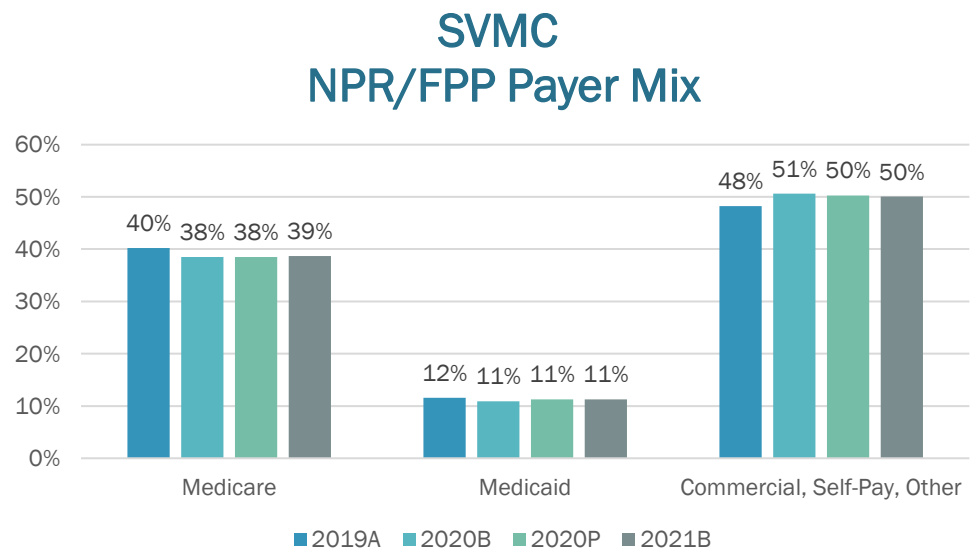
Payer	
Commercial	$3,027,000
Medicaid	$0
Medicare	$0

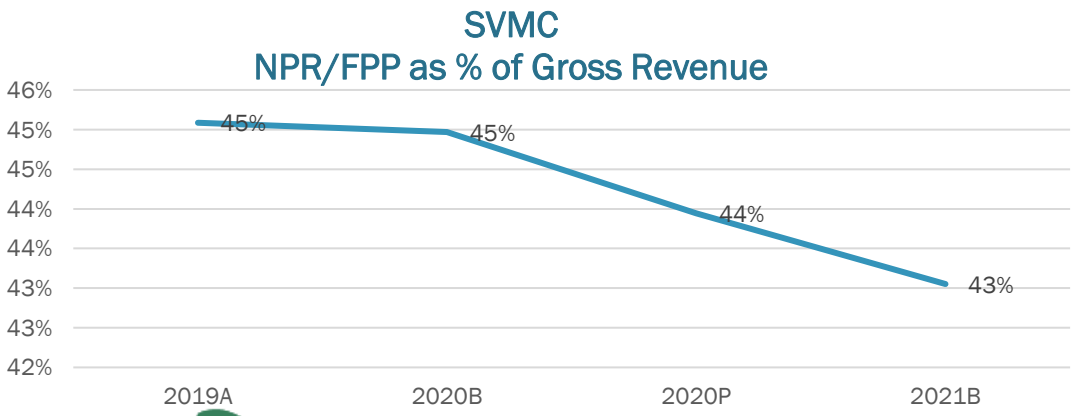
% of NPR/FPP Increase	
FY21 Request ($ change FY20B)	-$5,195,517
Change in Charge ($)	$3,027,000
Change in Charge as a % of NPR/FPP Increase	NA

	FY16	FY17	FY18	FY19	FY20	5-year average
Approved	3.8%	3.4%	2.9%	3.0%	2.8%	3.2%
Submitted	3.8%	3.9%	2.9%	3.2%	2.8%	3.3%

Southwestern Vermont Medical Center: NPR/FPP Payer Mix and Gross to Net Revenue (%)

VERMONT
GREEN MOUNTAIN CARE BOARD





Southwestern Vermont Medical Center: Recommendations

VERMONT
GREEN MOUNTAIN CARE BOARD

	FY2021 Request	Options	Preliminary Decision
NPR/FPP	-3.0% request is within budget-to-budget growth rate ceiling	• Approve as submitted	
Change in Charge	3.5%	• Approve as submitted	
Additional Recommendation			

Suggested motion language:
Move to approve Southwestern Vermont Medical Center's budget as submitted, with a 3.0% ***decrease*** *from FY2020 to FY2021 budgeted NPR/FPP, a 3.5%* ***increase*** *to overall charges, and subject to the standard budget conditions as outlined on Slide 27.*

North Country Hospital

VERMONT
GREEN MOUNTAIN CARE BOARD

NPR/FPP	
FY20 Budget-to-Projection Variance	-11.4%
FY20 Budget ($)	$83,623,249
FY20 Projection ($)	$74,050,203
FY21 Request ($)	$82,736,965
FY21 Request (% change FY20B)	**-1.1%**
FY21 Request (% change FY20P)	11.7%

NCH's -1.1% request is less than the 3.5% growth rate ceiling.

Change in Charges	
Commercial	$1,454,475
Medicaid	$0
Medicare	$782,468

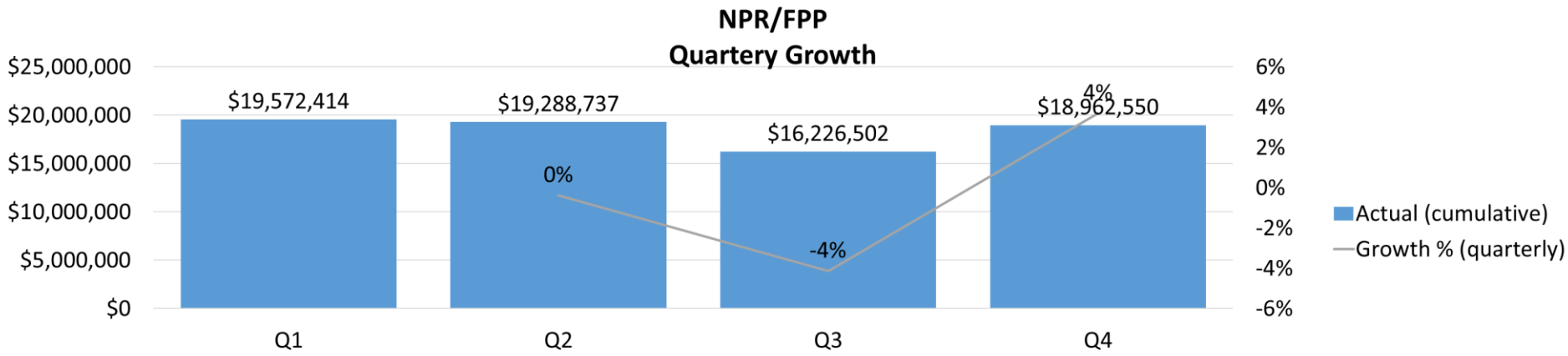
3.6% Change in Charge

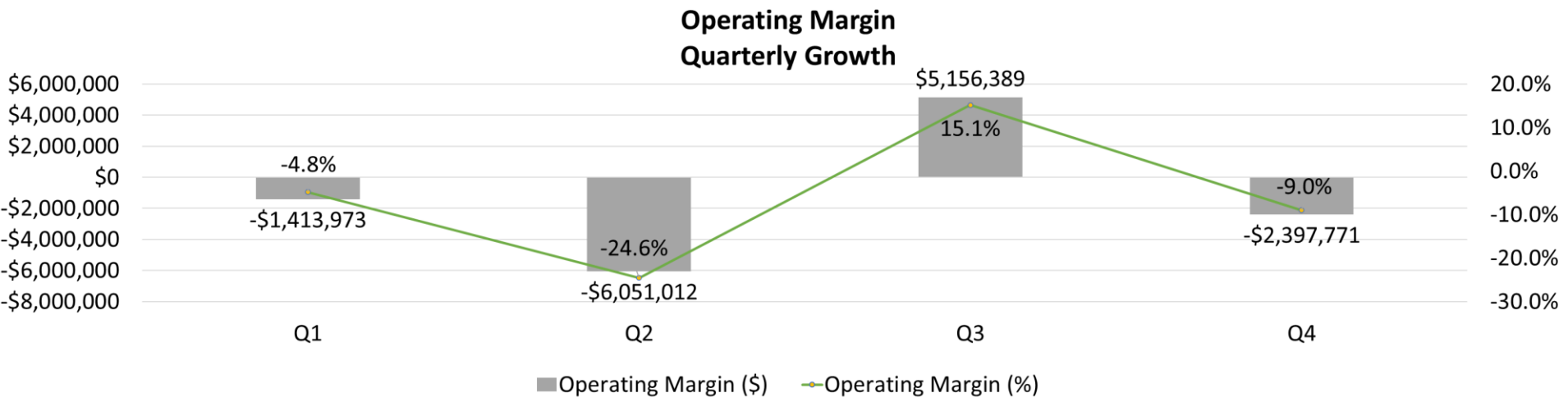
Hospital Justification:

- "Adaptive Active Management" culture
- Volume assumptions as of February 2020 with minimal COVID impact
- Generate healthy margins for reinvestment into the organization
- Service line changes
  - Divested Derby Green Nursing Home
  - Neurology (not enough volume to justify maintaining practice)
  - Cardiology (assessed community need – partnering with D-HH to reduce wait times)
  - Ophthalmology (currently recruiting, unsure volume, exploring collaboration with NVRH)

North Country Hospital: FY2020 Operating Performance

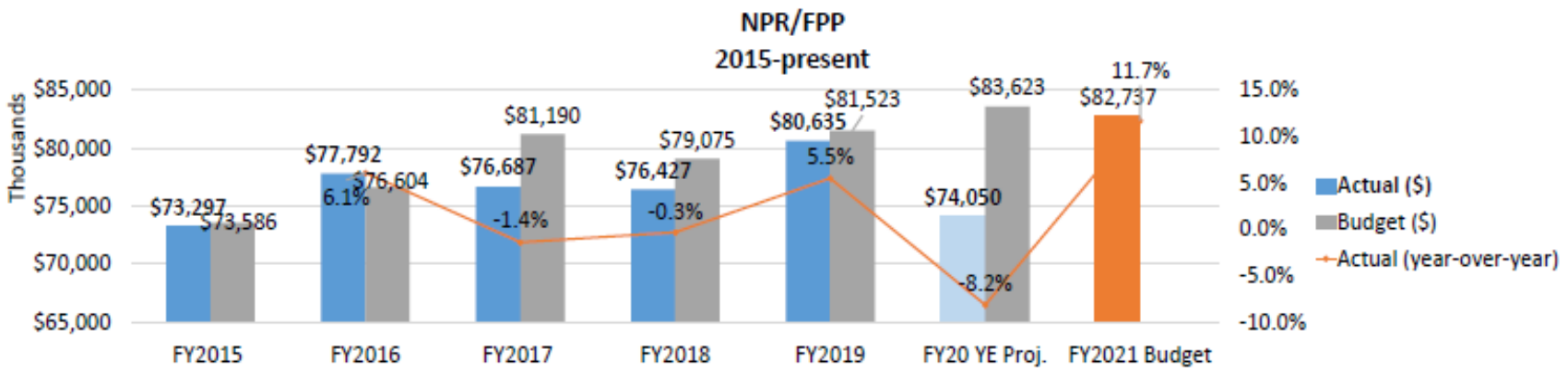
VERMONT
GREEN MOUNTAIN CARE BOARD

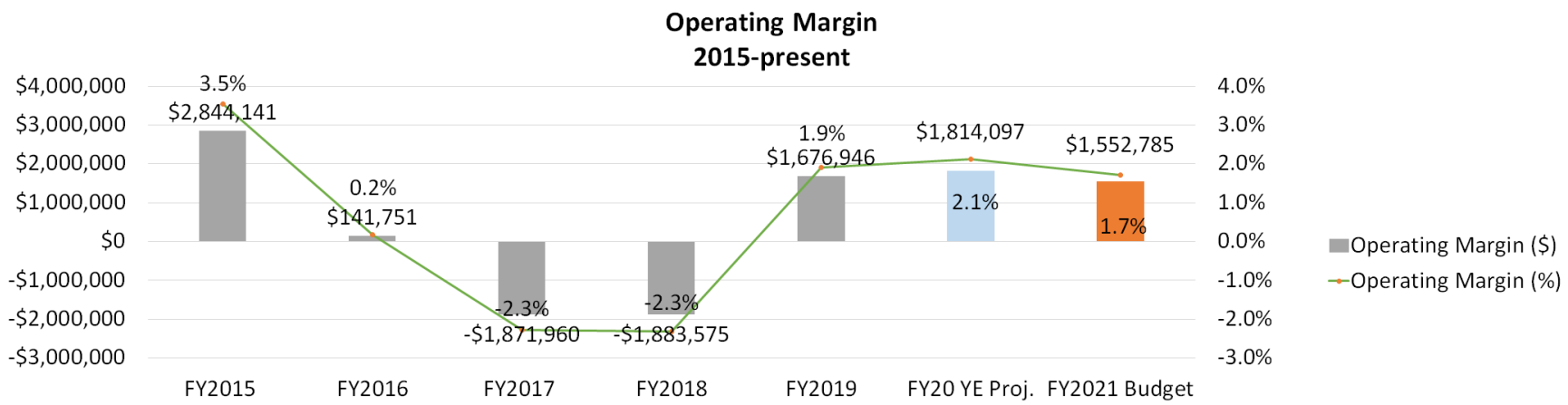




North Country Hospital: Historical Operating Performance

VERMONT
GREEN MOUNTAIN CARE BOARD





North Country Hospital: Change in Charge

VERMONT
GREEN MOUNTAIN CARE BOARD

Request	
Overall Change in Charge %	3.6%
NPR due to Change in Charge	$2,236,943
Value of 1% Change in Charge	$526,340

Service Category	
Hospital Inpatient Change in Gross	4.3%
Hospital Outpatient Change in Gross Charges	4.3%
Physician Outpatient Change in Gross Charges	4.3%

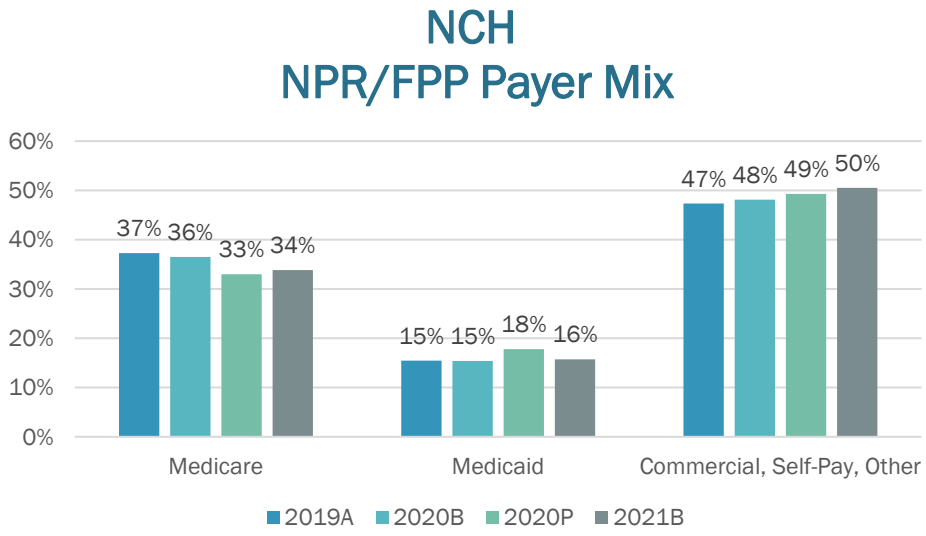
Payer	
Commercial	$1,454,475
Medicaid	$0
Medicare	$782,468

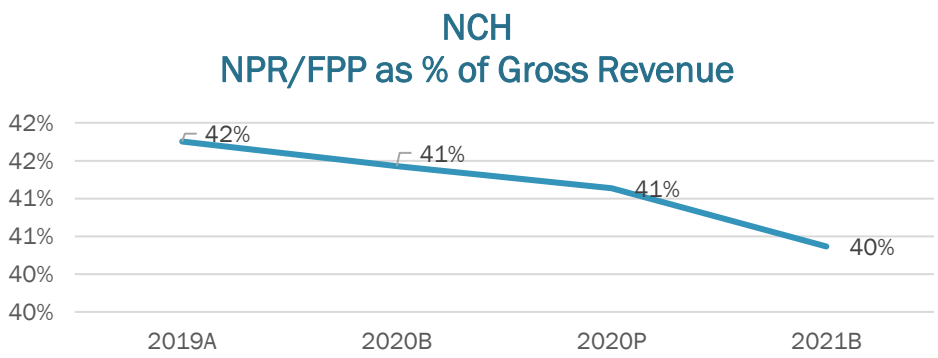
% of NPR/FPP Increase	
FY21 Request ($ change FY20B)	-$886,284
Change in Charge ($)	$2,236,943
Change in Charge as a % of NPR/FPP Increase	NA

	FY16	FY17	FY18	FY19	FY20	5-year average
Approved	4.8%	3.5%	5.0%	3.6%	4.2%	4.2%
Submitted	4.8%	3.5%	5.0%	3.6%	4.2%	4.2%

North Country Hospital: NPR/FPP Payer Mix and Gross to Net Revenue (%)

VERMONT
GREEN MOUNTAIN CARE BOARD





North Country Hospital: Recommendations

VERMONT
GREEN MOUNTAIN CARE BOARD

	FY2021 Request	Options	Preliminary Decision
NPR/FPP	-1.1% request is within budget-to-budget growth rate ceiling	• Approve as submitted	
Change in Charge	3.6%	• Approve as submitted	
Additional Recommendation			

Suggested motion language:
*Move to approve North Country Hospital's budget as submitted, with a 1.1% **decrease** from FY2020 to FY2021 budgeted NPR/FPP, a 3.6% **increase** to overall charges, and subject to the standard budget conditions as outlined on Slide 27.*

Northeastern Vermont Regional Hospital

VERMONT
GREEN MOUNTAIN CARE BOARD

NPR/FPP	
FY20 Budget-to-Projection Variance	-9.6%
FY20 Budget ($)	$87,253,844
FY20 Projection ($)	$78,839,600
FY21 Request ($)	$90,525,300
FY21 Request (% change FY20B)	**3.7%**
FY21 Request (% change FY20P)	14.8%

NVRH's 3.7% request is higher than the 3.5% growth rate ceiling.

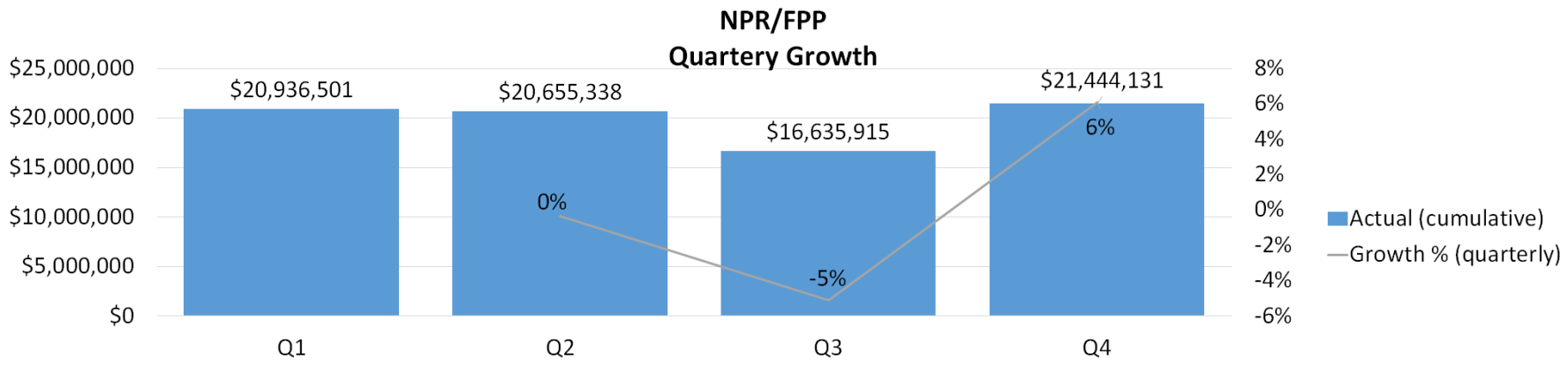
Change in Charges	
2.8% Standard	
Commercial	$1,057,900
Medicaid	$0
Medicare	$0
1.1% COVID-19	
Commercial	$415,100
Medicaid	$0
Medicare	$0
3.9% Total Change in Charge	

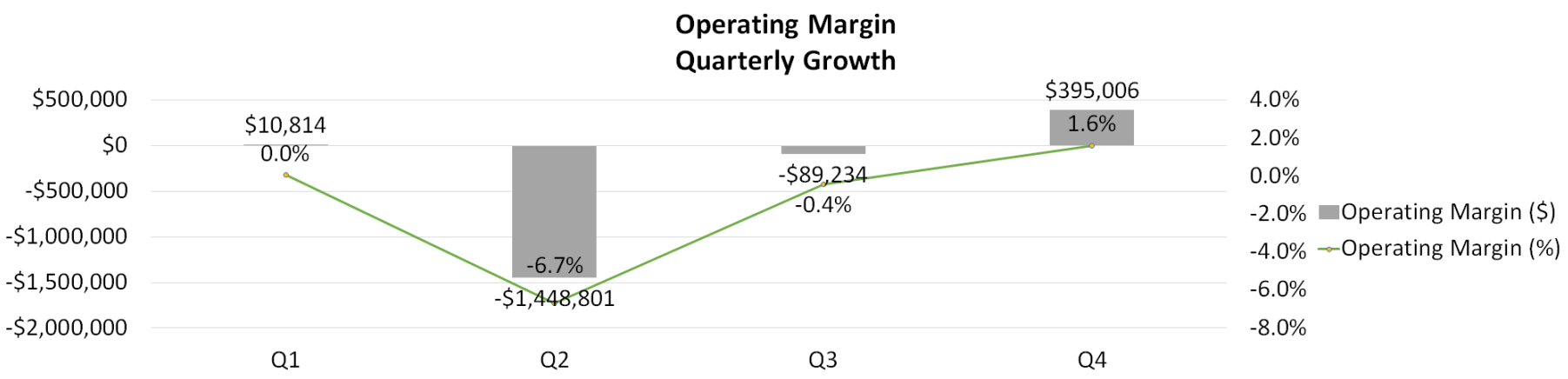
Hospital Justification:

- Volume assumed to return to pre-COVID levels
- Incremental NPR/FPP for new infusion drug (pass-through)
  - Budget FY2020 to Budget FY2021 NPR/FPP growth equals 2.9% excluding NPR for high-cost new infusion drug
- Return of ophthalmologist
- Return of audiologist
- Expansion of express care services
- Additional primary care providers
- Capital spending cuts

