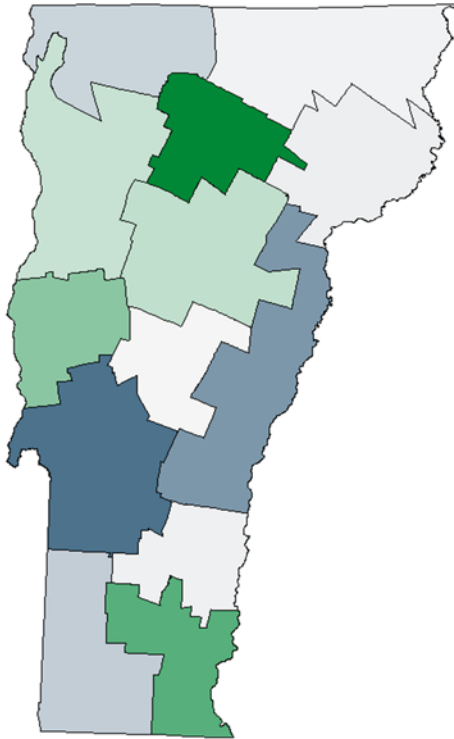


# Fiscal Year 2019 Vermont Hospital Budgets

Year-to-Date Reporting  
(October-March 2019)

Report Date: May 6, 2019



# FY2019 Year-to-Date through March 2019

1. Overview and Observations
2. Financial Indicators
3. Net Patient Revenue (NPR)/Fixed Prospective Payments (FPP) and Operating Expenses
4. Utilization

# Year-to-Date Hospital Budget Report: FY19 through March 2019

Vermont hospitals are required to report their year-to-date (YTD) operating performance on a monthly basis as part of the Green Mountain Care Board's Fiscal Year 2019 budget orders.

This report includes actual Net Patient Revenue (NPR) and Fixed Prospective Payment (FPP) revenue, which are combined, as well as expenses and key utilization indicators, through March 2019.



GMCB has asked the hospitals to explain variances greater than 3.0% for NPR/FPP, Expenses and Utilization. Explanations are provided in the hospitals' own words on the narrative slides of each section.

This report includes FY2019 projections for NPR/FPP, operating expenses, operating margin and total margin. Projections are based on a full year and represented in the report as year-end (YE) figures.

## Net Patient Revenue and Fixed Prospective Payments Approved FY19 Budgets

Medicare Designation	Contract with One Care VT*	Hospital	FY2019 Approved Budget NPR & FPP Revenue***	% of System Total
PPS**	✓	Brattleboro Memorial Hospital	\$82,769,115	3.2%
PPS	✓	Central Vermont Medical Center	\$211,387,021	8.1%
CAH		Copley Hospital	\$70,201,316	2.7%
CAH	✓	Gifford Medical Center	\$55,894,651	2.1%
CAH		Grace Cottage Hospital	\$19,292,581	0.7%
CAH	✓	Mount Ascutney Hospital	\$51,951,770	2.0%
CAH	✓	North Country Hospital	\$81,523,350	3.1%
CAH	✓	Northeastern Vermont Regional Hospital	\$80,527,005	3.1%
PPS	✓	Northwestern Medical Center	\$112,773,980	4.3%
CAH	✓	Porter Medical Center	\$84,530,515	3.2%
PPS	✓	Rutland Regional Medical Center	\$258,720,325	9.9%
PPS	✓	Southwestern Vermont Medical Center	\$165,201,376	6.3%
CAH	✓	Springfield Hospital	\$59,996,953	2.3%
PPS	✓	University of Vermont Medical Center	\$1,273,460,046	48.8%
<b>SYSTEM</b>			<b>\$2,608,230,005</b>	<b>100.0%</b>

Critical Access Hospital (CAH), Prospective Payment System (PPS)

\*Calendar Year 2018 Contract with OneCare VT.

\*\*Brattleboro Memorial Hospital (BMH) is categorized as a PPS hospital for the purposes of this report; however, BMH is officially designated as a Medicare Dependent Hospital.

\*\*\*Does not reflect budget amendments approved by the GMCB on March 13, 2019 for BMH, NVRH and Gifford.

# Hospital Year-to-Date Reporting FY19 through March 2019 Systemwide Observations

## **Operating Expense variances/growth rates exceeded that of NPR/FPP**

- NPR/FPP is under budget 0.6% and 2.4% over prior year.
- Operating expenses are 1.9% over budget and 4.2% over prior year.
- 12 of the 14 hospitals experienced operating expense variances that exceeded their NPR/FPP variance from budget and 10 of the 14 hospitals exceeded from prior year.
- FY19 year-end projections continue to reflect the NPR/FPP and expenses imbalance and, when other operating income is considered, challenge the ability to produce positive operating income.

## **Operating and Total Margins continue to fall below budget**

- All hospitals budgeted a positive operating margin for FY19, however 7 of the 14 hospitals have experienced a negative operating margin year-to-date.
- All hospitals budgeted a positive total margin for FY19, however 6 of the 14 hospitals have experienced a negative total margin year-to-date.

# Hospital Year-to-Date Reporting FY19 through March 2019 Comments & Considerations

The Board issued three amended budget orders in March 2019. The impact of these amended budget orders are not necessarily immediate. The impact on March YTD reporting, if any, is noted below and detailed further in the NPR/FPP section of this report.

Hospital	Amended Budget Order Approval	Amended Budget Order Effective Date	Impact on March YTD
Gifford	1.25% increase in charge	March 28, 2019	Included in final submission
Northeastern	Physical Therapy Acquisition	March 22, 2019	Not included in final submission, estimate provided
Brattleboro	Neurologist, OB/GYN and Family Practice Acquisition	March 22, 2019	Not included in final submission

# Financial Indicators

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# Financial Indicators as of March 31, 2019 FY19 YTD (October-March)

	Operating Margin			Total Margin		
		↑			↑	
	FY19 Budget	FY19 YTD	FY19 YE Projection	FY19 Budget	FY19 YTD	FY19 YE Projection
Brattleboro	0.0%	1.0%	1.0%	0.9%	0.4%	0.4%
Central Vermont	1.4%	0.2%	0.3%	3.3%	0.4%	1.4%
Copley	0.3%	-3.5%	-1.7%	0.8%	-2.8%	-1.1%
Gifford	2.5%	-2.8%	-1.2%	3.9%	1.1%	1.5%
Grace Cottage	0.7%	-5.3%	-0.5%	4.2%	0.1%	4.4%
Mount Ascutney	0.0%	-1.3%	-0.6%	1.6%	-0.4%	0.6%
North Country	1.1%	-0.9%	0.8%	2.8%	-0.2%	1.6%
Northeastern	1.7%	2.5%	1.7%	1.7%	1.3%	1.7%
Northwestern	2.3%	-3.2%	0.1%	3.2%	-5.5%	0.6%
Porter	3.7%	1.6%	1.5%	4.1%	2.0%	1.9%
Rutland Regional	2.3%	0.7%	2.0%	4.3%	-1.2%	4.0%
Southwestern	3.6%	2.8%	3.3%	4.0%	2.8%	3.3%
Springfield	1.3%	-6.7%	-3.7%	2.7%	-10.6%	-5.4%
UVMCC	2.8%	2.4%	2.7%	5.1%	3.0%	4.1%

