

# Copley Hospital

## Fiscal Year 2023 Submitted Budget

## Copley Hospital

Questions:

1. Is your Projection still valid? If not, please explain.

Copley Hospital							
Joe Woodin Jeffrey Hebert							
Fiscal Year 2023 Submitted Budget							
INCOME STATEMENT	2020 A	2021 A	2022 B	2022 P	2023 B	2022 B - 2022 P	2022 B - 2023 B
<b>Revenues</b>							
<b>Gross Patient Care Revenue</b>	<b>\$123,202,290</b>	<b>\$145,577,121</b>	<b>\$153,073,468</b>	<b>\$157,693,473</b>	<b>\$169,893,373</b>	<b>3.0%</b>	<b>11.0%</b>
Disproportionate Share Payments	\$455,209	\$500,596	\$455,000	\$482,404	\$482,000	6.0%	5.9%
Graduate Medical Education (UVMCM only)	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Bad Debt	-\$2,949,725	-\$2,633,717	-\$4,398,874	-\$4,217,484	-\$4,882,228	-4.1%	11.0%
Free Care	-\$923,759	-\$862,902	-\$1,550,047	-\$1,486,130	-\$1,720,368	-4.1%	11.0%
Deductions from Revenue	-\$54,338,837	-\$62,860,431	-\$66,900,055	-\$65,529,356	-\$72,716,323	-2.0%	8.7%
<b>Net Patient Care Revenue</b>	<b>\$65,445,178</b>	<b>\$79,720,667</b>	<b>\$80,679,492</b>	<b>\$86,942,907</b>	<b>\$91,056,454</b>	<b>7.8%</b>	<b>12.9%</b>
Fixed Prospective Payments	\$3,666,903	\$5,051,669	\$4,976,779	\$5,253,078	\$4,976,779	5.6%	0.0%
Reserves	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other Reform Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
<b>Fixed Prospective Payments and Reserves</b>	<b>\$3,666,903</b>	<b>\$5,051,669</b>	<b>\$4,976,779</b>	<b>\$5,253,078</b>	<b>\$4,976,779</b>	<b>5.6%</b>	<b>0.0%</b>
<b>Net Patient Care Rev &amp; Fixed Payments &amp; Reserves</b>	<b>\$69,112,081</b>	<b>\$84,772,335</b>	<b>\$85,656,271</b>	<b>\$92,195,985</b>	<b>\$96,033,233</b>	<b>7.6%</b>	<b>12.1%</b>
340B Retail Pharmacy Programs	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
COVID-19 Stimulus and Other Grant Funding	\$852,053	\$6,519,590	\$0	\$1,833,993	\$0	#DIV/0!	#DIV/0!
Specialty Pharmacy	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Outpatient Pharmacy Revenue	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Cafeteria & Parking	\$316,621	\$336,890	\$377,742	\$418,608	\$440,000	10.8%	16.5%
Grant Income	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Reference Lab Revenue	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Meaningful Use	\$62,270	\$10,937	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other	\$719,760	\$1,264,543	\$636,584	-\$336,325	\$574,326	-152.8%	-9.8%
<b>Other Operating Revenue</b>	<b>\$1,950,704</b>	<b>\$8,131,960</b>	<b>\$1,014,326</b>	<b>\$1,916,276</b>	<b>\$1,014,326</b>	<b>88.9%</b>	<b>0.0%</b>
<b>Total Operating Revenue</b>	<b>\$71,062,785</b>	<b>\$92,904,295</b>	<b>\$86,670,597</b>	<b>\$94,112,261</b>	<b>\$97,047,559</b>	<b>8.6%</b>	<b>12.0%</b>
<b>Operating Expenses</b>							
Salaries Non MD, Fringe Benefits Non MD, Physician							
Fees & Salaries, Fringe Benefits MD	\$39,885,039	\$44,285,038	\$49,045,925	\$49,193,611	\$56,636,726	0.3%	15.5%
Health Care Provider Tax	\$3,985,329	\$4,101,251	\$5,016,920	\$5,015,539	\$5,516,574	-0.0%	10.0%
Depreciation Amortization	\$2,789,868	\$4,279,650	\$3,331,448	\$2,898,075	\$3,100,813	-13.0%	-6.9%
Interest - Short Term, Interest - Long Term	\$126,029	\$84,094	\$114,000	\$152,961	\$194,000	34.2%	70.2%
ACO Dues	\$102,871	\$115,795	\$106,800	\$153,351	\$177,536	43.6%	66.2%
Medical/Surgical Drugs and Supplies	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Pharmaceuticals	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other Purchased Services - Consulting	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other Purchased Services -Travelers	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other Operating Expenses	\$26,930,441	\$35,322,583	\$28,763,889	\$38,603,182	\$29,852,814	34.2%	3.8%
<b>Total Operating Expenses</b>	<b>\$73,819,577</b>	<b>\$88,188,411</b>	<b>\$86,378,982</b>	<b>\$96,016,719</b>	<b>\$95,478,463</b>	<b>11.2%</b>	<b>10.5%</b>
<b>Net Operating Income</b>	<b>-\$2,756,792</b>	<b>\$4,715,884</b>	<b>\$291,615</b>	<b>-\$1,904,458</b>	<b>\$1,569,096</b>	<b>-753.1%</b>	<b>438.1%</b>
<b>Non Operating Revenue</b>	<b>\$448,038</b>	<b>\$5,321,764</b>	<b>\$302,184</b>	<b>\$2,290,991</b>	<b>\$302,184</b>	<b>658.1%</b>	<b>0.0%</b>
<b>Excess (Deficit) of Rev over Exp</b>	<b>-\$2,308,754</b>	<b>\$10,037,648</b>	<b>\$593,799</b>	<b>\$386,533</b>	<b>\$1,871,280</b>	<b>-34.9%</b>	<b>215.1%</b>
<b>Income Statement Metrics</b>							
Operating Margin %	-3.9%	5.1%	0.3%	-2.0%	1.6%		
Total Margin %	-3.2%	10.2%	0.7%	0.4%	1.9%		

