

# Fiscal Year 2020 Vermont Hospital Budget Submissions

Preliminary Review  
Report Date: July 31, 2019  
GMCB Health System Finance Team

# Overview

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- FY20 Budget Requests
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- Timeline and Next Steps
- Discussion

PRELIMINARY – Information in this presentation is based on hospital submissions and is still under review

# FY20 Systemwide Summary

- NPR/FPP increase of 4.5% (\$117.8 million) over FY19 budget
- Operating expenses increase of 5.7% (\$155.5 million) over FY19 budget
- Operating Margin budgeted at 2.5%, an increase over FY19's budgeted 2.4%
- Proposed \$193.2 million in capital expenditures
- Systemwide estimated weighted average of change in charge is 3.2%

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## Fiscal Year 2020 Budget Analysis

INCOME STATEMENT				2019B - 2020B	2019B - 2020B	2019P - 2020B	
	FY2018A	FY2019B	FY2019P	FY2020B	\$ Chg	% Chg	% Chg
<b>Revenues</b>							
<b>Gross Patient Care Revenue</b>	<b>5,317,568,640</b>	<b>5,546,051,844</b>	<b>5,629,338,884</b>	<b>5,813,020,225</b>	<b>266,968,381</b>	<b>4.8%</b>	<b>3.3%</b>
Disproportionate Share Payments	26,523,305	22,389,506	22,738,113	22,782,671	393,165	1.8%	0.2%
Bad Debt	(76,790,595)	(79,069,396)	(85,399,891)	(83,735,072)	(4,665,676)	5.9%	-1.9%
Free Care	(45,880,524)	(44,403,872)	(45,568,202)	(45,788,611)	(1,384,739)	3.1%	0.5%
Deductions from Revenue	(2,924,573,357)	(3,205,439,947)	(3,211,729,024)	(3,405,161,252)	(199,721,305)	6.2%	6.0%
Graduate Medical Education	30,000,000	30,000,000	30,000,000	30,000,000	0	0.0%	0.0%
<b>Net Patient Care Revenue</b>	<b>2,326,847,470</b>	<b>2,269,528,135</b>	<b>2,339,379,880</b>	<b>2,331,117,961</b>	<b>61,589,827</b>	<b>2.7%</b>	<b>-0.4%</b>
Fixed Prospective Payments	189,325,011	347,166,855	282,094,605	405,640,081	58,473,225	16.8%	43.8%
Reserves	(2,096,458)	(13,371,379)	(12,693,405)	(14,890,378)	(1,518,999)	11.4%	17.3%
Other Reform Payments	3,087,365	6,859,614	4,211,371	6,135,742	(723,872)	-10.6%	45.7%
<b>Fixed Prospective Payments and Reserves</b>	<b>190,315,917</b>	<b>340,655,090</b>	<b>273,612,571</b>	<b>396,885,445</b>	<b>56,230,355</b>	<b>16.5%</b>	<b>45.1%</b>
<b>Net Patient Care Revenue &amp; Fixed Payments &amp; Reserves</b>	<b>2,517,163,387</b>	<b>2,610,183,225</b>	<b>2,612,992,451</b>	<b>2,728,003,406</b>	<b>117,820,182</b>	<b>4.5%</b>	<b>4.4%</b>
Other Operating Revenue	174,973,723	172,828,490	210,013,096	218,526,811	45,698,321	26.4%	4.1%
<b>Total Operating Revenue</b>	<b>2,692,137,110</b>	<b>2,783,011,714</b>	<b>2,823,005,548</b>	<b>2,946,530,217</b>	<b>163,518,503</b>	<b>5.9%</b>	<b>4.4%</b>
<b>Expenses</b>							
Salaries Non MD	880,969,868	916,537,289	925,040,205	976,968,981	60,431,692	6.6%	5.6%
Fringe Benefits Non MD	251,526,257	263,134,320	263,906,961	273,837,574	10,703,254	4.1%	3.8%
Physician Fees, Salaries, Contracts	373,713,568	363,953,334	380,822,815	380,766,575	16,813,241	4.6%	0.0%
Fringe Benefits MD	47,005,377	50,169,978	47,500,262	50,057,258	(112,719)	-0.2%	5.4%
Health Care Provider Tax	142,469,378	148,532,085	147,598,517	155,897,171	7,365,086	5.0%	5.6%
Depreciation & Amortization	106,698,928	113,634,826	112,752,599	128,073,606	14,438,780	12.7%	13.6%
Interest - Long Term & Short Term	19,926,676	23,436,041	21,314,770	24,122,531	686,491	2.9%	13.2%
Other Operating Expense	841,360,616	837,161,808	881,587,350	882,290,332	45,128,524	5.4%	0.1%
<b>Total Operating Expense</b>	<b>2,663,670,669</b>	<b>2,716,559,679</b>	<b>2,780,523,479</b>	<b>2,872,014,029</b>	<b>155,454,349</b>	<b>5.7%</b>	<b>3.3%</b>
<b>Net Operating Income (Loss)</b>	<b>28,466,441</b>	<b>66,452,035</b>	<b>42,482,068</b>	<b>74,516,188</b>	<b>8,064,153</b>	<b>12.1%</b>	<b>75.4%</b>
Non-Operating Revenue	68,209,311	51,270,873	26,125,590	36,392,349	(14,878,524)	-29.0%	39.3%
<b>Excess (Deficit) of Rev Over Exp</b>	<b>96,675,752</b>	<b>117,722,908</b>	<b>68,607,658</b>	<b>110,908,537</b>	<b>(6,814,371)</b>	<b>-5.8%</b>	<b>61.7%</b>

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# FY20 Budget Guidance

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# Recap of GMCB FY20 Budget Guidance

- FY 2020 Budget Guidance and Reporting Requirements issued to hospitals in March 2019
- Net Patient Revenue (NPR) & Fixed Prospect Payments (FPP) guidance:
  1. 3.5% maximum growth target\*
  2. 5.0% over FY19 projection limit for hospitals with budget-to-projection variance greater than -2.0%, unless justified
  3. Should hospital budgets appear to be trending in FY19 and FY20 in alignment with the overall All-Payer Model target, the GMCB also established a tentative maximum NPR/FPP growth target of 3.5% for FY21.
- New accounts were added for Board Designated Assets.
- Clarifies terminology that NPR includes FPP; changes “Rate Increase” to “Change in Charge” and adds definition.

\*FY19 budget guidance included a 2.8% growth target for NPR/FPP and an additional 0.4% for health care reform investments

# Recap of GMCB FY20 Budget Guidance (cont'd)

- New reporting requirements in the FY20 instructions include:
  - New tables:
    - ✓ Explain Change in Charge on gross revenue and NPR by payer
    - ✓ Information about participation in OneCare programs
    - ✓ Report amount of Bad Debt for FY18
    - ✓ All-Payer Total Cost of Care (TCOC)
    - ✓ Financial health indicators
  - Updated tables
    - ✓ Bridges (reconciliation of budget-to-budget growth)
    - ✓ Salary information
  - Responses to:
    - ✓ Changes to Operating Margin and Total Margin
    - ✓ How the hospital addressed the Cost Shift in FY18
    - ✓ TCOC questions
    - ✓ Hospital's financial health story
    - ✓ All-Payer Model quality measure results (received in April)

# GMCB Staff Questions

Hospitals will receive follow-up questions related to the following topics:

- Updated FY19 projections
- ACO reserves and other reform payments
- Vermont Health Information Exchange (VHIE) connectivity
- Departments with projected expenses exceeding revenues
- Understanding utilization/census
- The value of 1 day of Days Cash on Hand
- Charge-related questions
- Additional, hospital-specific questions



# FY20 Budget Requests

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# Considerations

- Report is preliminary and based on hospital submissions, review with caution. Some hospitals suggested adjustments to base NPR & FPP; if Board approves, the adjustments would affect NPR & FPP growth rates.
- GMCB Health Systems Finance Team has not completed its review and analysis. Information in this presentation may change with additional information and analysis.
- Hospital budget hearings are scheduled for the last two weeks in August.
- Preliminary Report is intended to provide information for hospital budget review and to facilitate Board discussion at public meetings.

