

# **The University of Vermont Medical Center and Central Vermont Medical Center: Budget Modification Request**

April 6, 2022

GMCB Health System Finance Team

# Public Comment Summary



As of 4/5/2022

#	%	UVMCC / CVMC Mid-Year Adjustment Public Comments (58 Total)
57	98%	Called on the Board to vote no
31	53%	Company cannot afford or plan for changes with mid-year adjustment
12	21%	Would be unaffordable for themselves and/or other Vermonters
9	16%	Suggest use of hospital reserve funds
7	12%	Reference general hospital budget or management concerns
5	9%	Challenges of a mid-year adjustment for self-funded plans
3	5%	Suggest increasing Medicaid or other government funding
2	3%	Mention compounding costs
1	2%	Reference voters
1	2%	Recommend putting off capital projects

# Public Comment Summary

- Response from the Agency of Human Services 4/1/2022:

Speaking directly to the Board's interest in whether Medicaid can increase its rates to offset the mid-year rate adjustments as requested, I emphasize the following three points:

- 1.) The State is required to manage spending within a budget neutrality cap for its Global Commitment to Health 1115 Demonstration Waiver. The budget neutrality cap is a primary concern when considering any new investment or adjustment to Medicaid rates, particularly as AHS is actively negotiating the terms of renewal for Vermont's waiver. I do not anticipate final terms prior to June, 2022.
- 2.) The Department of Vermont Health Access (DVHA) has already increased Medicaid payments for services offered by hospitals in 2022 and provides Disproportionate Share Hospital (DSH) payments to address a portion of the shortfall that hospitals experience from government payment rates.
- 3.) DVHA is leading the way in the transition to value-based payments through providing fixed, prospective payments for hospitals—this creates a predictable and stable revenue stream when service patterns are disrupted as evidenced by COVID-19.

To this end, I encourage the GMCB to carefully consider the proposals from the hospitals for mid-year adjustments – particularly in light of the available FEMA funding, and extensive support that has been provided by state and federal funding mechanisms – and weigh the need for short-term stabilization versus long-term sustainability.

# Legal – 18 V.S.A. § 9456(f) and GMCB Rule 3.000



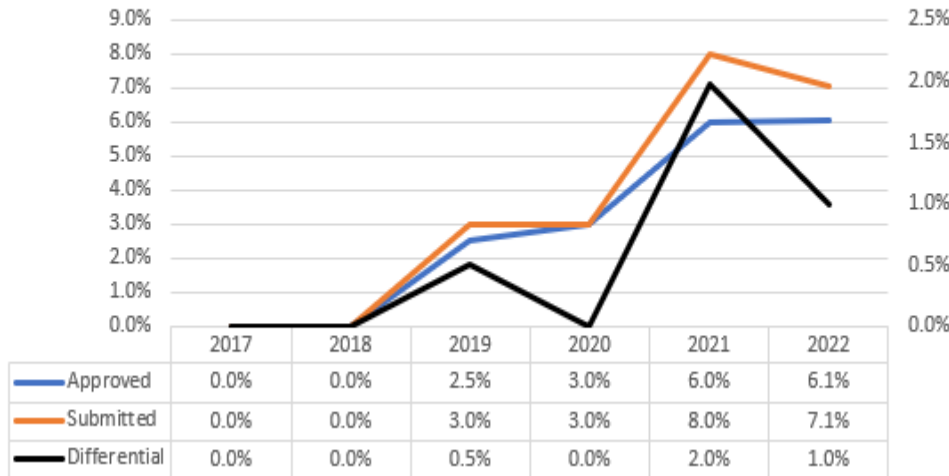
## **3.401 Budget Performance Review and Adjustment**

(a) The Board may conduct an independent review of a hospital's performance under the budget established for it by the Board at any time, including in response to an application for an adjustment made by a hospital pursuant to 18 V.S.A. § 9456(f). This review shall take into consideration the following factors:

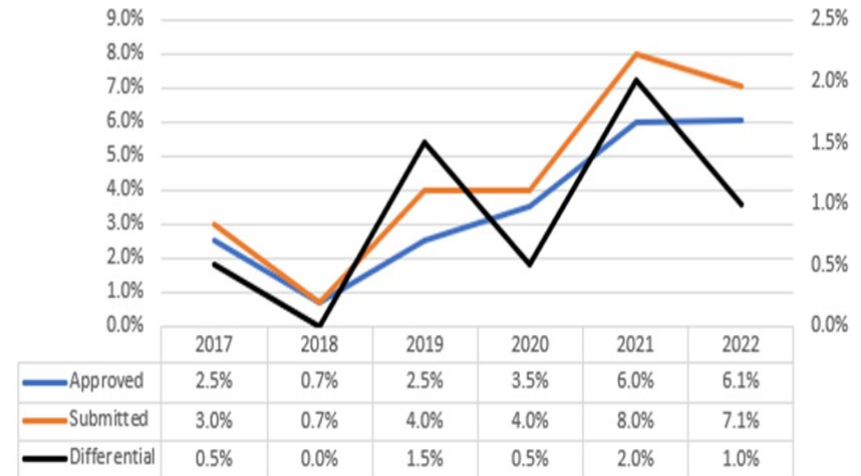
- (1) the variability of a hospital's actual revenues, taking into account the resources of payers and the methods of payment used by the payers;
- (2) the hospital's ability to limit services to meet its budget, consistent with its obligations to provide appropriate care for all patients;
- (3) the financial position of the hospital in relation to other hospitals and to the health care system as a whole, using the statistics developed from information submitted in compliance with the uniform reporting manual;
- (4) the hospital's performance under budgets identified or established under subchapter 7 of Chapter 221 of Title 18 of Vermont Statutes Annotated for the previous three years and its budget projections for the next three years; and
- (5) any other considerations deemed appropriate by the Board, including but not limited to other instances in which a hospital has less than full control over the expenditures limited by the budget.

# UVMHC NPR Rate effect through the years. What is the dollar value?

University of Vermont Medical Center  
History of Change in Charges



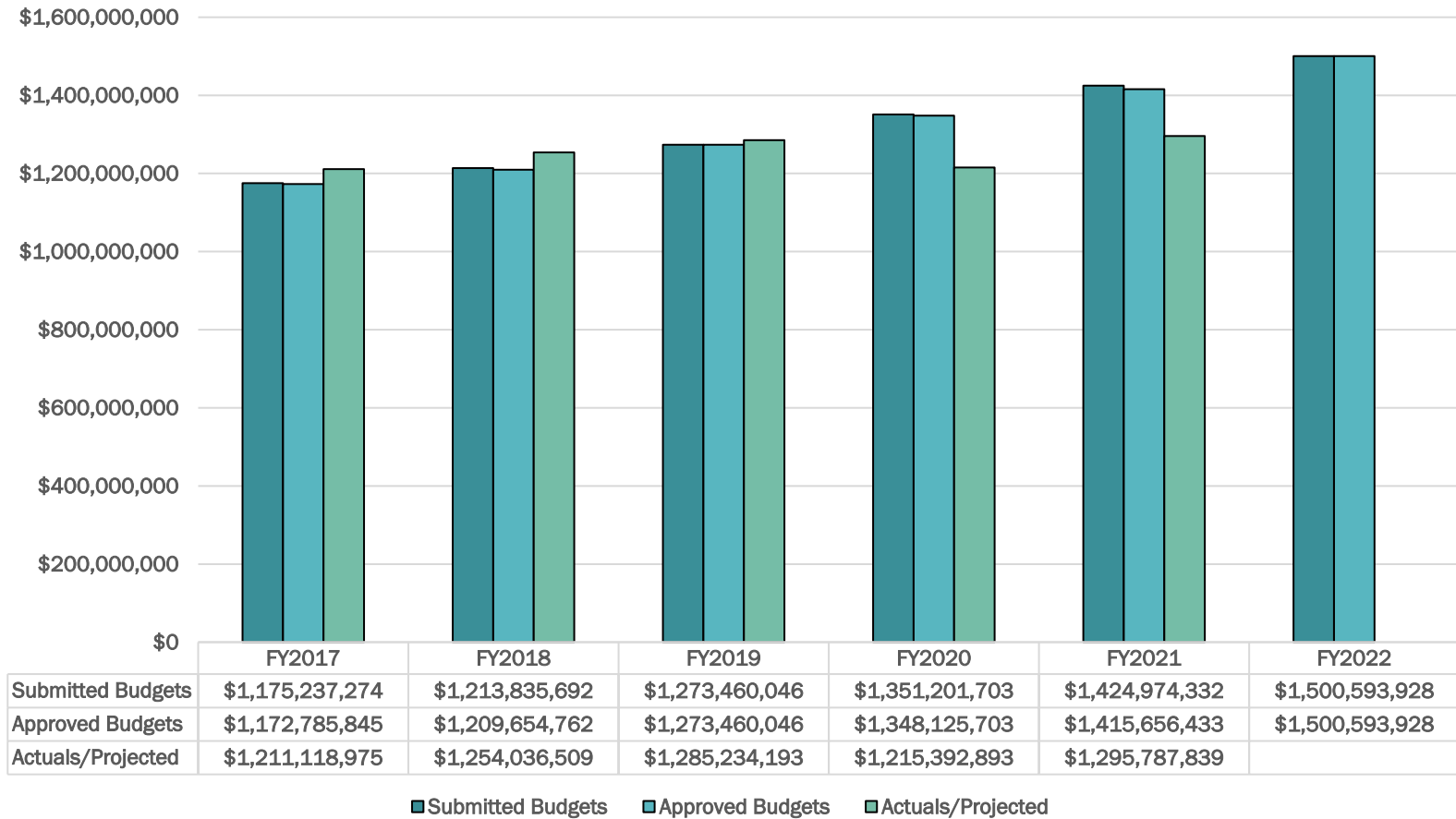
University of Vermont Medical Center  
History of Commercial Effective Rate



- The aggregate of rate cut in terms of NPR value related to gross charges (left-hand graph) is \$17.35 million from FY2017-FY2022. These values are derived from UVMHC's submissions outlining the dollar value of 1% of rate request.

# UVMMC NPR Rate Effect

## University of Vermont Medical Center



# UVMMC & CVMC: Request for Budget Modification



- UVMMC & CVMC submitted request on March 18, 2022
- **Reason for Request**
  - Unanticipated demand for services, adverse effect of payer mix and workforce challenges in recruiting and maintaining staff.
  - These unanticipated challenges are having an adverse effect on operating expenses that are projecting to exceed approved FY22 budget by nearly \$93.3 million and \$7.0 million respectively.
  - Margin erosion due to factors cited above.
- UVMMC and CVMC continue to experience higher-than-normal inpatient needs, as well as patients presenting with higher acuity conditions due to delayed care from the pandemic. In addition, they continue to have difficulty discharging patients to lower acuity beds or psychiatric care when appropriate, due to insufficient numbers of available skilled nursing facility (SNF) and psychiatric beds in the community.

# UVMMC & CVMC: Request for Budget Modification



- UVMMC Financial Update

- Decreasing volumes of higher margin services, increasing average length of stay, cost inflation, and growing traveler FTEs (and cost per FTE) have contributed to UVMMC's net patient/fixed prospective payments falling by (\$74) million or (4.9%)
- Other Operating Revenues are 36% over budget due largely to unbudgeted federal relief (\$24 million) and cybersecurity insurance payment (\$30M) which are aiding in offsetting a portion of the rising cost and constraining further margin erosion.
- Operating Expenses driven by workforce pressures and rising costs are projected at 5.6% (\$93.2M) over approved budget.
- Result: Operating margin is currently projected to be (\$39) million, a 2.2% loss on margin, and a (\$90) million variance from budget.