↑ increasing values are favorable; ↓ decreasing values are favorable



# Financial Indicators as of March 31, 2019 FY19 YTD (October-March)

	Days Cash on Hand			Debt Service Coverage Ratio		
	FY19 Budget	FY19 YTD ↑	FY19 YE Projection	FY19 Budget	FY19 YTD ↑	FY19 YE Projection
Brattleboro	199.1	184.1	197.3	3.3	5.0	3.4
Central Vermont	112.7	104.8	129.3	3.8	2.8	3.4
Copley	64.9	60.4	61.9	5.3	0.5	2.7
Gifford	187.1	235.0	232.0	3.3	1.6	2.9
Grace Cottage	92.5	91.0	91.7	0.5	-0.2	1.4
Mount Ascutney	120.4	116.0	120.0	6.1	5.7	6.0
North Country	196.3	190.7	196.3	3.5	3.4	3.5
Northeastern	122.9	96.0	122.9	2.2	5.7	2.2
Northwestern	306.5	288.9	290.0	5.5	3.0	3.5
Porter	134.9	121.2	121.2	6.1	2.6	2.6
Rutland Regional	205.7	185.0	205.7	5.9	5.8	5.9
Southwestern*	46.3	16.8	41.6	13.7	16.6	13.7
Springfield	106.8	10.3	10.8	2.2	-0.4	-0.5
UVMCC	192.4	180.8	179.0	3.2	3.1	3.2

↑ increasing values are favorable; ↓ decreasing values are favorable

\*Southwestern's Days Cash on Hand does not consider the hospital's parent company. As of March 31, 2019, Days Cash on Hand for the parent company was 154.7.

# Financial Indicators as of March 31, 2019 FY19 YTD (October-March)

	Days Payable ↓			Days Receivable ↓		
	FY19 Budget	FY19 YTD	FY19 Projection YE	FY19 Budget	FY19 YTD	FY19 Projection YE
Brattleboro	65.0	65.8	64.4	38.2	49.6	38.0
Central Vermont	48.3	70.9	48.4	47.5	49.9	36.3
Copley	41.0	37.1	39.2	29.0	29.4	30.0
Gifford	52.9	59.8	54.5	48.6	43.5	40.6
Grace Cottage	83.8	92.2	84.4	40.6	47.4	45.3
Mount Ascutney	53.5	63.5	48.9	38.5	52.6	38.0
North Country	60.9	14.1	60.9	40.5	32.1	40.5
Northeastern	56.5	54.0	56.5	42.3	48.0	42.3
Northwestern	40.1	51.0	40.1	40.3	40.0	40.3
Porter	61.2	56.4	56.4	61.8	54.9	54.9
Rutland Regional	41.2	41.8	41.2	28.3	45.4	28.3
Southwestern	58.1	35.4	56.0	35.5	34.5	35.5
Springfield	68.3	81.8	68.5	60.4	61.2	59.6
UVMCMC	57.1	15.4	57.1	48.0	51.4	48.0

↑ increasing values are favorable; ↓ decreasing values are favorable

# Net Patient Revenue/Fixed Prospective Payment and Operating Expenses

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## Net Patient Revenue and Fixed Prospective Payments: Budget-to-Actual Variance FY19 YTD (October-March)

	Budget FY19 YTD	Actual FY19 YTD	Budget-to-Actual Variance FY19 YTD	Budget-to-Projection Variance FY19 YE
Brattleboro	\$41,384,558	\$41,649,741	0.6%	0.6%
Central Vermont	\$104,677,519	\$104,152,332	-0.5%	-1.0%
Copley	\$35,100,658	\$33,209,389	-5.4%	-2.9%
Gifford	\$27,947,326	\$24,728,423	-11.5%	-8.3%
Grace Cottage	\$9,646,291	\$9,281,437	-3.8%	0.9%
Mount Ascutney	\$25,975,885	\$25,551,384	-1.6%	-0.8%
North Country	\$40,017,160	\$39,529,574	-1.2%	-1.5%
Northeastern*	\$40,263,503	\$41,985,053	4.3%*	0.0%
Northwestern	\$56,386,990	\$55,740,784	-1.1%	-0.6%
Porter	\$41,844,955	\$40,099,931	-4.2%	-3.7%
Rutland Regional	\$129,360,163	\$129,193,360	-0.1%	0.6%
Southwestern	\$82,600,688	\$80,935,961	-2.0%	-0.8%
Springfield	\$29,998,477	\$28,212,309	-6.0%	-8.3%
UVMCC	\$630,912,944	\$634,125,685	0.5%	0.3%
<b>SYSTEM</b>	<b>\$1,296,117,114</b>	<b>1,288,395,363</b>	<b>-0.6%</b>	<b>-0.6%</b>

**Last year at this time the System Variance for YTD NPR/FPP: 1.5%**

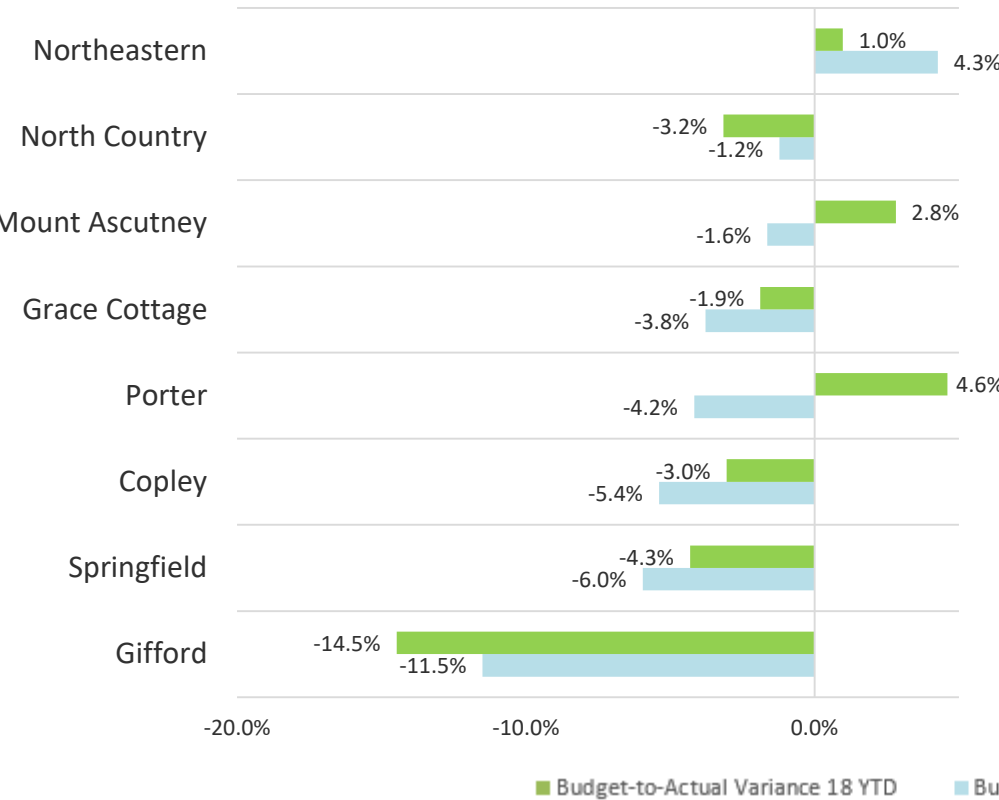
\*When adjusted for their March 2019 amended budget order, Northeastern's NPR/FPP variance is 3.5%

# Net Patient Revenue and Fixed Prospective Payments: Actual-to-Actual % Change FY19 YTD Comparison to FY18 YTD (October-March)

