

Fiscal Year 2022 Approved Vermont Hospital Budget Submissions

Report Date: September 28, 2021

GMCB Health System Finance Team

Gifford Medical Center: Deliberation and Vote



	FY2022 Request	Options	Decision
NPR/FPP	3.50%	<ul style="list-style-type: none">• Approve as submitted	<ul style="list-style-type: none">• Approved as submitted on 9/1/2021.
Change in Charge	3.50%	<ul style="list-style-type: none">• Approve as submitted	<ul style="list-style-type: none">• Approved as submitted on 9/1/2021.
Additional Recommendation			

Northwestern Medical Center: Deliberation and Vote



	FY2022 Request	Options	Decision
NPR/FPP	3.5% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 2.0%.	<ul style="list-style-type: none"> Approve as submitted 	<ul style="list-style-type: none"> Approved as submitted on 9/1/2021.
Change in Charge	3.00%	<ul style="list-style-type: none"> Approve as submitted 	<ul style="list-style-type: none"> Approved as submitted on 9/1/2021.
Additional Recommendation			

Southwestern Vermont Medical Center: Deliberation and Vote



	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	6.3% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 5.7%.	<ul style="list-style-type: none"> Approve as submitted 	Approved as submitted on 9/1/2021.
Change in Charge	4.8%	<ul style="list-style-type: none"> Approve as submitted 	Approved as submitted on 9/1/2021.
Additional Recommendation			

Rutland Regional Medical Center: Deliberation and Vote



	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	9.2% request is in excess of the budget-to-budget growth rate guidance with COVID allowance growth is 9.0%.	<ul style="list-style-type: none"> Approve as submitted 	Approved as submitted on 9/1/2021.
Change in Charge	3.64%	<ul style="list-style-type: none"> Approve as submitted 	Approved as submitted on 9/1/2021.
Additional Recommendation			

Northeastern Vermont Regional Hospital: Deliberation and Vote



	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	7.6% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 7.1%.	<ul style="list-style-type: none"> Approve as submitted 	Approved as submitted on 9/1/2021.
Change in Charge	3.0%	<ul style="list-style-type: none"> Approve as submitted 	Approved as submitted on 9/1/2021.
Additional Recommendation			

Mt. Ascutney Hospital & Health Center: Deliberation and Vote



	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	6.1% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 5.6%.	<ul style="list-style-type: none"> Approve as submitted 	Approved as submitted on 9/1/2021.
Change in Charge	2.20%	<ul style="list-style-type: none"> Approve as submitted 	Approve as submitted on 9/1/2021.
Additional Recommendation			

North Country Hospital: Deliberation and Vote

	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	7.3% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 7.3%.	<ul style="list-style-type: none"> Reduce to 6.2% based on charge reduction. Impact of below value \$895,024 on NPR B2B growth would be 6.2% 	Reduced NPR/FPP growth to 6.2% based on reduction of charge request, approved on 9/1/2021.
Change in Charge	4.90%	<ul style="list-style-type: none"> Reduce to 3.3% (remove Cerner: 1.6% use reserves) 	Reduced charge request to 3.3%, approved 9/1/2021.
Additional Recommendation			

Grace Cottage Hospital: Deliberation and Vote

	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	8.2% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 8.2%.	<ul style="list-style-type: none"> Reduce NPR to 3.5% effectively reducing NPR/FPP by \$963,501. New NPR/FPP \$21,390,029 	Reduced NPR growth to 6.8%, approved 9/1/2021.
Change in Charge	5.00%	<ul style="list-style-type: none"> Approve as submitted 	Approved as submitted, 9/1/2021.
Additional Recommendation			

Brattleboro Memorial Hospital: Deliberation and Vote



	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	3.0% request is under the budget-to-budget growth rate guidance, with COVID allowance growth is 3.0%.	<ul style="list-style-type: none"> Reduced NPR/FPP to \$93,125,934, or a 0.3% budget-to-budget-increase, reflecting year-over-year 3.5% NPR/FPP growth trend from 2019. 	Reduced NPR growth to 0.3%, approved 9/3/2021.
Overall Charge Master Increase	5.10%	<ul style="list-style-type: none"> Reduce by 1%, to 4%, or Approve as submitted. 	Reduced charge request to 4.6%, approved 9/3/2021.
Additional Recommendation		<ul style="list-style-type: none"> Improved timely and accurate submission of financial data 	

