UVM Health Network FY 2023 Budget Presentation to the Green Mountain Care Board

On behalf of:

UVM Medical Center
Central Vermont Medical Center
Porter Hospital

August 19, 2022

THE University of Vermont HEALTH NETWORK

Today’s presenters

- John R. Brumsted, MD, President & CEO, UVM Health Network
- Al Gobeille, EVP & COO, UVM Health Network
- Rick Vincent, EVP & CFO, UVM Health Network
- Jason Sanders, MD, EVP Clinical Affairs, UVM Health Network
- Anya Rader Wallack, SVP Strategic Communications, UVM Health Network
- Jackie Hunter, DC, SVP & Chief DEI Officer, UVM Health Network
- Steve Leffler, MD, President & COO, UVM Medical Center
- Anna Tempesta Noonan, RN, President & COO, Central Vermont Medical Center
- Tom Thompson, President & COO, Porter Medical Center

Introduction

John R. Brumsted, MD

UVM Health Network

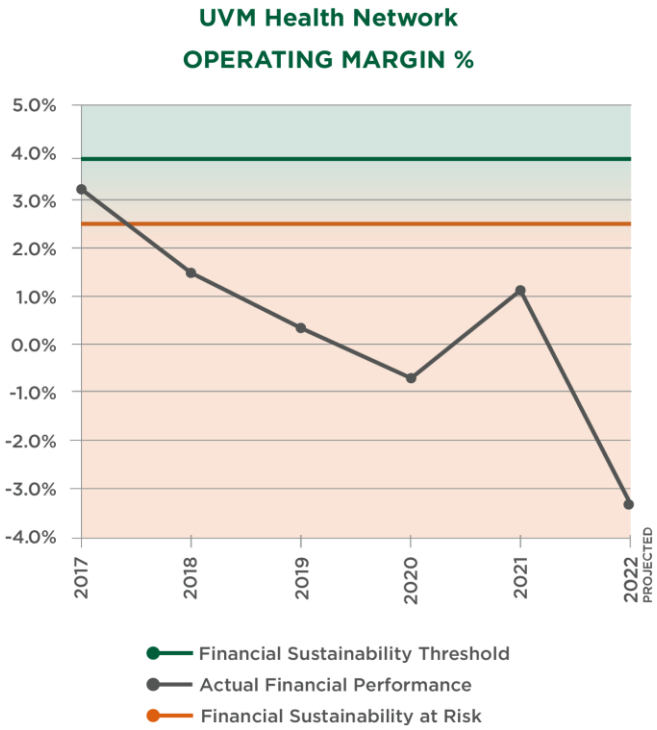
Our discussion today

- The UVM Health Network's financial position has deteriorated, which puts Vermont at real risk
- We are not alone, as this scenario is true for hospitals and health systems nationwide
- We are asking for a significant budget increase, and we understand the strain this places on some commercially insured Vermonters
- Combined with expense reductions already underway, this budget increase is the only way we can get to firm financial footing and continue to preserve our current level of service
- We are a high-quality, low-cost health network, committed to value-based care
- We are committed to improving health equity
- We need your support at this critical juncture to continue serving our state and our region in the ways our communities need and deserve

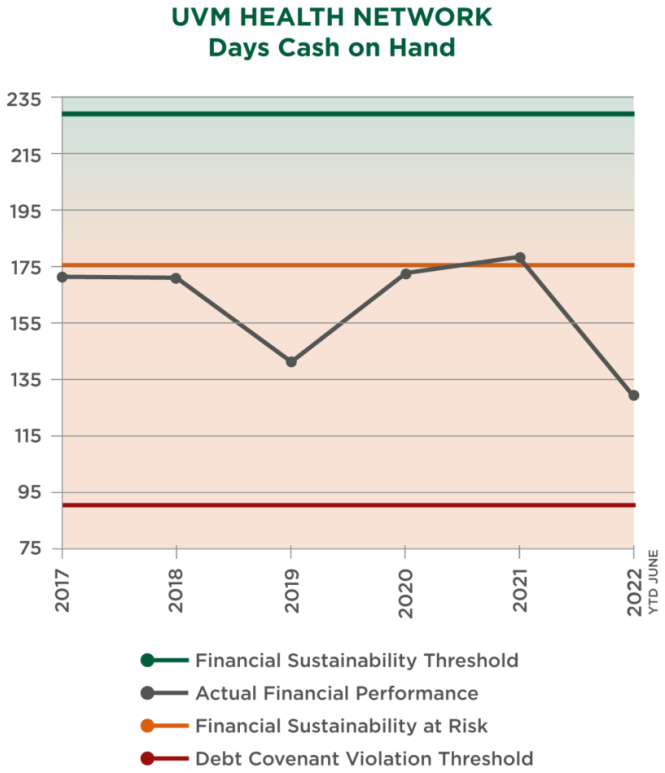
Current Financial Situation

Al Gobeille

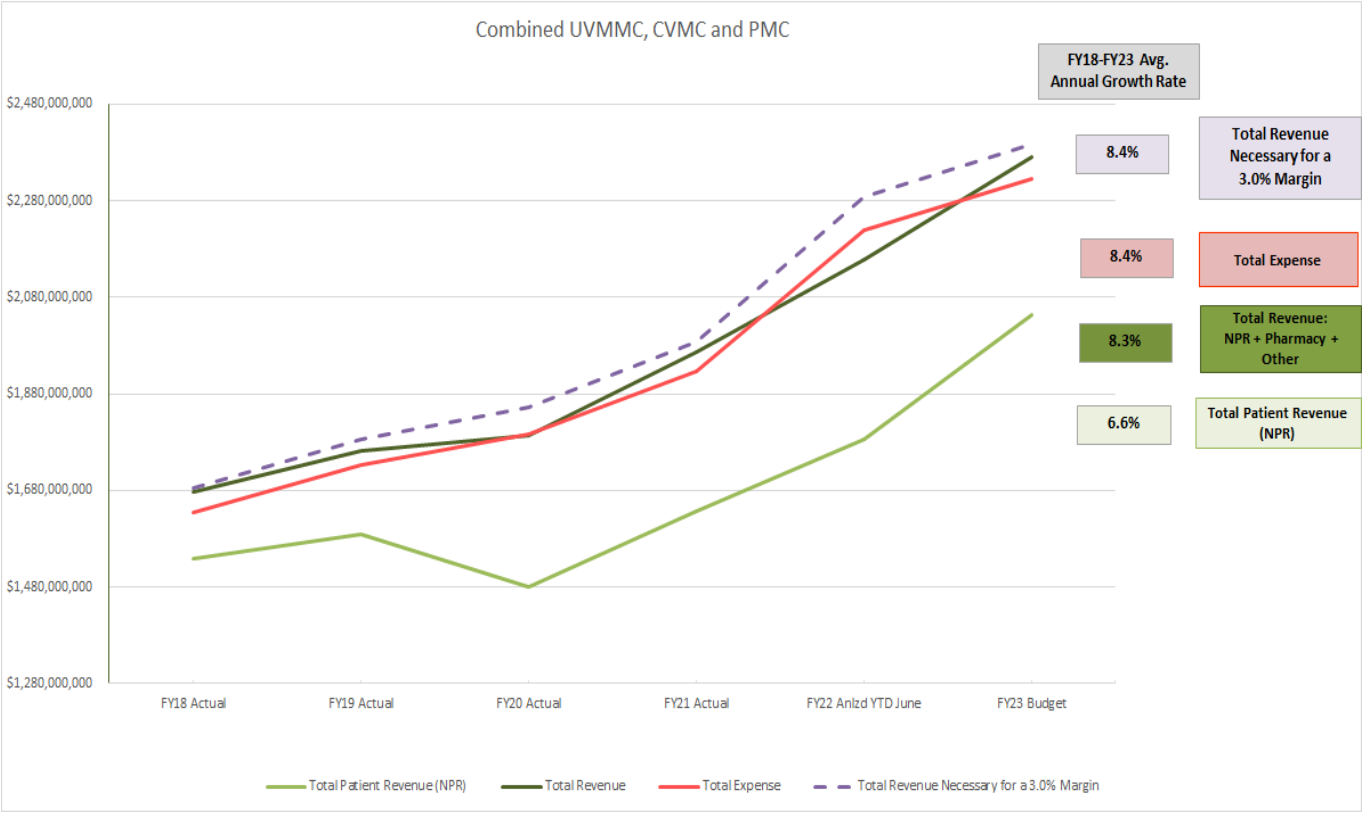
Our operating margin has deteriorated



Our days cash on hand is perilously low



Expense growth has outpaced revenue growth



Net Patient Revenue (NPR) does not cover the expenses needed to deliver care

Strong growth in contract pharmacy and specialty pharmacy is expected to continue into FY 2023

Total operating revenue growth, above expense growth, must produce a sustainable margin

Underlying Budget Assumptions

Al Gobeille

Revenue Assumptions

Patient revenue (NPR) assumptions
FY 2022 budget to FY 2023 budget

- **$(62.7)M FY 2022 actual collection experience compared to FY 2022 budget**
  - $(36.1)M Payer mix shift (negative impact)
  - $(37.5)M Actual collection experience less than budget (negative impact)
  - $10.9M Annualized impact of approved FY 2022 mid-year budget adjustment
- **$141.6M Payer rates and cost inflation**
  - $ 39.5M FY 2022 cost inflation above the approved FY 2022 mid-year budget adjustment
  - $102.1M FY 2023 cost inflation
- **$99.8M Other factors driving patient revenue**
  - $52.0M Volume/access improvements
  - $24.1M Medicaid redeterminations
  - $ 8.3M Epic revenue optimization
  - $10.9M Average length of stay (ALOS) reduction
  - $ 4.5M CMI/GME/other

= $178.7M Total patient revenue (NPR) changes

Patient revenue assumptions by hospital

	NPR Payer Changes - Related to FY2023 Rates & Cost Inflation Payer Changes							
	FY2023 Cost Inflation						Commercial Rates - Add'l FY2022 Cost Inflation **Not** Covered by Approved FY2022 Mid-Year Approved Rate Change	
	Medicare Rate Increase	ACO Rate Increase	Medicaid Rate Increase	Other Payer Increase	Bad Debt / Charity / Denials	Commercial Rates		**Total**
UVMMC	$6,367,829	$8,500,000	$150,172	$256,963	($7,889,621)	$77,276,517	$36,457,445	**$121,119,305**
CVMC	$1,507,518	$3,000,000	$712,668	($119,565)	($917,605)	$8,288,010	$3,081,999	**$15,553,026**
PMC	$1,283,278	$0	($25)	($10,903)	($268,470)	$3,972,320		**$4,976,200**
Total	**$ 9,158,625**	**$ 11,500,000**	**$ 862,815**	**$ 126,495**	**$ (9,075,696)**	**$ 89,536,848**	**$ 39,539,444**	**$ 141,648,531**

