

# Central Vermont Medical Center

## Fiscal Year 2021 Budget Analysis

Report Date: 8/2/2020

**Central Vermont Medical Center  
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.

Central Vermont Medical Center

John Brumsted Anna Noonan

Todd Keating

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>	\$418,151,359	\$430,983,508	\$106,081,485	\$102,739,765	\$79,938,278	\$106,631,287	\$395,390,815	\$474,516,163	-5.4%	-8.3%	10.1%	20.0%
Disproportionate Share Payments	\$1,441,012	\$1,329,351	\$320,733	\$320,733	\$323,563	\$431,607	\$1,396,636	\$1,260,709	-3.1%	5.1%	-5.2%	-9.7%
Graduate Medical Education (UVMCM only)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Bad Debt	-\$5,607,318	-\$4,700,000	-\$1,529,371	-\$1,549,877	-\$1,084,351	-\$1,446,438	-\$5,610,037	-\$5,308,003	0.0%	19.4%	12.9%	-5.4%
Free Care	-\$4,517,178	-\$4,750,000	-\$836,287	-\$788,013	-\$525,747	-\$701,305	-\$2,851,353	-\$5,474,100	-36.9%	-40.0%	15.2%	92.0%
Deductions from Revenue	-\$242,710,762	-\$254,112,523	-\$61,688,775	-\$60,312,171	-\$50,311,148	-\$67,027,579	-\$239,339,673	-\$275,204,955	-1.4%	-5.8%	8.3%	15.0%
<b>Net Patient Care Revenue</b>	\$166,757,113	\$168,750,336	\$42,347,785	\$40,410,437	\$28,340,594	\$37,887,572	\$148,986,388	\$189,789,814	-10.7%	-11.7%	12.5%	27.4%
<b>Fixed Prospective Payments, Reserves &amp; Other</b>												
Fixed Prospective Payments	\$41,249,882	\$49,292,911	\$9,664,271	\$11,875,165	\$13,513,204	\$13,513,204	\$48,565,845	\$45,514,084	17.7%	-1.5%	-7.7%	-6.3%
Reserves					\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments			\$807,567	\$474,114	\$442,568	\$442,568	\$2,166,816	\$1,709,522	#DIV/0!	#DIV/0!	#DIV/0!	-21.1%
<b>Fixed Prospective Payments, Reserves &amp; Other</b>	\$41,249,882	\$49,292,911	\$10,471,838	\$12,349,279	\$13,955,772	\$13,955,772	\$50,732,661	\$47,223,607	23.0%	2.9%	-4.2%	-6.9%
<b>Total NPR &amp; FPP</b>	\$208,006,996	\$218,043,247	\$52,819,624	\$52,759,716	\$42,296,366	\$51,843,344	\$199,719,050	\$237,013,421	-4.0%	-8.4%	8.7%	18.7%
<b>COVID-19 Stimulus and Other Grant Funding</b>												
Other	\$15,731,007	\$16,199,991	\$3,721,653	\$3,633,996	\$16,700,000	\$594,746	\$17,294,746	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Other	\$15,731,007	\$16,199,991	\$3,721,653	\$3,633,996	\$3,383,706	\$3,383,706	\$14,123,060	\$17,458,941	-10.2%	-12.8%	7.8%	23.6%
