

**North Country Hospital**  
**Fiscal Year 2021 Budget Analysis**  
**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.

North Country Hospital

North Country Hospital												
Brian Nall												
Tracey Paul												
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
<b>Revenues</b>												
<b>Gross Patient Care Revenue</b>	\$191,002,248	\$199,661,481	\$48,256,132	\$47,110,906	\$38,058,491	\$44,475,177	\$177,900,706	\$202,715,312	-6.9%	-10.9%	1.5%	13.9%
Disproportionate Share Payments	\$886,086	\$906,720	\$226,679	\$226,678	\$195,187	\$216,181	\$864,725	\$906,713	-2.4%	-4.6%	-0.0%	4.9%
Graduate Medical Education (UVMCM only)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Bad Debt	-\$3,582,373	-\$4,491,912	-\$992,692	-\$664,863	-\$1,266,229	-\$974,595	-\$3,898,379	-\$3,063,212	8.8%	-13.2%	-31.8%	-21.4%
Free Care	-\$1,562,324	-\$1,826,157	-\$416,800	-\$400,798	-\$228,861	-\$348,820	-\$1,395,279	-\$1,754,951	-10.7%	-23.6%	-3.9%	25.8%
Deductions from Revenue	-\$112,251,783	-\$116,876,281	-\$28,802,027	-\$29,424,845	-\$22,652,665	-\$26,359,846	-\$107,239,383	-\$123,101,957	-4.5%	-8.2%	5.3%	14.8%
<b>Net Patient Care Revenue</b>	\$74,491,854	\$77,373,851	\$18,271,292	\$16,847,078	\$14,105,923	\$17,008,097	\$66,232,390	\$75,701,905	-11.1%	-14.4%	-2.2%	14.3%
<b>Fixed Prospective Payments, Reserves &amp; Other</b>												
Fixed Prospective Payments	\$6,143,063	\$6,249,398	\$1,301,122	\$2,441,659	\$2,120,579	\$1,954,453	\$7,817,813	\$7,035,060	27.3%	25.1%	12.6%	-10.0%
Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Fixed Prospective Payments, Reserves &amp; Other</b>	\$6,143,063	\$6,249,398	\$1,301,122	\$2,441,659	\$2,120,579	\$1,954,453	\$7,817,813	\$7,035,060	27.3%	25.1%	12.6%	-10.0%
<b>Total NPR &amp; FPP</b>	\$80,634,917	\$83,623,249	\$19,572,414	\$19,288,737	\$16,226,502	\$18,962,550	\$74,050,203	\$82,736,965	-8.2%	-11.4%	-1.1%	11.7%
<b>COVID-19 Stimulus and Other Grant Funding</b>												
Other	\$7,039,780	\$6,477,173	\$2,215,333	\$1,523,239	\$4,328,238	\$0	\$4,328,238	\$0	#DIV/0!	#DIV/0!	#DIV/0!	4.6%
<b>Other Operating Revenue</b>	\$7,039,780	\$6,477,173	\$2,215,333	\$1,523,239	\$6,073,965	\$1,828,100	\$11,640,637	\$7,649,920	65.4%	79.7%	18.1%	-34.3%
<b>Total Operating Revenue</b>	\$87,674,697	\$90,100,422	\$21,787,747	\$20,811,976	\$22,300,467	\$20,790,650	\$85,690,840	\$90,386,885	-2.3%	-4.9%	0.3%	5.5%
<b>Expenses</b>												
Salaries, Fringe Benefits, Physician Fees, Contracts	\$51,070,374	\$52,284,770	\$14,274,156	\$14,403,015	\$12,661,179	\$13,779,450	\$55,117,800	\$55,410,287	7.9%	5.4%	6.0%	0.5%
Medical/Surgical Drugs and Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Health Care Provider Tax	\$4,555,652	\$4,692,876	\$1,173,219	\$1,173,219	\$1,265,291	\$1,203,910	\$4,815,639	\$4,880,591	5.7%	2.6%	4.0%	1.3%
Depreciation/Amortization	\$4,141,025	\$4,428,744	\$992,270	\$1,064,948	\$897,927	\$983,237	\$3,938,382	\$3,895,786	-4.9%	-11.1%	-12.0%	-1.1%
Interest - Short and Long Term	\$627,738	\$630,261	\$137,698	\$140,588	\$145,998	\$141,428	\$565,712	\$588,924	-9.9%	-10.2%	-6.6%	4.1%
Other Operating Expenses (includes ACO Participation Fees)	\$25,602,961	\$26,591,830	\$4,935,012	\$5,263,252	\$4,379,785	\$4,861,161	\$19,439,210	\$24,058,512	-24.1%	-26.9%	-9.5%	23.8%
<b>Operating Expense</b>	\$85,997,751	\$88,628,481	\$21,512,355	\$22,045,022	\$19,350,180	\$20,969,186	\$83,876,743	\$88,834,100	-2.5%	-5.4%	0.2%	5.9%
<b>Net Operating Income</b>	\$1,676,946	\$1,471,941	\$275,392	-\$1,233,046	\$2,950,287	-\$178,536	\$1,814,097	\$1,552,785	8.2%	23.2%	5.5%	-14.4%
<b>Non Operating Revenue</b>	\$940,204	\$1,351,149	\$9,497,602	\$200,449	-\$168,944	\$82,752	\$9,653,237	\$586,599	926.7%	614.4%	-56.6%	-93.9%
<b>Excess (Deficit) of Rev over Exp</b>	\$2,617,150	\$2,823,090	\$9,772,994	-\$1,032,597	\$2,781,343	-\$95,784	\$11,467,333	\$2,139,384	338.2%	306.2%	-24.2%	-81.3%
<b>Income Statement Metrics</b>												
Operating Margin %	1.9%	1.6%	1.3%	-5.9%	13.2%	-0.9%	2.1%	1.7%				
Total Margin %	3.0%	3.1%	31.2%	-4.9%	12.6%	-0.5%	12.0%	2.4%				

