

# Gifford Medical Center

## Fiscal Year 2021 Budget Analysis

Report Date: 8/11/2020

**TECHNICAL QUESTIONS:**

Please be prepared to explain how COVID-19 has affected your staffing. For Non-MD FTEs and MD FTEs.

- Please see Narrative - "3. Operating Expenses", All furloughed employees were Non-MD FTEs.

Please discuss the reductions in force and the plans to return staffing to pre-COVID-19 levels.

- Please see Narrative - "3. Operating Expenses", Gifford is expecting a return to Pre-Covid FTEs in FY2021.

**Gifford Medical Center**  
**Dan Bennett**  
**Wayne Bennett (Interim)**

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>	\$109,174,581	\$113,821,436	\$28,207,466	\$27,771,587	\$20,844,130.77	\$25,794,645.63	\$102,617,829	\$120,308,356	-6.0%	-9.8%	5.7%	17.2%	
Disproportionate Share Payments	\$554,798	\$540,121	\$125,721	\$145,118	\$135,418	\$136,407	\$542,664	\$535,672	-2.2%	0.5%	-0.8%	-1.3%	
Graduate Medical Education (UVMC only)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Bad Debt	-\$2,361,692	-\$2,577,315	-\$762,902	-\$1,046,203	-\$355,953	-\$726,954	-\$2,892,012	-\$3,390,573	22.5%	12.2%	31.6%	17.2%	
Free Care	-\$391,900	-\$448,767	-\$120,530	-\$184,791	-\$159,075	-\$155,929	-\$620,325	-\$727,265	58.3%	38.2%	62.1%	17.2%	
Deductions from Revenue	-\$58,866,771	-\$61,754,971	-\$14,826,026	-\$14,905,047	-\$12,444,921	-\$14,161,283	-\$56,337,276	-\$67,843,043	-4.3%	-8.8%	9.9%	20.4%	
<b>Net Patient Care Revenue</b>	\$48,109,016	\$49,580,504	\$12,623,729	\$11,780,663	\$8,019,600	\$10,886,888	\$43,310,880	\$48,883,148	-10.0%	-12.6%	-1.4%	12.9%	
<b>Fixed Prospective Payments, Reserves &amp; Other</b>													
Fixed Prospective Payments	\$1,943,080	\$2,802,480	\$586,971	\$834,079	\$911,260	\$783,111	\$3,115,421	\$3,200,000	60.3%	11.2%	14.2%	2.7%	
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>	\$1,943,080	\$2,802,480	\$586,971	\$834,079	\$911,260	\$783,111	\$3,115,421	\$3,200,000	60.3%	11.2%	14.2%	2.7%	
<b>Total NPR &amp; FPP</b>	\$50,052,096	\$52,382,984	\$13,210,700	\$12,614,742	\$8,930,860	\$11,669,999	\$46,426,301	\$52,083,148	-7.2%	-11.4%	-0.6%	12.2%	
<b>COVID-19 Stimulus and Other Grant Funding</b>	\$0	\$0	\$0	\$0	\$4,735,539	\$412,543	\$5,148,081	\$0	#DIV/0!	#DIV/0!	#DIV/0!		
Other	\$1,473,098	\$820,818	\$256,539	\$248,126	\$369,470	\$293,505	\$1,167,640	\$1,487,802	-20.7%	42.3%	81.3%	27.4%	
<b>Other Operating Revenue</b>	\$1,473,098	\$820,818	\$256,539	\$248,126	\$5,105,008	\$706,048	\$6,315,721	\$1,487,802	328.7%	669.4%	81.3%	-76.4%	
<b>Total Operating Revenue</b>	\$51,525,194	\$53,203,802	\$13,467,239	\$12,862,868	\$14,035,868	\$12,376,047	\$52,742,022	\$53,570,950	2.4%	-0.9%	0.7%	1.6%	
<b>Expenses</b>													
Salaries, Fringe Benefits, Physician Fees, Contracts	\$31,441,054	\$32,061,916	\$7,804,677	\$8,246,902	\$7,308,808	\$7,843,634	\$31,204,021	\$31,919,519	-0.8%	-2.7%	-0.4%	2.3%	
Medical/Surgical Drugs and Supplies	\$0	\$0	\$1,242,412	\$1,467,773	\$1,212,288	\$1,317,035	\$5,239,509	\$5,264,001	#DIV/0!	#DIV/0!	#DIV/0!	0.5%	
Health Care Provider Tax	\$2,813,815	\$2,872,296	\$736,728	\$733,047	\$746,478	\$744,143	\$2,960,397	\$3,067,436	5.2%	3.1%	6.8%	3.6%	
Depreciation/Amortization	\$2,674,236	\$2,622,778	\$584,340	\$582,479	\$587,171	\$588,931	\$2,342,922	\$2,422,439	-12.4%	-10.7%	-7.6%	3.4%	
Interest - Short and Long Term	\$799,689	\$738,547	\$189,336	\$187,779	\$174,607	\$185,250	\$736,972	\$733,168	-7.8%	-0.2%	-0.7%	-0.5%	
Other Operating Expenses (includes ACO Participation Fees)	\$14,210,107	\$13,367,499	\$2,188,059	\$2,398,977	\$2,099,481	\$2,245,108	\$8,931,625	\$9,177,615	-37.1%	-33.2%	-31.3%	2.8%	
<b>Operating Expense</b>	\$51,938,902	\$51,663,036	\$12,745,552	\$13,616,958	\$12,128,834	\$12,924,101	\$51,415,445	\$52,584,178	-1.0%	-0.5%	1.8%	2.3%	
<b>Net Operating Income</b>	-\$413,707	\$1,540,766	\$721,687	-\$754,090	\$1,907,034	-\$548,054	\$1,326,577	\$986,772	-420.7%	-13.9%	-36.0%	-25.6%	
<b>Non Operating Revenue</b>	\$3,057,478	\$849,458	\$655,690	\$480,519	\$602,489	\$583,796	\$2,322,495	\$950,000	-24.0%	173.4%	11.8%	-59.1%	
<b>Excess (Deficit) of Rev over Exp</b>	\$2,643,771	\$2,390,224	\$1,377,377	-\$273,571	\$2,509,523	\$35,742	\$3,649,072	\$1,936,772	38.0%	52.7%	-19.0%	-46.9%	
<b>Income Statement Metrics</b>													
Operating Margin %	-0.8%	2.9%	5.4%	-5.9%	13.6%	-4.4%	2.5%	1.8%					
Total Margin %	4.8%	4.4%	9.8%	-2.1%	17.1%	0.3%	6.6%	3.6%					