Northeastern Vermont Regional Hospital: FY2020 Operating Performance

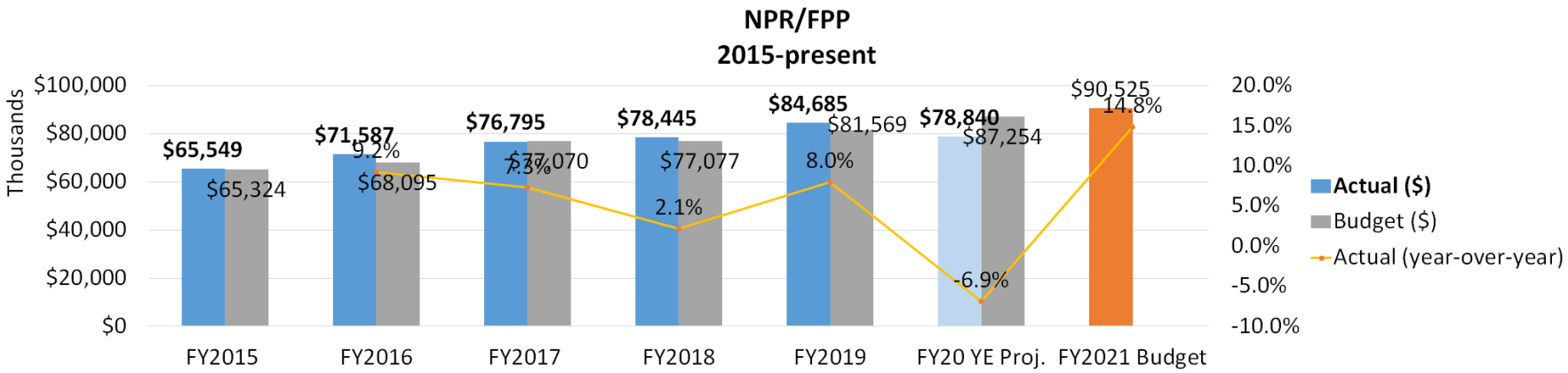
VERMONT
GREEN MOUNTAIN CARE BOARD

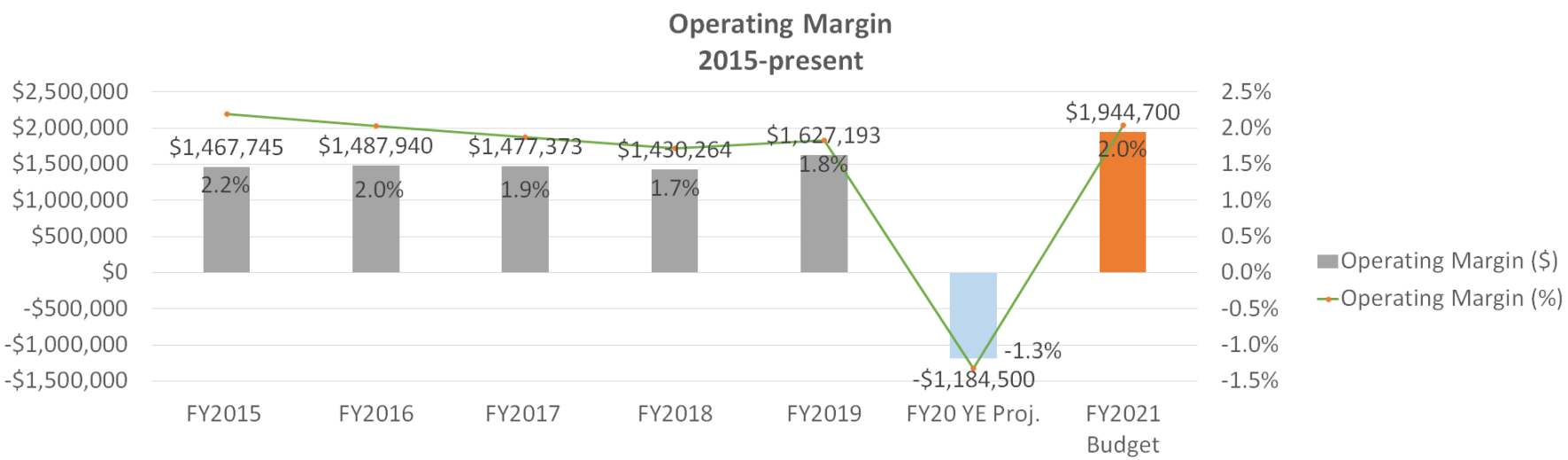




Northeastern Vermont Regional Hospital: Historical Operating Performance

VERMONT
GREEN MOUNTAIN CARE BOARD





Northeastern Vermont Regional Hospital: Change in Charge

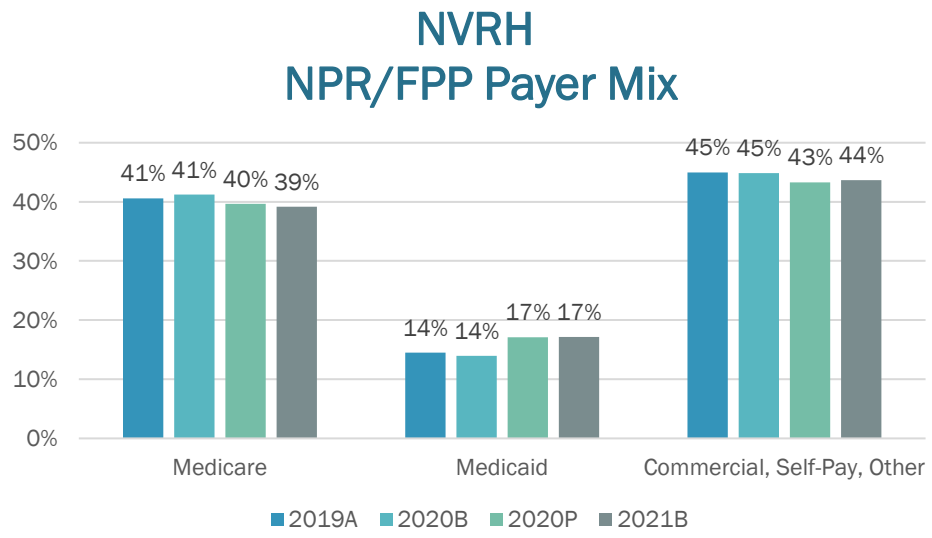
VERMONT
GREEN MOUNTAIN CARE BOARD

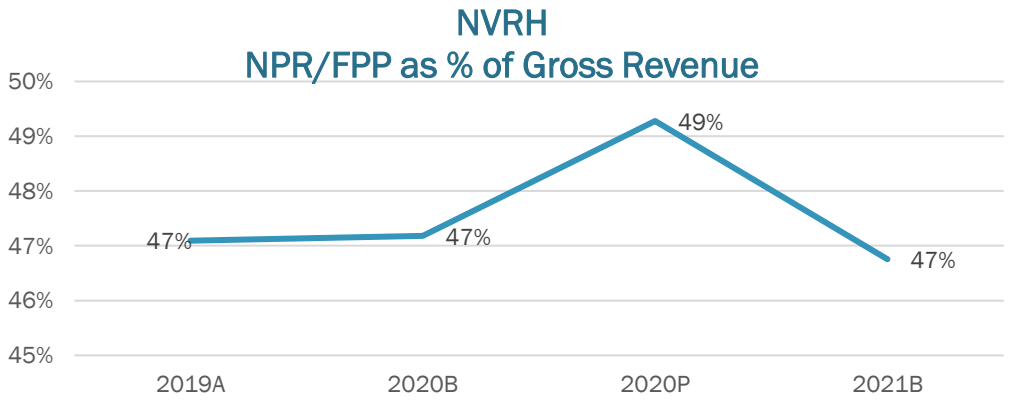
Request	
Overall Change in Charge %	3.9%
NPR due to Change in Charge	$1,473,000
Value of 1% Change in Charge	$377,700
Service Category	
Hospital Inpatient Change in Gross	3.9%
Hospital Outpatient Change in Gross Charges	3.9%
All Other Change in Gross Charges	0.0%
Payer	
2.8% Standard Change in Charge	
Commercial	$1,057,900
1.1% COVID-19 Change in Charge	
Commercial	$415,100
% of NPR/FPP Increase	
FY20 Request ($ change FY20B)	$3,271,456
Change in Charge ($)	$1,473,000
Change in Charge as a % of NPR/FPP Increase	45%

	FY16	FY17	FY18	FY19	FY20	5-year average
Approved	5.2%	3.8%	3.2%	3.0%	3.0%	3.6%
Submitted	5.2%	3.8%	4.3%	4.0%	3.5%	4.1%

Northeastern Vermont Regional Hospital: NPR/FPP Payer Mix and Gross to Net Revenue (%)

VERMONT
GREEN MOUNTAIN CARE BOARD





Northeastern Vermont Regional Hospital: Recommendations

VERMONT
GREEN MOUNTAIN CARE BOARD

	FY2021 Request	Options	Preliminary Decision
NPR/FPP	3.7% request is within budget-to-budget growth rate ceiling when the pass-through infusion drug is removed from consideration	• Approve as submitted	
Change in Charge	3.9% (1.1% COVID related)	• Approve as submitted	
Additional Recommendation			

Suggested motion language:
Move to approve Northeastern Vermont Regional Hospital's budget as submitted, with a 3.7% ***increase*** *from FY2020 to FY2021 budgeted NPR/FPP, a 2.8% standard* ***increase*** *to overall charges, a 1.1% COVID-19-related* ***increase*** *to overall charges, and subject to the standard budget conditions as outlined on Slide 27.*

Grace Cottage Hospital

VERMONT
GREEN MOUNTAIN CARE BOARD

NPR/FPP	
FY20 Budget-to-Projection Variance	-9.2%
FY20 Budget ($)	$19,967,821
FY20 Projection ($)	$18,124,746
FY21 Request ($)	$21,029,541
FY21 Request (% change FY20B)	**5.3%**
FY21 Request (% change FY20P)	16.0%
Grace's 5.3% request is over the 3.5% growth rate ceiling.	

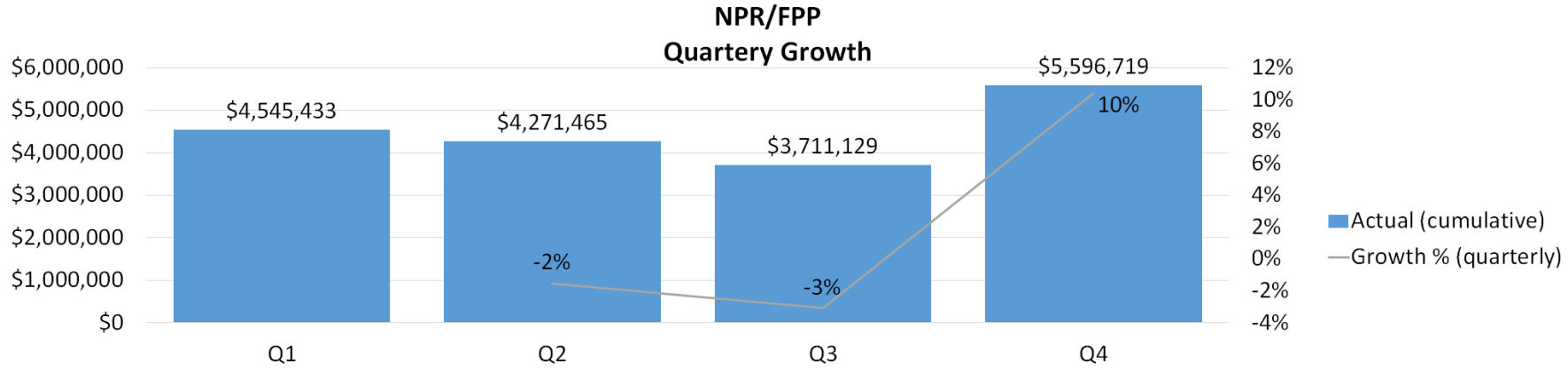
Change in Charges	
Commercial	$202,393
Medicaid	$47,695
Medicare	$385,318
3.2% Change in Charge	

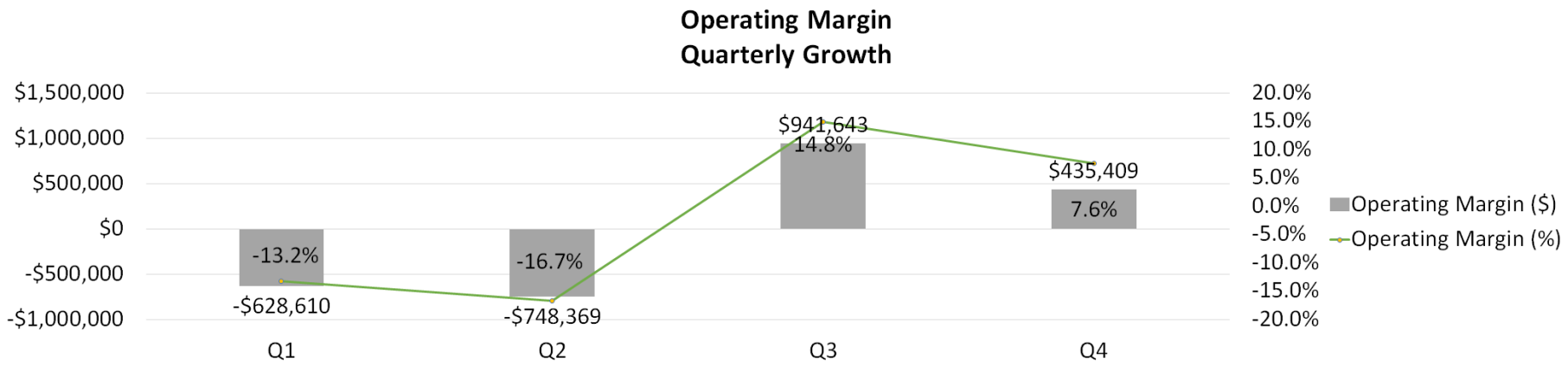
Hospital Justification:

- Full primary care practices (new providers have ramped up)
- Part-time residents are moving towards full-time residency
- Volumes assumed to return to pre-COVID levels, with no additional growth

Grace Cottage Hospital: FY2020 Operating Performance

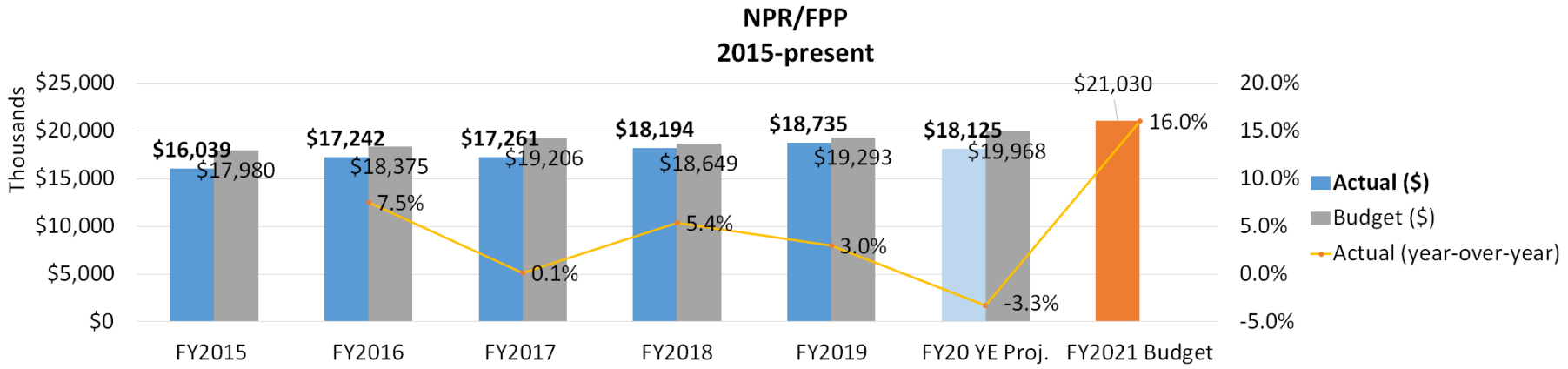
VERMONT
GREEN MOUNTAIN CARE BOARD

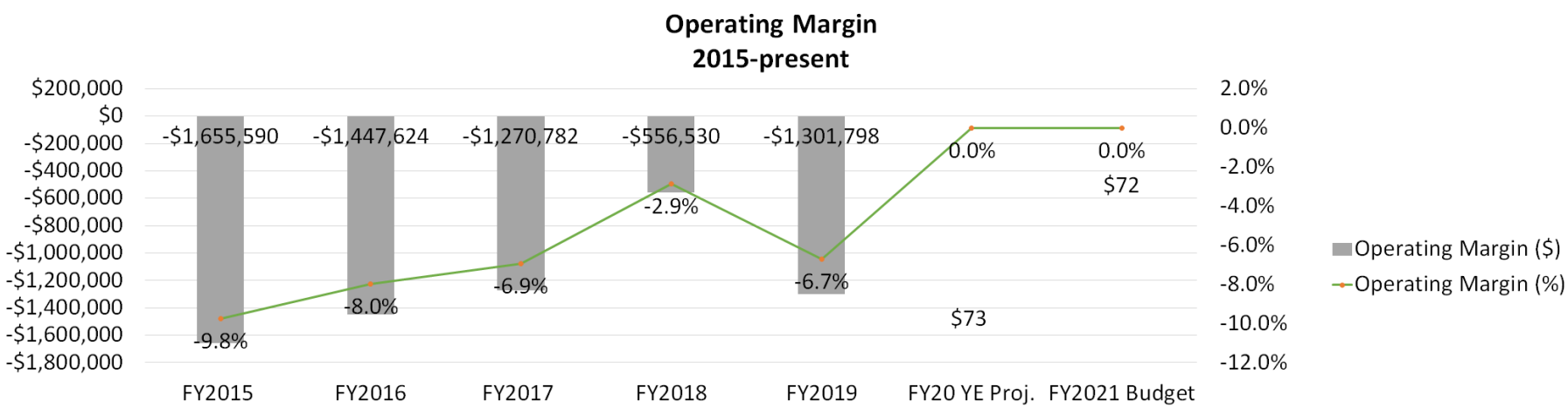




Grace Cottage Hospital: Historical Operating Performance

VERMONT
GREEN MOUNTAIN CARE BOARD





Grace Cottage Hospital: Change in Charge

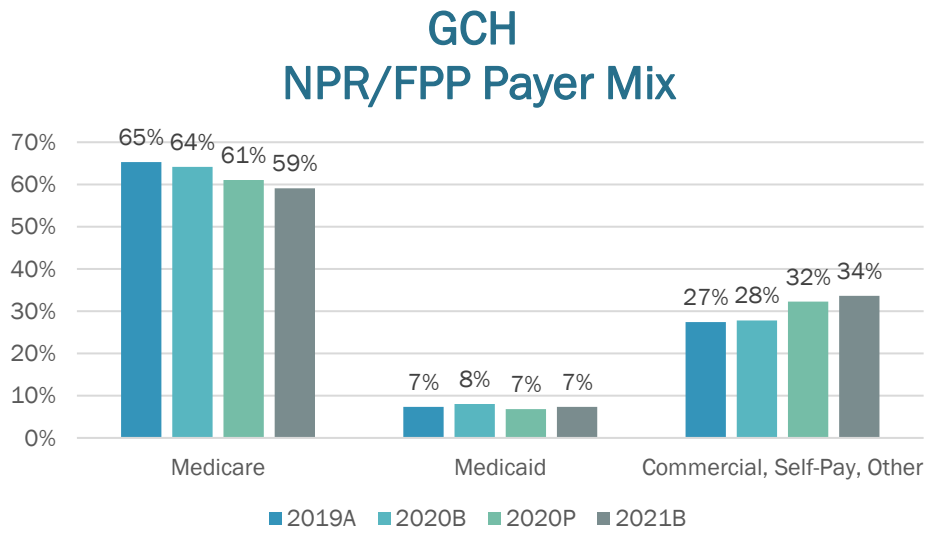
VERMONT
GREEN MOUNTAIN CARE BOARD

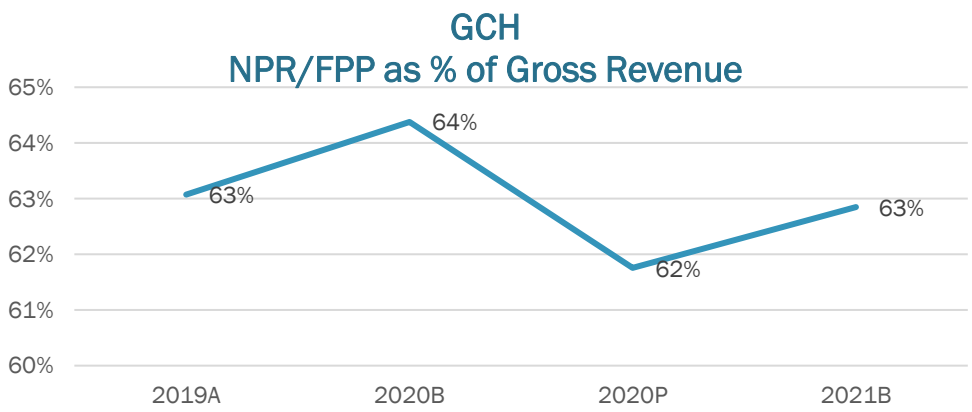
Request	
Overall Change in Charge %	3.2%
NPR due to Change in Charge	$635,406
Value of 1% Change in Charge	$198,565
Service Category	
Hospital Inpatient Change in Gross Charges	3.2%
Hospital Outpatient Change in Gross Charges	3.2%
Payer	
Commercial	$202,393
Medicaid	$47,695
Medicare	$385,318
% of NPR/FPP Increase	
FY21 Request ($ change FY20B)	$1,061,720
Change in Charge ($)	$635,406
Change in Charge as a % of NPR/FPP Increase	59.8%

	FY16	FY17	FY18	FY19	FY20	5-year average
Approved	5.8%	5.0%	5.0%	3.2%	3.2%	4.3%
Submitted	5.8%	5.0%	5.0%	3.2%	3.2%	4.3%

Grace Cottage Hospital: NPR/FPP Payer Mix and Gross to Net Revenue (%)

VERMONT
GREEN MOUNTAIN CARE BOARD





Grace Cottage Hospital: Recommendations

VERMONT
GREEN MOUNTAIN CARE BOARD

	FY2021 Request	Options	Preliminary Decision
NPR/FPP	5.3% request is above the budget-to-budget growth rate ceiling	• Reduce rate to 4.0% as this is consistent with the average rate of growth from FY2015-2019	
Change in Charge	3.2%	• Approve as submitted	
Additional Recommendation		• Reduce expenses accordingly	

Suggested motion language:
Move to approve Grace Cottage Hospital's budget, with an NPR/FPP ***increase*** *of 4.0% from FY2020 to FY2021 budget, a 3.2%* ***increase*** *to overall charges as submitted, reduce expenses accordingly, and subject to the standard budget conditions as outlined on Slide 27.*

Springfield Hospital

VERMONT
GREEN MOUNTAIN CARE BOARD

NPR/FPP	
FY20 Budget-to-Projection Variance	-16.5%
FY20 Budget ($)	$48,889,189
FY20 Projection ($)	$40,817,916
FY21 Request ($)	$51,518,932
FY21 Request (% change FY20B)	**5.4%**
FY21 Request (% change FY20P)	26.2%

Springfield's 5.4% request is over the 3.5% growth rate ceiling.

