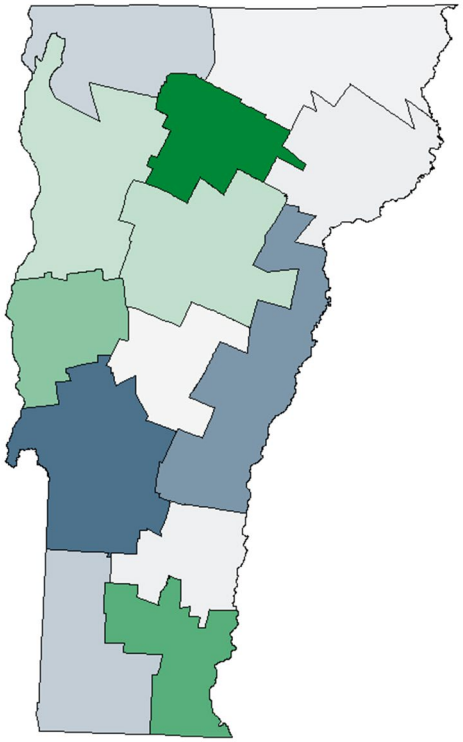


Fiscal Year 2020
Vermont Hospital Budget

Compilation of GMCB Staff Presentations

October 2019

VERMONT
GREEN MOUNTAIN CARE BOARD

Approved Budgets

NPR & FPP

Hospitals	Budget FY20 Submitted	Budget FY20 Approved	Approved % Change FY19-FY20	Approved % Change FY19-FY20 After Adjustments
Brattleboro Memorial Hospital	89,966,363	88,145,092	5.0%	5.0%
Central Vermont Medical Center	218,043,247	218,043,247	3.1%	2.9%
Copley Hospital	72,658,362	72,658,362	3.5%	3.5%
Gifford Medical Center	52,382,984	52,382,984	-6.3%	-6.3%
Grace Cottage Hospital	20,966,669	19,967,821	3.5%	3.5%
Mt. Ascutney Hospital & Health Ctr	55,007,317	53,755,559	5.0%	5.0%
North Country Hospital	83,623,249	83,623,249	2.6%	3.4%
Northeastern VT Regional Hospital	87,440,494	87,253,844	7.0%	7.0%
Northwestern Medical Center	116,926,579	116,926,579	3.7%	3.5%
Porter Medical Center	87,487,539	87,487,539	3.5%	3.4%
Rutland Regional Medical Center	267,787,827	267,787,827	3.5%	3.5%
Southwestern VT Medical Center	172,284,645	172,284,645	4.3%	3.5%
Springfield Hospital	48,889,189	48,889,189	-19.2%	-19.2%
The University of Vermont Medical Center	1,351,201,703	1,348,125,703	5.9%	6.4%
System Total	**2,724,666,167**	**2,717,331,641**	**4.1%**	**4.3%**

Approved Change in Charges (formerly rates)