**Gifford 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	\$4,606,131	\$3,593,292	\$13,555,461	\$6,202,560	194.3%	277.2%	72.6%	-54.2%
Net Patient Accounts Receivable	\$5,642,063	\$5,603,323	\$4,215,645	\$4,102,342	-25.3%	-24.8%	-26.8%	-2.7%
<b>ACO Risk Reserve/Settlement Receivable</b>	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Current Assets	\$3,687,839	\$3,375,382	\$4,894,395	\$4,975,736	32.7%	45.0%	47.4%	1.7%
<b>Current Assets</b>	<b>\$13,936,032</b>	<b>\$12,571,998</b>	<b>\$22,665,501</b>	<b>\$15,280,638</b>	<b>62.6%</b>	<b>80.3%</b>	<b>21.5%</b>	<b>-32.6%</b>
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Board Designated Assets	\$27,355,770	\$28,835,674	\$27,812,414	\$28,491,037	1.7%	-3.5%	-1.2%	2.4%
Net, Property, Plant And Equipment	\$35,520,148	\$36,042,222	\$34,704,847	\$36,282,408	-2.3%	-3.7%	0.7%	4.5%
Other Long-Term Assets	\$7,234,055	\$7,044,634	\$6,542,364	\$6,613,741	-9.6%	-7.1%	-6.1%	1.1%
<b>Assets</b>	<b>\$84,046,006</b>	<b>\$84,494,528</b>	<b>\$91,725,126</b>	<b>\$86,667,823</b>	<b>9.1%</b>	<b>8.6%</b>	<b>2.6%</b>	<b>-5.5%</b>
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Accounts Payable	\$3,757,904	\$5,316,957	\$3,873,812	\$3,990,026	3.1%	-27.1%	-25.0%	3.0%
Salaries, Wages And Payroll Taxes Payable	\$2,200,958	\$2,169,119	\$2,266,986	\$2,334,996	3.0%	4.5%	7.6%	3.0%
<b>ACO Risk Reserve/Settlement Payable</b>	\$0	\$0	\$614,901	\$858,359	#DIV/0!	#DIV/0!	#DIV/0!	39.6%
<b>COVID-19 Funding Short-Term Liabilities</b>	\$0	\$0	\$6,368,294	\$0	#DIV/0!	#DIV/0!	#DIV/0!	-100.0%
Other Current Liabilities	\$994,884	\$1,115,632	\$1,842,674	\$1,599,216	85.2%	65.2%	43.3%	-13.2%
<b>Current Liabilities</b>	<b>\$6,953,745</b>	<b>\$8,601,708</b>	<b>\$14,966,667</b>	<b>\$8,782,597</b>	<b>115.2%</b>	<b>74.0%</b>	<b>2.1%</b>	<b>-41.3%</b>
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Long Term Liabilities	\$17,742,777	\$16,815,255	\$16,931,543	\$16,121,539	-4.6%	0.7%	-4.1%	-4.8%
Other Noncurrent Liabilities	-\$458,286	\$168,696	-\$1,973,695	-\$1,973,695	330.7%	-1270.0%	-1270.0%	0.0%
<b>COVID-19 Funding Long-Term Liabilities</b>			\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Fund Balance	\$59,807,770	\$58,908,869	\$61,800,610	\$63,737,382	3.3%	4.9%	8.2%	3.1%
<b>Liabilities and Equities</b>	<b>\$84,046,006</b>	<b>\$84,494,528</b>	<b>\$91,725,126</b>	<b>\$86,667,823</b>	<b>9.1%</b>	<b>8.6%</b>	<b>2.6%</b>	<b>-5.5%</b>
<b>Balance Sheet Metrics</b>	-	-	-	-	Change in Points			
Days Cash on Hand	236.8	241.4	256.1	263.0	19.3	14.7	21.6	6.9
<b>Days Cash on Hand-COVID-19</b>			320.5	263.0	320.5	320.5	263.0	-57.5
Debt Service Coverage Ratio	2.1	2.7	4.5	3.3	1.8	2.4	0.6	-1.2
Long Term Debt to Capitalization	0.2	0.2	0.2	0.2	-0.0	-0.0	-0.0	-0.0
Days Payable	51.5	64.0	43.6	43.9	-20.4	-7.9	-20.1	0.3
Days Receivable	42.8	41.3	40.1	34.2	-1.1	-2.7	-7.0	-5.9

