

Southwestern VT Medical Center

Fiscal Year 2023 Submitted Budget

Southwestern VT Medical Center

Questions:

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

Southwestern VT Medical Center

Thomas Dee Steven Majetich

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	\$347,768,561	\$403,028,513	\$409,982,720	\$433,748,300	\$455,073,987	5.8%	11.0%
Disproportionate Share Payments	\$841,046	\$759,902	\$735,528	\$735,528	\$780,264	0.0%	6.1%
Graduate Medical Education (UVMCMC only)	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Bad Debt	-\$6,341,573	-\$5,282,457	-\$7,400,000	-\$7,400,000	-\$7,650,000	0.0%	3.4%
Free Care	-\$2,729,032	-\$2,252,809	-\$2,500,000	-\$2,500,000	-\$1,469,416	0.0%	-41.2%
Deductions from Revenue	-\$212,521,334	-\$250,933,621	-\$265,223,809	-\$277,025,841	-\$295,091,984	4.4%	11.3%
Net Patient Care Revenue	\$127,017,668	\$145,319,528	\$135,594,439	\$147,557,987	\$151,642,851	8.8%	11.8%
Fixed Prospective Payments	\$27,050,585	\$31,018,104	\$42,000,000	\$36,999,496	\$37,229,358	-11.9%	-11.4%
Reserves	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other Reform Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Fixed Prospective Payments and Reserves	\$27,050,585	\$31,018,104	\$42,000,000	\$36,999,496	\$37,229,358	-11.9%	-11.4%
Net Patient Care Rev & Fixed Payments & Reserves	\$154,068,253	\$176,337,632	\$177,594,439	\$184,557,483	\$188,872,209	3.9%	6.4%
340B Retail Pharmacy Programs	\$2,896,725	\$2,362,134	\$2,050,000	\$2,291,542	\$3,100,000	11.8%	51.2%
COVID-19 Stimulus and Other Grant Funding	\$13,034,717	\$4,739,410	\$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	\$402,817	\$296,593	\$275,394	\$290,397	\$282,370	5.4%	2.5%
Grant Income	\$493,020	\$1,937,709	\$2,074,330	\$1,810,641	\$1,843,964	-12.7%	-11.1%
Reference Lab Revenue	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Meaningful Use	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other	\$2,075,227	\$3,948,197	\$2,394,604	\$3,522,006	\$2,923,123	47.1%	22.1%
Other Operating Revenue	\$18,902,506	\$13,284,043	\$6,794,328	\$7,914,586	\$8,149,457	16.5%	19.9%
Total Operating Revenue	\$172,970,759	\$189,621,675	\$184,388,767	\$192,472,069	\$197,021,666	4.4%	6.9%
Operating Expenses							
Salaries Non MD, Fringe Benefits Non MD, Physician Fees & Salaries, Fringe Benefits MD	\$98,702,629	\$105,406,577	\$105,786,588	\$111,551,505	\$114,485,655	5.4%	8.2%
Health Care Provider Tax	\$9,784,284	\$9,398,676	\$10,042,923	\$10,580,528	\$11,123,170	5.4%	10.8%
Depreciation Amortization	\$6,086,151	\$6,192,216	\$5,902,441	\$6,153,428	\$6,356,989	4.3%	7.7%
Interest - Short Term, Interest - Long Term	\$597,971	\$579,130	\$700,000	\$610,053	\$599,354	-12.8%	-14.4%
ACO Dues	\$1,695,864	\$1,255,882	\$1,200,000	\$1,200,000	\$1,500,000	0.0%	25.0%
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	\$0	\$0	#DIV/0!	#DIV/0!
Other Operating Expenses	\$51,337,379	\$58,261,460	\$57,128,290	\$63,301,514	\$62,051,970	10.8%	8.6%
Total Operating Expenses	\$168,204,278	\$181,093,942	\$180,760,242	\$193,397,028	\$196,117,138	7.0%	8.5%
Net Operating Income	\$4,766,481	\$8,527,733	\$3,628,525	-\$924,959	\$904,528	-125.5%	-75.1%
Non Operating Revenue	\$3,322,690	-\$143,974	-\$49,235,000	-\$377,809	\$679,981	-99.2%	-101.4%
Excess (Deficit) of Rev over Exp	\$8,089,171	\$8,383,759	-\$45,606,475	-\$1,302,768	\$1,584,509	-97.1%	-103.5%
Income Statement Metrics							
Operating Margin %	2.8%	4.5%	2.0%	-0.5%	0.5%		
Total Margin %	4.6%	4.4%	-33.7%	-0.7%	0.8%		