# UVMMC & CVMC: Request for Budget Modification



- CVMC Financial Update

- Decreasing volumes of higher margin services, increasing average length of stay, cost inflation, and growing traveler FTEs (and cost per FTE) have contributed to CVMC's net patient/fixed prospective payments falling by (\$7.7) million or (3.1%)
- Other Operating Revenues are 40% over budget due in part to unbudgeted federal relief (\$4.6 million) which is aiding in offsetting a portion of the rising cost and constraining further margin erosion.
- Operating Expenses driven by workforce pressures and rising costs are projected at 2.6% over approved budget.
- Result: Operating margin is currently projected to be (\$4.9) million, a 1.8% loss on margin, and a (\$7.6) million variance from budget.

# UVMMC & CVMC: Request for Budget Modification



- Request:
  - UVMMC & CVMC requesting a 10.0% change in charge (rate) to Gross Charges from 6.05% and 6.00% approved in September 2021, respectively.
  - New rate to be effective April 1<sup>st</sup>

	Net Patient Revenue / Fixed Prospective Payment		
	FY2022 Approved	FY22 Projection without Amendment	FY22 Projection with Amendment
UVMMC	\$ 1,500,593,928	\$ 1,426,409,150	\$ 1,454,384,855
CVMC	\$ 249,584,872	\$ 241,931,903	\$ 246,416,418

# UVMMC & CVMC: Request for Budget Modification



## UVMMC Financial Impact:

- If approved, the net patient revenue impact is an increase of \$28 million over current projection– mostly recaptured in outpatient services.
- If approved, the net patient/fixed prospective payment revenues are still projected to be under budget by (\$46.2) million.
- If approved, projected operating margin is estimated at (\$12) million, a 0.7% loss on margin and a \$64.2 million variance from approved budget.

## CVMC Financial Impact:

- If approved, the net patient revenue impact is an increase of \$4.5 million over current projection– mostly recaptured in inpatient services.
- If approved, the net patient/fixed prospective payment revenues are still projected to be under budget by (\$3.2) million.
- If approved, projected operating margin will fall to (\$690) thousand, a 0.2% loss on margin and a \$3.4 million variance from approved budget

# UVMHC: Request for Budget Modification-Projection without rate increase



The University of Vermont Medical Center					
John Brumsted Steve Leffler		Judy Peek-Lee			
Fiscal Year 2022 YTD Summary					
1st Qtr. Through Dec.					
INCOME STATEMENT	2021 A	2022 B	2022 B YTD	2022 YTD	2022 PROJ
<b>Revenues</b>					
Gross Patient Care Revenue	\$3,083,748,404	\$3,453,151,359	\$848,146,277	\$866,214,520	\$3,510,302,905
Net Patient Care Revenue	\$1,133,578,363	\$1,315,713,538	\$314,566,332	\$303,273,396	\$1,240,120,953
Fixed Prospective Payments and Reserves	\$174,137,870	\$184,880,390	\$46,220,097	\$46,754,498	\$186,288,197
Net Patient Care Rev & Fixed Payments & Reserves	\$1,307,716,233	\$1,500,593,928	\$360,786,429	\$350,027,893	\$1,426,409,150
Other Operating Revenue	\$301,030,443	\$213,583,061	\$53,421,261	\$71,435,902	\$290,479,729
<b>Total Operating Revenue</b>	<b>\$1,608,746,676</b>	<b>\$1,714,176,988</b>	<b>\$414,207,690</b>	<b>\$421,463,795</b>	<b>\$1,716,888,879</b>
<b>Total Operating Expenses</b>	<b>\$1,572,224,117</b>	<b>\$1,662,751,679</b>	<b>\$403,858,055</b>	<b>\$444,440,624</b>	<b>\$1,756,030,450</b>
<b>Net Operating Income</b>	<b>\$36,522,559</b>	<b>\$51,425,310</b>	<b>\$10,349,634</b>	<b>-\$22,976,829</b>	<b>-\$39,141,571</b>
Non Operating Revenue	\$83,240,192	\$20,981,262	\$5,224,789	\$21,728,094	-\$11,892,768
<b>Excess (Deficit) of Rev over Exp</b>	<b>\$119,762,751</b>	<b>\$72,406,571</b>	<b>\$15,574,423</b>	<b>-\$1,248,736</b>	<b>-\$51,034,339</b>
<b>Income Statement Metrics</b>					
Operating Margin %	2.3%	3.0%	2.5%	-5.5%	-2.3%
Total Margin %	7.1%	4.2%	3.7%	-0.3%	-3.0%

# UVMHC: Request for Budget Modification-Projection with rate increase



The University of Vermont Medical Center								
John Brumsted Steve Leffler			Judy Peek-Lee					
Fiscal Year 2022 YTD Summary								
INCOME STATEMENT	2021 A	2022 B	2022 PROJ	2022 PROJ w/ rate increase	2022 B- 2022 Proj	2022 B- 2022 Proj w/rate	2022 B- 2022 Proj	2022 B- 2022 Proj w/rate
<b>Revenues</b>								
Gross Patient Care Revenue	\$3,083,748,404	\$3,453,151,359	\$3,510,302,905	\$3,576,128,092	\$57,151,546	\$122,976,733	1.7%	3.6%
Net Patient Care Revenue	\$1,133,578,363	\$1,315,713,538	\$1,240,120,953	\$1,268,096,658	-\$75,592,585	-\$47,616,880	-5.7%	-3.6%
Fixed Prospective Payments and Reserves	\$174,137,870	\$184,880,390	\$186,288,197	\$186,288,197	\$1,407,807	\$1,407,807	0.8%	0.8%
Net Patient Care Rev & Fixed Payments & Reserves	\$1,307,716,233	\$1,500,593,928	\$1,426,409,150	\$1,454,384,855	-\$74,184,778	-\$46,209,073	-4.9%	-3.1%
Other Operating Revenue	\$301,030,443	\$213,583,061	\$290,479,729	\$290,479,729	\$76,896,668	\$76,896,668	36.0%	36.0%
<b>Total Operating Revenue</b>	<b>\$1,608,746,676</b>	<b>\$1,714,176,988</b>	<b>\$1,716,888,879</b>	<b>\$1,744,864,584</b>	<b>\$2,711,891</b>	<b>\$30,687,596</b>	<b>0.2%</b>	<b>1.8%</b>
<b>Total Operating Expenses</b>	<b>\$1,572,224,117</b>	<b>\$1,662,751,679</b>	<b>\$1,756,030,450</b>	<b>\$1,757,653,041</b>	<b>\$93,278,771</b>	<b>\$94,901,362</b>	<b>5.6%</b>	<b>5.7%</b>
<b>Net Operating Income</b>	<b>\$36,522,559</b>	<b>\$51,425,310</b>	<b>-\$39,141,571</b>	<b>-\$12,788,457</b>	<b>-\$90,566,881</b>	<b>-\$64,213,767</b>	<b>-176.1%</b>	<b>-124.9%</b>
Non Operating Revenue	\$83,240,192	\$20,981,262	-\$11,892,768	-\$11,892,768	-\$32,874,030	-\$32,874,030	-156.7%	-156.7%
<b>Excess (Deficit) of Rev over Exp</b>	<b>\$119,762,751</b>	<b>\$72,406,571</b>	<b>-\$51,034,339</b>	<b>-\$24,681,225</b>	<b>-\$123,440,910</b>	<b>-\$97,087,796</b>	<b>-170.5%</b>	<b>-134.1%</b>
<b>Income Statement Metrics</b>								
Operating Margin %	2.3%	3.0%	-2.3%	-0.7%				
Total Margin %	7.1%	4.2%	-3.0%	-1.4%				

# CVMC: Request for Budget Modification-Projection without rate increase



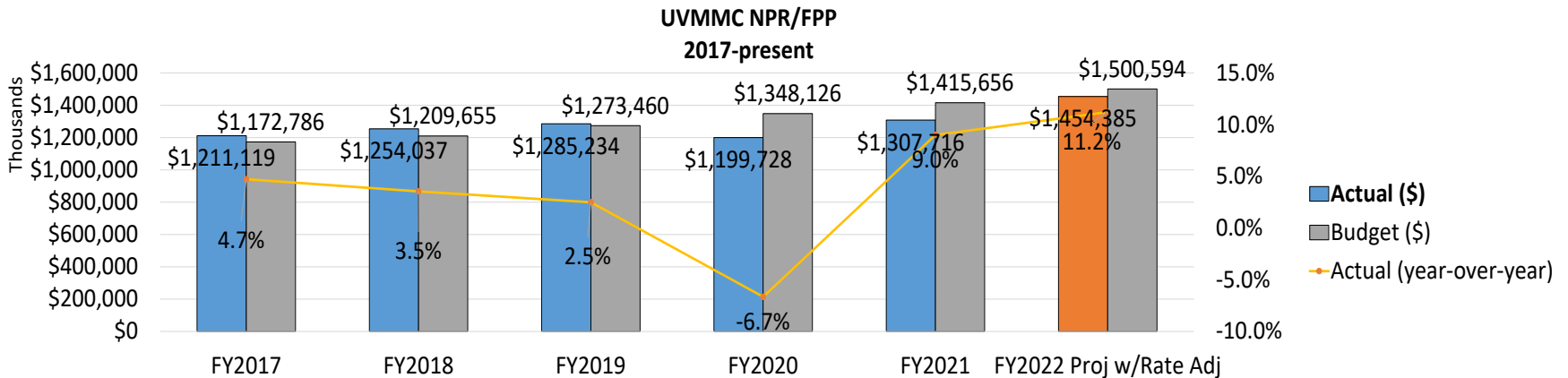
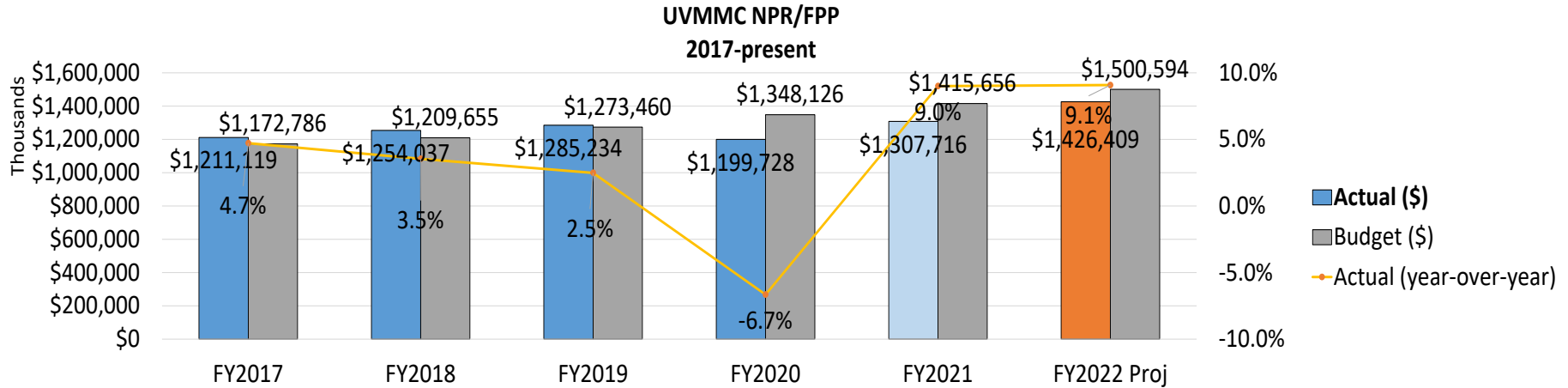
Central Vermont Medical Center					
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Fiscal Year 2022 YTD Summary					
1st Qtr. Through Dec.					
INCOME STATEMENT	2021 A	2022 B	2022 B YTD	2022 YTD	2022 PROJ
<b>Revenues</b>					
Gross Patient Care Revenue	\$465,268,488	\$525,187,153	\$132,077,460	\$131,926,059	\$524,977,656
Net Patient Care Revenue	\$180,125,768	\$203,915,456	\$49,960,223	\$45,221,549	\$187,004,480
Fixed Prospective Payments and Reserves	\$47,219,794	\$45,669,416	\$11,398,841	\$14,339,358	\$54,927,423
Net Patient Care Rev & Fixed Payments & Reserves	\$227,345,562	\$249,584,872	\$61,359,064	\$59,560,907	\$241,931,903
Other Operating Revenue	\$21,394,398	\$17,420,950	\$4,355,238	\$8,776,985	\$24,441,211
<b>Total Operating Revenue</b>	<b>\$248,739,960</b>	<b>\$267,005,822</b>	<b>\$65,714,301</b>	<b>\$68,337,892</b>	<b>\$266,373,114</b>
<b>Total Operating Expenses</b>	<b>\$251,279,114</b>	<b>\$264,316,173</b>	<b>\$66,310,403</b>	<b>\$68,337,891</b>	<b>\$271,287,398</b>
<b>Net Operating Income</b>	<b>-\$2,539,154</b>	<b>\$2,689,649</b>	<b>-\$596,102</b>	<b>\$0</b>	<b>-\$4,914,284</b>
<b>Non Operating Revenue</b>	<b>\$29,676,109</b>	<b>\$7,997,546</b>	<b>\$1,999,387</b>	<b>\$3,621,247</b>	<b>-\$1,149,134</b>
<b>Excess (Deficit) of Rev over Exp</b>	<b>\$27,136,955</b>	<b>\$10,687,195</b>	<b>\$1,403,284</b>	<b>\$3,621,248</b>	<b>-\$6,063,418</b>
<b>Income Statement Metrics</b>					
Operating Margin %	-1.0%	1.0%	-0.9%	0.0%	-1.8%
Total Margin %	9.7%	3.9%	2.1%	5.0%	-2.3%