# Considerations:

## FY19 Amended Budget Orders

### Provider Transfers

- Brattleboro Memorial Hospital
  - Provider Transfer Adjustment of \$1,178,593, NPR & FPP changed from \$82,769,115 to \$83,947,707
  - Effective Date: March 22, 2019
- Northeastern Vermont Regional Hospital
  - Provider Transfer Adjustment of \$1,041,700, NPR & FPP changed from \$80,527,005 to \$81,568,705
  - Effective Date: March 22, 2019

### Change in Charge

- Gifford Medical Center
  - Change in Charge Increased from 2.75% to 4.0%, No change in NPR & FPP
  - Effective Date: March 18, 2019
- Springfield Hospital
  - Change in Charge Increased from 5.0% to 10.0%. NPR & FPP changed from \$59,996,953 to \$60,485,878
  - Effective Date: May 1, 2019

# Considerations: Requested Adjustments

## Requests for Adjustments

- Provider Transfers and Acquisitions
- Accounting changes\*
- Unique Patient
- Case Mix Index (CMI)
- Impact in both FY19 and FY20

\*Requested accounting changes include payment reform investments moved to deductions and bad debt collection fees moved to expenses

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# FY20 Budget Requests Summary

Medicare Designation	Budgeted FPP	Hospital	NPR/FPP Budget FY20	% of Total
PPS*	✓	Brattleboro Memorial Hospital	\$89,966,363	3.3%
PPS	✓	Central Vermont Medical Center	\$222,024,685	8.1%
CAH		Copley Hospital	\$72,658,362	2.7%
CAH	✓	Gifford Medical Center	\$52,382,984	1.9%
CAH		Grace Cottage Hospital	\$20,966,669	0.8%
CAH	✓	Mount Ascutney Hospital & Health Center	\$55,007,317	2.0%
CAH	✓	North Country Hospital	\$82,979,050	3.0%
CAH	✓	Northeastern VT Regional Hospital	\$87,440,494	3.2%
PPS	✓	Northwestern Medical Center	\$116,926,579	4.3%
CAH	✓	Porter Medical Center	\$87,487,539	3.2%
PPS	✓	Rutland Regional Medical Center	\$267,787,827	9.8%
PPS	✓	Southwestern VT Medical Center	\$172,284,645	6.3%
CAH		Springfield Hospital	\$48,889,190	1.8%
PPS	✓	University of Vermont Medical Center	\$1,351,201,704	49.5%
<b>SYSTEM</b>			<b>\$2,728,003,408</b>	<b>100.0%</b>

\*Brattleboro Memorial Hospital (BMH) is categorized as a PPS hospital for the purposes of this report; however, BMH is officially designated as a Medicare Dependent Hospital.

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# FY20 Budget Requests Summary

## NPR/FPP and Operating Expenses

	Budget-to-Projection % Variance FY19 – FY19	Budget-to-Budget % Change FY19 – FY20	Projection-to-Budget % Change FY19 – FY20	5-Year CAGR
<b>NPR/FPP</b>	0.1%	4.5%	4.4%	3.5%
<b>Operating Expenses</b>	2.4%	5.7%	3.3%	4.4%

- **NPR & FPP:** proposed budgets show a systemwide increase of 4.5% (\$117.8 million) over the FY19 budget. Largest drivers of NPR growth include, but are not limited to\*:
  - ✓ Utilization: \$57.6 million
  - ✓ Change in Charge: \$53.1 million
  - ✓ Provider Transfers: \$6.7 million
  
- **Operating Expenses:** proposed budgets show a systemwide increase of 5.7% (\$155.5 million) over FY19 budget. Largest drivers of operating expenses growth include, but are not limited to\*:
  - ✓ Inflation: \$54.5 million
  - ✓ Workforce (new positions, salaries, fringe benefits, contracts): \$46.3 million
  - ✓ Drugs: \$32.2 million
  
- **Capital Budgets:** proposed budgets include \$193.2 million in capital projects
  - ✓ 16 CONs planned/ongoing in FY20, totaling \$94.4 million

\*Source: Appendix VI Bridges Table

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# Observations on Systemwide Payer Revenue

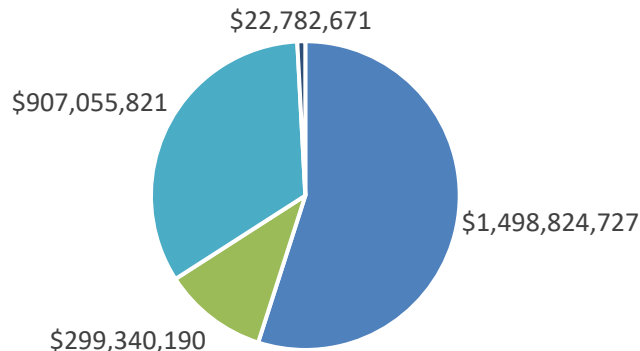
## NPR/FPP growth in FY20:

- Commercial increased 6.6% (\$92.7 million)
- Medicaid increased 0.5% (\$1.5 million)
- Medicare increased 2.6% (\$23.2 million)
- Disproportionate Share Payments 1.8% (\$0.4 million)

## Charge Assumptions:

- Estimated weighted average of change in charge 3.2%
- Most hospitals assumed 0.0% increase for Medicare and Medicaid

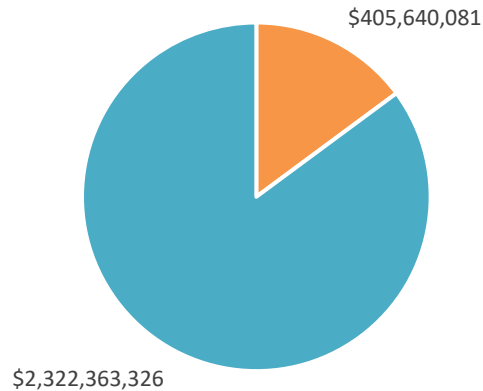
**\$2.7 Billion**  
NPR/FPP by Payer



■ Commercial ■ Medicaid ■ Medicare ■ DSH

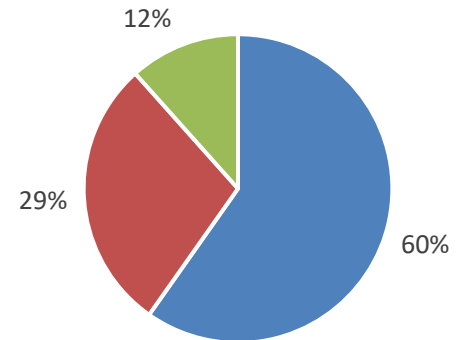
\* FPP only does not include reserves

**NPR & FPP\***



■ FPP ■ NPR

**\$405.6 Million**  
FPP\* by Payer



■ Medicare ■ Medicaid ■ Commercial

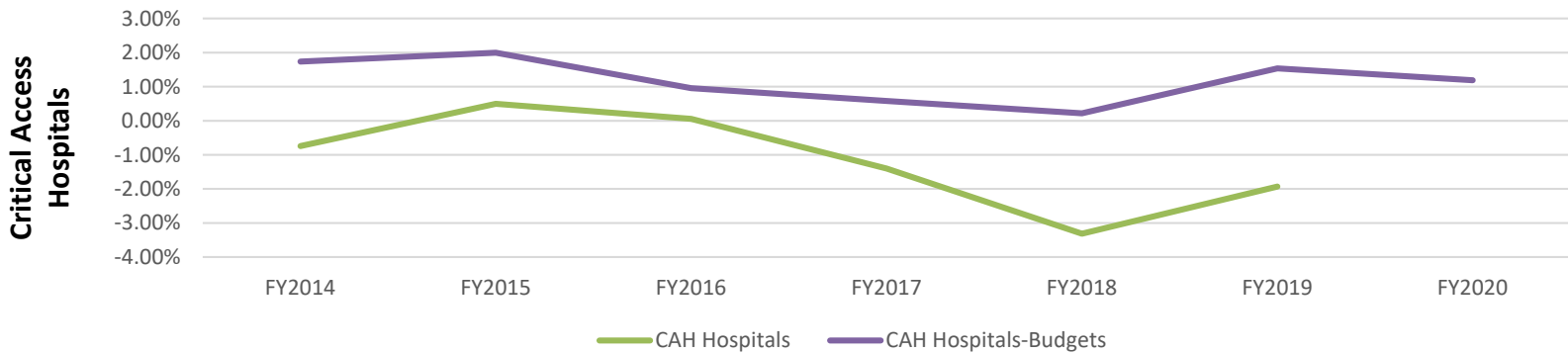
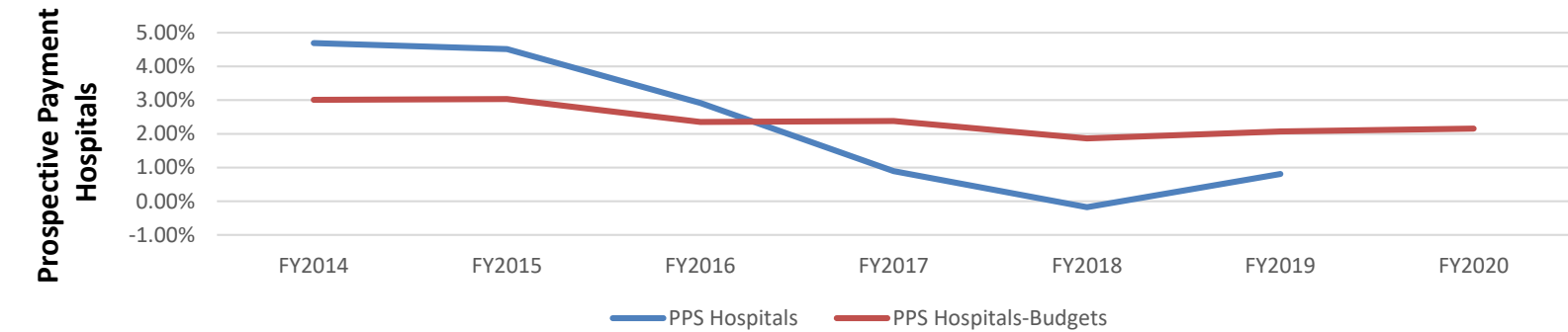
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# Observations on Systemwide Operating Margin