	NPR Payer Changes from FY2022 to FY2023 Prior to FY2023 Rate Changes									
	FY2022 to FY2023 Payer Mix Impact	FY2022 to FY2023 Collection Rate Difference	Volume Impact	Adjustment for full year impact of Commercial FY22 Mid-Year Rate increase	Medicaid Shift to Commercial	EPIC Revenue Optimization	Avg Length of Stay (ALOS) Reduction	Case Mix Index (CMI) Improvement	Other	**Total**
UVMMC	($27,940,297)	($47,356,415)	$51,340,069	$9,587,452	$21,600,000	$7,848,740	$9,714,780	$3,000,000	$1,305,518	**$29,099,847**
CVMC	($5,019,187)	$4,746,089	($2,680,132)	$1,330,145	$2,500,000	$415,531	$1,200,000	$0	$231,191	**$2,723,637**
PMC	($3,150,542)	$5,103,674	$3,376,292		$0	$0	$0	$0	($9,591)	**$5,319,832**
Total	**($36,110,026)**	**($37,506,652)**	**$52,036,228**	**$10,917,597**	**$24,100,000**	**$8,264,271**	**$10,914,780**	**$3,000,000**	**$1,527,118**	**$37,143,316**

Pharmacy

Pharmacy	FY2022 Budget - Pharmacy			FY2023 Budget - Pharmacy		
Estimated Margin Benefit	Contract	OP Retail / Specialty	TOTAL	Contract	OP Retail / Specialty	TOTAL
UVMMC	38,428,054	42,787,008	**81,215,062**	31,744,410	64,795,953	**96,540,363**
CVMC	10,135,258	-	**10,135,258**	10,151,878	-	**10,151,878**
PMC	3,000,380	-	**3,000,380**	1,636,565	-	**1,636,565**
TOTAL	**51,563,692**	**42,787,008**	**94,350,700**	**43,532,852**	**64,795,953**	**108,328,806**

Expense Assumptions

Our FY 2023 budget reflects stark increases in overall inflation

"Millions of Social Security recipients could see the biggest cost-of-living adjustment (COLA) in four decades, amid rising inflation…the nonpartisan Senior Citizens League, an advocacy group, recently estimated that the 2023 COLA could be 10.5 percent."

Source: Social Security Benefits 2023 Update as COLA Set for Huge Increase (newsweek.com)

"Inflation has dominated the news about America's economy in recent months as prices for food, gas and other goods have increased faster than they have in four decades…in June, consumer prices in the U.S. increased 9.1 percent over the previous year."

Source: A Global Inflation Crisis - The New York Times (nytimes.com)

Source: CPI Inflation Calculator

Our cost inflation

	FY2022 Cost Inflation Above FY2022 Budget	% Change from FY2022 Budget	FY2023 Cost Inflation	% Change from FY2023 Base to FY2023 Budget	Total Cost Inflation in FY2023 Budget	Total Cost Inflation
Salaries, Payroll Taxes and Fringe Benefits	$68,275,194	5.8%	$66,662,486	5.2%	$134,937,680	10.9%
Med Surg & Pharmaceutical Supplies	$4,644,065	1.8%	$16,606,709	6.2%	$21,250,774	8.0%
Retail Pharmacy Supplies	-	0.0%	$9,135,533	7.0%	$9,135,533	7.0%
Provider Tax Expense	-	0.0%	$7,749,701	7.0%	$7,749,701	7.0%
Other	-	0.0%	$11,707,261	2.8%	$11,707,261	2.8%
Total	**$72,919,259**	**3.6%**	**$111,861,689**	**5.1%**	**$184,780,948**	**8.6%**

We have added FTEs (MD and staff) to improve access to care

	FY21 Actual	FY22 Budget	FY22 Anlzd YTD June	FY23 Budget	Change: FY22 Budget - FY23 Budget $	%
Physicians	762	783	765	815	31	4.0%
Residents/Fellows	357	369	361	364	(5)	-1.5%
APP	314	349	321	378	29	8.2%
Staff	7,709	8,112	7,714	8,195	83	1.0%
Travelers - Non-Phys	250	103	531	295	192	185.6%
Total Physician & Staff FTEs	**9,392**	**9,717**	**9,692**	**10,046**	**329**	**3.4%**

This chart includes UVMMC, CVMC and PMC

- These costs are not included in our cost inflation calculation and request
- We are covering these additional staff with revenue from additional patient volume
- Majority of these new positions are related to patient care

Market-driven salary increases are a major component of our FY 2023 budget

	MD &Staff Merit & Market Increase
	FY2023 Blended Average
UVMMC	5.76%
CVMC	5.26%
PMC	7.74%

Largest areas of increases:
(Percentages below reflect FY 2022 off budget cycle + FY 2023 combined increases):

- RNs 15%
- APPs 15%
- LPNs 9%
- Environmental Service Workers 21%
- Security Officers 17%
- Food Prep/Cooks 13%
- Techs 9%
- Orderlies 13%
- Dieticians 15%

Traveler assumptions

	FY21 Actual	FY22 Budget	FY22 Anlzd YTD Jan	FY22 Anlzd YTD May	FY23 Budget	Change: FY22 Budget - FY23 Budget $	%
Total Traveler FTEs							
UVMMC	204	80	405	391	228	148	185.0%
CVMC	27	16	63	82	42	26	166.5%
PMC	20	7	53	61	24	17	233.8%
Total Traveler FTEs	**250**	**103**	**521**	**534**	**295**	**192**	**185.6%**
Total Traveler Avg Cost Per FTE							
UVMMC	$ 200,183	$ 167,001	$ 285,061	$ 307,289	$ 241,753	$ 74,752	44.8%
CVMC	$ 228,793	$ 178,420	$ 271,582	$ 296,852	$ 193,468	$ 15,048	8.4%
PMC	**$ 114,230**	**$ 163,427**	**$ 234,075**	**$ 247,452**	**$ 244,515**	$ 81,088	49.6%
Total Traveler Avg Cost Per FTE	**$ 196,247**	**$ 168,503**	**$ 278,239**	**$ 298,825**	**$ 235,056**	**$ 66,554**	**39.5%**
Staff Avg Cost Per FTE with salary, payroll taxes, & fringe benefits (excluding travelers)							
UVMMC	$ 96,253	$ 99,751	$ 103,239	$ 102,390	$ 111,556	$ 11,804	11.8%
CVMC	$ 91,537	$ 93,363	$ 98,703	$ 97,162	$ 101,827	$ 8,464	9.1%
PMC	$ 88,371	$ 88,521	$ 91,030	$ 89,841	$ 98,510	$ 9,989	11.3%
Staff Avg Cost Per FTE	**$ 95,521**	**$ 98,555**	**$ 102,300**	**$ 101,325**	**$ 109,885**	**$ 11,330**	**11.5%**

When there is a decrease in traveler FTEs, it does not mean total FTEs decrease; it means a traveler FTE is replaced with employed staff, which cost considerably less

Supplies

	FY2020 Actual	FY2021 Actual	FY2022 Budget	FY2022 YTD June Annlzd	FY2023 Budget
Medical & Surgical Supplies	117,614,847	135,313,457	132,616,474	140,675,990	144,412,586
Retail Pharmacy Expense	57,915,017	74,592,449	76,404,733	109,822,951	139,643,143
Pharmaceuticals	107,354,019	117,430,296	123,321,339	133,385,706	140,885,930
Total	282,883,883	327,336,202	332,342,546	383,884,647	424,941,659
Change from Prior Period		15.7%	1.5%	15.5%	10.7%

This chart includes UVMMC, CVMC and PMC

Average length of stay (ALOS) has remained high at our Vermont hospitals

- Challenges to current ALOS levels: Patient flow, ED boarders, mental health, etc.
- Lowering ALOS creates opportunities to increase inpatient access and lower staffing expenses

	ALOS					
	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Budget	FY2021 YTD Actual - May	FY2023 Budget
UVMMC	5.77	5.89	6.00	5.80	6.32	5.80
CVMC	4.81	4.80	4.47	4.61	5.22	5.54
PMC		3.23	3.33	3.13	3.37	3.44

Budget Overview

Rick Vincent

Financial performance benchmarks

	Rating Agency Medians Data				Short-Term Sustainability / Short & Long-Term Sustainability — Performance Thresholds		
	Moody's 'A' Median (A2)	Fitch 'A' Median	S&P 'A' Median (stand-alone)	S&P 'A' Median (system)	Financial Sustainability Lower Range *If Below - At Risk*	Financial Sustainability Middle Range	Financial Sustainability Upper Range
Operating Margin	1.70%	0.90%	0.60%	0.70%	2.50%	3.25%	4.00%
Operating EBIDA Margin	8.40%	8.20%	8.20%	6.60%	7.00%	8.00%	9.00%
Max Annual Debt Service Coverage	4.9	3.4	3.7	3.6	3.0	4.0	5.0
Days Cash on Hand	259	259	273	178	175	200	225
LT Debt to Capitalization Ratio	33%	33%	26%	40%	40%	35%	30%
Average Age of Plant	11.5	12.2	11.7	11.6	13.0	12.0	11.0

Our performance against those benchmarks

						Projection Years				
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Profitability Ratios										
Operating Margin	3.3%	1.4%	0.7%	(0.7%)	1.1%	(3.4%)	2.1%	2.7%	3.1%	3.2%
Operating EBIDA Margin	8.4%	6.2%	5.4%	4.7%	5.7%	1.4%	6.7%	7.3%	7.7%	7.7%
Capital Structure Ratios										
Long Term Debt to Capitalization	35.2%	33.3%	32.0%	36.9%	33.4%	33.3%	33.4%	33.4%	30.6%	27.8%
Annual Debt Service Coverage	4.3	3.3	3.1	2.5	1.9	1.3	3.9	3.9	3.9	4.4
Liquidity Ratios										
Days Cash on Hand	166	166	142	174	179	148	163	166	165	174
Other Ratios										
Average Age of Plant	15.7	16.6	16.9	10.5	12.2	12.3	13.4	14.3	14.6	15.0

Our FY 2023 submitted budgets

UVMMC, CVMC, PMC	FY2023 Base Budget	Cost / Rate Inflation	FY2023 Budget
Total Gross Patient Service Revenue	4,339,753,494	422,785,354	4,762,538,848
Total Deductions	2,706,725,860	297,743,392	3,004,469,252
Net Patient Service Revenue	1,633,027,634	125,041,962	1,758,069,596
TOTAL NPSR + FPP + OCV REVENUE	1,901,107,494	142,265,601	2,043,373,095
Collection % including FPP + OCV	*43.8%*		*42.9%*
Other Revenue			
Total Other Revenue	317,376,623	9,135,534	326,512,157
TOTAL UNRESTRICTED REVENUE & OTHER	2,218,484,117	151,401,135	2,369,885,252
Total Physician FTEs	814.8	-	814.8
Total Staff FTEs (Incl Travelers)	9,231.6	-	9,231.6
Salaries, Payroll Taxes, and Fringe Benefits	1,289,089,527	66,662,486	1,355,752,013
Total Non-Salary Expense	922,885,151	45,199,203	968,084,354
TOTAL EXPENSES	2,211,974,678	111,861,689	2,323,836,367
NET INCOME (LOSS) FROM OPERATIONS	6,509,439	39,539,445	46,048,885
Income (Loss) Margin	*0.3%*		*1.9%*
Operating EBIDA Margin	*4.5%*		*5.9%*

