

The University of Vermont Medical Center

FY 2019 Actual Audited Financial Results Analysis

Report Date: 2/18/2020

INCOME STATEMENT	FY2018A	FY2019B	FY2019A	FY2020B	2019B -	2019B - 2019A	2018A - 2019A	2019B - 2020B	2019A - 2020B
					2020B \$ Chg	% Chg	% Chg	% Chg	% Chg
Revenues									
Gross Patient Care Revenue	2,703,898,960	2,785,724,814	2,877,767,129	2,965,263,597	179,538,783	3.3%	6.4%	6.4%	3.0%
Disproportionate Share Payments	13,016,392	10,592,241	10,984,363	11,352,235	759,994	3.7%	-15.6%	7.2%	3.3%
Bad Debt	(29,309,366)	(28,834,737)	(32,400,668)	(28,504,203)	330,534	12.4%	10.5%	-1.1%	-12.0%
Free Care	(18,396,010)	(20,131,012)	(18,150,130)	(18,769,732)	1,361,280	-9.8%	-1.3%	-6.8%	3.4%
Deductions from Revenue	(1,563,660,475)	(1,696,738,531)	(1,726,450,614)	(1,842,549,479)	(145,810,948)	1.8%	10.4%	8.6%	6.7%
Graduate Medical Education	30,000,000	30,000,000	30,000,000	30,000,000	0	0.0%	0.0%	0.0%	0.0%
Net Patient Care Revenue	1,135,549,501	1,080,612,775	1,141,750,080	1,116,792,418	36,179,643	5.7%	0.5%	3.3%	-2.2%
Fixed Prospective Payments	116,287,643	189,023,262	141,423,105	227,523,151	38,499,889	-25.2%	21.6%	20.4%	60.9%
Reserves	0	0	0	0		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	2,199,365	3,824,010	2,061,007	3,810,134		-46.1%	-6.3%	-0.4%	84.9%
Fixed Prospective Payments and Reserves	118,487,009	192,847,272	143,484,113	231,333,286		-25.6%	21.1%	20.0%	61.2%
Net Patient Care Revenue & Fixed Payments & Reserves	1,254,036,509	1,273,460,046	1,285,234,193	1,348,125,703	74,665,657	0.9%	2.5%	5.9%	4.9%
Other Operating Revenue	109,480,250	105,693,036	151,116,011	143,711,911	38,018,875	43.0%	38.0%	36.0%	-4.9%
Total Operating Revenue	1,363,516,759	1,379,153,082	1,436,350,203	1,491,837,614	112,684,532	4.1%	5.3%	8.2%	3.9%
Expenses									
Salaries Non MD	428,584,103	441,769,904	455,626,262	490,036,135	48,266,231	3.1%	6.3%	10.9%	7.6%
Fringe Benefits Non MD	119,584,248	125,471,878	125,089,269	124,896,308	(575,570)	-0.3%	4.6%	-0.5%	-0.2%
Physician Fees, Salaries, Contracts	179,329,483	172,174,147	185,732,939	182,305,429	10,131,281	7.9%	3.6%	5.9%	-1.8%
Fringe Benefits MD	29,740,096	31,449,290	31,018,327	33,721,665	2,272,375	-1.4%	4.3%	7.2%	8.7%
Health Care Provider Tax	69,819,963	72,734,280	72,231,105	77,080,026	4,345,746	-0.7%	3.5%	6.0%	6.7%
Depreciation & Amortization	48,958,761	52,791,794	52,395,119	65,321,341	12,529,547	-0.8%	7.0%	23.7%	24.7%
Interest - Long Term & Short Term	13,668,325	16,796,030	14,740,992	17,362,231	566,201	-12.2%	7.8%	3.4%	17.8%
Other Operating Expense	427,704,337	426,721,734	468,108,630	454,739,452	28,017,718	9.7%	9.4%	6.6%	-2.9%
Total Operating Expense	1,317,389,315	1,339,909,058	1,404,942,642	1,445,462,587	105,553,530	4.9%	6.6%	7.9%	2.9%
Net Operating Income (Loss)	46,127,444	39,244,024	31,407,561	46,375,027	7,131,003	-20.0%	-31.9%	18.2%	47.7%
Non-Operating Revenue	25,154,357	32,931,772	34,396,196	18,218,325	(14,713,447)	4.4%	36.7%	-44.7%	-47.0%
Excess (Deficit) of Rev Over Exp	71,281,801	72,175,796	65,803,757	64,593,352	(7,582,444)	-8.8%	-7.7%	-10.5%	-1.8%
Benchmarks-Hospital									
Operating Margin%	3.4%	2.8%	2.2%	3.1%					
Total Margin %	5.1%	5.1%	4.5%	4.3%					
EBIDA %	8.0%	7.9%	6.9%	8.7%					
Cost per Adjusted Admission	20,036	21,044	20,828	22,148					
OBSERVATIONS:									