Annual Change in Charge Increase History

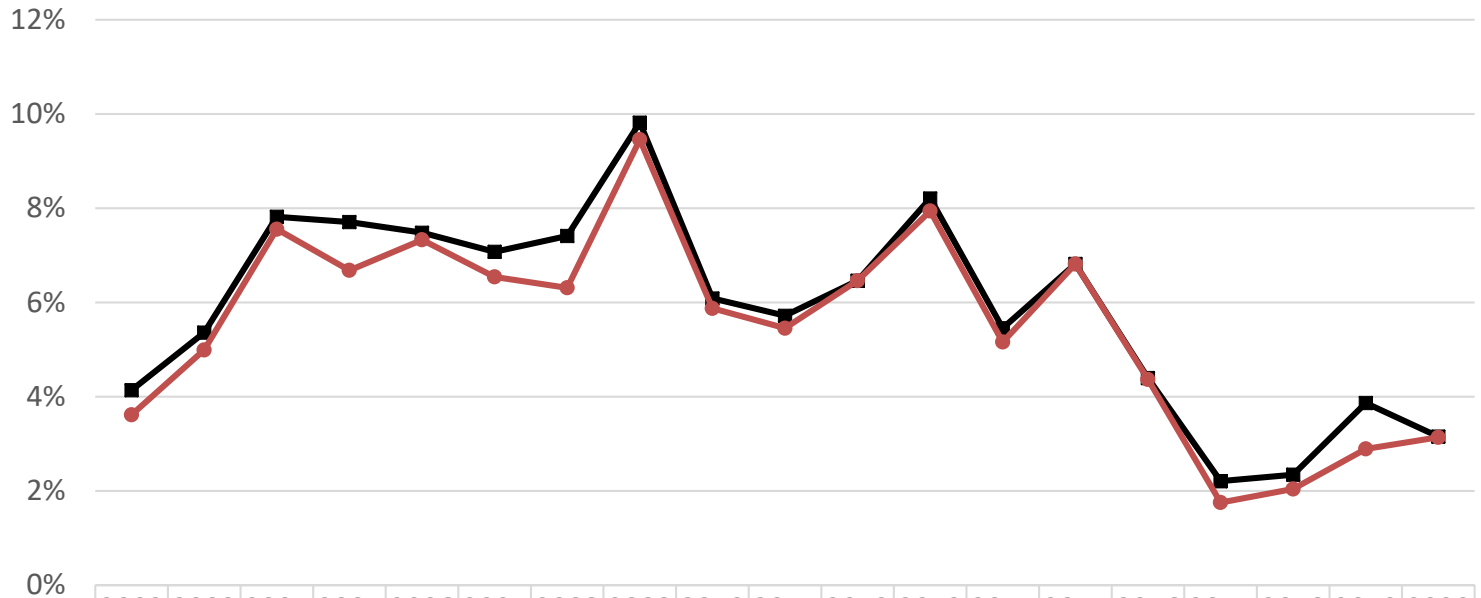
	2016		2017		2018		2019		2020			
	Submitted	Approved	Submitted	Approved	Submitted	Approved	Submitted	Approved	Submitted	Commercial Effective Rate	Approved	Commercial Effective Rate
Brattleboro Memorial Hospital	-1.2%	-1.4%	3.5%	3.5%	8.9%	5.7%	4.9%	3.9%	3.4%		3.4%	
Central Vermont Medical Center*	4.7%	4.7%	3.0%	2.45%	0.7%	0.7%	2.8%	2.3%	3.0%	5.9%	3.0%	5.9%
Copley Hospital	-3.0%	-4.0%	0.0%	-3.7%	0.0%	-3.4%	7.9%	4.5%	9.8%		9.8%	
Gifford Medical Center	5.8%	5.8%	3.9%	3.9%	4.0%	4.0%	4.0%	4.0%	5.0%		5.0%	
Grace Cottage Hospital	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	3.2%	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%		3.2%	
North Country Hospital	4.8%	4.8%	3.5%	3.5%	5.0%	5.0%	3.6%	3.6%	4.2%		4.2%	
Northeastern VT Regional Hospital	5.2%	5.2%	3.8%	3.8%	4.3%	3.2%	4.0%	3.0%	3.5%		3.0%	
Northwestern Medical Center	-8.0%	-8.0%	2.9%	0.0%	6.0%	3.5%	2.0%	2.0%	5.9%		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%	0.0%	2.6%
Rutland Regional Medical Center	3.7%	3.7%	-5.1%	-5.1%	4.9%	4.9%	3.0%	2.6%	2.65%		2.65%	
Southwestern VT Medical Center	3.8%	3.8%	3.9%	3.4%	2.9%	2.9%	3.2%	3.0%	2.8%		2.8%	
Springfield Hospital	2.8%	2.8%	0.0%	0.0%	6.5%	6.5%	10.0%	10.0%	0.0%		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%	3.0%	3.5%
Estimated Weighted Average For All Hospitals**	**4.4%**	**4.4%**	**2.2%**	**1.8%**	**2.3%**	**2.0%**	**3.9%**	**2.9%**	**3.2%**	**n/a**	**3.1%**	**n/a**

* Notes: UVMMC requested 4.0% increase in Commercial and 3.0% overall, Approved 3.5% in Commercial and 3.0% overall, CVMC requested 5.9% increase in Commercial and 3.0% overall, Approved as requested, PMC requested 2.6% increase in Commercial and 0.0% overall, Approved as requested.

