

Southwestern VT Medical Center

Fiscal Year 2023 YTD Summary

Year to Date Submission #2 (March 2023 through June 2023)

Southwestern VT Medical Center									
Fiscal Year 2023 YTD Summary									
Submission #2 (March 2023 t Submission #2 (March 2023 through June 2023)									
INCOME STATEMENT	2021 A	2022 B	2022 A	2023 B	2023 B YTD	2023 YTD	2023 PROJ	2023 B-2023 A YTD	2022 A-2023 P
Revenues									
Gross Patient Care Revenue	\$403,028,513	\$409,982,720	\$433,654,824	\$455,073,987	\$341,305,490	\$343,185,744	\$455,952,552	0.6%	5.1%
Disproportionate Share Payments	\$759,902	\$735,528	\$1,766,096	\$780,264	\$585,198	\$662,300	\$883,067	13.2%	-50.0%
Graduate Medical Education (UVMC only)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%
Bad Debt	-\$5,282,457	-\$7,400,000	-\$5,171,384	-\$7,650,000	-\$5,737,500	-\$5,225,204	-\$7,367,846	-8.9%	42.5%
Free Care	-\$2,252,809	-\$2,500,000	-\$1,774,483	-\$2,500,000	-\$1,875,000	-\$1,617,858	-\$1,890,242	-13.7%	6.5%
Deductions from Revenue	-\$250,933,621	-\$265,223,809	-\$273,590,999	-\$294,061,400	-\$220,546,050	-\$220,440,214	-\$288,408,925	-0.0%	5.4%
Net Patient Care Revenue	\$145,319,528	\$135,594,439	\$154,884,054	\$151,642,851	\$113,732,138	\$116,564,768	\$159,168,606	2.5%	2.8%
Fixed Prospective Payments	\$31,018,104	\$42,000,000	\$31,845,094	\$37,229,358	\$27,922,019	\$22,582,417	\$30,525,953	-19.1%	-4.1%
Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%
Other Reform Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%
Fixed Prospective Payments and Reserves	\$31,018,104	\$42,000,000	\$31,845,094	\$37,229,358	\$27,922,019	\$22,582,417	\$30,525,953		
Net Patient Care Rev & Fixed Payments & Reserves	\$176,337,632	\$177,594,439	\$186,729,148	\$188,872,209	\$141,654,157	\$139,147,185	\$189,694,559	-1.8%	1.6%
340B Retail Pharmacy Programs	\$2,362,134	\$2,050,000	\$2,389,544	\$3,100,000	\$2,325,000	\$3,792,292	\$3,769,330	63.1%	57.7%
COVID-19 Stimulus and Other Grant Funding	\$4,739,410	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%
Specialty Pharmacy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%
Outpatient Pharmacy Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%
Cafeteria & Parking	\$296,593	\$275,394	\$251,647	\$282,370	\$211,778	\$7,497	\$12,547	-96.5%	-95.0%
Grant Income	\$1,937,709	\$2,074,330	\$2,575,943	\$1,843,964	\$1,382,973	\$2,152,727	\$1,821,914	55.7%	-29.3%
Reference Lab Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%
Meaningful Use	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%
Other	\$3,948,197	\$2,394,604	\$3,491,331	\$2,923,123	\$2,192,342	\$2,526,328	\$4,740,454	15.2%	35.8%
Other Operating Revenue	\$13,284,043	\$6,794,328	\$8,708,465	\$8,149,457	\$6,112,093	\$8,478,844	\$10,344,245	38.7%	18.8%
Total Operating Revenue	\$189,621,675	\$184,388,767	\$195,437,613	\$197,021,666	\$147,766,250	\$147,626,029	\$200,038,804	-0.1%	2.4%
Operating Expenses									
Salaries Non MD, Fringe Benefits Non MD,									
Physician Fees & Salaries, Fringe Benefits	\$105,406,577	\$105,786,588	\$110,379,528	\$114,485,655	\$85,864,241	\$88,037,428	\$117,960,380	2.5%	6.9%
Health Care Provider Tax	\$9,398,676	\$10,042,923	\$10,868,481	\$11,123,170	\$8,342,378	\$8,385,741	\$11,233,013	0.5%	3.4%
Depreciation Amortization	\$6,192,216	\$5,902,441	\$6,241,552	\$6,356,989	\$4,767,742	\$4,457,876	\$7,118,738	-6.5%	14.1%
Interest - Short Term, Interest - Long Term	\$579,130	\$700,000	\$767,602	\$599,354	\$449,516	\$1,051,689	\$1,450,762	134.0%	89.0%
ACO Dues	\$1,255,882	\$1,200,000	\$1,229,256	\$1,500,000	\$1,125,000	\$1,134,732	\$1,500,000	0.9%	22.0%
Medical/Surgical Drugs and Supplies	\$0	\$0	\$0	\$0	\$0	\$10,563,113	\$14,034,219	0.0%	0.0%
Pharmaceuticals	\$0	\$0	\$0	\$0	\$0	\$11,413,359	\$15,493,762	0.0%	0.0%
Other Purchased Services - Consulting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%
Other Purchased Services - Travelers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%
Other Operating Expenses	\$58,261,460	\$57,128,290	\$66,290,626	\$62,051,970	\$46,538,978	\$26,800,327	\$36,172,174	-42.4%	-45.4%
Total Operating Expenses	\$181,093,942	\$180,760,242	\$195,777,045	\$196,117,138	\$147,087,854	\$151,844,265	\$204,963,049	3.2%	4.7%
Net Operating Income	\$8,527,733	\$3,628,525	-\$339,432	\$904,528	\$678,396	-\$4,218,236	-\$4,924,245	-721.8%	1350.7%
Non Operating Revenue	-\$143,974	-\$49,235,000	\$8,005,419	\$679,981	\$509,986	\$6,435,835	\$22,876,913	1162.0%	185.8%
Excess (Deficit) of Rev over Exp	\$8,383,759	-\$45,606,475	\$7,665,986	\$1,584,509	\$1,188,382	\$2,217,599	\$17,952,668	86.6%	134.2%
Income Statement Metrics									
Operating Margin %	4.5%	2.0%	-0.2%	0.5%	4.1%	-2.9%	-2.5%		
Total Margin %	4.4%	-33.7%	3.8%	0.8%	7.2%	1.4%	8.1%		

