

Porter Medical Center

Fiscal Year 2021 Budget Analysis

Report Date: 8/11/2020

Porter 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.

Currently, Porter has not laid off nor furloughed any of its workforce. We have however, necessitated a reduction of hours for both non-MD and MD staff. Porter has also reassigned staff to other areas as needed for screening, testing, anticipated surge activities, etc. Presently, Porter has returned to 95% of its normal staffing levels. Additionally, due to COVID-19, Porter has found it necessary to hire temporary staff to address the essential screening requirements throughout the organization. Porter does continue to actively evaluate furlough and layoff options as we continue to navigate the impacts of COVID-19 on our operating needs and financial performance.

| Porter Medical Center | | | | | | | | | | | | |
|--|-----------------|---------------|---------------|---------------|---------------------|------------------------|---------------|---------------|-------------|-------------|-------------|-------------|
| Thomas Thompson (Interim) | | | | | | | | | | | | |
| Jenn Bertrand | | | | | | | | | | | | |
| 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 | \$168,352,774 | \$169,510,951 | \$42,103,451 | \$39,774,098 | \$29,744,987 | \$41,537,345 | \$153,159,881 | \$170,761,542 | -9.0% | -9.6% | 0.7% | 11.5% |
| Disproportionate Share Payments | \$500,464 | \$497,840 | \$114,243 | \$114,243 | \$115,876 | \$119,142 | \$463,504 | \$478,461 | -7.4% | -6.9% | -3.9% | 3.2% |
| Graduate Medical Education (UVMCM only) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Bad Debt | -\$4,386,589 | -\$4,275,135 | -\$1,236,207 | -\$1,394,404 | -\$672,106 | -\$1,068,783 | -\$4,371,500 | -\$5,038,763 | -0.3% | 2.3% | 17.9% | 15.3% |
| Free Care | -\$1,492,822 | -\$1,486,321 | -\$216,207 | -\$300,102 | -\$232,654 | -\$371,577 | -\$1,120,540 | -\$1,519,778 | -24.9% | -24.6% | 2.3% | 35.6% |
| Deductions from Revenue | -\$93,838,393 | -\$96,939,496 | -\$25,046,361 | -\$22,614,529 | -\$17,109,528 | -\$23,232,991 | -\$88,003,409 | -\$96,050,607 | -6.2% | -9.2% | -0.9% | 9.1% |
| Net Patient Care Revenue | \$69,135,434 | \$67,307,839 | \$15,718,919 | \$15,579,306 | \$11,846,575 | \$16,983,136 | \$60,127,936 | \$68,630,855 | -13.0% | -10.7% | 2.0% | 14.1% |
| Fixed Prospective Payments, Reserves & Other | | | | | | | | | | | | |
| Fixed Prospective Payments | \$15,401,349 | \$20,661,080 | \$2,980,404 | \$4,310,375 | \$4,508,928 | \$4,107,413 | \$15,907,119 | \$20,661,081 | 3.3% | -23.0% | 0.0% | 29.9% |
| Reserves | -\$46,270 | -\$1,000,000 | -\$130,230 | \$32,867 | \$231,130 | \$458,400 | \$592,167 | \$0 | -1379.8% | -159.2% | -100.0% | -100.0% |
| Other Reform Payments | \$470,602 | \$518,620 | \$193,638 | \$98,621 | \$113,218 | \$122,400 | \$527,877 | \$518,620 | 12.2% | 1.8% | 0.0% | -1.8% |