**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.

History of Change in Charges
Vermont Community Hospitals

Estimated Weighted Average Change in Charges



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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%	3.1%

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

Submitted Budgets

NPR & FPP ($) Submission

Hospitals	Actuals FY18	Budget FY19*	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
System Total	$2,517,163,387	$2,610,183,225	$2,612,992,451	$2,728,003,406

*Includes FY19 amended budget orders

NPR & FPP ($) Updated Information

Hospitals	Actuals FY18	Budget FY19*	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	$205,689,884	$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	$83,623,249
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	$108,246,154	$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
System Total	$2,517,163,387	$2,610,183,225	$2,606,840,366	$2,728,647,606

*Includes FY19 amended budget orders

NPR & FPP % Growth
With Requested Adjustments

Red text indicates request exceeds budget guidance maximum
Blue highlighted cells indicate data updated due to resubmission

	Budget-to-Projection % Variance		Budget-to-Budget % Change		
	Original Submission	Re-submission	Original Submission	Re-submission	Re-submission Provider Transfer & Accounting Adjustments
Brattleboro Memorial Hospital	-0.7%		7.2%		7.2%
Central Vermont Medical Center	-0.8%	-2.2%	5.0%	3.1%	2.2%
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%	0.6%	1.8%	2.6%	3.4%
Northeastern VT Regional Hospital	3.6%		7.2%		7.2%
Northwestern Medical Center	-2.1%	-4.0%	3.7%		3.5%
Porter Medical Center	-0.8%	0.6%	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%		6.6%
System Total	**0.1%**	**0.0%**	**4.5%**	**4.4%**	**4.5%**

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

Impact of Adjustments

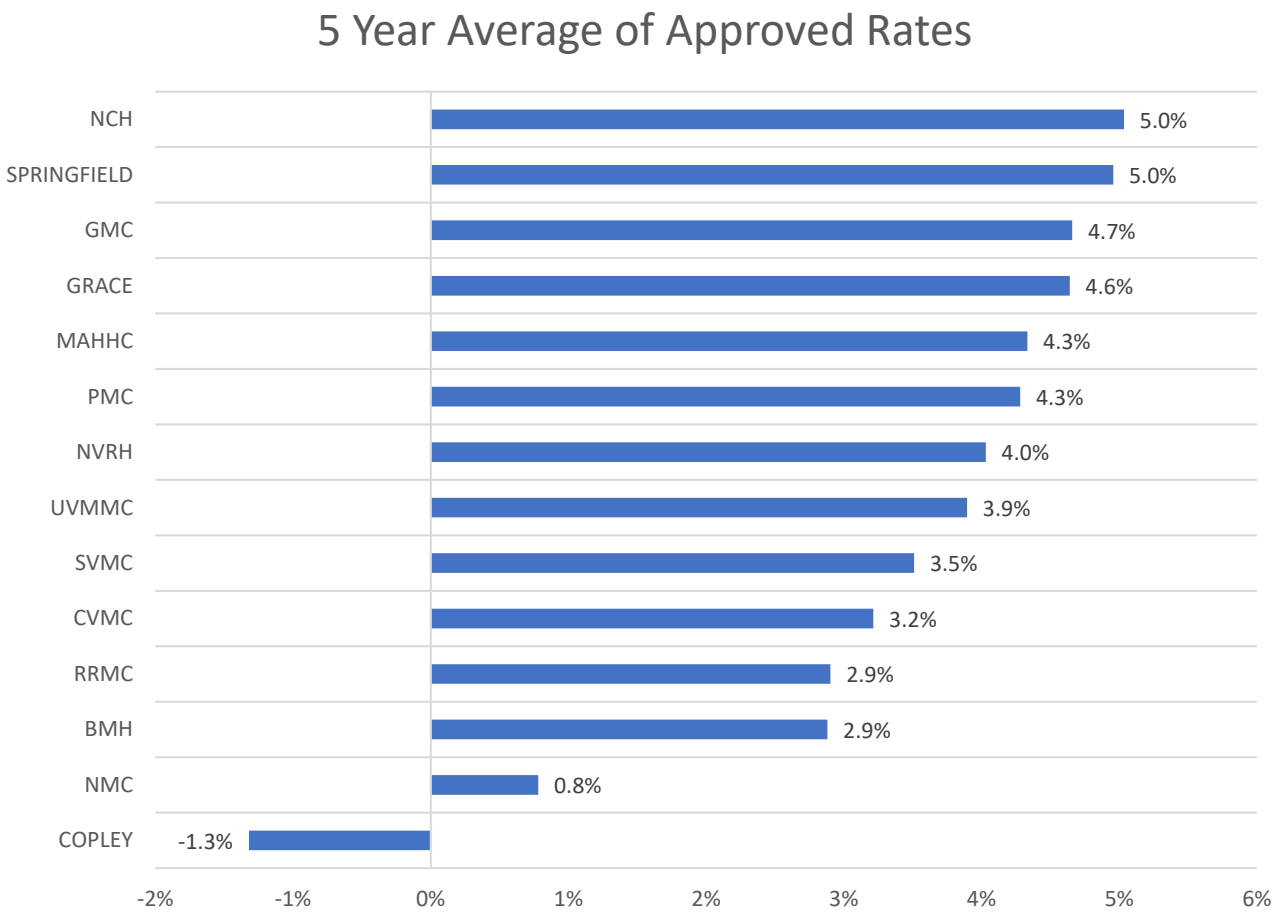
	Provider Transfers	Accounting	ACO Accounting	Impact on NPR/FPP
Central Vermont Medical Center	$3,179,852	$821,520	-$1,806,998	-1.2%
North Country Hospital		$638,225		0.8%
Northwestern Medical Center	$230,331			-0.2%
Porter Medical Center	$1,110,958		-$1,067,391	-0.1%
Southwestern VT Medical Center	$1,301,000			-0.8%
The University of Vermont Medical Center			-$6,369,722	0.5%

