

The University of Vermont Medical Center

Fiscal Year 2023 Submitted Budget

The University of Vermont Medical Center

Questions:

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

The University of Vermont Medical Center

John Brumsted Steve Leffler Judy Peek-Lee

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	\$2,719,070,165	\$3,083,748,404	\$3,495,196,116	\$3,510,235,552	\$3,973,779,987	0.4%	13.7%
Disproportionate Share Payments	\$11,260,268	\$11,231,758	\$11,214,283	\$8,400,000	\$11,219,801	-25.1%	0.0%
Graduate Medical Education (UVMCMC only)	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	-0.0%	0.0%
Bad Debt	-\$28,232,761	-\$25,406,330	-\$38,531,146	-\$35,080,747	-\$44,613,251	-9.0%	15.8%
Free Care	-\$18,202,448	-\$13,208,602	-\$23,803,356	-\$17,759,799	-\$25,068,156	-25.4%	5.3%
Deductions from Revenue	-\$1,680,456,761	-\$1,952,786,867	-\$2,150,449,812	-\$2,249,975,004	-\$2,495,398,404	4.6%	16.0%
Net Patient Care Revenue	\$1,033,438,463	\$1,133,578,363	\$1,323,626,086	\$1,245,820,002	\$1,449,919,978	-5.9%	9.5%
Fixed Prospective Payments	\$164,287,978	\$170,998,520	\$182,298,507	\$183,794,693	\$205,928,161	0.8%	13.0%
Reserves	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other Reform Payments	\$2,001,794	\$3,139,349	\$2,581,883	\$3,680,310	\$2,877,489	42.5%	11.4%
Fixed Prospective Payments and Reserves	\$166,289,772	\$174,137,869	\$184,880,390	\$187,475,003	\$208,805,650	1.4%	12.9%
Net Patient Care Rev & Fixed Payments & Reserves	\$1,199,728,235	\$1,307,716,232	\$1,508,506,476	\$1,433,295,005	\$1,658,725,627	-5.0%	10.0%
340B Retail Pharmacy Programs	\$31,247,528	\$24,370,426	\$30,262,112	\$11,041,860	\$11,718,957	-63.5%	-61.3%
COVID-19 Stimulus and Other Grant Funding	\$79,892,957	\$82,628,607	\$0	\$30,357,476	\$5,000,000	#DIV/0!	#DIV/0!
Specialty Pharmacy	\$83,753,726	\$119,084,669	\$119,677,224	\$158,592,594	\$218,654,918	32.5%	82.7%
Outpatient Pharmacy Revenue	\$17,498,454	\$14,309,750	\$10,146,378	\$21,604,651	\$10,384,176	112.9%	2.3%
Cafeteria & Parking	\$5,898,524	\$5,154,956	\$7,483,253	\$5,663,460	\$6,060,724	-24.3%	-19.0%
Grant Income	\$7,514,709	\$8,833,045	\$7,296,280	\$9,046,895	\$6,497,690	24.0%	-10.9%