Net Patient Revenue change

Total Revenue	FY2022 Budget NPR	FY2023 Budget NPR	Change from FY22 Budget to FY23 Budget	
			$	%
UVMMC	1,508,506,476	1,658,725,627	150,219,152	10.0%
CVMC	250,954,727	269,231,389	18,276,662	7.3%
Porter Hospital	94,168,035	104,464,068	10,296,033	10.9%
Total	1,853,629,238	2,032,421,084	178,791,847	9.6%

How we got from FY 2022 mid-year budget adjustment to FY 2023 budget

FY2022 + FY2023 Cost Inflation in FY2023 Budget

$123M	FY22 cost inflation as present in March 2022
- $50M	reduced FY22 cost inflation carry-forward to FY23
= $72.9M	Net FY22 cost inflation in FY23
+ $111.9M	FY23 new cost inflation
= $184.8M	Total FY22 + FY23 cost inflation
- $20.2M	impact of FY22 mid-year commercial rate increase
= $164.6M	Cost inflation prior to FY23 rate changes
- $22.3M	FY23 offsets by payment increases from governmental payers and retail pharmacy
= $142.3M	Remaining cost inflation in commercial rate calc

Total amount of commercial rate increase

	Combined FY22 + FY23 Cost Inflation in FY23 Budget					
	FY2022 Cost Inflation above FY2022 Budget	FY2023 Cost Inflation	Total Cost Inflation in FY2023 Budget	Amounts Funded by FY22 Off-Cycle Commercial Rate and FY2023 Other Payers & Retail Pharm	Remaining Cost Inflation to pass on to Commercial Rates	Revenue Impact in FY2023 Budget (Jan-Sept)
UVMMC	$66,109,926	$93,797,393	$159,907,319	$34,020,876	$125,886,444	$113,733,962
CVMC	$6,809,332	$12,471,026	$19,280,358	$6,883,016	$12,397,342	$11,370,009
PMC	0	$5,593,270	$5,593,270	$1,615,258	$3,978,012	$3,978,012
Total	$72,919,259	$111,861,689	$184,780,948	$42,519,150	$142,261,798	$129,081,983

UVMMC commercial rate request

UVMMC	FY2022 Cost Inflation (above FY2022 Budget)	FY2023 Cost Inflation	Total Cost Inflation
Cost Inflation	**$66,109,926**	**$84,661,860**	**$150,771,787**
Less:			
FY2022 Mid-Year Rate Increase (2.5% April 2022)	$17,500,000	$0	$17,500,000
FY2023 - Medicare Rate Increase	$0	$6,367,829	$6,367,829
FY2023 - Medicare ACO Rate Increase	$0	$8,500,000	$8,500,000
FY2023 - Medicaid Rate Increase	$0	$150,172	$150,172
FY2023 - Other Payer Changes	$0	$256,963	$256,963
Impact on Bad Debt/Charity/Denials Calculation	$0	($7,889,621)	($7,889,621)
Sub-Total	**$17,500,000**	**$7,385,343**	**$24,885,343**
Required Funding from Commercial Rate	**$48,609,926**	**$77,276,517**	**$125,886,444**
Per 1 % Impact of Commercial Rate:			
Calendar Year (12 months: Jan-Dec)	$7,620,366		
Budget Year (9 months: Jan-Sept)		$5,715,274	
Commercial Rate Increase in FY2023 Budget	**6.38%**	**13.52%**	**19.90%**
Revenue Impact in FY2023 Budget (Jan-Sept)	$36,457,445	$77,276,517	$113,733,962

CVMC commercial rate request

CVMC	FY2022 Cost Inflation (above FY2022 Budget)	FY2023 Cost Inflation	Total Cost Inflation
Cost Inflation	**$6,809,332**	**$12,471,026**	**$19,280,358**
Less:			
FY2022 Mid-Year Rate Increase (2.7% April 2022)	$2,700,000	$0	$2,700,000
FY2023 - Medicare Rate Increase	$0	$1,507,518	$1,507,518
FY2023 - Medicare ACO Rate Increase	$0	$3,000,000	$3,000,000
FY2023 - Medicaid Rate Increase	$0	$712,668	$712,668
FY2023 - Other Payer Changes	$0	($119,565)	($119,565)
Impact on Bad Debt/Charity/Denials Calculation	$0	($917,605)	($917,605)
Sub-Total	**$2,700,000**	**$4,183,016**	**$6,883,016**
Required Funding from Commercial Rate	**$4,109,332**	**$8,288,010**	**$12,397,342**
Per 1 % Impact of Commercial Rate:			
Calendar Year (12 months: Jan-Dec)	$1,044,078		
Budget Year (9 months: Jan-Sept)		$783,059	
Commercial Rate Increase in FY2023 Budget	**3.94%**	**10.58%**	**14.52%**
Revenue Impact in FY2023 Budget (Jan-Sept)	$3,081,999	$8,288,010	$11,370,009

Porter commercial rate request

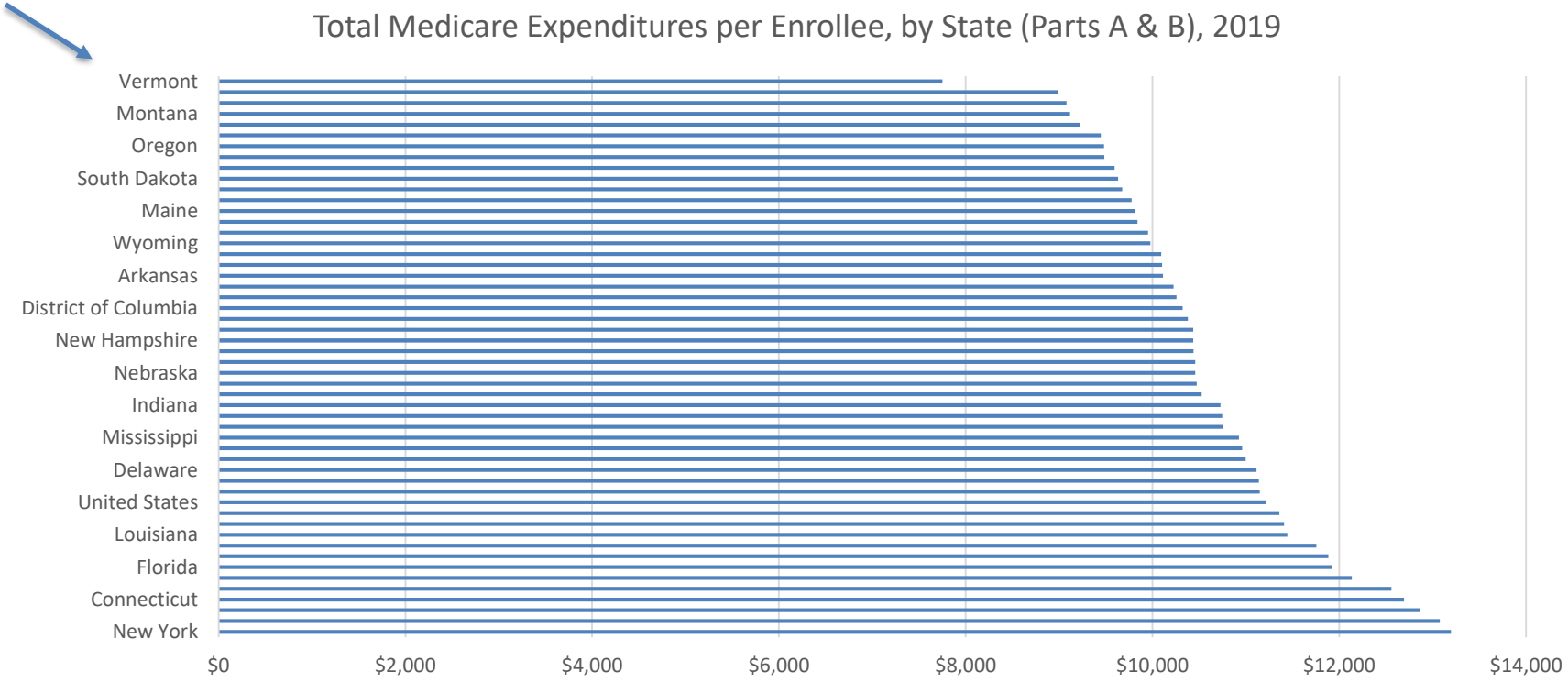
PMC	FY2022 Cost Inflation (above FY2022 Budget)	FY2023 Cost Inflation	Total Cost Inflation
Cost Inflation	**$6,773,617**	**$5,593,270**	**$5,593,270**
Less:			
FY2022 Mid-Year Rate Increase	$0	$0	$0
FY2023 - Medicare Rate Increase	$0	$3,278	$3,278
FY2023 - Medicare ACO Rate Increase	$0	$1,280,000	$1,280,000
FY2023 - Medicaid Rate Increase	$0	$560,438	$560,438
FY2023 - Other Payer Changes	$0	$62,566	$62,566
Impact on Bad Debt/Charity/Denials Calculation	$0	($291,024)	($291,024)
Sub-Total	**$0**	**$1,615,258**	**$1,615,258**
Required Funding from Commercial Rate		**$3,978,012**	**$3,978,012**
Per 1 % Impact of Commercial Rate:			
Calendar Year (12 months: Jan-Dec)	$463,233		
Budget Year (9 months: Jan-Sept)		$347,425	
Commercial Rate Increase in FY2023 Budget	**0.00%**	**11.45%**	**11.45%**
Revenue Impact in FY2023 Budget (Jan-Sept)	$0	$3,978,012	$3,978,012
Greyed highlighted areas excluded from FY2023 Commercial Rate Calculation			