In order to account for adjustments and provide an “apples-to-apples” comparison of FY19-to-FY20 growth, hospitals with adjustments to their FY19 budget will be presented with an “FY19 Effective Budget.” This analysis impacts North Country, Northwestern and the University of Vermont Health Network.

5 Years of Change in Charge

	2015		2016		2017		2018		2019		Five year average 2015-2019		2020	
	Submitted	Approved	Submitted	Approved	Submitted	Approved	Submitted	Approved	Submitted	Approved	Submitted	Approved	Submitted	Commercial Effective Rate
Brattleboro Memorial Hospital	2.7%	2.7%	-1.2%	-1.4%	3.5%	3.5%	8.9%	5.7%	4.9%	3.9%	3.8%	2.9%	3.40%	
Central Vermont Medical Center	5.9%	5.9%	4.7%	4.7%	3.0%	2.45%	0.7%	0.7%	2.8%	2.3%	3.4%	3.2%	3.00%	5.9%
Copley Hospital	0.0%	0.0%	-3.0%	-4.0%	0.0%	-3.7%	0.0%	-3.4%	7.9%	4.5%	1.0%	-1.3%	9.80%	
Gifford Medical Center	5.6%	5.6%	5.8%	5.8%	3.9%	3.9%	4.0%	4.0%	4.0%	4.0%	4.7%	4.7%	5.00%	
Grace Cottage Hospital	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	3.2%	3.2%	4.6%	4.6%	3.20%	
Mt. Ascutney Hospital & Health Center	3.2%	3.2%	5.7%	5.7%	4.9%	4.9%	4.9%	4.9%	2.9%	2.9%	4.3%	4.3%	3.20%	
North Country Hospital	8.3%	8.3%	4.8%	4.8%	3.5%	3.5%	5.0%	5.0%	3.6%	3.6%	5.0%	5.0%	4.25%	
Northeastern VT Regional Hospital	5.0%	5.0%	5.2%	5.2%	3.8%	3.8%	4.3%	3.2%	4.0%	3.0%	4.4%	4.0%	3.50%	
Northwestern Medical Center	6.4%	6.4%	-8.0%	-8.0%	2.9%	0.0%	6.0%	3.5%	2.0%	2.0%	1.9%	0.8%	5.90%	
Porter Medical Center	5.0%	5.0%	5.3%	5.3%	3.7%	5.3%	3.0%	3.0%	2.8%	2.8%	4.0%	4.3%	0.00%	2.6%
Rutland Regional Medical Center	8.4%	8.4%	3.7%	3.7%	-5.1%	-5.1%	4.9%	4.9%	3.0%	2.6%	3.0%	2.9%	2.65%	
Southwestern VT Medical Center	4.5%	4.5%	3.8%	3.8%	3.9%	3.4%	2.9%	2.9%	3.2%	3.0%	3.7%	3.5%	2.80%	
Springfield Hospital	5.5%	5.5%	2.8%	2.8%	0.0%	0.0%	6.5%	6.5%	10.0%	10.0%	5.0%	5.0%	0.00%	
The University of Vermont Medical Center	7.8%	7.8%	6.0%	6.0%	3.0%	2.45%	0.7%	0.7%	4.0%	2.5%	4.3%	3.9%	3.00%	4.0%