Southwestern VT Medical Center							
Fiscal Year 2023 YTD Summary							
BALANCE SHEET	FY2021 A	FY2022 B	FY2022 A	FY2023 B	2023 Projection	2023 B-2023 P	2022 A-2023 P
Cash & Investments	\$15,954,569	\$11,020,348	\$10,785,155	\$10,020,348	\$11,984,702	19.6%	11.1%
Net Patient Accounts Receivable	\$14,392,159	\$12,653,016	\$14,574,201	\$15,441,551	\$16,384,372	6.1%	12.4%
Due From Third Parties	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%
Risk Reserve Receivable	\$537,552	\$0	\$0	\$0	\$0	0.0%	0.0%
Other Current Assets	\$8,028,602	\$6,021,211	\$7,755,405	\$8,736,335	\$10,371,075	18.7%	33.7%
Current Assets	\$38,912,882	\$29,694,575	\$33,114,761	\$34,198,234	\$38,740,149	13.3%	
Board Designated Assets	\$9,322,354	\$9,549,237	\$26,831,849	\$9,879,506	\$21,911,532	121.8%	-18.3%
Net, Property, Plant And Equipment	\$38,231,055	\$43,622,338	\$48,230,366	\$58,767,891	\$68,392,961	16.4%	41.8%
Other Long-Term Assets	\$12,686,801	\$11,971,381	\$16,000,945	\$16,697,418	\$8,913,674	-46.6%	-44.3%
Assets	\$99,153,092	\$94,837,531	\$124,177,921	\$119,543,049	\$137,958,316	15.4%	11.1%
Accounts Payable	\$6,409,906	\$6,719,179	\$12,703,595	\$6,640,510	\$10,729,470	61.6%	-15.5%
Current Liabilities COVID-19	\$6,898,211	\$0	\$0	\$0	\$0	0.0%	0.0%
Salaries, Wages And Payroll Taxes Payable	\$9,443,980	\$4,411,891	\$4,213,297	\$6,519,763	\$6,630,599	1.7%	57.4%
Other Third Party Settlements	\$2,715,427	\$8,801,493	\$1,537,638	\$6,500,000	\$1,000,000	-84.6%	-35.0%
ACO Risk Reserve	\$3,170,625	\$0	\$0	\$0	\$0	0.0%	0.0%
Other Current Liabilities	\$18,015,230	\$11,061,022	\$26,286,480	\$18,698,394	\$24,526,029	31.2%	-6.7%
Current Liabilities	\$46,653,379	\$30,993,585	\$44,741,010	\$38,358,667	\$42,886,098	11.8%	-4.1%
Long Term Liabilities COVID-19	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%
Long Term Liabilities	\$8,821,909	\$8,407,629	\$31,039,202	\$27,961,000	\$28,587,000	2.2%	-7.9%
Other Noncurrent Liabilities	\$5,347,484	\$5,333,134	\$2,401,399	\$3,255,258	\$2,536,241	-22.1%	5.6%
Long Term Liabilities	\$14,169,393	\$13,740,763	\$33,440,601	\$31,216,258	\$31,123,241	-0.3%	-6.9%
Total Liabilities	\$60,822,772	\$44,734,348	\$78,181,611	\$69,574,925	\$74,009,339	6.4%	
Net Assets	\$29,946,561	\$95,709,658	\$38,330,899	\$48,383,615	\$45,996,310	-4.9%	20.0%
YTD Change In Net Assets	\$8,383,759	-\$45,606,475	\$7,665,986	\$1,584,509	\$17,952,667	1033.0%	134.2%
Fund Balance	\$38,330,320	\$50,103,183	\$45,996,885	\$49,968,124	\$63,948,977	28.0%	39.0%
Liabilities and Equities	\$99,153,092	\$94,837,531	\$124,178,496	\$119,543,049	\$137,958,316	15.4%	11.1%
Balance Sheet Metrics						Change in Points	
Days Cash on Hand	52.5	42.9	37.5	38.3	22.1	-16.2	-15.4
Debt Service Coverage Ratio	10.9	9.3	0.5	2.2	2.2	0.0	1.8
Long Term Debt to Capitalization	0.2	0.1	0.4	0.4	0.4	0.0	-0.0
Days Payable	97.4	64.7	86.2	73.8	37.5	-36.3	-48.7
Days Receivable	36.1	34.1	34.3	37.2	31.5	-5.6	-2.8