Copley Hospital: Deliberation and Vote



	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	13.4% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 13.4%.	<ul style="list-style-type: none"> Reduce to 12.4%, driven by 1% reduction in rate request which would reduce NPR/FPP by \$734,249, growth rate with provider transfer is 12% 	Reduced NPR growth to 12.0% including provider transfer, approved 9/3/2021.
Change in Charge	5.00%	<ul style="list-style-type: none"> Reduce rate 1.0%, to 4.0% reduces NPR/FPP by \$734,279 	Reduced charge request to 4.0%, approved 9/3/2021.
Additional Recommendation			

Springfield Hospital: Deliberation and Vote



	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	5.9% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 5.9%. Original budget submission indicated 7.8% growth over FY2021B.	<ul style="list-style-type: none"> Reduce NPR/FPP growth rate to 0.0% from FY2021 budget, with COVID allowance, growth is 0.0%. This is reducing NPR/FPP for FY2022 by \$2,990,690. 	Reduced NPR/FPP growth rate to 0.0% from FY2021 budget, approved 9/13/2021.
Change in Charge	8.30%	<ul style="list-style-type: none"> Reduce rate 2.3%, to 6.0% reduces NPR/FPP by \$1,179,155 	Approved as submitted on 9/13/2021.
Additional Recommendation		<ul style="list-style-type: none"> Commensurate reductions to expenses Improved timely and accurate submission of financial data Presents revised budget to GMCB, and have hospital management provide strategic plan Monthly meetings with GMCB Chair and staff to continue 	<p>Approved on 9/13/2021:</p> <ul style="list-style-type: none"> Presentation of a revised budget to GMCB no later than 11/15/2021 and have hospital management and Board representative provide strategic plan with justification of NPR/FPP and expenses. Improved timely and accurate submission of financial data Monthly meetings with GMCB Chair and staff to continue

University of Vermont Medical Center: Deliberation and Vote



	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	6.0% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 5.5%.	Approve as submitted, with provider transfers, it is worth 6.34%.	Approved as submitted on 9/13/2021.
Change in Charge	7.05%	Reduce to 6.05%, effectively reducing NPR by \$5,605,660.	Reduced charge request to 6.05%, approved 9/13/2021.
Additional Recommendation			<p>Approved 9/13/2021:</p> <ul style="list-style-type: none"> Develop a strategic plan and to share the plan with GMCB to address access to care/wait times. Quarterly progress reports to the Board in a format directed by Chair GMCB.

Porter Medical Center: Deliberation and Vote

	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	4.9% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 4.9%.	<ul style="list-style-type: none"> Approve as submitted. 	Approved as submitted on 9/13/2021.
Change in Charge	5.86%	<ul style="list-style-type: none"> Reduce to 4.0%. 	Reduced charge request to 4.0% on 9/13/2021.
Additional Recommendation			

