

# Northeastern VT Regional Hospital

## 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.

[Please see the narrative submitted in a separate document.](#)

Northeastern VT Regional Hospital								
Shawn Tester								
Bob Hersey								
Fiscal Year 2021 Budget Analysis	GMCB Data Entry		Hospital Data Entry					
INCOME STATEMENT	2019 A	2020 B	2020 PROJ	2021 B	2019A-2020P	2020B-2020P	2020B-2021B	2020P-2021B
<b>Revenues</b>								
<b>Gross Patient Care Revenue</b>	\$177,779,611	\$182,848,500	\$159,987,600	\$193,629,600	-10.0%	-12.5%	5.9%	21.0%
Disproportionate Share Payments	\$959,185	\$987,745	\$994,685	\$919,700	3.7%	0.7%	-6.9%	-7.5%
Graduate Medical Education (UVMHC only)	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Bad Debt	-\$3,270,152	-\$3,544,000	-\$3,106,900	-\$3,773,400	-5.0%	-12.3%	6.5%	21.5%
Free Care	-\$3,141,595	-\$3,365,750	-\$2,494,300	-\$3,014,000	-20.6%	-25.9%	-10.5%	20.8%
Deductions from Revenue	-\$87,642,307	-\$94,232,751	-\$83,204,685	-\$105,035,600	-5.1%	-11.7%	11.5%	26.2%
<b>Net Patient Care Revenue</b>	\$84,684,742	\$82,693,744	\$72,176,400	\$82,726,300	-14.8%	-12.7%	0.0%	14.6%
<b>Fixed Prospective Payments, Reserves &amp; Other</b>								
Fixed Prospective Payments	\$0	\$4,560,100	\$6,663,200	\$7,799,000	#DIV/0!	46.1%	71.0%	17.0%
Reserves			\$0		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments			\$0		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Fixed Prospective Payments, Reserves &amp; Other</b>	\$0	\$4,560,100	\$6,663,200	\$7,799,000	#DIV/0!	46.1%	71.0%	17.0%
<b>Total NPR &amp; FPP</b>	\$84,684,742	\$87,253,844	\$78,839,600	\$90,525,300	-6.9%	-9.6%	3.7%	14.8%
<b>COVID-19 Stimulus and Other Grant Funding</b>			\$7,192,000	\$597,400	#DIV/0!	#DIV/0!	#DIV/0!	
Other	\$4,132,135	\$4,668,400	\$3,835,535	\$4,310,000	-7.2%	-17.8%	-7.7%	12.4%
<b>Other Operating Revenue</b>	\$4,132,135	\$4,668,400	\$11,027,535	\$4,907,400	166.9%	136.2%	5.1%	-55.5%
<b>Total Operating Revenue</b>	\$88,816,877	\$91,922,244	\$89,867,135	\$95,432,700	1.2%	-2.2%	3.8%	6.2%
<b>Expenses</b>								
Salaries, Fringe Benefits, Physician Fees, Contracts	\$50,023,124	\$56,616,953	\$60,208,944	\$62,771,420	20.4%	6.3%	10.9%	4.3%
Medical/Surgical Drugs and Supplies	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Health Care Provider Tax	\$4,683,787	\$5,065,000	\$4,936,000	\$4,700,000	5.4%	-2.5%	-7.2%	-4.8%
Depreciation/Amortization	\$3,307,697	\$3,965,000	\$3,959,800	\$3,110,000	19.7%	-0.1%	-21.6%	-21.5%
Interest - Short and Long Term	\$247,716	\$212,000	\$233,700	\$200,700	-5.7%	10.2%	-5.3%	-14.1%
Other Operating Expenses (includes ACO Participation Fees)	\$28,927,360	\$24,449,941	\$21,713,191	\$22,705,880	-24.9%	-11.2%	-7.1%	4.6%
<b>Operating Expense</b>	\$87,189,684	\$90,308,894	\$91,051,635	\$93,488,000	4.4%	0.8%	3.5%	2.7%
<b>Net Operating Income</b>	\$1,627,193	\$1,613,350	-\$1,184,500	\$1,944,700	-172.8%	-173.4%	20.5%	-264.2%
<b>Non Operating Revenue</b>	-\$37,567	\$0	\$0	\$0	-100.0%	#DIV/0!	#DIV/0!	#DIV/0!
<b>Excess (Deficit) of Rev over Exp</b>	\$1,589,626	\$1,613,350	-\$1,184,500	\$1,944,700	-174.5%	-173.4%	20.5%	-264.2%
<b>Income Statement Metrics</b>								
Operating Margin %	1.8%	1.8%	-1.3%	2.0%				
Total Margin %	1.8%	1.8%	-1.3%	2.0%				