# CVMC: Request for Budget Modification-Projection with rate increase



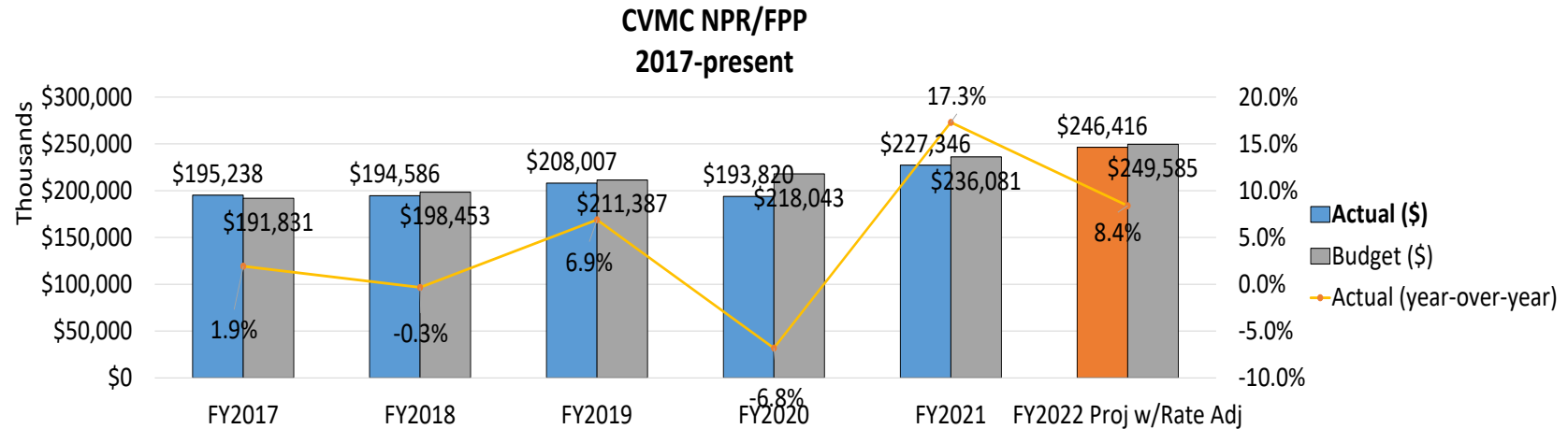
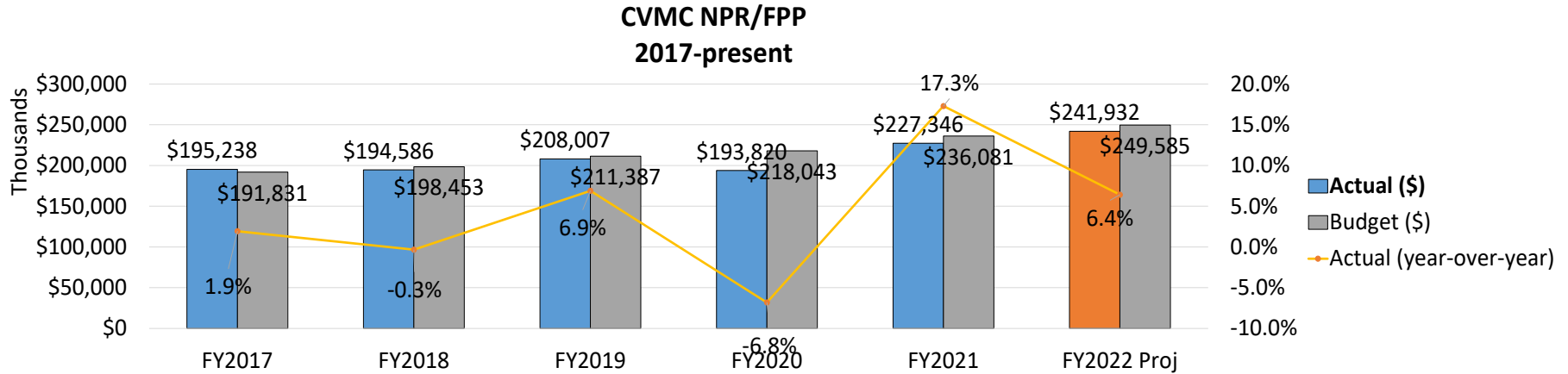
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Fiscal Year 2022 YTD Summary								
INCOME STATEMENT	2021 A	2022 B	2022 PROJ	2022 PROJ w/ rate increase	2022 B- 2022 Proj	2022 B- 2022 Proj w/rate	2022 B- 2022 Proj	2022 B- 2022 Proj w/rate
<b>Revenues</b>								
Gross Patient Care Revenue	\$465,268,488	\$525,187,153	\$524,977,656	\$535,529,456	-\$209,497	\$10,342,303	0.0%	2.0%
Net Patient Care Revenue	\$180,125,768	\$203,915,456	\$187,004,480	\$191,488,995	-\$16,910,976	-\$12,426,461	-8.3%	-6.1%
Fixed Prospective Payments and Reserves	\$47,219,794	\$45,669,416	\$54,927,423	\$54,927,423	\$9,258,007	\$9,258,007	20.3%	20.3%
Net Patient Care Rev & Fixed Payments & Reserves	\$227,345,562	\$249,584,872	\$241,931,903	\$246,416,418	-\$7,652,969	-\$3,168,454	-3.1%	-1.3%
Other Operating Revenue	\$21,394,398	\$17,420,950	\$24,441,211	\$24,441,211	\$7,020,261	\$7,020,261	40.3%	40.3%
Total Operating Revenue	\$248,739,960	\$267,005,822	\$266,373,114	\$270,857,629	-\$632,708	\$3,851,807	-0.2%	1.4%
Total Operating Expenses	\$251,279,114	\$264,316,173	\$271,287,398	\$271,547,500	\$6,971,225	\$7,231,327	2.6%	2.7%
Net Operating Income	-\$2,539,154	\$2,689,649	-\$4,914,284	-\$689,871	-\$7,603,933	-\$3,379,520	-282.7%	-125.6%
Non Operating Revenue	\$29,676,109	\$7,997,546	-\$1,149,134	-\$1,149,134	-\$9,146,680	-\$9,146,680	-114.4%	-114.4%
Excess (Deficit) of Rev over Exp	\$27,136,955	\$10,687,195	-\$6,063,418	-\$1,839,005	-\$16,750,613	-\$12,526,200	-156.7%	-117.2%
<b>Income Statement Metrics</b>								
Operating Margin %	-1.0%	1.0%	-1.8%	-0.3%				
Total Margin %	9.7%	3.9%	-2.3%	-0.7%				