Central Vermont Medical Center: Deliberation and Vote



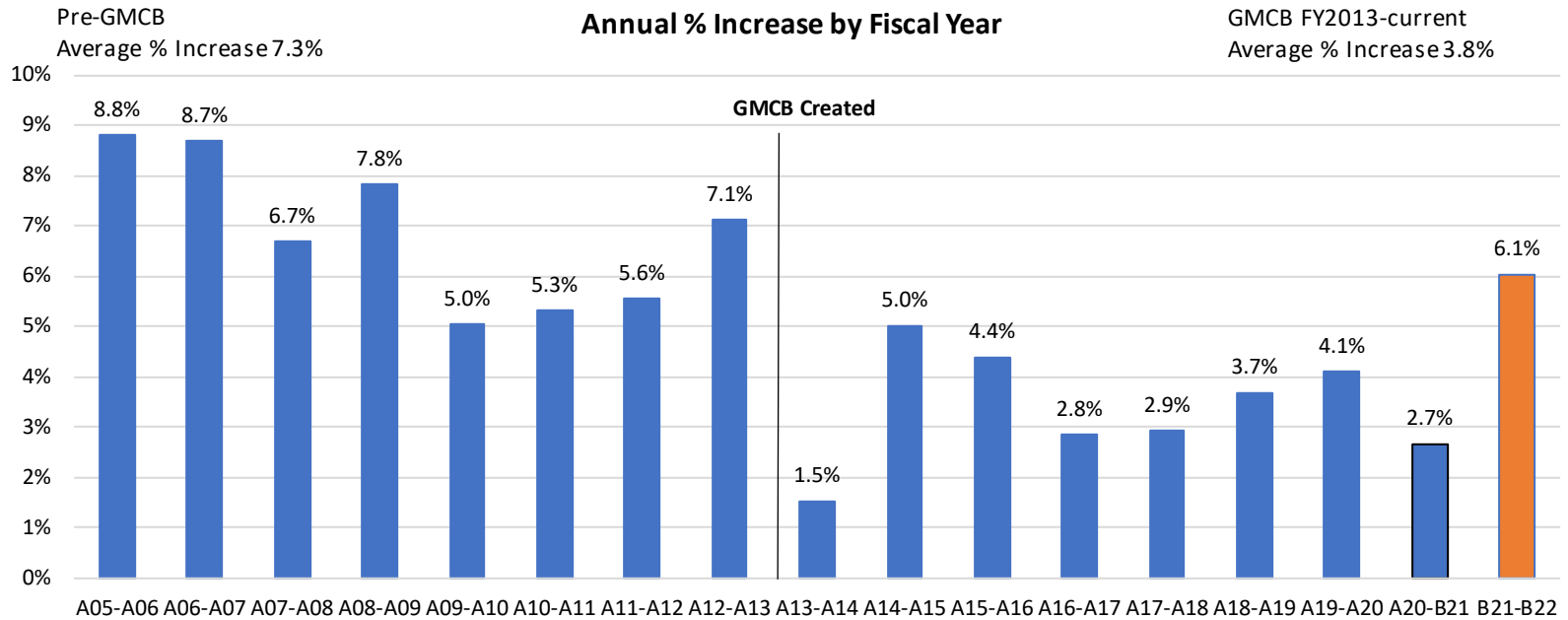
	FY2022 Request	Suggestion	Preliminary Decision
NPR/FPP	6.5% request is in excess of the budget-to-budget growth rate guidance, with COVID allowance growth is 6.5%. NPR growth is 4.54% with provider transfers.	<ul style="list-style-type: none"> Reduce submitted NPR/FPP growth rate to 5.72% based on reduction to rate request effectively reducing NPR/FPP by \$1,907,238, growth rate with provider transfers would be 3.74%. 	Reduced NPR/FPP growth rate to 3.74% from FY2021 budget including provider transfers, approved 9/13/2021.
Change in Charge	7.41%	<ul style="list-style-type: none"> Reduce requested charge to 5.0%, effectively reducing submitted NPR/FPP by \$1,907,238. 	Reduced charge request increase to 6.0%, approved 9/13/2021.
Additional Recommendation		<ul style="list-style-type: none"> Commensurate reductions to expenses 	Approved commensurate reductions to expenses on 9/13/2021.

