



February 21, 2022

Mr. Patrick Rooney, MSL
 Green Mountain Care Board
 144 State Street
 Montpelier, VT 05602

The first five months of FY2021 were a continuation of the lower volumes seen in FY2020 resulting from COVID-19. In February 2021 BMH was looking at an annualized operating loss of almost \$8 million. In March 2021 BMH starting seeing patient volumes return to pre-COVID-19 levels which continued throughout the remainder of FY2021 for many areas which contributed to a loss from operations of \$1.6 million.

A shift in payer mix and a shift in service line volume variances contributed to the decline in reimbursement from what was budgeted. Bad Debt and Free Care had favorable variances with the majority of the variance falling to Free Care. BMH contributes the decline in Free Care applications to the pandemic.

NPR/FPP	Total	% over/under
FY 21 Approved Budget	\$ 92,802,429	
Utilization	2,501,158	
Reimbursement/Payer Mix	(9,840,565)	
Bad Debt/Free Care	2,711,264	
Physician Acq/Trans		
Changes in Accounting		
Changes in DSH	100,871	
Other (FPP)	213,956	
Other (please label)		0
FY 21 Actual Results	\$ 88,489,113	-4.6%



BMH's Expenses for FY2021 were lower than budgeted expenses by \$1 million.

- Salaries and Benefits were under budget by \$1.2 million as a result of the shortages in the labor market.
- Drug expenses are over budget due to increased volumes in the Oncology program and continued increases in the cost of pharmaceuticals.
- Depreciation and Interest are under budget as COVID-19 had delayed the completion of a major capital project by more than a year.
- Health Care Provider Tax was budgeted with the information known at the time. The decrease in net revenues for FY2020 contributed to the actual tax being reduced.
- Contract Services had a significant increase related to COVID-19 testing with outside labs and additional funding for the Spoke and Hub program which was funded by CHT grant funds.

Expenses	Amount	% over/under
FY 21 Approved Budget	\$ 96,055,094	
Salaries	(1,031,337)	-2.4%
Fringe Benefits	(203,363)	-1.7%
Physician Contracts	211,657	3.5%
Contract Staffing	1,519	0.5%
Supplies	303	21.7%
Drugs	799,699	16.3%
Facilities		
IT Related		
Health Reform Programs		
Depreciation	(573,339)	-12.8%
Interest	(340,113)	-70.0%
Health Care Provider Tax	(836,893)	-15.2%
Other (Contracted Services)	1,070,665	11.6%
Other (please label)		
Cost Savings		
FY 21 Actual Results	\$ 95,153,892	-0.9%

BMH implemented an overall percentage change in charges of 4.9% as approved by the GMCB.

All COVID-19 relief funds were accounted for in FY2020 in Other Operating Revenue

Non-operating revenue has a significant positive variance of \$5.4 million which is attributed to returns on investments, both realized and unrealized, of the investment portfolio.

Sincerely,

Andre Bissonnette, CFO