Our Costs and Total Cost of Care Budgeting

Anya Rader Wallack

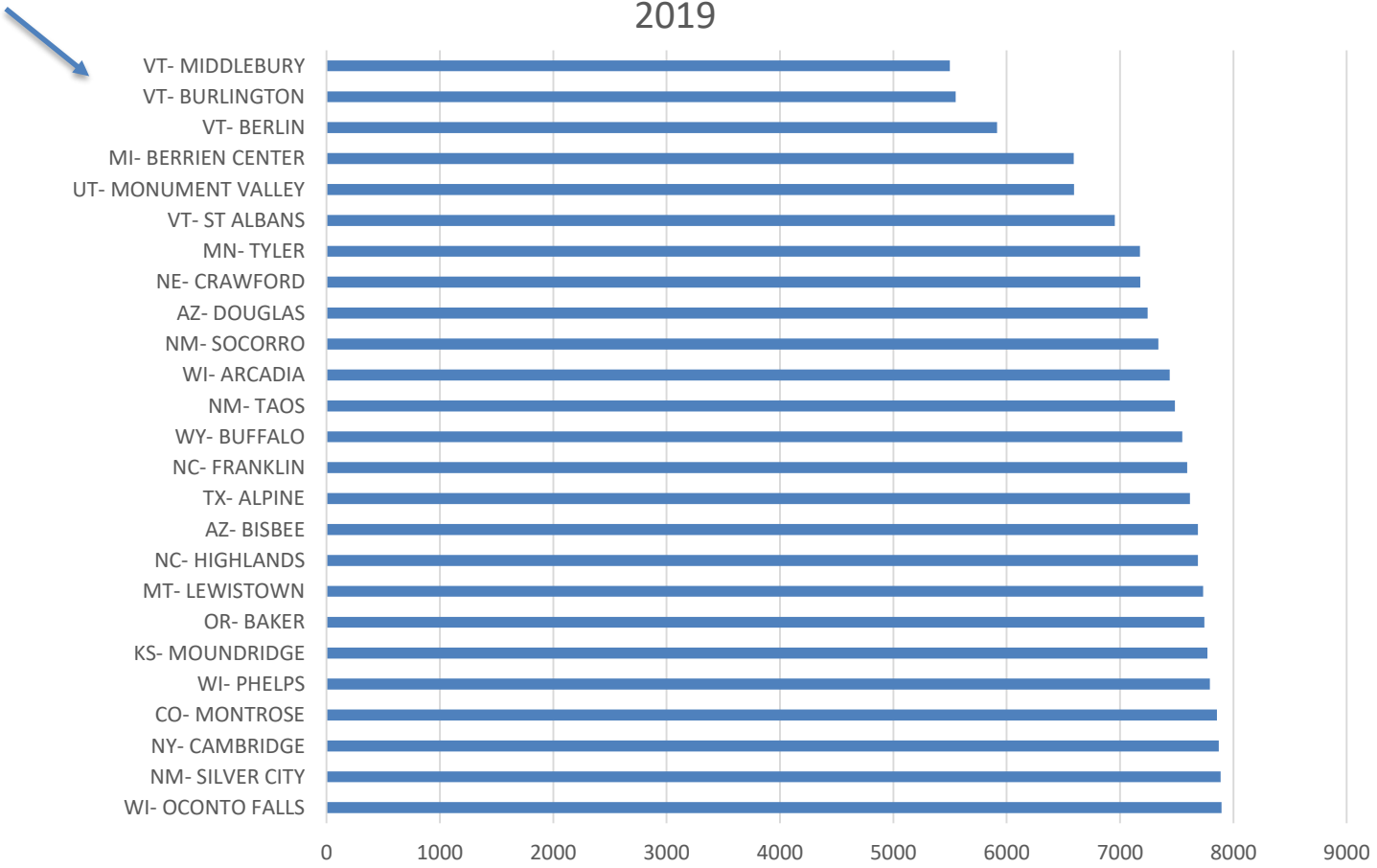
We are low cost

Vermont is the lowest-cost state for Medicare per capita expenditures

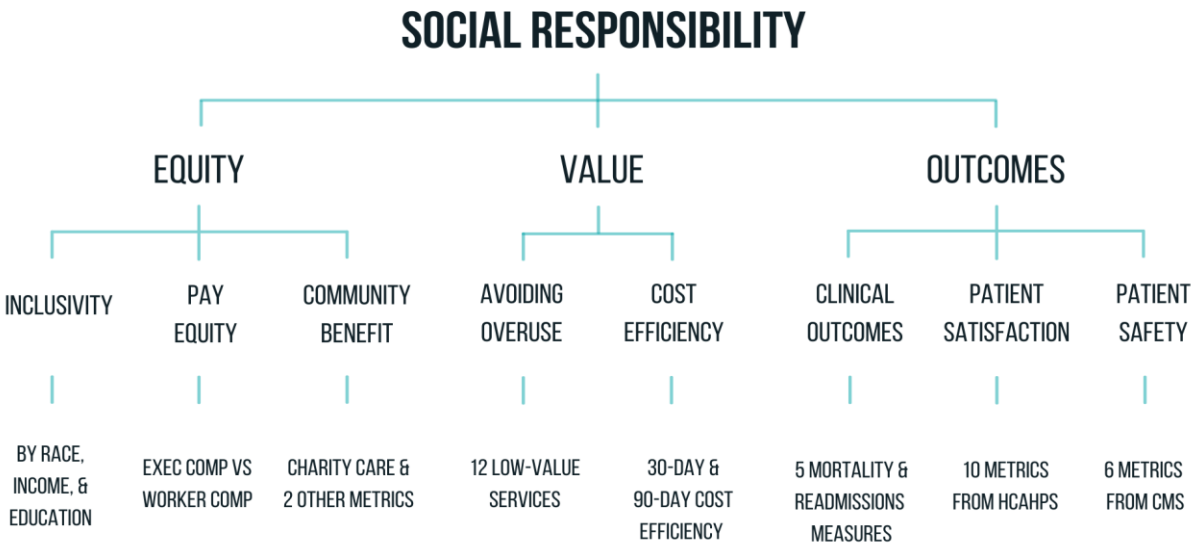


This measure is risk adjusted and price standardized, so mostly reflects differences in utilization of care
Source: Dartmouth Atlas of Health Care

25 Least Expensive HSAs In US, Total Medicare Reimbursement 2019



The Lown Institute ranks “socially-responsible hospitals” across three dimensions



Lown Institute findings

- Across the three dimensions, Porter gets an A, while UVMMC and CVMC get Bs
- Among all hospitals in the Lown dataset (3,606), UVMMC ranked second in value
  - This composite ranking was derived from ranking 9 in “avoiding overuse” and 108 in “cost efficiency”
- UVMMC ranked first among academic medical centers in value
- UVMMC ranked lower in equity, further evidence of the importance of our work on that front

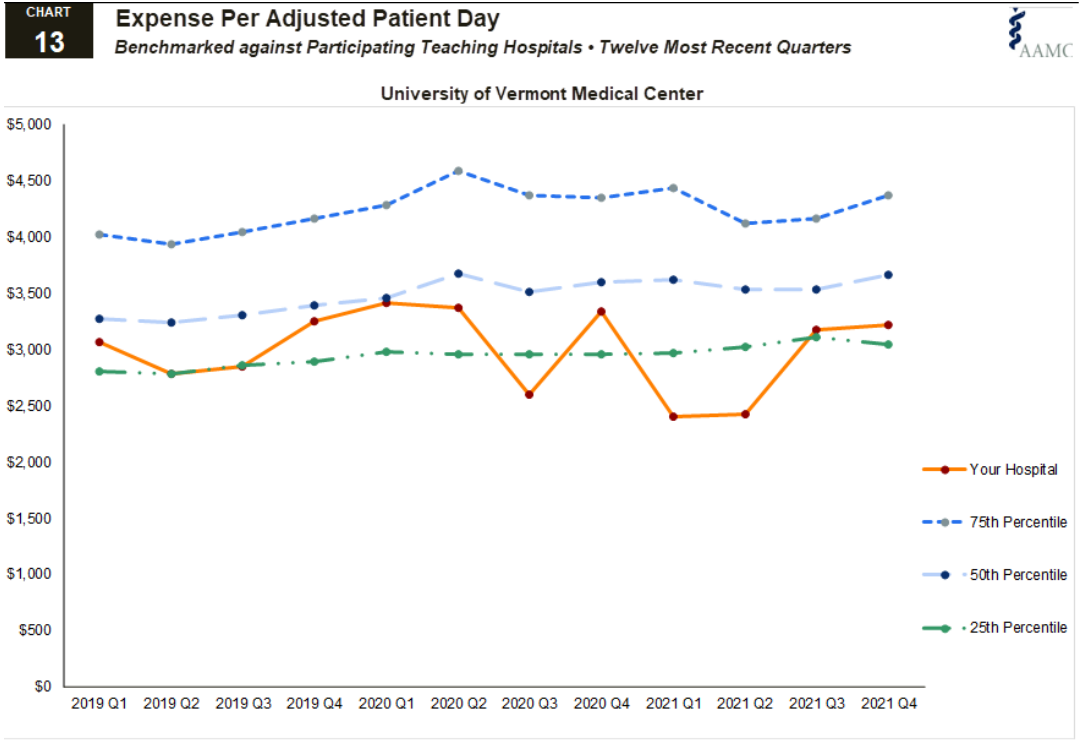
Our low costs are partly a reflection of appropriate hospital use

Vermont and US Hospital Inpatient Discharge Rates per 1,000, 2015-2020

	2015	2016	2017	2018	2019	2020
Vermont	76	80	79	82	82	73
US	104	103	105	105	104	95
VT % US	73%	78%	75%	78%	79%	77%
VT Rank	3	7	4	7	8	7

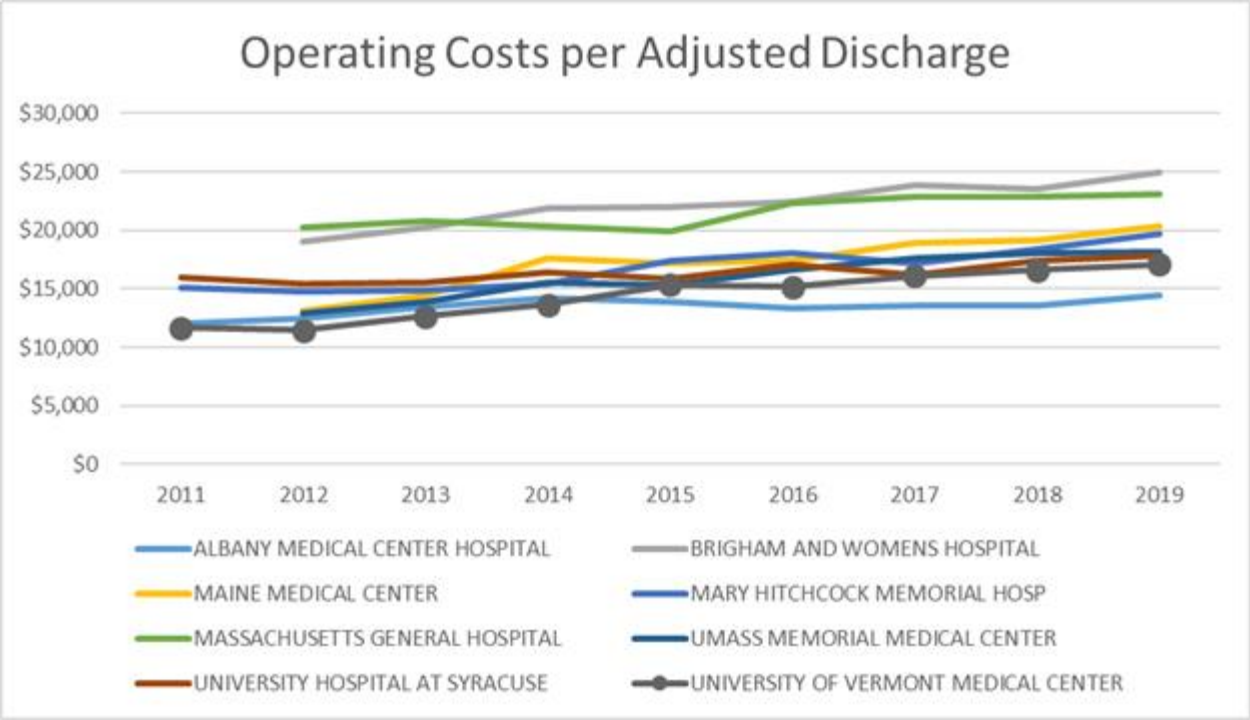
Source: KFF State Health Facts

UVMMC expenses compare well against other teaching hospitals in the US



Source: AAMC•COTH Quarterly Survey of Hospital Operations & Financial Performance

UVMMC has low costs per discharge compared to regional peers



Source: National Academy for State Health Policy Hospital Cost Tool

Sources

- “The data set forth on the graphs titled “Total Medicare Expenditures per Enrollee, by State (Parts A & B), 2019” and “25 Least Expensive HSAs in US, Total Medicare Reimbursement per Enrollee, 2019” were obtained from Dartmouth Atlas Data website, funded by the Robert Wood Johnson Foundation, The Dartmouth Clinical and Translational Science Institute, under award number UL1TR001086 from the National Center for Advancing Translational Sciences (NCATS) of the National Institutes of Health (NIH), and in part, by the National Institute of Aging, under award number U01 AG046830.”

