

Northwestern Medical Center – FY2021 Budget - Staff Questions August 7, 2020, Response received August 10, 2020

1. Page 8 Narrative) FY21 NPR and Other Operating Revenue. do not match narrative. **Total Operating Revenue is the same at \$122.167MM. It is likely there could be questions on this even though it is immaterial in our eyes.**
 - a. The submission in the Excel file is correct. The values in the narrative table do reflect employee Rx sales and PT school contracts incorrectly as patient revenue when it should be in Other Operating Revenue as reported in the Excel file.
2. Page 4 Narrative, last sentence) **Excel spreads show FY20 Budget NPR/FPP of \$116.926MM compared to FY21 of \$116.693...this is not \$1.6MM.**

-“The above changes combine to produce an NPR budget that is \$1.6 million lower than Budget FY2020, after adjusting for the reclassification of ACO Dues.”

 - a. We were asked to include ACO dues as an expense in FY2021, but they were reported as an offset to revenue in FY2020. If we adjust the FY2020 NPR budget to move ACO dues (\$1,374,294) to an expense line, then we get an FY2020 NPR budget of \$118,300,873. Comparing this number to the FY2021 budget of \$116,693,229 shows a reduction of \$1,607,644 from FY2020 to FY2021.
3. Days Cash on Hand COVID: This was placed here so that the Board would understand how much of DCOH was inflated by advance funds, stimulus, etc. so that each hospital is not penalized by the appearance of high DCOH.
 - a. Thanks for that clarification, and for acknowledging that hospitals are penalized for having a high DCOH number. The Covid-19 Days Cash on Hand are 56.7 for Projected FY2020 and 56.5 for Budget FY2021. The totals reported are accurate, so DCOH without stimulus or the insurance advances would be 189 for Projected FY2020 and 169.5 for Budget 2021.
4. Page 16 Narrative) “For every 1% of rate request that is disallowed by the GMCB, each scenario above becomes \$579,900 worse.” **The \$579,900 does not tie to excel value on rate tab of \$578,900 even though it is immaterial.**
 - a. That is a typo in the narrative, the amount in the Excel file of \$578,900 per 1% is correct.