

Actual FY 2020 Narrative

Please see below the “Bridges” report per your request.

FY 2020 Approved Budget to FY 2020 Actual Results – Net Patient Revenue

NPR	Total	% over/under
FY20 Approved Budget	83,623,249	
Utilization	-15,721,727	-7.90%
Reimbursement/Payer Mix	4,658,666	4.00%
Bad Debt/Free Care	1,450,541	23.00%
Physician Acq/Trans		
Changes in Accounting		
Changes in DSH	-55,025	-6.10%
Other Reform Payments	-959,381	-100.00%
Fixed Prospective Payment	3,814,970	72.10%
FY20 Actual Results	76,811,293	

Utilization: As of 02/28/20 gross revenues were under budget 1,201,698 , at the end of May the gross revenue was under budget by 16,520,845. This was all related to Covid 19 , the restriction of services by the State of Vermont, patients choice, and best clinical practices during a pandemic. North Country was fortunate that the revenue returned at a steady pace from June to September.

Reimbursement/Payer mix: The is directly connected to the decrease in gross revenue due to Covid 19. Also, the net reimbursement percent decreased by 2% from budget to actual. This can be partially attributed to the payment differences for the mix of services from March to the end of May than in normal years.

Bad Debt/Free Care: Bad debt and free care were under budget for 2 main reasons. One was that during 4-5 months of the fiscal year we had reduced staff in the patient financial services area. Claims were written off during that time frame at a much slower rate. The necessary research to do this was delayed due to the reduced staff hours. On a positive note, the trained Navigators continue to enroll more patients in Medicaid remotely. This has had a positive effect on these numbers during the full fiscal year.

Changes in DSH: Budget 2020 DSH payment was an estimate based on what was known when the budget was completed

Other Reform Payments: These payments are included in the FPP payments in FY 2020 actuals.

FPP: This category represents the dollars received from OneCare Vermont for participating in the ACO. During FY2020, the Medicaid population was expanded which increased the payments significantly. Also the -959,381 of other reform payments should be included decreasing the actual variance to 2,855,526.

Bridges – FY 2020 Approved Budget to FY 2020 Actual Results - Expenses

NPR	Total	% over/under
FY20 Approved Budget	88,628,481	
Salaries	573,480	2.00%
Fringe Benefits	-343,474	-3.20%
Physician Contracts		
Contract Staffing		
Supplies		
Drugs		
Facilities		
IT Related		
Health Reform Programs		
Depreciation	-606,509	-13.70%
Interest	-73,024	-12.70%
Health Care Provider Tax	49,517	-1.10%
Marketing	51,308	39.00%
Other Non Salary Expenses	-3,314,712	
ACO dues	851,251	100.00%
Cost Savings		
FY20 Actual Results	85,844,220	

Salaries: Salaries not including locums/travelers were under budget by 804,272 for FY 2020. This is due to the furloughs we implemented from March to June. We returned our workforce slowly and methodically as the revenue increased. It was not until August that the majority of our workforce returned. The variance in this line can be accounted for by traveler costs, mainly nursing, that exceeded budget by 761,378.

Fringe Benefits: Health insurance expense was down for FY 2020.

Depreciation: Due to the pandemic we instituted a capital spending freeze for a large amount of the year which decreased the depreciation expense.

Marketing: This expense was higher due to the increased advertising and signage we needed to do as a response to the pandemic.

Other non-salary expense: The largest variance in non-salary expenses is supplies. Supply cost were under budget by a 1,166,765. This has a direct connection to the decreased services. Continuing education and travel were under budget by almost 400,000 due mainly to the pandemic. Repairs and maintenance and maintenance agreements were under budget 1,045,547.

ACO dues: In budget 20 ACO dues were netted against the revenue and not listed as an expense.
Please note: The total expenses above for actual FY2020 include 741,364 of non budgeted covid related expenses.

The auditors were in agreement with the amount of Covid funds that were included in the other operating income for FY 2020 based on the loss revenue calculations from the Cares Acts guidance.