Southwestern VT 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	\$22,852,711	\$15,954,569	\$11,020,348	\$9,819,671	\$10,020,348	-10.9%	-9.1%	2.0%	
Net Patient Accounts Receivable	\$12,006,186	\$14,392,159	\$12,653,016	\$15,552,239	\$15,441,551	22.9%	22.0%	-0.7%	
Due From Third Parties	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Risk Reserve Receivable	\$0	\$537,552	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Other Current Assets	\$6,254,248	\$8,028,602	\$6,021,211	\$7,736,323	\$8,736,335	28.5%	45.1%	12.9%	
Current Assets	\$41,113,145	\$38,912,882	\$29,694,575	\$33,108,233	\$34,198,234	11.5%	15.2%	3.3%	
Board Designated Assets	\$8,177,009	\$9,322,354	\$9,549,237	\$25,066,297	\$9,879,506	162.5%	3.5%	-60.6%	
Net, Property, Plant And Equipment	\$36,226,047	\$38,231,055	\$43,622,338	\$47,391,628	\$58,767,891	8.6%	34.7%	24.0%	
Other Long-Term Assets	\$11,422,562	\$12,686,801	\$11,971,381	\$17,079,850	\$16,697,418	42.7%	39.5%	-2.2%	
Assets	\$96,938,763	\$99,153,092	\$94,837,531	\$122,646,008	\$119,543,049	29.3%	26.1%	-2.5%	
Accounts Payable	\$7,152,849	\$6,409,906	\$6,719,179	\$7,417,971	\$6,640,510	10.4%	-1.2%	-10.5%	
Current Liabilities COVID-19	\$9,387,033	\$6,898,211	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Salaries, Wages And Payroll Taxes Payable	\$7,005,343	\$9,443,980	\$4,411,891	\$6,198,676	\$6,519,763	40.5%	47.8%	5.2%	
Other Third Party Settlements	\$1,343,625	\$2,715,427	\$8,801,493	\$6,500,000	\$6,500,000	-26.1%	-26.1%	0.0%	
ACO Risk Reserve	\$6,300,106	\$3,170,625	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Other Current Liabilities	\$5,509,587	\$18,015,230	\$11,061,022	\$19,927,816	\$18,698,394	80.2%	69.0%	-6.2%	
Current Liabilities	\$36,698,543	\$46,653,379	\$30,993,585	\$40,044,463	\$38,358,667	29.2%	23.8%	-4.2%	
Long Term Liabilities COVID-19	\$6,555,000	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Long Term Liabilities	\$8,974,176	\$8,821,909	\$8,407,629	\$30,813,000	\$27,961,000	266.5%	232.6%	-9.3%	
Other Noncurrent Liabilities	\$14,764,483	\$5,347,484	\$5,333,134	\$3,404,930	\$3,255,258	-36.2%	-39.0%	-4.4%	
Long Term Liabilities	\$30,293,659	\$14,169,393	\$13,740,763	\$34,217,930	\$31,216,258	149.0%	127.2%	-8.8%	
Total Liabilities	\$66,992,202	\$60,822,772	\$44,734,348	\$74,262,393	\$69,574,925	66.0%	55.5%	-6.3%	
Net Assets	\$21,857,390	\$29,946,561	\$95,709,658	\$49,686,383	\$48,383,615	-48.1%	-49.4%	-2.6%	
YTD Change In Net Assets	\$8,089,171	\$8,383,759	-\$45,606,475	-\$1,302,768	\$1,584,509	-97.1%	-103.5%	-221.6%	
Fund Balance	\$29,946,561	\$38,330,320	\$50,103,183	\$48,383,615	\$49,968,124	-3.4%	-0.3%	3.3%	
Liabilities and Equities	\$96,938,763	\$99,153,092	\$94,837,531	\$122,646,008	\$119,543,049	29.3%	26.1%	-2.5%	
Balance Sheet Metrics									Change in Points
Days Cash on Hand	69.9	52.5	42.9	37.7	38.3	-5.3	-4.7	0.6	
Debt Service Coverage Ratio to 1	11.8	10.9	9.3	1.0	2.2	-8.2	-7.1	1.2	
Long Term Debt to Capitalization	0.3	0.2	0.1	0.4	0.4	0.3	0.2	-0.0	
Days Payable	82.6	97.4	64.7	78.1	73.8	13.4	9.1	-4.3	
Days Receivable	34.5	36.1	34.1	38.5	37.2	4.4	3.1	-1.3	

