

# North Country Hospital

**Fiscal Year 2023 Submitted Budget**

## North Country Hospital

Questions:

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

North Country Hospital							
Brian Nall Tracey Paul							
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>\$183,939,754</b>	<b>\$215,095,726</b>	<b>\$212,753,057</b>	<b>\$220,036,825</b>	<b>\$247,620,342</b>	<b>3.4%</b>	<b>16.4%</b>
Disproportionate Share Payments	\$851,695	\$672,708	\$686,640	\$622,654	\$622,654	-9.3%	-9.3%
Graduate Medical Education (UVMCMC only)	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Bad Debt	-\$3,181,007	-\$199,112	-\$2,064,534	-\$2,310,385	-\$2,295,328	11.9%	11.2%
Free Care	-\$1,686,521	-\$2,303,723	-\$2,063,705	-\$2,090,349	-\$2,075,056	1.3%	0.6%
Deductions from Revenue	-\$112,217,615	-\$135,677,842	-\$132,686,755	-\$137,624,625	-\$156,330,694	3.7%	17.8%
<b>Net Patient Care Revenue</b>	<b>\$67,706,306</b>	<b>\$77,587,757</b>	<b>\$76,624,703</b>	<b>\$78,634,120</b>	<b>\$87,541,918</b>	<b>2.6%</b>	<b>14.2%</b>
Fixed Prospective Payments	\$9,104,987	\$11,719,639	\$10,637,884	\$10,382,589	\$10,382,589	-2.4%	-2.4%
Reserves	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other Reform Payments	\$0	\$1,247,880	\$627,087	\$929,059	\$929,683	48.2%	48.3%
<b>Fixed Prospective Payments and Reserves</b>	<b>\$9,104,987</b>	<b>\$12,967,519</b>	<b>\$11,264,971</b>	<b>\$11,311,648</b>	<b>\$11,312,272</b>	<b>0.4%</b>	<b>0.4%</b>
<b>Net Patient Care Rev &amp; Fixed Payments &amp; Reserves</b>	<b>\$76,811,293</b>	<b>\$90,555,276</b>	<b>\$87,889,674</b>	<b>\$89,945,768</b>	<b>\$98,854,190</b>	<b>2.3%</b>	<b>12.5%</b>
340B Retail Pharmacy Programs	\$5,400,776	\$3,714,148	\$4,469,137	\$3,748,824	\$3,748,824	-16.1%	-16.1%
COVID-19 Stimulus and Other Grant Funding	\$4,866,339	\$2,256,629	\$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	\$236,440	\$226,005	\$262,478	\$213,412	\$224,329	-18.7%	-14.5%
Grant Income	\$258,492	\$302,157	\$82,008	\$506,092	\$97,917	517.1%	19.4%
