Fiscal Year 2019
Vermont Hospital Budget Submissions

Summary of Decision Points

Green Mountain Care Board Meeting
August 29, 2018
GMCB Hospital Budget Team
Decision Categories

- NPR Growth
- Provider Transfers and Acquisitions
- Health Care Reform Investments
- Other Proposed Adjustments to FY18 Base
- Rate Increases
Financial Indicators:
- FY19 Operating Margin: 0.3% (projected FY18 operating loss)
- FY19 Days Cash on Hand: 196.2
FY18 Approved Budget: $78,879,433
Proposed Adjustment to FY18 Base:
  - Restore FY18 NPR reduction of $1,323,198
FY19 Proposed Budget: $83,968,150
  - NPR growth without proposed adjustment: 6.5%; $5,088,717
  - NPR growth with proposed adjustment: 4.8%; $3,765,519
Health Reform Investments:
  - Requested $776,000 = 1.0% for FY19 (0.4% allowance = $315,518)
  - Participating in all 3 ACO programs in 2018
FY19 Rate Request: 4.9% (estimated value of 1% rate increase = $392,275)
Decision Points:
  - Accept proposed adjustment to FY18 Base NPR?
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?
Central Vermont Medical Center

- **Financial Indicators:**
  - FY19 Operating Margin: 1.4%
  - FY19 Days Cash on Hand: 112.7

- **FY18 Approved Budget:** $198,452,560

- **Proposed Adjustments to FY18 Base:**
  - Increase by $2,561,709 for ACO accounting change
  - Increase by $353,227 for provider transfers ($102,702 approved, $250,525 not effective until FY19)

- **FY19 Proposed Budget:** $211,387,021
  - NPR growth without proposed adjustments: 6.5%; $12,934,461
  - NPR growth with all proposed adjustments: 5.0%

- **Health Reform Investments:**
  - Requested $766,000 = 0.4% for FY19 (0.4% allowance = $793,810)
  - Participating in all 3 ACO programs in 2018

- **FY19 Rate Request:** 2.8% (estimated value of 1% rate increase = $1,226,764)

- **Decision Points:**
  - Accept proposed adjustments to FY18 Base NPR?
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?
Copley Hospital

- **Financial Indicators:**
  - **FY19 Operating Margin:** 2.0% (projected FY18 operating loss)
  - **FY19 Days Cash on Hand:** 66.4
- **FY18 Approved Budget:** $68,024,531
- **FY19 Proposed Budget:** $72,037,976
  - **NPR growth:** 5.9%; $4,013,445
- **Health Reform Investments:**
  - Requested $66,351 = 0.1% for FY19 (0.4% allowance = $272,098)
  - Not participating in ACO programs in 2018
- **FY19 Rate Request:** 7.9% (estimated value of 1% rate increase = $392,979)
- **Decision Points:**
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?
Gifford Medical Center

- Financial Indicators:
  - FY19 Operating Margin: 2.5% (projected FY18 operating loss)
  - FY19 Days Cash on Hand: 177.5
- FY18 Approved Budget: $59,514,010
- **FY19 Proposed Budget: $55,894,653**
  - NPR growth: -6.1%; ($3,619,357)
- Health Reform Investments:
  - Requested $590,000 = 1.0% for FY19 (0.4% allowance = $238,056)
  - Not participating in ACO programs in 2018
- **FY19 Rate Request 4.0%** (estimated value of 1% rate increase = $401,670)
- Decision Points:
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?
Financial Indicators:
- FY19 Operating Margin: 0.7% (projected FY18 operating loss)
- FY19 Days Cash on Hand: 92.5

FY18 Approved Budget: $18,649,074

FY19 Proposed Budget: $19,292,581
- NPR growth: 3.5%; $643,507

Health Reform Investments:
- Requested $0 for FY19 (0.4% allowance = $74,596)
- Not participating in ACO programs in 2018

FY19 Rate Request: 3.2% (estimated value of 1% rate increase = $88,273)

Decision Points:
- Accept proposed NPR?
- Accept proposed rate increase?
Mt. Ascutney Hospital and Health Center

- **Financial Indicators:**
  - FY19 Operating Margin: 0.0%
  - FY19 Days Cash on Hand: 176.4
- **FY18 Approved Budget:** $48,682,309
- **FY19 Proposed Budget:** $51,195,770
  - NPR growth = 5.2%; $2,513,461
- **Health Reform Investments:**
  - Requested $0 for FY19 (0.4% allowance = $194,729)
  - Participating in Medicaid ACO program in 2018
- **FY19 Rate Request:** 2.9% (estimated value of 1% rate increase = $489,084)
- **Decision Points:**
  - Accept proposed NPR?
  - Accept proposed rate increase?
North Country Hospital

- Financial Indicators:
  - FY19 Operating Margin: 1.1%
  - FY19 Days Cash on Hand: 196.3

- FY18 Approved Budget: $79,074,579

- FY19 Proposed Budget: $81,523,350
  - NPR growth: 3.1%; $2,448,771

- Health Reform Investments:
  - Requested $379,842 = 0.5% for FY19 (0.4% allowance = $316,298)
  - Participating in Medicaid ACO program in 2018

- FY19 Rate Request: 3.6% (estimated value of 1% rate increase = $649,294)

- Decision Points:
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?
Northeastern Vermont Regional Hospital

Financial Indicators:
- FY19 Operating Margin: 1.7%
- FY19 Days Cash on Hand: 122.3

FY18 Approved Budget: $77,077,400

Proposed Adjustment to FY18 Base:
- Increase by $129,700 for provider transfer (approved)

FY19 Proposed Budget: $80,938,697
- NPR growth without proposed adjustment: 5.0%; $3,861,297
- NPR growth with proposed adjustment: 4.8%; $3,731,597