- Lown Institute data obtained from: https://lownhospitalsindex.org/rankings

- Data on hospital costs per discharge obtained from the National Academy for State Health Policy’s Hospital Cost Tool (https://www.nashp.org/hospital-cost-tool/); the tool was developed in collaboration with Rice University’s Baker Institute for Public Policy and Mathematica, with funding from Arnold Ventures

An Alternative Approach to Budgeting

Per Capita Total Cost of Care

Why do we want to be regulated on total cost of care?

- Consistent with value-based contracting and the move away from the volume-based incentives inherent in fee-for-service
- More predictable cost constraint and revenue streams
- Matches per capita payments with per capita cost control
- Could be consistent with “global budgeting”
- Would need to agree on a methodology:
  - Numerator: Costs included
  - Denominator: Population served/attributed
  - Reasonable rate of growth

Using one approach, our NPR per capita has risen an average of 1.3% since FY 2017

	Utilization Adjustment	FY17	FY18	FY19	FY20	FY21	FY22	FY22 Budget	FY23 Budget
Primary Market Population									
Chittenden		162,372	164,572	163,774	168,323	168,865	169,409	168,865	169,954
Franklin		49,025	49,421	49,402	49,946	50,325	50,707	50,325	51,092
Grand Isle		6,998	7,090	7,235	7,293	7,421	7,551	7,421	7,684
Lamoille		25,337	25,300	25,362	25,945	26,126	26,308	26,126	26,492
Washington		58,290	58,140	58,409	59,807	59,969	60,131	59,969	60,294
Addison		36,776	36,973	36,777	37,363	37,260	37,157	37,260	37,055
Subtotal		338,798	341,496	340,959	348,677	349,966	351,264	349,966	352,571
Rest of Vermont		284,859	284,803	283,030	294,400	295,604	296,813	295,604	298,027
Total Vermont		623,657	626,299	623,989	643,077	645,570	648,077	645,570	650,597
UVMHN Population (market share adj)									
Under 45		173,776	176,855	177,026	181,750	178,348	174,298	178,348	171,248
45 - 64		88,167	87,683	86,704	90,608	94,068	97,547	94,068	102,081
65 +		53,038	55,701	58,033	60,283	62,117	64,524	62,117	66,941
Total		314,981	320,239	321,763	332,642	334,533	336,369	334,533	340,270
Utilization Adjusted UVMHN Population									
Under 45	X 1.00	173,776	176,855	177,026	181,750	178,348	174,298	178,348	171,248
45 - 64	X 2.52	222,041	220,821	218,357	228,189	236,902	245,664	236,902	257,082
65 +	X 4.45	235,949	247,799	258,173	268,181	276,339	287,050	276,339	297,798
Total		631,766	645,474	653,556	678,120	691,589	707,011	691,589	726,128
UVMHN NPR		$ 1,494,225,412	$ 1,538,581,738	$ 1,587,997,998	$ 1,481,191,345	$ 1,636,173,812	$ 1,786,160,265	$ 1,863,812,924	$ 2,043,709,666
Less: NY NPR		$ 181,667,846	$ 194,375,659	$ 195,355,597	$ 185,957,876	$ 204,003,732	$ 223,946,237	$ 236,835,517	$ 262,162,842
UVMHN VT NPR		$ 1,312,557,566	$ 1,344,206,079	$ 1,392,642,401	$ 1,295,233,469	$ 1,432,170,080	$ 1,562,214,028	$ 1,626,977,407	$ 1,781,546,824
VT NPR per UVMHN VT Population		$ 4,167	$ 4,198	$ 4,328	$ 3,894	$ 4,281	$ 4,644	$ 4,863	$ 5,236
Percent Change		3.5%	0.7%	3.1%	-10.0%	9.9%	8.5%		7.7%
FY17 to FY22 per Year Average							2.3%		
VT NPR per UVMHN VT Population (Age Adj)		$ 2,078	$ 2,083	$ 2,131	$ 1,910	$ 2,071	$ 2,210	$ 2,353	$ 2,453
Percent Change		2.6%	0.2%	2.3%	-10.4%	8.4%	6.7%		4.3%
FY17 to FY22 per Year Average							1.3%		

Assumed market share

Assumed age distribution

Assumed utilization factor by age band

Growth in Net Patient Revenue per capita for our population

Sources: VT Health Statistics & Vital Records; US Census Bureau; US Dept. of Health & Human Services

The All-Payer Model contemplated such an approach, but the hospital budget process has not adapted

Select Year**

2019

Performance Year Results: Performance Year 2 (2019)

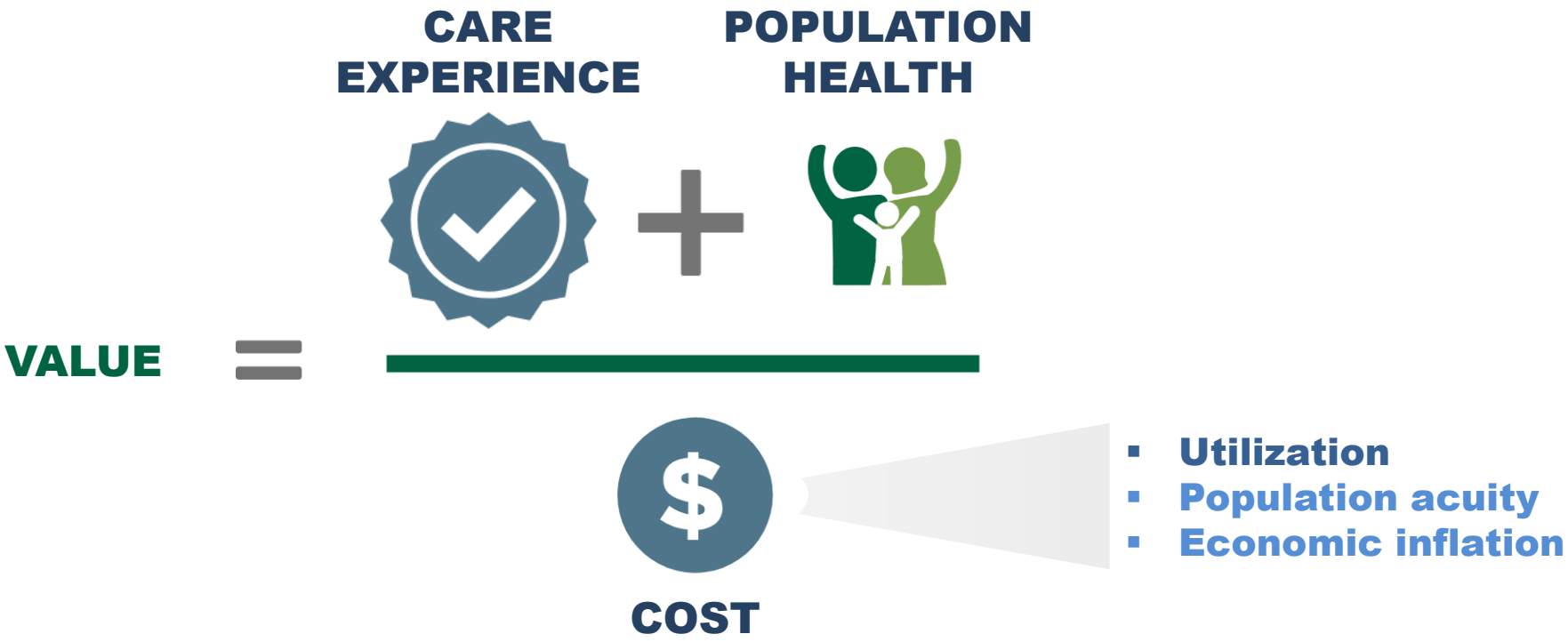
Domain	Measure	Target	Result	On Target?
Scale	All-Payer Scale	50%	31%	No
	Medicare Scale	75%	47%	No
Financial	All-Payer TCOC Growth	4.3%	4.6%	No
	Medicare TCOC Growth	4.0%	3.0%	Yes
Health Outcomes and Quality of Care	Population-Level Health	Achieve 4 out of 6 Outcomes	4 out of 6	Yes
	Healthcare Delivery System Quality	Achieve 6 out of 9 Outcomes	8 out of 9	Yes
	Process Milestones	Achieve 5 out of 7 Outcomes	5 out of 7	Yes

*** PY3 (2020) measures with no results are expected to be available in January 2022*

Our Commitment to Value-Based Care

Jason Sanders, MD

We are committed to value-based care



Our care experience is highly rated

- UVM Medical Center and Central Vermont Medical Center both have a 5 star ranking nationally by CMS Medicare, placing them in the top 15% of hospitals in the country

Your Star Rating	5 Stars	★	★	★	★	★

- UVM Medical Center was again named the No. 1 hospital in Vermont by U.S. News & World Report, recognized as high performing for stroke, heart disease, lung disease, kidney disease, colon cancer surgery and hip surgery

We deliver high-quality, essential services to Vermont

- Children’s Hospital
- Level 1 Trauma Center
- Cardiac Catheterization
- Stroke Center
- Cancer Center
- Critical Care, COVID-19
- Specialized Surgical Care
- Regional Transport System

Our providers are working to meet growing access needs

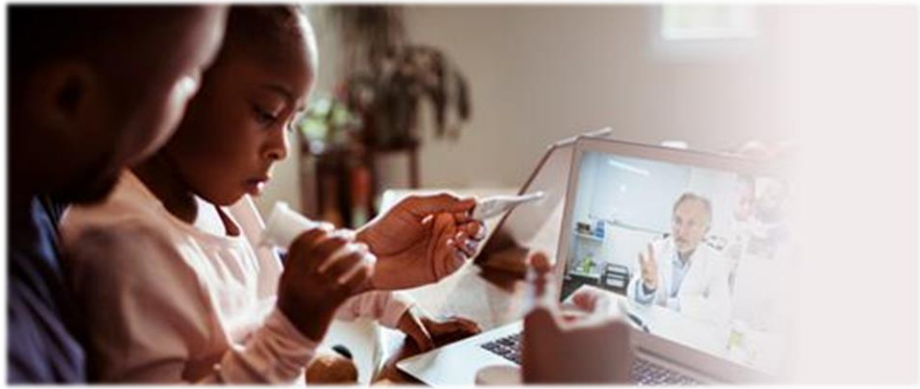


Photo source: eConsults Program - My CMS | My CMS (partners.org)