Change in Charges	
Commercial	$1,112,679
Medicaid	$224,117
Medicare	$609,086

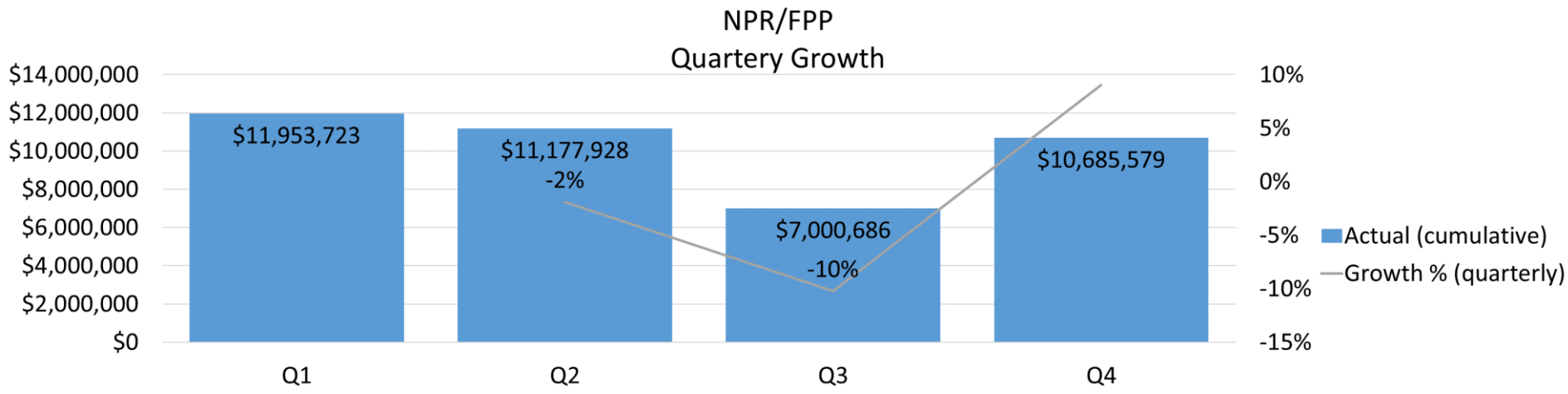
4.0% Change in Charge

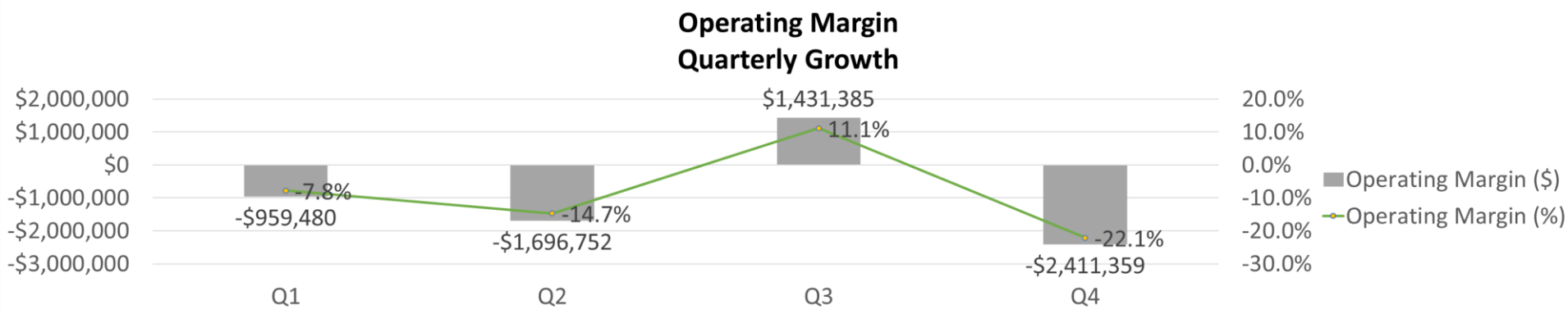
Hospital Justification:

- Recovery budget
  - Anticipates filing a restructuring plan in Fall 2021
- Assumes 100% of normal as of October 1
  - Pre-COVID levels + a 0.5% increase
  - Surgical cases affected by new full-time surgeon
- $9 million in expense reduction from 2018 actuals to 2021 budget

Springfield Hospital: FY2020 Operating Performance

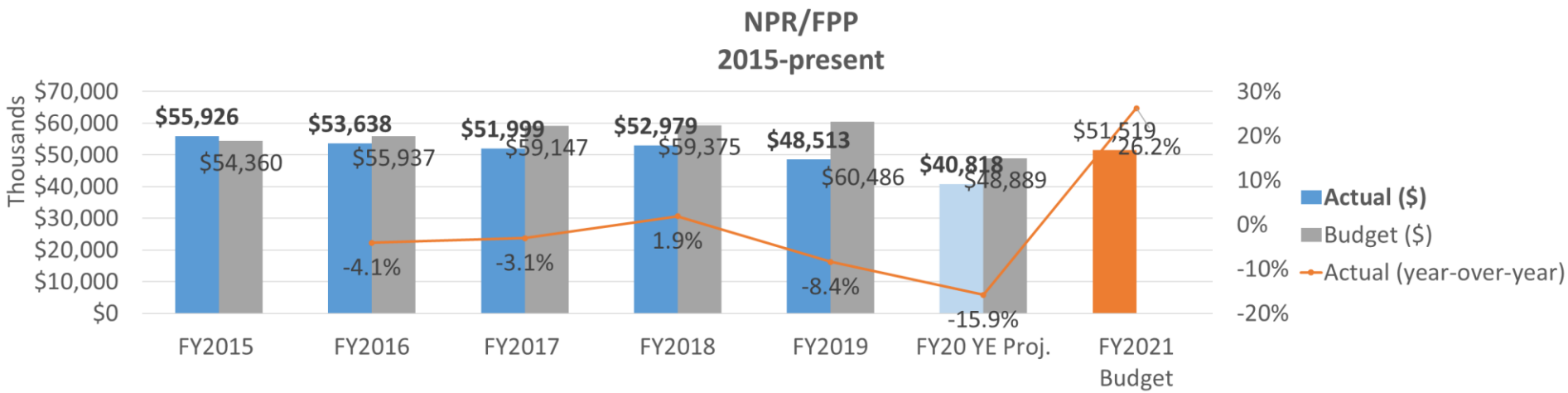
VERMONT
GREEN MOUNTAIN CARE BOARD

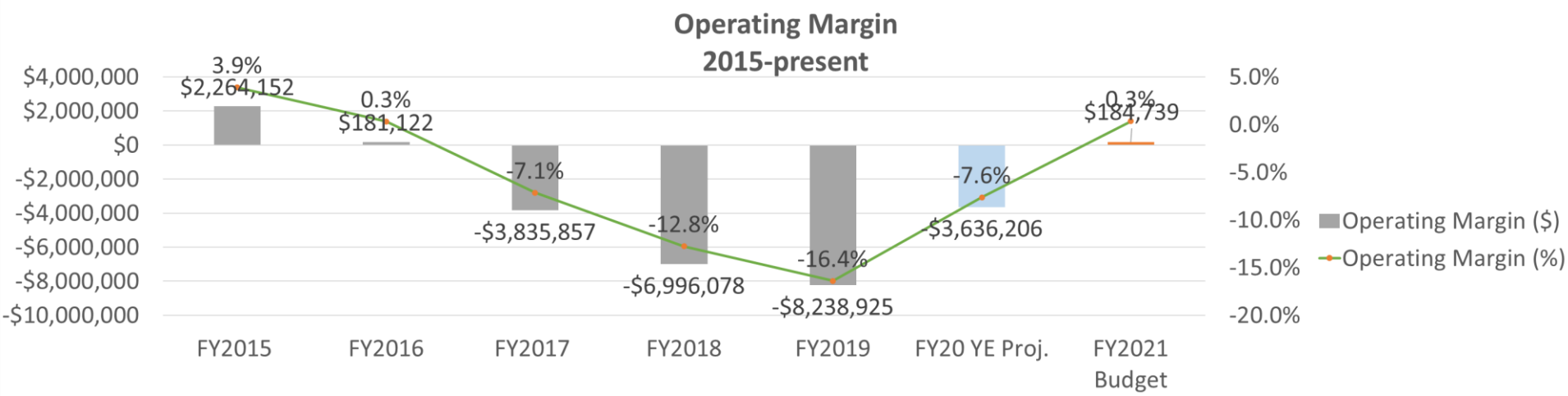




Springfield Hospital: Historical Operating Performance

VERMONT
GREEN MOUNTAIN CARE BOARD





Springfield Hospital: Change in Charge

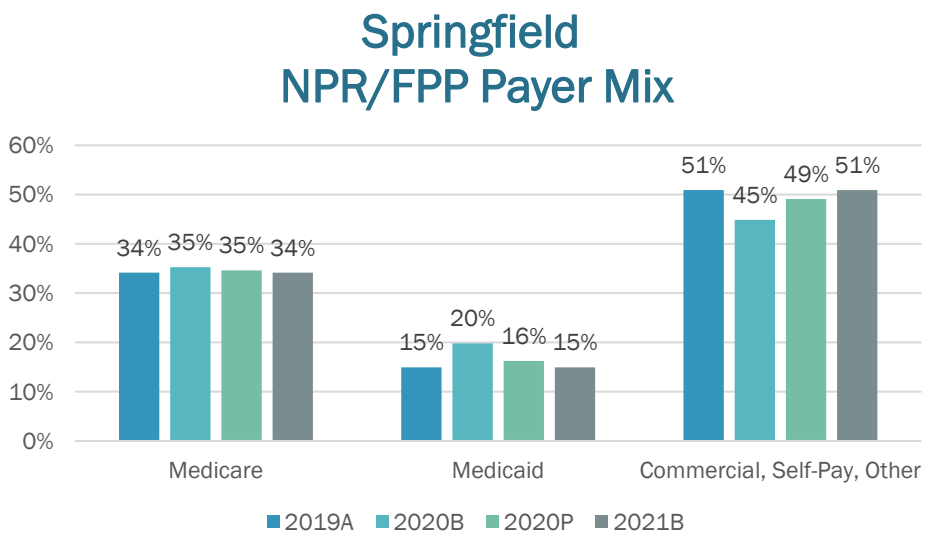
VERMONT
GREEN MOUNTAIN CARE BOARD

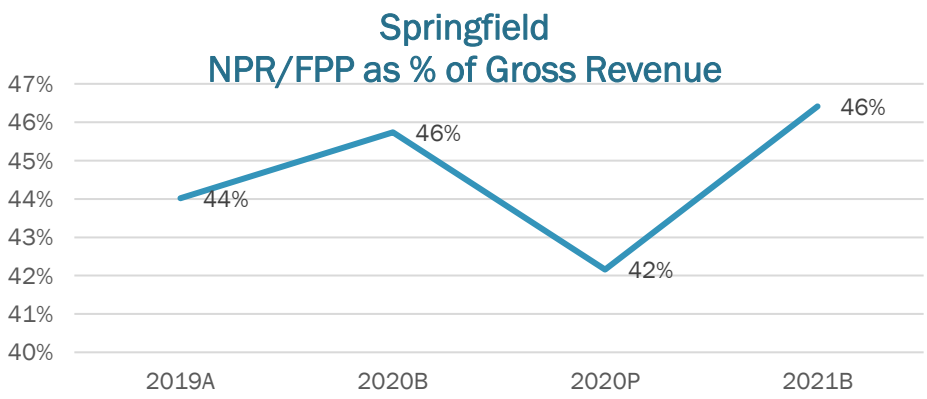
Request	
Overall Change in Charge %	4.0%
NPR due to Change in Charge	$1,945,882
Value of 1% Change in Charge	$486,470
Service Category	
Hospital Inpatient Change in Gross	4.0%
Hospital Outpatient Change in Gross Charges	4.0%
Professional Services Change in Gross Charges	4.0%
Payer	
Commercial	$1,112,679
Medicaid	$224,117
Medicare	$609,086
% of NPR/FPP Increase	
FY21 Request ($ change FY20B)	$2,629,743
Change in Charge ($)	$1,945,882
Change in Charge as a % of NPR/FPP Increase	74%

	FY16	FY17	FY18	FY19	FY20	5-year average
Approved %	2.8%	0.0%	6.5%	10.0%	0.0%	3.9%
Submitted %	2.8%	0.0%	6.5%	10.0%	0.0%	3.9%

Springfield Hospital: NPR/FPP Payer Mix and Gross to Net Revenue (%)

VERMONT
GREEN MOUNTAIN CARE BOARD





Springfield Hospital: Recommendations

VERMONT
GREEN MOUNTAIN CARE BOARD

	FY2021 Request	Options	Preliminary Decision
NPR/FPP	5.4% request is above the budget-to-budget growth rate ceiling	• Reduce growth rate to GMCB's permitted 3.5% ceiling as they restructure and exit bankruptcy	
Change in Charge	4.0%	• Approve as submitted	
Additional Recommendation		• Improved timely and accurate submission of financial data • Reduce expenses accordingly • Presents revised budget to GMCB when it exits bankruptcy	

Suggested motion language:

Move to approve Springfield Hospital's budget, with an NPR/FPP ***increase*** *of 3.5% from FY2020 to FY2021 budget, a 4.0%* ***increase*** *to overall charges as submitted, reduce expenses accordingly, subject to the standard budget conditions as outlined on Slide 27, and improved timeliness and accuracy of data submissions.*

Copley Hospital

VERMONT
GREEN MOUNTAIN CARE BOARD

NPR/FPP	
FY20 Budget-to-Projection Variance	-6.9%
FY20 Budget ($)	$72,658,362
FY20 Projection ($)	$67,611,608
FY21 Request ($)	$77,070,621
FY21 Request (% change FY20B)	**6.1%**
FY21 Request (% change FY20P)	14.0%
Copley's 6.1% request is over the 3.5% growth rate ceiling.	

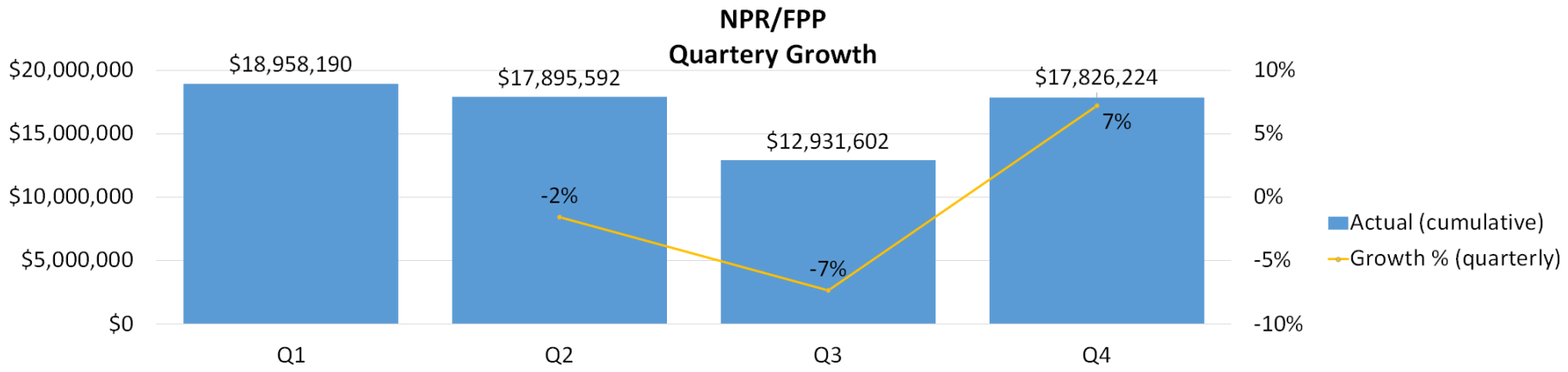
Change in Charges	
Commercial	$3,523,341
Medicaid	$0
Medicare	$1,868,412
8.0% Change in Charge	

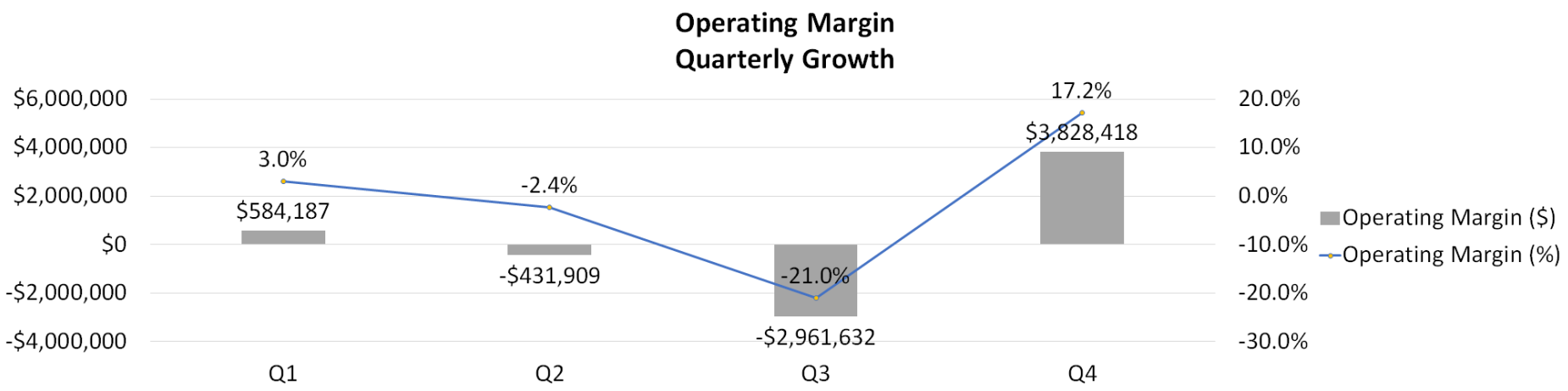
Hospital Justification:

- Using new accounting firm to offer process improvements
- Volume expected to decrease from projected 2020 pre-COVID volumes
- Needs reasonable operating margin to rebuild cash reserves
- Payer mix shift due to aging population and COVID
- Master Facility Plan in 2021 to be more cost effective, integrated, and efficient in capital outlays

Copley Hospital: FY2020 Operating Performance

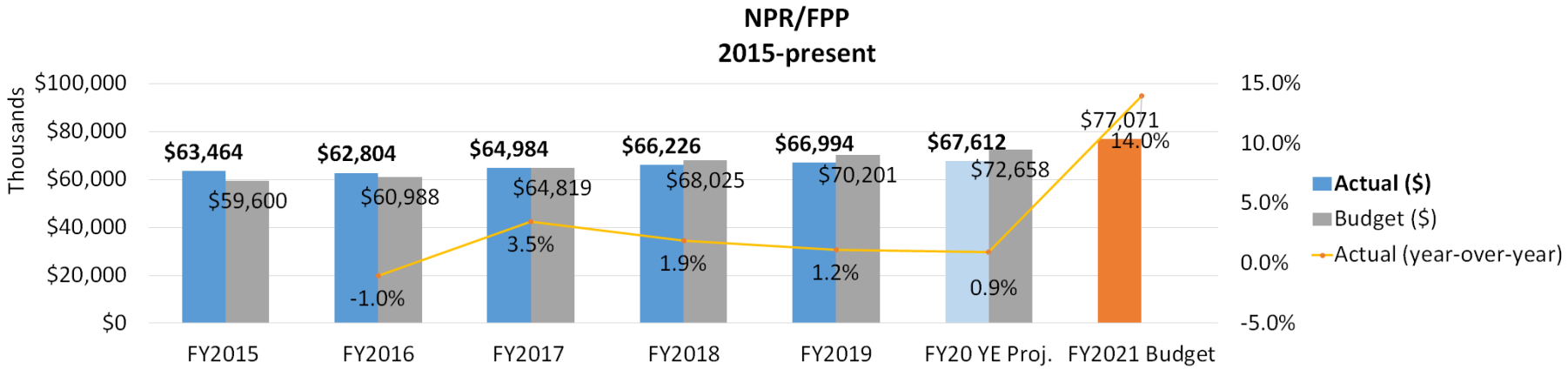
VERMONT
GREEN MOUNTAIN CARE BOARD

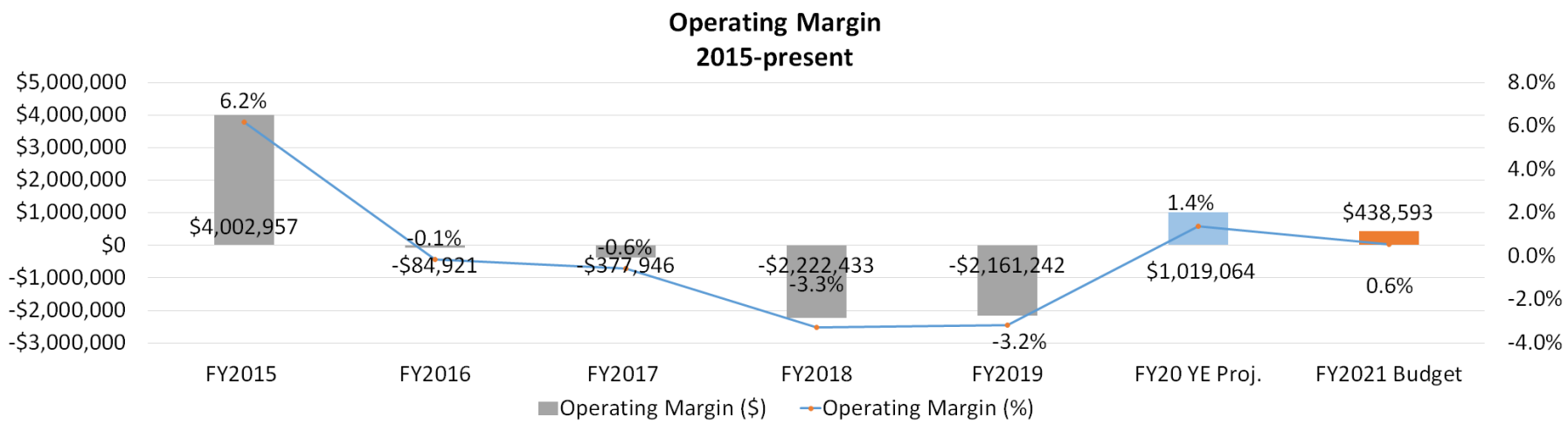




Copley Hospital: Historical Operating Performance

VERMONT
GREEN MOUNTAIN CARE BOARD





Copley Hospital: Change in Charge

VERMONT
GREEN MOUNTAIN CARE BOARD

Request	
Overall Change in Charge %	8.0%
NPR due to Change in Charge	$5,391,753
Value of 1% Change in Charge	$673,969

Service Category	
Hospital Inpatient Change in Gross	8.0%
Hospital Outpatient Change in Gross Charges	8.0%
Skilled Nursing Facility Change in Gross Charges	8.0%

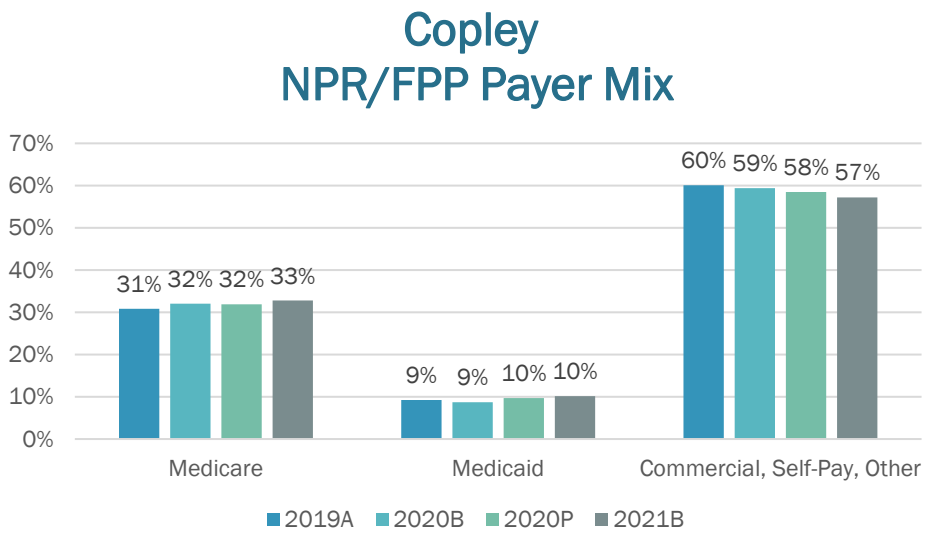
Payer	
Commercial	$3,523,341
Medicaid	$0
Medicare	$1,868,412