## System Total Operating Margin

FY14A	FY15A	FY16A	FY17A	FY18A	FY19P	FY20B	5-Year Average
2.7%	1.1%	2.4%	1.5%	2.5%	1.5%	2.5%	2.3%
84,983,822	110,367,890	99,475,201	\$69,754,205	\$28,466,441	\$42,482,068	\$74,516,188	\$53,804,726

5-year average calculated using FY20B, FY19P and FY16A-FY18A



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# NPR & FPP (\$)

Hospitals	Actuals FY18	Budget FY19 As of 7/1/2019*	Projections FY19	Budget FY20
Brattleboro Memorial Hospital	\$77,601,735	\$83,947,707	\$83,344,044	\$89,966,363
Central Vermont Medical Center	\$194,586,135	\$211,387,021	\$209,649,672	\$222,024,685
Copley Hospital	\$66,226,448	\$70,201,316	\$68,344,899	\$72,658,362
Gifford Medical Center	\$48,844,171	\$55,894,654	\$51,250,800	\$52,382,984
Grace Cottage Hospital	\$18,193,737	\$19,292,581	\$18,665,293	\$20,966,669
Mt. Ascutney Hospital & Health Ctr	\$50,808,643	\$51,195,770	\$51,639,251	\$55,007,317
North Country Hospital	\$76,427,164	\$81,523,350	\$81,331,408	\$82,979,049
Northeastern VT Regional Hospital	\$78,445,072	\$81,568,705	\$84,478,242	\$87,440,494
Northwestern Medical Center	\$103,317,768	\$112,773,980	\$110,438,452	\$116,926,579
Porter Medical Center	\$80,346,401	\$84,530,515	\$83,827,507	\$87,487,539
Rutland Regional Medical Center	\$254,235,029	\$258,720,325	\$259,079,184	\$267,787,827
Southwestern VT Medical Center	\$161,115,765	\$165,201,376	\$164,909,631	\$172,284,645
Springfield Hospital	\$52,978,810	\$60,485,878	\$48,575,772	\$48,889,189
The University of Vermont Medical Center	\$1,254,036,509	\$1,273,460,046	\$1,297,458,297	\$1,351,201,703
<b>System Total</b>	<b>\$2,517,163,387</b>	<b>\$2,610,183,225</b>	<b>\$2,612,992,451</b>	<b>\$2,728,003,406</b>

\*Includes FY19 amended budget orders

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# NPR & FPP % Growth

Hospitals	Actual-to- Projection % Change FY18 - FY19	Budget-to-Projection % Change FY19	Budget-to-Budget % Change FY19 - FY20	Projection-to-Budget % Change FY19 - FY20
Brattleboro Memorial Hospital	7.4%	-0.7%	<b>7.2%</b>	7.9%
Central Vermont Medical Center	7.7%	-0.8%	<b>5.0%</b>	5.9%
Copley Hospital	3.2%	-2.6%	<b>3.5%</b>	6.3%
Gifford Medical Center	4.9%	-8.3%	<b>-6.3%</b>	2.2%
Grace Cottage Hospital	2.6%	-3.3%	<b>8.7%</b>	12.3%
Mt. Ascutney Hospital & Health Ctr	1.6%	0.9%	<b>7.4%</b>	6.5%
North Country Hospital	6.4%	-0.2%	<b>1.8%</b>	2.0%
Northeastern VT Regional Hospital	7.7%	3.6%	<b>7.2%</b>	3.5%
Northwestern Medical Center	6.9%	-2.1%	<b>3.7%</b>	5.9%
Porter Medical Center	4.3%	-0.8%	<b>3.5%</b>	4.4%
Rutland Regional Medical Center	1.9%	0.1%	<b>3.5%</b>	3.4%
Southwestern VT Medical Center	2.4%	-0.2%	<b>4.3%</b>	4.5%
Springfield Hospital	-8.3%	-19.7%	<b>-19.2%</b>	0.6%
The University of Vermont Medical Center	3.5%	1.9%	<b>6.1%</b>	4.1%
<b>System Total</b>	<b>3.8%</b>	<b>0.1%</b>	<b>4.5%</b>	<b>4.4%</b>

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# NPR & FPP % Growth With Requested Adjustments

Red text indicates request exceeds budget guidance maximum

	Budget-to-Projection % Variance FY19	Budget-to-Budget % Change	
		Before Adjustments	After Provider Transfers & Accounting Adjustments
Brattleboro Memorial Hospital	-0.7%	7.2%	7.2%
Central Vermont Medical Center	-0.8%	5.0%	4.1%
Copley Hospital	-2.6%	3.5%	3.5%
Gifford Medical Center	-8.3%	-6.3%	-6.3%
Grace Cottage Hospital	-3.3%	8.7%	8.7%
Mt. Ascutney Hospital & Health Ctr	0.9%	7.4%	7.4%
North Country Hospital	-0.2%	1.8%	1.8%
Northeastern VT Regional Hospital	3.6%	7.2%	7.2%
Northwestern Medical Center*	-2.1%	3.7%	3.5%
Porter Medical Center	-0.8%	3.5%	3.4%
Rutland Regional Medical Center	0.1%	3.5%	3.5%
Southwestern VT Medical Center	-0.2%	4.3%	3.5%
Springfield Hospital	-19.7%	-19.2%	-19.2%
The University of Vermont Medical Center	1.9%	6.1%	6.8%
<b>Totals</b>	<b>0.1%</b>	<b>4.5%</b>	<b>4.7%</b>

	Provider Transfers	Accounting	ACO Accounting
Central Vermont Medical Center	\$3,430,066	\$821,520	-\$2,325,600
Northwestern Medical Center*	\$230,331		
Porter Medical Center	\$1,110,958		-\$1,067,391
Southwestern VT Medical Center	\$1,301,000		
The University of Vermont Medical Center			-\$8,423,327

Accounting: bad debt collection fees moved to expenses; ACO Accounting: payment reform investments moved to deductions

\*NMC's FY19 budget-to-projection variance is reduced from -2.1% to -1.4% when factoring in the loss of their dermatology practice. NMC's provider transfers net \$230,331 and is a combination of -\$711,015 (dermatology) and \$941,346 (primary care).

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# UVM Health Network

In addition to Provider Transfers and Accounting adjustments, the UVM Health Network also requested adjustments for changes in “unique patients” and case mix index. The UVM Health Network attributes these changes to older and sicker patients across the Network.