**North Country Hospital**

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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	\$2,700,132	\$3,280,300	\$16,000,000	\$2,060,094	492.6%	387.8%	-37.2%	-87.1%
Net Patient Accounts Receivable	\$6,639,926	\$8,045,757	\$7,300,000	\$7,300,000	9.9%	-9.3%	-9.3%	0.0%
<b>ACO Risk Reserve/Settlement Receivable</b>	\$0	\$0			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Current Assets	\$4,095,408	\$6,110,360	\$4,500,000	\$4,500,000	9.9%	-26.4%	-26.4%	0.0%
<b>Current Assets</b>	<b>\$13,435,465</b>	<b>\$17,436,417</b>	<b>\$27,800,000</b>	<b>\$13,860,094</b>	<b>106.9%</b>	<b>59.4%</b>	<b>-20.5%</b>	<b>-50.1%</b>
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Board Designated Assets	\$46,742,453	\$43,266,027	\$45,000,000	\$47,200,000	-3.7%	4.0%	9.1%	4.9%
Net, Property, Plant And Equipment	\$22,280,725	\$24,032,654	\$19,000,000	\$21,500,000	-14.7%	-20.9%	-10.5%	13.2%
Other Long-Term Assets	\$4,060,388	\$4,667,263	\$3,200,000	\$3,200,000	-21.2%	-31.4%	-31.4%	0.0%
<b>Assets</b>	<b>\$86,519,032</b>	<b>\$89,402,361</b>	<b>\$95,000,000</b>	<b>\$85,760,094</b>	<b>9.8%</b>	<b>6.3%</b>	<b>-4.1%</b>	<b>-9.7%</b>
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Accounts Payable	\$2,616,612	\$1,408,597	\$2,100,000	\$2,100,000	-19.7%	49.1%	49.1%	0.0%
Salaries, Wages And Payroll Taxes Payable	\$4,634,970	\$4,945,262	\$3,900,000	\$3,900,000	-15.9%	-21.1%	-21.1%	0.0%
<b>ACO Risk Reserve/Settlement Payable</b>	\$0	\$0	\$812,000	\$812,000	#DIV/0!	#DIV/0!	#DIV/0!	0.0%
<b>COVID-19 Funding Short-Term Liabilities</b>			\$9,300,155	\$0	#DIV/0!	#DIV/0!	#DIV/0!	-100.0%
Other Current Liabilities	\$6,078,671	\$9,398,243	\$5,600,000	\$5,600,000	-7.9%	-40.4%	-40.4%	0.0%
<b>Current Liabilities</b>	<b>\$13,330,253</b>	<b>\$15,752,102</b>	<b>\$21,712,155</b>	<b>\$12,412,000</b>	<b>62.9%</b>	<b>37.8%</b>	<b>-21.2%</b>	<b>-42.8%</b>
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Long Term Liabilities	\$17,582,747	\$15,893,196	\$17,200,000	\$17,200,000	-2.2%	8.2%	8.2%	0.0%
Other Noncurrent Liabilities	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>COVID-19 Funding Long-Term Liabilities</b>					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Fund Balance	\$55,404,693	\$57,757,063	\$56,087,845	\$56,148,094	1.2%	-2.9%	-2.8%	0.1%
<b>Liabilities and Equities</b>	<b>\$86,317,693</b>	<b>\$89,402,361</b>	<b>\$95,000,000</b>	<b>\$85,760,094</b>	<b>10.1%</b>	<b>6.3%</b>	<b>-4.1%</b>	<b>-9.7%</b>
<b>Balance Sheet Metrics</b>							<b>Change in Points</b>	
Days Cash on Hand	220.5	201.8	266.2	228.6	45.7	64.4	26.8	-37.6
<b>Days Cash on Hand-COVID-19</b>			225.6		225.6	225.6	0.0	-225.6
Debt Service Coverage Ratio	3.6	3.4		6.0	-3.4	-3.6	2.6	6.0
Long Term Debt to Capitalization	0.2	0.2		0.2	-0.2	-0.2	-0.0	0.2
Days Payable	59.4	68.3		16.0	-68.3	-59.4	-52.3	16.0
Days Receivable	32.5	38.0		38.4	-38.0	-32.5	0.4	38.4

