

# Springfield Hospital

## Fiscal Year 2021 Budget Analysis

Report Date: 8/28/2020

**Springfield 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.

Springfield Hospital												
Michael Halstead (Interim)			Allan Scroggins (Interim)									
Fiscal Year 2021 Budget Analysis		GMCB Data Entry				Hospital Data Entry						
Updated w/ Draft Audited FS FY19												
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>	\$110,212,736	\$106,879,864	\$25,598,704	\$25,952,618	\$18,542,905	\$26,728,830	\$96,823,057	\$110,991,277	-12.1%	-9.4%	3.8%	14.6%
Disproportionate Share Payments	\$1,019,053	\$900,130	\$225,033	\$225,033	\$225,032	\$225,034	\$900,132	\$1,008,927	-11.7%	0.0%	12.1%	12.1%
Graduate Medical Education (UVMC only)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Bad Debt	-\$5,271,466	-\$4,382,074	-\$1,250,858	-\$874,088	-\$1,227,518	-\$897,428	-\$4,249,892	-\$5,010,226	-19.4%	-3.0%	14.3%	17.9%
Free Care	-\$1,565,753	-\$1,068,799	-\$222,190	-\$223,543	-\$314,566	-\$891,466	-\$1,136,260	-\$1,136,260	-43.1%	-16.6%	6.3%	27.5%
Deductions from Revenue	-\$55,881,500	-\$53,439,932	-\$12,396,966	-\$13,902,092	-\$10,225,167	-\$15,239,690	-\$51,763,915	-\$54,334,786	-7.4%	-3.1%	1.7%	5.0%
<b>Net Patient Care Revenue</b>	\$48,513,070	\$48,889,189	\$11,953,723	\$11,177,928	\$7,000,686	\$10,685,579	\$40,817,916	\$51,518,932	-15.9%	-16.5%	5.4%	26.2%
<b>Fixed Prospective Payments, Reserves &amp; Other</b>												
Fixed Prospective Payments (Medicare/Medicaid ACO)	\$9,818,600		\$2,445,019	\$1,636,903	\$1,446,970	\$1,446,970	\$6,975,862	\$5,787,881	-29.0%	#DIV/0!	#DIV/0!	-17.0%
Reserves	-\$9,818,600		-\$2,445,019	-\$1,636,903	-\$1,446,970	-\$1,446,970	-\$6,975,862	-\$5,787,881	-29.0%	#DIV/0!	#DIV/0!	-17.0%
Other Reform Payments							\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Fixed Prospective Payments, Reserves &amp; Other</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Total NPR &amp; FPP</b>	\$48,513,070	\$48,889,189	\$11,953,723	\$11,177,928	\$7,000,686	\$10,685,579	\$40,817,916	\$51,518,932	-15.9%	-16.5%	5.4%	26.2%
<b>COVID-19 Stimulus and Other Grant Funding</b>	\$0	\$0	\$0	\$0	\$5,790,543	\$0	\$5,790,543		#DIV/0!	#DIV/0!	#DIV/0!	
Other	\$1,727,699	\$1,543,674	\$390,453	\$395,097	\$62,830	\$235,857	\$1,084,237	\$1,761,472	-37.2%	-29.8%	14.1%	62.5%
<b>Other Operating Revenue</b>	\$1,727,699	\$1,543,674	\$390,453	\$395,097	\$5,853,373	\$235,857	\$6,874,780	\$1,761,472	297.9%	345.4%	14.1%	-74.4%
<b>Total Operating Revenue</b>	\$50,240,769	\$50,432,863	\$12,344,176	\$11,573,025	\$12,854,059	\$10,921,436	\$47,692,696	\$53,280,404	-5.1%	-5.4%	5.6%	11.7%
<b>Expenses</b>												
Salaries, Fringe Benefits, Physician Fees, Contracts	\$33,228,887	\$28,806,032	\$7,570,334	\$7,281,782	\$7,277,411	\$6,590,582	\$28,720,109	\$30,188,082	-13.6%	-0.3%	4.8%	5.1%
Medical/Surgical Drugs and Supplies	\$3,506,376	\$3,480,172	\$690,426	\$737,010	\$573,913	\$754,673	\$2,756,022	\$3,077,405	-21.4%	-20.8%	-11.6%	11.7%
Health Care Provider Tax	\$2,831,012	\$3,385,476	\$702,152	\$691,549	\$414,288	\$752,255	\$2,560,243	\$3,074,817	-9.6%	-24.4%	-9.2%	20.1%
Depreciation/Amortization	\$1,647,420	\$1,509,309	\$412,886	\$409,301	\$406,135	\$411,792	\$1,640,113	\$1,863,794	-0.4%	8.7%	23.5%	13.6%
Interest - Short and Long Term	\$479,021	\$500,000	\$101,337	\$107,320	\$99,650	\$103,606	\$411,913	\$159,204	-14.0%	-17.6%	-68.2%	-61.4%
Other Operating Expenses (includes ACO Participation Fees)	\$16,786,978	\$13,737,030	\$3,826,521	\$4,042,815	\$2,651,278	\$4,719,887	\$15,240,502	\$14,732,363	-9.2%	10.9%	7.2%	-3.3%
<b>Operating Expense</b>	\$58,479,694	\$51,418,019	\$13,303,656	\$13,269,777	\$11,422,674	\$13,332,795	\$51,328,902	\$53,095,665	-12.2%	-0.2%	3.3%	3.4%
<b>Net Operating Income</b>	-\$8,238,925	-\$985,156	-\$959,480	-\$1,696,752	\$1,431,385	-\$2,411,359	-\$3,636,206	\$184,739	-55.9%	269.1%	-118.8%	-105.1%
<b>Non Operating Revenue</b>	-\$8,245,778	\$0	\$9,618	\$5,996	\$3,390	\$0	\$19,004	\$0	-100.2%	#DIV/0!	#DIV/0!	-100.0%
<b>Excess (Deficit) of Rev over Exp</b>	-\$16,484,703	-\$985,156	-\$949,862	-\$1,690,756	\$1,434,775	-\$2,411,359	-\$3,617,202	\$184,739	-78.1%	267.2%	-118.8%	-105.1%
<b>Income Statement Metrics</b>												
Operating Margin %	-16.4%	-2.0%	-7.8%	-14.7%	11.1%	-22.1%	-7.6%	0.3%				
Total Margin %	-39.3%	-2.0%	-7.7%	-14.6%	11.2%	-22.1%	-7.6%	0.3%				