# UVMMC & CVMC: Request for Budget Modification-Projection with and without rate increase-NPR



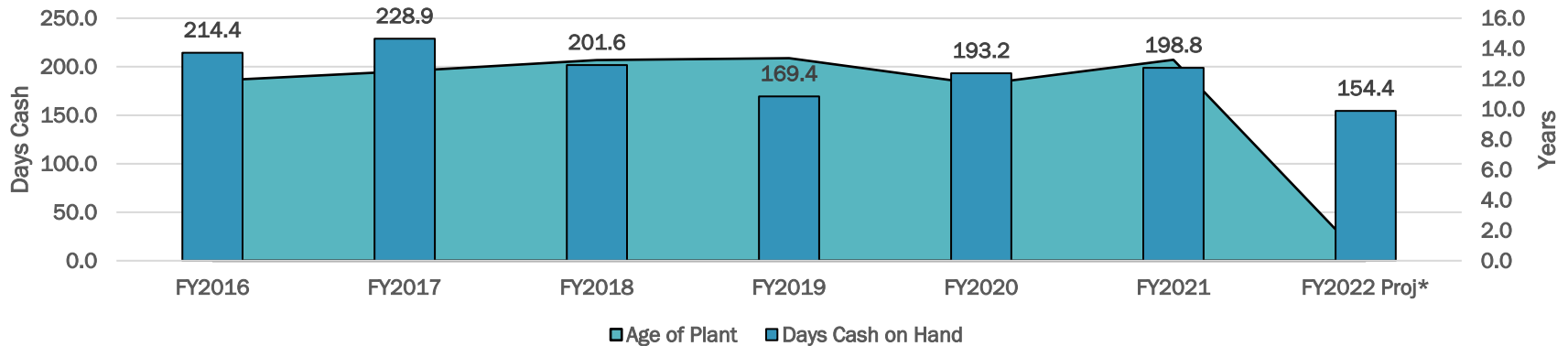


# UVMHC & CVMC: Request for Budget Modification-Projection with and without rate increase- NPR

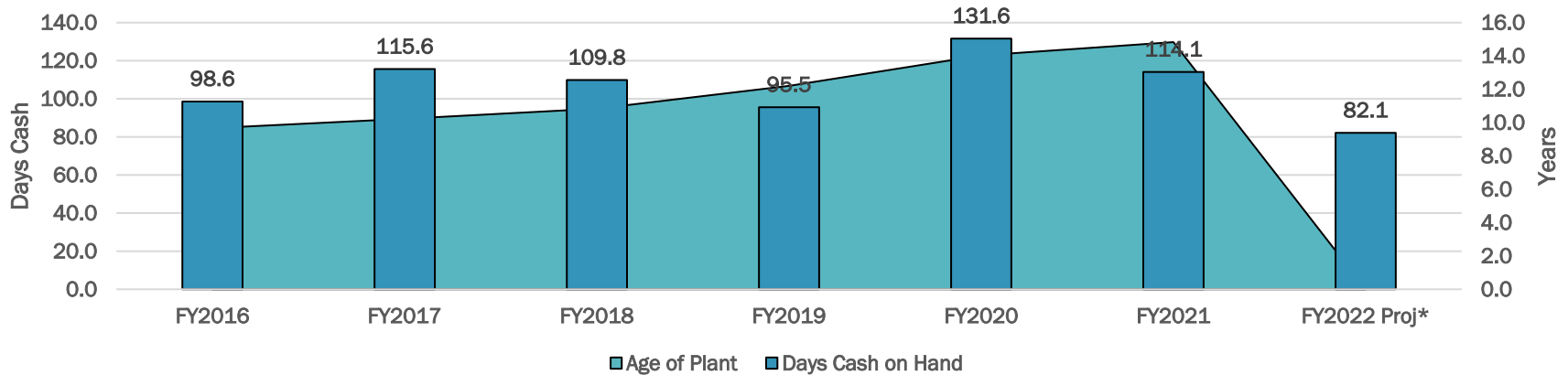


# UVMMC & CVMC-Days Cash On Hand

### UVMMC Days Cash on Hand and Average Age of Plant



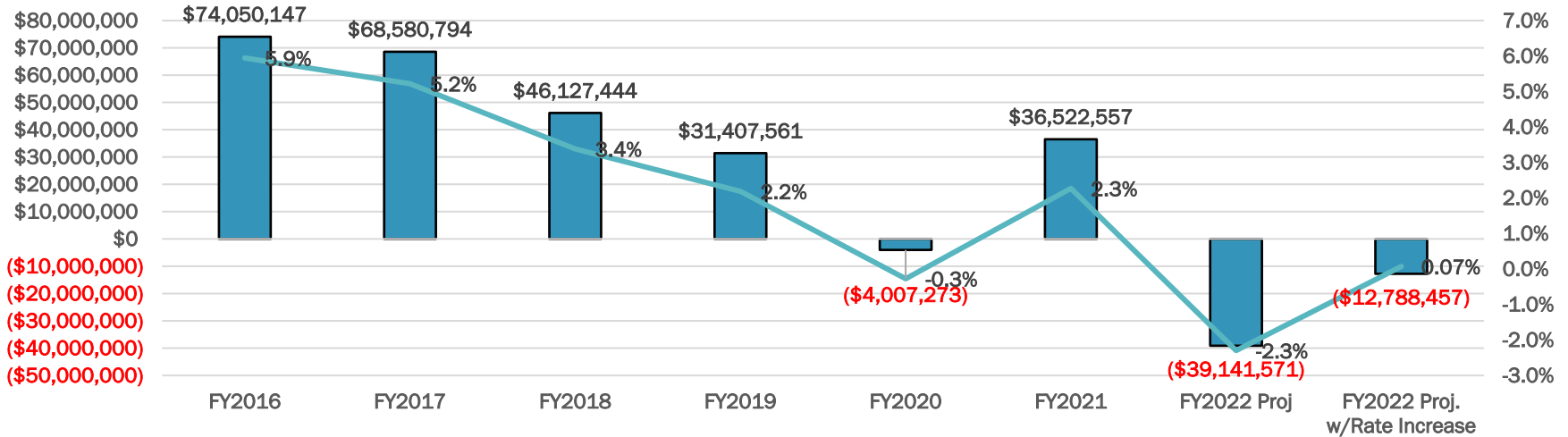
### CVMC Days Cash on Hand and Average Age of Plant



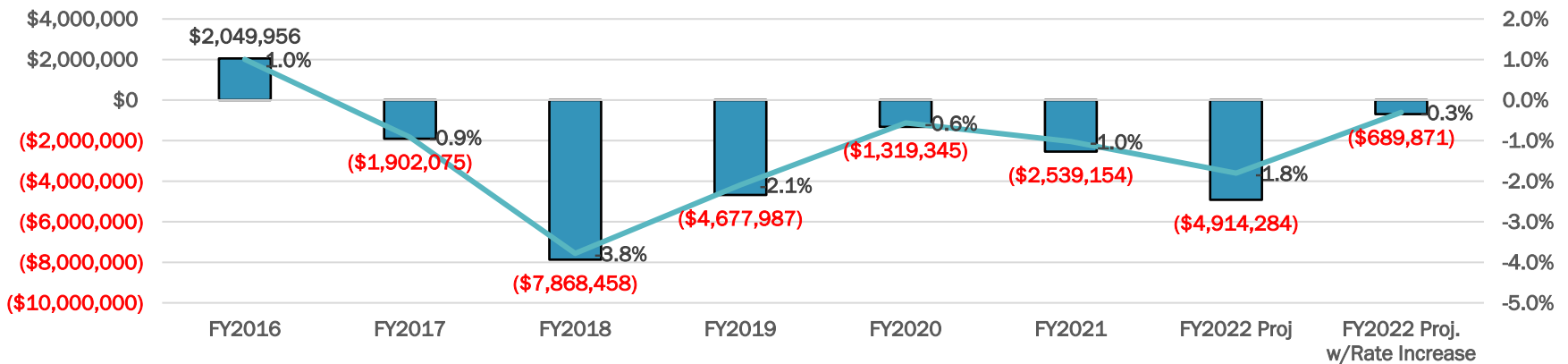
\*FY2022 Age of Plant projection was not provided for individual hospitals in this process

# UVMMC & CVMC-Operating Margins

## UVMMC Operating Margin



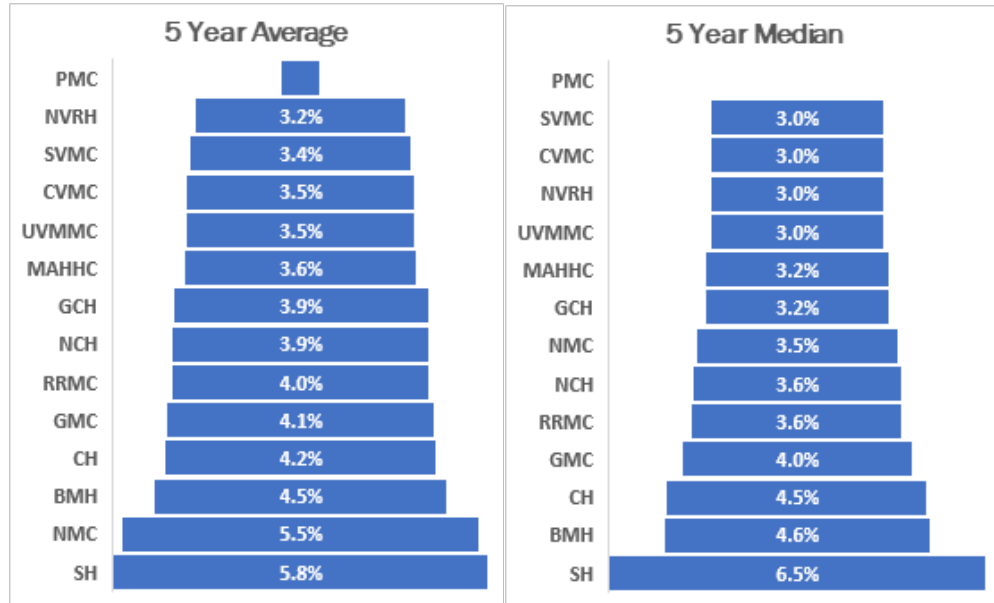
## CVMC Operating Margin



# Change in Charge: 5-year Average 2018- 2022

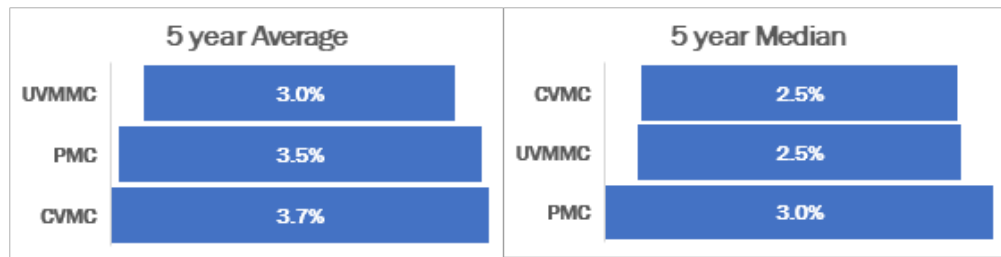
Change in Charge FY2018-FY2022

- UVMMC and CVMC's 5 Year Average change in charge were 3.5% and the Median were 3.0% for the period FY2018-FY2022.



\*PMC had been zero since FY2017

Commercial Effective Rate FY2017-FY2021



# Change in Charge:

- If approved, UVMMC & CVMC 's new 5-year average would be 5.51% and 5.50% respectively, second and third of the system for FY2018-FY2022.

UVMMC							
Original 5-Year History	FY2018	FY2019	FY2020	FY2021	FY2022	5-Year Avg.	5-Year Med.
Approved	0.00%	2.50%	3.00%	6.00%	6.05%	3.51%	3.00%
5-Year w/Adjustment	FY2018	FY2019	FY2020	FY2021	FY2022	5-Year Avg.	5-Year Med.
Approved	0.00%	2.50%	3.00%	6.00%	16.05%	5.51%	3.00%

CVMC							
Original 5-Year History	FY2018	FY2019	FY2020	FY2021	FY2022	5-Year Avg.	5-Year Med.
Approved	0.20%	2.30%	3.00%	6.00%	6.00%	3.50%	3.00%
5-Year w/Adjustment	FY2018	FY2019	FY2020	FY2021	FY2022	5-Year Avg.	5-Year Med.
Approved	0.20%	2.30%	3.00%	6.00%	16.00%	5.50%	3.00%

# Peer Group Comparison



- Fitch Solutions peer groups are based on organizations of relative revenue size to the 6 VT PPS hospitals.
- CVMC and UVMMC financial result are as of Q1 2022.