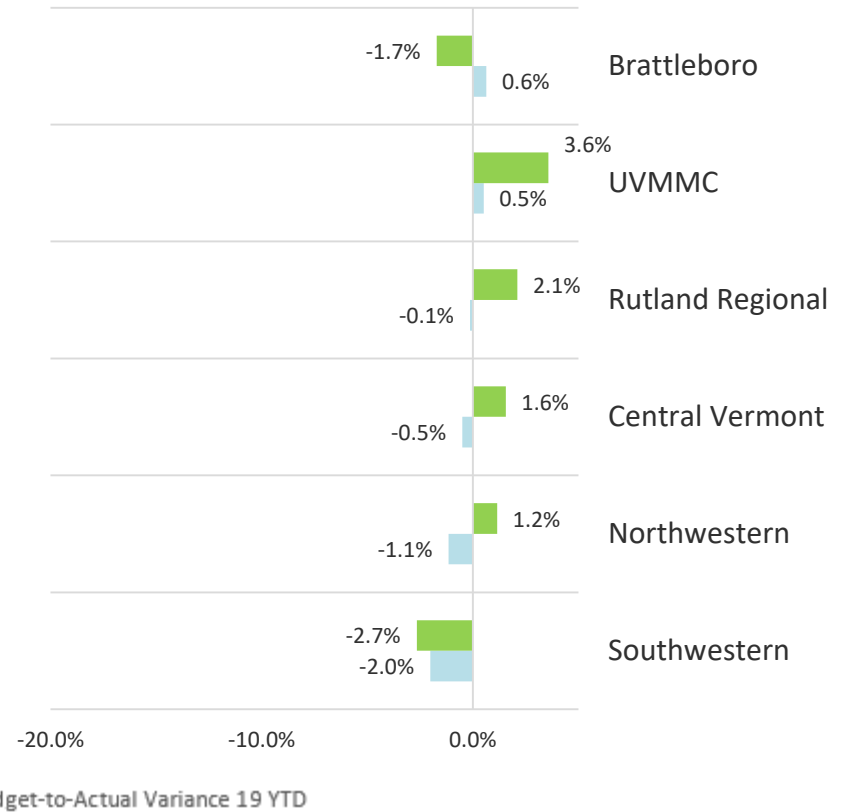
	Actual FY18 YTD	Actual FY19 YTD	Actual-to-Actual % Change	Actual FY18-to- Projection FY19 YE % Change
Brattleboro	\$38,766,950	\$41,649,741	7.4%	7.3%
Central Vermont	\$100,975,819	\$104,152,332	3.1%	7.6%
Copley	\$32,977,392	\$33,209,389	0.7%	3.0%
Gifford	\$25,449,347	\$24,728,423	-2.8%	5.0%
Grace Cottage	\$9,149,314	\$9,281,437	1.4%	7.0%
Mount Ascutney	\$25,026,231	\$25,551,384	2.1%	1.4%
North Country	\$38,287,694	\$39,529,574	3.2%	5.1%
Northeastern	\$39,795,688	\$41,985,053	5.5%	2.7%
Northwestern	\$52,801,233	\$55,740,784	5.6%	8.5%
Porter	\$40,979,088	\$40,099,931	-2.1%	1.3%
Rutland Regional	\$128,119,977	\$129,193,360	0.8%	2.4%
Southwestern	\$77,627,812	\$80,935,961	4.3%	1.7%
Springfield	\$28,407,422	\$28,212,309	-0.7%	3.9%
UVMCC	\$619,439,755	\$634,125,685	2.4%	1.8%
SYSTEM	\$1,257,803,722	\$1,288,395,363	2.4%	3.0%

# Net Patient Revenue and Fixed Prospective Payments: Budget-to-Actual Variance FY19 YTD Comparison to FY18 YTD (October-March)

### Critical Access Hospitals



### Prospective Payment Systems Hospitals



# Net Patient Revenue and Fixed Prospective Payments: Hospital Narrative on Budget-to-Actual Variance FY19 YTD (October-March)

Hospital	NPR/FPP Variance Explanation
Brattleboro	<p>Gross Revenue variance 3.7% over budget            Net Patient Revenue was 0.5% over budget            FPP variance 1.4% over budget - CY2019 Medicare FPP was cut in 16% beginning in October due to CMS payment adjustments. Not enough data to provide much insight into CY19 yet.            Total Net Patient Revenue &amp; FPP was 0.6% higher than budget.</p>
Copley	<p>As of March 31, 2019, NPR is below budget by 5.4% due to lower than expected utilization and an unfavorable payor mix shift (from Commercial to Medicare). Patient days are down 11%, surgical time is down 9%. A major contributing factor to lower than expected utilization is the medical leave of an orthopedic surgeon. We have implemented a plan to help meet the needs of the absent physician's existing patients, but this challenges our ability to meet our budgeted utilization.</p>
Grace Cottage	<p>NPR is just slightly greater than the 3.0% threshold by 0.8% [-3.8%]. Primarily due to Outpatient revenue being slightly under budget and Contractual Allowances being slightly over budget. Projections based on volume being back at full provider staffing continues to show ending the year within allowed variances.</p>
Gifford	<p>Net Patient Revenues are greater than the 3% [-11.5%] variance which is due to lower than expected length of stays which is causing patient days for both our inpatient and swing units to be below expectations. Operating room procedures are also lagging which is impacting the surgical and ancillaries revenue streams. This is being caused by new surgeons building their panels.</p>

# Net Patient Revenue and Fixed Prospective Payments: Hospital Narrative on Budget-to-Actual Variance FY19 YTD (October-March)

Hospital	NPR/FPP Variance Explanation
Mount Ascutney	<p>Inpatient: Patient days and inpatient surgeries were all well below budget, causing inpatient ancillary revenues to drop as well. Swing was within variance guidelines.</p> <p>Outpatient: Steady volumes in established specialty provider practices are driving higher utilization of ancillary services. Therapies are experiencing high demand and are steadily outperforming budgeted figures. Strong outpatient revenues are a result of pharmaceutical volumes (infusion and chemotherapy), as well as imaging and therapy services.</p> <p>Physician Practices: a notable volume of provider sick days were experienced in the Primary Care and Pediatric clinics. We are currently seeking to replace a 1.0 associate provider FTE in Primary Care that was lost in November. Specialty provider practice volumes remain above budget.</p>
Northeastern	<p>Adjusted for the transfer on of the Northern Physical Therapy practice, NPR is 3.5% higher than expected. This is a result of increased admissions, longer length of stay due to high acuity of admitted patients and challenges of transferring mental health patients to a more appropriate facility in a timely manner.</p>
Northwestern	<p>Net patient revenues are within 3% of budget but are running below budget by 1.1% on a year to date basis. Inpatient revenue is lagging behind with acute admissions running 4.0% below budget through March. Both of these numbers have improved slightly since February.</p>
Porter	<p>Net Patient Revenues are performing below budgeted expectations by 4.2%. This is driven primarily by a decrease in utilization in Surgical Services in both the Inpatient and Outpatient areas; additionally, Outpatient Laboratory and Imaging revenue is performing below budgeted expectations.</p>



# Net Patient Revenue and Fixed Prospective Payments: Hospital Narrative on Budget-to-Actual Variance FY19 YTD (October-March)

