

Southwestern VT Medical Center

Fiscal Year 2021 Budget Analysis

Report Date: 8/3/2020

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.

Southwestern VT Medical Center
Thomas Dee
Steven Majetch

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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	\$361,468,556	\$381,229,035	\$92,375,888	\$87,673,091	\$71,614,162	\$88,865,611	\$340,528,752	\$388,122,683	-5.8%	-10.7%	1.8%	14.0%
Disproportionate Share Payments	\$976,320	\$839,000	\$210,262	\$210,261	\$210,261	\$210,261	\$841,045	\$839,000	-13.9%	0.2%	0.0%	-0.2%
Graduate Medical Education (UVMCM only)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Bad Debt	-\$6,109,855	-\$6,400,000	-\$1,437,995	-\$1,828,394	-\$1,208,061	-\$2,013,909	-\$6,488,359	-\$6,750,000	6.2%	1.4%	5.5%	4.0%
Free Care	-\$2,145,969	-\$2,250,000	-\$634,784	-\$763,712	-\$558,202	-\$713,517	-\$2,670,215	-\$2,500,000	24.4%	18.7%	11.1%	-6.4%
Deductions from Revenue	-\$214,012,377	-\$237,633,390	-\$56,041,948	-\$53,239,695	-\$44,655,401	-\$54,358,938	-\$208,295,982	-\$249,672,555	-2.7%	-12.3%	5.1%	19.9%
Net Patient Care Revenue	\$140,176,675	\$135,784,645	\$34,471,423	\$32,051,551	\$25,402,759	\$31,989,508	\$123,915,241	\$130,039,128	-11.6%	-8.7%	-4.2%	4.9%
Fixed Prospective Payments, Reserves & Other												
Fixed Prospective Payments	\$23,775,895	\$36,500,000	\$6,137,633	\$6,512,884	\$5,975,166	\$7,106,987	\$25,732,670	\$37,050,000	8.2%	-29.5%	1.5%	44.0%
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!
Fixed Prospective Payments, Reserves & Other	\$23,775,895	\$36,500,000	\$6,137,633	\$6,512,884	\$5,975,166	\$7,106,987	\$25,732,670	\$37,050,000	8.2%	-29.5%	1.5%	44.0%
Total NPR & FPP	\$163,952,570	\$172,284,645	\$40,609,056	\$38,564,435	\$31,377,925	\$39,096,495	\$149,647,911	\$167,089,128	-8.7%	-13.1%	-3.0%	11.7%
COVID-19 Stimulus and Other Grant Funding												
Other	\$7,408,575	\$5,722,145	\$1,576,260	\$1,386,761	\$8,024,434	\$2,196,758	\$10,221,192	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Other	\$7,408,575	\$5,722,145	\$1,576,260	\$1,386,761	\$1,659,371	\$1,505,666	\$6,128,058	\$7,505,174	-17.3%	7.1%	31.2%	22.5%
Other Operating Revenue	\$7,408,575	\$5,722,145	\$1,576,260	\$1,386,761	\$9,683,805	\$3,702,424	\$16,349,250	\$7,505,174	120.7%	185.7%	31.2%	-54.1%
Total Operating Revenue	\$171,361,145	\$178,006,790	\$42,185,316	\$39,951,196	\$41,061,730	\$42,798,919	\$165,997,161	\$174,594,302	-3.1%	-6.7%	-1.9%	5.2%
Expenses												
Salaries, Fringe Benefits, Physician Fees, Contracts	\$95,901,421	\$99,338,135	\$24,281,975	\$23,543,934	\$22,450,771	\$24,038,010	\$94,314,690	\$100,714,734	-1.7%	-5.1%	1.4%	6.8%
Medical/Surgical Drugs and Supplies	\$0	\$0	\$3,667,896	\$3,360,451	\$3,854,804	\$3,900,159	\$14,783,310	\$15,506,788	#DIV/0!	#DIV/0!	#DIV/0!	4.9%
Health Care Provider Tax	\$9,766,182	\$9,981,590	\$2,495,889	\$2,498,730	\$2,493,930	\$2,493,036	\$9,981,585	\$9,248,702	2.2%	-0.0%	-7.3%	-7.3%
Depreciation/Amortization	\$6,155,238	\$6,500,000	\$1,611,560	\$1,536,764	\$1,478,874	\$1,455,336	\$6,082,534	\$6,350,000	-1.2%	-6.4%	-2.3%	4.4%
Interest - Short and Long Term	\$499,629	\$750,000	\$128,320	\$143,236	\$184,583	\$127,554	\$583,693	\$900,000	16.8%	-22.2%	20.0%	54.2%
Other Operating Expenses (includes ACO Participation Fees)	\$53,455,631	\$55,384,591	\$9,918,397	\$9,876,257	\$9,028,604	\$9,956,340	\$38,779,598	\$41,682,148	-27.5%	-30.0%	-24.7%	7.5%
Operating Expense	\$165,778,101	\$171,954,316	\$42,104,037	\$40,959,372	\$39,491,566	\$41,970,435	\$164,525,410	\$174,402,372	-0.8%	-4.3%	1.4%	6.0%
Net Operating Income	\$5,583,044	\$6,052,474	\$81,279	-\$1,008,176	\$1,570,164	\$828,484	\$1,471,751	\$191,930	-73.6%	-75.7%	-96.8%	-87.0%
Non Operating Revenue	\$413,312	\$600,000	\$561,551	-\$1,284,966	\$1,357,910	\$363,963	\$998,458	\$450,000	141.6%	66.4%	-25.0%	-54.9%
Excess (Deficit) of Rev over Exp	\$5,996,356	\$6,652,474	\$642,830	-\$2,293,142	\$2,928,074	\$1,192,447	\$2,470,209	\$641,930	-58.8%	-62.9%	-90.4%	-74.0%
Income Statement Metrics												
Operating Margin %	3.3%	3.4%	0.2%	-2.5%	3.8%	1.9%	0.9%	0.1%				
Total Margin %	3.5%	3.7%	1.5%	-5.9%	6.9%	2.8%	1.5%	0.4%				