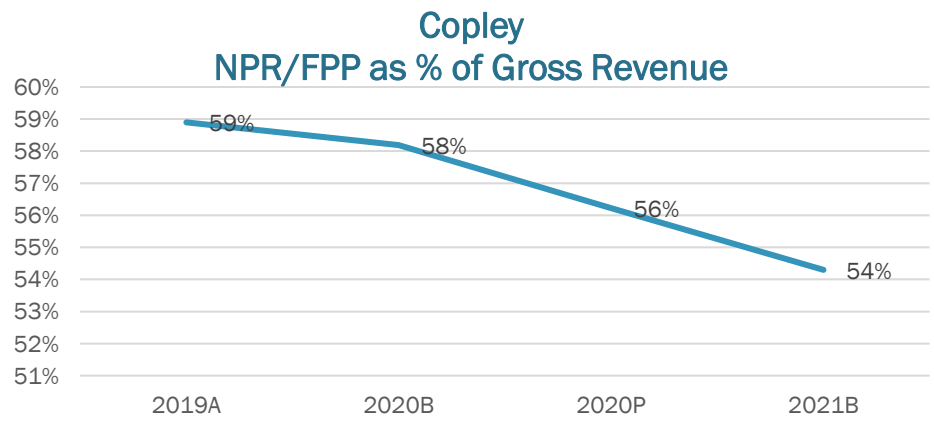
% of NPR/FPP Increase	
FY21 Request ($ change FY20B)	$4,412,259
Change in Charge ($)	$5,391,753
Change in Charge as a % of NPR/FPP Increase	122.0%

	FY16	FY17	FY18	FY19	FY20	5-year average
Approved	-4.0%	-3.7%	-3.4%	4.5%	9.8%	0.6%
Submitted	-3.0%	0.0%	0.0%	7.9%	9.8%	2.9%

Copley Hospital: NPR/FPP Payer Mix and Gross to Net Revenue (%)

VERMONT
GREEN MOUNTAIN CARE BOARD





Copley Hospital: Recommendations

VERMONT
GREEN MOUNTAIN CARE BOARD

	FY21 Request	Options	Preliminary Decision
NPR/FPP	6.1% request is above the budget-to-budget growth rate ceiling	• Reduce submitted NPR/FPP due to reduction in change in charge	
Change in Charge	8.0%	• Reduce submitted change in charge to 6.5%	
Additional Recommendation		• Improved timely and accurate submission of financial data • Reduce expenses accordingly	

Suggested motion language:
Move to approve Copley Hospital's budget, with an NPR/FPP ***increase*** *of XX% from FY2020 to FY2021 budget, a 6.5%* ***increase*** *to overall charges as submitted, reduce expenses accordingly, subject to the standard budget conditions as outlined on Slide 27, and improved timeliness and accuracy of data submissions.*

Rutland Regional Medical Center

VERMONT
GREEN MOUNTAIN CARE BOARD

NPR/FPP	
FY20 Budget-to-Projection Variance	-12.6%
FY20 Budget ($)	$267,787,827
FY20 Projection ($)	$233,920,097
FY21 Request ($)	$247,487,684
FY21 Request (% change FY20B)	**-7.6%**
FY21 Request (% change FY20P)	5.8%
RRMC's -7.6% request is below the 3.5% growth rate ceiling	

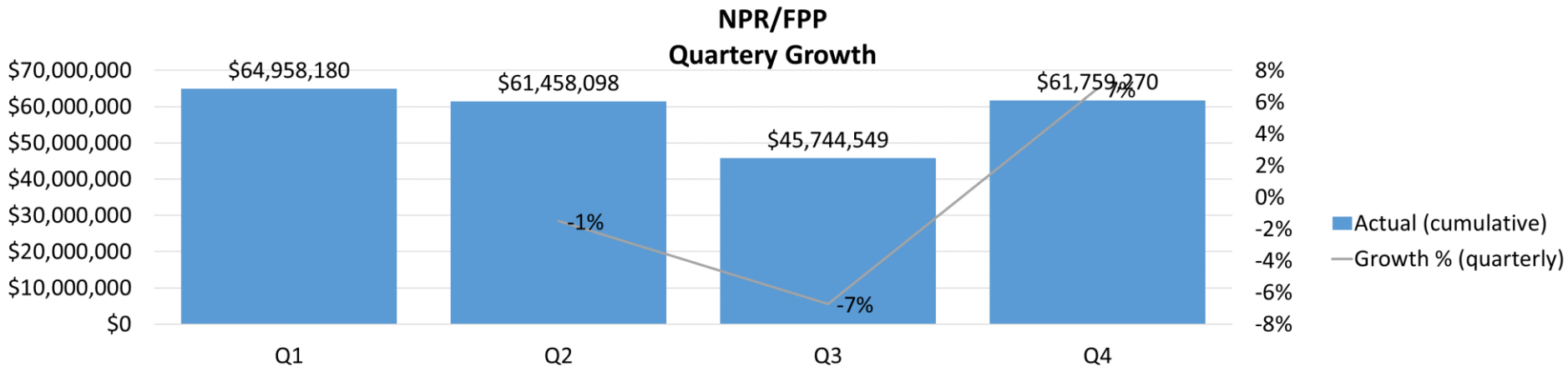
Change in Charges	
Commercial	$8,271,978
Medicaid	$0
Medicare	$0
6.0% Change in Charge	

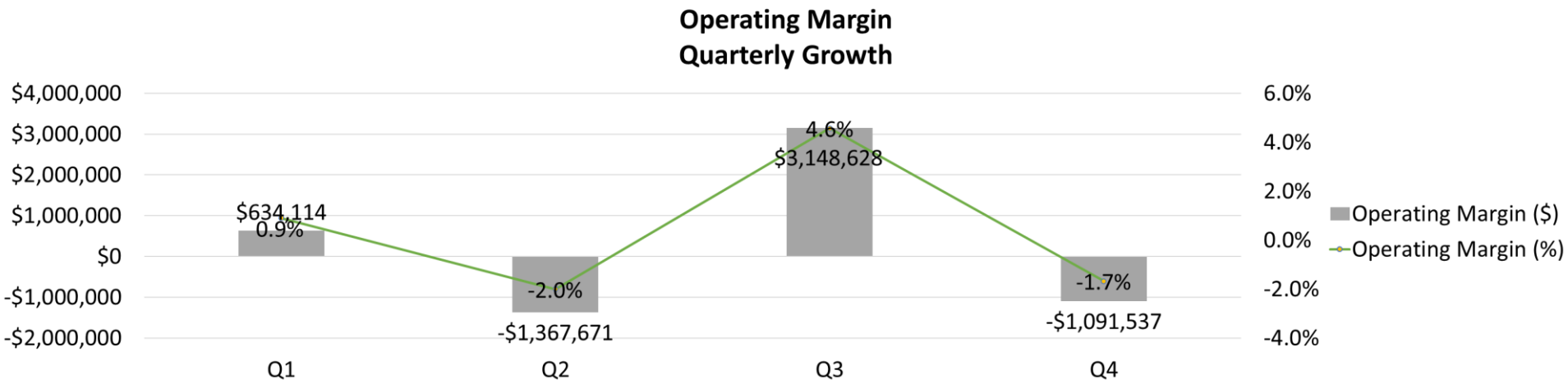
Hospital Justification:

- $12.7 million in cost reductions
  - Union negotiated to postpone salary increases
  - Pension is appropriately funded, opting not contributing $2 million to pension
- Justification for change in charge – average daily census budgeting for 82 and at 77 now – it's a risk
- For 2021 budget, assuming inpatient volume around 88-90% and outpatient 100% of 2020 budget (95% average)
- Historically low 5-year average of change in charge
- Unknowns – FEMA, State Cares money, COVID, financial relief (forgiveness of loans)

Rutland Regional Medical Center: FY2020 Operating Performance

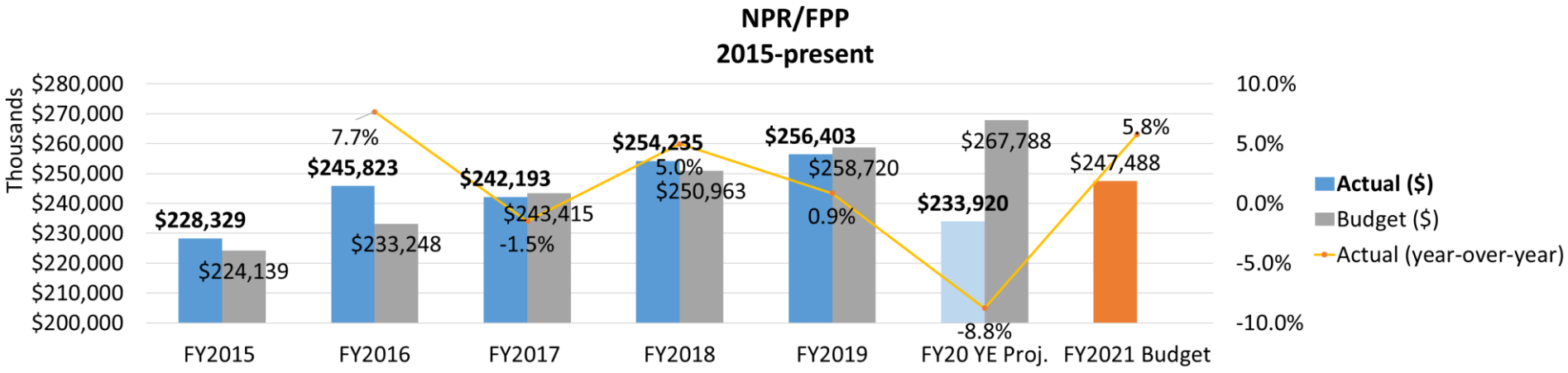
VERMONT
GREEN MOUNTAIN CARE BOARD

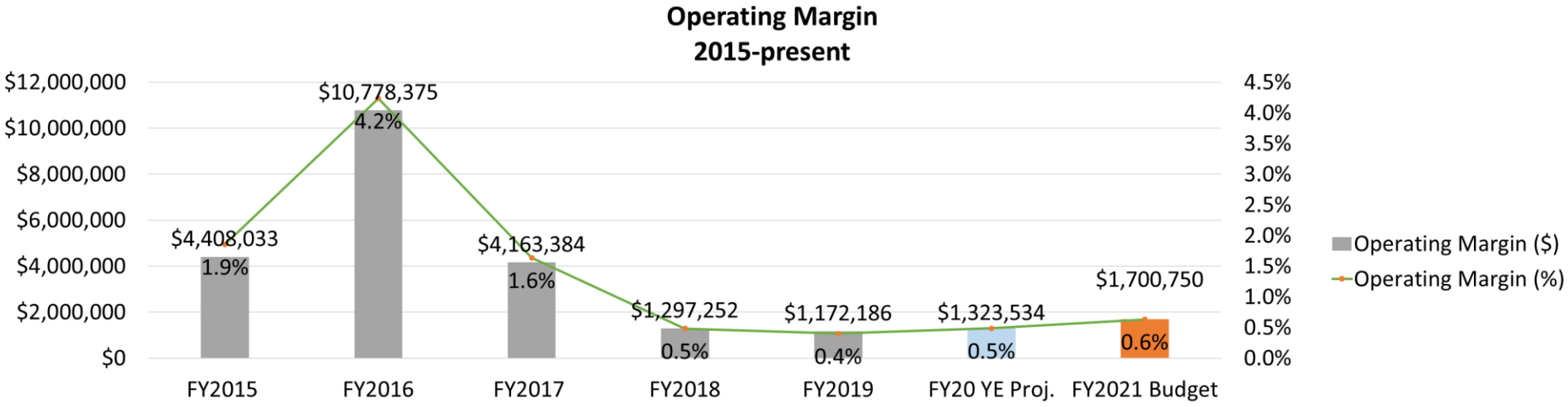




Rutland Regional Medical Center: Historical Operating Performance

VERMONT
GREEN MOUNTAIN CARE BOARD





Rutland Regional Medical Center: Change in Charge

VERMONT
GREEN MOUNTAIN CARE BOARD

Request	
Overall Change in Charge %	6.0%
NPR due to Change in Charge	$8,271,978
Value of 1% Change in Charge	$1,377,458

Service Category	
Hospital Inpatient Change in Gross	2.3%
Hospital Outpatient Change in Gross Charges	3.7%
Professional Services Change in Gross Charges	0.0%

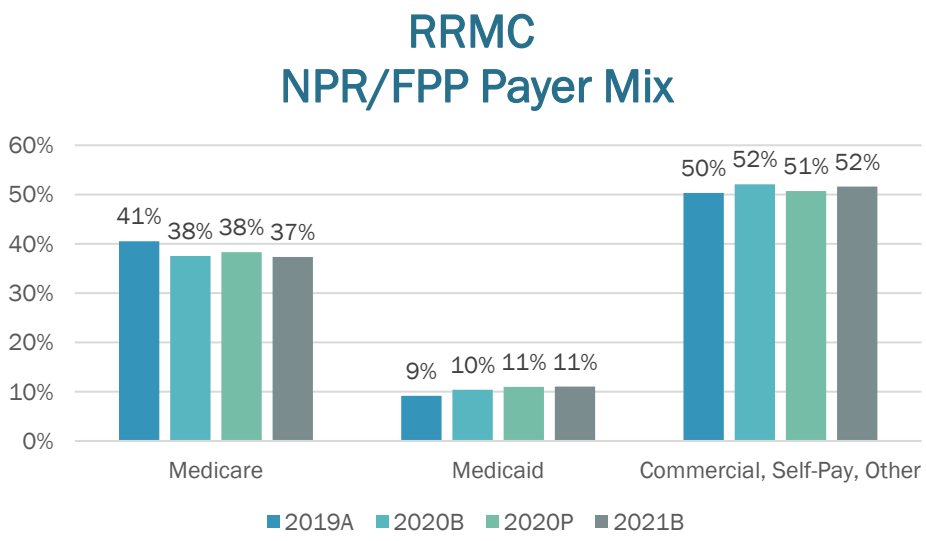
Payer	
Commercial	$8,271,978
Medicaid	$0
Medicare	$0

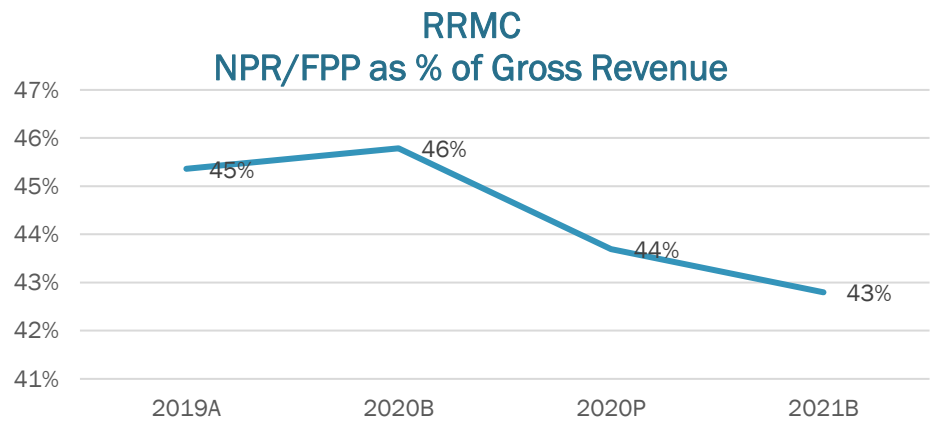
% of NPR/FPP Increase	
FY21 Request ($ change FY20B)	-$20,300,143
Change in Charge ($)	$8,271,978
Change in Charge as a % of NPR/FPP Increase	NA

	FY16	FY17	FY18	FY19	FY20	5-year average
Approved %	3.7%	-5.1%	4.9%	2.6%	2.7%	1.8%
Submitted %	3.7%	-5.1%	4.9%	3.0%	2.7%	1.8%

Rutland Regional Medical Center: NPR/FPP Payer Mix and Gross to Net Revenue (%)

VERMONT
GREEN MOUNTAIN CARE BOARD





Rutland Regional Medical Center: Recommendations

VERMONT
GREEN MOUNTAIN CARE BOARD

	FY21 Request	Options	Preliminary Decision
NPR/FPP	-7.6% request is within the budget-to-budget growth rate ceiling	• Approve as submitted	
Change in Charge	6.0%	• Approve as submitted	
Additional Recommendation			

Suggested motion language:
Move to approve Rutland Regional Medical Center's budget as submitted, with a 7.6% ***decrease*** *from FY2020 to FY2021 budgeted NPR/FPP, a 6.0%* ***increase*** *to overall charges, and subject to the standard budget conditions as outlined on Slide 27.*

VERMONT
GREEN MOUNTAIN CARE BOARD

Provider Transfer and Accounting Adjustment Requests

Brattleboro Memorial Hospital
Mt. Ascutney Hospital & Health Center
Northwestern Vermont Medical Center

Hospitals requesting adjustments for provider transfers, accounting, and ACO accounting adjustments

Brattleboro Memorial Hospital

VERMONT
GREEN MOUNTAIN CARE BOARD

NPR/FPP	
FY20 Budget-to-Projection Variance	-11.2%
FY20 Budget ($)	$88,145,092
FY20 Projection ($)	$78,270,953
FY21 Request ($)	$92,802,428
FY21 Request (% change FY20B)	**5.3%**
FY21 Request (% change FY20P)	18.6%

Brattleboro's 5.3% request is over the 3.5% growth rate ceiling.

Change in Charges	
2.9% Standard	
Commercial	$1,276,931
Medicaid	$0
Medicare	$0
2.0% COVID-19	
Commercial	$868,786
Medicaid	$0
Medicare	$0
4.9% Total Change in Charge	

Hospital Justification:

- Gross revenue is 95% of FY20 budget as the “new normal”
- FY2021 budget, assume they will maintain the 95% of old information is the new normal
- 2.0% driven by COVID portion of the rate (to cover increased COVID expenses, includes 15 FTE screeners)
- They are the fourth busiest hospital in terms of the emergency department treating mental health and psychiatric patients. Collaboration with DMH and Cheshire.

Brattleboro Memorial Hospital: ACO Accounting Adjustment & Provider Transfers

VERMONT
GREEN MOUNTAIN CARE BOARD

Provider Transfers

BMH is requesting an NPR/FPP adjustment for one provider transfers:

1. Just So Pediatrics : -$833,172

Accounting Adjustment

The BMH made an accounting adjustment related to the ACO dues. The adjustment reclassifies the dues from offsetting NPR/FPP to operating expenses. The impact of this adjustment on BMH is $427,122.

	Provider Transfers	ACO Accounting Adjustment
NPR/FPP Impact ($)	-$833,172	$427,122
NPR/FPP Impact (%)	1.0%	-0.5%

Brattleboro Memorial Hospital: Provider Transfers

VERMONT
GREEN MOUNTAIN CARE BOARD

Brattleboro Memorial Hospital					
Name of Acquisition or Transfer	**NPR/FPP**	**Expenses**	**Net Profit/Loss**	**Effective Date**	**Adjustment to FY20 NPR/FPP**
Just So Pediatrics	-$833,172	-$1,353,967	+$520,795	7/31/2020	1.0%

Brattleboro Memorial Hospital: Provider Transfer Requests

VERMONT
GREEN MOUNTAIN CARE BOARD

BMH consolidated *Just So Pediatrics into Brattleboro Primary Care (BPC), an independent practice.* on July 31, 2020

FY20 Impact	
Gross Patient Care Revenue	-$1,365,855
Deductions from Revenue	-$532,683
Net Patient Revenue	**-$833,172**
Provider Salaries	-$705,464
Provider Fringe Benefits	-$193,502
Staff Wages & Benefits (Non MD)	-$68,544
Malpractice	-$10,062
Depreciation/Amortization	-$1,192
Rent	-$23,222
Billing Service	-$38,511
Medical/Surgical Supplies	-$12,981
Other Costs	-$300,489
Operating Expense	**-$1,353,967**
Net Operating Income/Loss	**$520,795**

This BPC consolidation was due to insufficient/inadequate JSP office space to cope with COVID-19; clinician retirement and clinician's inability to practice on-site due to COVID-19. JSP patients were given the option to transfer their care to BPC or other Hospitals/Practices.