## % Change in Overall NPR/FPP Growth \$ Value of Adjustment

	Unique Patient	Case Mix Index
The University of Vermont Medical Center	3.1% \$37,643,398	1.2% \$15,321,663
Central Vermont Medical Center	0.0% \$0	0.8% \$1,621,143
Porter Medical Center	0.0% \$0	2.4% \$1,981,184

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# NPR & FPP

## Requested Provider Transfers

### Northwestern Medical Center

Name of Acquisition or Transfer	NPR/FPP	Expenses	Net Profit/Loss	Effective Date
Cold Hollow Family Practice	\$941,347	\$1,103,308	-\$161,961	1/1/2020
Northwestern Dermatology	-\$711,015	-\$696,532	-\$14,483	1/1/2019
	<b>\$230,332</b>	<b>\$406,776</b>	<b>-\$176,444</b>	

### Central Vermont Medical Center

Name of Acquisition or Transfer	NPR/FPP	Expenses	Net Profit/Loss	Effective Date
CVMC Dermatology	\$731,628	\$774,062	-\$42,434	9/1/2019
CVMC Oncology	\$2,006,256	\$578,534	\$1,427,722	not provided
CVMC Pulmonary	\$692,182	\$616,889	\$75,293	9/1/2019
	<b>\$3,430,066</b>	<b>\$1,969,485</b>	<b>\$1,460,581</b>	

### Southwestern Vermont Medical Center

Name of Acquisition or Transfer	NPR/FPP	Expenses	Net Profit/Loss	Effective Date
SVMC Anesthesia	<b>\$1,301,014</b>	<b>\$3,040,476</b>	<b>-\$1,739,462</b>	1/1/2020

### Porter Medical Center

Name of Acquisition or Transfer	NPR/FPP	Expenses	Net Profit/Loss	Effective Date
General Surgery	\$361,000	NA	NA	6/1/2019
Middlebury Radiologists	\$750,000	NA	NA	6/1/2019
	<b>\$1,111,000</b>			

**GMCB staff has requested additional information from the hospitals regarding:**

- Act 143 of 2016 Notice to Patient
- Partial and full-year impact
- Clarification on existing independent practice or expansion of hospital services

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# Preliminary Change in Charges (formerly rates)

## Annual Change in Charge Increase History

	2016		2017		2018		2019		2020	
	Submitted	Approved	Submitted	Approved	Submitted	Approved	Submitted	Approved	Submitted	Commercial Effective Rate
Brattleboro Memorial Hospital	-1.2%	-1.4%	3.5%	3.5%	8.9%	5.7%	4.9%	3.9%	3.4%	
Central Vermont Medical Center*	4.7%	4.7%	3.0%	2.45%	0.7%	0.7%	2.8%	2.3%	3.0%	5.9%
Copley Hospital	-3.0%	-4.0%	0.0%	-3.7%	0.0%	-3.4%	7.9%	4.5%	9.8%	
Gifford Medical Center	5.8%	5.8%	3.9%	3.9%	4.0%	4.0%	4.0%	4.0%	5.0%	
Grace Cottage Hospital	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	3.2%	3.2%	3.2%	
Mt. Ascutney Hospital & Health Center	5.7%	5.7%	4.9%	4.9%	4.9%	4.9%	2.9%	2.9%	3.2%	
North Country Hospital	4.8%	4.8%	3.5%	3.5%	5.0%	5.0%	3.6%	3.6%	4.2%	
Northeastern VT Regional Hospital	5.2%	5.2%	3.8%	3.8%	4.3%	3.2%	4.0%	3.0%	3.5%	
Northwestern Medical Center	-8.0%	-8.0%	2.9%	0.0%	6.0%	3.5%	2.0%	2.0%	5.9%	
Porter Medical Center*	5.3%	5.3%	3.7%	5.3%	3.0%	3.0%	2.8%	2.8%	0.0%	2.6%
Rutland Regional Medical Center	3.7%	3.7%	-5.1%	-5.1%	4.9%	4.9%	3.0%	2.6%	2.7%	
Southwestern VT Medical Center	3.8%	3.8%	3.9%	3.4%	2.9%	2.9%	3.2%	3.0%	2.8%	
Springfield Hospital	2.8%	2.8%	0.0%	0.0%	6.5%	6.5%	10.0%	10.0%	0.0%	
The University of Vermont Medical Center*	6.0%	6.0%	3.0%	2.45%	0.7%	0.7%	4.0%	2.5%	3.0%	4.0%
<b>Estimated Weighted Average For All Hospitals**</b>	<b>4.4%</b>	<b>4.4%</b>	<b>2.2%</b>	<b>1.8%</b>	<b>2.3%</b>	<b>2.0%</b>	<b>3.9%</b>	<b>2.9%</b>	<b>3.2%</b>	<b>n/a</b>

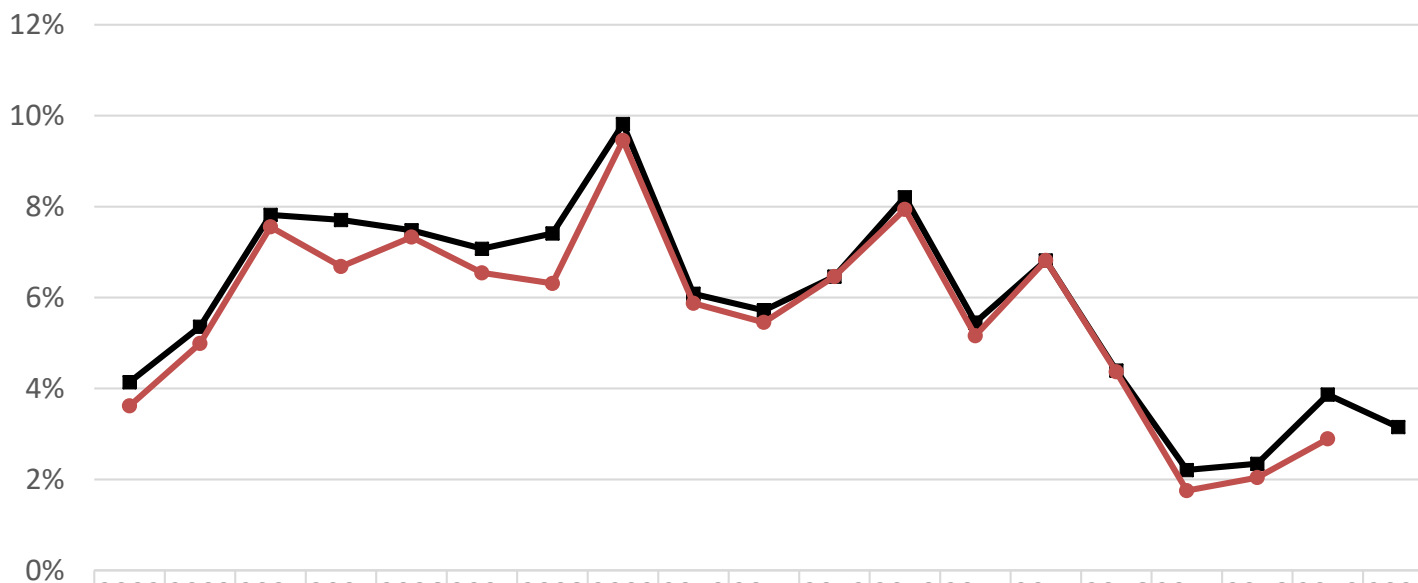
\* Notes: UVMMC is requesting 4.0% increase in Commercial and 3.0% overall, CVMC is requesting 5.9% increase in Commercial and 3.0% overall, PMC is requesting 2.6% increase in Commercial and 0.0% overall.

\*\*Estimated Weighted Average for All Hospitals is calculated by factoring in each hospital's proportion of gross revenue to the change in charges (rate), 2019 formula adjusted.

PRELIMINARY – Information in this presentation is based on hospital submissions and is still under review

# History of Change in Charges Vermont Community Hospitals

## Estimated Weighted Average Change in Charges



Submitted Rate	4.1%	5.4%	7.8%	7.7%	7.5%	7.1%	7.4%	9.8%	6.1%	5.7%	6.5%	8.2%	5.5%	6.8%	4.4%	2.2%	2.3%	3.9%	3.2%
Approved Rate	3.6%	5.0%	7.6%	6.7%	7.3%	6.5%	6.3%	9.5%	5.9%	5.5%	6.5%	7.9%	5.2%	6.8%	4.4%	1.8%	2.0%	2.9%	

Estimated Weighted Average for all hospitals is calculated by factoring in each hospital's proportion of gross revenue to the change in charges (rate).

