

Northeastern VT Regional Hospital

Fiscal Year 2023 Submitted Budget

Northeastern VT Regional Hospital

Questions:

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

Northeastern VT Regional Hospital

Shawn Tester Bob Hersey

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
Revenues							
Gross Patient Care Revenue	\$169,222,081	\$194,392,186	\$203,382,600	\$209,236,000	\$238,142,300	2.9%	17.1%
Disproportionate Share Payments	\$972,598	\$919,704	\$926,400	\$967,200	\$926,400	4.4%	0.0%
Graduate Medical Education (UVMHC only)	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Bad Debt	-\$2,570,475	-\$3,384,099	-\$2,879,100	-\$3,497,100	-\$3,992,900	21.5%	38.7%
Free Care	-\$2,623,396	-\$1,639,819	-\$2,843,100	-\$2,024,600	-\$2,521,800	-28.8%	-11.3%
Deductions from Revenue	-\$85,929,972	-\$106,494,378	-\$109,757,666	-\$110,096,914	-\$131,276,527	0.3%	19.6%
Net Patient Care Revenue	\$79,070,836	\$83,793,594	\$88,829,134	\$94,584,586	\$101,277,473	6.5%	14.0%
Fixed Prospective Payments	\$6,704,919	\$8,086,553	\$9,027,154	\$8,042,064	\$9,301,277	-10.9%	3.0%
Reserves	\$0	-\$472,200	-\$812,500	-\$355,450	-\$520,750	-56.3%	-35.9%
Other Reform Payments	\$0	\$0	\$325,000	\$0	\$0	-100.0%	-100.0%
Fixed Prospective Payments and Reserves	\$6,704,919	\$7,614,353	\$8,539,654	\$7,686,614	\$8,780,527	-10.0%	2.8%
Net Patient Care Rev & Fixed Payments & Reserves	\$85,775,755	\$91,407,947	\$97,368,788	\$102,271,200	\$110,058,000	5.0%	13.0%
340B Retail Pharmacy Programs	\$2,712,187	\$2,055,031	\$2,400,000	\$1,804,427	\$2,100,000	-24.8%	-12.5%
COVID-19 Stimulus and Other Grant Funding	\$1,788,510	\$5,687,175	\$0	\$2,400,000	\$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	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Grant Income	\$117,759	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Reference Lab Revenue	\$1,458,431	\$1,743,800	\$1,725,000	\$1,622,750	\$1,600,000	-5.9%	-7.2%
Meaningful Use	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other	\$34,000	\$696,392	\$340,100	\$644,699	\$665,000	89.6%	95.5%
Other Operating Revenue	\$6,110,887	\$10,182,398	\$4,465,100	\$6,471,876	\$4,365,000	44.9%	-2.2%
Total Operating Revenue	\$91,886,642	\$101,590,345	\$101,833,888	\$108,743,076	\$114,423,000	6.8%	12.4%
Operating Expenses							
Salaries Non MD, Fringe Benefits Non MD, Physician							
Fees & Salaries, Fringe Benefits MD	\$54,305,978	\$63,685,138	\$63,799,600	\$67,838,776	\$71,026,300	6.3%	11.3%
Health Care Provider Tax	\$4,968,780	\$5,149,900	\$5,525,000	\$5,631,000	\$6,054,000	1.9%	9.6%
Depreciation Amortization	\$3,196,677	\$3,389,394	\$3,508,500	\$3,750,400	\$4,084,400	6.9%	16.4%
Interest - Short Term, Interest - Long Term	\$231,980	\$255,819	\$176,700	\$226,500	\$186,700	28.2%	5.7%
ACO Dues	\$157,129	\$128,028	\$200,000	\$200,000	\$200,000	0.0%	0.0%
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	\$4,605,180	\$2,424,600	#DIV/0!	#DIV/0!
Other Operating Expenses	\$27,844,880	\$26,054,994	\$26,559,050	\$28,031,127	\$30,197,000	5.5%	13.7%
Total Operating Expenses	\$90,705,424	\$98,663,273	\$99,768,850	\$110,282,983	\$114,173,000	10.5%	14.4%
Net Operating Income	\$1,181,218	\$2,927,072	\$2,065,038	-\$1,539,907	\$250,000	-174.6%	-87.9%
Non Operating Revenue	\$2,418,526	\$4,145,765	\$0	\$225,000	\$250,000	#DIV/0!	#DIV/0!
Excess (Deficit) of Rev over Exp	\$3,599,744	\$7,072,837	\$2,065,038	-\$1,314,907	\$500,000	-163.7%	-75.8%
Income Statement Metrics							
Operating Margin %	1.3%	2.9%	2.0%	-1.4%	0.2%		
Total Margin %	3.8%	6.7%	2.0%	-1.2%	0.4%		