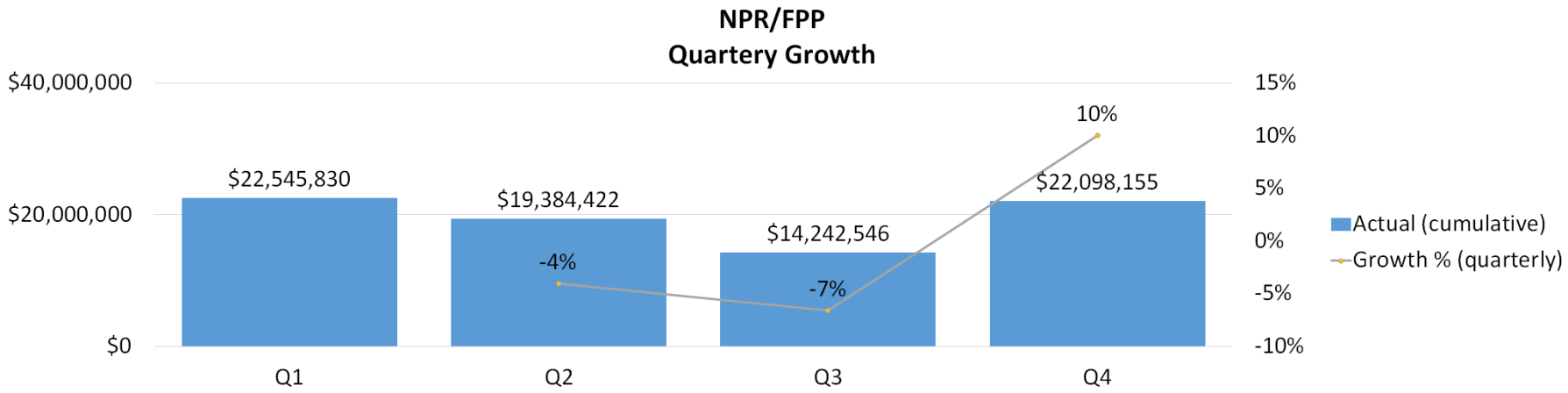
FTEs and units of service:

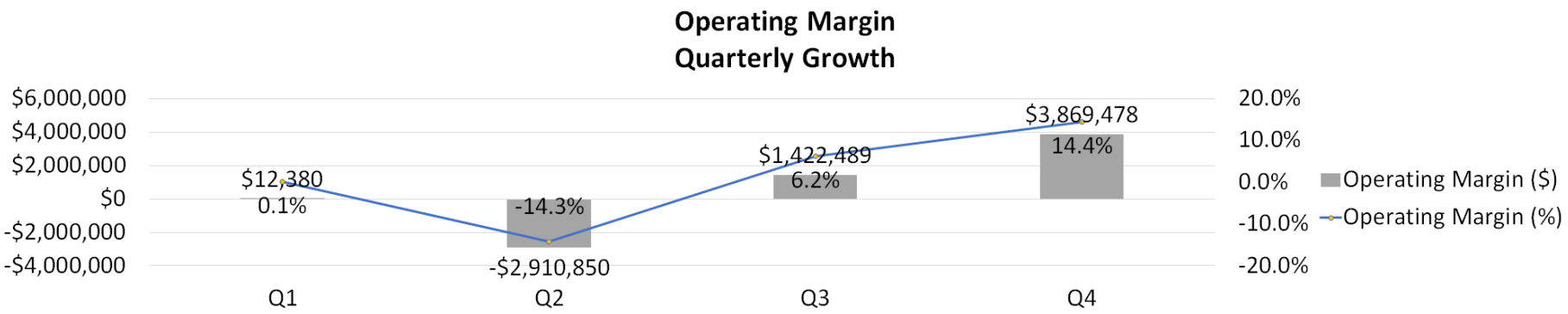
- 0.75 Provider FTE
- 8 non-provider FTEs2
- 21,813 Relative Value-units of service
- -1.0% impact on FY20 to FY21 budgeted NPR/FPP

GMCB staff recommend acknowledgement by Board

Brattleboro Memorial Hospital: FY2020 Operating Performance

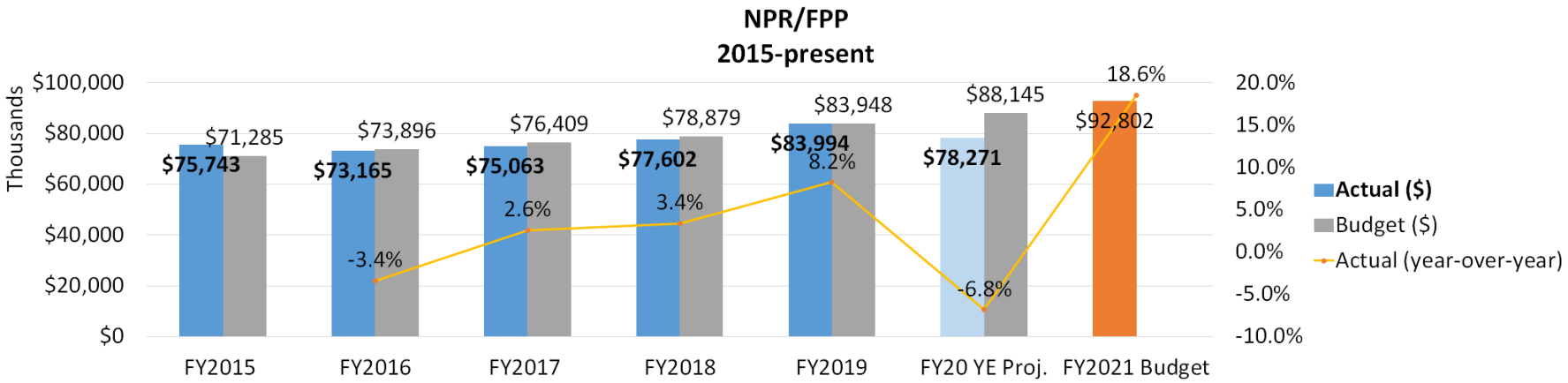
VERMONT
GREEN MOUNTAIN CARE BOARD

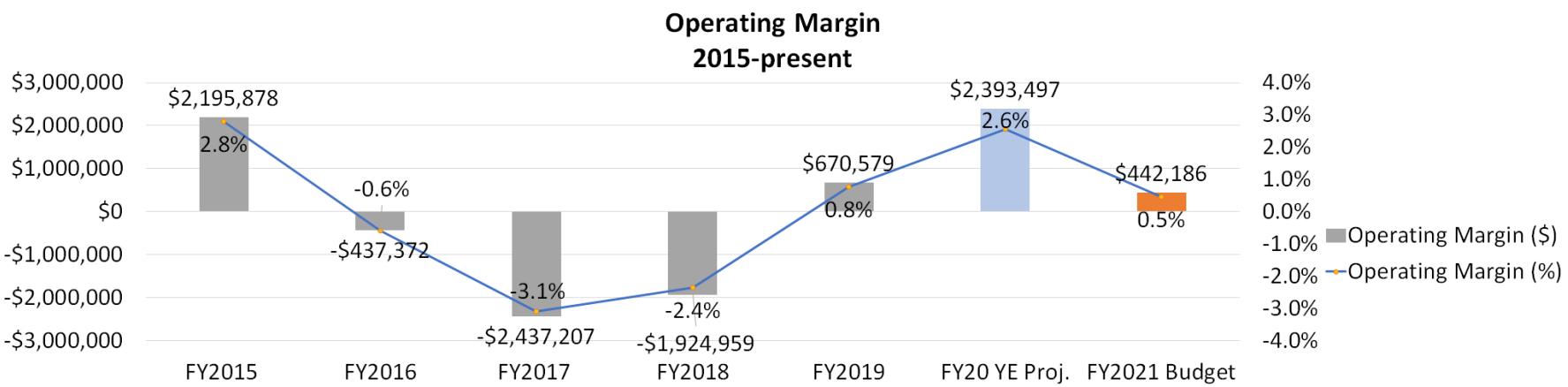




Brattleboro Memorial Hospital: Historical Operating Performance

VERMONT
GREEN MOUNTAIN CARE BOARD





Brattleboro Memorial Hospital: Change in Charge

VERMONT
GREEN MOUNTAIN CARE BOARD

Request	
Overall Change in Charge %	4.9%
NPR due to Change in Charge	$2,145,717
Value of 1% Change in Charge	$436,121

Service Category	
Hospital Inpatient Change in Gross	5.9%
Hospital Outpatient Change in Gross Charges	5.5%

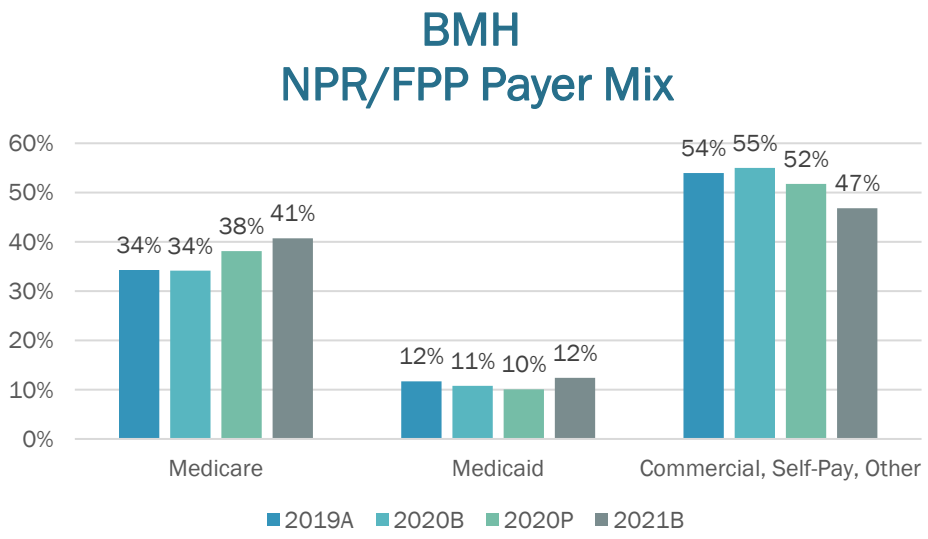
Payer	
2.9% Standard Change in Charge	
Commercial	$1,276,931
2.0% COVID-19 Change in Charge	
Commercial	$868,786

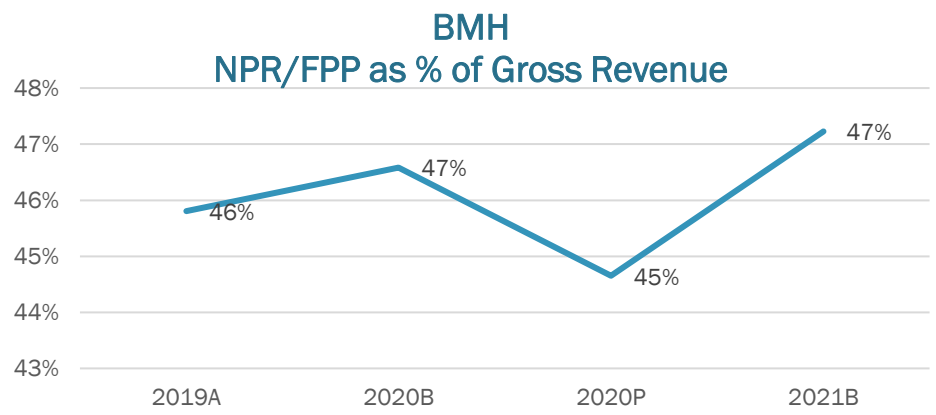
% of NPR/FPP Increase	
FY21 Request ($ change FY20B)	$4,657,336
Change in Charge ($)	$2,145,717
Change in Charge as a % of NPR/FPP Increase	46%

	FY16	FY17	FY18	FY19	FY20	5-year average
Approved	-1.4%	3.5%	5.7%	3.9%	3.4%	3.0%
Submitted	-1.2%	3.5%	8.9%	4.9%	3.4%	3.9%

Brattleboro Memorial Hospital: NPR/FPP Payer Mix and Gross to Net Revenue (%)

VERMONT
GREEN MOUNTAIN CARE BOARD





Brattleboro Memorial Hospital: Recommendations

VERMONT
GREEN MOUNTAIN CARE BOARD

	FY21 Request	Options	Preliminary Decision
NPR/FPP	5.3% request is above the budget-to-budget growth rate ceiling	• Reduce submitted NPR/FPP growth rate to 4.3%, with accounting adjustments and provider transfers, it is worth 4.8%	
Change in Charge	4.9% (COVID 2.0%)	• Reduce submitted change in charge to 2.9%	
Additional Recommendation		• Acknowledge provider transfer • Acknowledge accounting adjustment • Improved timely and accurate submission of financial data • Reduce expenses accordingly	

Suggested motion language:

Move to approve Brattleboro Memorial Hospital's budget, with an NPR/FPP ***increase*** *of 4.3% from FY2020 to FY2021 budget and an effective NPR/FPP* ***increase*** *of 4.8% from FY2020 to FY2021 budget, a 2.9%* ***increase*** *to overall charges as submitted, reduce expense accordingly, subject to the standard budget conditions as outlined on Slide 27, and improved timeliness and accuracy of data submissions.*

Mt. Ascutney Hospital & Health Center

VERMONT
GREEN MOUNTAIN CARE BOARD

NPR/FPP	
FY20 Budget-to-Projection Variance	-11.0%
FY20 Budget ($)	$53,755,559
FY20 Projection ($)	$47,869,172
FY21 Request ($)	$56,294,272
FY21 Request (% change FY20B)	**4.7%**
FY21 Request (% change FY20P)	17.6%

MAHHC's 4.7% request is over the 3.5% growth rate ceiling.

Change in Charges	
2.1% Standard	
Commercial	$363,403
Medicaid	$29,713
Medicare	$540,639
2.2% COVID-19	
Commercial	$384,369
Medicaid	$31,427
Medicare	$571,830

4.3% Total Change in Charge

Hospital Justification:

- 94-95% of normal for FY 2021 budget
- Cost savings:
  - Limited retirement (pension termination)
  - Flat benefits year to year
- Not booking reserves ($1.5 million)
- COVID: 2.2% - ongoing COVID related expenses for supplies, staffing, equipment, replenishment of cash, urgent (deferred) capital investments
  - 7-10 new FTEs for COVID safety
- Added mental health capacity

Mt. Ascutney Hospital & Health Center: Expansion of services

VERMONT
GREEN MOUNTAIN CARE BOARD

Mt. Ascutney Hospital & Health Center					
Service	**NPR/FPP**	**Expenses**	**Net Profit/Loss**	**Effective Date**	**Adjustment to FY20 NPR/FPP**
Urology	$639,973	$429,853	$210,120	3/1/2020	1.2%
Neurologist	$297,734	$247,880	$49,854	10/1/2020	0.6%
	$937,707	**$677,733**	**$259,974**		1.8%

Mt. Ascutney Hospital & Health Center: Expansion of services

VERMONT
GREEN MOUNTAIN CARE BOARD

MAHHC took on a Urologist in the second quarter of 2020 from another hospital

FY20 Impact	
Gross Patient Care Revenue	$598,224
Deductions from Revenue	$360,993
Net Patient Revenue	**$237,231**
Provider Salaries	$0
Provider Fringe Benefits	$0
Staff Wages & Benefits (Non MD)	$398,384
Malpractice	$0
Depreciation/Amortization	$0
Rent	$0
Billing Service	$0
Medical/Surgical Supplies	$10,000
Other Costs	$21,469
Operating Expense	**$429,853**
Before Ancillaries Net Operating Income/Loss	**-$192,622**
Ancillary NPR Estimate	**$402,742**
Including Ancillaries Net Operating Income/Loss	**$210,120**

MAHHC
FTEs and units of service:

- 0.6 Provider FTE
- 1.6 non-provider FTEs

- 0.6% impact on FY21 NPR/FPP

GMCB staff recommend acknowledgement by Board

Mt. Ascutney Hospital & Health Center: Expansion of services

VERMONT
GREEN MOUNTAIN CARE BOARD

MAHHC - Part time Neurologist sharing services with Veteran's Hospital

FY21 Impact	
Gross Patient Care Revenue	$418,183
Deductions from Revenue	$246,876
Net Patient Revenue	**$171,307**
Provider Salaries	$0
Provider Fringe Benefits	$0
Staff Wages & Benefits (Non MD)	$229,320
Malpractice	$0
Depreciation/Amortization	$0
Rent	$0
Billing Service	$0
Medical/Surgical Supplies	$3,500
Other Costs	$15,060
Operating Expense	**$247,880**
Before Ancillaries Net Operating Income/Loss	**-$76,573**
Ancillary NPR Estimate	**$126,427**
Including Ancillaries Net Operating Income/Loss	**$49,854**

MAHHC
FTEs and units of service:

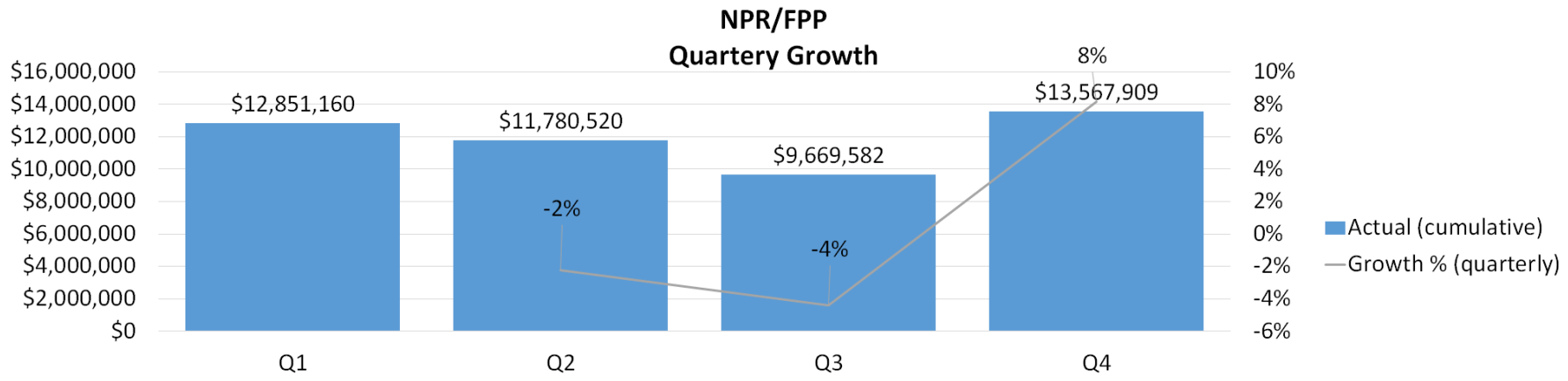
- 0.6 Provider FTE
- 0.6 non-provider FTEs

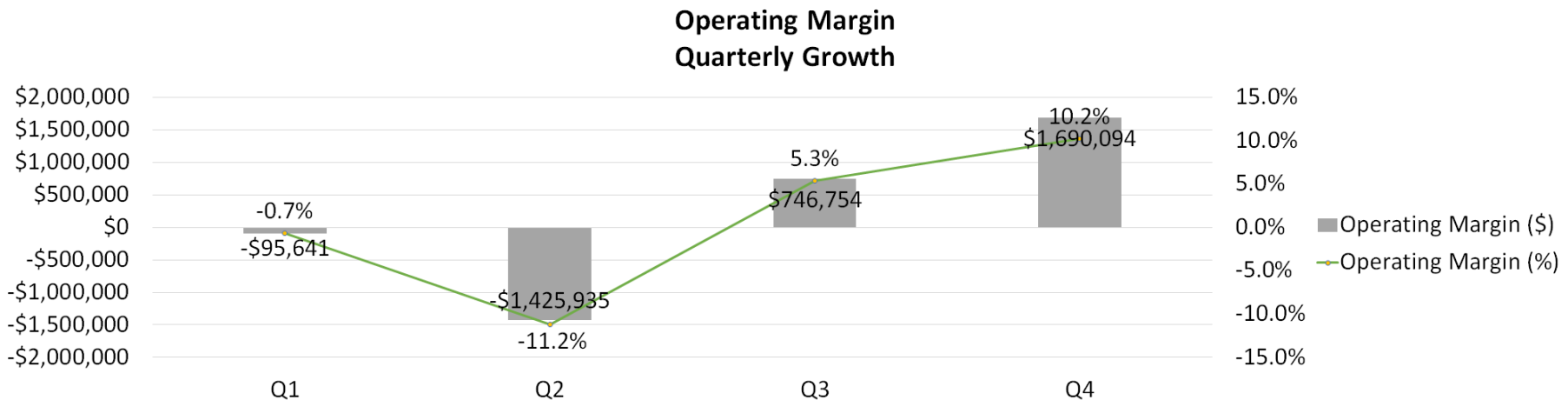
- 1.2% impact on FY21 NPR/FPP

GMCB staff recommend acknowledgement by Board

Mt. Ascutney Hospital & Health Center: FY2020 Operating Performance

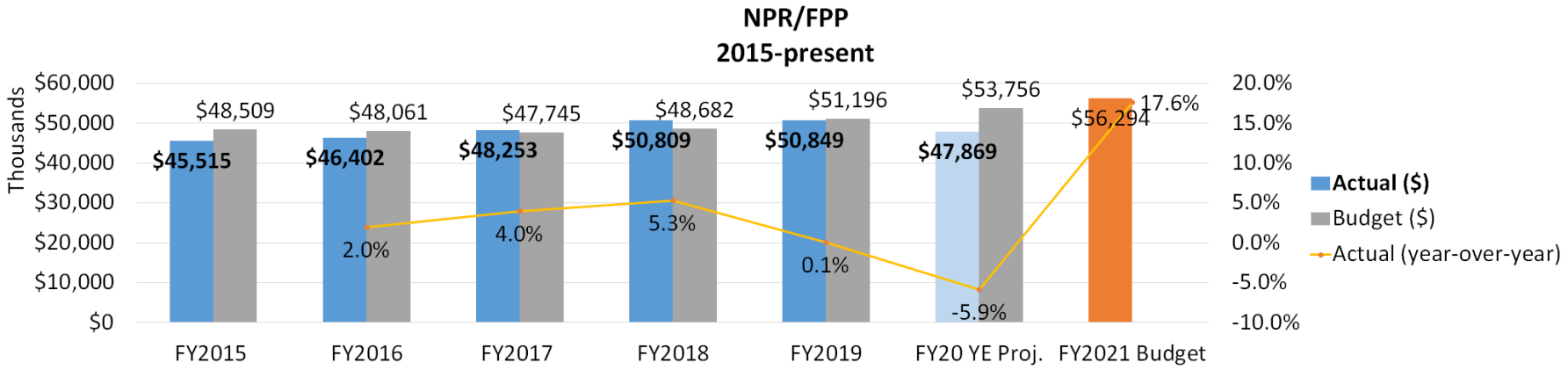
VERMONT
GREEN MOUNTAIN CARE BOARD

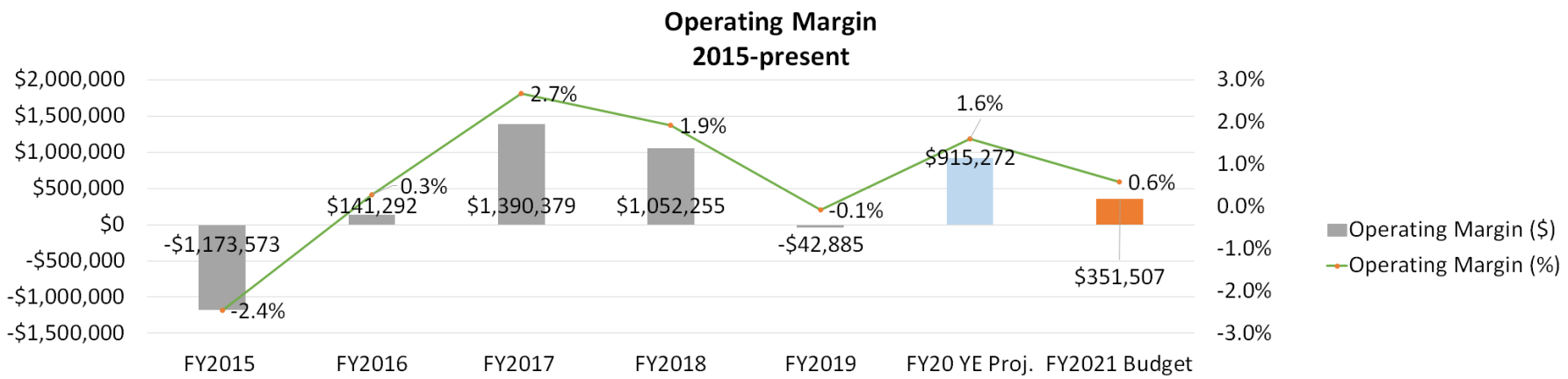




Mt. Ascutney Hospital & Health Center: Historical Operating Performance

VERMONT
GREEN MOUNTAIN CARE BOARD





Mt. Ascutney Hospital & Health Center: Change in Charge

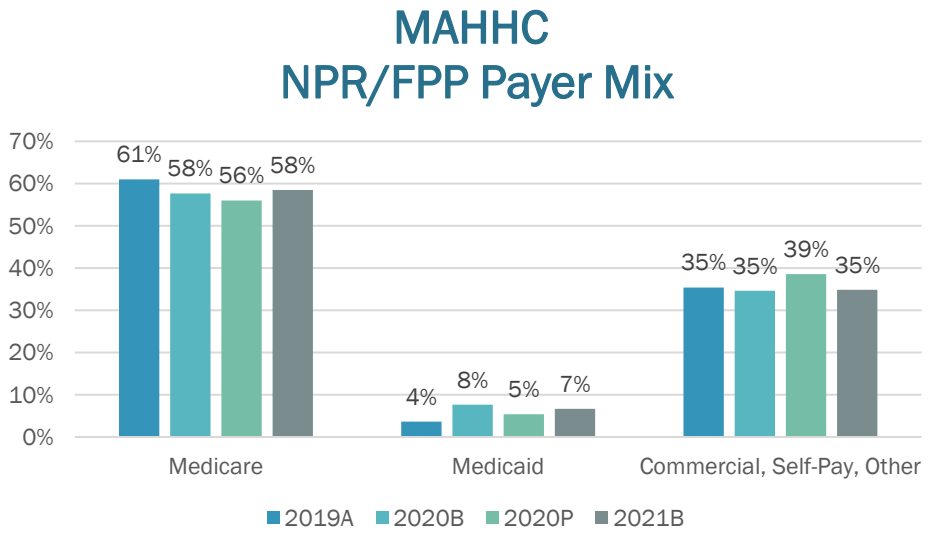
VERMONT
GREEN MOUNTAIN CARE BOARD

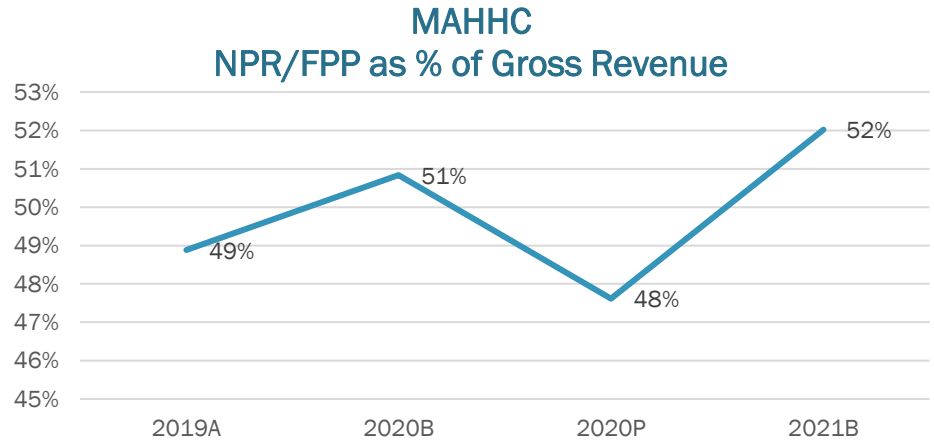
Request	
Overall Change in Charge %	4.3%
NPR due to Change in Charge	$1,921,381
Value of 1% Change in Charge	$448,921
Service Category	
Hospital Inpatient Change in Gross Charges	2.9%
Hospital Outpatient Change in Gross Charges	2.9%
Professional Services Change in Gross Charges	1.5%
Skilled Nursing Change in Gross Charges	2.9%
Payer	
2.1% Standard $933,756	
Commercial	$363,403
Medicaid	$29,713
Medicare	$540,639
2.2% COVID-19 $987,626	
Commercial	$384,369
Medicaid	$31,427
Medicare	$571,830
% of NPR/FPP Increase	
FY21 Request ($ change FY20B)	$2,538,713
Change in Charge ($)	$1,921,381
Change in Charge as a % of NPR/FPP Increase	76%