	CVMC	UVMMC	Fitch Solutions		
			Vermont PPS 1st Qtr 2022	Northern NE 2019	Northeast 2019
Operating Margin%	0.00%	-5.45%	0.37%	1.20%	0.80%
Total Margin%	5.30%	-0.30%	6.29%	2.00%	3.50%
DCOH	113	191.9	152	162.2	164.3
Days Payable	324.3	219.5	56	62.1	63.2
Days Recievable	256.9	165.4	31	41.1	43.1
DSCR :1	0.3	-0.1	2.015	2.74	2.81
LTD to Capitalization	10%	30%	16%	25.6%	34.8%

VT PPS FY2022 1st Qtr

**Fitch Ratings Solutions**

Northern New England FY2019

Northeast FY2019

- **Did UVMMC & CVMC Confirm that the request is able to be implemented under third party-payer contracts?**
  - Not as of the formal request letter dated March 18, 2022
- **What is UVMMC & CVMC 's contingency if not approved? Does UVMMC & CVMC 's mid-year request have any impact on any wait times issues that they might be experiencing? If so, please explain.**
  - We will use the same process for this mid-year adjustment that we use to allocate our approved annual budgeted rate increase. We will examine all codes, looking for opportunities to standardize around a consistent multiplier compared to Medicare, opportunities to bring various commercial rates more in line with each other and where the rates compared to market should be adjusted. As stated above, yes, if this mid-year adjustment is not approved, we will need to scale back service, which will impact wait times.

# UVMHC & CVMC



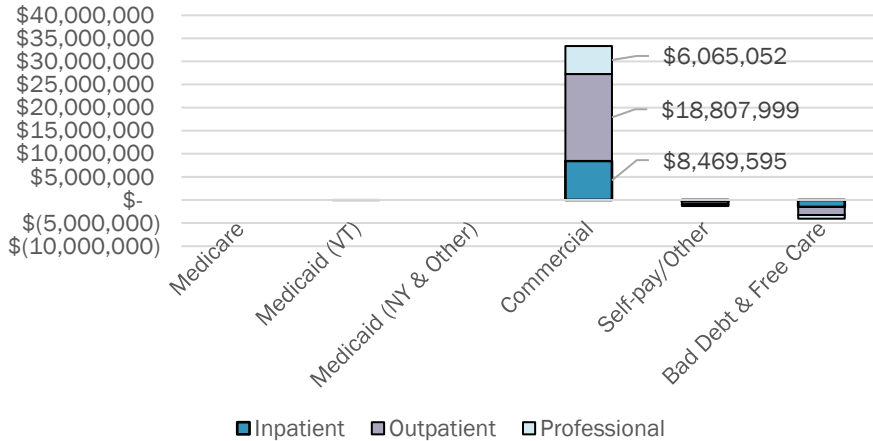
- UVMHC & CVMC 's was asked about specific financial covenant triggers relating to bond covenants.
- Annual debt service coverage ratio covenant at greatest risk
  - FY 2022 projected 1.90
  - Consultant call 1.25 Impact of additional (\$37M) loss to projected margin
  - Default 1.00 Impact of additional (\$51M) loss to projected margin
- Maximum annual debt service coverage ratio (MADS) needs to be monitored and managed throughout the year

Member contribution to UVMHCN DSCR	
UVMHC	63%
CVMC	12%
CVPH	9%
ECH	7%
UVMHCN Corp	9%
<b>Total:</b>	<b>100%</b>

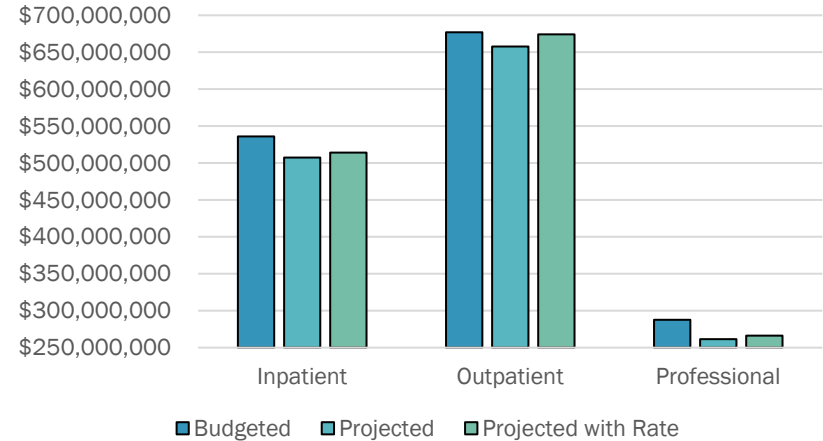


# Revenue Impact (UVMC)

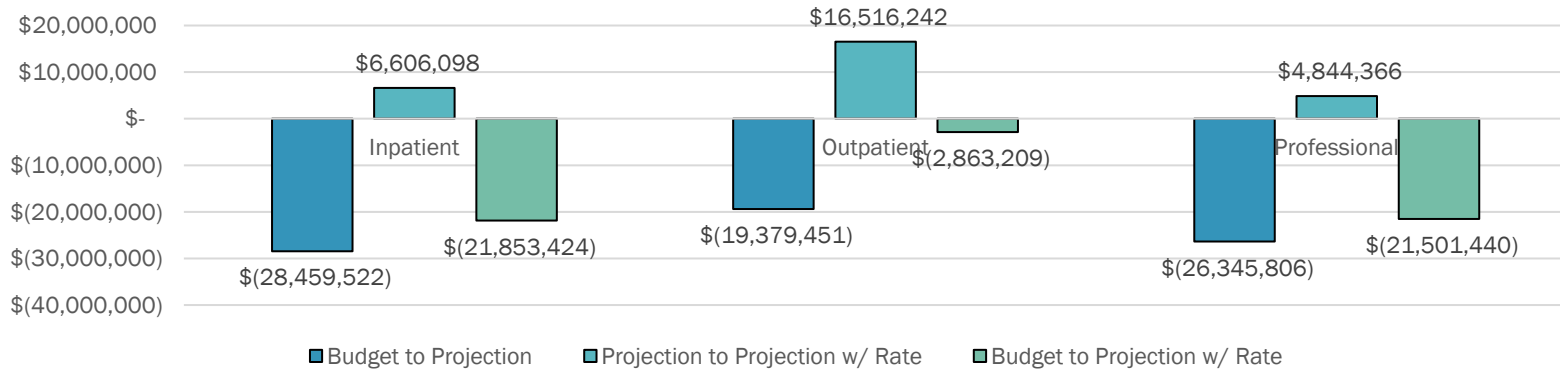
NPR Variance (Projected to Projected w/ Rate)