Budget Fiscal Year 2021		
COVID-19 Related Hospital Revenue Replacement Funding Sources FY20		
Total Funding Sources		
Funding Sources	Amount	% of Total
Medicare Advance Funding	\$ 6,577,955	47.7%
State Funding	\$ -	0.0%
Federal Funding	\$ 5,148,081	37.3%
BCBS Advance Funding	\$ 1,845,950	13.4%
Medicaid Monthly Retainer	\$ 232,185	1.7%
Other (Please Specify)	\$ -	0.0%
Other (Please Specify)	\$ -	0.0%
<b>TOTAL:</b>	<b>\$ 13,804,171</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	\$ 6,577,955	77.9%
		0.0%
		0.0%
BCBS Advance Funding	\$ 1,845,950	21.9%
Medicaid Monthly Retainer 10% Reserve	\$ 23,219	0.3%
Other (Please Specify)	\$ -	0.0%
Other (Please Specify)	\$ -	0.0%
<b>TOTAL:</b>	<b>\$ 8,447,123</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
		0.0%
State Funding	\$ -	0.0%
Federal Funding	\$ 5,148,081	96.1%
		0.0%
Medicaid Monthly Retainer 90%	\$ 208,967	3.9%
Other (Please Specify)	\$ -	0.0%
Other (Please Specify)	\$ -	0.0%
<b>TOTAL:</b>	<b>\$ 5,357,048</b>	<b>100%</b>