	FY16	FY17	FY18	FY19	FY20	5-year average
Approved	5.7%	4.9%	4.9%	2.9%	3.2%	4.3%
Submitted	5.7%	4.9%	4.9%	2.9%	3.2%	4.3%

Mt. Ascutney Hospital & Health Center: NPR/FPP Payer Mix and Gross to Net Revenue (%)

VERMONT
GREEN MOUNTAIN CARE BOARD





Mt. Ascutney Hospital & Health Center: Recommendations

VERMONT
GREEN MOUNTAIN CARE BOARD

	FY21 Request	Options	Preliminary Decision
NPR/FPP	4.7% request is above the budget-to-budget growth rate ceiling	• Approve as submitted	
Change in Charge	4.3%	• Approve as submitted	
Additional Recommendation		• The enhanced services do not qualify under the guidelines for provider transfers but are an explanation of increased NPR/FPP	

Suggested motion language:
Move to approve Mt. Ascutney Hospital & Health Center's budget as submitted, with a 4.7% ***increase*** *from FY2020 to FY2021 budgeted NPR/FPP, a 4.3%* ***increase*** *to overall charges, and subject to the standard budget conditions as outlined on Slide 27.*

Northwestern Medical Center

VERMONT
GREEN MOUNTAIN CARE BOARD

NPR/FPP	
FY20 Budget-to-Projection Variance	-16.7%
FY20 Budget ($)	$116,926,579
FY20 Projection ($)	$97,389,133
FY21 Request ($)	$116,693,229
FY21 Request (% change FY20B)	**-0.2%**
FY21 Request (% change FY20P)	19.8%

NMC's -0.2% request is below the 3.5% growth rate ceiling.

Change in Charges	
19.9% Standard	
Commercial	$11,520,110
Medicaid	$0
Medicare	$0
1.18% COVID-19	
Commercial	$683,102
Medicaid	$0
Medicare	$0

21.1% Change in Charge

Hospital Justification:

- Seeking parity on change in charge with peers in order to remain financially stable
- Service area growth-Volume continuing to improve
- Continually evaluate and reprioritize capital spending in FY2021
    - $7M for approved CON ED renovation paid through cash reserves not increase in rates
- Investing in primary care, pediatrics, OB/GYN, strengthening intensive care, sleep services
- Restructured Lifestyle Medicine into primary care, RiseVT resized for sustainability and alignment with ACO
- Transitioned Northwestern Hope & Recovery and Outpatient Neurology to community partners
- Not in compliance with its debt service coverage ratio covenant
- Historically low-cost hospital

Northwestern Medical Center: ACO Accounting Adjustment & Provider Transfers, Service Enhancements

VERMONT
GREEN MOUNTAIN CARE BOARD

Provider Transfers

NMC is requesting an NPR/FPP adjustment for two provider transfers:

1. Cold Hollow Family Practice: -$941,347
2. Northwestern Partners in Hope: -$380,914

Service Enhancements

NMC is requesting an NPR/FPP adjustment for two service enhancements:

1. ICU through Tele-ICU: $1,302,878
2. Northwestern Pulmonology: $273,810

Accounting Adjustment

The NMC made an accounting adjustment related to the ACO dues. The adjustment reclassifies the dues from offsetting NPR/FPP to operating expenses. The impact of this adjustment on NMC is $931,000.

	Provider Transfers	Service Enhancements	ACO Accounting Adjustment
NPR/FPP Impact ($)	-$1,322,261	$1,576,688	$931,000
NPR/FPP Impact (%)	0.9%	-1.5%	-0.8%

Northwestern Vermont Medical Center: Provider Transfer Requests & Enhances Services

VERMONT
GREEN MOUNTAIN CARE BOARD

Northwestern Medical Center					
Name of Acquisition or Transfer	**NPR/FPP**	**Expenses**	**Net Profit/Loss**	**Effective Date**	**Adjustment to FY20 NPR/FPP**
Cold Hollow Family Practice	-$941,347	-$1,103,308	+$161,961	10/1/2020	0.65%
Northwestern Partners in Hope	-$380,914	-$1,376,077	+$995,163	7/31/2020	0.25%
	-$1,322,261	**-$2,479,385**	**+$1,157,124**		0.90%
Name of Enhanced Service	**NPR/FPP**	**Expenses**	**Net Profit/Loss**	**Effective Date**	**Adjustment to FY20 NPR/FPP**
ICU through Tele-ICU	$1,302,878	$715,880	$586,998	4/1/2021	-1.30%
Northwestern Pulmonology	$273,810	$180,601	$93,209	10/1/2020	-0.20%
	$1,576,688	**$896,481**	**$680,207**		-1.50%
Total P/L Impact	**$254,427**	**-$1,582,904**	**$1,837,331**		-0.60%

Northwestern Vermont Medical Center: Provider Transfer Requests

VERMONT
GREEN MOUNTAIN CARE BOARD

NMC DID NOT acquire **Cold Hollow Family Practice** located in Enosburg Falls on January 1, 2020

FY20 Impact	
Gross Patient Care Revenue	-$1,711,539
Deductions from Revenue	-$770,192
Net Patient Revenue	**-$941,347**
Provider Salaries	-$323,352
Provider Fringe Benefits	-$45,000
Staff Wages & Benefits (Non MD)	-$514,068
Malpractice	-$12,000
Depreciation/Amortization	$0
Rent	-$64,378
Billing Service	$0
Medical/Surgical Supplies	-$40,000
Other Costs	-$104,510
Operating Expense	**-$1,103,308**
Net Operating Income/Loss	**$161,961**

Northwestern DID NOT acquire this practice to maintain and improve access to primary care, the FY20 budget did include these revenues and expenses.

FTEs and units of service:

- 1 Provider FTE
- 8 non-provider FTEs
- 6,586 Relative Value-units of service

- 0.65% impact on FY20 NPR/FPP

GMCB staff recommend acknowledgement by Board

Northwestern Vermont Medical Center: Provider Transfer Requests

VERMONT
GREEN MOUNTAIN CARE BOARD

As of July 31, 2020, **Northwestern Partners in Hope & Recovery** is no longer a hospital-owned practice

FY21 Impact	
Gross Patient Care Revenue	-$1,630,648
Deductions from Revenue	-$1,249,734
Net Patient Revenue	**-$380,914**
Provider Salaries	-$250,000
Provider Fringe Benefits	-$37,500
Staff Wages & Benefits (Non MD)	-$761,861
Malpractice	-$15,000
Depreciation/Amortization	$0
Rent	$67,667
Billing Service	$0
Medical/Surgical Supplies	
Other Costs	-$244,049
Total Operating Expense	**-$1,376,077**
Net Operating Income/Loss	**$995,163**

FTEs 1 Provider FTE

- 11 non-provider FTEs
- 0.25% impact on FY20 NPR/FPP

GMCB staff recommend acknowledgement by Board

Northwestern Vermont Medical Center: Expansion of services

VERMONT
GREEN MOUNTAIN CARE BOARD

NMC plans to **enhance current ICU through Tele-ICU in partnership with Dartmouth-Hitchcock** on April 1, 2021

FY21 Impact	
Gross Patient Care Revenue	$2,273,710
Deductions from Revenue	$970,832
Net Patient Revenue	**$1,302,878**
Provider Salaries	$0
Provider Fringe Benefits	$0
Staff Wages & Benefits (Non MD)	$230,680
Malpractice	$0
Depreciation/Amortization	$0
Rent	$0
Billing Service	$0
Medical/Surgical Supplies	$0
Other Costs	$485,200
Operating Expense	**$715,880**
Net Operating Income/Loss	**$586,998**

Northwestern to partner with Dartmouth-Hitchcock to offer Tele-ICU to retain lower acuity ICU patients and allow them to receive services locally.

FTEs and units of service:

- 0 Provider FTE
- 5 non-provider FTEs
- 360 Relative Value-units of service

- -1.3% impact on FY21 NPR/FPP

GMCB staff recommend acknowledgement by Board

Northwestern Vermont Medical Center: Expansion of services

VERMONT
GREEN MOUNTAIN CARE BOARD

This is not a provider acquisition, but rather a routine expansion of services within Northwestern Pulmonology, effective October 1, 2020

FY21 Impact	
Gross Patient Care Revenue	$795,496
Deductions from Revenue	$521,686
Net Patient Revenue	**$273,810**
Provider Salaries	$0
Provider Fringe Benefits	$0
Staff Wages & Benefits (Non MD)	$137,971
Malpractice	$0
Depreciation/Amortization	$9,350
Rent	$0
Billing Service	$0
Medical/Surgical Supplies	$0
Other Costs	$33,280
Operating Expense	**$180,601**
Net Operating Income/Loss	**$93,209**

Northwestern to partner with Dartmouth-Hitchcock to offer Tele-ICU to retain lower acuity ICU patients and allow them to receive services locally.

FTEs and units of service:

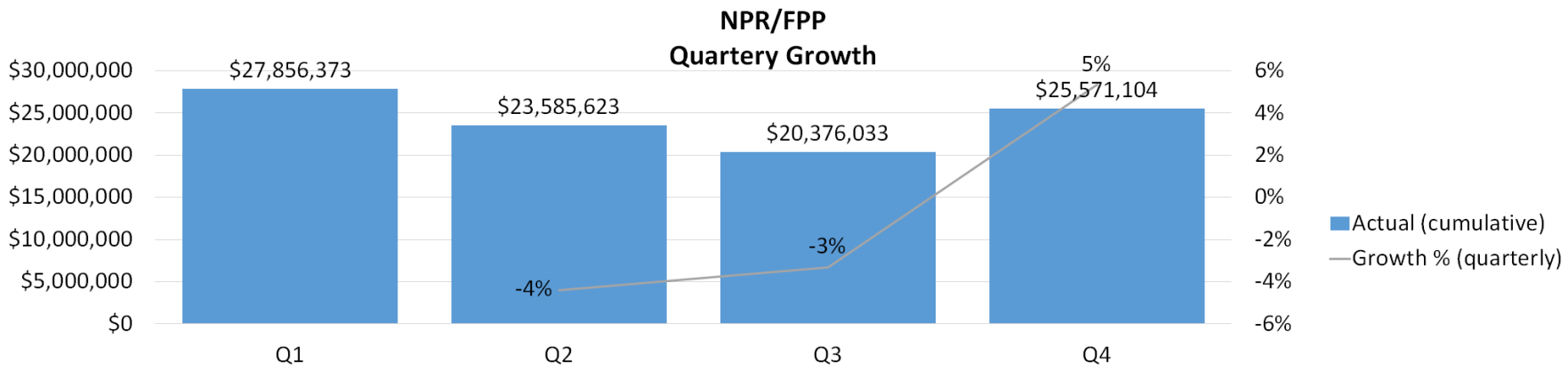
- 0 Provider FTE
- 2 non-provider FTEs
- 1,408 Relative Value-units of service

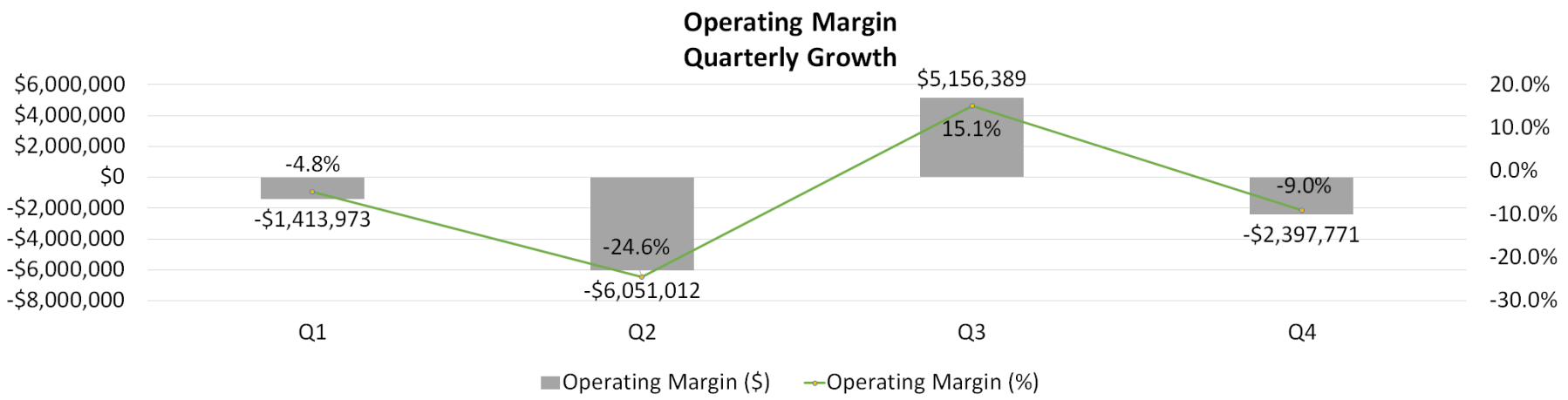
- -0.2% impact on FY21 NPR/FPP

GMCB staff recommend acknowledgement by Board

Northwestern Vermont Medical Center: FY2020 Operating Performance

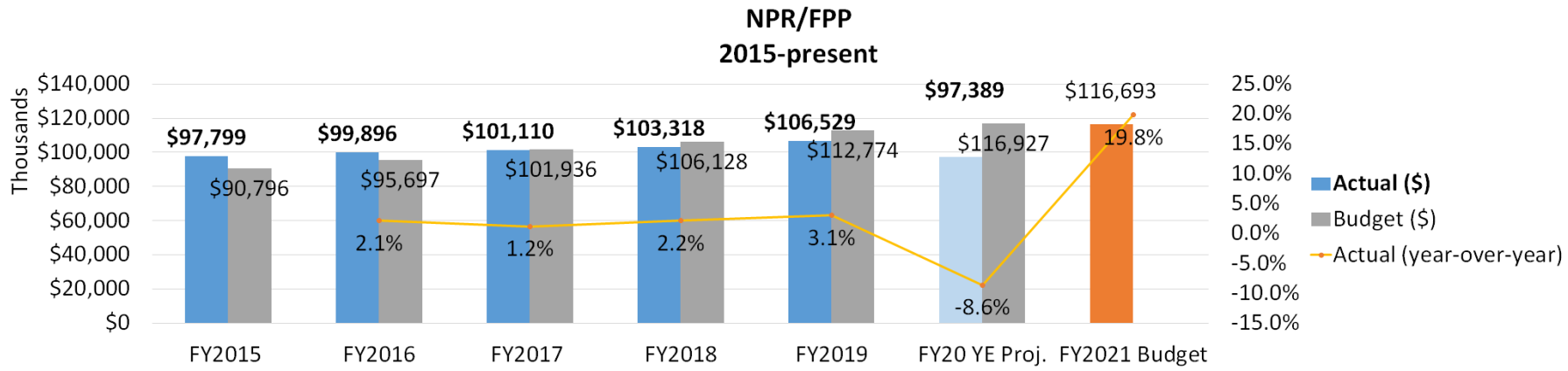
VERMONT
GREEN MOUNTAIN CARE BOARD

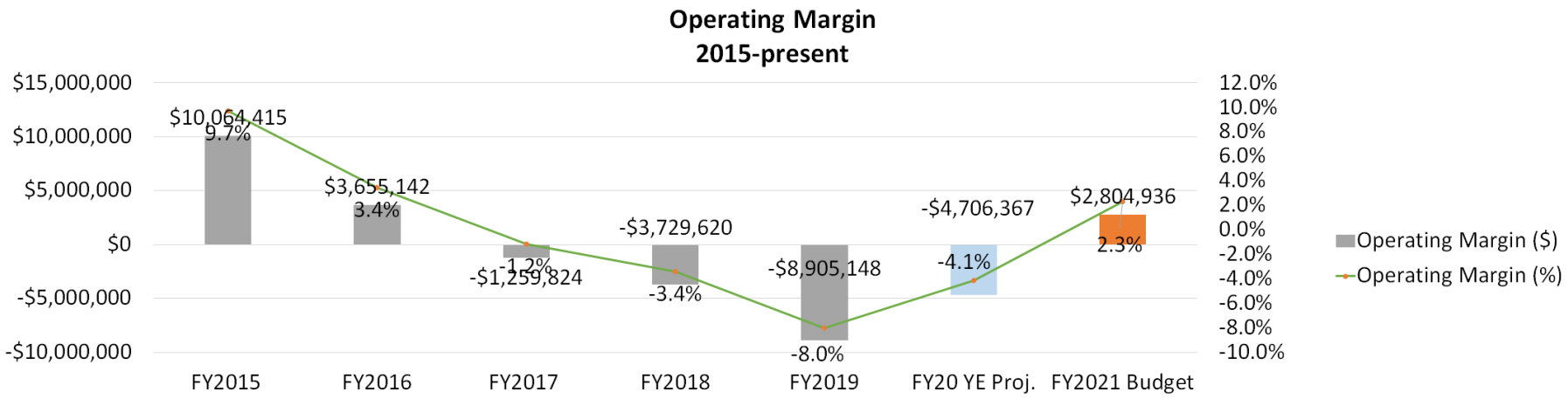




Northwestern Vermont Medical Center: Historical Operating Performance

VERMONT
GREEN MOUNTAIN CARE BOARD





Northwestern Vermont Medical Center: Change in Charge

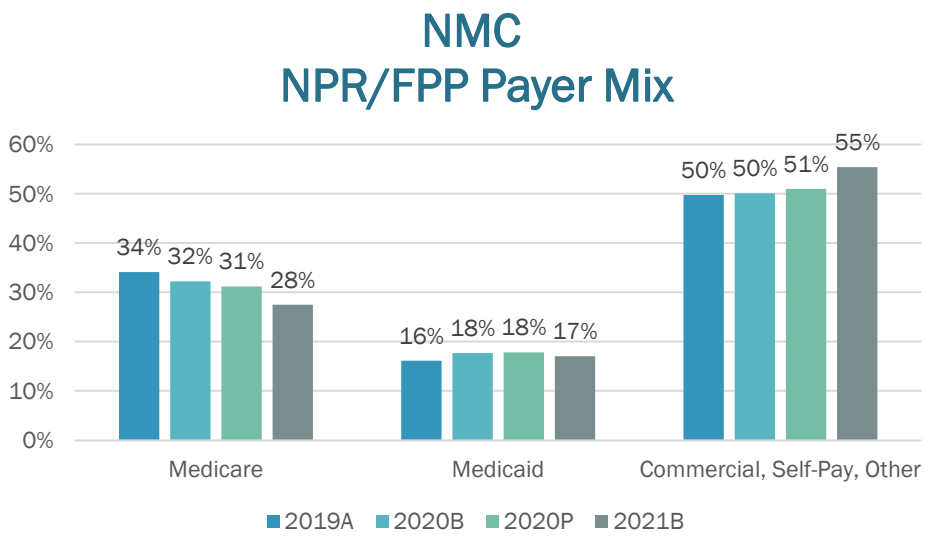
VERMONT
GREEN MOUNTAIN CARE BOARD

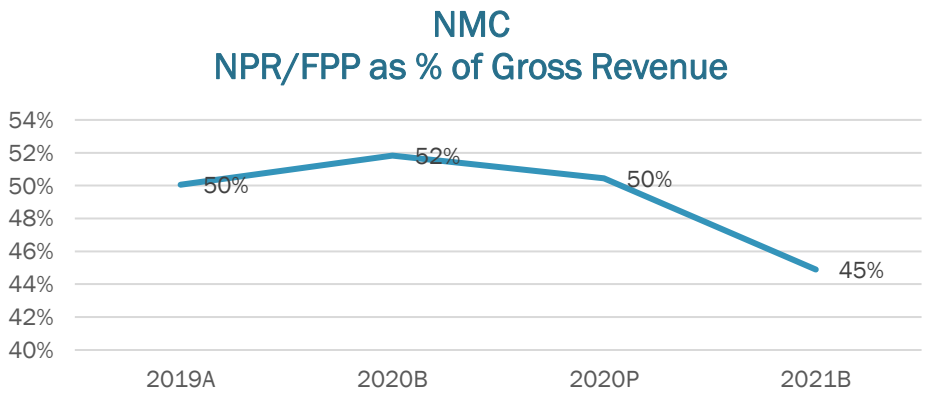
Request	
Overall Change in Charge %	21.1%
NPR due to Change in Charge	$12,203,212
Value of 1% Change in Charge	$578,900
Service Category	
Standard Request	
Hospital Inpatient Change in Gross	25.37%
Hospital Outpatient Change in Gross Charges	25.37%
COVID-19 Request	
Hospital Inpatient Change in Gross	1.53%
Hospital Outpatient Change in Gross Charges	1.53%
Payer	
19.9% Standard Change in Charge	
Commercial	$11,520,110
1.18% COVID-19 Change in Charge	
Commercial	$683,102
% of NPR/FPP Increase	
FY21 Request ($ change FY20B)	-$233,350
Change in Charge ($)	$12,203,212
Change in Charge as a % of NPR/FPP Increase	NA

	FY16	FY17	FY18	FY19	FY20	5-year average
Approved	-8.0%	0.0%	3.5%	2.0%	5.9%	0.7%
Submitted	-8.0%	2.9%	6.0%	2.0%	5.9%	1.8%

Northwestern Vermont Medical Center: NPR/FPP Payer Mix and Gross to Net Revenue (%)

VERMONT
GREEN MOUNTAIN CARE BOARD





Northwestern Vermont Medical Center: Recommendations

VERMONT
GREEN MOUNTAIN CARE BOARD

	FY21 Request	Options	Preliminary Decision
NPR/FPP	-0.2% request is within the budget-to-budget growth rate ceiling	• Reduce submitted NPR/FPP due to reduction in change in charge	
Change in Charge	21.1% (COVID 1.18%)	• Remove 7.25% change in charge attributed to ACO dues, risk reserve funding and lower payments on services performed. Reduce submitted change in charge to 12.67% standard rate (13.85% including COVID)	
Additional Recommendation		• Improved timeliness of submissions of financial data • Reduce expenses accordingly	

Suggested motion language:

Move to approve Northwestern Vermont Medical Center's budget, with an NPR/FPP ***increase*** *of XX% from FY2020 to FY2021 budget, a 13.85% (including COVID)* ***increase*** *to overall charges as submitted, reduce expenses accordingly, subject to the standard budget conditions as outlined on Slide 27, and improved timeliness of data submissions.*

VERMONT
GREEN MOUNTAIN CARE BOARD

The University of Vermont Health Network Request

Porter Medical Center (Compliant)
Central Vermont Medical Center (Non-Compliant)
The University of Vermont Medical Center (Non-Compliant)

Porter Medical Center

VERMONT
GREEN MOUNTAIN CARE BOARD

NPR/FPP	
FY20 Budget-to-Projection Variance	-11.8%
FY20 Budget ($)	$87,487,539
FY20 Projection ($)	$77,155,098
FY21 Request ($)	$89,810,556
FY21 Request (% change FY20B)	**2.7%**
FY21 Request (% change FY20P)	16.4%

PMC's 2.7% request is below the 3.5% growth rate ceiling.

