

The University of Vermont Medical Center

Fiscal Year 2021 Budget Analysis

Report Date: 8/2/2020

QUESTIONS

TECHNICAL QUESTIONS:

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

In order to minimize the financial impact of stopping elective services to ensure we had enough capacity to care for COVID patients and to slow the spread of the virus, we reduced staffing and paused all physician recruitment efforts. At its peak, we were down 620 staff through furloughs, reduced hours and not replacing vacated positions from our pre-COVID levels. With volumes starting to approach pre-COVID levels, we are now down only 200 staff, with most of the clinical staff that were furloughed having been called back. By pausing physician recruitments efforts and not replacing positions that were vacated, we are currently down 5 positions. We will only get back to pre-COVID staffing and physician levels if our volumes necessitate being at those levels.

The University of Vermont Medical Center

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Fiscal Year 2021 Budget Analysis	GMCB Data Entry						Hospital Data Entry						
	INCOME STATEMENT	2019 A	2020 B	1st Qtr FY20	2nd Qtr FY20	3rd Qtr FY20	4th Qtr FY20 Projected	2020 PROJ	2021 B	2019A-2020P	2020B-2020P	2020B-2021B	2020P-2021B
Revenues													
Gross Patient Care Revenue	\$2,877,767,129	\$2,965,263,597	\$753,213,172	\$688,150,620	\$548,338,730	\$724,039,200	\$2,713,741,722	\$3,327,313,496		-5.7%	-8.5%	12.2%	22.6%
Disproportionate Share Payments	\$10,984,363	\$11,352,235	\$2,815,068	\$2,815,067	\$2,815,067	\$3,676,009	\$12,121,212	\$11,214,283		10.3%	6.8%	-1.2%	-7.5%
Graduate Medical Education (UVMCM only)	\$30,000,000	\$30,000,000	\$7,500,000	\$7,500,000	\$7,500,000	\$9,793,753	\$32,293,753	\$30,000,000		7.6%	7.6%	0.0%	-7.1%
Bad Debt	-\$32,400,668	-\$28,504,203	-\$9,027,604	-\$6,922,451	-\$5,415,391	-\$7,071,600	-\$28,437,045	-\$35,877,811		-12.2%	-0.2%	25.9%	26.2%
Free Care	-\$18,150,130	-\$18,769,732	-\$6,427,034	-\$5,168,616	-\$3,773,067	-\$4,926,998	-\$20,295,714	-\$23,305,651		11.8%	8.1%	24.2%	14.8%
Deductions from Revenue	-\$1,726,450,614	-\$1,842,549,479	-\$452,157,319	-\$429,477,373	-\$341,002,872	-\$449,793,047	-\$1,672,430,611	-\$2,112,791,360		-3.1%	-9.2%	14.7%	26.3%
Net Patient Care Revenue	\$1,141,750,080	\$1,116,792,418	\$295,916,283	\$256,897,248	\$208,462,468	\$275,717,319	\$1,036,993,317	\$1,196,552,958		-9.2%	-7.1%	7.1%	15.4%
Fixed Prospective Payments, Reserves & Other													
Fixed Prospective Payments	\$143,484,113	\$231,333,286	\$37,535,199	\$42,906,677	\$47,943,672	\$47,943,672	\$176,329,220	\$225,974,440		22.9%	-23.8%	-2.3%	28.2%
Reserves					\$0	\$0	\$0	\$0		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments			\$919,090	\$409,402	\$370,932	\$370,932	\$2,070,356	\$2,446,934		#DIV/0!	#DIV/0!	#DIV/0!	18.2%