NPR by Category

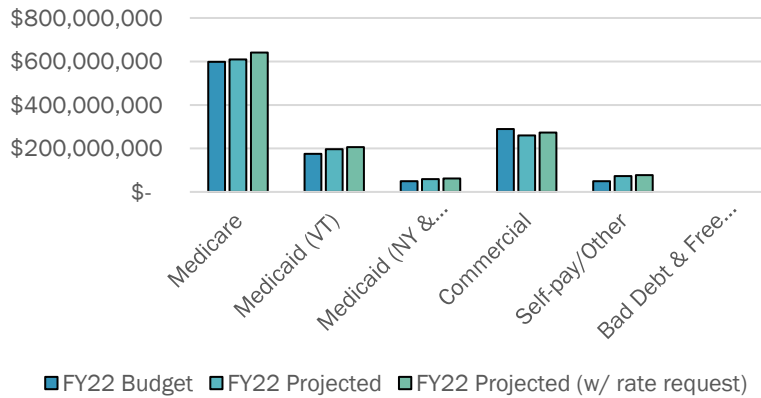


NPR Variance by Category

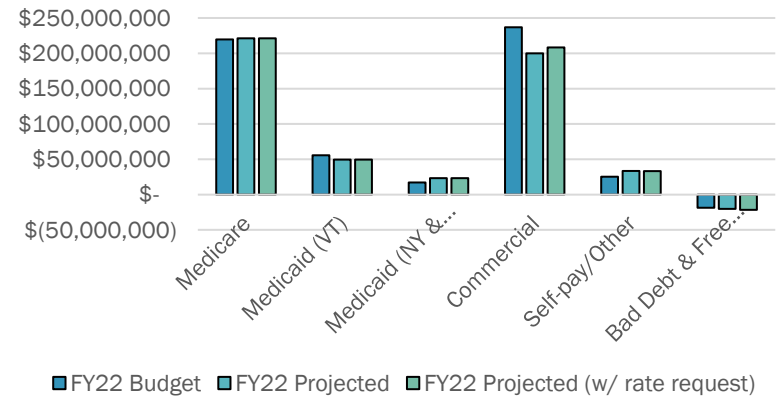


# Revenue Impact (UVMHC)

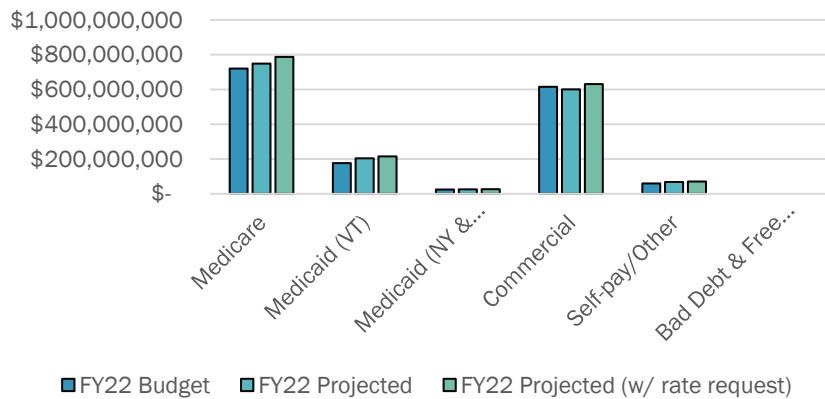
### Gross Revenue Inpatient



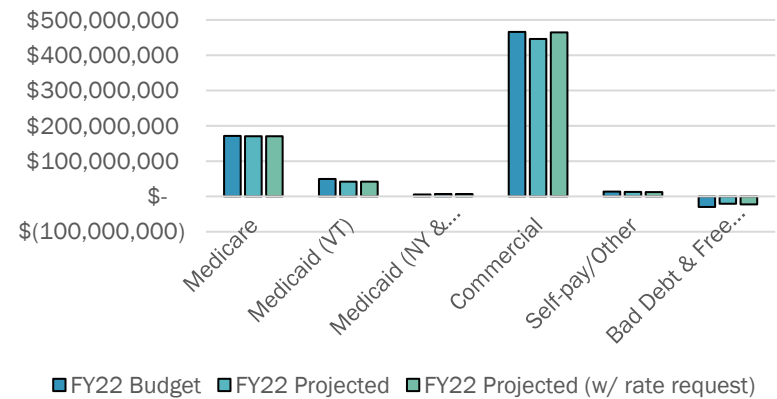
### NPR Inpatient



### Gross Revenue Outpatient

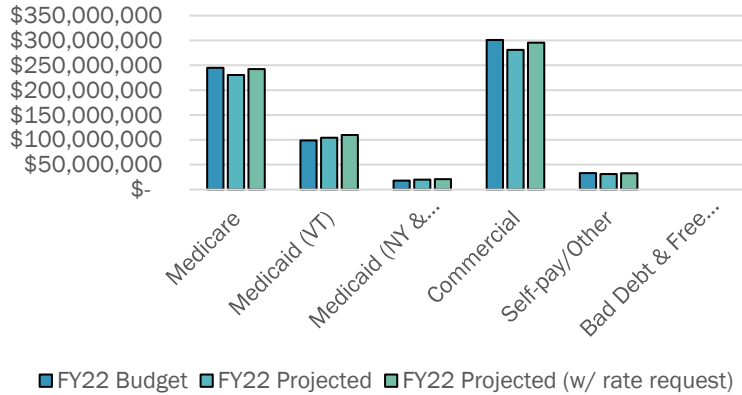


### NPR Outpatient

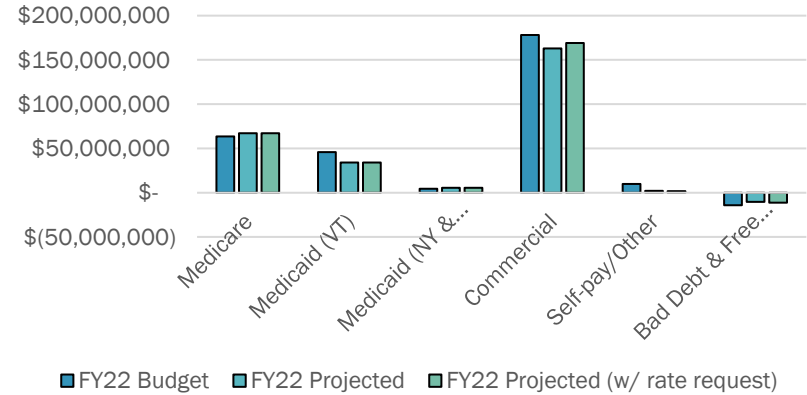


# Revenue Impact (UVMCC)

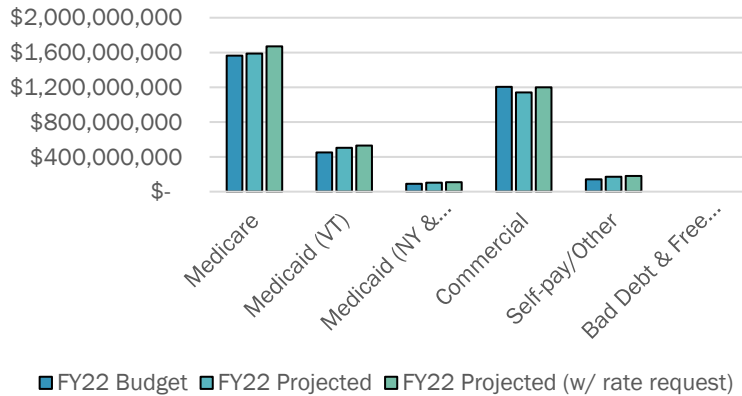
### Gross Revenue Professional



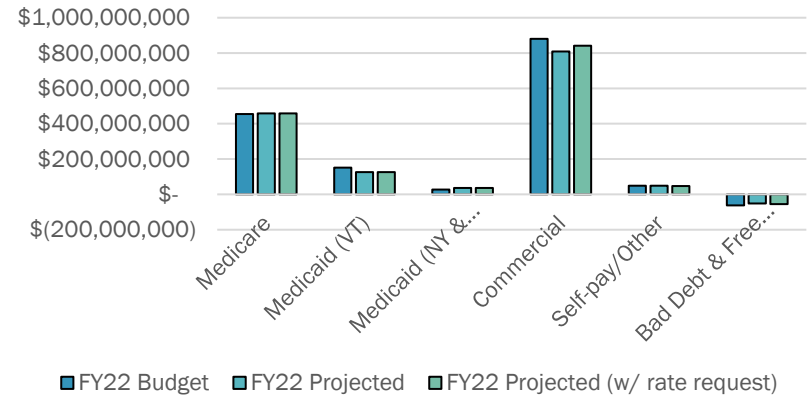
### NPR Professional



### Gross Revenue Total

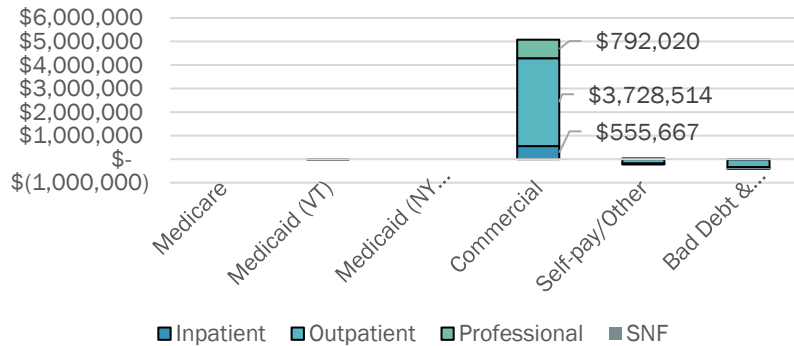


### NPR Total

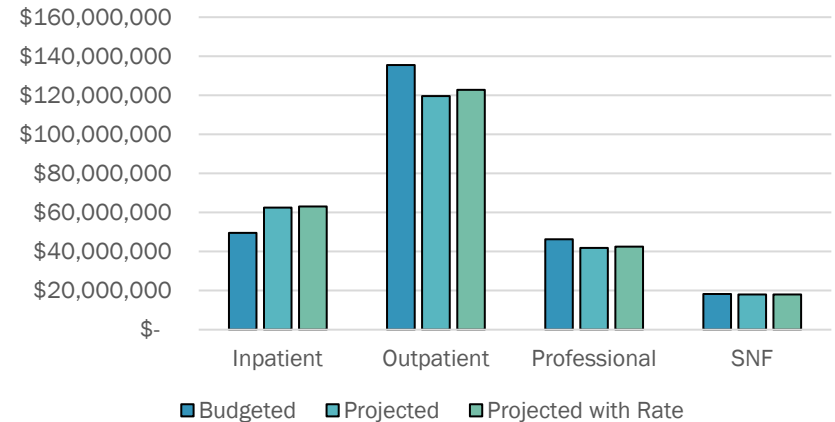


# Revenue Impact (CVMC)

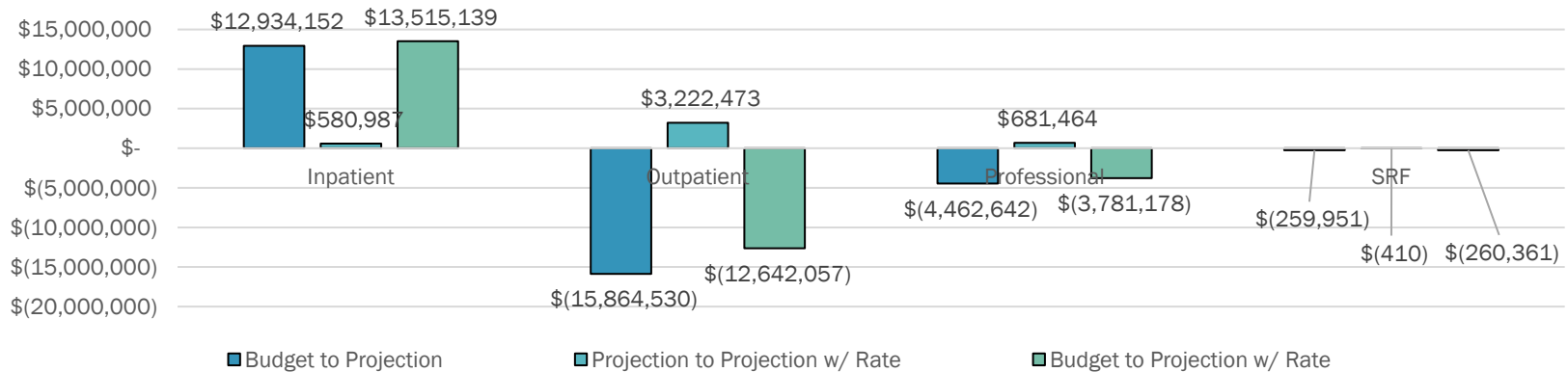
### NPR Variance (Projected to Projected w/ Rate)