Northeastern VT Regional Hospital									
Shawn Tester Bob Hersey									
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	\$28,733,062	\$24,574,811	\$13,670,959	\$10,037,954	\$10,273,192	-26.6%	-24.9%	2.3%	
Net Patient Accounts Receivable	\$8,715,262	\$9,167,011	\$10,602,000	\$10,364,901	\$11,307,689	-2.2%	6.7%	9.1%	
Due From Third Parties	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Risk Reserve Receivable	\$0	\$56,745	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Other Current Assets	\$3,521,751	\$4,089,042	\$3,250,000	\$5,114,912	\$4,023,120	57.4%	23.8%	-21.3%	
Current Assets	\$40,970,075	\$37,887,609	\$27,522,959	\$25,517,767	\$25,604,001	-7.3%	-7.0%	0.3%	
Board Designated Assets	\$20,793,491	\$24,807,040	\$24,028,949	\$21,364,347	\$21,364,347	-11.1%	-11.1%	0.0%	
Net, Property, Plant And Equipment	\$22,455,672	\$24,760,942	\$26,024,017	\$24,769,380	\$25,115,848	-4.8%	-3.5%	1.4%	
Other Long-Term Assets	\$7,442,663	\$8,615,502	\$6,278,864	\$8,198,286	\$7,352,782	30.6%	17.1%	-10.3%	
Assets	\$91,661,901	\$96,071,093	\$83,854,789	\$79,849,780	\$79,436,978	-4.8%	-5.3%	-0.5%	
Accounts Payable	\$4,474,753	\$4,348,697	\$3,600,000	\$3,600,000	\$3,800,000	0.0%	5.6%	5.6%	
Current Liabilities COVID-19	\$6,263,821	\$10,514,280	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Salaries, Wages And Payroll Taxes Payable	\$5,194,885	\$6,642,486	\$6,026,807	\$6,000,000	\$6,200,000	-0.4%	2.9%	3.3%	
Other Third Party Settlements	\$3,063,418	\$7,240,367	\$1,055,540	\$469,376	\$469,376	-55.5%	-55.5%	0.0%	
ACO Risk Reserve	\$0	\$0	\$1,019,375	\$1,239,085	\$737,100	21.6%	-27.7%	-40.5%	
Other Current Liabilities	\$1,432,417	\$2,477,074	\$2,945,506	\$3,109,570	\$3,429,776	5.6%	16.4%	10.3%	
Current Liabilities	\$20,429,294	\$31,222,904	\$14,647,228	\$14,418,031	\$14,636,252	-1.6%	-0.1%	1.5%	
Long Term Liabilities COVID-19	\$10,778,846	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Long Term Liabilities	\$10,046,480	\$11,455,755	\$6,893,002	\$10,483,478	\$9,311,478	52.1%	35.1%	-11.2%	
Other Noncurrent Liabilities	\$4,463,755	\$0	\$9,094,489	\$6,647,564	\$6,647,564	-26.9%	-26.9%	0.0%	
Long Term Liabilities	\$25,289,081	\$11,455,755	\$15,987,491	\$17,131,042	\$15,959,042	7.2%	-0.2%	-6.8%	
Total Liabilities	\$45,718,375	\$42,678,659	\$30,634,719	\$31,549,073	\$30,595,294	3.0%	-0.1%	-3.0%	
Net Assets	\$42,343,782	\$46,319,597	\$51,155,032	\$49,615,614	\$48,341,684	-3.0%	-5.5%	-2.6%	
YTD Change In Net Assets	\$3,599,744	\$7,072,837	\$2,065,038	-\$1,314,907	\$500,000	-163.7%	-75.8%	-138.0%	
Fund Balance	\$45,943,526	\$53,392,434	\$53,220,070	\$48,300,707	\$48,841,684	-9.2%	-8.2%	1.1%	
Liabilities and Equities	\$91,661,901	\$96,071,093	\$83,854,789	\$79,849,780	\$79,436,978	-4.8%	-5.3%	-0.5%	
Balance Sheet Metrics									Change in Points
Days Cash on Hand	206.6	189.2	143.0	107.6	104.9	-35.4	-38.1	-2.7	
Debt Service Coverage Ratio to 1	4.5	6.2	5.4	2.1	4.2	-3.3	-1.2	2.1	
Long Term Debt to Capitalization	0.3	0.2	0.1	0.2	0.2	0.1	0.1	-0.0	
Days Payable	85.2	119.6	55.5	49.4	48.5	-6.1	-7.0	-0.9	
Days Receivable	40.2	39.9	43.6	40.0	40.8	-3.6	-2.8	0.8	