<b>Other Operating Revenue</b>	\$15,731,007	\$16,199,991	\$3,721,653	\$3,633,996	\$20,083,706	\$3,978,452	\$31,417,806	\$17,458,941	99.7%	93.9%	7.8%	-44.4%
<b>Total Operating Revenue</b>	\$223,738,002	\$234,243,239	\$56,541,276	\$56,393,712	\$62,380,072	\$55,821,796	\$231,136,856	\$254,472,362	3.3%	-1.3%	8.6%	10.1%
<b>Expenses</b>												
Salaries, Fringe Benefits, Physician Fees, Contracts	\$143,669,698	\$142,856,716	\$37,911,968	\$39,597,351	\$33,068,816	\$36,692,168	\$147,270,303	\$150,417,276	2.5%	3.1%	5.3%	2.1%
Medical/Surgical Drugs and Supplies	\$29,503,775	\$29,734,009	\$7,650,736	\$8,016,888	\$7,182,495	\$8,784,718	\$31,634,837	\$40,438,680	7.2%	6.4%	36.0%	27.8%
Health Care Provider Tax	\$11,393,875	\$13,092,010	\$3,013,938	\$3,013,938	\$2,895,331	\$2,895,331	\$11,818,538	\$14,307,015	3.7%	-9.7%	9.3%	21.1%
Depreciation/Amortization	\$9,170,032	\$9,718,767	\$2,080,107	\$2,021,925	\$1,998,420	\$1,998,420	\$8,098,871	\$8,000,000	-11.7%	-16.7%	-17.7%	-1.2%
Interest - Short and Long Term	\$459,183	\$294,583	\$101,339	\$172,719	\$179,018	\$179,018	\$632,094	\$619,397	37.7%	114.6%	110.3%	-2.0%
Other Operating Expenses (includes ACO Participation Fees)	\$34,219,427	\$38,360,050	\$9,185,889	\$9,865,176	\$8,452,970	\$8,720,730	\$36,224,765	\$39,489,824	5.9%	-5.6%	2.9%	9.0%
<b>Operating Expense</b>	\$228,415,989	\$234,056,135	\$59,943,977	\$62,687,997	\$53,777,050	\$59,270,384	\$235,679,408	\$253,272,192	3.2%	0.7%	8.2%	7.5%
<b>Net Operating Income</b>	-\$4,677,987	\$187,103	-\$3,402,701	-\$6,294,285	\$8,603,022	-\$3,448,589	-\$4,542,553	\$1,200,170	-2.9%	-252.8%	541.4%	-126.4%
<b>Non Operating Revenue</b>	-\$4,164,552	\$3,972,546	\$3,782,093	-\$7,081,907	\$6,508,053	-\$539,465	\$2,668,774	\$6,427,435	-164.1%	-32.8%	61.8%	140.8%
<b>Excess (Deficit) of Rev over Exp</b>	-\$8,842,539	\$4,159,649	\$379,392	-\$13,376,192	\$15,111,075	-\$3,988,053	-\$1,873,778	\$7,627,605	-78.8%	-145.0%	83.4%	-507.1%
<b>Income Statement Metrics</b>												
Operating Margin %	-2.1%	0.1%	-6.0%	-11.2%	13.8%	-6.2%	-2.0%	0.5%				
Total Margin %	-4.0%	1.7%	0.6%	-27.1%	21.9%	-7.2%	-0.8%	2.9%				