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# NPR & FPP (\$)

Hospitals	Actuals					Budget	Projection	Budget
	FY14	FY15	FY16	FY17	FY18	FY19	FY19	FY20
<b>Brattleboro Memorial Hospital</b>	\$71,512,773	\$75,742,920	\$73,164,810	\$75,062,532	\$77,601,735	\$83,947,707	\$83,344,044	\$89,966,363
<b>Central Vermont Medical Center</b>	\$161,353,760	\$173,990,659	\$191,539,946	\$195,237,530	\$194,586,135	\$211,387,021	\$209,649,672	\$222,024,685
<b>Copley Hospital</b>	\$59,947,666	\$63,464,436	\$62,804,324	\$64,983,966	\$66,226,448	\$70,201,316	\$68,344,899	\$72,658,362
<b>Gifford Medical Center</b>	\$58,282,092	\$53,896,728	\$54,787,886	\$54,307,372	\$48,844,171	\$55,894,654	\$51,250,800	\$52,382,984
<b>Grace Cottage Hospital</b>	\$15,543,287	\$16,038,766	\$17,241,709	\$17,261,208	\$18,193,737	\$19,292,581	\$18,665,293	\$20,966,669
<b>Mt. Ascutney Hospital &amp; Health Ctr</b>	\$45,789,349	\$45,514,515	\$46,402,275	\$48,253,025	\$50,808,643	\$51,195,770	\$51,639,251	\$55,007,317
<b>North Country Hospital</b>	\$71,631,396	\$73,297,094	\$77,791,582	\$76,686,887	\$76,427,164	\$81,523,350	\$81,331,408	\$82,979,049
<b>Northeastern VT Regional Hospital</b>	\$61,868,757	\$65,548,594	\$71,586,551	\$76,794,700	\$78,445,072	\$81,568,705	\$84,478,242	\$87,440,494
<b>Northwestern Medical Center</b>	\$91,165,412	\$97,798,763	\$99,895,760	\$101,110,424	\$103,317,768	\$112,773,980	\$110,438,452	\$116,926,579
<b>Porter Medical Center</b>	\$66,716,573	\$70,596,270	\$75,061,496	\$78,203,218	\$80,346,401	\$84,530,515	\$83,827,507	\$87,487,539
<b>Rutland Regional Medical Center</b>	\$220,829,447	\$228,328,637	\$245,822,952	\$242,193,431	\$254,235,029	\$258,720,325	\$259,079,184	\$267,787,827
<b>Southwestern VT Medical Center</b>	\$139,410,223	\$142,769,168	\$151,922,754	\$152,602,902	\$161,115,765	\$165,201,376	\$164,909,631	\$172,284,645
<b>Springfield Hospital</b>	\$49,727,116	\$55,926,090	\$53,638,120	\$51,999,349	\$52,978,810	\$60,485,878	\$48,575,772	\$48,889,189
<b>The University of Vermont Medical Center</b>	\$1,055,675,894	\$1,115,357,666	\$1,156,546,653	\$1,211,118,975	\$1,254,036,509	\$1,273,460,046	\$1,297,458,297	\$1,351,201,703
<b>System Total</b>	\$2,169,453,746	\$2,278,270,306	\$2,378,206,818	\$2,445,815,519	\$2,517,163,387	\$2,610,183,225	\$2,612,992,451	\$2,728,003,406

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# NPR & FPP (% growth)

Hospital	Actual-to-Actual % Change			Projection-to-Actual % Change		Budget-to-Budget % Change
	FY15	FY16	FY17	FY18	FY19 - FY20	FY19 - FY20
Brattleboro Memorial Hospital	5.9%	-3.4%	2.6%	3.4%	-0.7%	7.2%
Central Vermont Medical Center	7.8%	10.1%	1.9%	-0.3%	-0.8%	5.0%
Copley Hospital	5.9%	-1.0%	3.5%	1.9%	-2.6%	3.5%
Gifford Medical Center	-7.5%	1.7%	-0.9%	-10.1%	-8.3%	-6.3%
Grace Cottage Hospital	3.2%	7.5%	0.1%	5.4%	-3.3%	8.7%
Mt. Ascutney Hospital & Health Ctr	-0.6%	2.0%	4.0%	5.3%	0.9%	7.4%
North Country Hospital	2.3%	6.1%	-1.4%	-0.3%	-0.2%	1.8%
Northeastern VT Regional Hospital	5.9%	9.2%	7.3%	2.1%	3.6%	7.2%
Northwestern Medical Center	7.3%	2.1%	1.2%	2.2%	-2.1%	3.7%
Porter Medical Center	5.8%	6.3%	4.2%	2.7%	-0.8%	3.5%
Rutland Regional Medical Center	3.4%	7.7%	-1.5%	5.0%	0.1%	3.5%
Southwestern VT Medical Center	2.4%	6.4%	0.4%	5.6%	-0.2%	4.3%
Springfield Hospital	12.5%	-4.1%	-3.1%	1.9%	-19.7%	-19.2%
The University of Vermont Medical Center	5.7%	3.7%	4.7%	3.5%	1.9%	6.1%
<b>System Total</b>	5.0%	4.4%	2.8%	2.9%*	0.1%	4.5%

\*The FY18 Year-End preliminary report presented in March 2019 showed 3.1% actual-to-actual growth based on North Country's preliminary submission. North Country's FY18 actual results, as submitted with their FY20 budget, results in 2.9% actual-to-actual growth.

PRELIMINARY – Information in this presentation is based on hospital submissions and is still under review

# Operating Margin (\$)

	Actuals FY17	Actuals FY18	Budget FY19	Projection FY19	Budget FY20	5- Year Average
<b>Brattleboro Memorial Hospital</b>	(\$2,437,207)	(\$1,924,959)	\$14,118	\$927,092	\$1,151,340	(\$559,005)
<b>Central Vermont Medical Center</b>	(\$1,902,075)	(\$7,868,458)	\$3,256,040	\$678,464	\$4,168,541	(\$1,230,882)
<b>Copley Hospital</b>	(\$377,946)	(\$2,222,433)	\$232,541	(\$1,264,349)	\$1,004,619	(\$715,027)
<b>Gifford Medical Center</b>	(\$874,293)	(\$5,369,446)	\$1,415,014	(\$437,031)	\$1,540,766	(\$1,285,001)
<b>Grace Cottage Hospital</b>	(\$1,270,782)	(\$556,530)	\$151,817	(\$1,195,164)	(\$264,982)	(\$821,865)
<b>Mt. Ascutney Hospital &amp; Health Ctr</b>	\$1,390,379	\$1,052,255	\$17,584	(\$400,434)	\$599,865	\$660,516
<b>North Country Hospital</b>	(\$1,871,960)	(\$1,883,575)	\$958,597	\$1,395,228	\$1,461,937	(\$224,592)
<b>Northeastern VT Regional Hospital</b>	\$1,477,373	\$1,430,264	\$1,558,900	\$1,600,000	\$1,800,000	\$1,576,909
<b>Northwestern Medical Center</b>	(\$1,259,824)	(\$3,729,620)	\$2,696,711	(\$4,730,884)	\$1,274,415	(\$2,111,478)
<b>Porter Medical Center</b>	\$2,196,330	\$1,492,207	\$3,291,451	\$3,180,665	\$3,590,524	\$2,614,931
<b>Rutland Regional Medical Center</b>	\$4,163,384	\$1,297,252	\$6,198,934	\$4,071,236	\$6,699,103	\$4,057,744
<b>Southwestern VT Medical Center</b>	\$5,775,890	\$7,618,119	\$6,117,017	\$5,723,684	\$6,052,474	\$6,292,542
<b>Springfield Hospital</b>	(\$3,835,857)	(\$6,996,078)	\$1,299,287	(\$6,457,593)	(\$985,156)	(\$4,568,671)
<b>The University of Vermont Medical Center</b>	\$68,580,794	\$46,127,444	\$39,244,024	\$39,391,154	\$46,375,027	\$50,118,605
<b>System Total</b>	\$69,754,205	\$28,466,441	\$66,452,035	\$42,482,068	\$74,468,473	\$53,804,726

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# Operating Margin %

	Actuals FY17	Actuals FY18	Budget FY19	Projection FY19	Budget FY20	5-Year Average
Brattleboro Memorial Hospital	-3.1%	-2.4%	0.0%	1.1%	1.3%	-0.7%
Central Vermont Medical Center	-0.9%	-3.8%	1.4%	0.3%	1.7%	-0.3%
Copley Hospital	-0.6%	-3.3%	0.3%	-1.8%	1.4%	-0.9%
Gifford Medical Center	-1.6%	-10.7%	2.5%	-0.8%	2.9%	-1.3%
Grace Cottage Hospital	-6.9%	-2.9%	0.7%	-6.1%	-1.2%	-5.0%
Mt. Ascutney Hospital & Health Ctr	2.7%	1.9%	0.0%	-0.7%	1.0%	1.0%
North Country Hospital	-2.3%	-2.3%	1.1%	1.6%	1.6%	-0.2%
Northeastern VT Regional Hospital	1.9%	1.7%	1.8%	1.8%	2.0%	1.9%
Northwestern Medical Center	-1.2%	-3.4%	2.3%	-4.1%	1.0%	-0.8%
Porter Medical Center	2.7%	1.8%	3.7%	3.5%	3.8%	2.8%
Rutland Regional Medical Center	1.6%	0.5%	2.3%	1.5%	2.3%	2.0%
Southwestern VT Medical Center	3.7%	4.6%	3.6%	3.3%	3.4%	3.7%
Springfield Hospital	-7.1%	-12.8%	2.1%	-12.8%	-2.0%	-6.9%
The University of Vermont Medical Center	5.2%	3.4%	2.8%	2.7%	3.1%	4.1%
<b>System Total</b>	<b>2.7%</b>	<b>1.1%</b>	<b>2.4%</b>	<b>1.5%</b>	<b>2.5%</b>	<b>2.3%</b>