Reference Lab Revenue	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Meaningful Use	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other	\$1,607,122	\$1,490,944	\$1,684,337	\$2,387,975	\$1,923,732	41.8%	14.2%
<b>Other Operating Revenue</b>	<b>\$12,369,170</b>	<b>\$7,989,883</b>	<b>\$6,497,960</b>	<b>\$6,856,303</b>	<b>\$5,994,802</b>	<b>5.5%</b>	<b>-7.7%</b>
<b>Total Operating Revenue</b>	<b>\$89,180,463</b>	<b>\$98,545,159</b>	<b>\$94,387,634</b>	<b>\$96,802,071</b>	<b>\$104,848,992</b>	<b>2.6%</b>	<b>11.1%</b>
<b>Operating Expenses</b>							
Salaries Non MD, Fringe Benefits Non MD, Physician							
Fees & Salaries, Fringe Benefits MD	\$52,514,776	\$57,978,219	\$58,500,737	\$57,019,382	\$62,603,764	-2.5%	7.0%
Health Care Provider Tax	\$4,742,393	\$4,622,060	\$4,522,656	\$4,927,929	\$5,174,327	9.0%	14.4%
Depreciation Amortization	\$3,822,235	\$3,512,504	\$3,638,920	\$3,472,776	\$3,810,349	-4.6%	4.7%
Interest - Short Term, Interest - Long Term	\$557,237	\$478,587	\$414,175	\$475,746	\$475,746	14.9%	14.9%
ACO Dues	\$851,251	\$591,415	\$535,430	\$651,834	\$651,834	21.7%	21.7%
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	\$3,834,063	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other Operating Expenses	\$23,356,329	\$22,995,980	\$25,795,136	\$31,370,294	\$30,037,706	21.6%	16.4%
<b>Total Operating Expenses</b>	<b>\$85,844,221</b>	<b>\$94,012,827</b>	<b>\$93,407,053</b>	<b>\$97,917,961</b>	<b>\$102,753,726</b>	<b>4.8%</b>	<b>10.0%</b>
<b>Net Operating Income</b>	<b>\$3,336,242</b>	<b>\$4,532,332</b>	<b>\$980,581</b>	<b>-\$1,115,890</b>	<b>\$2,095,266</b>	<b>-213.8%</b>	<b>113.7%</b>
<b>Non Operating Revenue</b>	<b>\$3,945,243</b>	<b>\$4,035,970</b>	<b>\$840,528</b>	<b>-\$5,463,349</b>	<b>-\$8,106</b>	<b>-750.0%</b>	<b>-101.0%</b>
<b>Excess (Deficit) of Rev over Exp</b>	<b>\$7,281,485</b>	<b>\$8,568,302</b>	<b>\$1,821,109</b>	<b>-\$6,579,239</b>	<b>\$2,087,160</b>	<b>-461.3%</b>	<b>14.6%</b>
<b>Income Statement Metrics</b>							
Operating Margin %	3.7%	4.6%	1.0%	-1.2%	2.0%		
Total Margin %	7.8%	8.4%	1.9%	-7.2%	2.0%		