- **eConsults** for primary and specialty care collaboration to improve referral processes
- **Telehealth** digital tools to serve our rural region
- **Centralized scheduling** for specialty clinics
- **Targeted backlog reduction** for procedures and imaging

We have built the foundations to impact population health

- Epic electronic health record
- Analytics
- Reporting
- Care management
- Clinical integration
- ACO partnerships

Our Approach to Health Equity

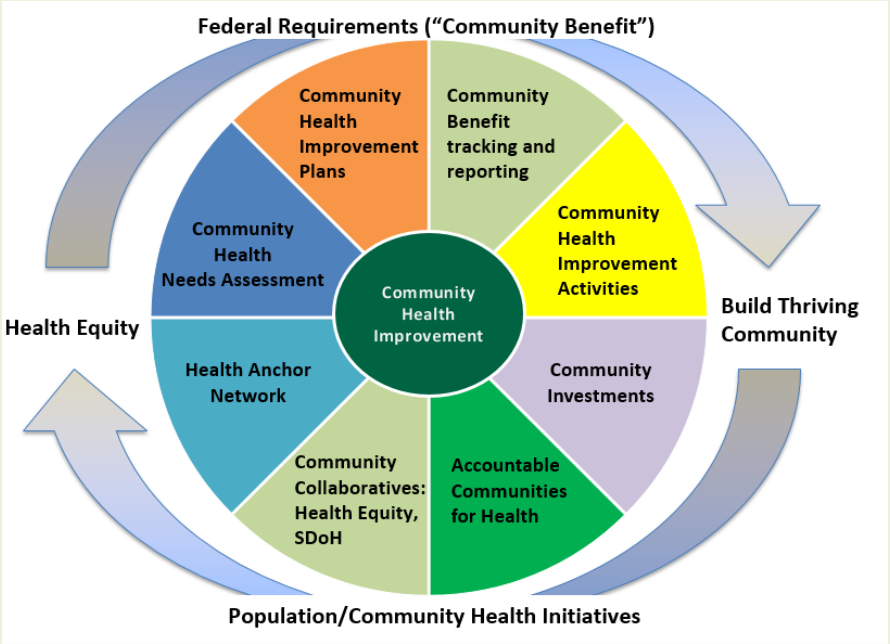
Jackie Hunter, DC

Health equity

Health equity: Everyone has a fair opportunity to attain their full health potential and, more pragmatically, no one should be disadvantaged from achieving this potential, if it can be avoided *(IHI, 2016)*

1. Partner with community
2. Make health equity a strategic priority
3. Build infrastructure to support health equity
4. Address multiple determinants of health
5. Eliminate racism and other forms of oppression

Health Equity and Community Benefit in Action at UVM Health Network



UVM Health Network DEI strategy

The UVM Health Network is committed to creating a culture that is diverse, equitable and inclusive for our employees, patients and communities we serve. This will be embedded in all strategies and tactics and will ultimately be a part of who we are as an organization.

Our Patients and Families

We will work to create a more equitable and inclusive care environment throughout the health system, in order to provide high-quality health care to our diverse and evolving communities.

Our strategic priorities include:

- Identifying and establishing processes to address disparities in health outcomes, and to advance health equity
- Improving timely, appropriate access to critical health care services
- Fostering cultural awareness and humility among providers and staff
- Developing and reviewing external policies and practices related to equity and inclusion of patients, families and visitors

Our People

We will work to create a more equitable and inclusive environment for providers and staff, in order to foster a culture of belonging and attract and retain a talented and committed workforce.

Our strategic priorities include:

- Identifying and addressing areas of opportunity to better support our diverse workforce
- Embedding diversity, equity and inclusion in all aspects of recruitment and retention
- Identifying and reviewing internal policies through a DEI lens, with process standardization across the Network
- Providing diversity, equity and inclusion education for all employees Network-wide

Our Communities

We will work collaboratively to create more inclusive and sustainable local economies; to help address systemic barriers to health; and to foster health and well-being in our communities.

Our strategic priorities include:

- Engaging in a population health/high value care approach to address structural determinants of health, advance equity and keep our communities as healthy as possible
- Leveraging local hiring, purchasing and investment to create equitable economic impact
- Focusing our local boards on community needs and population health
- Fostering community partnerships to identify and address areas of opportunity and communicating transparently about our work
- Acknowledging historical inequities in health care and working to build trust

Challenges on the Ground

Steve Leffler, MD
Anna Tempesta Noonan, RN
Tom Thompson

UVM Medical Center

Psych Services and Emergency Department

- Exceptional strain on Psych Services and ED (59 beds with demand at more than 100)
  - Excessive demand from unmet psychiatric needs – occupying 25% of ED capacity
  - Average census of 15 requiring additional 44 staff for 1:1 constant observation, costing $450K per month (annualized $5.4M)
  - IP Psych Service demand driving additional need for traveler staff with annual cost of $2.3M

Capacity

- Lack of post-acute beds
  - On average, between 50-75 patients waiting for post-acute external placement every day
  - 18% of med/surg beds
- High demand for inpatient beds
  - Budgeted census 410; Average Daily Census Q3 has been running 440, putting many areas over 100% capacity
  - UVMMC added 15 temporary inpatient beds in FY21 due to high demand
  - Lack of available staff and increased patient volume driving need for travelers – averaging 385 per month with a peak of 438
    - Annualized cost related to staffing shortage and reliance on travelers $117M versus $13.4M FY22 budget

Workforce

- Approximately 58% of UVMMC's overall expense budget is workforce related
- $150M (15.8%) budget-to-budget increase directly related to cost of staffing increases and travelers to manage the needs of our patients and transferring hospitals

Central Vermont Medical Center

- The requested FY 2023 budget is critical for CVMC to continue offering the essential services we provide to central Vermonters
- CVMC is a high-quality and low-cost provider of health care
- Challenges that are impacting our operating loss:
  - Cost of labor: Highly competitive and shrinking labor market
  - High inpatient census: Primarily chronic, complex medical acute care
  - Uncompensated care:
    - Emergency Department boarders
    - Inpatient psychiatry
    - Long-stay patients
    - Woodridge

Porter Hospital

- Challenged workforce and increasing demands
- Capacity pressures will be ongoing
- Maintaining access to care commitment across the care spectrum is important and expensive
- The amazing adaptability of our systems and our people
- Our rate request supports baseline requirements and projects significant operational improvements

In Closing

Al Gobeille

From our discussion today

- We are high-quality, low-cost providers of care
- We face national and global headwinds that drive cost inflation
- Our financial position must improve to sustain our mission in service of our communities
- We will reconcile all government payer increases against our requested FY 2023 commercial rates and send this schedule to the GMCB by November 15

Thank you

UVMHealth.org

THE
University of Vermont
HEALTH NETWORK

Appendix

UVM Medical Center: Income Statement

	UVMMC				
	ACT2020	ACT2021	ACT2022 Projected	BUD2022	BUD2023
SUMMARY INCOME STATEMENT					
Patient Revenue	2,719,070,165	3,083,748,404	3,510,235,552	3,495,196,116	3,973,779,987
Deductions	1,685,631,702	1,950,170,041	2,264,415,550	2,171,570,030	2,523,860,009
Net Patient Service Revenue	**1,033,438,463**	**1,133,578,363**	**1,245,820,002**	**1,323,626,086**	**1,449,919,978**
FPP + OCV Revenue	166,289,772	174,137,869	187,475,003	184,880,390	208,805,650
Other Revenue	258,366,310	301,030,443	314,875,982	213,583,061	302,189,353
TOTAL UNRESTRICTED REVENUE & OTHER	**1,458,094,545**	**1,608,746,674**	**1,748,170,987**	**1,722,089,536**	**1,960,914,981**
Salaries	684,495,511	742,174,406	863,058,484	757,696,020	899,984,056
Benefits	150,365,890	168,312,724	181,243,616	191,974,555	199,427,932
Other Expense	492,645,029	523,386,041	596,713,787	556,925,529	659,872,492
Depreciation	65,902,262	62,290,231	67,247,291	70,212,839	66,201,582
Provider Tax	68,693,127	76,060,716	82,907,811	85,942,735	96,127,311
TOTAL EXPENSES	**1,462,101,819**	**1,572,224,117**	**1,791,170,987**	**1,662,751,679**	**1,921,613,374**
NET INCOME (LOSS) FROM OPERATIONS	**(4,007,273)**	**36,522,557**	**(43,000,000)**	**59,337,858**	**39,301,607**
Non Operating Revenue (Expense)	39,501,393	35,889,994	(59,778,463)	20,937,482	16,632,100
Excess (Deficiency) Of Revenues Over Expenses	**35,494,119**	**72,412,551**	**(102,778,463)**	**80,275,340**	**55,933,706**
Other Non Operating Gain / (Loss)	(53,237,422)	47,350,198	(27,957,497)	43,779	263,955
INCREASE/(DECREASE) UNRESTRICTED NET ASSET	**(17,743,303)**	**119,762,749**	**(130,735,960)**	**80,319,120**	**56,197,661**

UVM Medical Center: Balance Sheet – Assets

	UVMMC				
	ACT2020	ACT2021	ACT2022 Projected	BUD2022	BUD2023
SUMMARY BALANCE SHEET					
CURRENT ASSETS					
CASH & INVESTMENTS	194,761,845	198,774,513	107,884,336	180,903,823	121,859,317
PATIENT ACCOUNTS RECEIVABLE, GROSS	200,360,570	220,893,078	219,402,675	214,224,870	248,375,913
LESS: ALLOWANCE FOR UNCOLLECTIBLE ACCTS	(42,065,964)	(32,856,078)	(43,785,468)	(37,057,939)	(49,567,561)
DUE FROM THIRD PARTIES	38,451,763	38,887,352	44,194,736	37,425,396	44,194,736
ACO RISK RESERVE/SETTLEMENT RECEIVABLE	-	7,824,341	2,633,283	5,000,000	2,633,283
OTHER CURRENT ASSETS	113,260,016	91,947,303	87,008,141	106,016,163	87,008,141
TOTAL CURRENT ASSETS	504,768,230	525,470,509	417,337,703	506,512,313	454,503,828
UNRESTRICTED FUNDED DEPRECIATON	549,107,796	623,698,615	516,253,432	633,297,209	533,149,487
ESCROWED BOND FUNDS	-	-	-	-	-
RESTRICTED OTHER BOARD DESIGNATED ASSETS	67,415,992	89,851,171	86,163,239	87,880,000	86,163,239
TOTAL BOARD DESIGNATED ASSETS	616,523,788	713,549,786	602,416,671	721,177,208	619,312,726
PROPERTY, PLANT, AND EQUIPMENT					
LAND, BUILDINGS & IMPROVEMENTS	913,207,548	917,753,544	889,125,989	957,180,476	937,282,369
CONSTRUCTION IN PROGRESS	25,321,642	53,333,647	12,611,937	36,289,707	12,611,937
MAJOR MOVABLE EQUIPMENT	485,492,437	494,082,075	517,164,006	525,773,537	540,570,375
FIXED EQUIPMENT	-	-	-	-	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,424,021,627	1,465,169,266	1,418,901,932	1,519,243,720	1,490,464,680
LESS: ACCUMULATED DEPRECIATION					
LAND, BUILDINGS & IMPROVEMENTS	(422,526,056)	(453,534,588)	(437,161,142)	(492,874,419)	(472,723,972)
EQUIPMENT - FIXED	-	-	-	-	-
EQUIPMENT - MAJOR MOVEABLE	(361,372,990)	(391,471,333)	(376,631,218)	(423,698,279)	(407,269,970)
TOTAL ACCUMULATED DEPRECIATION	(783,899,046)	(845,005,921)	(813,792,360)	(916,572,698)	(879,993,943)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	640,122,581	620,163,346	605,109,572	602,671,022	610,470,738
OTHER LONG-TERM ASSETS	65,558,813	58,978,368	60,172,363	65,947,792	60,172,363
TOTAL ASSETS	**1,826,973,412**	**1,918,162,009**	**1,685,036,309**	**1,896,308,335**	**1,744,459,654**