Southwestern VT Medical Center							
Fiscal Year 2023 YTD Summary							
Submission #2 (March 2023 through June 2023)							
Utilization & Staffing	2021 A	2022 B	2022 A	2023B	2023 B YTD	2023 YTD	2023 PROJ
Utilization Monthly							
Total Average Daily Census							
Total Admissions	3,388	3,504	3,556	3,560	1,483	2,363	3,144
Total Patient Days	12,110	11,935	13,275	12,166	5,069	9,629	13,536
Magnetic Resonance Image Procedures, Exams	3,832	3,591	4,174	4,065	1,694	3,373	4,512
Cat Scan Procedures	13,623	12,724	14,730	14,499	6,041	11,184	14,698
Radiology - Diagnostic Procedures	34,660	29,002	33,773	44,912	18,713	35,713	44,912
Emergency Room Visits	21,696	20,763	22,641	25,695	10,706	17,210	22,714
Operating Room Procedure	3,035	3,034	3,003	3,010	1,254	2,368	3,151
Operating Room Cases	-	-	-	-	-	-	-
Physician Office Visits	124,545	130,714	144,284	132,306	55,128	86,795	112,915
Primary Care Visits					-	-	
Specialty Visits					-	-	
					-	-	
					U.U%		
Staffing Year to Date							
					0		
Non MD FTEs	799.2	795.4	820.2	813.8	4,069.0		816.0
MLPs	-	-	-	-	-		-
Residents & Fellows	-	-	-	-	-		-
Physician FTEs	102.4	101.2	99.9	97.3	486.5		99.5
Travelers, Travelers MD	-	-	-	-	-		