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Fiscal Year 2023 Submitted Budget									
BALANCE SHEET	2020 A	2021 A	2022 B	2022 Projection	2023 B	2022 B - 2022 P	2022 B - 2023 B	2022 P - 2023 B	
Cash & Investments	\$33,613,201	\$28,746,978	\$7,801,772	\$22,602,539	\$22,298,742	189.7%	185.8%	-1.3%	
Net Patient Accounts Receivable	\$5,013,731	\$10,587,435	\$6,410,000	\$9,912,000	\$10,524,000	54.6%	64.2%	6.2%	
Due From Third Parties	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Risk Reserve Receivable	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Other Current Assets	\$4,607,586	\$6,062,574	\$5,000,000	\$5,000,000	\$5,000,000	0.0%	0.0%	0.0%	
<b>Current Assets</b>	<b>\$43,234,518</b>	<b>\$45,396,987</b>	<b>\$19,211,772</b>	<b>\$37,514,539</b>	<b>\$37,822,742</b>	<b>95.3%</b>	<b>96.9%</b>	<b>0.8%</b>	
Board Designated Assets	\$5,266,650	\$145,744	\$1,439,601	\$0	\$0	-100.0%	-100.0%	#DIV/0!	
Net, Property, Plant And Equipment	\$25,145,467	\$28,884,098	\$29,322,337	\$30,526,384	\$32,937,466	4.1%	12.3%	7.9%	
Other Long-Term Assets	\$2,896,587	\$3,766,248	\$2,600,000	\$3,800,000	\$3,800,000	46.2%	46.2%	0.0%	
<b>Assets</b>	<b>\$76,543,222</b>	<b>\$78,193,078</b>	<b>\$52,573,710</b>	<b>\$71,840,923</b>	<b>\$74,560,208</b>	<b>36.6%</b>	<b>41.8%</b>	<b>3.8%</b>	
Accounts Payable	\$4,052,691	\$6,641,744	\$2,740,000	\$6,130,000	\$6,590,000	123.7%	140.5%	7.5%	
Current Liabilities COVID-19	\$18,910,583	\$8,854,351	\$1,100,000	\$0	\$0	-100.0%	-100.0%	#DIV/0!	
Salaries, Wages And Payroll Taxes Payable	\$10,994,929	\$6,577,719	\$5,309,000	\$6,395,000	\$7,363,000	20.5%	38.7%	15.1%	
Other Third Party Settlements	\$1,340,000	\$2,680,000	\$1,000,000	\$1,952,712	\$1,952,712	95.3%	95.3%	0.0%	
ACO Risk Reserve	\$210,226	\$267,539	\$1,047,288	\$1,047,288	\$1,047,288	0.0%	0.0%	0.0%	
Other Current Liabilities	\$407,358	\$1,945,218	\$418,657	\$590,830	\$600,363	41.1%	43.4%	1.6%	
<b>Current Liabilities</b>	<b>\$35,915,787</b>	<b>\$26,966,571</b>	<b>\$11,614,945</b>	<b>\$16,115,830</b>	<b>\$17,553,363</b>	<b>38.8%</b>	<b>51.1%</b>	<b>8.9%</b>	
Long Term Liabilities COVID-19	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Long Term Liabilities	\$9,943,336	\$10,504,760	\$8,815,119	\$14,616,813	\$14,027,284	65.8%	59.1%	-4.0%	
Other Noncurrent Liabilities	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
<b>Long Term Liabilities</b>	<b>\$9,943,336</b>	<b>\$10,504,760</b>	<b>\$8,815,119</b>	<b>\$14,616,813</b>	<b>\$14,027,284</b>	<b>65.8%</b>	<b>59.1%</b>	<b>-4.0%</b>	
<b>Total Liabilities</b>	<b>\$45,859,123</b>	<b>\$37,471,331</b>	<b>\$20,430,064</b>	<b>\$30,732,643</b>	<b>\$31,580,647</b>	<b>50.4%</b>	<b>54.6%</b>	<b>2.8%</b>	
Net Assets	\$32,992,853	\$30,684,099	\$31,549,847	\$40,721,747	\$41,108,281	29.1%	30.3%	0.9%	
YTD Change In Net Assets	-\$2,308,754	\$10,037,648	\$593,799	\$386,533	\$1,871,280	-34.9%	215.1%	384.1%	
<b>Fund Balance</b>	<b>\$30,684,099</b>	<b>\$40,721,747</b>	<b>\$32,143,646</b>	<b>\$41,108,280</b>	<b>\$42,979,561</b>	<b>27.9%</b>	<b>33.7%</b>	<b>4.6%</b>	
<b>Liabilities and Equities</b>	<b>\$76,543,222</b>	<b>\$78,193,078</b>	<b>\$52,573,710</b>	<b>\$71,840,923</b>	<b>\$74,560,208</b>	<b>36.6%</b>	<b>41.8%</b>	<b>3.8%</b>	
<b>Balance Sheet Metrics</b>									Change in Points
Days Cash on Hand	199.8	125.7	40.6	88.6	88.1	48.0	47.5	-0.5	
Debt Service Coverage Ratio to 1	0.3	108.0	7.0	1.5	6.1	-5.5	-0.9	4.6	
Long Term Debt to Capitalization	0.2	0.2	0.2	0.3	0.2	0.0	0.0	-0.0	
Days Payable	184.6	117.3	51.0	63.2	69.4	12.1	18.3	6.2	
Days Receivable	28.0	48.5	29.0	41.6	42.2	12.6	13.2	0.6	