North Country Hospital									
Brian Nall Tracey Paul									
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	\$21,667,612	\$18,444,348	\$14,793,641	\$4,236,401	\$6,453,645	-71.4%	-56.4%	52.3%	
Net Patient Accounts Receivable	\$7,317,636	\$9,674,057	\$7,158,885	\$11,758,232	\$10,065,276	64.2%	40.6%	-14.4%	
Due From Third Parties	\$0	\$0	\$60,289	\$87,938	\$87,938	45.9%	45.9%	0.0%	
Risk Reserve Receivable	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Other Current Assets	\$4,491,755	\$4,489,140	\$6,903,026	\$7,353,276	\$7,353,276	6.5%	6.5%	0.0%	
<b>Current Assets</b>	<b>\$33,477,004</b>	<b>\$32,607,544</b>	<b>\$28,915,841</b>	<b>\$23,435,846</b>	<b>\$23,960,134</b>	<b>-19.0%</b>	<b>-17.1%</b>	<b>2.2%</b>	
Board Designated Assets	\$49,810,417	\$59,722,151	\$51,706,772	\$53,543,802	\$53,543,802	3.6%	3.6%	0.0%	
Net, Property, Plant And Equipment	\$22,076,145	\$23,039,014	\$25,615,994	\$22,487,962	\$24,155,989	-12.2%	-5.7%	7.4%	
Other Long-Term Assets	\$4,472,222	\$5,642,484	\$4,675,406	\$5,697,537	\$5,675,799	21.9%	21.4%	-0.4%	
<b>Assets</b>	<b>\$109,835,788</b>	<b>\$121,011,194</b>	<b>\$110,914,014</b>	<b>\$105,165,147</b>	<b>\$107,335,724</b>	<b>-5.2%</b>	<b>-3.2%</b>	<b>2.1%</b>	
Accounts Payable	\$3,799,227	\$3,852,944	\$3,108,249	\$4,613,463	\$4,713,463	48.4%	51.6%	2.2%	
Current Liabilities COVID-19	\$3,266,492	\$44,000	\$0	\$555,568	\$0	#DIV/0!	#DIV/0!	-100.0%	
Salaries, Wages And Payroll Taxes Payable	\$5,552,779	\$6,632,123	\$6,499,422	\$6,033,178	\$6,330,036	-7.2%	-2.6%	4.9%	
Other Third Party Settlements	\$1,440,569	\$2,163,838	\$1,975,310	\$2,255,212	\$2,255,212	14.2%	14.2%	0.0%	
ACO Risk Reserve	\$622,895	\$460,826	\$460,826	\$205,393	\$205,393	-55.4%	-55.4%	0.0%	
Other Current Liabilities	\$4,370,068	\$4,386,782	\$4,573,874	\$5,122,572	\$5,122,572	12.0%	12.0%	0.0%	
<b>Current Liabilities</b>	<b>\$19,052,029</b>	<b>\$17,540,513</b>	<b>\$16,617,681</b>	<b>\$18,785,385</b>	<b>\$18,626,676</b>	<b>13.0%</b>	<b>12.1%</b>	<b>-0.8%</b>	
Long Term Liabilities COVID-19	\$9,830,666	\$8,467,503	\$2,595,483	\$0	\$0	-100.0%	-100.0%	#DIV/0!	
Long Term Liabilities	\$17,163,135	\$15,509,927	\$15,119,819	\$14,667,667	\$13,785,798	-3.0%	-8.8%	-6.0%	
Other Noncurrent Liabilities	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
<b>Long Term Liabilities</b>	<b>\$26,993,802</b>	<b>\$23,977,430</b>	<b>\$17,715,301</b>	<b>\$14,667,667</b>	<b>\$13,785,798</b>	<b>-17.2%</b>	<b>-22.2%</b>	<b>-6.0%</b>	
<b>Total Liabilities</b>	<b>\$46,045,831</b>	<b>\$41,517,943</b>	<b>\$34,332,982</b>	<b>\$33,453,052</b>	<b>\$32,412,474</b>	<b>-2.6%</b>	<b>-5.6%</b>	<b>-3.1%</b>	
Net Assets	\$56,508,471	\$70,924,949	\$74,759,922	\$78,291,334	\$72,836,091	4.7%	-2.6%	-7.0%	
YTD Change In Net Assets	\$7,281,485	\$8,568,302	\$1,821,109	-\$6,579,239	\$2,087,160	-461.3%	14.6%	-131.7%	
<b>Fund Balance</b>	<b>\$63,789,956</b>	<b>\$79,493,251</b>	<b>\$76,581,031</b>	<b>\$71,712,095</b>	<b>\$74,923,251</b>	<b>-6.4%</b>	<b>-2.2%</b>	<b>4.5%</b>	
<b>Liabilities and Equities</b>	<b>\$109,835,787</b>	<b>\$121,011,194</b>	<b>\$110,914,013</b>	<b>\$105,165,147</b>	<b>\$107,335,725</b>	<b>-5.2%</b>	<b>-3.2%</b>	<b>2.1%</b>	
<b>Balance Sheet Metrics</b>									Change in Points
Days Cash on Hand	318.1	315.3	270.4	223.3	221.3	-47.1	-49.1	-2.0	
Debt Service Coverage Ratio to 1	4.6	5.2	3.2	1.7	3.8	-1.5	0.6	2.1	
Long Term Debt to Capitalization	0.3	0.2	0.2	0.2	0.2	-0.0	-0.0	-0.0	
Days Payable	84.8	70.7	67.6	72.6	68.7	5.0	1.1	-3.9	
Days Receivable	39.4	45.5	34.1	54.6	42.0	20.5	7.9	-12.6	