Southwestern VT Medical Center								
Fiscal Year 2023 YTD Summary								
					Submission #2 (March 2023 through June 2023)			
Payer Mix	2021 A	2022 B	2022 A	2023 B	2023 B YTD	2023 YTD	2023 PROJ	
Total Revenue	\$403,028,513	\$409,982,720	\$433,654,824	\$455,073,987	\$341,305,490	\$343,185,744	\$455,952,552	
Disproportionate Share Payments	759,902	735,528	1,766,096	780,264	585,198	662,300	883,067	
Graduate Medical Education	-	-	-	-	-	-	-	
Bad Debt	(5,282,457)	(7,400,000)	(5,171,384)	(7,650,000)	(5,737,500)	(5,225,204)	(7,367,846)	
Free Care	(2,252,809)	(2,500,000)	(1,774,483)	(2,500,000)	(1,875,000)	(1,617,858)	(1,890,242)	
Deductions from Revenue	(250,933,621)	(265,223,809)	(273,590,999)	(294,061,400)	(220,546,050)	(220,440,214)	(288,408,925)	
Net Payer Revenue	145,319,528	135,594,439	154,884,054	151,642,851	113,732,138	116,564,768	159,168,606	
Fixed Prospective Payments	31,018,104	42,000,000	31,845,094	37,229,358	27,922,019	22,582,417	30,525,953	
Reserves	-	-	-	-	-	-	-	
Other Reform Payments	-	-	-	-	-	-	-	
Fixed Prospective Payments and Reserves	31,018,104	42,000,000	31,845,094	37,229,358	27,922,019	22,582,417	30,525,953	
Total Net Payer Revenue & Fixed Prospective Payment	176,337,632	177,594,439	186,729,148	188,872,209	141,654,157	139,147,185	189,694,559	
Above From the Income Statement								
Medicare								
Gross Revenue	\$207,021,083	\$208,994,391	\$219,202,114	\$230,046,323	\$95,852,635	\$175,429,963	\$234,516,639	
Disproportionate Share Payments					\$0	\$0		
Graduate Medical Education	\$0	\$0	\$0	\$0	\$0	\$0		
Bad Debt	\$0	\$0	\$0	\$0	\$0	\$0		
Free Care	\$0	\$0	\$0	\$0	\$0	\$0		
Deductions from Revenue	-\$159,861,136	-\$169,517,666	-\$169,759,326	-\$183,401,963	-\$76,417,485	-\$138,500,574	-\$185,814,746	
Net Payer Revenue	\$47,159,947	\$39,476,725	\$49,442,788	\$46,644,360	\$19,435,150	\$36,929,389	\$48,701,893	
Fixed Prospective Payments	\$20,075,056	\$27,000,000	\$22,545,800	\$23,297,261	\$9,707,192	\$14,483,894	\$19,600,220	
Reserves - Risk Portion	\$0	\$0	\$0	\$0	\$0	\$0		
Other Reform Payments	\$0	\$0	\$0	\$0	\$0	\$0		
Total Net Payer Revenue & Fixed Prospective Payment	\$67,235,003	\$66,476,725	\$71,988,588	\$69,941,621	\$29,142,342	\$51,413,283	\$68,302,113	
Medicaid								
Gross Revenue	\$66,101,712	\$66,533,985	\$74,873,757	\$76,297,730	\$31,790,721	\$61,329,101	\$77,644,140	
Disproportionate Share Payments					\$0	\$0		
Graduate Medical Education	\$0	\$0	\$0	\$0	\$0	\$0		
Bad Debt	\$0	\$0	\$0	\$0	\$0	\$0		
Free Care	\$0	\$0	\$0	\$0	\$0	\$0		
Deductions from Revenue	-\$55,854,808	-\$58,064,478	-\$62,297,311	-\$67,389,343	-\$28,078,893	-\$53,213,174	-\$69,506,668	
Net Payer Revenue	\$10,246,904	\$8,469,507	\$12,576,446	\$8,908,387	\$3,711,828	\$8,115,927	\$8,137,472	
Fixed Prospective Payments	\$10,943,048	\$9,800,000	\$9,198,829	\$9,432,097	\$3,930,040	\$8,098,523	\$10,925,733	
Reserves - Risk Portion	\$0	\$0	\$0	\$0	\$0	\$0		
Other Reform Payments	\$0	\$0	\$0	\$0	\$0	\$0		
Total Net Payer Revenue & Fixed Prospective Payment	\$21,189,952	\$18,269,507	\$21,775,275	\$18,340,484	\$7,641,868	\$16,214,451	\$19,063,205	
Commercial								
Gross Revenue	\$129,905,718	\$134,454,344	\$139,578,953	\$148,729,934	\$61,970,806	\$106,426,680	\$143,791,773	
Disproportionate Share Payments					\$0	\$0		
Graduate Medical Education	\$0	\$0	\$0	\$0	\$0	\$0		
Bad Debt	-\$5,282,457	-\$7,400,000	-\$5,171,384	-\$7,650,000	-\$3,187,500	-\$5,225,204	-\$7,367,846	
Free Care	-\$2,252,809	-\$2,500,000	-\$1,774,483	-\$2,500,000	-\$1,041,667	-\$1,617,858	-\$1,890,242	
Deductions from Revenue	-\$35,217,677	-\$37,641,665	-\$41,534,362	-\$43,270,094	-\$18,029,206	-\$28,726,466	-\$33,087,511	
Net Payer Revenue	\$87,152,775	\$86,912,679	\$91,098,724	\$95,309,840	\$39,712,433	\$70,857,152	\$101,446,174	
Fixed Prospective Payments	\$0	\$5,200,000	\$100,464	\$4,500,000	\$1,875,000	\$0	\$0	
Reserves - Risk Portion	\$0	\$0	\$0	\$0	\$0	\$0		
Other Reform Payments	\$0	\$0	\$0	\$0	\$0	\$0		
Total Net Payer Revenue & Fixed Prospective Payment	\$87,152,775	\$92,112,679	\$91,199,188	\$99,809,840	\$41,587,433	\$70,857,152	\$101,446,174	
Disproportionate Share Payments	\$759,902	\$735,528	\$1,766,096	\$780,264	\$585,198	\$662,300	\$883,067	