Fiscal Year 2020 Budget Analysis									
The University of Vermont Medical Center									
NET PAYER REVENUE CHANGES - PAYERS		FY2018A	FY2019B	FY2019A	FY2020B	2018A - 2019A % Chg	2019B - 2019A % Chg	2019B - 2020B % Chg	2019A - 2020B % Chg
All Payers	Gross Patient Care Revenue	2,703,898,960	2,785,724,814	2,877,767,129	2,965,263,597	6.4%	3.3%	6.4%	3.0%
	Contractual Allowances	-1,563,660,475	-1,696,738,531	-1,726,450,614	-1,842,549,479	10.4%	1.8%	8.6%	6.7%
	Bad Debt	-29,309,366	-28,834,737	-32,400,668	-28,504,203	10.5%	12.4%	-1.1%	-12.0%
	Free Care	-18,396,010	-20,131,012	-18,150,130	-18,769,732	-1.3%	-9.8%	-6.8%	3.4%
	Graduate Medical Education Payments	30,000,000	30,000,000	30,000,000	30,000,000	0.0%	0.0%	0.0%	0.0%
	Disproportionate Share Payments	13,016,392	10,592,241	10,984,363	11,352,235	-15.6%	3.7%	7.2%	3.3%
	Net Payer Revenue	1,135,549,501	1,080,612,775	1,141,750,080	1,116,792,418	0.5%	5.7%	3.3%	-2.2%
	Fixed Prospective Payments	116,287,643	189,023,262	141,423,105	227,523,151	21.6%	-25.2%	20.4%	60.9%
	Reserves - Risk Portion	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	2,199,365	3,824,010	2,061,007	3,810,134	-6.3%	-46.1%	-0.4%	84.9%
	Fixed Prospective Payment & Reserves	118,487,009	192,847,272	143,484,113	231,333,286	21.1%	-25.6%	20.0%	61.2%
	Net Payer Revenue & Fixed Prospective Payments	1,254,036,509	1,273,460,046	1,285,234,193	1,348,125,703	2.5%	0.9%	5.9%	4.9%
Commercial	Gross Patient Care Revenue	1,110,326,585	1,156,098,184	1,136,966,934	1,212,306,947	2.4%	-1.7%	4.9%	6.6%
	Contractual Allowances	-345,918,445	-410,392,671	-336,079,339	-400,062,669	-2.8%	-18.1%	-2.5%	19.0%
	Bad Debt	-29,309,366	-25,878,324	-27,895,365	-24,968,708	-4.8%	7.8%	-3.5%	-10.5%
	Free Care	-18,396,010	-16,349,945	-13,886,054	-14,506,577	-24.5%	-15.1%	-11.3%	4.5%
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Net Payer Revenue	716,702,764	703,477,244	759,106,176	772,768,993	5.9%	7.9%	9.8%	1.8%
	Fixed Prospective Payments	0	45,457,685	-2,175,709	30,888,429	#DIV/0!	-104.8%	-32.1%	-1519.7%
	Reserves - Risk Portion	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	258,784	390,868	148,974	589,318	-42.4%	-61.9%	50.8%	295.6%
	Fixed Prospective Payment & Reserves	258,784	45,848,553	-2,026,735	31,477,746	-883.2%	-104.4%	-31.3%	-1653.1%
	Net Payer Revenue & Fixed Prospective Payments	716,961,547	749,325,797	757,079,441	804,246,739	5.6%	1.0%	7.3%	6.2%
Percentage of total		57%	59%	59%	60%				
Medicaid	Gross Patient Care Revenue	430,534,416	434,782,765	431,422,811	450,418,240	0.2%	-0.8%	3.6%	4.4%
	Contractual Allowances	-353,861,734	-356,004,027	-370,682,285	-398,446,238	4.8%	4.1%	11.9%	7.5%
	Bad Debt	0	-86,000	-200,574	-257,937	#DIV/0!	133.2%	199.9%	28.6%
	Free Care	0	-338,736	-176,457	-464,245	#DIV/0!	-47.9%	37.1%	163.1%
	Graduate Medical Education Payments	10,388,672	10,397,892	10,385,961	10,345,508	0.0%	-0.1%	-0.5%	-0.4%
	Net Payer Revenue	106,672,682	88,751,894	70,749,457	61,595,329	-33.7%	-20.3%	-30.6%	-12.9%
	Fixed Prospective Payments	31,482,463	27,911,857	37,500,890	52,138,338	19.1%	34.4%	86.8%	39.0%
	Reserves - Risk Portion	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	635,084	791,637	407,843	944,950	-35.8%	-48.5%	19.4%	131.7%
	Fixed Prospective Payment & Reserves	32,117,548	28,703,494	37,908,733	53,083,288	18.0%	32.1%	84.9%	40.0%
	Net Payer Revenue & Fixed Prospective Payments	138,790,230	137,057,496	128,272,229	134,333,109	-7.6%	-6.4%	-2.0%	4.7%
Percentage of total		11%	11%	10%	10%				
Medicare	Gross Patient Care Revenue	1,163,037,959	1,194,843,865	1,309,377,384	1,302,538,410	12.6%	9.6%	9.0%	-0.5%
	Contractual Allowances	-863,880,296	-930,341,832	-1,019,688,991	-1,044,040,572	18.0%	9.6%	12.2%	2.4%
	Bad Debt	0	-2,870,413	-4,304,730	-3,277,558	#DIV/0!	50.0%	14.2%	-23.9%
	Free Care	0	-3,442,331	-4,087,619	-3,798,910	#DIV/0!	18.7%	10.4%	-7.1%
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Net Payer Revenue	299,157,663	258,189,288	281,296,045	251,421,370	-6.0%	8.9%	-2.6%	-10.6%
	Fixed Prospective Payments	84,805,180	115,653,720	106,097,924	144,496,384	25.1%	-8.3%	24.9%	36.2%
	Reserves - Risk Portion	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	1,305,498	2,641,505	1,504,190	2,275,866	15.2%	-43.1%	-13.8%	51.3%
	Fixed Prospective Payment & Reserves	86,110,678	118,295,224	107,602,115	146,772,251	25.0%	-9.0%	24.1%	36.4%
	Net Payer Revenue & Fixed Prospective Payments	385,268,340	376,484,512	388,898,159	398,193,621	0.9%	3.3%	5.8%	2.4%
Percentage of total		31%	30%	30%	30%				
Percentage of total	Disproportionate Share Payments	13,016,392	10,592,241	10,984,363	11,352,235	-15.6%	3.7%	7.2%	3.3%
Percentage of total									
	NPR & FPP to Gross Commercial (no dsh)	65%	65%	67%	66%				
	NPR & FPP to Gross Medicaid (no dsh)	32%	32%	30%	30%				
	NPR & FPP to Gross Medicare (no dsh)	33%	32%	30%	31%				
	NPR & FPP to Gross All (no dsh)	46%	45%	44%	45%				
Observations:									

