Copley Hospital

Fiscal Year 2021 Budget Analysis

Report Date: 7/31/2020

Copley 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.

Based on utilization factors dropping as an impact of COVID-19 Copley Hospital temporarily laid-off 77 employees (63.4 FTEs) and reduced hours for another 127 employees (121.2 FTEs). Over 99% are now back to work, currently only 8 employees have reduced hours representing a total reduction of 1.5 FTEs; we expect to be back to fully staffed by the end of August 2020.

Copley Hospital												
Joe Woodin	Jeff Hebert											
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	**$113,757,897**	**$124,871,420**	**$34,232,421**	**$33,740,185**	**$22,055,823**	**$30,431,173**	**$120,459,602**	**$141,951,641**	**5.9%**	**-3.5%**	**13.7%**	**17.8%**
Disproportionate Share Payments	$458,368	$454,323	$113,802	$113,802	$113,802	$110,718	$452,125	$455,000	-1.4%	-0.5%	0.1%	0.6%
Graduate Medical Education (UVMMC only)	$0	$0	$0	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Bad Debt	-$1,809,559	-$1,997,944	-$758,825	-$679,651	-$714,534	-$486,898	-$2,639,908	-$2,967,799	45.9%	32.1%	48.5%	12.4%
Free Care	-$841,523	-$749,229	-$232,131	-$265,608	-$182,321	-$182,588	-$862,648	-$1,404,966	2.5%	15.1%	87.5%	62.9%
Deductions from Revenue	-$44,571,367	-$49,920,208	-$14,397,078	-$16,260,028	-$9,546,177	-$13,251,190	-$53,454,473	-$65,783,290	19.9%	7.1%	31.8%	23.1%
Net Patient Care Revenue	**$66,993,816**	**$72,658,362**	**$18,958,190**	**$16,648,700**	**$11,726,593**	**$16,621,215**	**$63,954,698**	**$72,250,586**	**-4.5%**	**-12.0%**	**-0.6%**	**13.0%**
Fixed Prospective Payments, Reserves & Other												
Fixed Prospective Payments	$0	$0		$1,246,892	**$1,205,009**	**$1,205,009**	$3,656,910	$4,820,035	#DIV/0!	#DIV/0!	#DIV/0!	31.8%
Reserves					**$0**	**$0**	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments					**$0**	**$0**	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Fixed Prospective Payments, Reserves & Other	**$0**	**$0**	**$0**	**$1,246,892**	**$1,205,009**	**$1,205,009**	**$3,656,910**	**$4,820,035**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**31.8%**
Total NPR & FPP	**$66,993,816**	**$72,658,362**	**$18,958,190**	**$17,895,592**	**$12,931,602**	**$17,826,224**	**$67,611,608**	**$77,070,621**	**0.9%**	**-6.9%**	**6.1%**	**14.0%**
COVID-19 Stimulus and Other Grant Funding			$0	$0	$914,497	$4,295,924	$5,210,421	$0	#DIV/0!	#DIV/0!	#DIV/0!	
Other	$1,144,276	$813,681	$250,101	$364,248	$279,694	$97,800	$991,843	$828,681	-13.3%	21.9%	1.8%	-16.5%
Other Operating Revenue	**$1,144,276**	**$813,681**	**$250,101**	**$364,248**	**$1,194,191**	**$4,393,724**	**$6,202,264**	**$828,681**	**442.0%**	**662.2%**	**1.8%**	**-86.6%**
Total Operating Revenue	**$68,138,092**	**$73,472,043**	**$19,208,290**	**$18,259,840**	**$14,125,792**	**$22,219,948**	**$73,813,871**	**$77,899,302**	**8.3%**	**0.5%**	**6.0%**	**5.5%**
Expenses												
Salaries, Fringe Benefits, Physician Fees, Contracts	$39,236,757	$41,335,661	$10,726,589	$10,700,176	$10,153,583	$10,425,793	$42,006,141	$44,797,842	7.1%	1.6%	8.4%	6.6%
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	$3,899,906	$3,954,800	$988,701	$988,701	$988,701	$1,018,701	$3,984,804	$4,363,408	2.2%	0.8%	10.3%	9.5%
Depreciation/Amortization	$2,711,503	$2,894,873	$692,935	$688,536	$680,879	$723,724	$2,786,074	$2,808,851	2.8%	-3.8%	-3.0%	0.8%
Interest - Short and Long Term	$111,344	$105,448	$28,247	$25,137	$25,818	$25,818	$105,019	$100,000	-5.7%	-0.4%	-5.2%	-4.8%
Other Operating Expenses (includes ACO Participation Fees)	$24,339,824	$24,176,642	$6,187,632	$6,289,199	$5,238,444	$6,197,494	$23,912,769	$25,390,608	-1.8%	-1.1%	5.0%	6.2%
Operating Expense	**$70,299,334**	**$72,467,424**	**$18,624,103**	**$18,691,749**	**$17,087,424**	**$18,391,530**	**$72,794,807**	**$77,460,709**	**3.5%**	**0.5%**	**6.9%**	**6.4%**
Net Operating Income	**-$2,161,242**	**$1,004,619**	**$584,187**	**-$431,909**	**-$2,961,632**	**$3,828,418**	**$1,019,064**	**$438,593**	**-147.2%**	**1.4%**	**-56.3%**	**-57.0%**
Non Operating Revenue	**$395,736**	**$317,200**	**$1,643**	**$20,697**	$306,847	$65,553	**$394,741**	$302,200	**-0.3%**	**24.4%**	**-4.7%**	**-23.4%**
Excess (Deficit) of Rev over Exp	**-$1,765,506**	**$1,321,819**	**$585,830**	**-$411,212**	**-$2,654,785**	**$3,893,972**	**$1,413,805**	**$740,793**	**-180.1%**	**7.0%**	**-44.0%**	**-47.6%**
Income Statement Metrics												
Operating Margin %	-3.2%	1.4%	3.0%	-2.4%	-21.0%	17.2%	1.4%	0.6%				
Total Margin %	-2.6%	1.8%	3.0%	-2.2%	-18.4%	17.5%	1.9%	0.9%				