Budget Fiscal Year 2021		
COVID-19 Related Hospital Revenue Replacement Funding Sources FY20		
Total Funding Sources		
Funding Sources	Amount	% of Total
Medicare Advance Funding	\$ 6,385,029	44.8%
State Funding	\$ 194,721	1.4%
Federal Funding	\$ 6,594,700	46.2%
Other (Please Specify)	\$ 1,090,833	7.6%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
<b>TOTAL:</b>	<b>\$ 14,265,283</b>	<b>100%</b>

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	\$ 6,385,029	85.4%
State Funding		0.0%
Federal Funding		0.0%
Other (BLUE CROSS BLUE SHIELD ADV)	\$ 1,090,833	14.6%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
<b>TOTAL:</b>	<b>\$ 7,475,862</b>	<b>100%</b>

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	\$ 194,721	2.9%
Federal Funding	\$ 6,594,700	97.1%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
<b>TOTAL:</b>	<b>\$ 6,789,421</b>	<b>100%</b>

Fiscal Year 2021 Budget Analysis			North Country Hospital					
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			5.0%	3.6%	4.2%	n/a	n/a	
Commercial Approved % Change in Charge						n/a	n/a	
Submitted % Change in Charge			5.0%	3.6%	4.2%	3.6%		
Commercial Submitted % Change in Charge								
Hospital Inpatient Change in Gross Charges						4.3%	0.0%	
Hospital Outpatient Change in Gross Charges						4.3%	0.0%	
Professional Services Change in Gross Charges						4.3%	0.0%	
Primary Care Change in Gross Charges						0.0%	0.0%	
Specialty Care Change in Gross Charges						0.0%	0.0%	
Skilled Nursing Facility Change in Gross Charges						0.0%	0.0%	
Other (please specify)								
Other (please specify)								
<b>Net Patient Revenue Change Due to Charge Request</b>					<b>Dollar Value</b>	<b>Value of 1% Charge</b>	<b>Dollar Value</b>	<b>Value of 1% Charge</b>
Commercial					\$ 1,454,475	342,229		0%
Medicaid					\$ -	0		0%
Medicare					\$ 782,468	184,110		0%
Total Change Due to Charge Request					\$ 2,236,943	526,340	\$ -	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
<b>Gross Patient Revenue</b>								
Medicare	\$85,483,131	\$81,740,457	89,031,306.0	93,380,888.0	4.2%	8.9%	14.2%	4.9%
Medicaid	\$39,098,582	\$46,742,001	44,850,253.0	46,737,906.0	14.7%	-4.0%	-0.0%	4.2%
Commercial	\$56,065,102	\$66,149,777	57,455,722.0	57,878,371.0	2.5%	-13.1%	-12.5%	0.7%
Self-Pay/Other/WC	\$4,212,371	\$5,029,247	5,288,857.0	4,718,148.0	25.6%	5.2%	-6.2%	-10.8%
<b>Total Gross Patient Revenue</b>	<b>\$184,859,185</b>	<b>\$199,661,483</b>	<b>196,626,138.0</b>	<b>202,715,313.0</b>	<b>6.4%</b>	<b>-1.5%</b>	<b>1.5%</b>	<b>3.1%</b>
<b>Net Patient Revenue/Fixed Prospective Payments</b>								
Medicare	\$29,715,277	\$30,161,537	30,336,712.0	32,344,924.0	2.1%	0.6%	7.2%	6.6%
Medicaid	\$6,153,668	\$12,735,105	10,183,841.0	10,164,336.0	65.5%	-20.0%	-20.2%	-0.2%
Commercial	\$34,204,940	\$35,525,290	38,433,518.0	40,185,612.0	12.4%	8.2%	13.1%	4.6%
Self-Pay/Other/WC	\$3,531,883	\$4,294,598	4,605,608.0	3,953,543.0	30.4%	7.2%	-7.9%	-14.2%
<b>Total NPR &amp; FPP</b>	<b>\$73,605,768</b>	<b>\$82,716,531</b>	<b>83,559,679.0</b>	<b>86,648,415.0</b>	<b>13.5%</b>	<b>1.0%</b>	<b>4.8%</b>	<b>3.7%</b>
<b>Reimbursement Ratio</b>								
Medicare	35%	37%	34%	35%				
Medicaid	16%	27%	23%	22%				
Commercial	61%	54%	67%	69%				
Self-Pay/Other/WC	84%	85%	87%	84%				
<b>Total Reimbursement Ratio</b>	<b>40%</b>	<b>41%</b>	<b>42%</b>	<b>43%</b>				