Change in Charges	
Commercial	$1,597,528
Medicaid	$0
Medicare	-$350,000

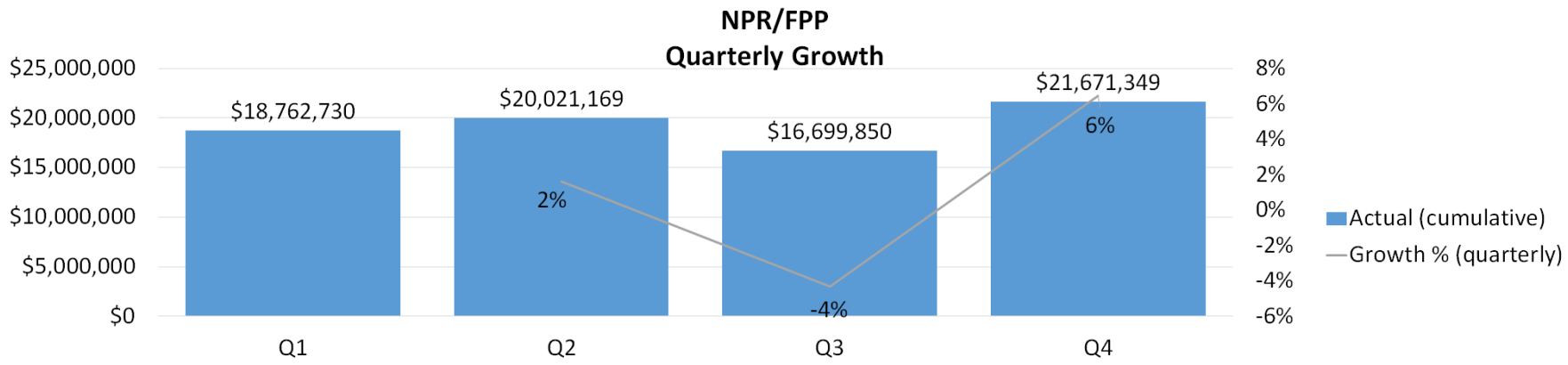
0.0% Overall Change in Charge
5.75% Commercial Change in Charge

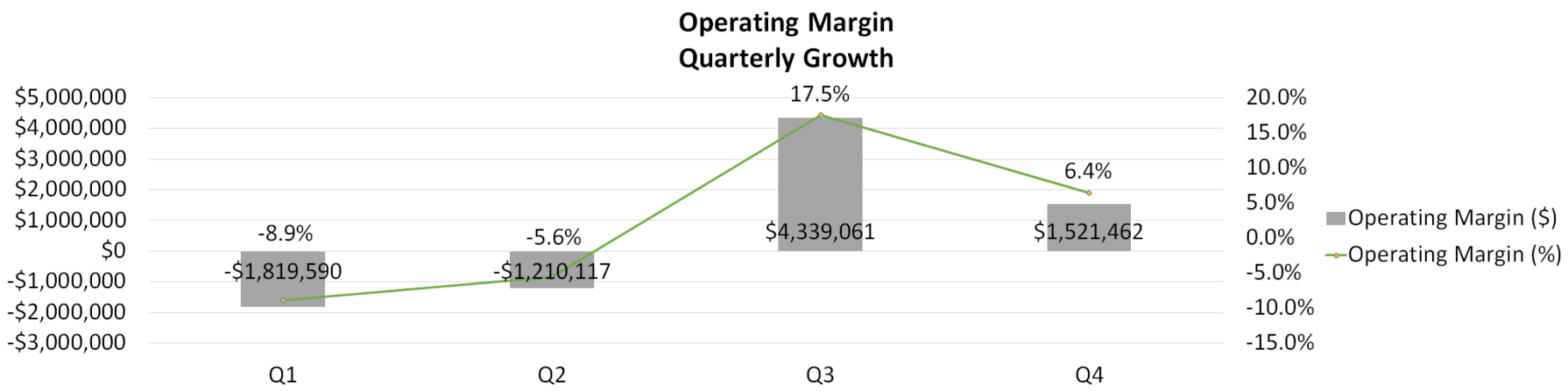
Hospital Justification:

- No budgetary assumptions pertaining to COVID-19
- No risk reserve for FY2021 as they have reserved adequately on the balance sheet in the past.
- Needs to balance and manage expense growth
- Necessary to continue to support nursing home

Porter Hospital: FY2020 Operating Performance

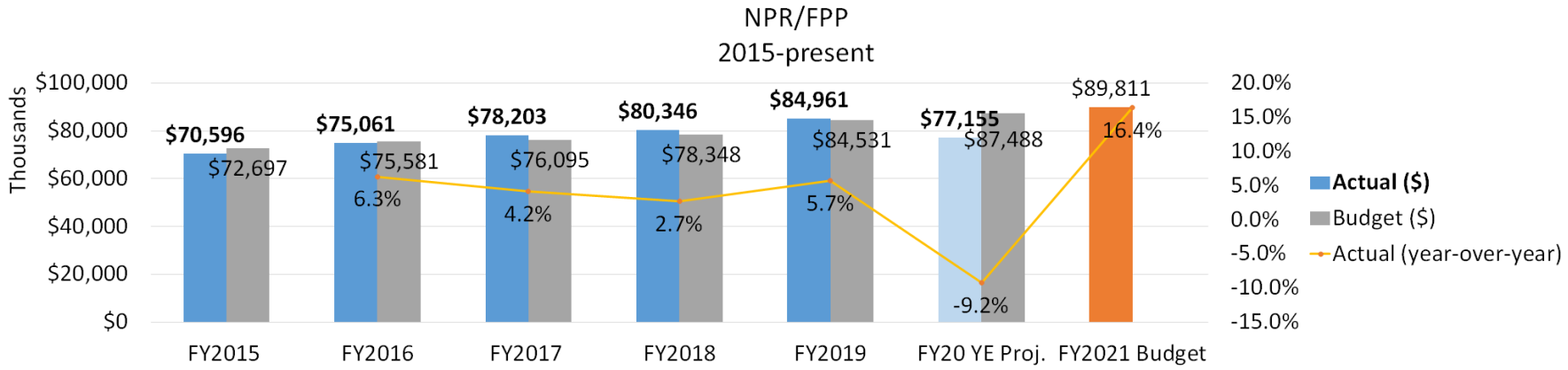
VERMONT
GREEN MOUNTAIN CARE BOARD

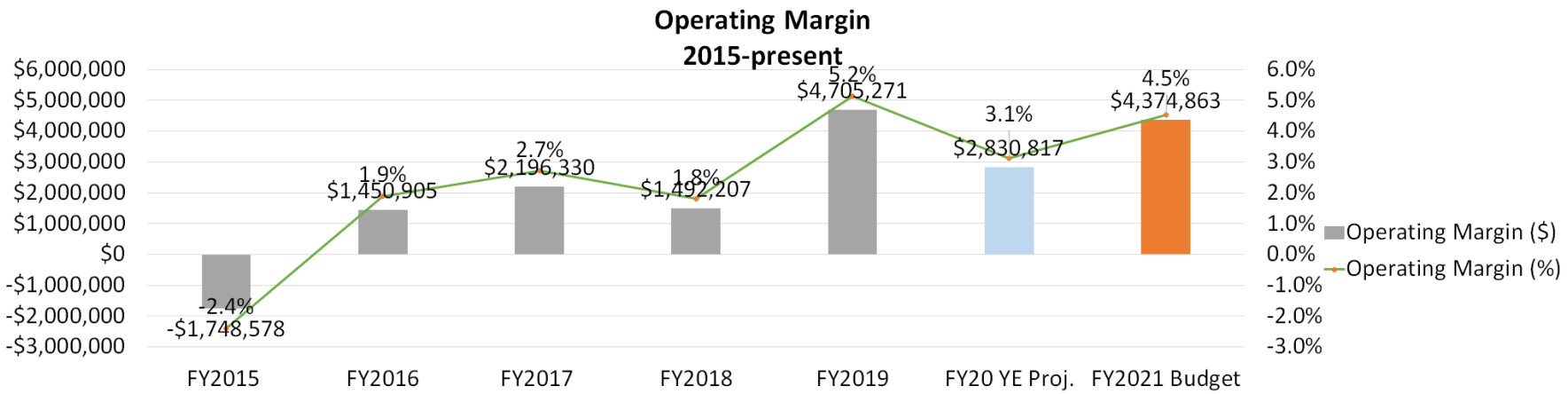




Porter Hospital: Historical Operating Performance

VERMONT
GREEN MOUNTAIN CARE BOARD





Porter Hospital: Change in Charge

VERMONT
GREEN MOUNTAIN CARE BOARD

Request	
Overall Change in Charge %	0.0%
Commercial Change in Charge%*	5.75%
NPR due to Change in Charge	$1,247,528
Value of 1% Change in Charge*	$277,831

Service Category	
Hospital Inpatient Change in Gross Charges	0.0%
Hospital Outpatient Change in Gross Charges	0.0%
Professional Services Change in Gross Charges	0.0%

Payer	
Commercial	$1,597,528
Medicaid	$0
Medicare	-$350,000

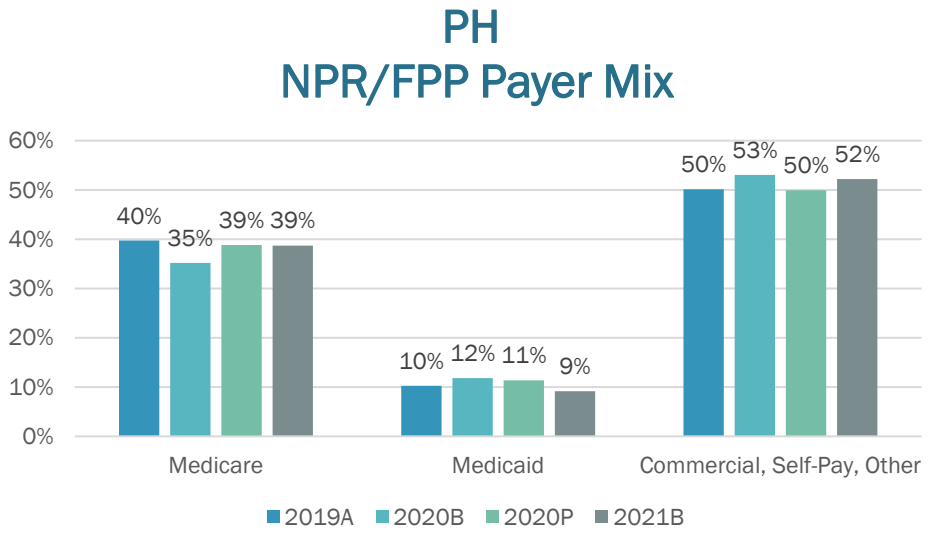
% of NPR/FPP Increase	
FY21 Request ($ change FY20B)	$2,323,017
Change in Charge ($)	$1,247,528
Change in Charge as a % of NPR/FPP Increase	54%

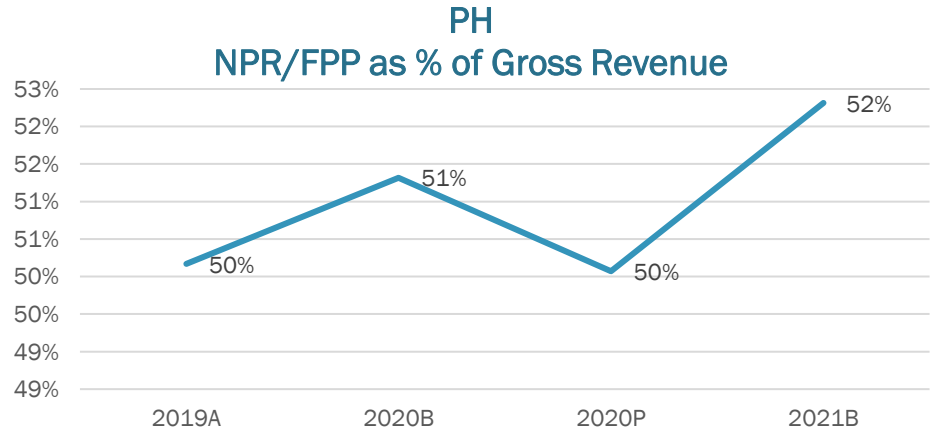
	FY16	FY17	FY18	FY19	FY20*	Blended 5-year average
Approved	5.3%	5.3%	3.0%	2.8%	2.6%	3.8%
Submitted	5.3%	3.7%	3.0%	2.8%	2.6.%	3.8%

*note: UVMHN commercial effective rate

Porter Hospital: NPR/FPP Payer Mix and Gross to Net Revenue (%)

VERMONT
GREEN MOUNTAIN CARE BOARD





Porter Hospital: Recommendations

VERMONT
GREEN MOUNTAIN CARE BOARD

	FY21 Request	Options	Preliminary Decision
NPR/FPP	2.7% request is within the budget-to-budget growth rate ceiling	• Reduce submitted NPR/FPP due to reduction in change in charge	
Change in Charge	0.0% overall 5.75% commercial	• Reduce requested change in charge to 3.0% effective commercial rate	
Additional Recommendation		• Reduce expenses accordingly	

Suggested motion language:
Move to approve Porter Hospital's budget, with an NPR/FPP ***increase*** *of XX% from FY2020 to FY2021 budget, a 3.0%* ***increase*** *to effective commercial rate, reduce expenses accordingly, and subject to the standard budget conditions as outlined on Slide 27.*

Central Vermont Medical Center

VERMONT
GREEN MOUNTAIN CARE BOARD

NPR/FPP	
FY20 Budget-to-Projection Variance	-8.4%
FY20 Budget ($)	$218,043,247
FY20 Projection ($)	$199,719,050
FY21 Request ($)	$237,013,421
FY21 Request (% change FY20B)	**8.7%**
FY21 Request (% change FY20P)	18.7%

CVMC's 8.7% request is over the 3.5% growth rate ceiling.

Change in Charges	
Commercial	$5,283,501
Medicaid	$0
Medicare	$183,377

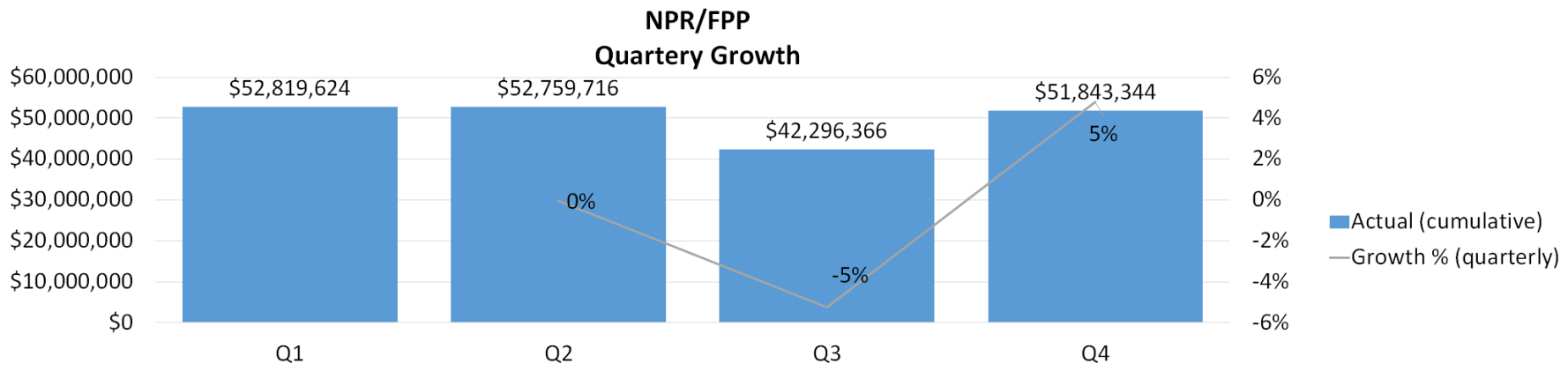
6.0% Overall Change in Charge
8.5% Commercial Change in Charge

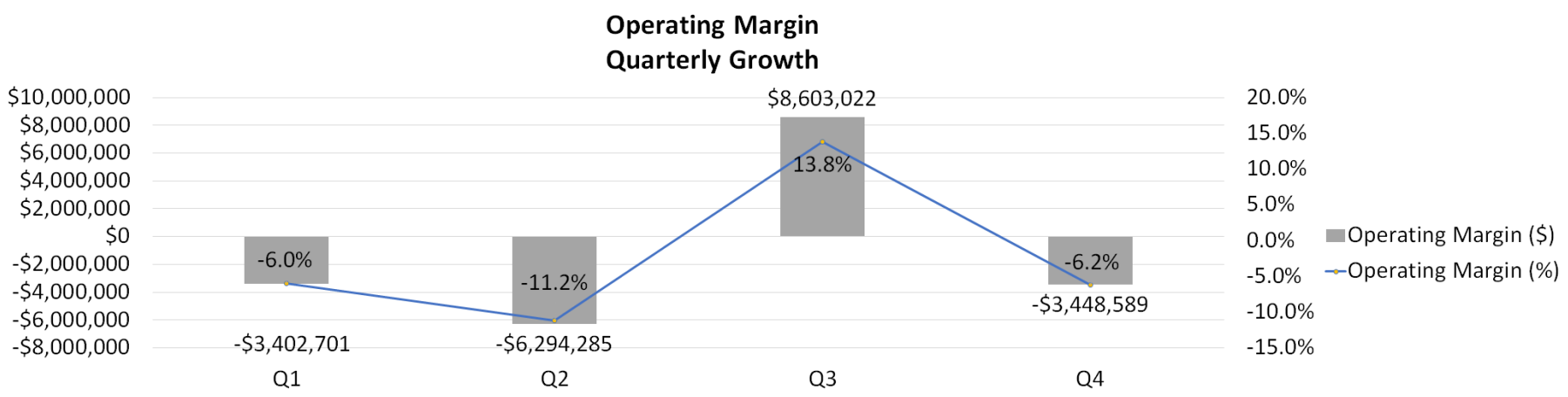
Hospital Justification:

- Expenses have exceeded revenues since FY 2016
  - Driven by salary and pharmaceutical costs
- Higher collection rate trend
- Increase in volume of 1.5%
- In FY2020, eroding margin due to:
  - shift in payer mix
  - growth in pharmaceutical & labor inflation
  - unpredictable volumes