| Fixed Prospective Payments, Reserves & Other | \$15,825,681 | \$20,179,700 | \$3,043,812 | \$4,441,863 | \$4,853,275 | \$4,688,213 | \$17,027,163 | \$21,179,701 | 7.6% | -15.6% | 5.0% | 24.4% |
| Total NPR & FPP | \$84,961,115 | \$87,487,539 | \$18,762,730 | \$20,021,169 | \$16,699,850 | \$21,671,349 | \$77,155,098 | \$89,810,556 | -9.2% | -11.8% | 2.7% | 16.4% |
| COVID-19 Stimulus and Other Grant Funding | | | \$0 | \$0 | \$6,480,738 | \$334,000 | \$6,814,738 | | #DIV/0! | #DIV/0! | #DIV/0! | |
| Other | \$6,393,330 | \$6,380,326 | \$1,634,775 | \$1,612,715 | \$1,648,112 | \$1,595,085 | \$6,490,687 | \$6,907,780 | 1.5% | 1.7% | 8.3% | 6.4% |
| Other Operating Revenue | \$6,393,330 | \$6,380,326 | \$1,634,775 | \$1,612,715 | \$8,128,850 | \$1,929,085 | \$13,305,425 | \$6,907,780 | 108.1% | 108.5% | 8.3% | -48.1% |
| Total Operating Revenue | \$91,354,445 | \$93,867,865 | \$20,397,506 | \$21,633,884 | \$24,828,700 | \$23,600,434 | \$90,460,524 | \$96,718,336 | -1.0% | -3.6% | 3.0% | 6.9% |
| Expenses | | | | | | | | | | | | |
| Salaries, Fringe Benefits, Physician Fees, Contracts | \$52,929,809 | \$55,616,973 | \$13,458,500 | \$14,222,588 | \$12,772,920 | \$13,565,388 | \$54,019,396 | \$57,283,810 | 2.1% | -2.9% | 3.0% | 6.0% |
| Medical/Surgical Drugs and Supplies | \$6,857,853 | \$7,049,863 | \$1,811,379 | \$1,776,729 | \$1,607,453 | \$1,725,288 | \$6,920,849 | \$7,106,928 | 0.9% | -1.8% | 0.8% | 2.7% |
| Health Care Provider Tax | \$4,738,388 | \$4,784,372 | \$1,190,916 | \$1,190,916 | \$1,190,916 | \$1,196,093 | \$4,768,841 | \$4,799,727 | 0.6% | -0.3% | 0.3% | 0.6% |
| Depreciation/Amortization | \$2,864,387 | \$3,501,544 | \$755,331 | \$756,042 | \$730,620 | \$875,386 | \$3,117,379 | \$3,096,378 | 8.8% | -11.0% | -11.6% | -0.7% |
| Interest - Short and Long Term | \$328,419 | \$299,873 | \$77,128 | \$76,740 | \$74,764 | \$74,969 | \$303,601 | \$284,195 | -7.6% | 1.2% | -5.2% | -6.4% |
| Other Operating Expenses (includes ACO Participation Fees) | \$18,930,319 | \$19,024,717 | \$4,923,841 | \$4,820,986 | \$4,112,966 | \$4,641,848 | \$18,499,641 | \$19,772,435 | -2.3% | -2.8% | 3.9% | 6.9% |
| Operating Expense | \$86,649,174 | \$90,277,341 | \$22,217,095 | \$22,844,001 | \$20,489,639 | \$22,078,972 | \$87,629,707 | \$92,343,473 | 1.1% | -2.9% | 2.3% | 5.4% |
| Net Operating Income | \$4,705,271 | \$3,590,524 | -\$1,819,590 | -\$1,210,117 | \$4,339,061 | \$1,521,462 | \$2,830,817 | \$4,374,863 | -39.8% | -21.2% | 21.8% | 54.5% |
| Non Operating Revenue | \$698,021 | \$526,723 | \$72,433 | \$60,828 | \$25,470 | \$131,680 | \$290,411 | \$639,746 | -58.4% | -44.9% | 21.5% | 120.3% |
| Excess (Deficit) of Rev over Exp | \$5,403,292 | \$4,117,247 | -\$1,747,157 | -\$1,149,289 | \$4,364,531 | \$1,653,142 | \$3,121,228 | \$5,014,609 | -42.2% | -24.2% | 21.8% | 60.7% |
| Income Statement Metrics | | | | | | | | | | | | |
| Operating Margin % | 5.2% | 3.8% | -8.9% | -5.6% | 17.5% | 6.4% | 3.1% | 4.5% | | | | |
| Total Margin % | 5.9% | 4.4% | -8.5% | -5.3% | 17.6% | 7.0% | 3.4% | 5.2% | | | | |