Central Vermont Medical Center								
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	\$6,088,055	\$5,277,795	\$19,298,715	\$15,733,624	217.0%	265.7%	198.1%	-18.5%
Net Patient Accounts Receivable	\$22,357,096	\$22,983,689	\$22,713,991	\$18,171,193	1.6%	-1.2%	-20.9%	-20.0%
<b>ACO Risk Reserve/Settlement Receivable</b>	\$0	\$0			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Current Assets	\$7,856,762	\$8,890,716	\$7,732,174	\$7,732,174	-1.6%	-13.0%	-13.0%	0.0%
<b>Current Assets</b>	<b>\$36,301,913</b>	<b>\$37,152,200</b>	<b>\$49,744,880</b>	<b>\$41,636,991</b>	<b>37.0%</b>	<b>33.9%</b>	<b>12.1%</b>	<b>-16.3%</b>
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Board Designated Assets	\$59,583,176	\$49,792,274	\$50,240,000	\$56,667,435	-15.7%	0.9%	13.8%	12.8%
Net, Property, Plant And Equipment	\$67,370,691	\$75,785,919	\$78,169,415	\$78,646,042	16.0%	3.1%	3.8%	0.6%
Other Long-Term Assets	\$488,861	\$969,734	\$8,558,344	\$8,558,344	1650.7%	782.5%	782.5%	0.0%
<b>Assets</b>	<b>\$163,744,641</b>	<b>\$163,700,127</b>	<b>\$186,712,638</b>	<b>\$185,508,812</b>	<b>14.0%</b>	<b>14.1%</b>	<b>13.3%</b>	<b>-0.6%</b>
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Accounts Payable	\$6,811,349	\$4,662,380	\$3,673,750	\$3,673,750	-46.1%	-21.2%	-21.2%	0.0%
Salaries, Wages And Payroll Taxes Payable	\$11,635,419	\$22,630,995	\$13,877,608	\$12,777,608	19.3%	-38.7%	-43.5%	-7.9%
<b>ACO Risk Reserve/Settlement Payable</b>	\$0	\$0	\$2,600,000	\$2,600,000	#DIV/0!	#DIV/0!	#DIV/0!	0.0%
<b>COVID-19 Funding Short-Term Liabilities</b>			\$10,409,528	\$3,500,000	#DIV/0!	#DIV/0!	#DIV/0!	-66.4%
Other Current Liabilities	\$23,850,686	\$11,164,586	\$19,001,515	\$19,554,503	-20.3%	70.2%	75.1%	2.9%
<b>Current Liabilities</b>	<b>\$42,297,454</b>	<b>\$38,457,960</b>	<b>\$49,562,399</b>	<b>\$42,105,861</b>	<b>17.2%</b>	<b>28.9%</b>	<b>9.5%</b>	<b>-15.0%</b>
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Long Term Liabilities	\$9,508,872	\$6,088,325	\$20,136,300	\$15,304,206	111.8%	230.7%	151.4%	-24.0%
Other Noncurrent Liabilities	\$29,939,024	\$18,000,000	\$35,133,993	\$35,133,993	17.4%	95.2%	95.2%	0.0%
<b>COVID-19 Funding Long-Term Liabilities</b>					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Fund Balance	\$81,999,291	\$101,153,842	\$81,879,946	\$92,964,752	-0.1%	-19.1%	-8.1%	13.5%
<b>Liabilities and Equities</b>	<b>\$163,744,641</b>	<b>\$163,700,127</b>	<b>\$186,712,638</b>	<b>\$185,508,812</b>	<b>14.0%</b>	<b>14.1%</b>	<b>13.3%</b>	<b>-0.6%</b>
<b>Balance Sheet Metrics</b>					Change in Points			
Days Cash on Hand	95.5	75.0	111.8	108.0	16.3	36.9	33.1	-3.8
<b>Days Cash on Hand-COVID-19</b>			95.1	102.8	95.1	95.1	102.8	7.7
Debt Service Coverage Ratio	1.3	2.8	0.9	1.8	-1.9	-0.4	-1.0	0.9
Long Term Debt to Capitalization	0.1	0.1	0.3	0.2	0.2	0.2	0.2	-0.1
Days Payable	70.4	62.6	79.7	62.8	17.1	9.3	0.3	-16.9
Days Receivable	48.9	49.7	55.8	34.9	6.1	6.9	-14.8	-20.9