Northeastern VT Regional Hospital								
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	\$5,802,955	\$8,607,300	\$20,061,158	\$7,867,007	245.7%	133.1%	-8.6%	-60.8%
Net Patient Accounts Receivable	\$9,251,739	\$9,050,000	\$7,635,000	\$9,500,000	-17.5%	-15.6%	5.0%	24.4%
<b>ACO Risk Reserve/Settlement Receivable</b>	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Current Assets	\$4,096,242	\$1,500,000	\$3,861,758	\$3,850,000	-5.7%	157.5%	156.7%	-0.3%
<b>Current Assets</b>	<b>\$19,150,936</b>	<b>\$19,157,300</b>	<b>\$31,557,916</b>	<b>\$21,217,007</b>	<b>64.8%</b>	<b>64.7%</b>	<b>10.8%</b>	<b>-32.8%</b>
Board Designated Assets	\$18,880,553	\$18,424,000	\$19,572,233	\$19,572,233	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net, Property, Plant And Equipment	\$23,016,182	\$26,252,600	\$22,057,685	\$22,852,685	3.7%	6.2%	6.2%	0.0%
Other Long-Term Assets	\$7,622,392	\$7,426,600	\$6,671,910	\$6,326,406	-4.2%	-16.0%	-13.0%	3.6%
<b>Assets</b>	<b>\$68,670,063</b>	<b>\$71,260,500</b>	<b>\$79,859,744</b>	<b>\$69,968,331</b>	<b>16.3%</b>	<b>12.1%</b>	<b>-1.8%</b>	<b>-12.4%</b>
Accounts Payable	\$2,633,148	\$4,200,000	\$3,515,116	\$2,604,116	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Salaries, Wages And Payroll Taxes Payable	\$5,757,701	\$5,500,000	\$6,155,000	\$7,175,000	33.5%	-16.3%	-38.0%	-25.9%
<b>ACO Risk Reserve/Settlement Payable</b>	\$0	\$0	\$1,137,500	\$1,737,500	6.9%	11.9%	30.5%	16.6%
<b>COVID-19 Funding Short-Term Liabilities</b>	\$0	\$0	\$1,137,500	\$1,737,500	#DIV/0!	#DIV/0!	#DIV/0!	52.7%
Other Current Liabilities	\$2,801,354	\$4,844,700	\$1,558,355	\$1,608,355	#DIV/0!	#DIV/0!	#DIV/0!	-100.0%
<b>Current Liabilities</b>	<b>\$11,192,203</b>	<b>\$14,544,700</b>	<b>\$24,032,084</b>	<b>\$13,124,971</b>	<b>114.7%</b>	<b>65.2%</b>	<b>-9.8%</b>	<b>-45.4%</b>
Long Term Liabilities	\$10,385,290	\$11,832,000	\$14,658,045	\$13,728,045	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Noncurrent Liabilities	\$4,737,451	\$0	\$0	\$0	41.1%	23.9%	16.0%	-6.3%
<b>COVID-19 Funding Long-Term Liabilities</b>	\$0	\$0	\$0	\$0	-100.0%	#DIV/0!	#DIV/0!	#DIV/0!
Fund Balance	\$42,355,119	\$44,883,800	\$41,170,615	\$43,115,315	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Liabilities and Equities</b>	<b>\$68,670,063</b>	<b>\$71,260,500</b>	<b>\$79,860,744</b>	<b>\$69,968,331</b>	<b>16.3%</b>	<b>12.1%</b>	<b>-1.8%</b>	<b>-12.4%</b>
<b>Balance Sheet Metrics</b>								
Days Cash on Hand	107.4	114.3	114.0	112.0	6.6	-0.3	-2.3	-2.0
<b>Days Cash on Hand-COVID-19</b>			50.0	0.0	50.0	50.0	0.0	-50.0
Debt Service Coverage Ratio	5.1	6.0	2.7	4.7	-3.3	-2.4	-1.3	2.0
Long Term Debt to Capitalization	0.2	0.2	0.2	0.2	0.0	0.0	-0.0	-0.0
Days Payable	48.7	61.5	40.0	39.0	-21.5	-8.7	-22.5	-1.0
Days Receivable	39.9	39.9	33.0	38.0	-6.9	-6.9	-1.9	5.0

NOTE: Covid cash to be paid back excluded from days cash on hand calculation and shown separately on the Days Cash on Hand Covid-19