Porter Medical Center

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|--|---------------------|---------------------|---------------------|---------------------|---------------|---------------|-------------------------|--------------|
| 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 | \$29,491,702 | \$23,399,355 | \$19,379,572 | \$22,244,548 | -34.3% | -17.2% | -4.9% | 14.8% |
| Net Patient Accounts Receivable | \$11,493,505 | \$11,340,470 | \$11,340,469 | \$11,810,703 | -1.3% | -0.0% | 4.1% | 4.1% |
| ACO Risk Reserve/Settlement Receivable | \$0 | \$0 | \$0 | \$0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Other Current Assets | \$5,373,383 | \$3,832,515 | \$4,844,314 | \$4,909,137 | -9.8% | 26.4% | 28.1% | 1.3% |
| Current Assets | \$46,358,590 | \$38,572,341 | \$35,564,355 | \$38,964,388 | -23.3% | -7.8% | 1.0% | 9.6% |
| | | | | | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Board Designated Assets | \$5,517,237 | \$11,965,901 | \$11,520,919 | \$11,559,437 | 108.8% | -3.7% | -3.4% | 0.3% |
| Net, Property, Plant And Equipment | \$18,049,160 | \$19,696,843 | \$18,000,000 | \$17,438,754 | -0.3% | -8.6% | -11.5% | -3.1% |
| Other Long-Term Assets | \$1,106,474 | \$1,899,913 | \$4,856,227 | \$4,962,586 | 338.9% | 155.6% | 161.2% | 2.2% |
| Assets | \$71,031,461 | \$72,134,998 | \$69,941,501 | \$72,925,165 | -1.5% | -3.0% | 1.1% | 4.3% |
| | | | | | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Accounts Payable | \$1,663,951 | \$1,105,069 | \$2,054,183 | \$3,539,134 | 23.5% | 85.9% | 220.3% | 72.3% |
| Salaries, Wages And Payroll Taxes Payable | \$4,839,274 | \$5,775,872 | \$3,985,622 | \$3,877,188 | -17.6% | -31.0% | -32.9% | -2.7% |
| ACO Risk Reserve/Settlement Payable | \$0 | \$0 | \$0 | \$0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| COVID-19 Funding Short-Term Liabilities | | | \$590,414 | \$1,003,704 | #DIV/0! | #DIV/0! | #DIV/0! | 70.0% |
| Other Current Liabilities | \$5,285,844 | \$7,352,318 | \$4,591,857 | \$4,817,021 | -13.1% | -37.5% | -34.5% | 4.9% |
| Current Liabilities | \$11,789,068 | \$14,233,259 | \$11,222,076 | \$13,237,047 | -4.8% | -21.2% | -7.0% | 18.0% |
| | | | | | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Long Term Liabilities | \$10,097,273 | \$9,486,771 | \$9,486,771 | \$8,919,242 | -6.0% | 0.0% | -6.0% | -6.0% |
| Other Noncurrent Liabilities | \$9,417,003 | \$4,453,131 | \$6,576,649 | \$6,560,207 | -30.2% | 47.7% | 47.3% | -0.3% |
| COVID-19 Funding Long-Term Liabilities | | | \$0 | \$0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Fund Balance | \$39,728,118 | \$43,961,837 | \$42,656,005 | \$44,208,669 | 7.4% | -3.0% | 0.6% | 3.6% |
| Liabilities and Equities | \$71,031,463 | \$72,134,998 | \$69,941,501 | \$72,925,165 | -1.5% | -3.0% | 1.1% | 4.3% |
| Balance Sheet Metrics | | | | | | | Change in Points | |
| Days Cash on Hand | 128.5 | 125.3 | 133.82 | 125.95 | 5.3 | 8.5 | 0.6 | -7.9 |
| Days Cash on Hand-COVID-19 | | | 145.74 | 138.25 | 145.7 | 145.7 | 138.3 | -7.5 |
| Debt Service Coverage Ratio | 9.0 | 8.7 | 10.5 | 11.6 | 1.8 | 1.5 | 2.9 | 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 | 51.4 | 59.9 | 48.6 | 54.1 | -11.3 | -2.8 | -5.8 | 5.5 |
| Days Receivable | 60.7 | 61.5 | 69.6 | 63.3 | 8.1 | 8.9 | 1.8 | -6.3 |

| Budget Fiscal Year 2021 | | |
|--|----------------------|-------------|
| COVID-19 Related Hospital Revenue Replacement Funding Sources FY20 | | |
| Total Funding Sources | | |
| Funding Sources | Amount | % of Total |
| Medicare Advance Funding | \$ 3,198,477 | 29.5% |
| State Funding | \$ - | 0.0% |
| Federal Funding | \$ 6,465,031 | 59.7% |
| ER Social Security Tax Deferral | \$ 1,003,704 | 9.3% |
| SHIP Grant | \$ 84,305 | 0.8% |
| ASPR Grant | \$ 66,965 | 0.6% |
| VHEPC Grant | \$ 13,636 | 0.1% |
| TOTAL: | \$ 10,832,118 | 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 | \$ 3,154,061 | 75.9% |
| State Funding | | 0.0% |
| Federal Funding | | 0.0% |
| ER Social Security Tax Deferral | \$ 1,003,704 | 24.1% |
| Other (Please Specify) | | 0.0% |
| Other (Please Specify) | | 0.0% |
| Other (Please Specify) | | 0.0% |
| TOTAL: | \$ 4,157,765 | 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 |
| Sequestration Suspension | \$ 44,416 | 0.7% |
| State Funding | | 0.0% |
| Federal Funding | \$ 6,465,031 | 96.9% |
| Other (Please Specify) | | 0.0% |
| SHIP Grant | \$ 84,305 | 1.3% |
| ASPR Grant | \$ 66,965 | 1.0% |
| VHEPC Grant | \$ 13,636 | 0.2% |
| TOTAL: | \$ 6,674,353 | 100% |