Southwestern VT 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	30	33	36	33	-7%
Total Admissions	3,403	3,388	3,481	3,560	2%
Total Patient Days	11,025	12,110	13,120	12,166	-7%
Magnetic Resonance Image Procedures, Exams	3,195	3,832	4,065	4,065	0%
Cat Scan Procedures	12,131	13,623	14,868	14,499	-2%
Radiology - Diagnostic Procedures	31,782	34,660	32,708	44,912	37%
Emergency Room Visits	20,894	21,696	22,038	25,695	17%
Operating Room Procedure	2,557	3,035	2,959	3,010	2%
Operating Room Cases	-	-	-	-	#DIV/0!
Physician Office Visits	122,717	124,545	125,416	132,306	5%
Staffing Year to Date	2020 A	2021 A	2022 P	2023 B	2022 P - 2023 B
Non MD FTEs	746.3	799.2	816.4	813.8	(2.6)
MLPs	-	-	-	-	-
Residents & Fellows	-	-	-	-	-
Physician FTEs	102.3	102.4	97.3	97.3	-
Travelers, Travelers MD	-	-	-	-	-

Thomas Dee Steven Majetich								
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	\$347,768,561	\$403,028,513	\$409,982,720	\$433,748,298	\$455,073,987	6%	11%	5%
Contractual Allowances (includes Bad Debt & Free Care)	-\$221,591,939	-\$258,468,887	-\$275,123,809	-\$286,925,841	-\$304,211,400	4%	11%	6%
Disproportionate Share Payments	\$841,046	\$759,902	\$735,528	\$735,528	\$780,264	0%	6%	6%
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Net Payer Revenue	\$127,017,668	\$145,319,528	\$135,594,439	\$147,557,985	\$151,642,851	9%	12%	3%
Fixed Prospective Payments	\$27,050,585	\$31,018,104	\$42,000,000	\$36,999,496	\$37,229,358	-12%	-11%	1%
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!
Total Net Payer Revenue & Fixed Prospective Payment	\$154,068,253	\$176,337,632	\$177,594,439	\$184,557,481	\$188,872,209	4%	6%	2%

Above From the Income Statement

Medicare								
	2020 A	2021 A	2022 B	2022 P	2023 B	2022 B - 2022 P	2022 B - 2023 B	2022 P - 2023 B
Gross Revenue	\$176,413,975	\$207,021,083	\$208,994,391	\$213,209,493	\$230,046,323	2%	10%	8%
Contractual Allowances (includes Bad Debt & Free Care)	-\$135,197,010	-\$159,861,136	-\$169,517,666	-\$168,158,763	-\$183,401,963	-1%	8%	9%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0			
Net Payer Revenue	\$41,216,965	\$47,159,947	\$39,476,725	\$45,050,730	\$46,644,360	14%	18%	4%
Fixed Prospective Payments	\$17,425,121	\$20,075,056	\$27,000,000	\$23,375,324	\$23,297,261	-13%	-14%	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!
Total Net Payer Revenue & Fixed Prospective Payment	\$58,642,086	\$67,235,003	\$66,476,725	\$68,426,054	\$69,941,621	3%	5%	2%