Hospital	NPR/FPP Variance Explanation
Rutland	<p>Year to date, our Gross Patient Service Revenue (GPSR) is over budget by \$2.0 million. Routine revenue is just \$2,000 under budgeted expectations. This is a result of an increase in the number of patients being seen (admissions) and the fact that these patients are stays fewer days. Inpatient ancillary revenue is under budget by \$605,000 or .83% – driven by a decrease in volume in respiratory, surgical services &amp; emergency services.</p> <p>Outpatient volume is over budget \$2.6 million or 1.5% - led by diagnostic imaging, surgical services, laboratory and pharmaceuticals, off set by the continued decline in radiation therapy and endoscopy.</p> <p>Allowances are over budget by \$1.0M. Our reimbursement assumptions remain consistent with actual reimbursement from the Medicare, Medicaid and commercial programs. Year to date, our Free Care provision is over budget \$990,000 or 49.2%. Year to date we have processed 922 Free Care Applications, of which 90% were approved.</p>
Southwestern	<p>SVMC's Net Patient Revenues are just 0.4% under budget through the first six months of operations. This variance percentage is based on SVMC's actual budget spread for the fiscal year. Volumes are typically higher over the last six months of the fiscal year.</p>
Springfield	<p>Net Patient revenues were under budget by 5.3% for YTD due to volume 9.9% under budget.</p>
UVMCC	<p>0.5% favorable, within the 3.0% threshold. Favorable NPSR resulted from increased gross charges and higher than budgeted Commercial volumes driven by high Inpatient census, as well as lower charity care and bad debt expense, partially offset by 3rd party reserves for possible Medicare ACO overpayment.</p>

## Operating Expenses: Budget-to-Actual Variance FY19 YTD (October-March)

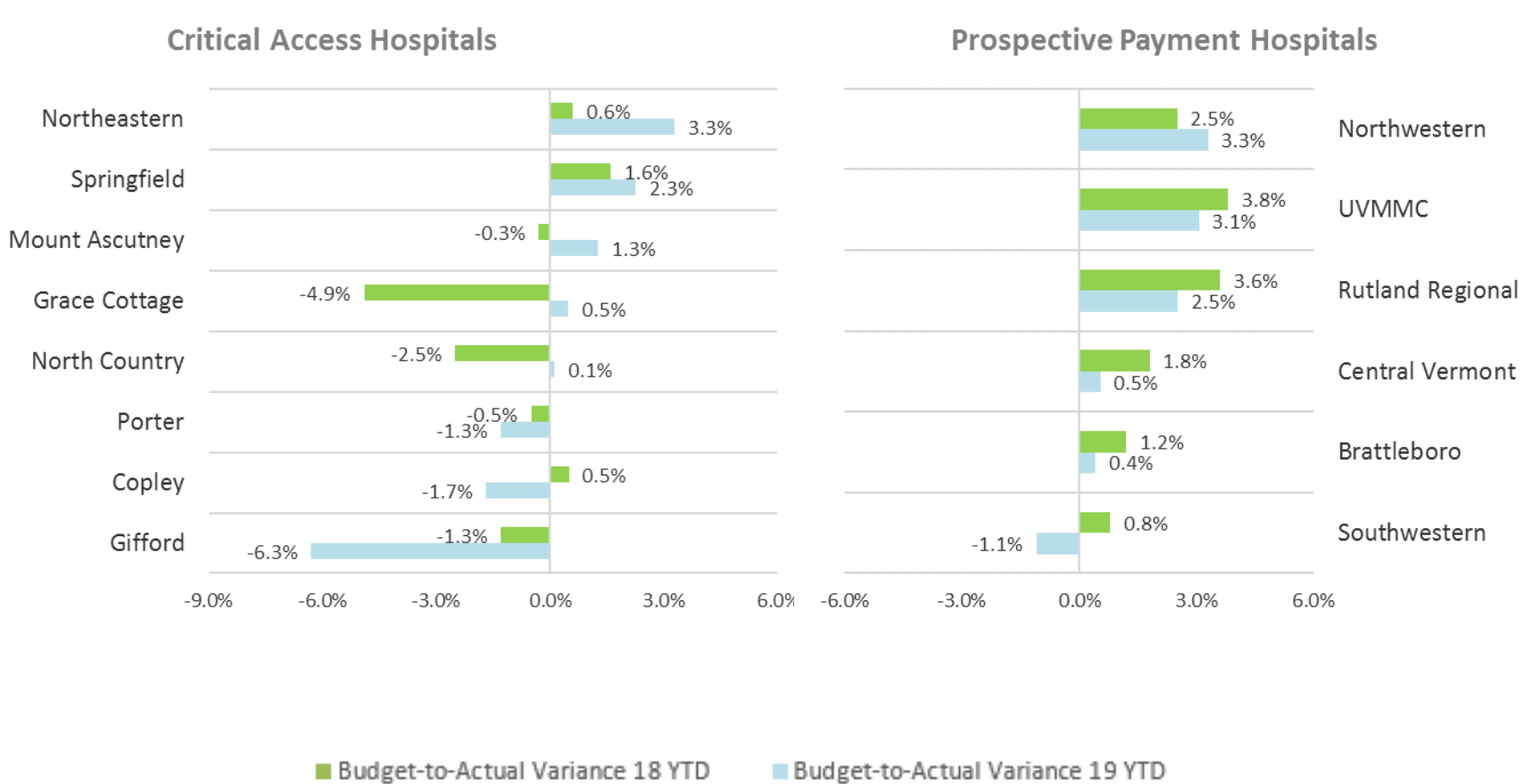
	Budget FY19 YTD	Actual FY19 YTD	Budget-to-Actual Variance FY19 YTD	Budget-to-Projection Variance FY19 YE
Brattleboro	\$42,988,071	\$43,165,381	0.4%	0.4%
Central Vermont	\$110,892,129	\$111,492,484	0.5%	0.5%
Copley	\$35,578,768	\$34,975,715	-1.7%	-1.4%
Gifford	\$27,673,058	\$25,934,908	-6.3%	-4.6%
Grace Cottage	\$10,164,813	\$10,213,077	0.5%	0.8%
Mount Ascutney	\$27,418,988	\$27,765,529	1.3%	0.6%
North Country	\$43,279,755	\$43,329,886	0.1%	-0.1%
Northeastern	\$41,390,253	\$42,752,893	3.3%	0.0%
Northwestern	\$58,121,674	\$60,037,464	3.3%	1.6%
Porter	\$42,989,373	\$42,431,860	-1.3%	-0.6%
Rutland Regional	\$134,110,398	\$137,496,102	2.5%	2.0%
Southwestern	\$82,105,783	\$81,204,362	-1.1%	-0.5%
Springfield	\$30,320,796	\$31,007,244	2.3%	-3.5%
UVMMC	\$664,605,169	\$684,922,374	3.1%	1.5%
<b>SYSTEM</b>	<b>\$1,351,639,025</b>	<b>\$1,376,729,279</b>	<b>1.9%</b>	<b>0.8%</b>

Last year at this time the System Variance for YTD Operating Expenses: 2.5%

# Operating Expenses: Actual-to-Actual % Change FY19 YTD Comparison to FY18 YTD (October-March)

	Actual FY18 YTD	Actual FY19 YTD	Actual-to-Actual % Change	Actual FY18-to- Projection FY19 % Change
Brattleboro	\$42,203,232	\$43,165,381	2.3%	3.1%
Central Vermont	\$106,064,973	\$111,492,484	5.1%	3.3%
Copley	\$34,828,505	\$34,975,715	0.4%	0.7%
Gifford	\$29,142,807	\$25,934,908	-11.0%	-4.5%
Grace Cottage	\$9,742,338	\$10,213,077	4.8%	2.7%
Mount Ascutney	\$26,391,442	\$27,765,529	5.2%	3.2%
North Country	\$41,069,589	\$43,329,886	5.5%	3.8%
Northeastern	\$39,698,251	\$42,752,893	7.7%	1.7%
Northwestern	\$56,039,537	\$60,037,464	7.1%	4.0%
Porter	\$40,329,320	\$42,431,860	5.2%	5.4%
Rutland Regional	\$133,402,111	\$137,496,102	3.1%	2.0%
Southwestern	\$79,228,278	\$81,204,362	2.5%	3.1%
Springfield	\$30,377,265	\$31,007,244	2.1%	-5.4%
UVMCC	\$652,883,610	\$684,922,374	4.9%	3.3%
<b>SYSTEM</b>	<b>1,321,401,258</b>	<b>\$1,376,729,279</b>	<b>4.2%</b>	<b>2.7%</b>