Reference Lab Revenue	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Meaningful Use	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other	\$32,560,413	\$46,648,991	\$38,717,813	\$78,569,046	\$43,872,888	102.9%	13.3%
Other Operating Revenue	\$258,366,310	\$301,030,443	\$213,583,061	\$314,875,982	\$302,189,353	47.4%	41.5%
Total Operating Revenue	\$1,458,094,545	\$1,608,746,674	\$1,722,089,536	\$1,748,170,987	\$1,960,914,981	1.5%	13.9%
Operating Expenses							
Salaries Non MD, Fringe Benefits Non MD, Physician							
Fees & Salaries, Fringe Benefits MD	\$834,852,063	\$910,487,130	\$949,670,575	\$1,044,302,099	\$1,099,411,989	10.0%	15.8%
Health Care Provider Tax	\$68,693,127	\$76,060,716	\$85,942,735	\$82,907,811	\$96,127,311	-3.5%	11.9%
Depreciation Amortization	\$65,902,262	\$62,290,231	\$70,212,839	\$67,247,291	\$66,201,582	-4.2%	-5.7%
Interest - Short Term, Interest - Long Term	\$17,501,651	\$15,972,409	\$16,569,123	\$16,021,694	\$16,282,548	-3.3%	-1.7%
ACO Dues	\$2,302,132	\$2,194,702	\$2,134,846	\$3,569,546	\$4,091,463	67.2%	91.7%
Medical/Surgical Drugs and Supplies	\$97,788,203	\$118,634,288	\$115,114,573	\$119,508,148	\$123,759,980	3.8%	7.5%
Pharmaceuticals	\$148,149,261	\$166,842,453	\$171,375,387	\$205,669,974	\$251,157,306	20.0%	46.6%
Other Purchased Services - Consulting	\$0	\$1,664,604	\$4,624,651	\$7,661,508	\$3,436,290	65.7%	-25.7%
Other Purchased Services -Travelers	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other Operating Expenses	\$226,913,121	\$218,077,585	\$247,106,949	\$244,282,918	\$261,144,904	-1.1%	5.7%
Total Operating Expenses	\$1,462,101,819	\$1,572,224,117	\$1,662,751,679	\$1,791,170,987	\$1,921,613,374	7.7%	15.6%
Net Operating Income	-\$4,007,273	\$36,522,557	\$59,337,858	-\$43,000,000	\$39,301,607	-172.5%	-33.8%
Non Operating Revenue	-\$13,736,029	\$83,240,192	\$20,981,262	-\$87,735,960	\$16,896,055	-518.2%	-19.5%
Excess (Deficit) of Rev over Exp	-\$17,743,303	\$119,762,749	\$80,319,120	-\$130,735,960	\$56,197,661	-262.8%	-30.0%
Income Statement Metrics							
Operating Margin %	-0.3%	2.3%	3.4%	-2.5%	2.0%		
Total Margin %	-1.2%	7.1%	4.6%	-7.9%	2.8%		

