

Northwestern Medical Center

Fiscal Year 2023 Submitted Budget

Northwestern Medical Center

Questions:

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

Northwestern Medical Center							
Dean French Stephanie Breault							
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	\$193,051,946	\$246,224,948	\$245,862,206	\$240,222,523	\$263,698,311	-2.3%	7.3%
Disproportionate Share Payments	\$957,306	\$1,028,949	\$1,047,564	\$1,037,058	\$1,037,058	-1.0%	-1.0%
Graduate Medical Education (UVMCM only)	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Bad Debt	-\$8,153,915	-\$7,261,575	-\$7,748,625	-\$5,167,073	-\$6,030,035	-33.3%	-22.2%
Free Care	-\$1,317,726	-\$2,056,881	-\$1,565,780	-\$1,946,665	-\$2,232,958	24.3%	42.6%
Deductions from Revenue	-\$106,849,132	-\$143,716,808	-\$144,147,404	-\$139,179,165	-\$153,981,220	-3.4%	6.8%
Net Patient Care Revenue	\$77,688,479	\$94,218,633	\$93,447,961	\$94,966,678	\$102,491,156	1.6%	9.7%
Fixed Prospective Payments	\$21,775,659	\$21,229,344	\$22,477,572	\$22,477,572	\$20,852,517	0.0%	-7.2%
Reserves	-\$908,499	\$3,142,163	\$0	\$1,921,024	-\$2,250,000	#DIV/0!	#DIV/0!
Other Reform Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Fixed Prospective Payments and Reserves	\$20,867,160	\$24,371,507	\$22,477,572	\$24,398,596	\$18,602,517	8.5%	-17.2%
Net Patient Care Rev & Fixed Payments & Reserves	\$98,555,639	\$118,590,140	\$115,925,533	\$119,365,274	\$121,093,673	3.0%	4.5%
340B Retail Pharmacy Programs	\$1,523,221	\$1,316,668	\$1,456,048	\$831,181	\$400,000	-42.9%	-72.5%
COVID-19 Stimulus and Other Grant Funding	\$14,452,282	\$4,251,390	\$0	\$0	\$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	\$643,816	\$511,834	\$521,523	\$497,642	\$662,487	-4.6%	27.0%
Grant Income	\$3,370,840	\$2,331,932	\$2,505,643	\$1,540,267	\$2,017,569	-38.5%	-19.5%
Reference Lab Revenue	\$717,452	\$2,137,762	\$744,377	\$2,127,925	\$2,189,594	185.9%	194.2%
Meaningful Use	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other	\$423,574	\$606,972	\$462,702	\$1,279,423	\$566,023	176.5%	22.3%
Other Operating Revenue	\$21,131,185	\$11,156,557	\$5,690,293	\$6,276,438	\$5,835,673	10.3%	2.6%
Total Operating Revenue	\$119,686,824	\$129,746,697	\$121,615,826	\$125,641,712	\$126,929,346	3.3%	4.4%
Operating Expenses							
Salaries Non MD, Fringe Benefits Non MD, Physician Fees & Salaries, Fringe Benefits MD	\$73,805,964	\$70,485,866	\$69,067,024	\$66,843,645	\$68,402,219	-3.2%	-1.0%
Health Care Provider Tax	\$6,361,131	\$6,152,743	\$6,696,736	\$6,940,182	\$6,902,027	3.6%	3.1%
Depreciation Amortization	\$5,740,402	\$6,098,075	\$5,220,065	\$6,141,043	\$6,074,479	17.6%	16.4%
Interest - Short Term, Interest - Long Term	\$745,629	\$721,309	\$761,602	\$672,792	\$721,795	-11.7%	-5.2%
ACO Dues	\$1,374,744	\$796,899	\$969,000	\$969,000	\$812,572	0.0%	-16.1%
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	\$4,046,034	\$0	\$10,265,626	\$8,669,354	#DIV/0!	#DIV/0!
Other Operating Expenses	\$32,770,470	\$35,311,097	\$36,449,351	\$35,031,333	\$34,087,977	-3.9%	-6.5%
Total Operating Expenses	\$120,798,340	\$123,612,022	\$119,163,778	\$126,863,621	\$125,670,423	6.5%	5.5%
Net Operating Income	-\$1,111,516	\$6,134,675	\$2,452,048	-\$1,221,909	\$1,258,923	-149.8%	-48.7%
Non Operating Revenue	-\$260,585	\$10,019,934	\$1,546,335	-\$2,273,857	\$1,546,335	-247.0%	0.0%
Excess (Deficit) of Rev over Exp	-\$1,372,101	\$16,154,609	\$3,998,383	-\$3,495,766	\$2,805,258	-187.4%	-29.8%
Income Statement Metrics							
Operating Margin %	-0.9%	4.7%	2.0%	-1.0%	1.0%		
Total Margin %	-1.1%	11.6%	3.2%	-2.8%	2.2%		