Medicaid								
	2020 A	2021 A	2022 B	2022 P	2023 B	2022 B - 2022 P	2022 B - 2023 B	2022 P - 2023 B
Gross Revenue	\$56,945,532	\$66,101,712	\$66,533,985	\$76,283,736	\$76,297,730	15%	15%	0%
Contractual Allowances (includes Bad Debt & Free Care)	-\$48,405,534	-\$55,854,808	-\$58,064,478	-\$63,429,344	-\$67,389,343	9%	16%	6%
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	\$8,539,998	\$10,246,904	\$8,469,507	\$12,854,392	\$8,908,387	52%	5%	-31%
Fixed Prospective Payments	\$9,625,464	\$10,943,048	\$9,800,000	\$8,924,172	\$9,432,097	-9%	-4%	6%
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!
Total Net Payer Revenue & Fixed Prospective Payment	\$18,165,462	\$21,189,952	\$18,269,507	\$21,778,564	\$18,340,484	19%	0%	-16%

Commercial								
	2020 A	2021 A	2022 B	2022 P	2023 B	2022 B - 2022 P	2022 B - 2023 B	2022 P - 2023 B
Gross Revenue	\$114,409,054	\$129,905,718	\$134,454,344	\$144,255,069	\$148,729,934	7%	11%	3%
Contractual Allowances (includes Bad Debt & Free Care)	-\$37,989,395	-\$42,752,943	-\$47,541,665	-\$55,337,734	-\$53,420,094	16%	12%	-3%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0			
Net Payer Revenue	\$76,419,659	\$87,152,775	\$86,912,679	\$88,917,335	\$95,309,840	2%	10%	7%
Fixed Prospective Payments	\$0	\$0	\$5,200,000	\$4,700,000	\$4,500,000	-10%	-13%	-4%
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	\$76,419,659	\$87,152,775	\$92,112,679	\$93,617,335	\$99,809,840	2%	8%	7%

Disproportionate Share Payments	\$841,046	\$759,902	\$735,528	\$735,528	\$780,264	0%	6%	6%
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Payer Mix	2020 A	2021 A	2022 B	2022 P	2023 B
Gross Revenue					
Payer Mix%					
Medicare	51%	51%	51%	49%	51%
Medicaid	16%	16%	16%	18%	17%
Commercial	33%	32%	33%	33%	33%

NPR/FPP					
Payer Mix%					
Medicare	38%	38%	37%	37%	37%
Medicaid	12%	12%	10%	12%	10%
Commercial	50%	49%	52%	51%	53%
DSH	1%	0%	0%	0%	0%

Southwestern VT Medical Center							Southwestern VT Medical Center							
							MEDIAN BENCHMARKS							
	Actuals FY2019	Actuals FY2020	Actuals FY2021	Budget FY2022	Projection FY2022	Budget FY2023	Vermont CAH FY2022	Vermont CAH 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	163,952,570	154,068,253	176,337,632	177,594,439	184,557,483	188,872,209								
NPR/FPP % change					3.9%	6.4%								
Operating Expense	165,778,101	168,204,278	181,093,942	180,760,242	193,397,028	196,117,138								
Operating Expense % change					7.0%	8.5%								
Operating Margin %	3.26%	2.76%	4.50%	1.97%	-0.48%	0.46%	-0.31%	1.84%	-1.72%	1.00%	4.3%		3.6%	2.8%
Total Margin %	3.49%	4.59%	4.42%	-33.74%	-0.68%	0.80%	0.36%	2.41%	-4.77%	2.42%	6.7%		5.4%	4.6%
Days Cash on Hand	40.7	69.9	52.5	42.9	37.7	38.3	138.1	139.4	146.1	128.7	174.81		192.28	69.86169906
Days Payable	55.7	82.6	97.4	64.7	78.1	73.8	67.9	69.0	52.9	58.6	0		0	82.62474063
Days Receivable	35.6	34.5	36.1	34.1	38.5	37.2	41.4	41.4	45.0	43.6	40.23		47.25	34.5011679
Debt Service Coverage Ratio to 1	13.42	11.76	10.92	9.27	1.05	2.21	1.89	4.14	1.09	3.32	9.53		4.16	11.75727989
Long Term Debt to Capitalization	21%	24%	23%	14%	41%	38%	19%	17%	17%	16%	33.1%		31.2%	34.1%
Age of Plant	18.3	19.4	19.0	22.1	20.2	20.6	15.0	14.8	15.8	16.6	14.06		12.32	19.42394001

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