Health Reform Investments:
-Requested $300,000 = 0.4% for FY19 (0.4% allowance = $308,310)
- Not participating in ACO programs in 2018

FY19 Rate Request: 4.0% (estimated value of 1% rate increase = $384,400)

Decision Points:
- Accept proposed adjustment to FY18 Base NPR?
- Accept proposed health reform investments?
- Accept proposed NPR?
- Accept proposed rate increase?
Northwestern Medical Center

- Financial Indicators:
  - FY19 Operating Margin: 2.3%
  - FY19 Days Cash on Hand: 306.5
- FY18 Approved Budget: $106,128,223
- Proposed Adjustment to FY18 Base:
  - Increase by $3,249,654 for provider transfers (approved)
- **FY19 Proposed Budget: $112,773,980**
  - NPR growth without proposed adjustment: 6.3%; $6,645,757
  - NPR growth with proposed adjustment: 3.2%; $3,396,103
- Health Reform Investments:
  - Requested $424,513 = 0.4% for FY19 (0.4% allowance = $424,513)
  - Participating in all 3 ACO programs in 2018
- **FY19 Rate Request: 2.0%** (estimated value of 1% rate increase = $529,558)
- Decision Points:
  - Accept proposed adjustments to FY18 Base NPR?
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?
Porter Medical Center

- **Financial Indicators:**
  - FY19 Operating Margin: 3.7%
  - FY19 Days Cash on Hand: 133.0

- **FY18 Approved Budget $78,348,499; rebased to $80,862,127 for FY19 purposes**

- **Proposed Adjustments to FY18 rebased budget:**
  - Increase by $1,067,391 for ACO accounting change

- **FY19 Proposed Budget $84,530,515**
  - NPR growth without proposed adjustment: 4.5%; $3,668,387
  - NPR growth with proposed adjustment: 3.2%; $2,600,996

- **Health Reform Investments:**
  - Requested $335,000 = 0.4% for FY19 (0.4% allowance = $323,449)
  - Participating in all 3 ACO programs in 2018

- **FY19 Rate Request: 2.8% for commercial; -1.0% overall (estimated value of 1% rate increase = $396,963)**

- **Decision Points:**
  - Accept proposed adjustment to FY18 Base NPR?
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?
Rutland Regional Medical Center

- **Financial Indicators:**
  - FY19 Operating Margin: 2.3%
  - FY19 Days Cash on Hand: 205.7
- **FY18 Approved Budget:** $250,963,330
- **FY19 Proposed Budget:** $258,925,111
  - NPR growth in submitted budget: 3.2%; $7,961,781
  - Revised NPR growth from 8-27-18 presentation: 3.1%
- **Health Reform Investments:**
  - Requested $1,012,440 = 0.4% for FY19 (0.4% allowance = $1,003,853)
  - Not participating in ACO programs in 2018
- **FY19 Rate Request:**
  - 3.0% in submitted budget (estimated value of 1% rate increase = $829,651)
  - Revised rate request from 8-27-18 presentation: 2.6%
- **Decision Points:**
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?
Southwestern Vermont Medical Center

- **Financial Indicators:**
  - FY19 Operating Margin: 3.6%
  - FY19 Days Cash on Hand: 46.3 (180-189 with Parent Organization)

- FY18 Approved Budget: $159,497,504

- Proposed Adjustment to FY18 rebased budget:
  - Increase by $581,310 for dental home CON project

- **FY19 Proposed Budget: $165,201,876**
  - NPR growth without proposed adjustment: 3.6%; $5,703,872
  - NPR growth with proposed adjustment: 3.2%; $5,122,562

- **Health Reform Investments:**
  - Requesting $1,792,236 = 1.1% for FY19 (0.4% allowance = $637,990)
  - Participating in Medicaid ACO program in 2018

- **FY19 Rate Request: 3.2%** (estimated value of 1% rate increase = $811,177)

- **Decision Points:**
  - Accept proposed adjustment to FY18 Base NPR?
  - Accept proposed health reform investments?
  - Accept proposed NPR?
  - Accept proposed rate increase?
Springfield Hospital

- Financial Indicators:
  - FY19 Operating Margin: 1.3% (projected FY18 operating loss)
  - FY19 Days Cash on Hand: 106.8
- FY 2018 Approved Budget: $59,375,198
- **FY 2019 Proposed Budget: $59,996,953**
  - NPR growth: 1.0%; $621,755
- Health Reform Investments:
  - Requested $0 for FY19 (0.4% allowance = $237,501)
  - Participating in all 3 ACO programs in 2018
- **FY19 Rate Request: 5.0%** (estimated value of 1% rate increase = $318,779)
- Decision Points:
  - Accept proposed NPR?
  - Accept proposed rate increase?
Financial Indicators:
- FY19 Operating Margin: 2.8%
- FY19 Days Cash on Hand: 192.4

FY18 Approved Budget: $1,209,654,762; rebased to $1,252,297,020 for FY19 purposes

Proposed Adjustments to FY18 rebased budget:
- Increase by $7,919,705 for ACO accounting change

FY19 Proposed Budget: $1,273,460,046
- NPR growth without adjustment: 1.7%; $21,163,026
- NPR growth with adjustment: 1.1%; $13,243,321

Health Reform Investments:
- Requested $8,572,000 = 0.7% in FY19 (0.4% allowance = $5,009,188)
- Participating in all 3 ACO programs in 2018

FY19 Rate Request: 4.0% commercial; 3.0% overall (estimated value of 1% commercial rate increase = $4,500,353; 1% overall rate increase = $6,337,346)

Decision Points:
- Accept proposed adjustment to FY18 Base NPR?
- Accept proposed health reform investments?
- Accept proposed NPR?
- Accept proposed rate increase?