Fixed Prospective Payments, Reserves & Other	\$143,484,113	\$231,333,286	\$38,454,289	\$43,316,079	\$48,314,604	\$48,314,604	\$178,399,576	\$228,421,374		24.3%	-22.9%	-1.3%	28.0%
Total NPR & FPP	\$1,285,234,193	\$1,348,125,703	\$333,451,481	\$299,803,925	\$256,777,072	\$324,031,923	\$1,215,392,893	\$1,424,974,332		-5.4%	-9.8%	5.7%	17.2%
COVID-19 Stimulus and Other Grant Funding			\$0	\$0	\$25,311,279	\$13,290,913	\$38,602,192	\$0		#DIV/0!	#DIV/0!	#DIV/0!	
Other	\$151,116,011	\$143,711,911	\$41,451,474	\$41,507,259	\$51,029,315	\$51,029,315	\$185,017,363	\$186,051,743		22.4%	28.7%	29.5%	0.6%
Other Operating Revenue	\$151,116,011	\$143,711,911	\$41,451,474	\$41,507,259	\$76,340,594	\$64,320,228	\$223,619,555	\$186,051,743		48.0%	55.6%	29.5%	-16.8%
Total Operating Revenue	\$1,436,350,203	\$1,491,837,614	\$375,822,046	\$341,720,586	\$333,117,666	\$388,352,151	\$1,439,012,448	\$1,611,026,075		0.2%	-3.5%	8.0%	12.0%
Expenses													
Salaries, Fringe Benefits, Physician Fees, Contracts	\$797,466,797	\$830,959,537	\$215,888,295	\$217,739,571	\$191,879,227	\$191,879,227	\$817,386,320	\$889,402,667		2.5%	-1.6%	7.0%	8.8%
Medical/Surgical Drugs and Supplies	\$224,933,434	\$225,628,356	\$64,017,636	\$64,238,145	\$58,682,176	\$58,682,176	\$245,620,134	\$283,508,116		9.2%	8.9%	25.7%	15.4%
Health Care Provider Tax	\$72,231,105	\$77,080,026	\$18,474,595	\$18,474,595	\$18,344,999	\$18,344,999	\$73,639,187	\$82,020,106		1.9%	-4.5%	6.4%	11.4%
Depreciation/Amortization	\$52,395,119	\$65,321,341	\$16,015,070	\$16,805,080	\$16,608,812	\$16,608,812	\$66,037,775	\$64,112,613		26.0%	1.1%	-1.9%	-2.9%
Interest - Short and Long Term	\$14,740,992	\$17,362,231	\$4,241,894	\$4,612,310	\$4,400,419	\$4,400,419	\$17,655,041	\$17,109,699		19.8%	1.7%	-1.5%	-3.1%
Other Operating Expenses (includes ACO Participation Fees)	\$243,175,196	\$229,111,096	\$54,439,977	\$53,105,216	\$57,645,605	\$57,645,605	\$222,836,404	\$234,597,222		-8.4%	-2.7%	2.4%	5.3%
Operating Expense	\$1,404,942,642	\$1,445,462,587	\$373,077,467	\$374,974,917	\$347,561,238	\$347,561,238	\$1,443,174,861	\$1,570,750,423		2.7%	-0.2%	8.7%	8.8%
Net Operating Income	\$31,407,561	\$46,375,027	\$2,744,578	-\$33,254,332	-\$14,443,573	\$40,790,912	-\$4,162,414	\$40,275,652		-113.3%	-109.0%	-13.2%	-1067.6%
Non Operating Revenue	\$34,396,196	\$18,218,325	-\$19,625,696	-\$73,387,184	\$53,844,364	-\$3,544,027	-\$42,712,543	\$13,857,219		-224.2%	-334.4%	-23.9%	-132.4%
Excess (Deficit) of Rev over Exp	\$65,803,757	\$64,593,352	-\$16,881,118	-\$106,641,516	\$39,400,792	\$37,246,885	-\$46,874,956	\$54,132,871		-171.2%	-172.6%	-16.2%	-215.5%
Income Statement Metrics													
Operating Margin %	2.2%	3.1%	0.7%	-9.7%	-4.3%	10.5%	-0.3%	2.5%					
Total Margin %	4.5%	4.3%	-4.7%	-39.7%	10.2%	9.7%	-3.4%	3.3%					