UVM Medical Center:
Balance Sheet – Liabilities and Fund Balance

	UVMMC				
	ACT2020	ACT2021	ACT2022 Projected	BUD2022	BUD2023
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	27,779,653	29,741,085	32,158,494	42,892,632	34,611,306
SALARIES, WAGES AND PAYROLL TAXES PAYABLE	97,282,786	92,047,675	85,532,739	83,759,092	89,192,219
ESTIMATED THIRD-PARTY SETTLEMENTS	19,230,660	2,775,507	1,686,323	3,165,681	1,686,323
OTHER CURRENT LIABILITIES	53,997,050	63,370,962	82,330,819	54,494,848	82,330,819
CURRENT PORTION OF LONG-TERM DEBT	19,783,625	19,833,768	19,839,329	22,322,022	20,841,423
ACO RISK RESERVES/SETTLEMENT PAYABLE	-	25,991,878	4,938,640	-	4,938,640
CURRENT LIABILITIES COVID-19	76,060,696	58,085,251	-	-	-
TOTAL CURRENT LIABILITIES	294,134,469	291,846,125	226,486,344	206,634,275	233,600,729
LONG-TERM DEBT					
BONDS & MORTGAGES PAYABLE	438,669,100	417,399,831	389,509,088	394,909,193	368,667,665
CAPITAL LEASE OBLIGATIONS	391,361	960,050	696,297	1,162,611	696,297
OTHER LONG-TERM DEBT	-	-	-	-	-
TOTAL LONG-TERM DEBT	439,060,461	418,359,882	390,205,386	396,071,804	369,363,962
OTHER NONCURRENT LIABILITIES	71,302,071	54,351,779	48,198,870	67,303,398	48,198,870
TOTAL LIABILITIES	**804,497,002**	**764,557,786**	**664,890,600**	**670,009,478**	**651,163,562**
FUND BALANCE	1,022,476,410	1,153,604,222	1,020,145,709	1,226,298,857	1,093,296,092
TOTAL LIABILITIES AND FUND BALANCE	**1,826,973,412**	**1,918,162,008**	**1,685,036,309**	**1,896,308,335**	**1,744,459,654**

UVM Medical Center: Cash Flow Statement

	UVMMC		
	ACT2021	ACT2022 Projected	BUD2023
STATEMENT OF CASH FLOWS			
Sources of Cash:			
Income from Operations	36,522,557	-43,000,000	39,301,607
Net NonOperating Income	83,240,192	-87,735,960	16,896,055
Items Not Affecting Working Capital:			
Depreciation	62,290,231	67,247,291	66,201,582
Amortization			
Other	-21,389,821	-6,375,964	17,954,816
Long Term Debt Proceeds	0	0	0
Total Sources of Cash	**160,663,159**	**(69,864,633)**	**140,354,060**
Uses of Cash:			
Change in Working Capital, Excluding Current Portion of Debt	19,028,098	48,122,713	17,078,853
Additions to Property, Plant & Equipment, net	42,330,996	52,193,517	71,562,748
Long Term Debt Principal Repayments	20,700,579	28,154,496	20,841,423
Total Uses of Cash	**82,059,673**	**128,470,726**	**109,483,024**
Cash Provided (Used)	78,603,487	(198,335,359)	30,871,035
Cash Balance, beginning of period	743,869,641	822,473,128	624,137,768
Cash Balance, end of period	**822,473,128**	**624,137,769**	**655,008,804**
Summary of Cash and Investments			
Operating Cash	198,774,513	107,884,336	121,859,317
Board Designated Assets	623,698,615	516,253,432	533,149,487
Total	**822,473,128**	**624,137,768**	**655,008,804**

CVMC: Income Statement

	CVMC				
	ACT2020	ACT2021	ACT2022 Projected	BUD2022	BUD2023
SUMMARY INCOME STATEMENT					
Patient Revenue	395,992,628	465,268,488	516,050,376	532,049,268	579,156,151
Deductions	247,629,214	285,142,721	331,490,975	326,763,958	368,355,909
Net Patient Service Revenue	**148,363,413**	**180,125,768**	**184,559,400**	**205,285,311**	**210,800,242**
FPP + OCV Revenue	45,456,991	47,219,794	58,723,240	45,669,416	58,431,148
Other Revenue	40,708,030	21,394,398	24,930,053	17,420,950	18,604,860
TOTAL UNRESTRICTED REVENUE & OTHER	**234,528,434**	**248,739,960**	**268,212,694**	**268,375,677**	**287,836,250**
Salaries	117,806,842	124,918,384	152,653,320	125,896,522	141,986,633
Benefits	30,365,563	33,807,949	30,730,863	36,758,344	34,130,824
Other Expense	68,236,692	71,512,841	77,577,451	79,080,055	85,026,487
Depreciation	8,082,083	7,789,208	7,459,997	8,046,630	8,046,011
Provider Tax	11,356,599	13,250,731	13,291,064	14,534,621	15,772,324
TOTAL EXPENSES	**235,847,779**	**251,279,114**	**281,712,694**	**264,316,173**	**284,962,279**
NET INCOME (LOSS) FROM OPERATIONS	**(1,319,345)**	**(2,539,154)**	**(13,500,000)**	**4,059,504**	**2,873,971**
Non Operating Revenue (Expense)	6,978,148	15,526,144	(3,568,365)	7,323,626	5,682,495
Excess (Deficiency) Of Revenues Over Expenses	**5,658,804**	**12,986,990**	**(17,068,365)**	**11,383,131**	**8,556,466**
Other Non Operating Gain / (Loss)	5,513,876	14,149,965	(655,765)	673,920	(206,486)
INCREASE/(DECREASE) UNRESTRICTED NET ASSET	**11,172,680**	**27,136,955**	**(17,724,131)**	**12,057,050**	**8,349,981**

CVMC: Balance Sheet – Assets

	CVMC				
	ACT2020	ACT2021	ACT2022 Projected	BUD2022	BUD2023
SUMMARY BALANCE SHEET					
CURRENT ASSETS					
CASH & INVESTMENTS	27,956,469	10,498,749	7,445,210	13,939,153	4,849,182
PATIENT ACCOUNTS RECEIVABLE, GROSS	26,246,068	38,805,500	43,259,078	25,819,301	45,010,493
LESS: ALLOWANCE FOR UNCOLLECTIBLE ACCTS	(3,865,990)	(4,672,775)	(5,954,602)	(3,865,990)	(6,470,984)
DUE FROM THIRD PARTIES	0	0	0	(22,000)	0
ACO RISK RESERVE/SETTLEMENT RECEIVABLE	-	-	-	-	-
OTHER CURRENT ASSETS	11,089,886	6,845,319	8,810,179	8,295,853	8,810,179
TOTAL CURRENT ASSETS	61,426,433	51,476,793	53,559,865	44,166,317	52,198,870
UNRESTRICTED FUNDED DEPRECIATON	54,165,813	65,611,527	53,881,961	65,577,155	56,519,937
ESCROWED BOND FUNDS	-	-	-	-	-
RESTRICTED OTHER BOARD DESIGNATED ASSETS	7,967,046	8,911,669	8,158,998	9,507,151	8,158,998
TOTAL BOARD DESIGNATED ASSETS	62,132,859	74,523,197	62,040,959	75,084,306	64,678,936
PROPERTY, PLANT, AND EQUIPMENT					
LAND, BUILDINGS & IMPROVEMENTS	122,448,323	124,863,421	126,733,962	142,647,011	128,919,742
CONSTRUCTION IN PROGRESS	6,539,558	3,363,102	2,167,272	360,910	2,167,272
MAJOR MOVABLE EQUIPMENT	52,519,493	51,080,615	52,259,728	56,550,129	56,512,614
FIXED EQUIPMENT	-	-	-	-	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	181,507,374	179,307,139	181,160,962	199,558,050	187,599,629
LESS: ACCUMULATED DEPRECIATION					
LAND, BUILDINGS & IMPROVEMENTS	(74,512,573)	(77,447,877)	(82,365,763)	(85,090,370)	(87,754,712)
EQUIPMENT - FIXED	-	-	-	-	-
EQUIPMENT - MAJOR MOVEABLE	(38,895,366)	(38,068,946)	(40,611,058)	(44,240,509)	(43,268,120)
TOTAL ACCUMULATED DEPRECIATION	(113,407,939)	(115,516,823)	(122,976,820)	(129,330,879)	(131,022,831)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	68,099,435	63,790,315	58,184,142	70,227,171	56,576,797
OTHER LONG-TERM ASSETS	10,440,267	10,368,326	12,662,098	9,260,946	12,662,098
TOTAL ASSETS	**202,098,994**	**200,158,631**	**186,447,065**	**198,738,740**	**186,116,702**

CVMC: Balance Sheet – Liabilities and Fund Balance

	CVMC				
	ACT2020	ACT2021	ACT2022 Projected	BUD2022	BUD2023
SUMMARY BALANCE SHEET					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	3,732,157	7,086,532	11,632,849	2,723,153	11,745,829
SALARIES, WAGES AND PAYROLL TAXES PAYABLE	19,482,958	20,750,816	20,864,390	20,412,973	19,406,486
ESTIMATED THIRD-PARTY SETTLEMENTS	3,748,886	1,665,232	2,042,159	1,506,233	2,042,159
OTHER CURRENT LIABILITIES	10,503,706	10,073,119	10,604,808	10,319,951	10,604,808
CURRENT PORTION OF LONG-TERM DEBT	4,832,094	7,282,011	9,782,021	4,282,021	8,032,241
ACO RISK RESERVES/SETTLEMENT PAYABLE	8,350,760	2,842,526	3,315,067	5,000,000	3,315,067
CURRENT LIABILITIES COVID-19	9,627,133	6,464,782	-	-	-
TOTAL CURRENT LIABILITIES	60,277,695	56,165,019	58,241,295	44,244,331	55,146,590
LONG-TERM DEBT					
BONDS & MORTGAGES PAYABLE	19,744,553	15,413,751	15,462,506	11,730,265	11,730,265
CAPITAL LEASE OBLIGATIONS	-	-	-	-	-
OTHER LONG-TERM DEBT	-	-	-	-	-
TOTAL LONG-TERM DEBT	19,744,553	15,413,751	15,462,506	11,730,265	11,730,265
OTHER NONCURRENT LIABILITIES	28,969,421	7,647,609	6,862,785	23,772,800	6,862,785
TOTAL LIABILITIES	**108,991,669**	**79,226,379**	**80,566,586**	**79,747,396**	**73,739,640**
FUND BALANCE	93,107,325	120,932,251	105,880,479	118,991,345	112,377,062
TOTAL LIABILITIES AND FUND BALANCE	**202,098,994**	**200,158,631**	**186,447,065**	**198,738,740**	**186,116,702**