FY 2019 Actual Audited Financial Results Analysis

The University of Vermont Medical Center

UTILIZATION & STAFFING	FY2018A	FY2019B	FY2019A	FY2020B	2018A-2019A	2019B-2019A	2019B-2020B	2019A-2020B
UTILIZATION								
Adjusted Admissions	65,752	63,673	67,454	65,264	2.6%	5.9%	2.5%	-3.2%
Acute Admissions	19,763	19,489	20,539	20,032	3.9%	5.4%	2.8%	-2.5%
Acute Average Length Of Stay	5.7	5.7	5.8	5.7	1.5%	1.4%	-0.2%	-1.6%
All Operating Room Procedure	20,850	20,834	20,470	21,107	-1.8%	-1.7%	1.3%	3.1%
Tests	2,522,585	2,463,080	2,505,132	2,440,712	-0.7%	1.7%	-0.9%	-2.6%
Emergency Room Visits	59,820	59,979	60,584	59,555	1.3%	1.0%	-0.7%	-1.7%
CT Scan, Radiology - Diagnostic	232,899	231,527	241,462	236,513	3.7%	4.3%	2.2%	-2.0%
Exams	49,166	47,246	50,915	49,369	3.6%	7.8%	4.5%	-3.0%
Provider Work RVU	2,781,994	2,896,847	2,828,155	2,922,898	1.7%	-2.4%	0.9%	3.3%
Physician Office Visits	737,642	794,950	749,847	771,807	1.7%	-5.7%	-2.9%	2.9%
Clinic Visits	1,320,214	1,341,979	1,277,507	1,358,363	-3.2%	-4.8%	1.2%	6.3%
STAFFING								
Non-MD FTEs	5,666	5,759	5,883	6,068	217.6	124.5	309.0	184.5
Travelers, Travelers MD	92	0	124	0	31.8	123.9	0.0	(123.9)
Residents & Fellows	340	344	338	353	(1.9)	(5.3)	9.5	14.8
MLPs	211	231	220	240	9.1	(10.5)	9.6	20.1
Physician FTEs	613	601	606	629	(6.4)	5.0	27.6	22.6
Total FTEs	6,922	6,935	7,172	7,290	250.1	237.7	355.7	118.0
Benchmark-Central Vermont Medical Center								
Salary per FTE - Non-MD	68,934	69,753	70,726	73,563	2.6%	1.4%	5.5%	4.0%
Salary & Benefits per FTE - Non-MD	88,168	89,565	90,144	92,312	2.2%	0.6%	3.1%	2.4%
FTEs Per Adjusted Occupied Bed	6	6	6	7	-0.6%	-5.3%	2.8%	8.5%
FTEs per 100 Adj Discharges	9	10	10	10	1.0%	-4.0%	2.6%	6.9%
Benchmarks-Vermont System Averages								
Salary per FTE - Non-MD	66,067	67,435	70,572	70,085	6.8%	4.7%	3.9%	-0.7%
Salary & Benefits per FTE - Non-MD	84,930	86,796	90,767	89,722	6.9%	4.6%	3.4%	-1.2%
FTEs Per Adjusted Occupied Bed	6	6	6	6	-2.7%	-6.5%	1.7%	8.8%
FTEs per 100 Adj Discharges	7	8	7	8	-0.6%	-4.5%	2.1%	7.0%