Northwestern Medical Center									
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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	\$66,179,527	\$86,682,871	\$75,704,121	\$70,981,547	\$69,165,151	-6.2%	-8.6%	-2.6%	
Net Patient Accounts Receivable	\$9,908,593	\$9,042,305	\$10,000,000	\$7,225,000	\$7,225,000	-27.8%	-27.8%	0.0%	
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	\$13,666,492	\$4,776,054	\$13,250,000	\$6,250,000	\$6,250,000	-52.8%	-52.8%	0.0%	
Current Assets	\$89,754,612	\$100,501,230	\$98,954,121	\$84,456,547	\$82,640,151	-14.7%	-16.5%	-2.2%	
Board Designated Assets	\$25,172,514	\$9,218,423	\$24,800,000	\$8,250,000	\$8,250,000	-66.7%	-66.7%	0.0%	
Net, Property, Plant And Equipment	\$70,951,932	\$68,978,337	\$69,569,776	\$73,007,902	\$78,232,696	4.9%	12.5%	7.2%	
Other Long-Term Assets	\$1,545,596	\$1,501,808	\$1,500,000	\$1,501,808	\$1,501,808	0.1%	0.1%	0.0%	
Assets	\$187,424,654	\$180,199,798	\$194,823,897	\$167,216,257	\$170,624,655	-14.2%	-12.4%	2.0%	
Accounts Payable	\$3,566,718	\$4,365,460	\$3,250,000	\$3,950,000	\$3,950,000	21.5%	21.5%	0.0%	
Current Liabilities COVID-19	\$5,875,196	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Salaries, Wages And Payroll Taxes Payable	\$4,357,716	\$4,684,427	\$4,500,000	\$4,500,000	\$4,500,000	0.0%	0.0%	0.0%	
Other Third Party Settlements	\$3,797,360	\$2,141,174	\$5,500,000	\$2,000,000	\$2,000,000	-63.6%	-63.6%	0.0%	
ACO Risk Reserve	\$2,348,386	\$0	\$1,600,000	\$750,000	\$3,000,000	-53.1%	87.5%	300.0%	
Other Current Liabilities	\$16,613,580	\$3,695,436	\$13,066,415	\$2,973,867	\$2,973,867	-77.2%	-77.2%	0.0%	
Current Liabilities	\$36,558,956	\$14,886,497	\$27,916,415	\$14,173,867	\$16,423,867	-49.2%	-41.2%	15.9%	
Long Term Liabilities COVID-19	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Long Term Liabilities	\$28,163,248	\$26,569,347	\$27,734,879	\$25,508,758	\$23,861,898	-8.0%	-14.0%	-6.5%	
Other Noncurrent Liabilities	\$6,179,575	\$6,004,415	\$4,000,000	\$4,500,000	\$4,500,000	12.5%	12.5%	0.0%	
Long Term Liabilities	\$34,342,823	\$32,573,762	\$31,734,879	\$30,008,758	\$28,361,898	-5.4%	-10.6%	-5.5%	
Total Liabilities	\$70,901,779	\$47,460,259	\$59,651,294	\$44,182,625	\$44,785,765	-25.9%	-24.9%	1.4%	
Net Assets	\$117,894,976	\$116,584,930	\$131,174,220	\$132,656,868	\$123,033,632	1.1%	-6.2%	-7.3%	
YTD Change In Net Assets	-\$1,372,101	\$16,154,609	\$3,998,383	-\$3,495,766	\$2,805,258	-187.4%	-29.8%	-180.2%	
Fund Balance	\$116,522,875	\$132,739,539	\$135,172,603	\$129,161,102	\$125,838,890	-4.4%	-6.9%	-2.6%	
Liabilities and Equities	\$187,424,654	\$180,199,798	\$194,823,897	\$173,343,727	\$170,624,655	-11.0%	-12.4%	-1.6%	
Balance Sheet Metrics									Change in Points
Days Cash on Hand	289.8	297.9	321.9	239.6	236.3	-82.4	-85.7	-3.3	
Debt Service Coverage Ratio to 1	2.3	5.6	3.6	2.5	3.5	-1.2	-0.2	1.0	
Long Term Debt to Capitalization	0.2	0.2	0.2	0.2	0.2	-0.0	-0.0	-0.0	
Days Payable	116.0	46.2	89.4	42.9	50.1	-46.6	-39.3	7.3	
Days Receivable	46.6	35.0	39.1	27.8	25.7	-11.3	-13.3	-2.0	