## Northeastern VT Regional Hospital

Budget Fiscal Year 2021		
COVID-19 Related Hospital Revenue Replacement Funding Sources FY20		
Total Funding Sources		
Funding Sources	Amount	% of Total
Medicare Advance Funding	\$ 13,725,484	63.2%
State Funding - MCD	\$ 871,000	4.0%
Federal Funding - HHS Stimulus	\$ 6,607,166	30.4%
BCBS Advance	\$ 500,000	2.3%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
TOTAL:	\$ 21,703,650	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	\$ 13,725,484	95.9%
State Funding - MCD	\$ 87,100	0.6%
Federal Funding - HHS Stimulus	\$ -	0.0%
BCBS Advance	\$ 500,000	3.5%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
TOTAL:	\$ 14,312,584	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
Medicare Advance Funding	\$ -	0.0%
State Funding - MCD	\$ 783,900	10.6%
Federal Funding - HHS Stimulus	\$ 6,607,166	89.4%
BCBS Advance	\$ -	0.0%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
TOTAL:	\$ 7,391,066	100%

Examples: Medicare Advance Funding    \$    5,000,000    63.2%

	FY20 - BOOKED	FY21 - BOOKED
State Funding - MCD	\$ 783,900	\$ -
Federal Funding - HHS Stimulus	\$ 6,607,166	\$ -

Fiscal Year 2021 Budget Analysis		Northeastern VT Regional 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	3.2%	3.0%	3.0%	n/a				n/a
Commercial Approved % Change in Charge				n/a				n/a
Submitted % Change in Charge	4.3%	4.0%	3.5%	2.1%				1.8%
Commercial Submitted % Change in Charge								
	Hospital Inpatient Change in Gross Charges			3.8%				1.0%
	Hospital Outpatient Change in Gross Charges			3.6%				0.8%
	Professional Services Change in Gross Charges			0.0%				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				\$ 1,473,000	\$ 377,700	\$ 217,100	\$ 377,700	
Medicaid				\$ -	\$ -	\$ -	\$ -	
Medicare				\$ -	\$ -	\$ -	\$ -	
<b>Total Change Due to Charge Request</b>				<b>\$ 1,473,000</b>	<b>\$ -</b>	<b>\$ 217,100</b>	<b>\$ -</b>	

**Northeastern VT Regional Hospital**

**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	\$77,754,068	\$80,273,400	68,260,800	83,351,900	-12.2%	-15.0%	3.8%	22.1%
Medicaid	\$36,470,274	\$37,584,400	32,083,700	41,024,200	-12.0%	-14.6%	9.2%	27.9%
Commercial	\$57,261,105	\$59,408,100	54,228,700	61,604,200	-5.3%	-8.7%	3.7%	13.6%
Self-Pay/Other/WC	\$6,294,165	\$5,582,600	5,414,400	7,649,300	-14.0%	-3.0%	37.0%	41.3%
<b>Total Gross Patient Revenue</b>	<b>\$177,779,612</b>	<b>\$182,848,500</b>	<b>159,987,600</b>	<b>193,629,600</b>	<b>-10.0%</b>	<b>-12.5%</b>	<b>5.9%</b>	<b>21.0%</b>
<b>Net Patient Revenue/Fixed Prospective Payments</b>								
Medicare	\$33,964,345	\$35,550,490	31,268,300	35,468,000	-7.9%	-12.0%	-0.2%	13.4%
Medicaid	\$12,118,287	\$12,028,459	13,460,100	15,540,100	11.1%	11.9%	29.2%	15.5%
Commercial	\$33,905,366	\$35,048,750	31,072,200	35,195,900	-8.4%	-11.3%	0.4%	13.3%
Self-Pay/Other/WC	\$3,737,560	\$3,638,400	3,039,000	4,321,300	-18.7%	-16.5%	18.8%	42.2%
<b>Total NPR &amp; FPP</b>	<b>\$83,725,558</b>	<b>\$86,266,099</b>	<b>78,839,600</b>	<b>90,525,300</b>	<b>-5.8%</b>	<b>-8.6%</b>	<b>4.9%</b>	<b>14.8%</b>
<b>Reimbursement Ratio</b>								
Medicare	44%	44%	46%	43%				
Medicaid	33%	32%	42%	38%				
Commercial	59%	59%	57%	57%				
Self-Pay/Other/WC	59%	65%	56%	56%				
<b>Total Reimbursement Ratio</b>	<b>47%</b>	<b>47%</b>	<b>49%</b>	<b>47%</b>				