**Springfield 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	\$2,203,472	\$155,386	\$4,200,000	\$4,000,222	90.6%	2602.9%	2474.4%	-4.8%
Net Patient Accounts Receivable	\$5,816,605	\$7,366,864	\$6,669,883	\$7,661,678	14.7%	-9.5%	4.0%	14.9%
<b>ACO Risk Reserve/Settlement Receivable</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>
Other Current Assets	\$3,024,032	\$2,546,793	\$2,546,793	\$2,546,793	-15.8%	0.0%	0.0%	0.0%
<b>Current Assets</b>	<b>\$11,044,109</b>	<b>\$10,069,043</b>	<b>\$13,416,676</b>	<b>\$14,208,693</b>	<b>21.5%</b>	<b>33.2%</b>	<b>41.1%</b>	<b>5.9%</b>
Board Designated Assets	\$356,527	\$353,449	\$353,449	\$353,449	-0.9%	0.0%	0.0%	0.0%
Net, Property, Plant And Equipment	\$12,042,143	\$11,291,000	\$10,541,000	\$10,391,000	-12.5%	-6.6%	-8.0%	-1.4%
Other Long-Term Assets	\$357,612	\$0	\$0	\$0	-100.0%	#DIV/0!	#DIV/0!	#DIV/0!
<b>Assets</b>	<b>\$23,800,391</b>	<b>\$21,713,492</b>	<b>\$24,311,125</b>	<b>\$24,953,142</b>	<b>2.1%</b>	<b>12.0%</b>	<b>14.9%</b>	<b>2.6%</b>
Accounts Payable	\$10,615,916	\$8,546,380	\$12,169,315	\$12,523,503	14.6%	42.4%	46.5%	2.9%
Salaries, Wages And Payroll Taxes Payable	\$1,972,023	\$2,500,000	\$2,600,000	\$2,704,000	31.8%	4.0%	8.2%	4.0%
<b>ACO Risk Reserve/Settlement Payable</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>
<b>COVID-19 Funding Short-Term Liabilities</b>			<b>\$0</b>	<b>\$0</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>
Other Current Liabilities	\$14,712,240	\$14,491,296	\$15,271,296	\$15,351,386	3.8%	5.4%	5.9%	0.5%
<b>Current Liabilities</b>	<b>\$27,300,179</b>	<b>\$25,537,676</b>	<b>\$30,040,611</b>	<b>\$30,578,889</b>	<b>10.0%</b>	<b>17.6%</b>	<b>19.7%</b>	<b>1.8%</b>
Long Term Liabilities	\$3,343,546	\$2,662,051	\$4,731,051	\$4,650,051	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Noncurrent Liabilities	\$0	\$0	\$0	\$0	41.5%	77.7%	74.7%	-1.7%
<b>COVID-19 Funding Long-Term Liabilities</b>			<b>\$0</b>	<b>\$0</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>
Fund Balance	-\$6,843,334	-\$6,486,235	-\$10,460,537	-\$10,275,798	52.9%	61.3%	58.4%	-1.8%
<b>Liabilities and Equities</b>	<b>\$23,800,391</b>	<b>\$21,713,492</b>	<b>\$24,311,125</b>	<b>\$24,953,142</b>	<b>2.1%</b>	<b>12.0%</b>	<b>14.9%</b>	<b>2.6%</b>
<b>Balance Sheet Metrics</b>			<b>\$0</b>	<b>\$0</b>				
							<b>Change in Points</b>	
Days Cash on Hand	16.6	3.7	1.0	28.6	-15.6	-2.7	24.9	27.6
Days Cash on Hand-COVID-19			30.1	0.0	30.1	30.1	0.0	-30.1
Debt Service Coverage Ratio	(0.7)	0.1	0.1	0.1	0.0	0.9	0.0	0.0
Long Term Debt to Capitalization	(1.7)	(1.0)	(1.0)	(1.0)	0.0	0.7	0.0	0.0
Days Payable	176.8	186.8	186.8	186.8	0.0	10.0	0.0	0.0
Days Receivable	44.8	55.0	55.0	55.0	0.0	10.2	0.0	0.0