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# FY20 Utilization and Staffing Levels

	Budget FY20				Budget-to-Budget % Change FY19 - FY20			
	Adjusted Admissions	Non-MDs	MDs	Travelers	Adjusted Admissions	Non-MDs	MDs	Travelers
Brattleboro Memorial Hospital	7,509	498	57	0	9.7%	5.1%	-5.9%	0.0%
Central Vermont Medical Center	17,478	1,229	90	2	-4.4%	-4.2%	-5.1%	-49.6%
Copley Hospital	5,096	363	15	12	-2.3%	2.7%	-8.0%	-10.5%
Gifford Medical Center	5,322	280	22	0	3.5%	-3.1%	-5.4%	0.0%
Grace Cottage Hospital	2,857	146	7	0	-2.1%	4.6%	-16.2%	0.0%
Mt. Ascutney Hospital & Health Ctr	7,734	330	22	0	8.5%	2.2%	14.9%	0.0%
North Country Hospital	9,584	452	32	0	19.6%	-2.6%	-1.4%	0.0%
Northeastern VT Regional Hospital	6,071	463	33	0	-6.9%	3.8%	-4.2%	0.0%
Northwestern Medical Center	11,757	657	42	2	0.7%	1.6%	2.2%	100.0%
Porter Medical Center	6,627	447	43	3	0.8%	0.0%	18.2%	-27.1%
Rutland Regional Medical Center	19,357	1,335	72	73	2.7%	1.4%	1.2%	-2.4%
Southwestern VT Medical Center	18,046	783	104	0	5.4%	2.5%	16.5%	0.0%
Springfield Hospital	8,404	297	0	0	-10.8%	-4.8%	-100.0%	0.0%
The University of Vermont Medical Center	65,264	6,661	629	0	2.5%	5.2%	4.6%	0.0%
<b>System Total</b>	<b>175,067</b>	<b>13,942</b>	<b>1,169</b>	<b>92</b>	<b>0.3%</b>	<b>2.6%</b>	<b>1.3%</b>	<b>-5.0%</b>

- Overall utilization as measured by adjusted admissions shows an increase of 0.3% over FY19 Budget\*
- Staffing levels increased 360 FTE positions (2.4%) systemwide compared to FY19 budget. Increases over FY19 Budget include:
  - ✓ 351 Non-Physician FTEs
  - ✓ 14.6 Physician FTEs
  - ✓ -4.8 Traveler FTEs

\*System generated statistic. Please reference budget narratives for hospital-specific information.

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## Key Financial Indicators

	Days Cash on Hand			Operating Margin			Total Margin		
	FY19B	FY19P	FY20B	FY19B	FY19P	FY20B	FY19B	FY19P	FY20B
Brattleboro	196	253	146	0.0%	1.1%	1.3%	0.9%	1.8%	2.1%
CVMC	113	96	89	1.4%	0.3%	1.7%	3.3%	1.4%	3.4%
Copley	65	67	72	0.3%	-1.8%	1.4%	0.8%	-1.2%	1.8%
Gifford	187	228	241	2.5%	-0.8%	2.9%	3.9%	3.7%	4.4%
Grace Cottage	93	94	91	0.7%	-6.1%	-1.2%	4.2%	-1.1%	2.1%
Mount Ascutney	120	127	133	0.0%	-0.7%	1.0%	1.6%	1.1%	2.4%
North Country	196	191	202	1.1%	1.6%	1.6%	2.8%	2.8%	3.1%
Northeastern	122	108	108	1.8%	1.8%	2.0%	1.8%	1.8%	2.0%
Northwestern	307	284	288	2.3%	-4.1%	1.0%	3.2%	-3.1%	2.4%
Porter	135	118	125	3.7%	3.5%	3.8%	4.1%	4.1%	4.4%
Rutland	206	203	205	2.3%	1.5%	2.3%	4.3%	3.6%	4.5%
Southwestern*	46	35	36	3.6%	3.3%	3.4%	4.0%	3.6%	3.7%
Springfield	107	3	4	2.1%	-12.8%	-2.0%	3.4%	-36.2%	-2.0%
UVMC	192	189	192	2.8%	2.7%	3.1%	5.1%	3.9%	4.3%

↑ increasing values are favorable; ↓ decreasing values are favorable

\*Southwestern's Days Cash on Hand does not consider the hospital's parent company. GMCB staff are following up to get the Days Cash on Hand factoring in the parent company.

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## Key Financial Indicators (continued)

	Days Payable ↓			Days Receivable ↓			Debt Service Coverage Ratio ↑		
	FY19B	FY19P	FY20B	FY19B	FY19P	FY20B	FY19B	FY19P	FY20B
Brattleboro	64	67	68	38	40	39	3.3	3.8	3.2
CVMC	48	63	62	48	49	49	3.8	2.8	3.9
Copley	41	42	43	29	29	29	5.3	2.5	6.6
Gifford	53	44	64	49	33	41	3.3	2.1	2.7
Grace Cottage	84	98	81	41	39	37	0.5	(0.8)	1.2
Mount Ascutney	53	61	71	39	47	38	6.1	4.3	7.1
North Country	61	75	68	40	38	38	3.5	3.8	3.4
Northeastern	56	56	58	42	51	50	2.2	5.3	6.2
Northwestern	40	55	49	40	37	40	5.5	0.9	3.5
Porter	61	56	60	62	59	61	6.1	7.4	8.7
Rutland	41	40	36	28	42	40	5.9	5.4	6.4
Southwestern	58	48	48	35	37	39	13.7	14.0	11.5
Springfield	65	167	187	60	56	55	2.6	(0.6)	0.1
UVMC	57	49	50	48	51	51	3.2	3.2	3.5

↑ increasing values are favorable; ↓ decreasing values are favorable

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# Bad Debt

	Actual FY18	Budget FY19	Projection FY19	Budget FY20	Budget-to- Projection % Change FY19	Budget-to-Budget % Change FY19 - FY20	Projection-to- Budget % Change FY19 - FY20
<b>Brattleboro Memorial Hospital</b>	(\$5,383,192)	(\$3,911,671)	(\$3,691,054)	(\$4,577,548)	-5.6%	17.0%	24.0%
<b>Central Vermont Medical Center</b>	(\$3,052,588)	(\$5,081,726)	(\$4,580,139)	(\$4,070,804)	-9.9%	-19.9%	-11.1%
<b>Copley Hospital</b>	(\$1,877,838)	(\$1,720,426)	(\$1,816,221)	(\$1,997,944)	5.6%	16.1%	10.0%
<b>Gifford Medical Center</b>	(\$2,317,389)	(\$2,915,932)	(\$2,278,607)	(\$2,577,315)	-21.9%	-11.6%	13.1%
<b>Grace Cottage Hospital</b>	(\$548,943)	(\$516,506)	(\$378,350)	(\$415,746)	-26.7%	-19.5%	9.9%
<b>Mt. Ascutney Hospital &amp; Health Ctr</b>	(\$1,541,879)	(\$1,777,742)	(\$2,242,820)	(\$1,887,984)	26.2%	6.2%	-15.8%
<b>North Country Hospital</b>	(\$2,855,661)	(\$2,071,021)	(\$4,182,785)	(\$4,491,912)	102.0%	116.9%	7.4%
<b>Northeastern VT Regional Hospital</b>	(\$3,046,071)	(\$3,192,800)	(\$3,400,684)	(\$3,544,000)	6.5%	11.0%	4.2%
<b>Northwestern Medical Center</b>	(\$6,322,818)	(\$5,769,549)	(\$6,964,925)	(\$7,099,149)	20.7%	23.0%	1.9%
<b>Porter Medical Center</b>	(\$4,231,055)	(\$3,733,610)	(\$3,990,642)	(\$4,275,135)	6.9%	14.5%	7.1%
<b>Rutland Regional Medical Center</b>	(\$4,702,339)	(\$8,769,156)	(\$9,010,742)	(\$9,511,258)	2.8%	8.5%	5.6%
<b>Southwestern VT Medical Center</b>	(\$5,741,603)	(\$6,100,000)	(\$6,183,143)	(\$6,400,000)	1.4%	4.9%	3.5%
<b>Springfield Hospital</b>	(\$5,859,853)	(\$4,674,519)	(\$4,674,519)	(\$4,382,074)	0.0%	-6.3%	-6.3%
<b>The University of Vermont Medical Center</b>	(\$29,309,366)	(\$28,834,737)	(\$32,005,260)	(\$28,504,203)	11.0%	-1.1%	-10.9%
<b>System Total</b>	(\$76,790,595)	(\$79,069,396)	(\$85,399,891)	(\$83,735,072)	8.0%	5.9%	-1.9%