Approved NPR/FPP: FY2022



Hospital	FY2022 Budget	FY2022 Approved Budget	Approved % Change FY2021-2022	Approved % Change FY2021-2022 After Adjustments
Brattleboro Memorial Hospital	\$ 95,595,382	\$ 93,080,836	0.3%	0.3%
Central Vermont Medical Center	\$ 251,502,614	\$ 249,584,873	5.7%	3.7%
Copley Hospital	\$ 86,390,520	\$ 85,656,271	12.4%	12.0%
Gifford Medical Center	\$ 54,224,079	\$ 54,224,079	4.1%	4.1%
Grace Cottage Hospital	\$ 22,353,530	\$ 22,072,030	6.8%	6.8%
Mt. Ascutney Hospital & Health Ctr	\$ 59,640,912	\$ 59,640,912	6.1%	6.1%
North Country Hospital	\$ 88,784,695	\$ 87,889,671	6.2%	6.2%
Northeastern VT Regional Hospital	\$ 97,368,788	\$ 97,368,788	7.6%	7.6%
Northwestern Medical Center	\$ 115,925,533	\$ 115,925,533	3.5%	3.5%
Porter Medical Center	\$ 94,168,035	\$ 94,168,035	4.9%	4.9%
Rutland Regional Medical Center	\$ 270,361,370	\$ 270,361,370	9.2%	9.2%
Southwestern VT Medical Center	\$ 177,594,439	\$ 177,594,439	6.3%	6.3%
Springfield Hospital	\$ 53,591,000	\$ 50,600,310	0.0%	0.0%
University of Vermont Medical Center	\$ 1,500,593,928	\$ 1,500,593,928	6.0%	6.3%
All Vermont Community Hospitals	\$ 2,968,094,825	\$ 2,958,761,075	6.05%	6.04%

**All Vermont Community Hospitals
Net Patient Revenue
Annual % Increase by Fiscal Year**



Notes:

A = Actual

B=Budget

GMCCB assumed responsibility for reviewing and approving hospital budgets in FY2013

This graph includes Vermont's 14 community hospitals; it excludes the Vermont Psychiatric Care Hospital, Brattleboro Retreat, and the VA (U.S. Department of Veterans Affairs) Medical Center in White River Junction. Net Patient Revenue (NPR) is monies hospitals will receive for services after accounting for contractual allowances, commercial discounts, bad debt and free care.

Approved Change in Charges

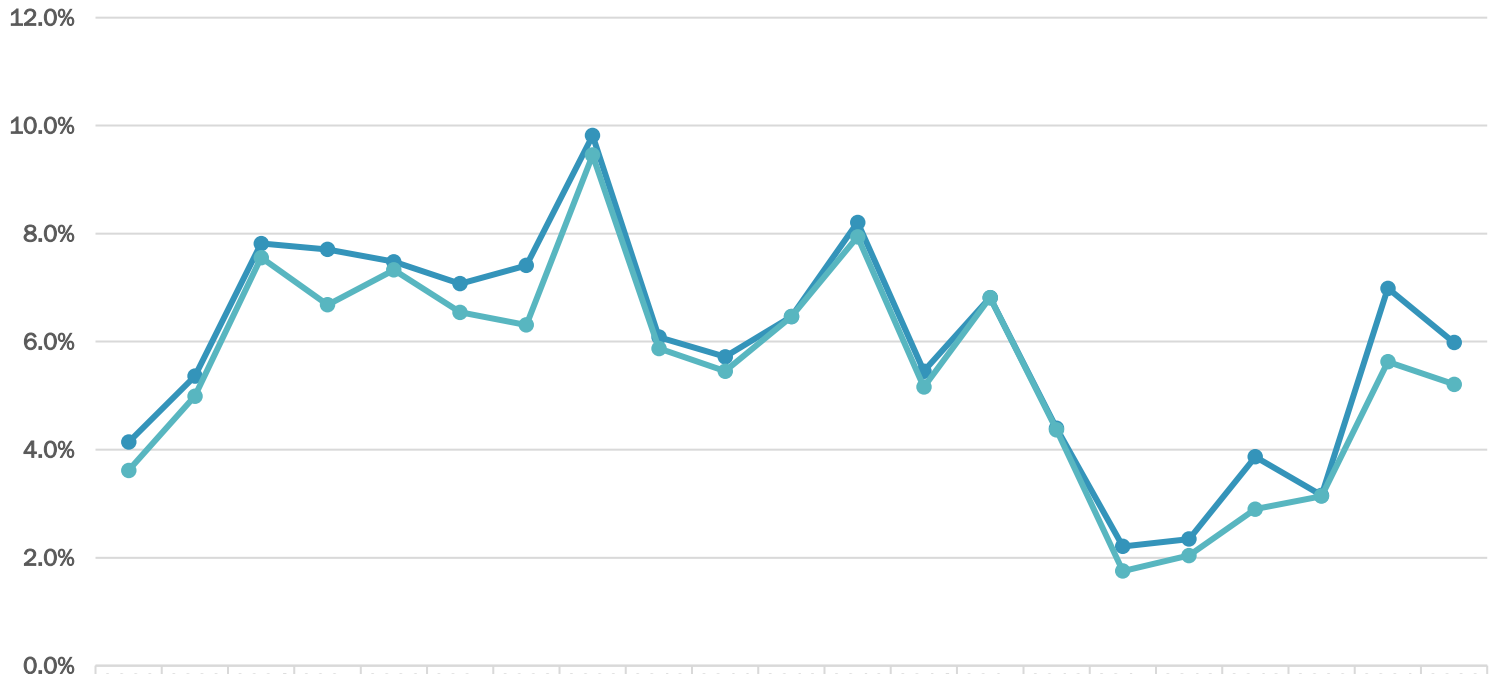
Vermont Community Hospitals History of Annual Increases in Charges