<b>Copley Hospital</b>					
<b>Joe Woodin Jeffrey Hebert</b>					
<b>Fiscal Year 2023 Submitted Budget</b>					
<b>Utilization Monthly</b>	<b>2020 A</b>	<b>2021 A</b>	<b>2022 P</b>	<b>2023 B</b>	<b>2022 P - 2023 B</b>
Total Average Daily Census	14	15	16	16	0%
Total Admissions	1,767	1,803	1,574	1,865	18%
Total Patient Days	5,014	5,632	5,934	5,916	0%
Magnetic Resonance Image Procedures, Exams	1,093	1,508	1,518	2,225	47%
Cat Scan Procedures	4,486	5,368	5,606	5,900	5%
Radiology - Diagnostic Procedures	21,181	24,540	22,972	22,420	-2%
Emergency Room Visits	11,278	10,404	12,210	11,600	-5%
Operating Room Procedure	2,049	2,352	2,388	1,988	-17%
Operating Room Cases	-	-	-	-	#DIV/0!
Physician Office Visits	22,255	25,453	31,498	40,626	29%
<b>Staffing Year to Date</b>	<b>2020 A</b>	<b>2021 A</b>	<b>2022 P</b>	<b>2023 B</b>	<b>2022 P - 2023 B</b>
Non MD FTEs	341.2	355.7	385.1	418.0	32.9
MLPs	-	-	-	-	-
Residents & Fellows	-	-	-	-	-
Physician FTEs	14.7	18.4	19.1	20.4	1.3
Travelers, Travelers MD	7.9	-	-	-	-