Northeastern VT Regional Hospital					
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Fiscal Year 2023 Submitted Budget					
Utilization Monthly	2020 A	2021 A	2022 P	2023 B	2022 P - 2023 B
Total Average Daily Census	16	17	18	18	0%
Total Admissions	1,756	1,737	1,674	1,695	1%
Total Patient Days	5,873	6,106	6,544	6,549	0%
Magnetic Resonance Image Procedures, Exams	1,344	1,611	1,959	1,959	0%
Cat Scan Procedures	11,178	13,327	13,911	14,305	3%
Radiology - Diagnostic Procedures	15,425	16,152	17,306	18,103	5%
Emergency Room Visits	11,563	11,198	11,913	13,104	10%
Operating Room Procedure	2,521	2,660	3,076	3,192	4%
Operating Room Cases	-	-	-	-	#DIV/0!
Physician Office Visits	61,530	74,116	96,180	106,333	11%
Staffing Year to Date	2020 A	2021 A	2022 P	2023 B	2022 P - 2023 B
Non MD FTEs	405.2	439.6	452.4	449.3	(3.1)
MLPs	30.7	33.7	35.1	35.2	0.1
Residents & Fellows	-	-	-	-	-
Physician FTEs	31.2	30.9	32.7	34.0	1.3
Travelers, Travelers MD	-	-	-	-	-

Shawn Tester Bob Hersey								
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
Gross Revenue	\$169,222,081	\$194,392,188	\$203,382,600	\$209,236,000	\$238,142,300	3%	17%	14%
Contractual Allowances (includes Bad Debt & Free Care)	-\$91,123,843	-\$111,518,298	-\$115,479,866	-\$115,622,753	-\$137,791,227	0%	19%	19%
Disproportionate Share Payments	\$972,598	\$919,704	\$926,400	\$967,200	\$926,400	4%	0%	-4%
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Net Payer Revenue	\$79,070,836	\$83,793,594	\$88,829,134	\$94,580,447	\$101,277,473	6%	14%	7%
Fixed Prospective Payments	\$6,704,919	\$8,086,553	\$9,027,154	\$8,042,064	\$9,301,277	-11%	3%	16%
Reserves - Risk Portion	\$0	-\$472,200	-\$812,500	-\$355,450	-\$520,750	-56%	-36%	47%
Other Reform Payments	\$0	\$0	\$325,000	\$0	\$0	-100%	-100%	#DIV/0!
Total Net Payer Revenue & Fixed Prospective Payment	\$85,775,755	\$91,407,947	\$97,368,788	\$102,267,061	\$110,058,000	5%	13%	8%

Above From the Income Statement

Medicare								
Gross Revenue	2020 A	2021 A	2022 B	2022 P	2023 B	2022 B - 2022 P	2022 B - 2023 B	2022 P - 2023 B
Gross Revenue	\$70,347,221	\$91,289,944	\$85,231,000	\$100,157,000	\$114,338,100	18%	34%	14%
Contractual Allowances (includes Bad Debt & Free Care)	-\$38,021,935	-\$60,732,663	-\$49,893,912	-\$56,681,486	-\$69,203,041	14%	39%	22%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0			
Net Payer Revenue	\$32,325,286	\$30,557,281	\$35,337,088	\$43,475,514	\$45,135,059	23%	28%	4%
Fixed Prospective Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Reserves - Risk Portion	\$0	\$0	\$0	\$0	-\$165,300	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Total Net Payer Revenue & Fixed Prospective Payment	\$32,325,286	\$30,557,281	\$35,337,088	\$43,475,514	\$44,969,759	23%	27%	3%