Approved Change in Charge
5-year average



Compliant Requests

Gifford Medical Center
Rutland Regional Medical Center
Springfield Hospital

Request does not exceed 5.0% cap for those hospitals whose budget-to-projection variance exceeds -2.0%
and
Request is within 3.5% target growth rate

Gifford Medical Center

NPR/FPP	
FY19 Budget-to-Projection Variance	**-8.3%**
FY19 Budget	$55,894,654
FY19 Projection ($)*	$51,250,800
FY20 Request ($)	$52,382,984
FY20 Request (% change FY19B)	**-6.3%**
FY20 Request ($ change FY19P)	$1,132,184
FY20 Request (% change FY19P)	**2.2%**
FY19 Projection (% change FY18 Actuals)	4.9%
Request is within budget guidance limit	

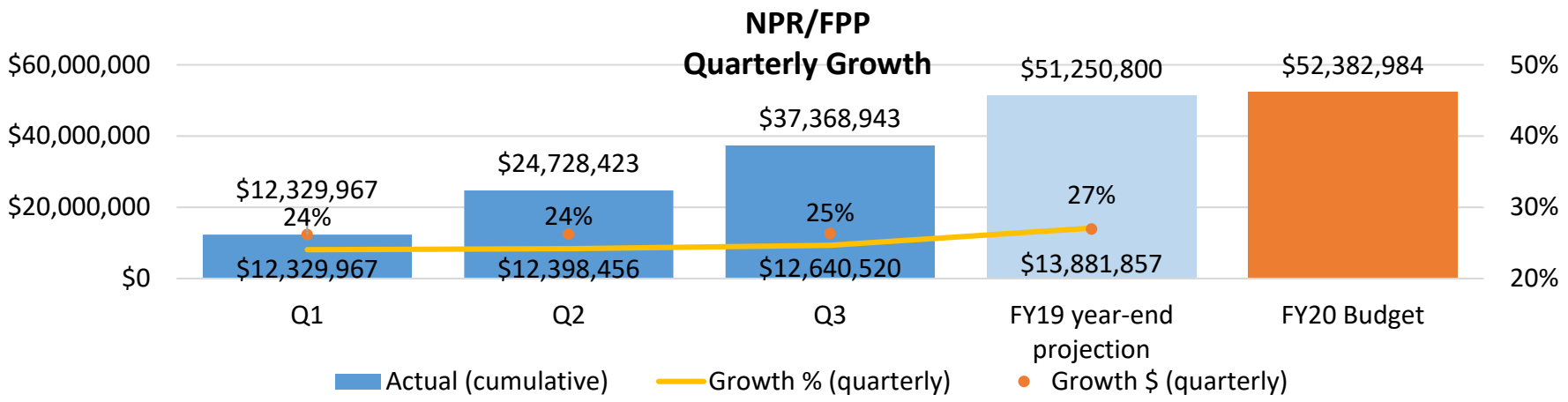
Change in Charges	
Commercial	$1,346,261
Medicaid	$0
Medicare	$942,541
5.0% Change in Charge	

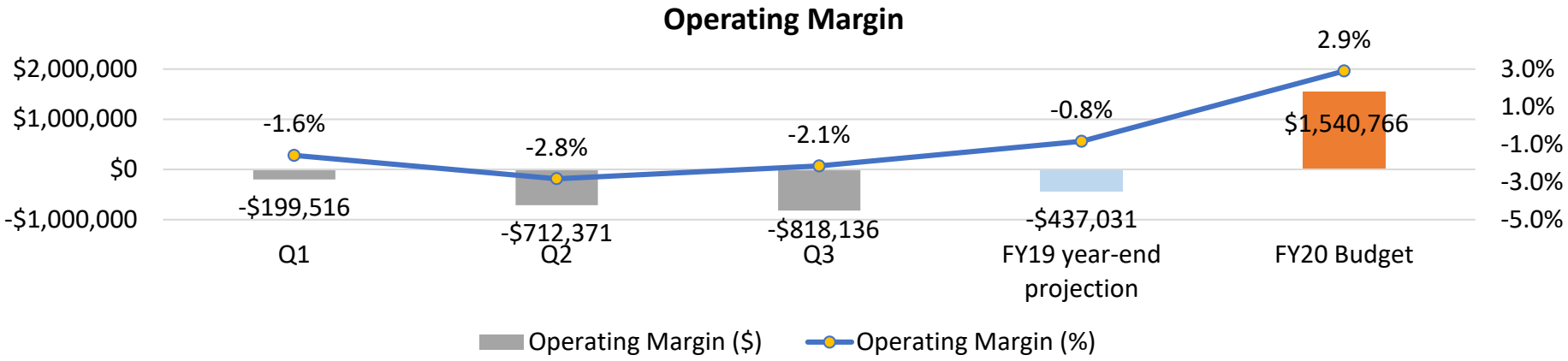
Hospital Justification:

- Utilization, recovery in FY19
- Aging Population
  - Shift from Commercial to Medicare
  - Complexity of care
- Age of plant
- Change in charge to support positive operating margin

*Because of Gifford's negative NPR/FPP request, FY19 Projection is used as a basis for analysis, instead of their FY19 Budget, to account for FY19 operating performance

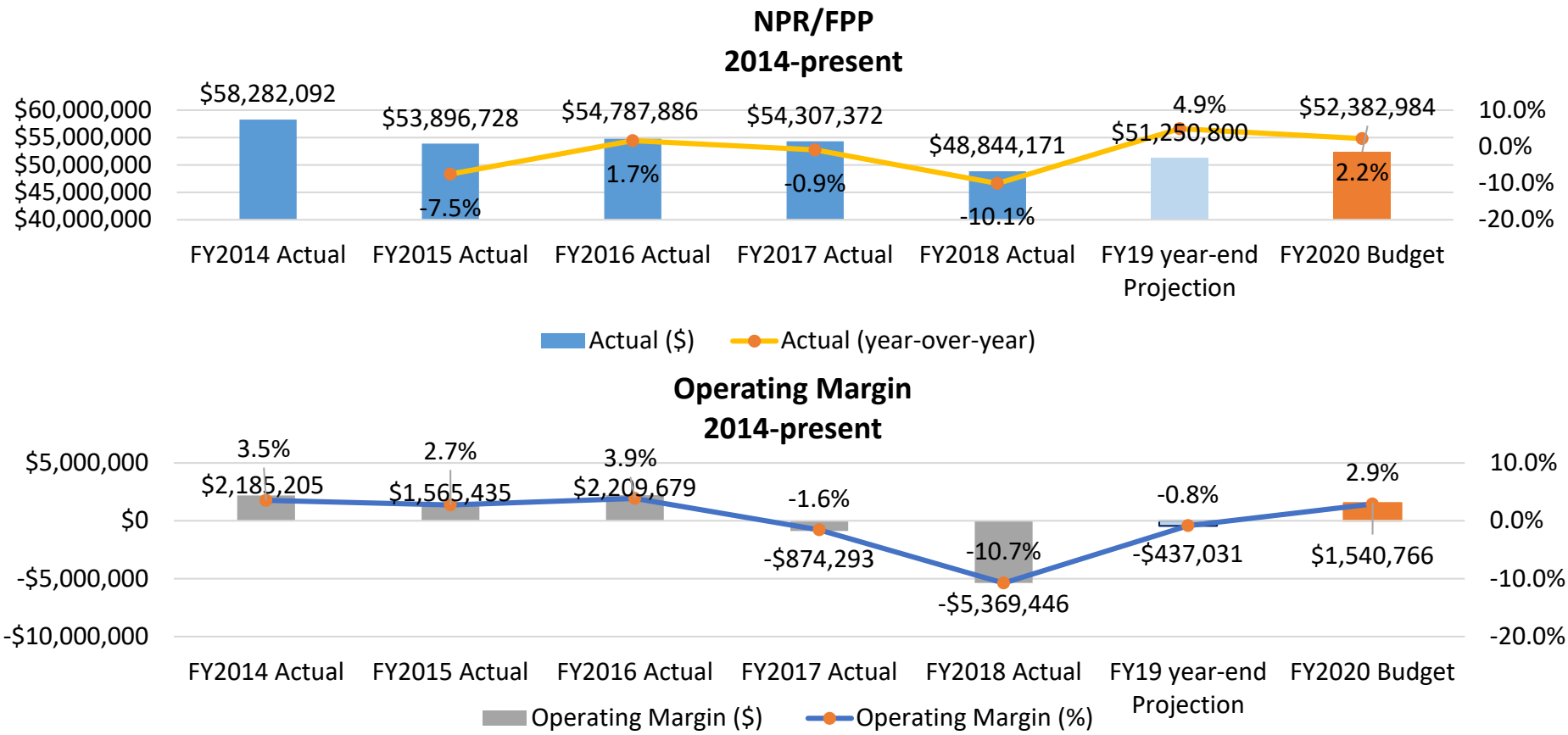
Gifford Medical Center
FY19 Operating Performance