Central Vermont Medial Center: FY2020 Operating Performance

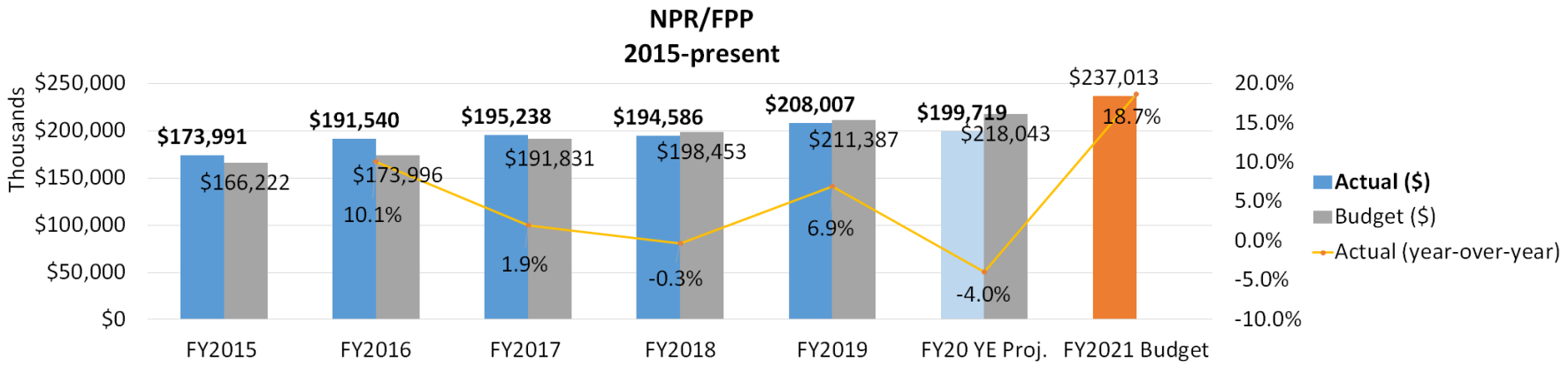
VERMONT
GREEN MOUNTAIN CARE BOARD

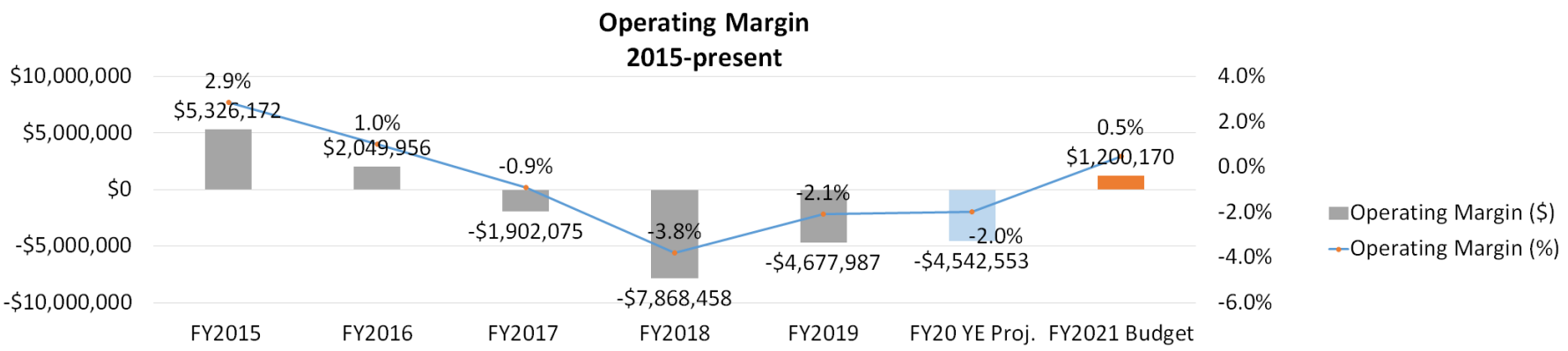




Central Vermont Medical Center: Historical Operating Performance

VERMONT
GREEN MOUNTAIN CARE BOARD





Central Vermont Medical Center: Change in Charge

VERMONT
GREEN MOUNTAIN CARE BOARD

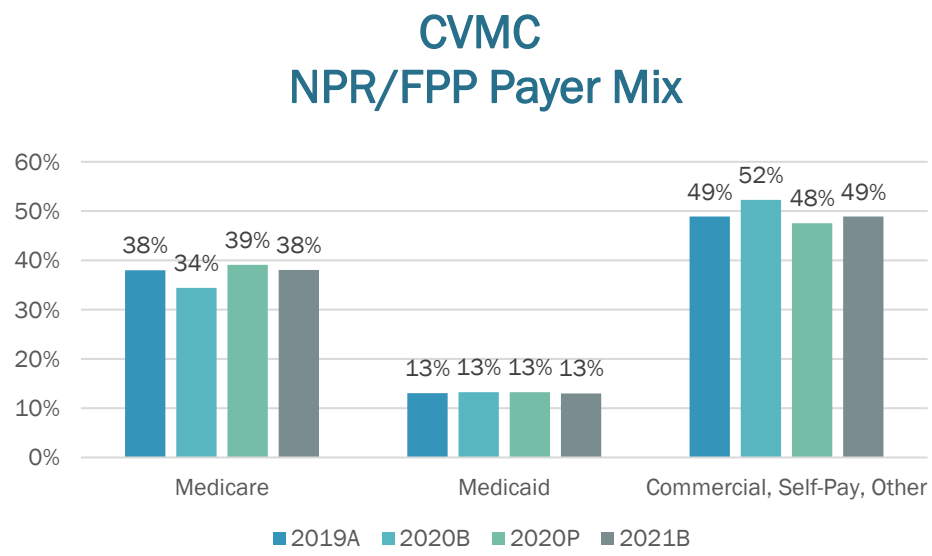
Request	
Overall Change in Charge %	6.0%
Commercial Change in Charge%*	8.5%
NPR due to Change in Charge	5,466,879
Value of 1% Change in Charge*	621,588
Service Category	
Hospital Inpatient Change in Gross Charges	6.0%
Hospital Outpatient Change in Gross Charges	6.0%
Professional Services Change in Gross Charges	6.0%
Skilled Nursing Facility Change in Gross Charges	6.0%
Payer	
Commercial	$5,283,501
Medicaid	NA
Medicare	$183,377
% of NPR/FPP Increase	
FY21 Request ($ change FY20B)	$18,970,173
Change in Charge ($)	5,466,879
Change in Charge as a % of NPR/FPP Increase	29%

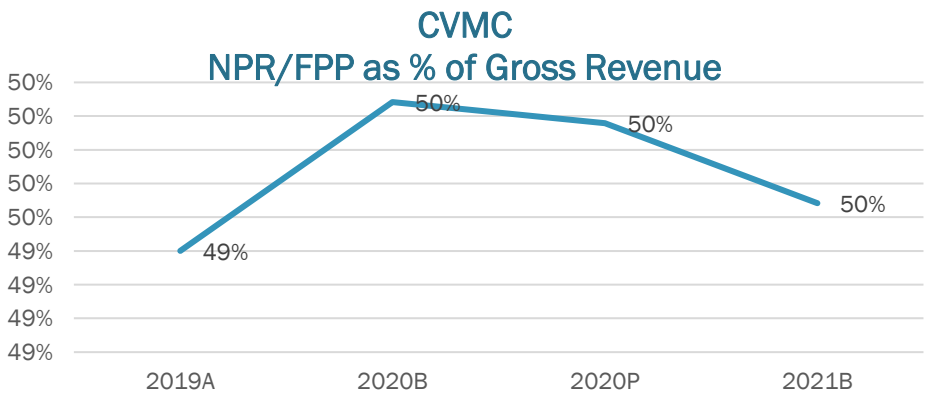
	FY16	FY17	FY18	FY19	FY20*	Blended 5-year average
Approved	4.7%	2.5%	0.7%	2.3%	5.9%	3.2%
Submitted	4.7%	3.0%	0.7%	2.8%	5.9%	3.4%

*note: UVMHN commercial effective rate

Central Vermont Medical Center: NPR/FPP Payer Mix and Gross to Net Revenue (%)

VERMONT
GREEN MOUNTAIN CARE BOARD





Central Vermont Medical Center: Recommendations

VERMONT
GREEN MOUNTAIN CARE BOARD

	FY21 Request	Options	Preliminary Decision
NPR/FPP	8.7% request is above the budget-to-budget growth rate ceiling	• Reduce submitted NPR/FPP due to reduction in change in charge	
Change in Charge	6.0% overall 8.5% commercial	• Reduce requested change in charge to 2.75% overall. Respectively, reduce change in charge of commercial rate to 5.25%	
Additional Recommendation		• Reduce expenses accordingly	

Suggested motion language:

Move to approve Central Vermont Medical Center's budget, with an NPR/FPP ***increase*** *of XX% from FY2020 to FY2021 budget, a 5.25%* ***increase*** *to commercial effective rate, a 2.75%* ***increase*** *to overall change in charge, reduce expenses accordingly, and subject to the standard budget conditions as outlined on Slide 27.*

University of Vermont Medical Center

VERMONT
GREEN MOUNTAIN CARE BOARD

NPR/FPP	
FY20 Budget-to-Projection Variance	-9.8%
FY20 Budget ($)	$1,348,125,703
FY20 Projection ($)	$1,215,392,893
FY21 Request ($)	$1,424,974,332
FY21 Request (% change FY20B)	**5.7%**
FY21 Request (% change FY20P)	17.2%

UVMMC's 5.7% request is over the 3.5% growth rate ceiling.

Change in Charges	
Commercial	$37,697,288
Medicaid	$0
Medicare	$3,819,615

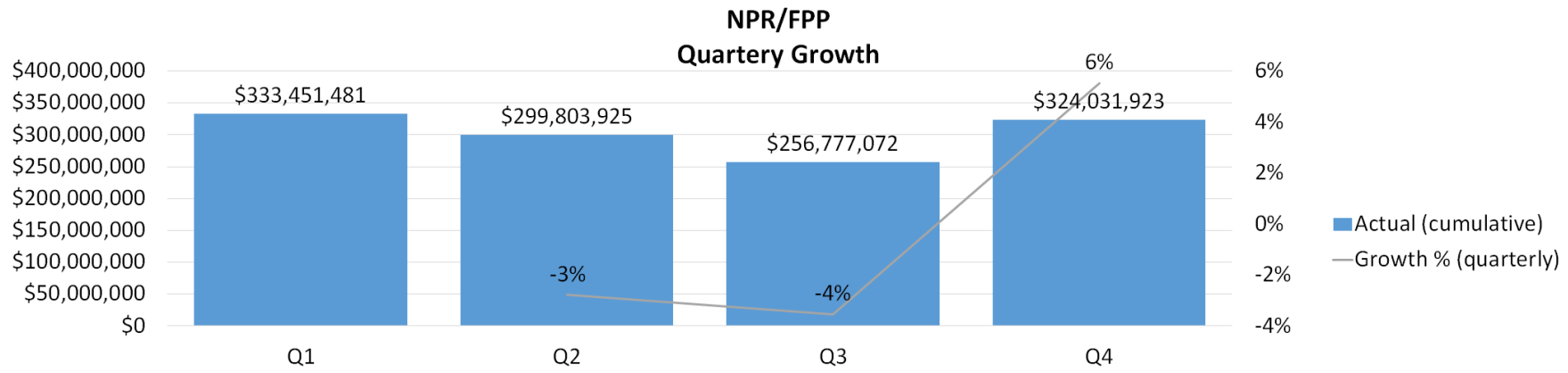
7.97% Overall Change in Charge
7.97% Commercial Change in Charge

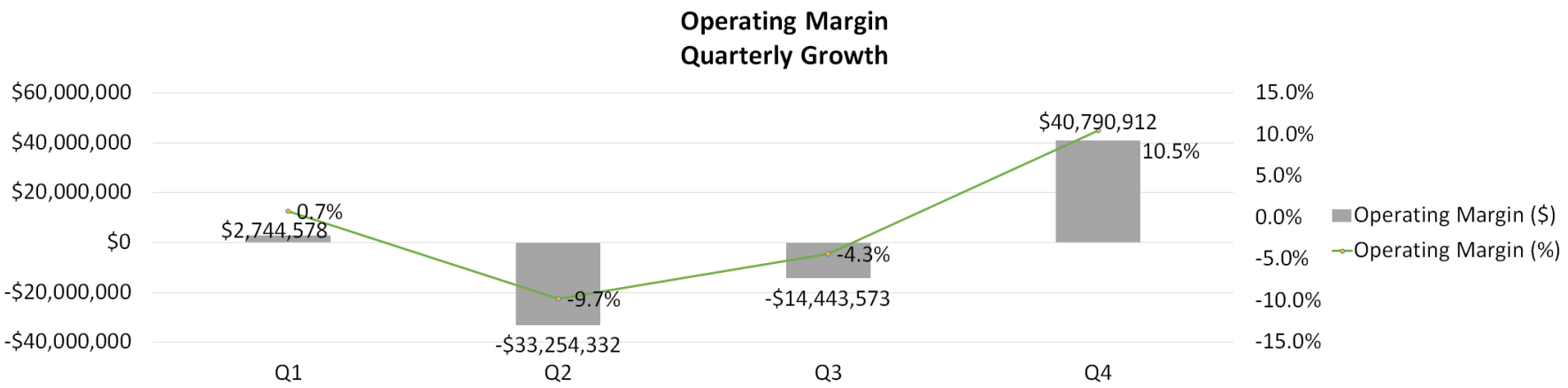
Hospital Justification:

- Tertiary care volume continues to grow
- If rate increase is not sufficient to cover inflation, only option to impact margin and get back on solid financial footing is to eliminate services that lose money
- Increase in volume and patients creates an increase in expense
- Need 3% revenue increase to cover 3% inflation on total expenses
- If not receiving 3% from government payers and ACO, need to get 6% from commercial payers (50% of revenue) to keep pace with expense inflation
- Staffing FTE growth: 18 Physician FTEs, 129 Non-Physician FTEs

University of Vermont Medical Center: FY2020 Operating Performance

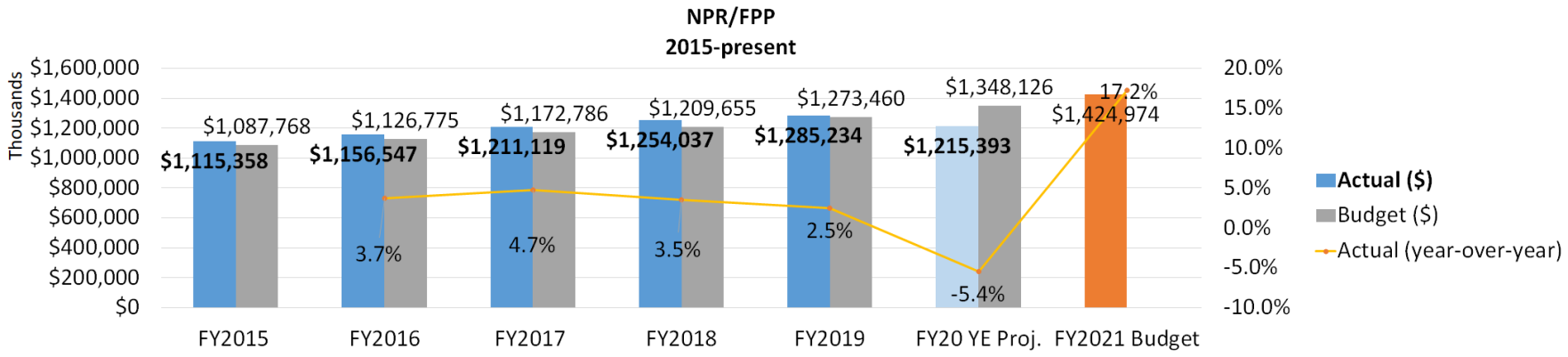
VERMONT
GREEN MOUNTAIN CARE BOARD

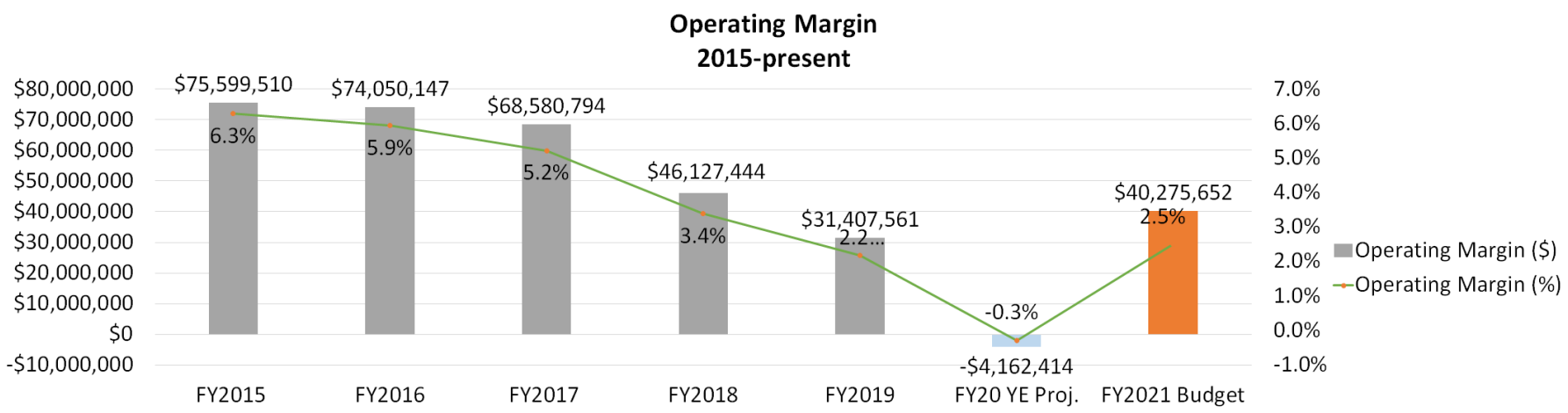




University of Vermont Medical Center: Historical Operating Performance

VERMONT
GREEN MOUNTAIN CARE BOARD





University of Vermont Medical Center: Change in Charge

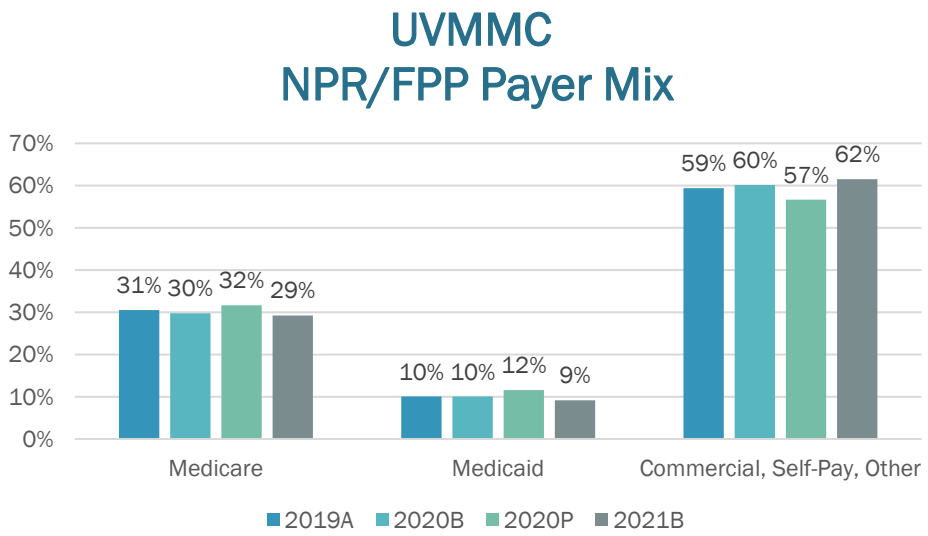
VERMONT
GREEN MOUNTAIN CARE BOARD

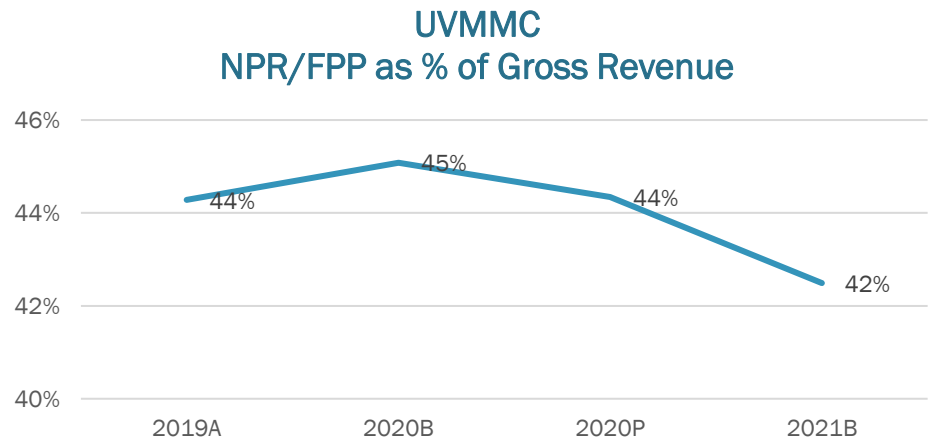
Request	
Overall Change in Charge %	7.97%
Commercial Change in Charge %*	7.97%
NPR due to Change in Charge	$41,516,903
Value of 1% Change in Charge*	$4,729,898
Service Category	
Hospital Inpatient Change in Gross Charges	8.5%
Hospital Outpatient Change in Gross Charges	8.5%
Professional Services Change in Gross Charges	6.0%
Payer	
Commercial	$37,697,288
Medicaid	$0
Medicare	$3,819,615
% of NPR/FPP Increase	
FY21 Request ($ change FY20B)	$77,741,657
Change in Charge ($)	$41,516,903
Change in Charge as a % of NPR/FPP Increase	54%

	FY16	FY17	FY18	FY19	FY20	Blended 5-year average
Approved Overall	0.0%	0.0%	0.0%	2.5%	3.0%	1.1%
Submitted Overall	0.0%	0.0%	0.0%	3.0%	3.0%	1.2%
Approved Commercial	6.0%	2.5%	0.7%	2.5%	3.5%	3.04%
Submitted Commercial	6.0%	3.0%	0.7%	4.0%	4.0%	3.54%

University of Vermont Medical Center: NPR/FPP Payer Mix and Gross to Net Revenue (%)

VERMONT
GREEN MOUNTAIN CARE BOARD





University of Vermont Medical Center: Recommendations

VERMONT
GREEN MOUNTAIN CARE BOARD

	FY21 Request	Options	Preliminary Decision
NPR/FPP	5.7% request is above the budget-to-budget growth rate ceiling	• Anticipated volume increase combined with favorable payer mixes should maintain approximately 5.7% NPR/FPP growth	
Change in Charge	7.97% overall 7.97% commercial	• Reduce requested change in charge to 6.28%	
Additional Recommendation		• Reduce expenses accordingly	

Suggested motion language:
Move to approve University of Vermont Medical Center's budget, with an NPR/FPP ***increase*** *of 5.7% from FY2020 to FY2021 budget, a 6.28%* ***increase*** *to commercial effective rate, a 6.28%* ***increase*** *to overall change in charge, reduce expenses accordingly, and subject to the standard budget conditions as outlined on Slide 27.*

VERMONT
GREEN MOUNTAIN CARE BOARD

Additional Resources

ACO Participation Data Sources

VERMONT
GREEN MOUNTAIN CARE BOARD

- [1]OCV 2018 Budget Submission. OneCare Vermont 2018 Attribution Data (March 21, 2018). Available at: https://gmcboard.vermont.gov/sites/gmcb/files/OCV%202018%20Attribution%20Data%20Submission%203-21-2018.pdf

- [2]OCV 2019 Budget Submission. OneCare ACO Providers and Payer Programs (Sections 2-3 Appendix). Appendix 2.4: 2019 Budgeted Risk Model. Available at: https://gmcboard.vermont.gov/sites/gmcb/files/documents/Part%203%20Attachment%20B%20OneCare%20Payer%20Program%20Attribution%20Guide.pdf

- [4]OneCare Vermont. Email to GMCB Staff, August 12, 2019 Budget Submission.

- [5]FY2020 Hospital Budget Submissions, compiled by GMCB staff. Individual submissions available at: https://gmcboard.vermont.gov/content/FY2020-Budget

Hospital Maximum Risk Limits

VERMONT
GREEN MOUNTAIN CARE BOARD

Hospital	Total Risk (MRL)	Risk Mitigation	Est. Max Risk Limit (MRL) - CY20	Days Cash on Hand	MRL as % of Days Cash on Hand	Percent of System MRL
Brattleboro Memorial Hospital	$ 2,368,265	$ 1,184,133	$ 1,184,133	121.6	1.4%	2.9%
Central Vermont Medical Center	$ 4,971,384		$ 4,971,384	75.0	2.2%	12.3%
Copley Hospital	$ 475,334	$ 237,667	$ 237,667	72.1	0.3%	0.6%
Gifford Medical Center	$ 457,211		$ 457,211	241.4	0.9%	1.1%
Grace Cottage Hospital	$ -		$ -	87.7	N/A	0.0%
Mt. Ascutney Hospital & Health Ctr	$ 2,196,835		$ 2,196,835	134.1	4.0%	5.4%
North Country Hospital	$ 785,616		$ 785,616	201.8	0.9%	1.9%
Northeastern VT Regional Hospital	$ 822,304		$ 822,304	114.3	1.0%	2.0%
Northwestern Medical Center	$ 4,303,405		$ 4,303,405	279.2	3.7%	10.7%
Porter Medical Center	$ 3,447,724		$ 3,447,724	125.3	4.0%	8.5%
Rutland Regional Medical Center	$ 1,297,409		$ 1,297,409	204.6	0.5%	3.2%
Southwestern VT Medical Center	$ 4,696,716	$ 2,348,358	$ 2,348,358	35.7	1.4%	5.8%
Springfield Hospital	$ 825,283		$ 825,283	3.7	1.7%	2.0%
The University of Vermont Medical Center	$ 16,830,645		$ 16,830,645	192.7	1.2%	41.7%
DHMC	$ 640,310		$ 640,310	N/A	N/A	1.6%
Total	$ 44,118,441		$ 40,348,284			

Note: These data are as of the Oct 2019 submission, Days cash on hand, reported as of May 2020 are over inflated and may give a false sense of risk across the system; Staff will recalculate once we receive more information on how hospitals account for COVID-related grants and loans.