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Fiscal Year 2021 Budget Analysis									
	GMCB Data Entry		Hospital Data Entry						
BALANCE SHEET	2019 A	2020 B	2020 PROJ	2021 B	2019A-2020P	2020B-2020P	2020B-2021B	2020P-2021B	
Cash & Investments	\$63,501,966	\$167,164,576	\$219,623,872	\$245,049,988	245.9%	31.4%	46.6%	11.6%	
Net Patient Accounts Receivable	\$156,943,724	\$155,398,542	\$160,188,263	\$160,188,263	2.1%	3.1%	3.1%	0.0%	
ACO Risk Reserve/Settlement Receivable	\$0	\$0			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Other Current Assets	\$120,031,083	\$90,689,005	\$116,307,813	\$116,307,813	-3.1%	28.2%	28.2%	0.0%	
Current Assets	\$340,476,773	\$413,252,122	\$496,119,948	\$521,546,064	45.7%	20.1%	26.2%	5.1%	
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Board Designated Assets	\$629,357,482	\$632,636,553	\$512,417,087	\$516,577,841	-18.6%	-19.0%	-18.3%	0.8%	
Net, Property, Plant And Equipment	\$646,093,130	\$645,678,156	\$630,564,296	\$646,684,466	-2.4%	-2.3%	0.2%	2.6%	
Other Long-Term Assets	\$78,611,762	\$70,490,772	\$142,233,196	\$142,233,196	80.9%	101.8%	101.8%	0.0%	
Assets	\$1,694,539,147	\$1,762,057,603	\$1,781,334,527	\$1,827,041,567	5.1%	1.1%	3.7%	2.6%	
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Accounts Payable	\$29,281,370	\$37,809,999	\$35,717,005	\$35,717,005	22.0%	-5.5%	-5.5%	0.0%	
Salaries, Wages And Payroll Taxes Payable	\$85,294,849	\$74,436,106	\$88,103,110	\$88,103,110	3.3%	18.4%	18.4%	0.0%	
ACO Risk Reserve/Settlement Payable	\$0	\$0		\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
COVID-19 Funding Short-Term Liabilities			\$75,362,994	\$21,500,000	#DIV/0!	#DIV/0!	#DIV/0!	-71.5%	
Other Current Liabilities	\$75,814,693	\$78,817,630	\$66,822,766	\$67,936,249	-11.9%	-15.2%	-13.8%	1.7%	
Current Liabilities	\$190,390,912	\$191,063,735	\$266,005,876	\$213,256,364	39.7%	39.2%	11.6%	-19.8%	
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Long Term Liabilities	\$452,873,347	\$441,458,405	\$438,436,761	\$418,647,828	-3.2%	-0.7%	-5.2%	-4.5%	
Other Noncurrent Liabilities	\$18,008,291	\$39,033,461	\$69,469,463	\$69,469,463	285.8%	78.0%	78.0%	0.0%	
COVID-19 Funding Long-Term Liabilities				\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Fund Balance	\$1,033,266,598	\$1,090,502,003	\$1,007,422,427	\$1,125,667,911	-2.5%	-7.6%	3.2%	11.7%	
Liabilities and Equities	\$1,694,539,147	\$1,762,057,603	\$1,781,334,527	\$1,827,041,567	5.1%	1.1%	3.7%	2.6%	
Balance Sheet Metrics									
						Change in Points			
Days Cash on Hand	169.4	192.7	194.6	185.0	25.2	1.9	-7.7	-9.5	
Days Cash on Hand-COVID-19			174.5	179.8	174.5	174.5	179.8	5.3	
Debt Service Coverage Ratio	3.0	3.5	2.2	3.3	-1.3	-0.8	-0.2	1.1	
Long Term Debt to Capitalization	0.3	0.3	0.5	0.4	0.2	0.2	0.2	-0.0	
Days Payable	51.4	50.5	70.7	51.8	20.2	19.3	1.3	-18.9	
Days Receivable	50.2	50.8	56.5	48.9	5.7	6.4	-1.9	-7.7	

Budget Fiscal Year 2021		
COVID-19 Related Hospital Revenue Replacement Funding Sources FY20		
Total Funding Sources		
Funding Sources	Amount	% of Total
Medicare Advance Funding	\$ 60,362,994	53.0%
State Funding		0.0%
Federal Funding	\$ 30,002,192	26.3%
FEMA Funding	\$ 6,000,000	5.3%
Other Programs	\$ 2,600,000	2.3%
ER Social Security Tax Deferral	\$ 15,000,000	13.2%
Other (Please Specify)		0.0%
TOTAL:	\$ 113,965,186	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	\$ 60,362,994	80.1%
State Funding		0.0%
Federal Funding		0.0%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
Other (Please Specify)	\$ 15,000,000	19.9%
Other (Please Specify)		0.0%
TOTAL:	\$ 75,362,994	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
Other (Please Specify)		0.0%
State Funding		0.0%
Federal Funding	\$ 30,002,192	77.7%
FEMA Funding	\$ 6,000,000	15.5%
Other Programs	\$ 2,600,000	6.7%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
TOTAL:	\$ 38,602,192	100%