Southwestern VT 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	\$10,308,114	\$8,361,018	\$11,999,897	\$9,307,360	16.4%	43.5%	11.3%	-22.4%
Net Patient Accounts Receivable	\$13,685,518	\$14,340,085	\$14,363,137	\$13,560,915	5.0%	0.2%	-5.4%	-5.6%
ACO Risk Reserve/Settlement Receivable	\$0	\$0			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Current Assets	\$5,931,927	\$5,437,853	\$6,149,109	\$6,333,581	3.7%	13.1%	16.5%	3.0%
Current Assets	\$29,925,559	\$28,138,956	\$32,512,143	\$29,201,856	8.6%	15.5%	3.8%	-10.2%
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Board Designated Assets	\$7,492,748	\$7,842,968	\$7,803,000	\$7,958,000	4.1%	-0.5%	1.5%	2.0%
Net, Property, Plant And Equipment	\$37,707,493	\$35,881,067	\$36,265,688	\$35,665,688	-3.8%	1.1%	-0.6%	-1.7%
Other Long-Term Assets	\$10,547,004	\$7,025,590	\$9,411,436	\$8,320,194	-10.8%	34.0%	18.4%	-11.6%
Assets	\$85,672,804	\$78,888,581	\$85,992,267	\$81,145,738	0.4%	9.0%	2.9%	-5.6%
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Accounts Payable	\$7,589,661	\$6,356,043	\$6,940,986	\$7,045,101	-8.5%	9.2%	10.8%	1.5%
Salaries, Wages And Payroll Taxes Payable	\$5,514,843	\$5,380,596	\$5,481,397	\$5,645,839	-0.6%	1.9%	4.9%	3.0%
ACO Risk Reserve/Settlement Payable	\$0	\$0	\$4,365,737		#DIV/0!	#DIV/0!	#DIV/0!	-100.0%
COVID-19 Funding Short-Term Liabilities			\$11,448,450		#DIV/0!	#DIV/0!	#DIV/0!	-100.0%
Other Current Liabilities	\$11,266,445	\$9,986,887	\$9,324,515	\$19,947,628	-17.2%	-6.6%	99.7%	113.9%
Current Liabilities	\$24,370,949	\$21,723,526	\$37,561,085	\$32,638,568	54.1%	72.9%	50.2%	-13.1%
					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Long Term Liabilities	\$9,277,545	\$8,978,406	\$8,965,114	\$8,553,071	-3.4%	-0.1%	-4.7%	-4.6%
Other Noncurrent Liabilities	\$16,168,095	\$7,030,072	\$5,907,315	\$13,819,455	-63.5%	-16.0%	96.6%	133.9%
COVID-19 Funding Long-Term Liabilities					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Fund Balance	\$35,856,215	\$41,156,577	\$33,558,753	\$26,134,644	-6.4%	-18.5%	-36.5%	-22.1%
Liabilities and Equities	\$85,672,804	\$78,888,581	\$85,992,267	\$81,145,738	0.4%	9.0%	2.9%	-5.6%
Balance Sheet Metrics					Change in Points			
Days Cash on Hand	40.7	35.7	27.5	20.2	-13.2	-8.2	-15.5	-7.3
Days Cash on Hand-COVID-19					0.0	0.0	0.0	0.0
Debt Service Coverage Ratio	13.4	11.5	13.4	11.7	1.9	-0.0	0.1	-1.8
Long Term Debt to Capitalization	0.2	0.2	0.3	0.3	0.1	0.1	0.1	-0.0
Days Payable	55.7	47.9	30.2	28.6	-17.7	-25.5	-19.3	-1.6
Days Receivable	35.6	38.5	28.9	29.6	-9.6	-6.7	-8.9	0.7