Medicaid								
Gross Revenue	2020 A	2021 A	2022 B	2022 P	2023 B	2022 B - 2022 P	2022 B - 2023 B	2022 P - 2023 B
Gross Revenue	\$33,568,186	\$40,038,868	\$40,548,340	\$41,003,000	\$46,563,200	1%	15%	14%
Contractual Allowances (includes Bad Debt & Free Care)	-\$29,257,418	-\$29,833,702	-\$33,200,354	-\$33,105,542	-\$38,936,800	0%	17%	18%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Net Payer Revenue	\$4,310,768	\$10,205,166	\$7,347,986	\$7,897,458	\$7,626,400	7%	4%	-3%
Fixed Prospective Payments	\$6,704,919	\$8,086,553	\$9,027,154	\$8,042,064	\$9,301,277	-11%	3%	16%
Reserves - Risk Portion	\$0	-\$472,200	-\$812,500	-\$355,450	-\$355,450	-56%	-56%	0%
Other Reform Payments	\$0	\$0	\$325,000	\$0	\$0	-100%	-100%	#DIV/0!
Total Net Payer Revenue & Fixed Prospective Payment	\$11,015,687	\$17,819,519	\$15,887,640	\$15,584,072	\$16,572,227	-2%	4%	6%

Commercial								
Gross Revenue	2020 A	2021 A	2022 B	2022 P	2023 B	2022 B - 2022 P	2022 B - 2023 B	2022 P - 2023 B
Gross Revenue	\$65,306,674	\$63,063,376	\$77,603,260	\$68,076,000	\$77,241,000	-12%	0%	13%
Contractual Allowances (includes Bad Debt & Free Care)	-\$23,844,490	-\$20,951,933	-\$32,385,600	-\$25,835,725	-\$29,651,386	-20%	-8%	15%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0			
Net Payer Revenue	\$41,462,184	\$42,111,443	\$45,217,660	\$42,240,275	\$47,589,614	-7%	5%	13%
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!
Total Net Payer Revenue & Fixed Prospective Payment	\$41,462,184	\$42,111,443	\$45,217,660	\$42,240,275	\$47,589,614	-7%	5%	13%

Disproportionate Share Payments	\$972,598	\$919,704	\$926,400	\$967,200	\$926,400	4%	0%	-4%
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Payer Mix	2020 A	2021 A	2022 B	2022 P	2023 B
Gross Revenue					
Payer Mix%					
Medicare	42%	47%	42%	48%	48%
Medicaid	20%	21%	20%	20%	20%
Commercial	39%	32%	38%	33%	32%
NPR/FPP					
Payer Mix%					
Medicare	38%	33%	36%	43%	41%
Medicaid	13%	19%	16%	15%	15%
Commercial	48%	46%	46%	41%	43%
DSH	1%	1%	1%	1%	1%

Northeastern VT Regional Hospital							Northeastern VT Regional 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	84,684,742	85,775,755	91,407,947	97,368,788	102,271,200	110,058,000								
NPR/FPP % change					5.0%	13.0%								
Operating Expense	87,189,684	90,705,424	98,663,273	99,768,850	110,282,983	114,173,000								
Operating Expense % change					10.5%	14.4%								
Operating Margin %	1.83%	1.29%	2.88%	2.03%	-1.42%	0.22%	-0.31%	1.84%	-1.72%	1.00%	4.3%		3.6%	1.3%
Total Margin %	1.79%	3.82%	6.69%	2.03%	-1.21%	0.44%	0.36%	2.41%	-4.77%	2.42%	6.7%		5.4%	3.8%
Days Cash on Hand	107.4	206.6	189.2	143.0	107.6	104.9	138.1	139.4	146.1	128.7	174.81		192.28	206.5758277
Days Payable	48.7	85.2	119.6	55.5	49.4	48.5	67.9	69.0	52.9	58.6	0		0	85.21082252
Days Receivable	39.9	40.2	39.9	43.6	40.0	40.8	41.4	41.4	45.0	43.6	40.23		47.25	40.2306437
Debt Service Coverage Ratio to 1	5.08	4.48	6.18	5.38	2.10	4.19	1.89	4.14	1.09	3.32	9.53		4.16	4.480439581
Long Term Debt to Capitalization	20%	31%	20%	11%	20%	18%	19%	17%	17%	16%	33.1%		31.2%	31.2%
Age of Plant	13.8	15.4	15.6	15.9	14.7	14.5	15.0	14.8	15.8	16.6	14.06		12.32	15.40783469

Benchmarks
*Flex Monitoring 2019 CAH
**Fitch Ratings Research-Not for Profit-Select Northeast and Northern NE (MA, ME, NH)