Copley 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	$7,140,224	$8,969,488	$27,593,009	$12,082,444	286.4%	207.6%	34.7%	-56.2%
Net Patient Accounts Receivable	$5,353,579	$5,773,000	$5,081,000	$5,741,000	-5.1%	-12.0%	-0.6%	13.0%
ACO Risk Reserve/Settlement Receivable	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Current Assets	$4,629,492	$5,000,000	$5,000,000	$5,000,000	8.0%	0.0%	0.0%	0.0%
Current Assets	$17,123,295	$19,742,488	$37,674,009	$22,823,444	120.0%	90.8%	15.6%	-39.4%
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Board Designated Assets	$4,360,430	$4,771,447	$5,705,096	$4,565,157	30.8%	19.6%	-4.3%	-20.0%
Net, Property, Plant And Equipment	$25,814,323	$25,734,353	$24,709,657	$26,094,597	-4.3%	-4.0%	1.4%	5.6%
Other Long-Term Assets	$2,378,374	$2,600,000	$2,600,000	$2,600,000	9.3%	0.0%	0.0%	0.0%
Assets	$49,676,422	$52,848,288	$70,688,762	$56,083,197	42.3%	33.8%	6.1%	-20.7%
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Accounts Payable	$2,100,160	$2,290,000	$2,310,000	$2,460,000	10.0%	0.9%	7.4%	6.5%
Salaries, Wages And Payroll Taxes Payable	$4,044,708	$4,374,000	$4,318,000	$4,729,000	6.8%	-1.3%	8.1%	9.5%
ACO Risk Reserve/Settlement Payable	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
COVID-19 Funding Short-Term Liabilities			$15,570,000	$3,000,000	#DIV/0!	#DIV/0!	#DIV/0!	-80.7%
Other Current Liabilities	$651,383	$1,451,655	$1,337,358	$1,412,969	105.3%	-7.9%	-2.7%	5.7%
Current Liabilities	$6,796,251	$8,115,655	$23,535,358	$11,601,969	246.3%	190.0%	43.0%	-50.7%
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Long Term Liabilities	$9,887,318	$9,513,516	$9,646,746	$9,233,776	-2.4%	1.4%	-2.9%	-4.3%
Other Noncurrent Liabilities	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
COVID-19 Funding Long-Term Liabilities			$3,100,000	$100,000	#DIV/0!	#DIV/0!	#DIV/0!	-96.8%
Fund Balance	$32,992,853	$35,219,117	$34,406,658	$35,147,452	4.3%	-2.3%	-0.2%	2.2%
Liabilities and Equities	$49,676,422	$52,848,288	$70,688,762	$56,083,197	42.3%	33.8%	6.1%	-20.7%
Balance Sheet Metrics					Change in Points			
Days Cash on Hand	62.1	72.1	174.1	81.4	112.0	102.0	9.3	-92.7
Days Cash on Hand-COVID-19					0.0	0.0	0.0	0.0
Debt Service Coverage Ratio	1.3	6.6	7.6	6.5	1.0	6.3	-0.1	-1.1
Long Term Debt to Capitalization	0.2	0.2	0.2	0.2	0.0	-0.0	-0.0	-0.0
Days Payable	36.7	42.6	36.8	37.2	-5.8	0.1	-5.4	0.4
Days Receivable	29.2	29.0	29.1	29.0	0.1	-0.1	0.0	-0.1