The University of Vermont Medical Center									
John Brumsted Steve Leffler Judy Peek-Lee									
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	\$194,792,429	\$198,774,513	\$180,903,823	\$107,884,336	\$121,859,317	-40.4%	-32.6%	13.0%	
Net Patient Accounts Receivable	\$162,104,845	\$188,037,000	\$177,166,931	\$175,617,207	\$198,808,351	-0.9%	12.2%	13.2%	
Due From Third Parties	\$32,009,063	\$38,887,352	\$37,425,396	\$44,194,736	\$44,194,736	18.1%	18.1%	0.0%	
Risk Reserve Receivable	\$6,442,700	\$7,824,341	\$5,000,000	\$2,633,283	\$2,633,283	-47.3%	-47.3%	0.0%	
Other Current Assets	\$109,419,193	\$91,947,303	\$106,016,163	\$87,008,141	\$87,008,141	-17.9%	-17.9%	0.0%	
Current Assets	\$504,768,230	\$525,470,509	\$506,512,313	\$417,337,703	\$454,503,828	-17.6%	-10.3%	8.9%	
Board Designated Assets	\$616,522,788	\$713,549,786	\$721,177,208	\$602,416,671	\$619,312,726	-16.5%	-14.1%	2.8%	
Net, Property, Plant And Equipment	\$640,122,581	\$620,163,346	\$602,671,022	\$605,109,572	\$610,470,738	0.4%	1.3%	0.9%	
Other Long-Term Assets	\$65,559,813	\$58,978,368	\$65,947,792	\$60,172,363	\$60,172,363	-8.8%	-8.8%	0.0%	
Assets	\$1,826,973,412	\$1,918,162,009	\$1,896,308,335	\$1,685,036,309	\$1,744,459,654	-11.1%	-8.0%	3.5%	
Accounts Payable	\$27,779,653	\$29,741,085	\$42,892,632	\$32,158,494	\$34,611,306	-25.0%	-19.3%	7.6%	
Current Liabilities COVID-19	\$76,060,696	\$58,085,251	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Salaries, Wages And Payroll Taxes Payable	\$97,282,786	\$92,047,675	\$83,759,092	\$85,532,739	\$89,192,219	2.1%	6.5%	4.3%	
Other Third Party Settlements	\$2,985,809	\$2,775,507	\$3,165,681	\$1,686,323	\$1,686,323	-46.7%	-46.7%	0.0%	
ACO Risk Reserve	\$16,244,851	\$25,991,878	\$0	\$4,938,640	\$4,938,640	#DIV/0!	#DIV/0!	0.0%	
Other Current Liabilities	\$73,780,677	\$83,204,730	\$76,816,870	\$102,170,148	\$103,172,242	33.0%	34.3%	1.0%	
Current Liabilities	\$294,134,472	\$291,846,125	\$206,634,275	\$226,486,344	\$233,600,729	9.6%	13.1%	3.1%	
Long Term Liabilities COVID-19	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Long Term Liabilities	\$438,669,100	\$417,399,831	\$396,071,804	\$390,205,386	\$369,363,962	-1.5%	-6.7%	-5.3%	
Other Noncurrent Liabilities	\$71,693,432	\$55,311,830	\$67,303,398	\$48,198,870	\$48,198,870	-28.4%	-28.4%	0.0%	
Long Term Liabilities	\$510,362,532	\$472,711,661	\$463,375,203	\$438,404,256	\$417,562,833	-5.4%	-9.9%	-4.8%	
Total Liabilities	\$804,497,004	\$764,557,786	\$670,009,478	\$664,890,600	\$651,163,562	-0.8%	-2.8%	-2.1%	
Net Assets	\$1,040,219,711	\$1,033,841,473	\$1,145,979,738	\$1,150,881,669	\$1,037,098,431	0.4%	-9.5%	-9.9%	
YTD Change In Net Assets	-\$17,743,303	\$119,762,749	\$80,319,120	-\$130,735,960	\$56,197,661	-262.8%	-30.0%	-143.0%	
Fund Balance	\$1,022,476,409	\$1,153,604,222	\$1,226,298,857	\$1,020,145,709	\$1,093,296,092	-16.8%	-10.8%	7.2%	
Liabilities and Equities	\$1,826,973,413	\$1,918,162,009	\$1,896,308,335	\$1,685,036,309	\$1,744,459,654	-11.1%	-8.0%	3.5%	
Balance Sheet Metrics									Change in Points
Days Cash on Hand	193.2	198.8	186.6	132.1	128.9	-54.5	-57.8	-3.3	
Debt Service Coverage Ratio to 1	2.1	3.2	3.8	1.1	3.3	-2.6	-0.5	2.2	
Long Term Debt to Capitalization	0.3	0.3	0.2	0.3	0.3	0.0	0.0	-0.0	
Days Payable	76.9	70.5	47.4	48.0	46.0	0.6	-1.4	-2.0	
Days Receivable	57.3	60.5	48.9	51.5	50.0	2.6	1.2	-1.4	