	2019		2020			2021			2022		
	Approved	Submitted	Commercial Effective Rate	Approved	Commercial Effective Rate	Submitted	Commercial Effective Rate	Approved	Commercial Effective Rate	Submitted	Approved
Brattleboro Memorial Hospital	3.9%	3.4%		3.4%		4.9%		4.9%		5.10%	4.60%
Central Vermont Medical Center	2.3%	3.0%	5.9%	3.0%	5.9%	6.0%	8.5%	6.0%	7.0%	7.41%	6.00%
Copley Hospital	4.5%	9.8%		9.8%		8.0%		6.0%		5.00%	4.00%
Gifford Medical Center	4.0%	5.0%		5.0%		4.0%		4.0%		3.50%	3.50%
Grace Cottage Hospital	3.2%	3.2%		3.2%		3.2%		3.2%		5.00%	5.00%
Mt. Ascutney Hospital & Health Center	2.9%	3.2%		3.2%		4.6%		4.6%		2.20%	2.20%
North Country Hospital	3.6%	4.2%		4.2%		3.6%		3.6%		4.90%	3.30%
Northeastern VT Regional Hospital	3.0%	3.5%		3.0%		3.9%		3.9%		3.00%	3.00%
Northwestern Medical Center	2.0%	5.9%		5.9%		21.1%		13.0%		3.00%	3.00%
Porter Medical Center	-1.0%	0.0%	2.6%	0.0%	2.6%	0.0%	5.8%	0.0%	4.0%	5.86%	4.00%
Rutland Regional Medical Center	2.6%	2.7%		2.7%		6.0%		6.0%		3.64%	3.64%
Southwestern VT Medical Center	3.0%	2.8%		2.8%		3.5%		3.5%		4.80%	4.80%
Springfield Hospital	10.0%	0.0%		0.0%		4.0%		4.0%		8.30%	8.30%
The University of Vermont Medical Center	2.5%	3.0%	4.0%	3.0%	3.5%	8.0%	8.0%	6.0%	6.0%	7.05%	6.05%
Estimated Weighted Average For All Hospitals**	2.9%	3.2%		3.1%		6.8%		5.6%		5.98%	5.21%

**Estimated Weighted Average for All Hospitals is calculated by factoring in each hospital's proportion of gross revenue to the change in charges (rate).

History of Change in Charges Vermont Community Hospitals

Estimated Weighted Average Increase in Charges



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Submitted Rate	4.1%	5.4%	7.8%	7.7%	7.5%	7.1%	7.4%	9.8%	6.1%	5.7%	6.5%	8.2%	5.5%	6.8%	4.4%	2.2%	2.3%	3.9%	3.2%	7.0%	6.0%
Approved Rate	3.6%	5.0%	7.6%	6.7%	7.3%	6.5%	6.3%	9.5%	5.9%	5.5%	6.5%	7.9%	5.2%	6.8%	4.4%	1.8%	2.0%	2.9%	3.1%	5.6%	5.2%

Estimated Weighted Average for all hospitals is calculated by factoring in each hospital's proportion of gross revenue to the change in charges (rate).