### NPR by Category

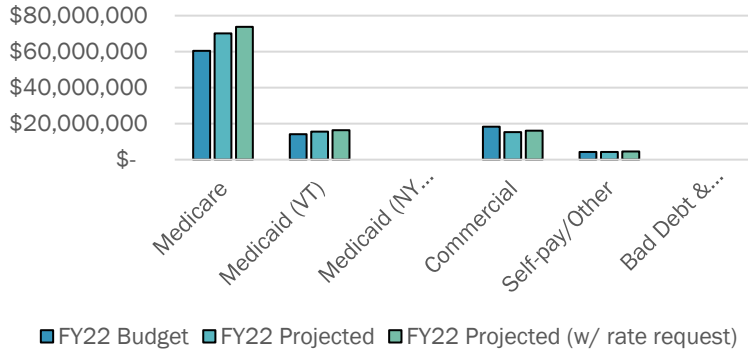


### NPR Variance by Category

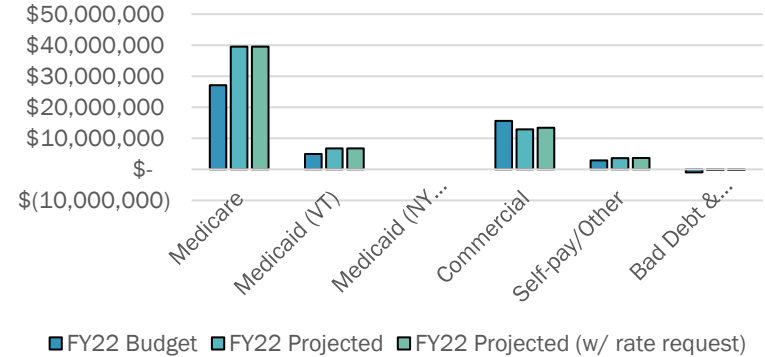


# Revenue Impact (CVMC)

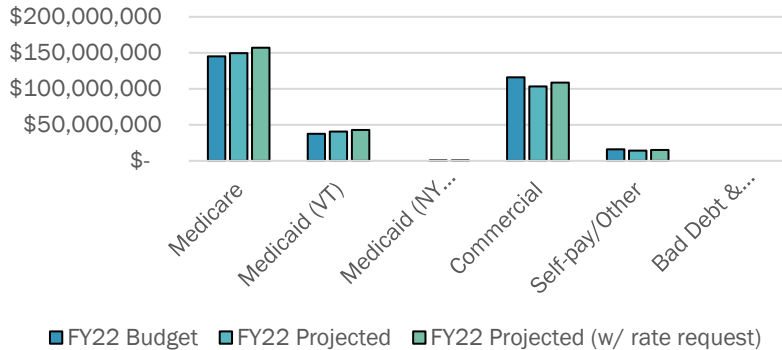
### Gross Revenue Inpatient



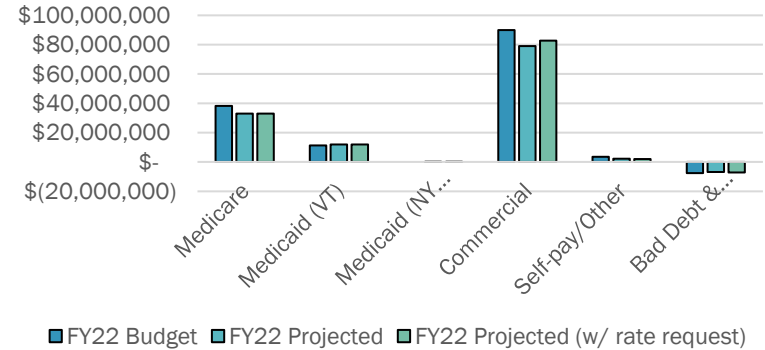
### NPR Inpatient



### Gross Revenue Outpatient

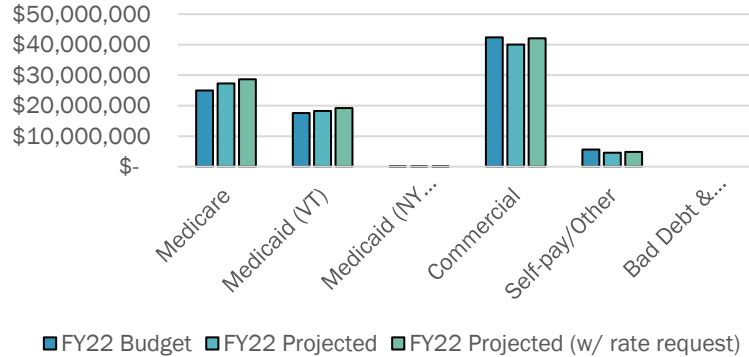


### NPR Outpatient

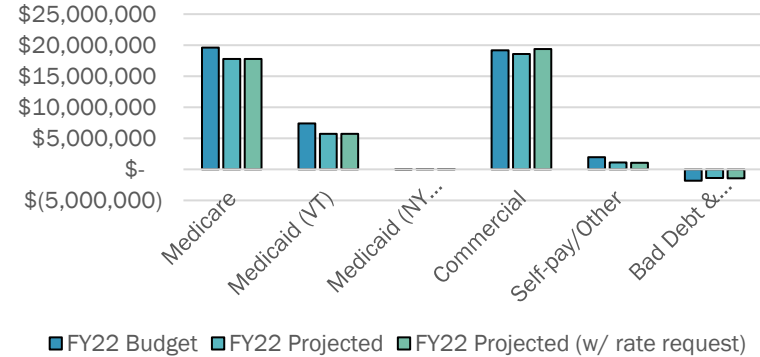


# Revenue Impact (CVMC)

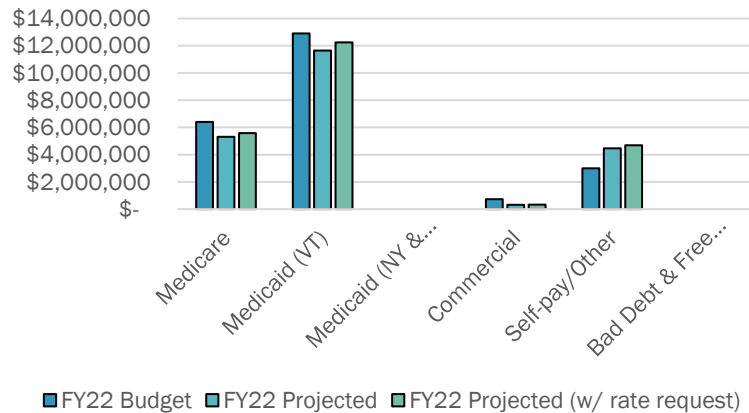
### Gross Revenue Professional



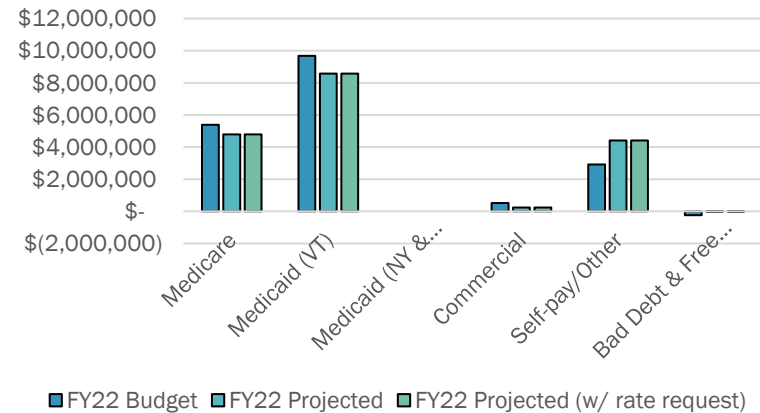
### NPR Professional



### Gross Revenue SNF

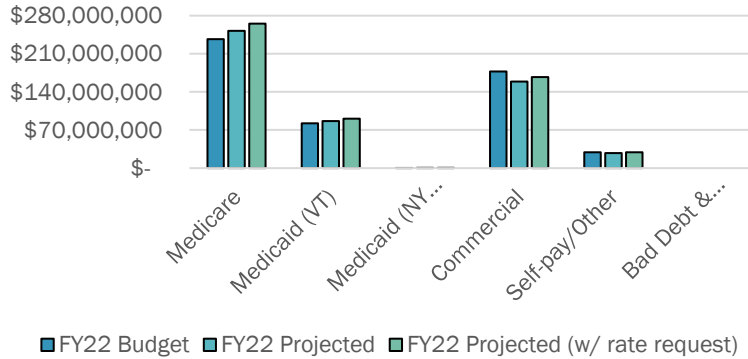


### NPR SNF

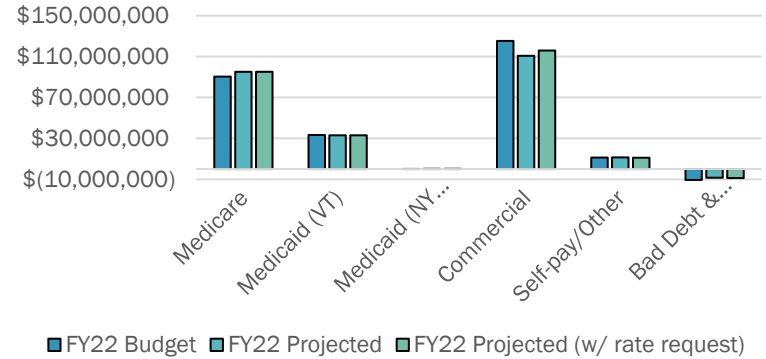


# Revenue Impact (CVMC)

### Gross Revenue Total



### NPR Revenue Total



# Staff Recommendation

- Staff recommendation:
  - Approve a rate increase not to exceed 3.5%, tied to UVMMC's historical 5-year average (2017-2022) for approved overall rate increases to mitigate projected margin erosion and provide hospital leadership financial flexibility to meet the unforeseen circumstances related to workforce and other cost pressures. The approval of a maximum 3.5% would create an overall rate change of 9.56% from FY21 for UVMMC.
- Suggested motion language:
  - *Move to [approve] UVMMC's request for a mid-year adjustment to its FY22 budget [as modified hereby], with a charge increase of not more than [3.5%] over UVMMC's approved FY22 budget.*



# Staff Recommendation

- Staff recommendation:
  - Approve a rate increase not to exceed 3.5%, tied to CVMC's historical 5-year average (2017-2022) for approved overall rate increases to mitigate projected margin erosion and provide hospital leadership financial flexibility to meet the unforeseen circumstances related to workforce and other cost pressures. The approval of a maximum 3.5% would create an overall rate change of 9.50% from FY21 for CVMC.
- Suggested motion language:
  - *Move to [approve] CVMC's request for a mid-year adjustment to its FY22 budget [as modified hereby], with a charge increase of not more than [3.5%] over CVMC's approved FY22 budget.*

# UVMHC Revenue Impact: Appendix



Inpatient

	FY22 Budget			FY22 Projected			FY22 Projected (w/ rate request)		
	Gross Revenue	Deductions	NPR	Gross Revenue	Deductions	NPR	Gross Revenue	Deductions	NPR
Medicare	\$ 598,153,122	\$ 378,569,101	\$ 219,584,021	\$ 609,452,722	\$ 388,107,886	\$ 221,344,836	\$ 640,739,935	\$ 419,395,099	\$ 221,344,836
Medicaid (VT)	\$ 175,230,208	\$ 119,529,465	\$ 55,700,743	\$ 196,183,210	\$ 146,676,676	\$ 49,506,534	\$ 206,254,584	\$ 156,748,049	\$ 49,506,535
Medicaid (NY & Other)	\$ 49,000,097	\$ 31,852,868	\$ 17,147,229	\$ 58,831,167	\$ 35,564,588	\$ 23,266,579	\$ 61,851,357	\$ 38,584,779	\$ 23,266,578
Commercial	\$ 289,613,603	\$ 52,702,829	\$ 236,910,774	\$ 259,734,050	\$ 59,798,394	\$ 199,935,656	\$ 273,067,906	\$ 64,662,655	\$ 208,405,251
Self-pay/Other	\$ 48,978,579	\$ 23,784,891	\$ 25,193,688	\$ 73,177,182	\$ 39,669,592	\$ 33,507,590	\$ 76,933,848	\$ 43,773,086	\$ 33,160,762
Bad Debt & Free Care	\$ -	\$ 18,675,623	\$ (18,675,623)	\$ -	\$ 20,159,885	\$ (20,159,885)	\$ -	\$ 21,676,554	\$ (21,676,554)
Total	\$ 1,160,975,609	\$ 625,114,777	\$ 535,860,832	\$ 1,197,378,331	\$ 689,977,021	\$ 507,401,310	\$ 1,258,847,630	\$ 744,840,222	\$ 514,007,408

Outpatient

Medicare	\$ 720,599,053	\$ 549,201,527	\$ 171,397,526	\$ 749,133,701	\$ 578,759,789	\$ 170,373,912	\$ 787,591,656	\$ 617,217,744	\$ 170,373,912
Medicaid (VT)	\$ 176,865,658	\$ 127,190,825	\$ 49,674,833	\$ 204,153,430	\$ 162,098,245	\$ 42,055,185	\$ 214,633,967	\$ 172,578,782	\$ 42,055,185
Medicaid (NY & Other)	\$ 24,492,012	\$ 18,985,552	\$ 5,506,460	\$ 25,325,603	\$ 18,218,858	\$ 7,106,745	\$ 26,625,733	\$ 19,518,988	\$ 7,106,745
Commercial	\$ 615,145,030	\$ 149,110,876	\$ 466,034,154	\$ 600,316,616	\$ 154,474,115	\$ 445,842,501	\$ 631,134,812	\$ 166,484,312	\$ 464,650,500
Self-pay/Other	\$ 59,725,818	\$ 45,811,802	\$ 13,914,016	\$ 67,480,767	\$ 54,439,101	\$ 13,041,666	\$ 70,944,998	\$ 58,465,195	\$ 12,479,803
Bad Debt & Free Care	\$ -	\$ 29,528,680	\$ (29,528,680)	\$ -	\$ 20,801,151	\$ (20,801,151)	\$ -	\$ 22,531,045	\$ (22,531,045)
Total	\$ 1,596,827,571	\$ 919,829,262	\$ 676,998,309	\$ 1,646,410,117	\$ 988,791,259	\$ 657,618,858	\$ 1,730,931,166	\$ 1,056,796,066	\$ 674,135,100