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# Free Care

	Actual FY18	Budget FY19	Projection FY19	Budget FY20	Budget-to- Projection % Change FY19	Budget-to-Budget % Change FY19 - FY20	Projection-to- Budget % Change FY19 - FY20
<b>Brattleboro Memorial Hospital</b>	(\$1,091,093)	(\$1,496,690)	(\$1,855,449)	(\$2,783,813)	24.0%	86.0%	50.0%
<b>Central Vermont Medical Center</b>	(\$4,383,140)	(\$4,112,828)	(\$5,056,677)	(\$3,994,075)	22.9%	-2.9%	-21.0%
<b>Copley Hospital</b>	(\$619,710)	(\$573,475)	(\$681,084)	(\$749,229)	18.8%	30.6%	10.0%
<b>Gifford Medical Center</b>	(\$522,609)	(\$480,167)	(\$438,447)	(\$448,767)	-8.7%	-6.5%	2.4%
<b>Grace Cottage Hospital</b>	(\$158,312)	(\$181,583)	(\$202,150)	(\$222,586)	11.3%	22.6%	10.1%
<b>Mt. Ascutney Hospital &amp; Health Ctr</b>	(\$949,742)	(\$1,015,853)	(\$968,575)	(\$1,078,848)	-4.7%	6.2%	11.4%
<b>North Country Hospital</b>	(\$1,568,926)	(\$1,753,024)	(\$1,739,654)	(\$1,826,157)	-0.8%	4.2%	5.0%
<b>Northeastern VT Regional Hospital</b>	(\$2,923,433)	(\$3,072,000)	(\$3,200,000)	(\$3,400,000)	4.2%	10.7%	6.3%
<b>Northwestern Medical Center</b>	(\$1,056,665)	(\$1,112,446)	(\$935,724)	(\$1,196,174)	-15.9%	7.5%	27.8%
<b>Porter Medical Center</b>	(\$1,496,308)	(\$1,682,255)	(\$1,608,847)	(\$1,486,321)	-4.4%	-11.6%	-7.6%
<b>Rutland Regional Medical Center</b>	(\$8,597,207)	(\$4,047,303)	(\$6,036,876)	(\$6,514,109)	49.2%	60.9%	7.9%
<b>Southwestern VT Medical Center</b>	(\$2,148,512)	(\$2,350,000)	(\$2,024,851)	(\$2,250,000)	-13.8%	-4.3%	11.1%
<b>Springfield Hospital</b>	(\$1,968,856)	(\$2,395,236)	(\$2,395,236)	(\$1,068,799)	0.0%	-55.4%	-55.4%
<b>The University of Vermont Medical Center</b>	(\$18,396,010)	(\$20,131,012)	(\$18,424,632)	(\$18,769,732)	-8.5%	-6.8%	1.9%
<b>System Total</b>	(\$45,880,524)	(\$44,403,872)	(\$45,568,202)	(\$45,788,611)	2.6%	3.1%	0.5%

PRELIMINARY – Information in this presentation is based on hospital submissions and is still under review



# Disproportionate Share Payments (DSH)

	Actual FY18	Budget FY19	Projection FY19	Budget FY20	Budget-to- Projection % Change FY19	Budget-to-Budget % Change FY19 - FY20	Projection-to- Budget % Change FY19 - FY20
Brattleboro Memorial Hospital	\$539,206	\$604,168	\$601,569	\$530,861	-0.4%	-12.1%	-11.8%
Central Vermont Medical Center	\$1,628,175	\$1,493,005	\$1,441,012	\$1,329,351	-3.5%	-11.0%	-7.7%
Copley Hospital	\$758,102	\$458,368	\$458,368	\$454,323	0.0%	-0.9%	-0.9%
Gifford Medical Center	\$645,999	\$554,798	\$554,796	\$540,121	0.0%	-2.6%	-2.6%
Grace Cottage Hospital	\$0	\$0	\$0	\$0	-	-	-
Mt. Ascutney Hospital & Health Ctr	\$683,877	\$300,000	\$340,539	\$340,000	13.5%	13.3%	-0.2%
North Country Hospital	\$522,666	\$879,211	\$906,720	\$906,720	3.1%	3.1%	0.0%
Northeastern VT Regional Hospital	\$1,075,300	\$953,000	\$961,534	\$987,745	0.9%	3.6%	2.7%
Northwestern Medical Center	\$1,194,679	\$944,549	\$944,549	\$934,355	0.0%	-1.1%	-1.1%
Porter Medical Center	\$738,988	\$439,130	\$514,956	\$497,840	17.3%	13.4%	-3.3%
Rutland Regional Medical Center	\$3,756,859	\$3,090,930	\$3,041,569	\$3,169,990	-1.6%	2.6%	4.2%
Southwestern VT Medical Center	\$1,038,062	\$1,021,412	\$1,021,412	\$839,000	0.0%	-17.9%	-17.9%
Springfield Hospital	\$925,000	\$1,058,694	\$1,058,694	\$900,130	0.0%	-15.0%	-15.0%
The University of Vermont Medical Center	\$13,016,392	\$10,592,241	\$10,892,395	\$11,352,235	2.8%	7.2%	4.2%
<b>System Total</b>	<b>\$26,523,305</b>	<b>\$22,389,506</b>	<b>\$22,738,113</b>	<b>\$22,782,671</b>	<b>1.6%</b>	<b>1.8%</b>	<b>0.2%</b>

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# Provider Tax

	Actual FY18	Budget FY19	Projection FY19	Budget FY20	Budget-to- Projection % Change FY19	Budget-to-Budget % Change FY19 - FY20	Projection-to- Budget % Change FY19 - FY20
Brattleboro Memorial Hospital	4,541,687.22	\$5,105,872	\$4,654,355	\$5,000,643	-8.8%	-2.1%	7.4%
Central Vermont Medical Center	11,510,963.73	\$12,343,107	\$11,511,271	\$13,092,010	-6.7%	6.1%	13.7%
Copley Hospital	3,852,435.00	\$3,882,632	\$3,899,903	\$3,954,800	0.4%	1.9%	1.4%
Gifford Medical Center	3,153,370.89	\$3,186,753	\$2,972,062	\$2,872,296	-6.7%	-9.9%	-3.4%
Grace Cottage Hospital	620,394.00	\$640,758	\$645,933	\$693,363	0.8%	8.2%	7.3%
Mt. Ascutney Hospital & Health Ctr	1,762,965.00	\$1,750,000	\$1,757,524	\$2,000,000	0.4%	14.3%	13.8%
North Country Hospital	4,550,595.99	\$4,533,348	\$4,692,876	\$4,692,876	3.5%	3.5%	0.0%
Northeastern VT Regional Hospital	4,581,058.00	\$4,600,000	\$4,703,185	\$5,065,000	2.2%	10.1%	7.7%
Northwestern Medical Center	6,169,059.00	\$6,419,916	\$6,293,443	\$7,288,305	-2.0%	13.5%	15.8%
Porter Medical Center	4,703,348.00	\$4,720,371	\$4,672,299	\$4,784,372	-1.0%	1.4%	2.4%
Rutland Regional Medical Center	14,701,522.00	\$15,396,699	\$15,307,680	\$15,821,854	-0.6%	2.8%	3.4%
Southwestern VT Medical Center	9,261,317.00	\$9,618,532	\$9,652,381	\$9,981,590	0.4%	3.8%	3.4%
Springfield Hospital	3,240,699.57	\$3,599,817	\$3,599,817	\$3,385,476	0.0%	-6.0%	-6.0%
The University of Vermont Medical Center	69,819,963.02	\$72,734,280	\$73,235,788	\$77,264,586	0.7%	6.2%	5.5%
<b>System Total</b>	142,469,378.42	\$148,532,085	\$147,598,517	\$155,897,171	-0.6%	5.0%	5.6%

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# 340B Retail Pharmacy Program