No change to hospital's FY19 projection from its response to staff analysis

Gifford Medical Center
Historical Operating Performance



	FY16A	FY17A	FY18A	FY19B	FY19P	FY20B
Days Cash on Hand	181	209	224	187	228	241
Age of Plant	13	14	17	18	19	21

Gifford Medical Center
Change in Charge

Request	
Overall Change in Charge %	5.0%
NPR due to Change in Charge	$2,288,802
Value of 1% Change in Charge	$457,760
Service Category	
Hospital Inpatient Change in Gross	5.0%
Hospital Outpatient Change in Gross Charges	5.0%
Professional Services- Specialty Care Change in Gross Charges	5.0%
Skilled Nursing Facility	5.0%
Hospital Swing	5.0%
Payer	
Commercial	$1,346,261
Medicaid	$0
Medicare	$942,541
% of NPR/FPP Increase	
FY20 Request ($ change FY19P)	$1,132,184
Change in Charge ($)	$2,288,802
Change in Charge as a % of NPR/FPP Increase	202.2%

	FY16	FY17	FY18	FY19*	FY20	5-year average
Approved %	5.8%	3.9%	4.0%	4.0%	NA	4.7%
Submitted %	5.8%	3.9%	4.0%	4.0%	5.0%	4.7%

Hospital's assumptions about Medicare and Medicaid remain unchanged.

*FY19 change in charge originally approved at 2.75%, amended in March 2019 to 4.0%

Gifford Medical Center
ACO Participation
HSA: Randolph

Risk Program Participation		
CY18	CY19	Planned CY20
n/a	Medicaid	Medicaid

FY20 Submitted Data ($ or #, % of System)[5]			
NPR & FPP	Net Worth	DCOH	CAH
$52,382,984;1.9%	$58,908,869	241.4	Yes

% FPP/NPR & FPP		
FY18 Act.	FY19 Proj.	FY20 Budget
0.0%	3.9%	5.3%

MRL as % of NPR & FPP	
CY18[6]	CY19[7]
n/a	0.7%

Attributed Lives (#; % of System)	
CY18[1]	CY19[2]
n/a	2,743; 1.6%

MRL as % of Net Worth	
CY18[6]	CY19[7]
n/a	0.6%

Maximum Risk Limit (MRL); % of System MRL	
CY18[3]	CY19[4]
n/a	$344,901; 0.9%

Days Cash on Hand Needed to Fund MRL	
CY18[6]	CY19[7]
n/a	1.2

[1-5]All data sources listed at the end of this report

[6] Calculations under CY18 headers use CY18 data from OneCare, and FY19 data from hospitals.

[7] Calculations under CY19 headers use CY19 data from OneCare, and FY20 data from hospitals.