Joe Woodin Jeffrey Hebert								
Fiscal Year 2023 Submitted Budget								
Payer Mix	2020 A	2021 A	2022 B	2022 P	2023 B	2022 B - 2022 P	2022 B - 2023 B	2022 P - 2023 B
<b>Gross Revenue</b>	<b>\$123,202,290</b>	<b>\$145,577,121</b>	<b>\$153,073,468</b>	<b>\$157,693,473</b>	<b>\$169,893,373</b>	<b>3%</b>	<b>11%</b>	<b>8%</b>
Contractual Allowances (includes Bad Debt & Free Care)	-\$58,212,321	-\$66,357,050	-\$72,848,976	-\$71,232,970	-\$79,318,919	-2%	9%	11%
Disproportionate Share Payments	\$455,209	\$500,596	\$455,000	\$482,404	\$482,000	6%	6%	0%
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
<b>Net Payer Revenue</b>	<b>\$65,445,178</b>	<b>\$79,720,667</b>	<b>\$80,679,492</b>	<b>\$86,942,907</b>	<b>\$91,056,454</b>	<b>8%</b>	<b>13%</b>	<b>5%</b>
Fixed Prospective Payments	\$3,666,903	\$5,051,669	\$4,976,779	\$5,253,078	\$4,976,779	6%	0%	-5%
Reserves - Risk Portion	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
<b>Total Net Payer Revenue &amp; Fixed Prospective Payment</b>	<b>\$69,112,081</b>	<b>\$84,772,335</b>	<b>\$85,656,271</b>	<b>\$92,195,985</b>	<b>\$96,033,233</b>	<b>8%</b>	<b>12%</b>	<b>4%</b>
<b>Above From the Income Statement</b>								
<b>Medicare</b>								
<b>Gross Revenue</b>	<b>\$47,837,102</b>	<b>\$52,288,111</b>	<b>\$59,462,879</b>	<b>\$64,364,987</b>	<b>\$69,432,075</b>	<b>8%</b>	<b>17%</b>	<b>8%</b>
Contractual Allowances (includes Bad Debt & Free Care)	-\$26,575,386	-\$27,981,682	-\$34,683,858	-\$31,760,499	-\$35,290,518	-8%	2%	11%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0			
<b>Net Payer Revenue</b>	<b>\$21,261,716</b>	<b>\$24,306,429</b>	<b>\$24,779,021</b>	<b>\$32,604,488</b>	<b>\$34,141,557</b>	<b>32%</b>	<b>38%</b>	<b>5%</b>
Fixed Prospective Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Reserves - Risk Portion	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
<b>Total Net Payer Revenue &amp; Fixed Prospective Payment</b>	<b>\$21,261,716</b>	<b>\$24,306,429</b>	<b>\$24,779,021</b>	<b>\$32,604,488</b>	<b>\$34,141,557</b>	<b>32%</b>	<b>38%</b>	<b>5%</b>
<b>Medicaid</b>								
<b>Gross Revenue</b>	<b>\$17,259,300</b>	<b>\$21,111,053</b>	<b>\$21,873,920</b>	<b>\$24,724,911</b>	<b>\$26,597,283</b>	<b>13%</b>	<b>22%</b>	<b>8%</b>
Contractual Allowances (includes Bad Debt & Free Care)	-\$14,623,235	-\$18,706,454	-\$15,213,507	-\$13,274,065	-\$14,736,448	-13%	-3%	11%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
<b>Net Payer Revenue</b>	<b>\$2,636,065</b>	<b>\$2,404,599</b>	<b>\$6,660,413</b>	<b>\$11,450,846</b>	<b>\$11,860,835</b>	<b>72%</b>	<b>78%</b>	<b>4%</b>
Fixed Prospective Payments	\$3,666,903	\$5,051,669	\$4,976,779	\$5,253,078	\$4,976,779	6%	0%	-5%
Reserves - Risk Portion	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
<b>Total Net Payer Revenue &amp; Fixed Prospective Payment</b>	<b>\$6,302,968</b>	<b>\$7,456,268</b>	<b>\$11,637,192</b>	<b>\$16,703,924</b>	<b>\$16,837,614</b>	<b>44%</b>	<b>45%</b>	<b>1%</b>
<b>Commercial</b>								
<b>Gross Revenue</b>	<b>\$58,105,888</b>	<b>\$72,177,957</b>	<b>\$71,736,669</b>	<b>\$68,603,575</b>	<b>\$73,864,015</b>	<b>-4%</b>	<b>3%</b>	<b>8%</b>
Contractual Allowances (includes Bad Debt & Free Care)	-\$17,013,700	-\$19,668,914	-\$22,951,611	-\$26,198,406	-\$29,291,953	14%	28%	12%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0			
<b>Net Payer Revenue</b>	<b>\$41,092,188</b>	<b>\$52,509,043</b>	<b>\$48,785,058</b>	<b>\$42,405,169</b>	<b>\$44,572,062</b>	<b>-13%</b>	<b>-9%</b>	<b>5%</b>
Fixed Prospective Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Reserves - Risk Portion	\$0	\$0	\$0	\$0	\$0			
Other Reform Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
<b>Total Net Payer Revenue &amp; Fixed Prospective Payment</b>	<b>\$41,092,188</b>	<b>\$52,509,043</b>	<b>\$48,785,058</b>	<b>\$42,405,169</b>	<b>\$44,572,062</b>	<b>-13%</b>	<b>-9%</b>	<b>5%</b>
Disproportionate Share Payments	\$455,209	\$500,596	\$455,000	\$482,404	\$482,000	6%	6%	0%
<b>Payer Mix</b>								
	<b>2020 A</b>	<b>2021 A</b>	<b>2022 B</b>	<b>2022 P</b>	<b>2023 B</b>			
Gross Revenue Payer Mix%								
Medicare	39%	36%	39%	41%	41%			
Medicaid	14%	15%	14%	16%	16%			
Commercial	47%	50%	47%	44%	43%			
<b>NPR/FPP Payer Mix%</b>								
Medicare	31%	29%	29%	35%	36%			
Medicaid	9%	9%	14%	18%	18%			
Commercial	59%	62%	57%	46%	46%			
DSH	1%	1%	1%	1%	1%			