Fiscal Year 2021 Budget Analysis		The University of Vermont Medical Center					
CHANGE IN CHARGE AND NET PATIENT REVENUE INCREASE							
Change in charge is the average change in price for services provided.					Standard Request		COVID-19
	FY2018	FY2019	FY2020	FY2021			
Approved % Change in Charge	0.0%	3.0%	3.0%	n/a			n/a
Commercial Approved % Change in Charge	0.7%	2.5%	3.5%	n/a			n/a
Submitted % Change in Charge	0.0%	3.0%	3.0%	7.97%			
Commercial Submitted % Change in Charge	0.7%	4.0%	4.0%	7.97%			
	Hospital Inpatient Change in Gross Charges			8.5%			0.0%
	Hospital Outpatient Change in Gross Charges			8.5%			0.0%
	Professional Services Change in Gross Charges			6.0%			0.0%
	Primary Care Change in Gross Charges			8.8%			0.0%
	Specialty Care Change in Gross Charges			5.5%			0.0%
	Skilled Nursing Facility Change in Gross Charges			0.0%			0.0%
	Other (please specify)						
	Other (please specify)						
Net Patient Revenue Change Due to Charge Request				Dollar Value	Value of 1% Charge	Dollar Value	Value of 1% Charge
Commercial				\$ 37,697,288	4,729,898		0%
Medicaid				\$ -	0%		0%
Medicare				\$ 3,819,615	4,244,017		0%
Total Change Due to Charge Request				\$ 41,516,903	0%	\$ -	0%

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Fiscal Year 2021 Budget Analysis

Payer Mix	2019 A	2020 B	2020 PROJ	2021 B	2019A-2020P	2020B-2020P	2020B-2021B	2020P-2021B
Gross Patient Revenue								
Medicare	\$1,309,377,384	\$1,302,538,410	1,225,644,744.0	1,470,134,358.0	-6.4%	-5.9%	12.9%	19.9%
Medicaid	\$431,422,811	\$450,418,240	423,880,107.9	476,227,425.1	-1.7%	-5.9%	5.7%	12.3%
Commercial	\$791,891,585	\$832,596,418	696,996,543.0	877,743,825.8	-12.0%	-16.3%	5.4%	25.9%
Self-Pay/Other/WC	\$345,075,349	\$379,710,529	367,220,327.6	503,207,887.6	6.4%	-3.3%	32.5%	37.0%
Total Gross Patient Revenue	\$2,877,767,129	\$2,965,263,597	2,713,741,722.5	3,327,313,496.5	-5.7%	-8.5%	12.2%	22.6%
Net Patient Revenue/Fixed Prospective Payments								
Medicare	\$388,898,159	\$398,193,621	381,483,601.0	413,783,620.9	-1.9%	-4.2%	3.9%	8.5%
Medicaid	\$128,272,229	\$134,333,109	139,447,985.5	130,111,884.4	8.7%	3.8%	-3.1%	-6.7%
Commercial	\$584,766,048	\$623,716,321	536,205,383.1	662,037,454.9	-8.3%	-14.0%	6.1%	23.5%
Self-Pay/Other/WC	\$172,313,393	\$180,530,418	146,134,711.1	207,827,089.0	-15.2%	-19.1%	15.1%	42.2%
Total NPR & FPP	\$1,274,249,829	\$1,336,773,469	1,203,271,680.7	1,413,760,049.2	-5.6%	-10.0%	5.8%	17.5%
Reimbursement Ratio								
Medicare	30%	31%	31%	28%				
Medicaid	30%	30%	33%	27%				
Commercial	74%	75%	77%	75%				
Self-Pay/Other/WC	50%	48%	40%	41%				
Total Reimbursement Ratio	44%	45%	44%	42%				

NOTE: Bad Debt and Charity are included in the "Self-Pay/Other/WC" category.