Budget Fiscal Year 2021		
COVID-19 Related Hospital Revenue Replacement Funding Sources FY20		
Total Funding Sources		
Funding Sources	Amount	% of Total
Medicare Advance Funding	\$ 8,009,528	28.9%
State Funding	\$ -	0.0%
Federal Funding	\$ 17,194,746	62.1%
Other Programs	\$ 100,000	0.4%
ER Social Security Tax Deferral	\$ 2,400,000	8.7%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
<b>TOTAL:</b>	<b>\$ 27,704,274</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	\$ 8,009,528	76.9%
State Funding		0.0%
Federal Funding		0.0%
Other (Please Specify)		0.0%
Other (Please Specify)	\$ 2,400,000	23.1%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
<b>TOTAL:</b>	<b>\$ 10,409,528</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	\$ -	0.0%
Federal Funding	\$ 17,194,746	99.4%
Other Programs	\$ 100,000	0.6%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
<b>TOTAL:</b>	<b>\$ 17,294,746</b>	<b>100%</b>

Fiscal Year 2021 Budget Analysis		Central 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	0.20%	2.3%	3.0%	n/a			n/a
Commercial Approved % Change in Charge	0.72%	2.3%	5.9%	n/a			n/a
Submitted % Change in Charge	0.20%	2.8%	3.0%	6.0%			
Commercial Submitted % Change in Charge	0.72%	2.8%	5.9%	8.5%			
	Hospital Inpatient Change in Gross Charges			6.0%			0.0%
	Hospital Outpatient Change in Gross Charges			6.0%			0.0%
	Professional Services Change in Gross Charges			6.0%			0.0%
	Primary Care Change in Gross Charges			6.0%			0.0%
	Specialty Care Change in Gross Charges			6.0%			0.0%
	Skilled Nursing Facility Change in Gross Charges			6.0%			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				\$ 5,283,501	621,588		0%
Medicaid					0%		0%
Medicare				\$ 183,377	895,569		0%
Total Change Due to Charge Request				\$ 5,466,879	0%	\$ -	0%

Central Vermont Medical Center								
Fiscal Year 2021 Budget Analysis								
Payer Mix	2019 A	2020 B	2020 PROJ	2021 B	2019A-2020P	2020B-2020P	2020B-2021B	2020P-2021B
			(0.7)	-				
<b>Gross Patient Revenue</b>								
Medicare	\$191,037,517	\$190,801,138	181,351,518.9	220,504,952.8	-5.1%	-5.0%	15.6%	21.6%
Medicaid	\$72,528,585	\$73,592,900	67,861,296.6	74,761,016.9	-6.4%	-7.8%	1.6%	10.2%
Commercial	\$118,332,547	\$127,845,299	111,050,692.8	132,965,191.3	-6.2%	-13.1%	4.0%	19.7%
Self-Pay/Other/WC	\$36,252,711	\$38,744,171	35,127,306.0	46,285,002.2	-3.1%	-9.3%	19.5%	31.8%
<b>Total Gross Patient Revenue</b>	<b>\$418,151,359</b>	<b>\$430,983,508</b>	<b>395,390,814.4</b>	<b>474,516,163.2</b>	<b>-5.4%</b>	<b>-8.3%</b>	<b>10.1%</b>	<b>20.0%</b>
			U.S	-				
<b>Net Patient Revenue/Fixed Prospective Payments</b>								
Medicare	\$78,512,286	\$74,599,172	77,556,191.9	89,740,268.0	-1.2%	4.0%	20.3%	15.7%
Medicaid	\$27,007,056	\$28,799,754	26,381,007.4	30,692,074.9	-2.3%	-8.4%	6.6%	16.3%
Commercial	\$80,956,330	\$91,807,371	81,731,250.2	96,683,903.9	1.0%	-11.0%	5.3%	18.3%
Self-Pay/Other/WC	\$20,090,312	\$21,507,599	12,653,963.2	18,636,465.0	-37.0%	-41.2%	-13.3%	47.3%
<b>Total NPR &amp; FPP</b>	<b>\$206,565,984</b>	<b>\$216,713,896</b>	<b>198,322,412.7</b>	<b>235,752,711.8</b>	<b>-4.0%</b>	<b>-8.5%</b>	<b>8.8%</b>	<b>18.9%</b>
<b>Reimbursement Ratio</b>								
Medicare	41%	39%	43%	41%				
Medicaid	37%	39%	39%	41%				
Commercial	68%	72%	74%	73%				
Self-Pay/Other/WC	55%	56%	36%	40%				
<b>Total Reimbursement Ratio</b>	<b>49%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>				

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