The University of Vermont 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	354	369	389	376	-3%
Total Admissions	22,189	22,299	22,022	23,676	8%
Total Patient Days	129,616	134,688	142,106	137,323	-3%
Magnetic Resonance Image Procedures, Exams	16,967	17,813	19,586	22,213	13%
Cat Scan Procedures	50,744	56,038	60,389	61,681	2%
Radiology - Diagnostic Procedures	150,785	157,795	175,039	178,834	2%
Emergency Room Visits	54,022	56,119	60,204	62,527	4%
Operating Room Procedure	37,976	42,704	39,574	46,469	17%
Operating Room Cases	15,758	33,661	34,054	37,766	11%
Physician Office Visits	624,305	602,974	645,967	684,609	6%
Staffing Year to Date	2020 A	2021 A	2022 P	2023 B	2022 P - 2023 B
Non MD FTEs	5,862.0	5,994.9	6,009.1	6,410.3	401.2
MLPs	230.9	236.7	239.7	292.2	52.5
Residents & Fellows	348.3	356.9	358.6	364.8	6.2
Physician FTEs	623.9	628.2	629.9	677.5	47.6
Travelers, Travelers MD	135.7	203.6	399.6	229.0	(170.6)

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	\$2,719,070,165	\$3,083,748,404	\$3,495,196,116	\$3,510,235,552	\$3,973,779,987	0%	14%	13%
Contractual Allowances (includes Bad Debt & Free Care)	-\$1,726,891,970	-\$1,991,401,799	-\$2,212,784,313	-\$2,302,815,549	-\$2,565,079,810	4%	16%	11%
Disproportionate Share Payments	\$11,260,268	\$11,231,758	\$11,214,283	\$8,400,000	\$11,219,801	-25%	0%	34%
Graduate Medical Education Payments	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	0%	0%	0%
Net Payer Revenue	\$1,033,438,463	\$1,133,578,363	\$1,323,626,086	\$1,245,820,002	\$1,449,919,978	-6%	10%	16%
Fixed Prospective Payments	\$164,287,978	\$170,998,520	\$182,298,507	\$183,794,693	\$205,928,161	1%	13%	12%
Reserves - Risk Portion	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	\$2,001,794	\$3,139,349	\$2,581,883	\$3,680,310	\$2,877,489	43%	11%	-22%
Total Net Payer Revenue & Fixed Prospective Payment	\$1,199,728,235	\$1,307,716,232	\$1,508,506,476	\$1,433,295,005	\$1,658,725,627	-5%	10%	16%

Above From the Income Statement

Medicare								
Gross Revenue	\$1,226,133,034	\$1,400,511,525	\$1,582,677,758	\$1,589,051,872	\$1,786,360,865	0%	13%	12%
Contractual Allowances (includes Bad Debt & Free Care)	-\$981,860,472	-\$1,127,561,676	-\$1,276,362,901	-\$1,271,383,886	-\$1,484,867,889	0%	16%	17%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0			
Net Payer Revenue	\$244,272,561	\$272,949,848	\$306,314,857	\$317,667,986	\$301,492,976	4%	-2%	-5%
Fixed Prospective Payments	\$109,113,507	\$114,464,763	\$130,607,276	\$123,597,931	\$136,977,099	-5%	5%	11%
Reserves - Risk Portion	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	\$1,202,097	\$1,539,884	\$1,367,113	\$1,555,946	\$1,556,028	14%	14%	0%
Total Net Payer Revenue & Fixed Prospective Payment	\$354,588,166	\$388,954,495	\$438,289,246	\$442,821,863	\$440,026,103	1%	0%	-1%

Medicaid								
Gross Revenue	\$426,211,384	\$500,826,765	\$548,616,212	\$604,158,739	\$618,351,417	10%	13%	2%
Contractual Allowances (includes Bad Debt & Free Care)	-\$375,262,837	-\$440,040,993	-\$467,942,141	-\$537,634,305	-\$558,914,357	15%	19%	4%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	0%	0%	0%
Net Payer Revenue	\$80,948,547	\$90,785,772	\$110,674,071	\$96,524,433	\$89,437,060	-13%	-19%	-7%
Fixed Prospective Payments	\$55,615,803	\$55,911,871	\$52,175,931	\$60,196,762	\$68,951,062	15%	32%	15%
Reserves - Risk Portion	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	\$176,600	\$466,252	\$421,618	\$448,353	\$429,609	6%	2%	-4%
Total Net Payer Revenue & Fixed Prospective Payment	\$136,740,950	\$147,163,895	\$163,271,620	\$157,169,548	\$158,817,731	-4%	-3%	1%