Northwestern Medical Center					
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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	24	24	28	26	-7%
Total Admissions	2,675	2,545	2,601	2,732	5%
Total Patient Days	8,621	8,687	10,201	9,515	-7%
Magnetic Resonance Image Procedures, Exams	2,364	2,648	2,532	2,634	4%
Cat Scan Procedures	7,708	9,129	8,940	8,798	-2%
Radiology - Diagnostic Procedures	29,516	31,876	30,493	26,641	-13%
Emergency Room Visits	19,623	23,572	23,096	21,906	-5%
Operating Room Procedure	2,909	2,985	3,078	3,051	-1%
Operating Room Cases	-	-	-	-	#DIV/0!
Physician Office Visits	114,257	109,406	110,671	99,473	-10%
Staffing Year to Date	2020 A	2021 A	2022 P	2023 B	2022 P - 2023 B
Non MD FTEs	607.2	603.1	534.9	544.8	10.0
MLPs	-	-	-	-	-
Residents & Fellows	-	-	-	-	-
Physician FTEs	37.7	37.8	26.5	23.8	(2.6)
Travelers, Travelers MD	13.3	-	27.4	25.0	(2.4)

Dean French Stephanie Breault								
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	\$193,051,946	\$246,224,948	\$245,862,206	\$240,222,523	\$263,698,311	-2%	7%	10%
Contractual Allowances (includes Bad Debt & Free Care)	-\$116,320,773	-\$153,035,264	-\$153,461,809	-\$146,292,903	-\$162,244,213	-5%	6%	11%
Disproportionate Share Payments	\$957,306	\$1,028,949	\$1,047,564	\$1,037,058	\$1,037,058	-1%	-1%	0%
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Net Payer Revenue	\$77,688,479	\$94,218,633	\$93,447,961	\$94,966,678	\$102,491,156	2%	10%	8%
Fixed Prospective Payments	\$21,775,659	\$21,229,344	\$22,477,572	\$22,477,572	\$20,852,517	0%	-7%	-7%
Reserves - Risk Portion	-\$908,499	\$3,142,163	\$0	\$1,921,024	-\$2,250,000	#DIV/0!	#DIV/0!	-217%
Other Reform Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Total Net Payer Revenue & Fixed Prospective Payment	\$98,555,639	\$118,590,140	\$115,925,533	\$119,365,274	\$121,093,673	3%	4%	1%

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	\$65,595,615	\$78,363,784	\$81,552,915	\$69,584,163	\$76,744,780	-15%	-6%	10%
Contractual Allowances (includes Bad Debt & Free Care)	-\$41,990,608	-\$53,451,304	-\$58,148,615	-\$48,946,635	-\$54,235,872	-16%	-7%	11%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0			
Net Payer Revenue	\$23,605,007	\$24,912,480	\$23,404,300	\$20,637,528	\$22,508,908	-12%	-4%	9%
Fixed Prospective Payments	\$9,692,355	\$10,700,198	\$10,482,933	\$10,482,933	\$9,102,427	0%	-13%	-13%
Reserves - Risk Portion	-\$908,499	-\$564,072	\$0	\$921,024	-\$1,125,000	#DIV/0!	#DIV/0!	-222%
Other Reform Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Total Net Payer Revenue & Fixed Prospective Payment	\$32,388,863	\$35,048,606	\$33,887,233	\$32,041,485	\$30,486,335	-5%	-10%	-5%