# Operating Expenses: Budget-to-Actual Variances FY19 YTD Comparison to FY18 YTD (October-March)



## Operating Expenses: Hospital Narrative on Budget-to-Actual Variance FY19 YTD (October-March)

Hospital	Variance Explanation
Brattleboro	Overall operating expenses were 0.4% over budget. Labor related expenses were 0.4% under budget despite the continuing need to utilize contract temps. Non Labor related expenses were 7.4 % over budget. Drug costs (\$265K), Heating oil and electricity (approx. \$134K) and reference lab fees (approx. \$157K) were some of the larger variances to date. Depreciation, interest and provider taxes were 8.3% under budget.
Gifford	Operating expenses are below budgeted expectations by 3.1% due to Gifford focusing on cost savings initiatives.
Mount Ascutney	Within variance guidelines. Our continued focus on strong expense management and fiscal responsibility has helped us maintain costs within variance guidelines despite revenue growth.
Northeastern	Expenses are 3.3% higher than expected through March as a result of filling vacant RN and other staff with temporary agency employees and filling physician vacancies with locum tenens providers.
Northwestern	Operating Expenses are 3.3% over budget. Salaries and benefits continue to be the main driver of the variance on a year to date basis. After a favorable February, benefits were substantially over budget in March as a result of high health insurance claims as part of our self-insured plan. We continue to implement and monitor a cost reduction plan previously discussed with the Green Mountain Care Board.

## Operating Expenses: Hospital Narrative on Budget-to-Actual Variance FY19 YTD (October-March)

Hospital	Variance Explanation
Porter	Expenditures remain within the 3% guideline; however, temporary labor continues to be an area of focus.
Rutland	<p>Expenditures: Fiscal 2019 year to date expenses are running over budget by \$3.7 million or 2.75%. This overage is driven, in large part, by the continued need for temporary staff FTEs and increased physician salaries related to recruitment and on going contractual obligations with physicians. In addition, we continue to see increased in pharmaceutical &amp; supply costs. These overruns were off set slightly by a continued decline in the number of claims against our self-insured health insurance policy.</p> <p>Operating Margin: Please note our 2019 Projected Net Operating Margin is forecasted to be \$981,000 less than budget. To date the RRMC Management Team is working on efficiency plans and cost reductions to offset any negative deficit in the operating margin.</p>
Southwestern	SVMC's operating expenses are 0.9% under budget for the first six months with the majority of the expense savings in supply expenses and employee benefits.
Springfield	Expenses were 2.4% over budget mainly due to Employee Benefits at 47% over budget.
UVMHC	3.1% unfavorable. Key drivers are labor costs, med/surg supplies, pharmaceuticals, and purchased services driven by high Inpatient census.

## Summary: NPR/FPP and Operating Expenses Budget-to-Actual Variance FY19 YTD (October-March)

	Budget-to-Actual Variance YTD			Budget-to-Projection Variance YE		
	NPR/FPP	Operating Expenses	Operating Margin*	NPR/FPP	Operating Expenses	Operating Margin**
Brattleboro	0.6%	0.4%	1.0%	0.6%	0.4%	1.0%
Central Vermont	-0.5%	0.5%	0.2%	-1.0%	0.5%	0.3%
Copley	-5.4%	-1.7%	-3.5%	-2.9%	-1.4%	-1.7%
Gifford	-11.5%	-6.3%	-2.8%	-8.3%	-4.6%	-1.2%
Grace Cottage	-3.8%	0.5%	-5.3%	0.9%	0.8%	-0.5%
Mount Ascutney	-1.6%	1.3%	-1.3%	-0.8%	0.6%	-0.6%
North Country	-1.2%	0.1%	-0.9%	-1.5%	-0.1%	0.8%
Northeastern	4.3%	3.3%	2.5%	0.0%	0.0%	1.7%
Northwestern	-1.1%	3.3%	-3.2%	-0.6%	1.6%	0.1%
Porter	-4.2%	-1.3%	1.6%	-3.7%	-0.6%	1.5%
Rutland Regional	-0.1%	2.5%	0.7%	0.6%	2.0%	2.0%
Southwestern	-2.0%	-1.1%	2.8%	-0.8%	-0.5%	3.3%
Springfield	-6.0%	2.3%	-6.7%	-8.3%	-3.5%	-3.7%
UVMCC	0.5%	3.1%	2.4%	0.3%	1.5%	2.7%
<b>SYSTEM</b>	<b>-0.6%</b>	<b>1.9%</b>	<b>1.2%</b>	<b>-0.6%</b>	<b>0.8%</b>	<b>1.9%</b>

\*Operating Margin as of March 31, 2019 (not a budget-to-actual variance)

\*\*Operating Margin projection for September 30, 2019 (not a budget-to-projection variance)