North Country Hospital					
Brian Nall Tracey Paul					
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	17	17	0%
Total Admissions	2,047	2,034	1,662	1,662	0%
Total Patient Days	5,893	6,172	6,125	6,125	0%
Magnetic Resonance Image Procedures, Exams	1,112	1,312	1,893	1,893	0%
Cat Scan Procedures	4,667	5,563	9,291	9,078	-2%
Radiology - Diagnostic Procedures	11,287	11,907	22,180	22,180	0%
Emergency Room Visits	12,807	12,277	14,188	13,870	-2%
Operating Room Procedure	3,147	3,310	5,890	5,923	1%
Operating Room Cases	-	-	-	-	#DIV/0!
Physician Office Visits	49,674	48,566	40,606	41,374	2%
Staffing Year to Date	2020 A	2021 A	2022 P	2023 B	2022 P - 2023 B
Non MD FTEs	405.4	428.0	405.9	454.1	48.1
MLPs	-	-	-	-	-
Residents & Fellows	-	-	-	-	-
Physician FTEs	29.5	31.2	30.1	33.7	3.6
Travelers, Travelers MD	-	-	-	-	-

Brian Nail Tracey Paul								
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>\$183,939,757</b>	<b>\$215,095,726</b>	<b>\$212,753,057</b>	<b>\$220,036,827</b>	<b>\$247,620,343</b>	<b>3%</b>	<b>16%</b>	<b>13%</b>
Contractual Allowances (includes Bad Debt & Free Care)	-\$117,085,143	-\$138,180,677	-\$136,814,995	-\$142,025,360	-\$160,701,076	4%	17%	13%
Disproportionate Share Payments	\$851,695	\$672,708	\$686,640	\$622,654	\$622,654	-9%	-9%	0%
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
<b>Net Payer Revenue</b>	<b>\$67,706,309</b>	<b>\$77,587,757</b>	<b>\$76,624,702</b>	<b>\$78,634,121</b>	<b>\$87,541,921</b>	<b>3%</b>	<b>14%</b>	<b>11%</b>
Fixed Prospective Payments	\$9,104,987	\$11,719,643	\$10,637,884	\$10,382,589	\$10,382,589	-2%	-2%	0%
Reserves - Risk Portion	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	\$0	\$1,247,880	\$627,087	\$929,059	\$929,683	48%	48%	0%
<b>Total Net Payer Revenue &amp; Fixed Prospective Payment</b>	<b>\$76,811,296</b>	<b>\$90,555,280</b>	<b>\$87,889,673</b>	<b>\$89,945,769</b>	<b>\$98,854,193</b>	<b>2%</b>	<b>12%</b>	<b>10%</b>

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
<b>Gross Revenue</b>	<b>\$84,240,527</b>	<b>\$101,174,376</b>	<b>\$99,211,611</b>	<b>\$99,128,236</b>	<b>\$112,333,312</b>	<b>0%</b>	<b>13%</b>	<b>13%</b>
Contractual Allowances (includes Bad Debt & Free Care)	-\$53,762,847	-\$69,782,161	-\$65,801,945	-\$65,161,271	-\$78,394,191	-1%	19%	20%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0			
<b>Net Payer Revenue</b>	<b>\$30,477,681</b>	<b>\$31,392,215</b>	<b>\$33,409,666</b>	<b>\$33,966,965</b>	<b>\$33,939,121</b>	<b>2%</b>	<b>2%</b>	<b>0%</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>\$30,477,681</b>	<b>\$31,392,215</b>	<b>\$33,409,666</b>	<b>\$33,966,965</b>	<b>\$33,939,121</b>	<b>2%</b>	<b>2%</b>	<b>0%</b>

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
<b>Gross Revenue</b>	<b>\$43,330,487</b>	<b>\$49,081,439</b>	<b>\$48,142,116</b>	<b>\$52,192,653</b>	<b>\$58,379,230</b>	<b>8%</b>	<b>21%</b>	<b>12%</b>
Contractual Allowances (includes Bad Debt & Free Care)	-\$40,603,067	-\$46,573,736	-\$46,444,013	-\$50,264,386	-\$52,730,056	8%	14%	5%
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>\$2,727,419</b>	<b>\$2,507,703</b>	<b>\$1,698,103</b>	<b>\$1,928,267</b>	<b>\$5,649,174</b>	<b>14%</b>	<b>233%</b>	<b>193%</b>
Fixed Prospective Payments	\$9,104,987	\$11,719,643	\$10,637,884	\$10,382,589	\$10,382,589	-2%	-2%	0%
Reserves - Risk Portion	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	\$0	\$1,247,880	\$627,087	\$929,059	\$929,683	48%	48%	0%
<b>Total Net Payer Revenue &amp; Fixed Prospective Payment</b>	<b>\$11,832,407</b>	<b>\$15,475,226</b>	<b>\$12,963,074</b>	<b>\$13,239,915</b>	<b>\$16,961,446</b>	<b>2%</b>	<b>31%</b>	<b>28%</b>