Budget Fiscal Year 2021

COVID-19 Related Hospital Revenue Replacement Funding Sources FY20

Total Funding Sources

Funding Sources	Amount	% of Total
Medicare Advance Funding	$ 9,106,634	50.8%
State Funding	$ 409,987	2.3%
Federal Funding	$ 1,069,593	6.0%
Other (BCBSVT)	$ 2,309,951	12.9%
Other (PPP-Offset of expenses)	$ 5,037,900	28.1%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
TOTAL:	**$ 17,934,066**	**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	$ 9,106,634	55.3%
State Funding		0.0%
Federal Funding		0.0%
Other (BCBSVT)	$ 2,309,951	14.0%
Other (PPP-Currently considered loan)	$ 5,037,900	30.6%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
TOTAL:	**$ 16,454,485**	**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	$ 409,987	27.7%
Federal Funding	$ 1,069,593	72.3%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
TOTAL:	**$ 1,479,580**	**100%**

Fiscal Year 2021 Budget Analysis — Copley Hospital

CHANGE IN CHARGE AND NET PATIENT REVENUE INCREASE

Change in charge is the average change in price for services provided.

	FY2018	FY2019	FY2020	FY2021 Standard Request		FY2021 COVID-19	
Approved % Change in Charge	-3.4%	4.5%	9.8%	n/a			n/a
Commercial Approved % Change in Charge				n/a			n/a
Submitted % Change in Charge	0.0%	7.9%	9.8%	8.0%			0.0%
Commercial Submitted % Change in Charge							
Hospital Inpatient Change in Gross Charges				8.0%			0.0%
Hospital Outpatient Change in Gross Charges				8.0%			0.0%
Professional Services Change in Gross Charges				8.0%			0.0%
Primary Care Change in Gross Charges				0.0%			0.0%
Specialty Care Change in Gross Charges				8.0%			0.0%
Skilled Nursing Facility Change in Gross Charges				8.0%			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	$ 3,064,300	$ 383,037		0%
Medicaid	$ -	$ -		0%
Medicare	$ 1,868,412	$ 233,551		0%
Total Change Due to Charge Request	$ 5,391,753	$ 673,969	$ -	0%

Copley Hospital

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	$45,367,012	$49,900,752	$48,708,379	$58,030,283	7.4%	-2.4%	16.3%	19.1%
Medicaid	$15,192,172	$17,049,944	$17,488,226	$21,931,529	15.1%	2.6%	28.6%	25.4%
Commercial	$48,067,716	$52,665,442	$46,864,031	$51,414,432	-2.5%	-11.0%	-2.4%	9.7%
Self-Pay/Other/WC	$5,130,997	$5,255,282	$7,398,965	$10,575,397	44.2%	40.8%	101.2%	42.9%
Total Gross Patient Revenue	$113,757,897	$124,871,420	$120,459,601	$141,951,641	5.9%	-3.5%	13.7%	17.8%
Net Patient Revenue/Fixed Prospective Payments								
Medicare	$20,614,239	$23,267,114	$21,557,067	$25,243,173	4.6%	-7.3%	8.5%	17.1%
Medicaid	$6,169,155	$6,281,440	$6,560,021	$7,785,693	6.3%	4.4%	23.9%	18.7%
Commercial	$37,117,271	$39,983,997	$35,454,597	$38,303,751	-4.5%	-11.3%	-4.2%	8.0%
Self-Pay/Other/WC	$3,093,151	$3,125,811	$4,151,430	$5,738,004	34.2%	32.8%	83.6%	38.2%
Total NPR & FPP	$66,993,816	$72,658,362	$67,723,115	$77,070,621	1.1%	-6.8%	6.1%	13.8%
Reimbursement Ratio								
Medicare	45%	47%	44%	43%				
Medicaid	41%	37%	38%	36%				
Commercial	77%	76%	76%	74%				
Self-Pay/Other/WC	60%	59%	56%	54%				
Total Reimbursement Ratio	59%	58%	56%	54%				