Copley Hospital							Copley Hospital							
							MEDIAN BENCHMARKS							
	Actuals FY2019	Actuals FY2020	Actuals FY2021	Budget FY2022	Projection FY2022	Budget FY2023	Vermont CAH FY2022	Vermont PPS FY2023	Vermont PPS FY2022	Vermont PPS FY2023	Northeast CAH FY2020	U.S. CAH FY2020	Northern NE FY2020	Fitch** Northeast FY2020
Net Patient Care Rev & Fixed Payments & Reserves	66,993,816	69,112,081	84,772,335	85,656,271	92,195,985	96,033,233								
NPR/FPP % change					7.6%	12.1%								
Operating Expense	70,299,334	73,819,577	88,188,411	86,378,982	96,016,719	95,478,463								
Operating Expense % change					11.2%	10.5%								
Operating Margin %	-3.17%	-3.88%	5.08%	0.34%	-2.02%	1.62%	-0.31%	1.84%	-1.72%	1.00%	4.3%	3.6%	-3.9%	-3.9%
Total Margin %	-2.58%	-3.23%	10.22%	0.68%	0.40%	1.92%	0.36%	2.41%	-4.77%	2.42%	6.7%	5.4%	-3.2%	-3.2%
Days Cash on Hand	62.1	199.8	125.7	40.6	88.6	88.1	138.1	139.4	146.1	128.7	174.81	192.28	199.7916902	199.7916902
Days Payable	36.7	184.6	117.3	51.0	63.2	69.4	67.9	69.0	52.9	58.6	0	0	184.5602698	184.5602698
Days Receivable	29.2	28.0	48.5	29.0	41.6	42.2	41.4	41.4	45.0	43.6	40.23	47.25	27.96251566	27.96251566
Debt Service Coverage Ratio to 1	1.29	0.30	107.97	7.02	1.54	6.12	1.89	4.14	1.09	3.32	9.53	4.16	0.298291859	0.298291859
Long Term Debt to Capitalization	23%	24%	21%	22%	26%	25%	19%	17%	17%	16%	33.1%	31.2%	24.5%	24.5%
Age of Plant	11.2	11.8	8.5	10.9	13.6	13.7	15.0	14.8	15.8	16.6	14.06	12.32	11.8190789	11.8190789
Benchmarks														
*Flex Monitoring 2019 CAH														
**Fitch Ratings Research-Not for Profit-Select Northeast and Northern NE (MA, ME, NH)														