Commercial								
Gross Revenue	\$1,066,725,747	\$1,182,410,115	\$1,363,902,146	\$1,317,024,941	\$1,569,067,705	-3%	15%	19%
Contractual Allowances (includes Bad Debt & Free Care)	-\$369,768,660	-\$423,799,130	-\$468,479,271	-\$493,797,358	-\$521,297,565	5%	11%	6%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0			
Net Payer Revenue	\$696,957,086	\$758,610,985	\$895,422,875	\$823,227,583	\$1,047,770,140	-8%	17%	27%
Fixed Prospective Payments	-\$441,332	\$621,887	-\$484,700	\$0	\$0	-100%	-100%	#DIV/0!
Reserves - Risk Portion	\$0	\$0	\$0	\$0	\$0			
Other Reform Payments	\$623,097	\$1,133,213	\$793,152	\$1,676,012	\$891,852	111%	12%	-47%
Total Net Payer Revenue & Fixed Prospective Payment	\$697,138,851	\$760,366,084	\$895,731,327	\$824,903,595	\$1,048,661,992	-8%	17%	27%

Disproportionate Share Payments	\$11,260,268	\$11,231,758	\$11,214,283	\$8,400,000	\$11,219,801	-25%	0%	34%
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Payer Mix	2020 A	2021 A	2022 B	2022 P	2023 B
Gross Revenue					
Payer Mix%					
Medicare	45%	45%	45%	45%	45%
Medicaid	16%	16%	16%	17%	16%
Commercial	39%	38%	39%	38%	39%
NPR/FPP Payer Mix%					
Medicare	30%	30%	29%	31%	27%
Medicaid	11%	11%	11%	11%	10%
Commercial	58%	58%	59%	58%	63%
DSH	1%	1%	1%	1%	1%

The University of Vermont Medical Center							The University of Vermont 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	1,285,234,193	1,199,728,235	1,307,716,232	1,508,506,476	1,433,295,005	1,658,725,627								
NPR/FPP % change					-5.0%	10.0%								
Operating Expense	1,404,942,642	1,462,101,819	1,572,224,117	1,662,751,679	1,791,170,987	1,921,613,374								
Operating Expense % change					7.7%	15.6%								
Operating Margin %	2.19%	-0.27%	2.27%	3.45%	-2.46%	2.00%	-0.31%	1.84%	-1.72%	1.00%	4.3%	3.6%	-0.3%	-0.3%
Total Margin %	4.47%	-1.23%	7.08%	4.61%	-7.87%	2.84%	0.36%	2.41%	-4.77%	2.42%	6.7%	5.4%	-1.2%	-1.2%
Days Cash on Hand	169.4	193.2	198.8	186.6	132.1	128.9	138.1	139.4	146.1	128.7	174.81	192.28	193.2110509	193.2110509
Days Payable	51.4	76.9	70.5	47.4	48.0	46.0	67.9	69.0	52.9	58.6	0	0	76.89379474	76.89379474
Days Receivable	50.2	57.3	60.5	48.9	51.5	50.0	41.4	41.4	45.0	43.6	40.23	47.25	57.25378969	57.25378969
Debt Service Coverage Ratio to 1	2.98	2.13	3.21	3.76	1.12	3.28	1.89	4.14	1.09	3.32	9.53	4.16	2.129436821	2.129436821
Long Term Debt to Capitalization	30%	30%	27%	24%	28%	25%	19%	17%	17%	16%	33.1%	31.2%	30.0%	30.0%
Age of Plant	13.4	11.6	13.3	12.8	11.8	13.0	15.0	14.8	15.8	16.6	14.06	12.32	11.64129917	11.64129917

Benchmarks

*Flex Monitoring 2019 CAH

**Fitch Ratings Research-Not for Profit-Select Northeast and Northern NE (MA, ME, NH)