Question:

Please address the financial performance seen in your quarterly reporting.

SVMC's financial performance over the last four months continues to be challenging but improving. With the implementation of the financial improvement plan in the first quarter of the fiscal year SVMC has been able to steadily reduce losses with the goal of getting monthly operations to break even by the end of the fiscal year. Most of the initiatives that were identified and implemented have shown positive results, especially expense reductions. Employee Benefits, mainly health insurance continue to be greater than what was in the budget. Higher than expected utilization of high cost services (transplants) has been the biggest single factor in the health insurance increase. Interest expense is over plan due to increased borrowing on the line of credit.

SVMC will be seeing over a 100% increase in natural gas costs as a five year contract expired and increases are higher than management could have foreseen last year or a couple of years ago.

On the revenue side volumes are up in some area's and down in others. The payer mix, SVMC is seeing more Medicare and Medicaid patients. One significant challenge is the actions of the insurance companies which are denying a greater number of claims than in the past. SVMC appeals many of the denials and the insurance company turnaround on the appeals is unpredictable. The insurance company reps have stated at times it will not even be addressed for months. This causes significant delays in payments and significantly increases the cost to collect a claim as well as adds to the borrowing costs since cash flows have been extended.

Physician Acquisitions or Transfers: <https://gmcboard.vermont.gov/sites/gmcb/files/hospital-budget/Physician%20Transfer%20Schedules%20A%20%26%20B.xls>

FY2020 Budget Guidance: <https://gmcboard.vermont.gov/sites/gmcb/files/FY2020%20Hospital%20Budget%20Guidance%20Final%20as%20of%202019-03-27%20Updated%204%208%2019.pdf>