OBSERVATIONS:

Fiscal Year 2020 Budget Analysis		The University of Vermont Medical Center							
BALANCE SHEET	FY2018A	FY2019B	FY2019A	FY2020B	2018A-2019A	2019B-2019A	2019P-2020B	2018A-2020B	
Cash & Investments	144,114,453	173,729,640	63,501,966	167,164,576	-55.9%	-63.4%	163.2%	16.0%	
Risk Reserve for Fixed Reform Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Other Current Assets	251,444,242	241,090,903	276,974,807	246,087,547	10.2%	14.9%	-11.2%	-2.1%	
Current Assets	395,558,695	414,820,543	340,476,773	413,252,122	-13.9%	-17.9%	21.4%	4.5%	
Board Designated Assets	626,030,442	571,933,692	629,357,482	632,636,553	0.5%	10.0%	0.5%	1.1%	
Net, Property, Plant And Equipment	583,951,817	634,350,883	646,093,130	645,678,156	10.6%	1.9%	-0.1%	10.6%	
Other Long-Term Assets	70,184,983	69,283,898	78,611,762	70,490,772	12.0%	13.5%	-10.3%	0.4%	
Assets	1,675,725,937	1,690,389,016	1,694,539,147	1,762,057,603	1.1%	0.2%	4.0%	5.2%	
Current Liabilities	218,962,743	201,254,016	190,390,912	191,063,735	-13.0%	-5.4%	0.4%	-12.7%	
Long Term Liabilities	472,646,118	430,754,926	452,873,347	441,458,405	-4.2%	5.1%	-2.5%	-6.6%	
Other Noncurrent Liabilities	14,121,247	13,453,348	18,008,291	39,033,461	27.5%	33.9%	116.8%	176.4%	
Fund Balance	969,995,829	1,044,926,726	1,033,266,598	1,090,502,003	6.5%	-1.1%	5.5%	12.4%	
Liabilities and Equities	1,675,725,937	1,690,389,016	1,694,539,147	1,762,057,603	1.1%	0.2%	4.0%	5.2%	
Benchmarks-Hospital					Change in Points				
Days Cash on Hand	201.65	192.36	169.38	192.67	(32.27)	(22.98)	23.29	(8.97)	
Days Receivable	46.00	48.04	50.17	50.79	4.17	2.14	0.62	4.79	
Days Payable	63.01	57.07	51.38	50.53	(11.63)	(5.69)	(0.85)	(12.48)	
Long Term Debt to Capitalization	0.33	0.29	0.30	0.29					
Debt Service Coverage Ratio	3.4	3.2	3.0	3.5	(0.4)	(0.2)	0.5	0.1	
Benchmarks-Vermont System Averages					Change in Points				
Days Cash on Hand	176	172	158	164	(18)	(14)	6	(12)	
Days Receivable	43	44	46	47	3	2	1	4	
Days Payable	63	54	54	54	(10)	(1)	1	(9)	
Long Term Debt to Capitalization	0	0	0	0					
Debt Service Coverage Ratio	2.4	3.6	3.1	3.4	0.7	(0.5)	0.3	1.0	
OBSERVATIONS:									