CVMC: Cash Flow Statement

	CVMC		
	ACT2021	ACT2022 Projected	BUD2023
STATEMENT OF CASH FLOWS			
Sources of Cash:			
Income from Operations	-2,539,154	-13,500,000	2,873,971
Net NonOperating Income	29,676,109	-4,224,131	5,476,010
Items Not Affecting Working Capital:			
Depreciation	7,789,208	7,459,997	8,046,011
Amortization			
Other	-19,056,605	2,846,442	-3,603,177
Long Term Debt Proceeds	0	0	0
Total Sources of Cash	**15,869,558**	**(7,417,692)**	**12,792,814**
Uses of Cash:			
Change in Working Capital, Excluding Current Portion of Debt	14,070,674	5,560,345	2,579,958
Additions to Property, Plant & Equipment, net	3,480,089	1,853,823	6,438,667
Long Term Debt Principal Repayments	4,330,802	-48,755	3,732,241
Total Uses of Cash	**21,881,564**	**7,365,414**	**12,750,866**
Cash Provided (Used)	(6,012,006)	(14,783,105)	41,949
Cash Balance, beginning of period	82,122,282	76,110,276	61,327,171
Cash Balance, end of period	**76,110,276**	**61,327,171**	**61,369,119**
Summary of Cash and Investments			
Operating Cash	10,498,749	7,445,210	4,849,182
Board Designated Assets	65,611,527	53,881,961	56,519,937
Total	**76,110,276**	**61,327,171**	**61,369,119**

Porter Hospital: Income Statement

	PH				
	ACT2020	ACT2021	ACT2022 Projected	BUD2022	BUD2023
SUMMARY INCOME STATEMENT					
Patient Revenue	155,312,236	175,799,847	189,644,346	184,556,184	197,618,118
Deductions	95,576,348	104,785,436	110,393,657	111,105,143	111,220,752
Net Patient Service Revenue	**59,735,888**	**71,014,410**	**79,250,689**	**73,451,041**	**86,397,366**
FPP + OCV Revenue	17,736,839	20,506,542	20,799,492	20,716,994	18,066,702
Other Revenue	12,371,388	7,753,445	6,530,196	6,208,817	4,447,688
TOTAL UNRESTRICTED REVENUE & OTHER	**89,844,115**	**99,274,398**	**106,580,377**	**100,376,851**	**108,911,755**
Salaries	43,626,173	46,949,846	55,749,974	46,611,430	53,311,336
Benefits	9,552,754	9,548,516	10,295,012	11,966,970	11,884,599
Other Expense	25,598,115	27,193,331	28,948,210	28,333,656	29,129,794
Depreciation	2,956,128	2,856,225	3,149,694	3,133,013	2,527,385
Provider Tax	4,437,345	5,056,752	5,089,258	5,170,719	5,882,043
TOTAL EXPENSES	**86,170,515**	**91,604,670**	**103,232,148**	**95,215,788**	**102,735,157**
NET INCOME (LOSS) FROM OPERATIONS	**3,673,600**	**7,669,728**	**3,348,229**	**5,161,064**	**6,176,598**
Non Operating Revenue (Expense)	217,041	1,035,119	(1,969,977)	777,936	547,646
Excess (Deficiency) Of Revenues Over Expenses	**3,890,640**	**8,704,847**	**1,378,252**	**5,939,000**	**6,724,244**
Other Non Operating Gain / (Loss)	-	2,317,437	-	-	-
INCREASE/(DECREASE) UNRESTRICTED NET ASSET	**3,890,640**	**11,022,284**	**1,378,252**	**5,939,000**	**6,724,244**

Porter Hospital: Balance Sheet – Assets

	PH				
	ACT2020	ACT2021	ACT2022 Projected	BUD2022	BUD2023
SUMMARY BALANCE SHEET					
CURRENT ASSETS					
CASH & INVESTMENTS	37,964,775	30,445,316	13,747,784	28,203,184	17,830,094
PATIENT ACCOUNTS RECEIVABLE, GROSS	31,002,614	30,427,308	21,583,682	26,625,303	22,509,338
LESS: ALLOWANCE FOR UNCOLLECTIBLE ACCTS	(17,701,548)	(17,344,910)	(12,620,432)	(15,797,343)	(13,151,070)
DUE FROM THIRD PARTIES	930,991	4,367,940	7,990,798	2,847,586	7,990,798
ACO RISK RESERVE/SETTLEMENT RECEIVABLE	-	-	-	-	-
OTHER CURRENT ASSETS	4,548,987	3,193,132	5,230,107	3,452,915	5,230,107
TOTAL CURRENT ASSETS	56,745,818	51,088,786	35,931,938	45,331,645	40,409,267
UNRESTRICTED FUNDED DEPRECIATON	-	11,826,884	28,261,368	9,023,594	28,809,013
ESCROWED BOND FUNDS	-	-	-	-	-
RESTRICTED OTHER BOARD DESIGNATED ASSETS	5,882,294	7,378,953	7,389,103	5,945,539	7,389,103
TOTAL BOARD DESIGNATED ASSETS	5,882,294	19,205,838	35,650,471	14,969,133	36,198,116
PROPERTY, PLANT, AND EQUIPMENT					
LAND, BUILDINGS & IMPROVEMENTS	29,874,755	31,078,273	31,078,273	32,596,327	32,389,187
CONSTRUCTION IN PROGRESS	575,762	54,782	107,160	984,635	107,160
MAJOR MOVABLE EQUIPMENT	23,526,433	24,516,795	25,253,219	25,871,003	27,065,224
FIXED EQUIPMENT	3,335,552	3,349,172	3,349,172	3,610,045	3,349,172
TOTAL PROPERTY, PLANT AND EQUIPMENT	57,312,502	58,999,023	59,787,825	63,062,009	62,910,744
LESS: ACCUMULATED DEPRECIATION					
LAND, BUILDINGS & IMPROVEMENTS	(18,846,570)	(20,176,254)	(21,657,501)	(21,604,854)	(22,835,190)
EQUIPMENT - FIXED	(3,199,983)	(3,248,354)	(3,272,662)	(3,712,404)	(3,272,662)
EQUIPMENT - MAJOR MOVEABLE	(18,533,560)	(20,011,730)	(21,548,041)	(21,362,683)	(22,719,777)
TOTAL ACCUMULATED DEPRECIATION	(40,580,113)	(43,436,338)	(46,478,203)	(46,679,941)	(48,827,628)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	16,732,389	15,562,685	13,309,622	16,382,068	14,083,116
OTHER LONG-TERM ASSETS	2,091,015	1,386,155	1,386,155	1,690,071	1,386,155
TOTAL ASSETS	**81,451,516**	**87,243,463**	**86,278,186**	**78,372,918**	**92,076,655**

Porter Hospital: Balance Sheet – Liabilities and Fund Balance

	PH				
	ACT2020	ACT2021	ACT2022 Projected	BUD2022	BUD2023
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	2,071,859	846,093	483,785	895,301	484,390
SALARIES, WAGES AND PAYROLL TAXES PAYABLE	6,642,665	7,435,110	8,233,627	7,011,863	7,873,469
ESTIMATED THIRD-PARTY SETTLEMENTS	4,827,281	4,103,946	655,250	-	655,250
OTHER CURRENT LIABILITIES	4,876,745	1,865,407	6,728,989	5,292,158	6,728,989
CURRENT PORTION OF LONG-TERM DEBT	534,886	534,886	566,221	566,221	582,571
ACO RISK RESERVES/SETTLEMENT PAYABLE	(0)	276,824	524,419	-	524,419
CURRENT LIABILITIES COVID-19	2,029,447	1,747,010	-	-	-
TOTAL CURRENT LIABILITIES	20,982,882	16,809,277	17,192,291	13,765,544	16,849,088
LONG-TERM DEBT					
BONDS & MORTGAGES PAYABLE	9,547,480	8,996,059	8,965,814	8,399,592	8,383,243
CAPITAL LEASE OBLIGATIONS	-	-	938,477	-	938,477
OTHER LONG-TERM DEBT	-	-	-	-	-
TOTAL LONG-TERM DEBT	9,547,480	8,996,059	9,904,291	8,399,592	9,321,720
OTHER NONCURRENT LIABILITIES	5,873,172	6,393,806	2,123,564	5,556,326	2,123,564
TOTAL LIABILITIES	**36,403,534**	**32,199,141**	**29,220,146**	**27,721,463**	**28,294,372**
FUND BALANCE	45,047,982	55,044,323	57,058,040	50,651,455	63,782,283
TOTAL LIABILITIES AND FUND BALANCE	**81,451,516**	**87,243,463**	**86,278,185**	**78,372,918**	**92,076,655**

Porter Hospital: Cash Flow Statement

	PH		
	ACT2021	ACT2022 Projected	BUD2023
STATEMENT OF CASH FLOWS			
Sources of Cash:			
Income from Operations	7,669,728	3,348,229	6,176,598
Net NonOperating Income	3,352,556	-1,969,977	547,646
Items Not Affecting Working Capital:			
Depreciation	2,856,225	3,149,694	2,527,385
Amortization			
Other	-1,297,109	-3,613,591	16,350
Long Term Debt Proceeds	0	0	0
Total Sources of Cash	**12,581,400**	**914,355**	**9,267,978**
Uses of Cash:			
Change in Working Capital, Excluding Current Portion of Debt	6,036,032	1,189,006	754,571
Additions to Property, Plant & Equipment, net	1,686,521	896,631	3,300,879
Long Term Debt Principal Repayments	551,422	-908,232	582,571
Total Uses of Cash	**8,273,974**	**1,177,404**	**4,638,022**
Cash Provided (Used)	4,307,426	(263,050)	4,629,957
Cash Balance, beginning of period	37,964,775	42,272,200	42,009,151
Cash Balance, end of period	**42,272,200**	**42,009,151**	**46,639,107**
Summary of Cash and Investments			
Operating Cash	30,445,316	13,747,784	17,830,094
Board Designated Assets	11,826,884	28,261,368	28,809,013
Total	**42,272,200**	**42,009,151**	**46,639,107**

FY 2023 Capital Investment Plans

Entity	Routine Capital	Major Capital	TOTAL
	46.1	*105.8*	*151.9*
UVMMC	37.7	96.7	134.4
CVMC	5.9	5.1	11.0
PMC	2.5	4.0	6.5
			151.9