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	\$40,690,592	\$52,083,816	\$48,420,356	\$50,129,866	\$55,841,765	4%	15%	11%
Contractual Allowances (includes Bad Debt & Free Care)	-\$35,672,439	-\$47,104,150	-\$44,893,440	-\$45,612,601	-\$50,685,120	2%	13%	11%
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	\$5,018,153	\$4,979,666	\$3,526,916	\$4,517,265	\$5,156,645	28%	46%	14%
Fixed Prospective Payments	\$12,083,304	\$10,220,152	\$11,736,917	\$11,736,917	\$11,750,090	0%	0%	0%
Reserves - Risk Portion	\$0	\$3,706,235	\$0	\$1,000,000	-\$1,125,000	#DIV/0!	#DIV/0!	-213%
Other Reform Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Total Net Payer Revenue & Fixed Prospective Payment	\$17,101,457	\$18,906,053	\$15,263,833	\$17,254,182	\$15,781,735	13%	3%	-9%

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	\$86,765,739	\$115,777,348	\$115,888,935	\$120,508,494	\$131,111,766	4%	13%	9%
Contractual Allowances (includes Bad Debt & Free Care)	-\$38,657,726	-\$52,479,810	-\$50,419,754	-\$51,733,667	-\$57,323,221	3%	14%	11%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0			
Net Payer Revenue	\$48,108,013	\$63,297,538	\$65,469,181	\$68,774,827	\$73,788,545	5%	13%	7%
Fixed Prospective Payments	\$0	\$308,994	\$257,722	\$257,722	\$0	0%	-100%	-100%
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	\$48,108,013	\$63,606,532	\$65,726,903	\$69,032,549	\$73,788,545	5%	12%	7%

Disproportionate Share Payments	\$957,306	\$1,028,949	\$1,047,564	\$1,037,058	\$1,037,058	-1%	-1%	0%
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Payer Mix	2020 A	2021 A	2022 B	2022 P	2023 B
Gross Revenue Payer Mix%					
Medicare	34%	32%	33%	29%	29%
Medicaid	21%	21%	20%	21%	21%
Commercial	45%	47%	47%	50%	50%

NPR/FPP Payer Mix%	2020 A	2021 A	2022 B	2022 P	2023 B
Medicare	33%	30%	29%	27%	25%
Medicaid	17%	16%	13%	14%	13%
Commercial	49%	54%	57%	58%	61%
DSH	1%	1%	1%	1%	1%

Brattleboro Memorial Hospital, Northwestern Medical Center							Brattleboro Memorial Hospital, Northwestern Medical Center							
							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	190,523,721	175,149,493	207,079,253	209,013,756	212,453,497	226,578,533								
NPR/FPP % change					1.6%	8.4%								
Operating Expense	206,824,532	213,479,994	218,765,914	216,024,264	223,724,107	234,150,812								
Operating Expense % change					3.6%	8.4%								
Operating Margin %	-4.15%	-0.28%	2.03%	1.42%	-0.25%	0.84%	-0.31%	1.84%	-1.72%	1.00%	4.3%	3.6%	-0.3%	-0.3%
Total Margin %	-3.52%	3.76%	8.44%	2.34%	-1.05%	1.49%	0.36%	2.41%	-4.77%	2.42%	6.7%	5.4%	3.8%	3.8%
Days Cash on Hand	213.9	259.2	261.0	249.4	205.1	186.0	138.1	139.4	146.1	128.7	174.81	192.28	259.2473732	259.2473732
Days Payable	45.3	107.2	64.6	75.3	49.4	58.1	67.9	69.0	52.9	58.6	0	0	107.1901024	107.1901024
Days Receivable	48.7	48.1	54.2	49.6	43.3	49.7	41.4	41.4	45.0	43.6	40.23	47.25	48.13155845	48.13155845
Debt Service Coverage Ratio to 1	0.69	3.00	6.28	3.39	2.73	3.42	1.89	4.14	1.09	3.32	9.53	4.16	2.997471992	2.997471992
Long Term Debt to Capitalization	17%	16%	14%	17%	17%	16%	19%	17%	17%	16%	33.1%	31.2%	15.9%	15.9%
Age of Plant	11.4	12.3	13.2	15.1	13.9	15.2	15.0	14.8	15.8	16.6	14.06	12.32	12.32931105	12.32931105
Benchmarks														
*Flex Monitoring 2019 CAH														
**Fitch Ratings Research-Not for Profit-Select Northeast and Northern NE (MA, ME, NH)														