## Summary: NPR/FPP and Operating Expenses Actual-to-Actual % Change FY19 YTD (October-March)

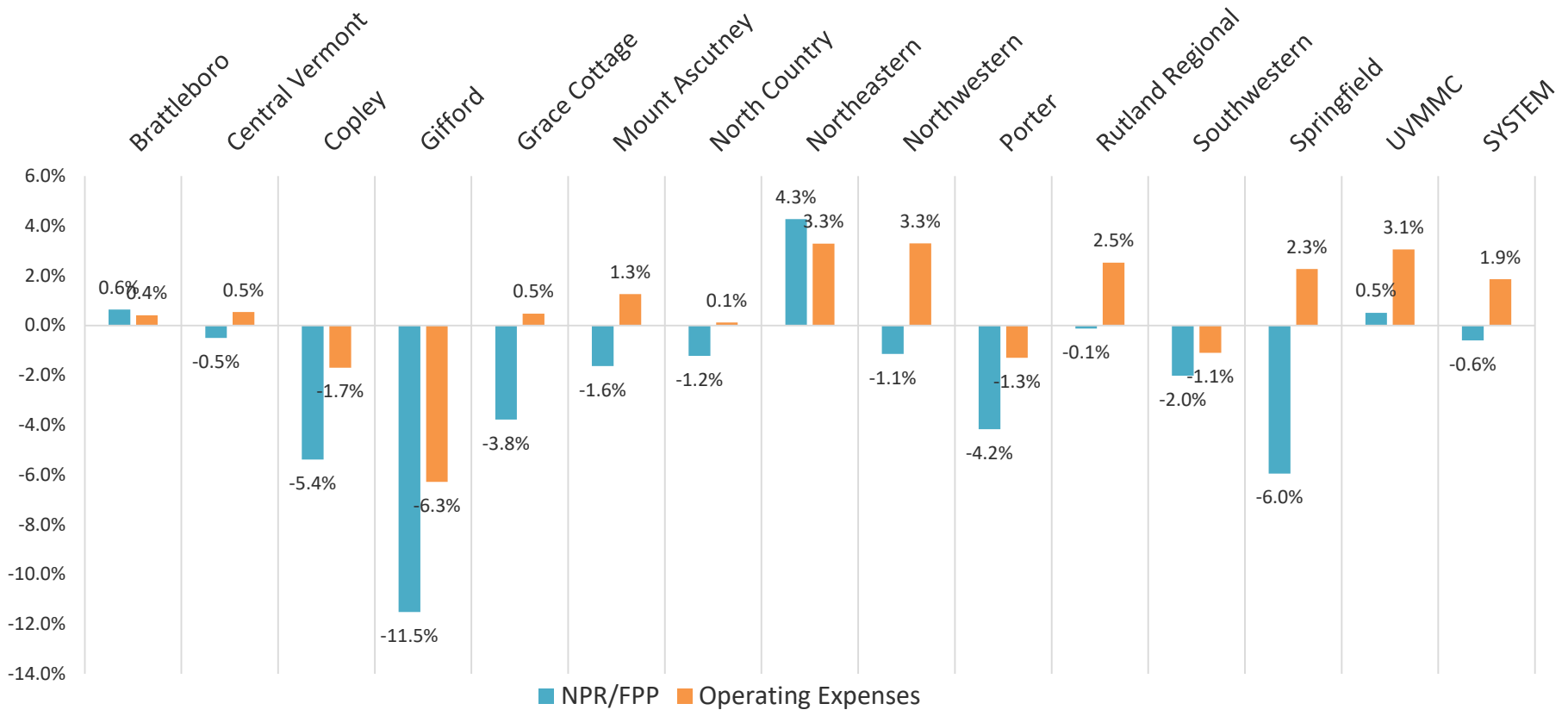
	Actual-to-Actual % Change YTD			Actual-to-Projection % Change YE		
	NPR/FPP	Operating Expenses	Operating Margin*	NPR/FPP	Operating Expenses	Operating Margin**
Brattleboro	7.4%	2.3%	1.0%	7.3%	3.1%	1.0%
Central Vermont	3.1%	5.1%	0.2%	7.6%	3.3%	0.3%
Copley	0.7%	0.4%	-3.5%	3.0%	0.7%	-1.7%
Gifford	-2.8%	-11.0%	-2.8%	5.0%	-4.5%	-1.2%
Grace Cottage	1.4%	4.8%	-5.3%	7.0%	2.7%	-0.5%
Mount Ascutney	2.1%	5.2%	-1.3%	1.4%	3.2%	-0.6%
North Country	3.2%	5.5%	-0.9%	5.1%	3.8%	0.8%
Northeastern	5.5%	7.7%	2.5%	2.7%	1.7%	1.7%
Northwestern	5.6%	7.1%	-3.2%	8.5%	4.0%	0.1%
Porter	-2.1%	5.2%	1.6%	1.3%	5.4%	1.5%
Rutland Regional	0.8%	3.1%	0.7%	2.4%	2.0%	2.0%
Southwestern	4.3%	2.5%	2.8%	1.7%	3.1%	3.3%
Springfield	-0.7%	2.1%	-6.7%	3.9%	-5.4%	-3.7%
UVMCC	2.4%	4.9%	2.4%	1.8%	3.3%	2.7%
<b>SYSTEM</b>	<b>2.4%</b>	<b>4.2%</b>	<b>1.2%</b>	<b>3.0%</b>	<b>2.7%</b>	<b>1.9%</b>

\*Operating Margin as of March 31, 2019 (not a budget-to-actual variance)

\*\*Operating Margin projection for September 30, 2019 (not a budget-to-projection variance)



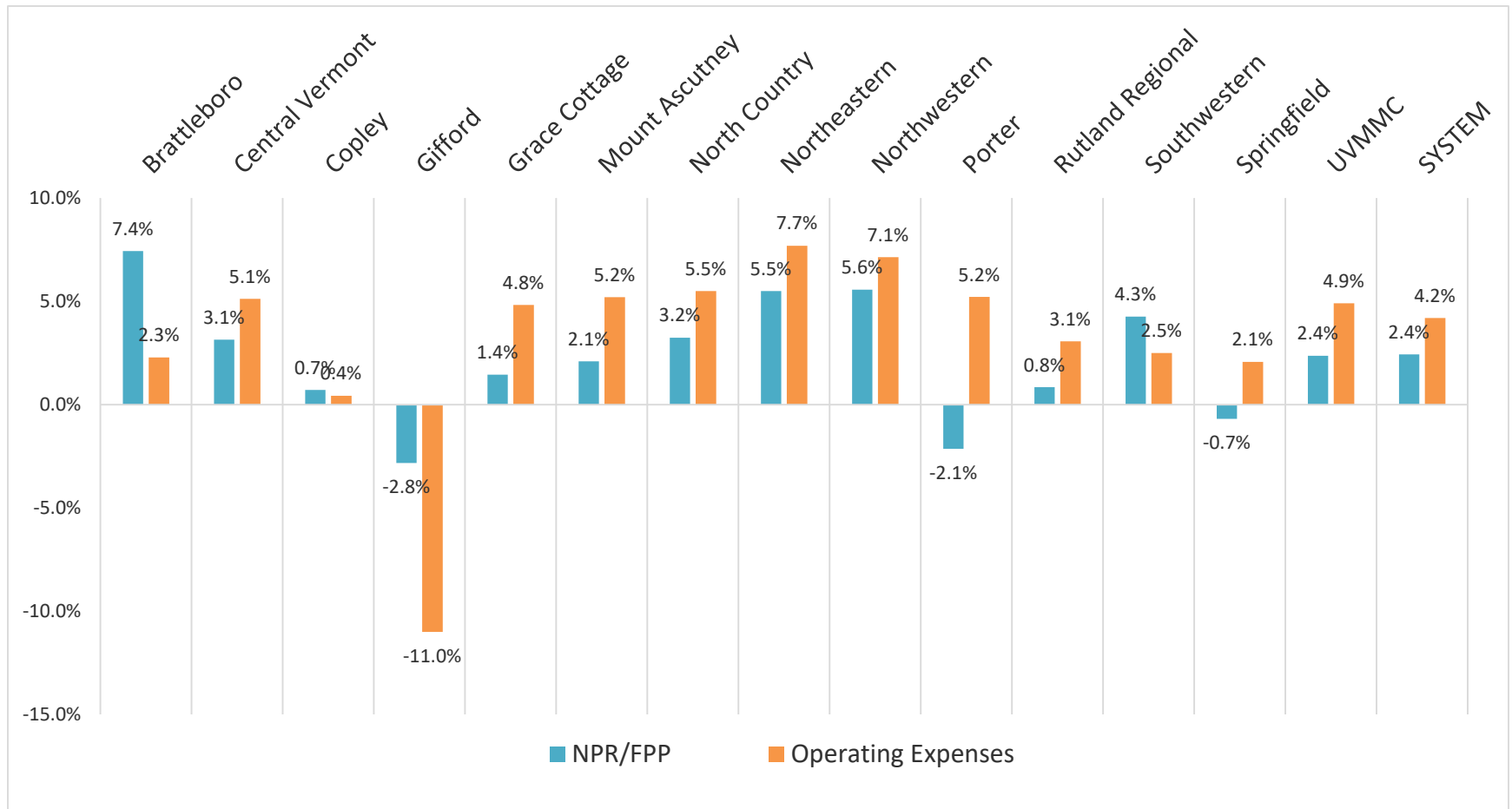
# Summary: NPR/FPP and Operating Expenses Budget-to-Actual Variances FY19 YTD (October-March)



# Summary: NPR/FPP and Operating Expenses

## Actual-to-Actual % Change

### FY19 YTD (October-March)



# Utilization

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## Acute Admissions Utilization: Budget-to-Actual/Projection Variance FY19 YTD (October-March)