Budget Fiscal Year 2021		
COVID-19 Related Hospital Revenue Replacement Funding Sources FY20		
Total Funding Sources		
Funding Sources	Amount	% of Total
Medicare Advance Funding		#DIV/0!
State Funding		#DIV/0!
Federal Funding		#DIV/0!
Other (Please Specify)		#DIV/0!
Other (Please Specify)		#DIV/0!
Other (Please Specify)		#DIV/0!
Other (Please Specify)		#DIV/0!
TOTAL:	\$ -	#DIV/0!

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	\$ 9,470,000	82.7%
State Funding	\$ 78,450	0.7%
Federal Funding		0.0%
BC BS of Vermont	\$ 1,900,000	16.6%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
Other (Please Specify)		0.0%
TOTAL:	\$ 11,448,450	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)		#DIV/0!
State Funding		#DIV/0!
Federal Funding		#DIV/0!
Other (Please Specify)		#DIV/0!
Other (Please Specify)		#DIV/0!
Other (Please Specify)		#DIV/0!
Other (Please Specify)		#DIV/0!
TOTAL:	\$ -	#DIV/0!

Fiscal Year 2021 Budget Analysis			Southwestern VT 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	2.9%	3.0%	2.8%	n/a				n/a
Commercial Approved % Change in Charge				n/a				n/a
Submitted % Change in Charge	2.9%	3.2%	2.8%	3.5%				
Commercial Submitted % Change in Charge								
	Hospital Inpatient Change in Gross Charges			5.0%				0.0%
	Hospital Outpatient Change in Gross Charges			5.0%				0.0%
	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)							
Net Patient Revenue Change Due to Charge Request				Dollar Value	Value of 1% Charge	Dollar Value	Value of 1% Charge	
Commercial				\$ 3,027,000	605,400			0%
Medicaid				\$ -	0%			0%
Medicare				\$ -	0%			0%
Total Change Due to Charge Request				\$ 3,027,000	0%	\$ -		0%

Southwestern VT 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
Gross Patient Revenue								
Medicare	\$187,320,053	\$196,605,793	176,818,575	200,819,356	-5.6%	-10.1%	2.1%	13.6%
Medicaid	\$61,480,359	\$65,066,988	56,574,722	64,623,400	-8.0%	-13.1%	-0.7%	14.2%
Commercial	\$109,239,191	\$115,958,198	103,114,215	117,775,616	-5.6%	-11.1%	1.6%	14.2%
Self-Pay/Other/WC	\$3,428,953	\$3,598,056	4,021,240	4,904,311	17.3%	11.8%	36.3%	22.0%
Total Gross Patient Revenue	\$361,468,556	\$381,229,035	340,528,752	388,122,683	-5.8%	-10.7%	1.8%	14.0%
Net Patient Revenue/Fixed Prospective Payments								
Medicare	\$65,488,498	\$65,979,459	57,572,977	64,675,052	-12.1%	-12.7%	-2.0%	12.3%
Medicaid	\$18,844,569	\$18,704,562	16,847,320	18,811,210	-10.6%	-9.9%	0.6%	11.7%
Commercial	\$76,195,588	\$84,502,686	73,137,797	81,272,663	-4.0%	-13.4%	-3.8%	11.1%
Self-Pay/Other/WC	\$2,447,595	\$2,258,938	2,089,818	2,330,203	-14.6%	-7.5%	3.2%	11.5%
Total NPR & FPP	\$162,976,250	\$171,445,645	149,647,911	167,089,128	-8.2%	-12.7%	-2.5%	11.7%
Reimbursement Ratio								
Medicare	35%	34%	33%	32%				
Medicaid	31%	29%	30%	29%				
Commercial	70%	73%	71%	69%				
Self-Pay/Other/WC	71%	63%	52%	48%				
Total Reimbursement Ratio	45%	45%	44%	43%				