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
<b>Gross Revenue</b>	<b>\$56,368,743</b>	<b>\$64,839,911</b>	<b>\$65,399,330</b>	<b>\$68,715,938</b>	<b>\$76,907,801</b>	<b>5%</b>	<b>18%</b>	<b>12%</b>
Contractual Allowances (includes Bad Debt & Free Care)	-\$22,719,229	-\$21,824,780	-\$24,569,037	-\$26,599,703	-\$29,576,829	8%	20%	11%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0			
<b>Net Payer Revenue</b>	<b>\$33,649,514</b>	<b>\$43,015,131</b>	<b>\$40,830,293</b>	<b>\$42,116,235</b>	<b>\$47,330,972</b>	<b>3%</b>	<b>16%</b>	<b>12%</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>\$33,649,514</b>	<b>\$43,015,131</b>	<b>\$40,830,293</b>	<b>\$42,116,235</b>	<b>\$47,330,972</b>	<b>3%</b>	<b>16%</b>	<b>12%</b>

Disproportionate Share Payments	\$851,695	\$672,708	\$686,640	\$622,654	\$622,654	-9%	-9%	0%
---------------------------------	-----------	-----------	-----------	-----------	-----------	-----	-----	----

Payer Mix	2020 A	2021 A	2022 B	2022 P	2023 B
Gross Revenue					
Payer Mix%					
Medicare	46%	47%	47%	45%	45%
Medicaid	24%	23%	23%	24%	24%
Commercial	31%	30%	31%	31%	31%

NPR/FPP Payer Mix%	2020 A	2021 A	2022 B	2022 P	2023 B
Medicare	40%	35%	38%	38%	34%
Medicaid	15%	17%	15%	15%	17%
Commercial	44%	48%	46%	47%	48%
DSH	1%	1%	1%	1%	1%

North Country Hospital							North Country 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	80,634,917	76,811,293	90,555,276	87,889,674	89,945,768	98,854,190								
NPR/FPP % change					2.3%	12.5%								
Operating Expense	85,997,751	85,844,221	94,012,827	93,407,053	97,917,961	102,753,726								
Operating Expense % change					4.8%	10.0%								
Operating Margin %	1.91%	3.74%	4.60%	1.04%	-1.15%	2.00%	-0.31%	1.84%	-1.72%	1.00%	4.3%		3.6%	3.7%
Total Margin %	2.95%	7.82%	8.35%	1.91%	-7.20%	1.99%	0.36%	2.41%	-4.77%	2.42%	6.7%		5.4%	7.8%
Days Cash on Hand	220.5	318.1	315.3	270.4	223.3	221.3	138.1	139.4	146.1	128.7	174.81		192.28	318.0791138
Days Payable	59.4	84.8	70.7	67.6	72.6	68.7	67.9	69.0	52.9	58.6	0		0	84.78203363
Days Receivable	32.5	39.4	45.5	34.1	54.6	42.0	41.4	41.4	45.0	43.6	40.23		47.25	39.44886912
Debt Service Coverage Ratio to 1	3.57	4.58	5.23	3.20	1.68	3.79	1.89	4.14	1.09	3.32	9.53		4.16	4.580542624
Long Term Debt to Capitalization	24%	30%	24%	19%	18%	16%	19%	17%	17%	16%	33.1%		31.2%	30.4%
Age of Plant	14.0	14.0	15.5	15.4	16.1	14.9	15.0	14.8	15.8	16.6	14.06		12.32	13.98854875

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