| Fiscal Year 2021 Budget Analysis | | | Porter 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 | 0.0% | -1.0% | 0.0% | n/a | n/a | n/a | n/a | |
| Commercial Approved % Change in Charge | 3.0% | 2.8% | 2.6% | n/a | n/a | n/a | n/a | |
| Submitted % Change in Charge | 0.0% | -1.0% | 0.0% | 0.0% | | n/a | n/a | |
| Commercial Submitted % Change in Charge | 3.0% | 2.8% | 2.6% | 5.75% | | n/a | n/a | |
| | Hospital Inpatient Change in Gross Charges | | | 0.0% | | n/a | n/a | |
| | Hospital Outpatient Change in Gross Charges | | | 0.0% | | n/a | n/a | |
| | Professional Services Change in Gross Charges | | | 0.0% | | n/a | n/a | |
| | Primary Care Change in Gross Charges | | | 0.0% | | n/a | n/a | |
| | Specialty Care Change in Gross Charges | | | 0.0% | | n/a | n/a | |
| | Skilled Nursing Facility Change in Gross Charges | | | 0.0% | | n/a | n/a | |
| | Other (please specify) | | | 0.0% | | n/a | n/a | |
| | Other (please specify) | | | 0.0% | | n/a | n/a | |
| Net Patient Revenue Change Due to Charge Request | | | | Dollar Value | Value of 1% Charge | Dollar Value | Value of 1% Charge | |
| Commercial | | | | \$ 1,597,528 | 277,831 | | 0% | |
| Medicaid | | | | \$ - | 0% | | 0% | |
| Medicare | | | | \$ (350,000) | 0% | | 0% | |
| Total Change Due to Charge Request | | | | \$ 1,247,528 | | \$ - | 0% | |

| Porter 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 | \$71,275,598 | \$70,333,127 | 64,561,403 | 71,778,862 | -9.4% | -8.2% | 2.1% | 11.2% |
| Medicaid | \$26,519,958 | \$27,244,712 | 24,074,248 | 26,967,808 | -9.2% | -11.6% | -1.0% | 12.0% |
| Commercial | \$62,760,657 | \$63,278,244 | 57,342,399 | 64,266,591 | -8.6% | -9.4% | 1.6% | 12.1% |
| Self-Pay/Other/WC | \$7,796,561 | \$8,654,869 | 7,181,831 | 7,748,281 | -7.9% | -17.0% | -10.5% | 7.9% |
| Total Gross Patient Revenue | \$168,352,774 | \$169,510,951 | 153,159,881 | 170,761,542 | -9.0% | -9.6% | 0.7% | 11.5% |
| - | | | | | | | | |
| Net Patient Revenue/Fixed Prospective Payments | | | | | | | | |
| Medicare | \$33,514,566 | \$30,582,182 | 29,746,070 | 34,568,069 | -11.2% | -2.7% | 13.0% | 16.2% |
| Medicaid | \$8,650,552 | \$10,269,866 | 8,674,336 | 8,145,614 | 0.3% | -15.5% | -20.7% | -6.1% |
| Commercial | \$42,637,571 | \$45,376,079 | 38,956,830 | 46,958,311 | -8.6% | -14.1% | 3.5% | 20.5% |
| Self-Pay/Other/WC | -\$342,038 | \$761,572 | (685,642) | (339,899) | 100.5% | -190.0% | -144.6% | -50.4% |
| Total NPR & FPP | \$84,460,651 | \$86,989,699 | 76,691,594 | 89,332,095 | -9.2% | -11.8% | 2.7% | 16.5% |
| (0) (0) - | | | | | | | | |
| Reimbursement Ratio | | | | | | | | |
| Medicare | 47% | 43% | 46% | 48% | | | | |
| Medicaid | 33% | 38% | 36% | 30% | | | | |
| Commercial | 68% | 72% | 68% | 73% | | | | |
| Self-Pay/Other/WC | -4% | 9% | -10% | -4% | | | | |
| Total Reimbursement Ratio | 50% | 51% | 50% | 52% | | | | |