Budget Fiscal Year 2021		
COVID-19 Related Hospital Revenue Replacement Funding Sources FY20		
Total Funding Sources		
Funding Sources	Amount	% of Total
Medicare Advance Funding		0.0%
State Funding	\$ 1,300,000	16.4%
Federal Funding	\$ 5,444,565	68.6%
Other: COVID-19 MCARE VBIF RELIEF	\$ 2,309	0.0%
Other: State of VT DMH Windham Ctr COVID-Maintain Operating Cash While under Construction	\$ 687,338	8.7%
Other: State of VT DMH Windham Ctr COVID-19 Cor	\$ 500,000	6.3%
Other (Please Specify)		0.0%
<b>TOTAL:</b>	<b>\$ 7,934,212</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		0.0%
State Funding	\$ 1,300,000	100.0%
Federal Funding	\$ -	0.0%
Other (Please Specify)	\$ -	0.0%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
<b>TOTAL:</b>	<b>\$ 1,300,000</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	\$ 5,444,565	82.1%
Other (Please Specify)	\$ 2,309	0.0%
Other: State of VT DMH Windham Ctr COVID-Maintain Operating Cash While under Construction	\$ 687,338	10.4%
Other: State of VT DMH Windham Ctr COVID-19 Cor	\$ 500,000	7.5%
Other (Please Specify)		0.0%
<b>TOTAL:</b>	<b>\$ 6,634,212</b>	<b>100%</b>

Fiscal Year 2021 Budget Analysis		Springfield 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	6.5%	10.0%	0.0%			n/a	
Commercial Approved % Change in Charge						n/a	
Submitted % Change in Charge	6.5%	10.0%	0.0%	4.0%			
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				\$ 1,112,679	\$ 278,170		\$ -
Medicaid				\$ 224,117	\$ 56,029		\$ -
Medicare				\$ 609,086	\$ 152,271		\$ -
Total Change Due to Charge Request				\$ 1,945,882	\$ 486,470	\$ -	\$ -

**Springfield 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	\$47,368,125	\$44,936,663	43,314,566	49,652,832	-8.6%	-3.6%	10.5%	14.6%
Medicaid	\$21,697,661	\$21,512,733	17,295,888	19,826,813	-20.3%	-19.6%	-7.8%	14.6%
Commercial	\$37,448,253	\$34,276,622	33,041,895	37,876,951	-11.8%	-3.6%	10.5%	14.6%
Self-Pay/Other/WC	\$3,698,696	\$6,153,847	3,170,708	3,634,681	-14.3%	-48.5%	-40.9%	14.6%
<b>Total Gross Patient Revenue</b>	<b>\$110,212,735</b>	<b>\$106,879,865</b>	<b>96,823,057</b>	<b>110,991,277</b>	<b>-12.1%</b>	<b>-9.4%</b>	<b>3.8%</b>	<b>14.6%</b>
<b>Net Patient Revenue/Fixed Prospective Payments</b>								
Medicare	\$16,578,271	\$17,233,247	14,140,728	17,605,459	-14.7%	-17.9%	2.2%	24.5%
Medicaid	\$7,242,253	\$9,701,835	6,623,860	7,690,982	-8.5%	-31.7%	-20.7%	16.1%
Commercial	\$24,725,616	\$21,796,748	20,253,961	26,257,612	-18.1%	-7.1%	20.5%	29.6%
Self-Pay/Other/WC	-\$33,072	\$157,359	(200,633)	(35,121)	506.7%	-227.5%	-122.3%	-82.5%
<b>Total NPR &amp; FPP</b>	<b>\$48,513,068</b>	<b>\$48,889,189</b>	<b>40,817,916</b>	<b>51,518,932</b>	<b>-15.9%</b>	<b>-16.5%</b>	<b>5.4%</b>	<b>26.2%</b>
<b>Reimbursement Ratio</b>								
Medicare	35%	38%	33%	35%				
Medicaid	33%	45%	38%	39%				
Commercial	66%	64%	61%	69%				
Self-Pay/Other/WC	-1%	3%	-6%	-1%				
<b>Total Reimbursement Ratio</b>	<b>44%</b>	<b>46%</b>	<b>42%</b>	<b>46%</b>				