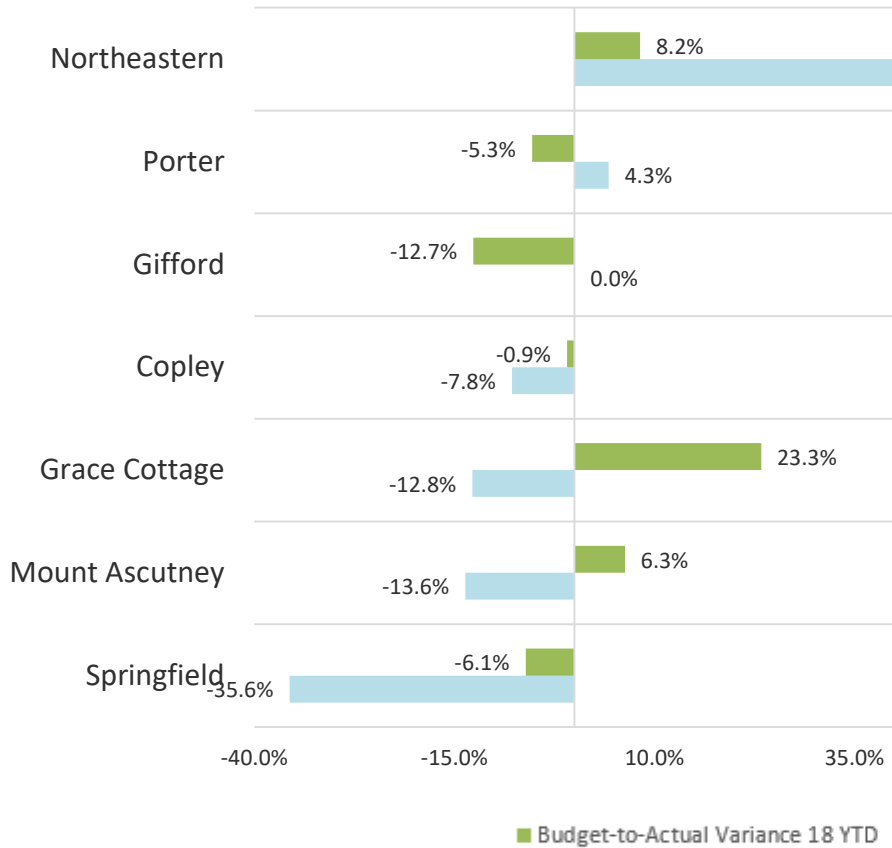
	Budget FY19 YTD	Actual FY19 YTD	Budget-to-Actual Variance FY19 YTD	Budget-to-Projection Variance FY19 YE
Brattleboro	778	850	9.3%	9.3%
Central Vermont	2,055	2,060	0.2%	0.1%
Copley	954	879	-7.8%	-2.9%
Gifford	586	587	0.2%	-2.4%
Grace Cottage	75	65	-12.8%	-12.8%
Mount Ascutney	198	171	-13.6%	-6.8%
North Country*	-	-	-	-
Northeastern	698	724	3.8%	0.0%
Northwestern	1,261	1,211	-4.0%	-2.0%
Porter	759	791	4.3%	1.0%
Rutland Regional	3,454	3,469	0.4%	0.1%
Southwestern	1,749	1,783	1.9%	-0.7%
Springfield	1,008	649	-35.6%	-35.6%
UVMCC	9,733	10,043	3.2%	1.6%
<b>SYSTEM</b>	<b>23,306</b>	<b>23,282</b>	<b>-0.1%</b>	<b>-0.9%</b>

**Last year at this time the System Variance YTD for Acute Admissions: 1.7%**

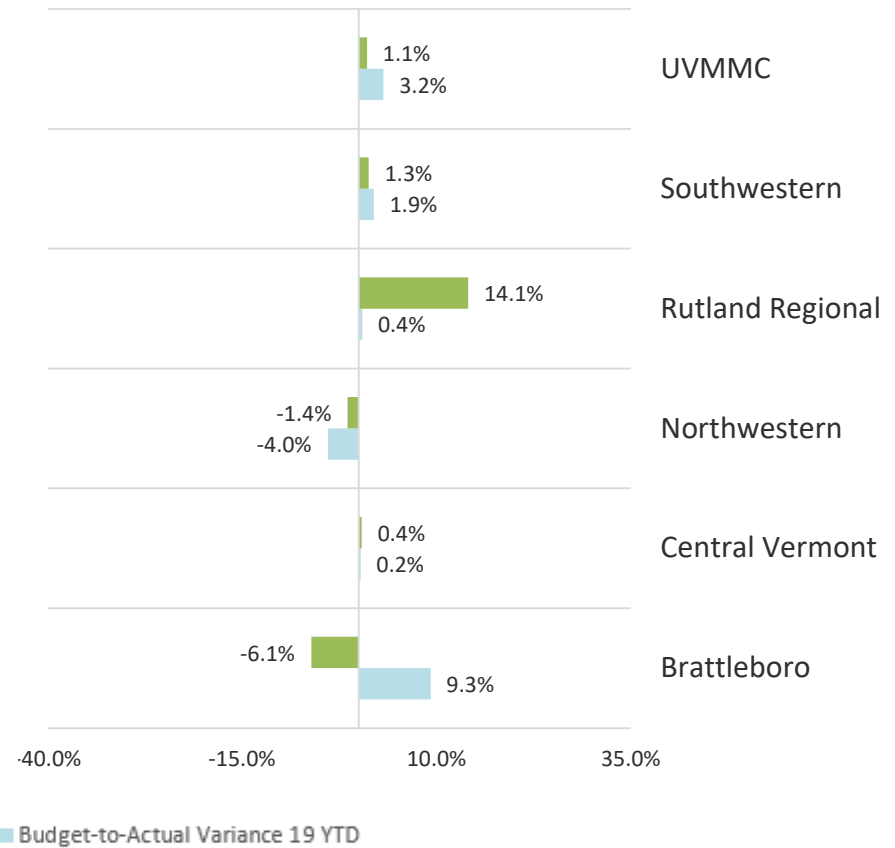
\*North Country did not submit utilization data.

# Acute Admissions Utilization: Budget-to-Actual Variance FY19 YTD Comparison to FY18 YTD (October-March)

## Critical Access Hospitals



## Prospective Payment System Hospitals



North Country did not submit utilization data.

## Outpatient Visits Utilization\*: Budget-to-Actual Variance FY19 YTD (October-March)

	<u>Budget FY19 YTD</u>	<u>Actual FY19 YTD</u>	<u>Budget-to-Actual Variance FY19 YTD</u>	<u>Budget-to-Projection Variance FY19 YE</u>
Brattleboro**	19,033	78,394	311.9%	311.9%
Central Vermont	225,041	218,004	-3.1%	-1.4%
Copley	47,169	47,052	-0.2%	-4.5%
Gifford	28,089	28,931	3.0%	0.0%
Grace Cottage	10,480	8,923	-14.9%	-14.6%
Mount Ascutney	15,951	17,499	9.7%	4.9%
North Country***	-	-	-	-
Northeastern	49,021	67,813	38.3%	0.0%
Northwestern	111,596	124,835	11.9%	5.9%
Porter	32,063	30,668	-4.4%	-2.2%
Rutland Regional	127,764	121,786	-4.7%	-4.1%
Southwestern	144,487	144,688	0.1%	1.0%
Springfield	41,000	38,000	-7.3%	-7.3%
UVMHC	890,161	822,784	-7.6%	-3.8%
SYSTEM	1,741,852	1,749,377	0.4%	1.0%