Professional Services

Medicare	\$ 244,890,308	\$ 181,395,920	\$ 63,494,388	\$ 230,427,542	\$ 163,296,972	\$ 67,130,570	\$ 242,256,902	\$ 175,126,332	\$ 67,130,570
Medicaid (VT)	\$ 98,619,116	\$ 52,834,528	\$ 45,784,588	\$ 104,209,266	\$ 70,139,606	\$ 34,069,660	\$ 109,559,012	\$ 75,498,352	\$ 34,060,660
Medicaid (NY & Other)	\$ 17,803,615	\$ 13,291,469	\$ 4,512,146	\$ 19,742,989	\$ 14,150,855	\$ 5,592,134	\$ 20,756,526	\$ 15,164,392	\$ 5,592,134
Commercial	\$ 301,121,188	\$ 122,948,779	\$ 178,172,409	\$ 281,129,545	\$ 118,166,893	\$ 162,962,652	\$ 295,561,772	\$ 126,534,068	\$ 169,027,704
Self-pay/Other	\$ 32,913,952	\$ 23,012,497	\$ 9,901,455	\$ 31,005,114	\$ 28,950,250	\$ 2,054,864	\$ 32,596,810	\$ 30,950,506	\$ 1,646,304
Bad Debt & Free Care	\$ -	\$ 14,130,199	\$ (14,130,199)	\$ -	\$ 10,420,899	\$ (10,420,899)	\$ -	\$ 11,224,025	\$ (11,224,025)
Total	\$ 695,348,179	\$ 407,613,392	\$ 287,734,787	\$ 666,514,456	\$ 405,125,475	\$ 261,388,981	\$ 700,731,022	\$ 434,497,675	\$ 266,233,347

Total

Medicare	\$ 1,563,642,483	\$ 1,109,166,548	\$ 454,475,935	\$ 1,589,013,965	\$ 1,130,164,647	\$ 458,849,318	\$ 1,670,588,493	\$ 1,211,739,175	\$ 458,849,318
Medicaid (VT)	\$ 450,714,981	\$ 299,554,818	\$ 151,160,163	\$ 504,545,907	\$ 378,914,527	\$ 125,631,380	\$ 530,447,563	\$ 404,816,183	\$ 125,631,380
Medicaid (NY & Other)	\$ 91,295,724	\$ 64,129,889	\$ 27,165,835	\$ 103,899,759	\$ 67,934,301	\$ 35,965,458	\$ 109,233,616	\$ 73,268,159	\$ 35,965,457
Commercial	\$ 1,205,879,822	\$ 324,762,485	\$ 881,117,337	\$ 1,141,180,212	\$ 332,439,402	\$ 808,740,810	\$ 1,199,764,491	\$ 357,681,035	\$ 842,083,456
Self-pay/Other	\$ 141,618,349	\$ 92,609,190	\$ 49,009,159	\$ 171,663,063	\$ 123,058,943	\$ 48,604,120	\$ 180,475,656	\$ 133,188,787	\$ 47,286,869
Bad Debt & Free Care	\$ -	\$ 62,334,502	\$ (62,334,502)	\$ -	\$ 51,381,935	\$ (51,381,935)	\$ -	\$ 55,431,625	\$ (55,431,625)
Total	\$ 3,453,151,359	\$ 1,952,557,432	\$ 1,500,593,927	\$ 3,510,302,906	\$ 2,083,893,755	\$ 1,426,409,151	\$ 3,690,509,819	\$ 2,236,124,964	\$ 1,454,384,855

# CVMC Revenue Impact: Appendix



Inpatient

	FY22 Budget			FY22 Projected			FY22 Projected (w/ rate request)		
	Gross Revenue	Deductions	NPR	Gross Revenue	Deductions	NPR	Gross Revenue	Deductions	NPR
Medicare	\$ 60,421,732	\$ 33,281,611	\$ 27,140,121	\$ 70,133,120	\$ 30,588,290	\$ 39,544,830	\$ 73,746,795	\$ 34,201,965	\$ 39,544,830
Medicaid (VT)	\$ 14,088,227	\$ 9,158,896	\$ 4,929,331	\$ 15,573,094	\$ 8,852,679	\$ 6,720,415	\$ 16,375,512	\$ 9,655,098	\$ 6,720,414
Medicaid (NY & Other)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial	\$ 18,264,806	\$ 2,645,060	\$ 15,619,746	\$ 15,277,309	\$ 2,411,101	\$ 12,866,208	\$ 16,064,487	\$ 2,642,612	\$ 13,421,875
Self-pay/Other	\$ 4,207,167	\$ 1,355,298	\$ 2,851,869	\$ 4,262,974	\$ 671,626	\$ 3,591,348	\$ 4,482,628	\$ 854,094	\$ 3,628,534
Bad Debt & Free Care		\$ 982,694	\$ (982,694)		\$ 230,276	\$ (230,276)		\$ 242,141	\$ (242,141)
Total	\$ 96,981,932	\$ 47,423,559	\$ 49,558,373	\$ 105,246,497	\$ 42,753,972	\$ 62,492,525	\$ 110,669,422	\$ 47,595,910	\$ 63,073,512

Outpatient

Medicare	\$ 145,000,443	\$ 106,714,939	\$ 38,285,504	\$ 149,407,136	\$ 116,459,250	\$ 32,947,886	\$ 157,105,480	\$ 124,157,594	\$ 32,947,886
Medicaid (VT)	\$ 37,577,263	\$ 26,285,056	\$ 11,292,207	\$ 40,659,541	\$ 28,742,180	\$ 11,917,361	\$ 42,754,563	\$ 30,837,201	\$ 11,917,362
Medicaid (NY & Other)	\$ -	\$ -	\$ -	\$ 305,384	\$ 89,312	\$ 216,072	\$ 321,120	\$ 105,047	\$ 216,073
Commercial	\$ 115,924,949	\$ 26,027,555	\$ 89,897,394	\$ 103,186,047	\$ 24,127,691	\$ 79,058,356	\$ 108,502,805	\$ 25,715,935	\$ 82,786,870
Self-pay/Other	\$ 16,003,845	\$ 12,426,849	\$ 3,576,996	\$ 14,199,072	\$ 11,962,545	\$ 2,236,527	\$ 14,930,693	\$ 12,877,945	\$ 2,052,748
Bad Debt & Free Care		\$ 7,589,430	\$ (7,589,430)		\$ 6,778,061	\$ (6,778,061)		\$ 7,100,325	\$ (7,100,325)
Total	\$ 314,506,500	\$ 179,043,829	\$ 135,462,671	\$ 307,757,180	\$ 188,159,039	\$ 119,598,141	\$ 323,614,661	\$ 200,794,047	\$ 122,820,614

Professional Services

Medicare	\$ 24,957,387	\$ 5,350,940	\$ 19,606,447	\$ 27,276,370	\$ 9,501,548	\$ 17,774,822	\$ 28,681,811	\$ 10,906,988	\$ 17,774,823
Medicaid (VT)	\$ 17,583,678	\$ 10,185,066	\$ 7,398,612	\$ 18,271,445	\$ 12,549,092	\$ 5,722,353	\$ 19,212,898	\$ 13,490,546	\$ 5,722,352
Medicaid (NY & Other)	\$ 56,735	\$ 39,191	\$ 17,544	\$ 73,076	\$ 35,161	\$ 37,915	\$ 76,841	\$ 38,926	\$ 37,915
Commercial	\$ 42,429,173	\$ 23,260,151	\$ 19,169,022	\$ 40,033,895	\$ 21,444,029	\$ 18,589,866	\$ 42,096,679	\$ 22,714,793	\$ 19,381,886
Self-pay/Other	\$ 5,635,456	\$ 3,690,179	\$ 1,945,277	\$ 4,584,929	\$ 3,491,413	\$ 1,093,516	\$ 4,821,172	\$ 3,766,749	\$ 1,054,423
Bad Debt & Free Care		\$ 1,842,729	\$ (1,842,729)		\$ 1,386,941	\$ (1,386,941)		\$ 1,458,404	\$ (1,458,404)
Total	\$ 90,662,429	\$ 44,368,256	\$ 46,294,173	\$ 90,239,715	\$ 48,408,184	\$ 41,831,531	\$ 94,889,401	\$ 52,376,406	\$ 42,512,995

SRF

Medicare	\$ 6,409,120	\$ 1,019,586	\$ 5,389,534	\$ 5,313,780	\$ 524,077	\$ 4,789,703	\$ 5,587,578	\$ 797,875	\$ 4,789,703
Medicaid (VT)	\$ 12,903,512	\$ 3,228,407	\$ 9,675,105	\$ 11,647,735	\$ 3,078,042	\$ 8,569,693	\$ 12,247,895	\$ 3,678,203	\$ 8,569,692
Medicaid (NY & Other)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial	\$ 725,684	\$ 202,193	\$ 523,491	\$ 310,818	\$ 65,691	\$ 245,127	\$ 326,833	\$ 81,706	\$ 245,127
Self-pay/Other	\$ 2,997,976	\$ 83,350	\$ 2,914,626	\$ 4,461,930	\$ 48,842	\$ 4,413,088	\$ 4,691,835	\$ 278,748	\$ 4,413,087
Bad Debt & Free Care	\$ -	\$ 233,100	\$ (233,100)	\$ -	\$ 7,906	\$ (7,906)	\$ -	\$ 8,314	\$ (8,314)
Total	\$ 23,036,292	\$ 4,766,636	\$ 18,269,656	\$ 21,734,263	\$ 3,724,558	\$ 18,009,705	\$ 22,854,141	\$ 4,844,846	\$ 18,009,295

# CVMC Revenue Impact: Appendix



	FY22 Budget			FY22 Projected			FY22 Projected (w/ rate request)		
	Gross Revenue	Deductions	NPR	Gross Revenue	Deductions	NPR	Gross Revenue	Deductions	NPR
Medicare	\$ 236,788,683	\$ 146,367,076	\$ 90,421,607	\$ 252,130,407	\$ 157,073,164	\$ 95,057,243	\$ 265,121,664	\$ 170,064,422	\$ 95,057,242
Medicaid (VT)	\$ 82,152,680	\$ 48,857,425	\$ 33,295,255	\$ 86,151,814	\$ 53,221,993	\$ 32,929,821	\$ 90,590,868	\$ 57,661,047	\$ 32,929,821
Medicaid (NY & Other)	\$ 56,735	\$ 39,191	\$ 17,544	\$ 378,460	\$ 124,472	\$ 253,988	\$ 397,961	\$ 143,973	\$ 253,988
Commercial	\$ 177,344,612	\$ 52,134,959	\$ 125,209,653	\$ 158,808,069	\$ 48,048,512	\$ 110,759,557	\$ 166,990,805	\$ 51,155,046	\$ 115,835,759
Self-pay/Other	\$ 28,844,444	\$ 17,555,676	\$ 11,288,768	\$ 27,508,906	\$ 16,174,427	\$ 11,334,479	\$ 28,926,328	\$ 17,777,536	\$ 11,148,792
Bad Debt & Free Care	\$ -	\$ 10,647,953	\$ (10,647,953)	\$ -	\$ 8,403,184	\$ (8,403,184)	\$ -	\$ 8,809,184	\$ (8,809,184)
<b>Total</b>	<b>\$ 525,187,154</b>	<b>\$ 275,602,280</b>	<b>\$ 249,584,874</b>	<b>\$ 524,977,656</b>	<b>\$ 283,045,752</b>	<b>\$ 241,931,904</b>	<b>\$ 552,027,626</b>	<b>\$ 305,611,208</b>	<b>\$ 246,416,418</b>

Total