## (included in Other Operating Revenue)

	Actual FY18	Budget FY19	Projection FY19	Budget FY20	Budget-to- Projection % Change FY19	Budget-to-Budget % Change FY19 - FY20	Projection-to- Budget % Change FY19 - FY20
Brattleboro Memorial Hospital	\$1,456,025	\$1,122,000	\$1,695,257	\$1,695,000	51.1%	51.1%	0.0%
Central Vermont Medical Center	\$6,416,021	\$6,464,922	\$9,422,538	\$8,808,544	45.7%	36.3%	-6.5%
Copley Hospital	\$0	\$0	\$0	\$0	-	-	-
Gifford Medical Center	\$19,584	\$20,364	\$36,112	\$32,493	77.3%	59.6%	-10.0%
Grace Cottage Hospital	\$673,629	\$711,259	\$676,116	\$766,040	-4.9%	7.7%	13.3%
Mt. Ascutney Hospital & Health Ctr	\$751,513	\$660,000	\$844,311	\$785,000	27.9%	18.9%	-7.0%
North Country Hospital	\$3,225,895	\$4,121,082	\$4,169,328	\$4,169,328	1.2%	1.2%	0.0%
Northeastern VT Regional Hospital	\$2,158,262	\$2,450,000	\$2,000,000	\$2,150,000	-18.4%	-12.2%	7.5%
Northwestern Medical Center	\$609,887	\$615,303	\$420,000	\$716,314	-31.7%	16.4%	70.6%
Porter Medical Center*	\$0	\$2,498,271	\$3,245,311	\$3,226,827	29.9%	29.2%	-0.6%
Rutland Regional Medical Center	\$6,846,141	\$6,605,389	\$9,902,189	\$9,902,189	49.9%	49.9%	0.0%
Southwestern VT Medical Center	\$2,411,825	\$3,204,673	\$3,204,673	\$3,250,000	0.0%	1.4%	1.4%
Springfield Hospital	\$0	\$0	\$0	\$0	-	-	-
The University of Vermont Medical Center	\$21,372,011	\$19,189,877	\$28,275,738	\$27,290,488	47.3%	42.2%	-3.5%
<b>System Total</b>	<b>\$45,940,794</b>	<b>\$47,663,141</b>	<b>\$63,891,573</b>	<b>\$62,792,223</b>	<b>34.0%</b>	<b>31.7%</b>	<b>-1.7%</b>

\*Porter previously recorded 340B revenue in non-operating revenue

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# ACO Participation

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# ACO Participation FPP %

	FY18 Actuals	FY19 Budget	FY19 Projection	FY20 Budget
<b>Brattleboro Memorial Hospital</b>	9.7%	11.9%	12.2%	12.2%
<b>Central Vermont Medical Center</b>	14.7%	23.2%	18.0%	22.6%
<b>Copley Hospital</b>	0.0%	0.0%	0.0%	0.0%
<b>Gifford Medical Center</b>	0.0%	0.0%	3.9%	5.3%
<b>Grace Cottage Hospital</b>	0.0%	0.0%	0.0%	0.0%
<b>Mt. Ascutney Hospital &amp; Health Ctr</b>	1.4%	1.5%	12.1%	17.5%
<b>North Country Hospital</b>	5.2%	6.5%	6.5%	6.4%
<b>Northeastern VT Regional Hospital</b>	0.0%	0.0%	4.6%	5.9%
<b>Northwestern Medical Center</b>	14.9%	27.8%	16.9%	21.0%
<b>Porter Medical Center</b>	14.3%	21.7%	18.9%	23.6%
<b>Rutland Regional Medical Center</b>	0.0%	9.9%	3.6%	4.6%
<b>Southwestern VT Medical Center</b>	3.3%	4.1%	17.4%	21.2%
<b>Springfield Hospital</b>	0.0%	18.5%	23.0%	0.0%
<b>The University of Vermont Medical Center</b>	9.3%	14.8%	10.3%	16.8%
<b>System Total</b>	7.5%	13.3%	10.8%	14.9%

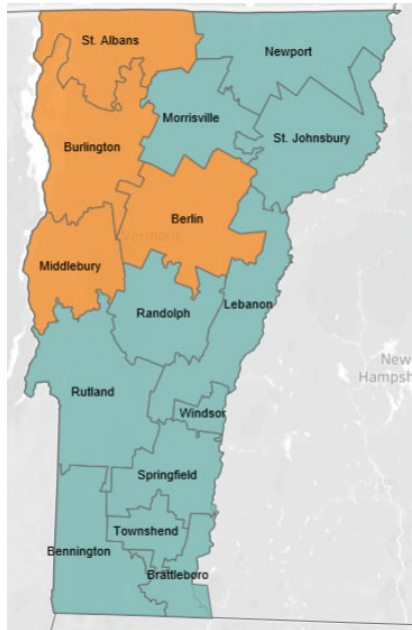
Table displays FPP as a percentage of total NPR/FPP  
Contracts for FY20 not yet executed  
FPP (not including reserves or other payments)

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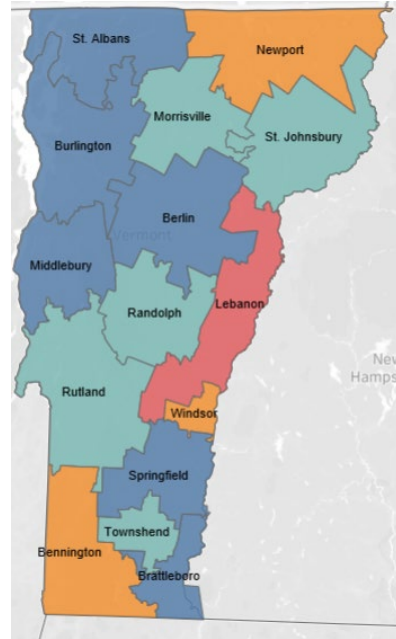
# APM Progress Update

## Regions participating in ACO through one or more payer contracts

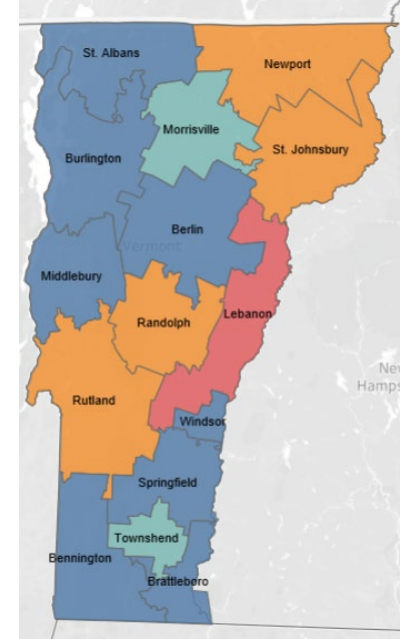
Performance Year 0 (2017)



Performance Year 1 (2018)



Performance Year 2 (2019)



### Program

- All Programs
- Medicaid
- Medicaid and BCBSVT
- Not Participating

### In 2019, participating providers include...

- Federally qualified health centers (6 regions)
- Independent primary care providers (8 regions)
- Designated mental health agencies (all regions)

- Hospitals (in all 12 participating regions)
- Independent specialists (7 regions)
- Home health (all regions)
- Skilled nursing facilities (10 regions)

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# Next Steps

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# Timeline

## **July-August**

Detailed staff review of each budget

- Forward budget materials to Health Care Advocate
- Examine individual hospital narratives
- Analyses of financial and statistical indicators
- Review compliance with GMCB budget instructions
- Prepare staff report with key GMCB questions and issues hospitals should address

## **July 31**

GMCB staff reports with questions sent to all hospitals  
Preliminary presentation of hospital system budgets

## **August 9**

Hospital responses to questions received by GMCB staff

## **August 19, 21 & 23 August 26 & 28**

Hospital Budget Hearings - Castleton & Montpelier  
Hospital Budget Hearings - Middlebury & Montpelier

## **Aug. 29 – Sept. 14**

GMCB deliberates individual hospital budgets

## **September 13**

GMCB informs hospitals of their approved rate and budget as required by statute

## **September 30**

GMCB provides written Orders to hospitals

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# Next Steps: Staff Analysis

- Review net patient revenue change for each hospital
  - ✓ Test and understand payer revenue estimates
  - ✓ Identify provider acquisitions
  - ✓ Assess requested accounting changes
  - ✓ Analyze ACO changes
- Analyze assumptions for change in charge request
- Analyze utilization and FTE changes for each hospital
- Assess capital budget impacts on FY20 budgets
- Identify and understand variances for key indicators
- Review compliance with conditions in FY19 budget orders

# Next Steps: Board Review & Decisions

Green Mountain Care Board will:

- Review and evaluate individual budgets and narratives
- Hear hospital budget testimony in August
- Review comments from public and Office of Health Care Advocate
- Approve budgets for FY20 by Sept 13<sup>th</sup> (including NPR growth rate and change in changes)

# Discussion



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# Hospital Budget Process Resources

Hospital Budget Hearings schedule can be found [here](#).

Hospital Budget information can be found [here](#).

Public comment can be provided [here](#) or emailed to [Abigail.Connolly@Vermont.gov](mailto:Abigail.Connolly@Vermont.gov)

## **GMCB Health Systems Finance Team:**

Patrick Rooney, Director of Health System Finances

Lori Perry, Health Finance Analytics Director

Kelly Theroux, Health Systems Finance Program Analyst

Agatha Kessler, Health Policy Director

Harriet Johnson, Financial Administrator

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