Fiscal Year 2021 Budget Analysis			Gifford 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	4.00%	4.0%	5.0%	n/a			n/a
Commercial Approved % Change in Charge				n/a			n/a
Submitted % Change in Charge	4.00%	4.0%	5.0%	4.0%			0.0%
Commercial Submitted % Change in Charge							
	Hospital Inpatient Change in Gross Charges			4.0%			0.0%
	Hospital Outpatient Change in Gross Charges			4.0%			0.0%
	Professional Services Change in Gross Charges			4.0%			0.0%
	Primary Care Change in Gross Charges			0.0%			0.0%
	Specialty Care Change in Gross Charges			4.0%			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				\$ 1,152,685	\$ 288,171.32	\$ -	\$ -
Medicaid				\$ 190,207	\$ 47,551.69	\$ -	\$ -
Medicare				\$ 667,072	\$ 166,768.01	\$ -	\$ -
<b>Total Change Due to Charge Request</b>				<b>\$ 2,009,964</b>	<b>\$ 502,491.01</b>	<b>\$ -</b>	<b>\$ -</b>

Gifford 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
<b>Gross Patient Revenue</b>								
Medicare	\$48,060,898	\$50,349,738	\$44,405,926	\$51,947,724	-7.6%	-11.8%	3.2%	17.0%
Medicaid	\$19,084,742	\$20,794,492	\$18,370,162	\$21,570,995	-3.7%	-11.7%	3.7%	17.4%
Commercial	\$42,028,940	\$42,677,206	\$37,703,609	\$44,280,606	-10.3%	-11.7%	3.8%	17.4%
Self-Pay/Other/WC	\$0	\$0	\$2,138,133	\$2,509,031	#DIV/0!	#DIV/0!	#DIV/0!	17.3%
<b>Total Gross Patient Revenue</b>	<b>\$109,174,581</b>	<b>\$113,821,436</b>	<b>\$102,617,829</b>	<b>\$120,308,356</b>	<b>-6.0%</b>	<b>-9.8%</b>	<b>5.7%</b>	<b>17.2%</b>
<b>Net Patient Revenue/Fixed Prospective Payments</b>								
Medicare	\$18,385,485	\$18,900,636	\$14,787,426	\$18,416,508	-19.6%	-21.8%	-2.6%	24.5%
Medicaid	\$3,510,497	\$5,108,162	\$4,200,628	\$4,278,437	19.7%	-17.8%	-16.2%	1.9%
Commercial	\$27,601,317	\$27,834,064	\$26,413,238	\$28,284,732	-4.3%	-5.1%	1.6%	7.1%
Self-Pay/Other/WC	\$0	\$0	\$482,345	\$567,798	#DIV/0!	#DIV/0!	#DIV/0!	17.7%
<b>Total NPR &amp; FPP</b>	<b>\$49,497,298</b>	<b>\$51,842,862</b>	<b>\$45,883,637</b>	<b>\$51,547,475</b>	<b>-7.3%</b>	<b>-11.5%</b>	<b>-0.6%</b>	<b>12.3%</b>
<b>Reimbursement Ratio</b>								
Medicare	38%	38%	33%	35%				
Medicaid	18%	25%	23%	20%				
Commercial	66%	65%	70%	64%				
Self-Pay/Other/WC	#DIV/0!	#DIV/0!	23%	23%				
<b>Total Reimbursement Ratio</b>	<b>45%</b>	<b>46%</b>	<b>45%</b>	<b>43%</b>				