**System Total with Brattleboro results removed: -3.0%**

**-2.3%**

**Last year at this time the System Variance YTD for Outpatient Visits: -2.3%**

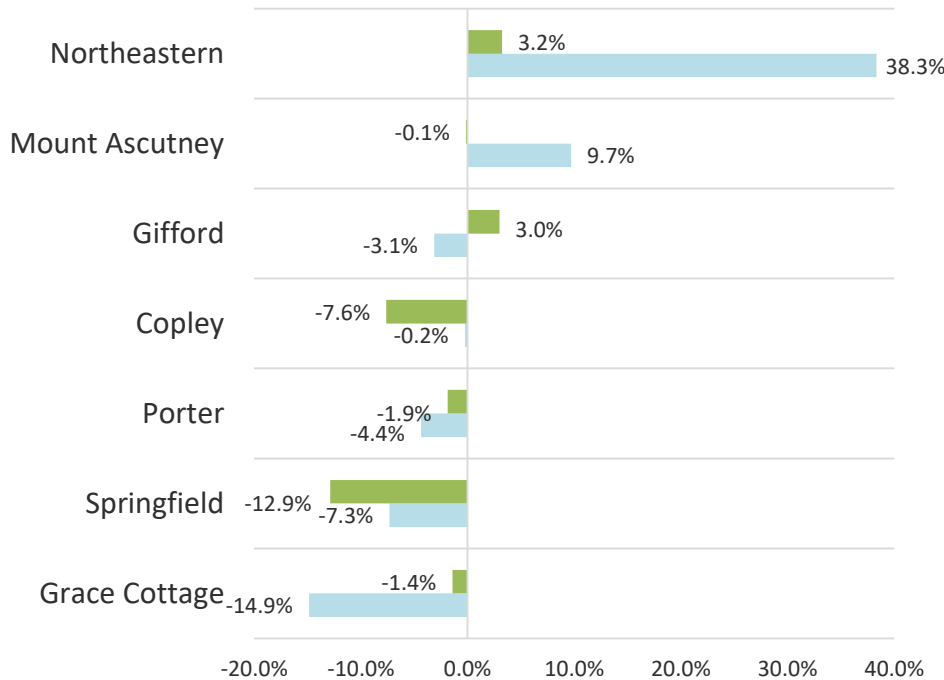
\*Hospitals may count outpatient (OP) visits differently. This is in part due to OP visits including many different types of visits such as procedures, tests, exams, etc. GMCB staff is working to develop a more consistent definition for this statistic.

\*\*Brattleboro Memorial Hospital included a broader range of services in their FY19 YTD calculation compared to their FY19 budget. The broadening of included services contributes to the substantially large variance.

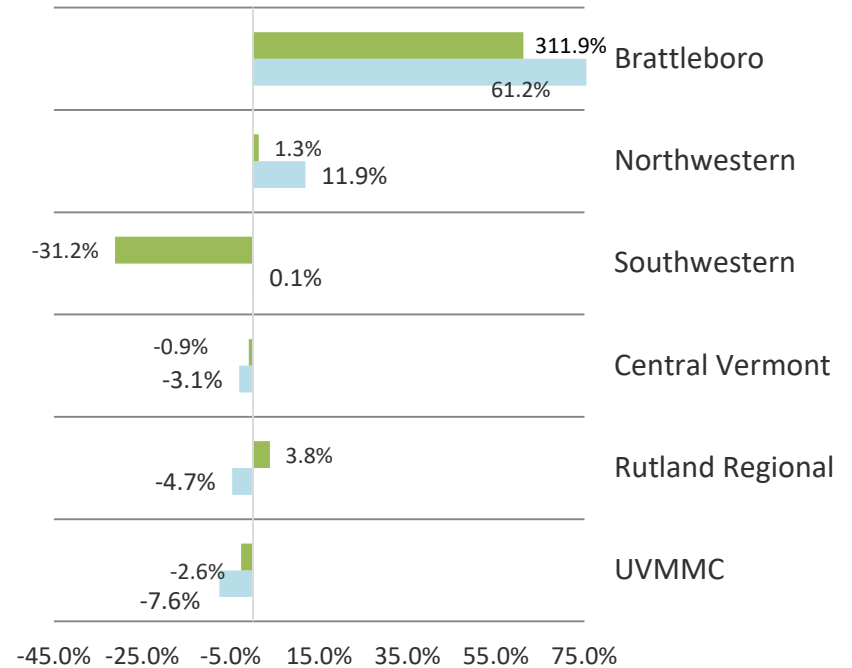
\*\*\*North Country did not submit utilization data.

# Outpatient Visits Utilization: Budget-to-Actual Variance FY19 YTD Comparison to FY18 YTD (October-March)

## Critical Access Hospitals



## Prospective Payment System Hospitals



■ Budget-to-Actual Variance 18 YTD    
 ■ Budget-to-Actual Variance 19 YTD

\*North Country did not submit utilization data.

\*\*Brattleboro Memorial Hospital included a broader range of services in their FY19 YTD calculation compared to their FY19 budget. The broadening of included services contributes to the substantially large variance.

## Utilization: Hospital Narrative on Budget-to-Actual Variance FY19 YTD (October-March)

Hospital	Variance Explanation
Brattleboro	OR and minor procedure cases were 8.5% under budget. Physician TRVUs were 21.6% under budget. Imaging services were 10.0% over budget. Oncology was 35.4% over budget. Rehab was 4.4% overbudget.
CVMC	Acute admissions are on budget, but total Admissions were 3.9% under budget due to a decrease in volume in our SNF admissions but are projected to be in the budgeted range. Outpatient Visits are 3.1% under budget due to lower volume at our practices.
Copley	As of March 31, 2019, NPR is below budget by 5.4% due to lower than expected utilization and an unfavorable payor mix shift (from Commercial to Medicare). Patient days are down 11%, surgical time is down 9%. A major contributing factor to lower than expected utilization is the medical leave of an orthopedic surgeon. We have implemented a plan to help meet the needs of the absent physician's existing patients, but this challenges our ability to meet our budgeted utilization.
Gifford	IP admissions and days of care were below budgeted expectations.



## Utilization: Hospital Narrative on Budget-to-Actual Variance FY19 YTD (October-March)

Hospital	Variance Explanation
Grace Cottage	Acute/Swing utilization as a whole are essentially at budget for both patient days/revenue. Outpatient utilization however continues to be slightly under budget, due in part to Physician utilization being under budget as a result of being down one budgeted provider in the first three months.
Mount Ascutney	A census with low acuity and longer lengths of stay significantly reduces admissions. FTE's are below budget as there are many open positions we are unable to fill due to the lack of qualified applicants. There are several FTE's in the budget for new positions that are currently in the recruiting and hiring process. This is driving the use of travelers. This trend should reverse as we are currently filling many of our open positions. Outpatient visits are up due to the reasons noted above.
Northeastern	Inpatient days are 29.9% higher than expected through March. This is primarily a result of longer length of stay due to high acuity of admitted patients and challenges of transferring mental health patients to a more appropriate facility in a timely manner.
Northwestern	Inpatient acute admissions are 4.0% below budget through March while total outpatient visits are running 11.9 % over budget. Urgent care visits and radiology screenings have bolstered the outpatient volumes.

## Utilization: Hospital Narrative on Budget-to-Actual Variance FY19 YTD (October-March)

Hospital	Variance Explanation
Porter	Patient days continue to be favorable to budget driven by an increase in acute admissions. The decrease in All Outpatient visits is primarily driven by the lower than anticipated Laboratory and Imaging utilization.
Rutland	Year to date patient day volume was under budget 542 days, excluding nursery. Admissions (discharges) were 20 over budget (including Level II). Our year to date our average daily census is 87 or 2.9 under budgeted expectations. Year to date ALOS was 4.54 days per stay, .19 days shorter than expected.
Southwestern	Patient volumes are fairly consistent with budget.
Springfield	Inpatient acute volumes were 25% below budget while Psych was over budget 12%.
UVMHC	Acute Admissions 3.2% favorable, Total Admissions 2.6% favorable, Patient Days 4.1% favorable, driven by high Inpatient census; offset by Outpatient Visits 7.6% unfavorable.