Rutland Regional Medical Center

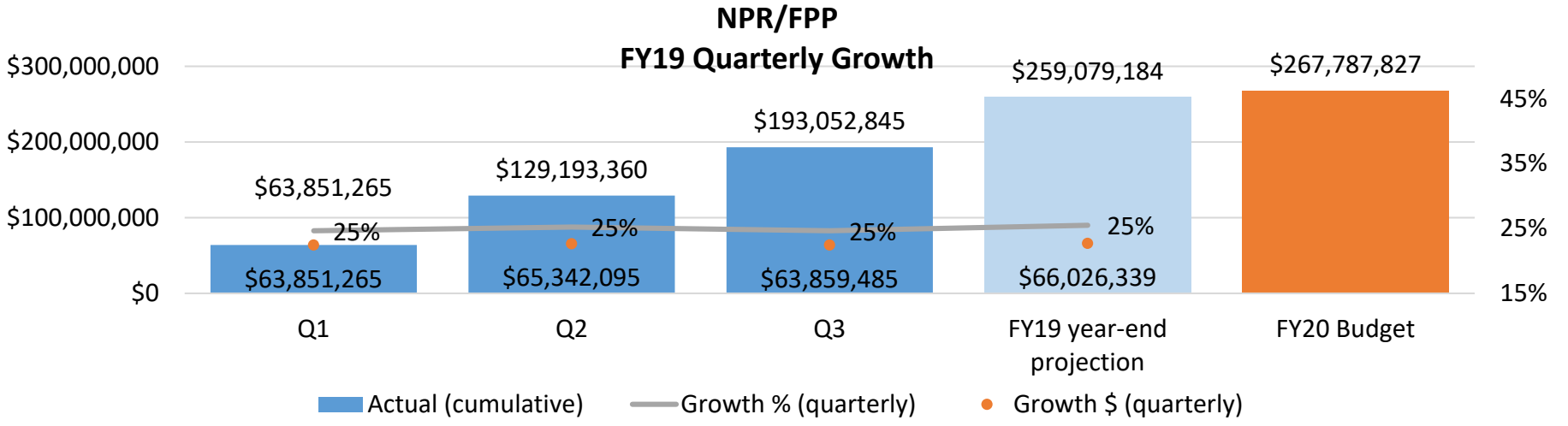
NPR/FPP	
FY19 Budget-to-Projection Variance	**0.1%**
FY19 Budget ($)	$258,720,325
FY20 Request ($)	$267,787,827
FY20 Request (% change FY19B)	**3.5%**
FY20 Request ($ change FY19B)	$9,067,502
FY20 Request (% change FY19P)	3.4%
FY19 Projection (% change FY18 Actuals)	1.9%
Request is within budget guidance limit	

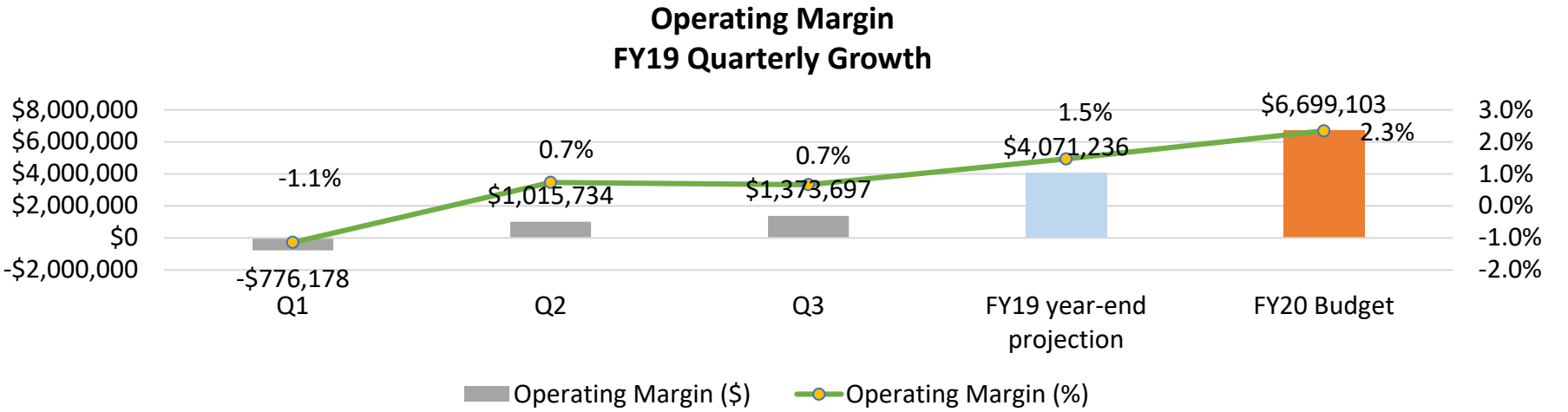
Change in Charges	
Commercial	$2,757,935
Medicaid	$0
Medicare	$0
2.7% Change in Charge	

Hospital Justification:

- Cost structure outpacing NPR, impact on operating margin
- Reimbursement deterioration
- State psychiatric care
- ACO impact on financial performance
- Historical charge request, 5-year average is below 3%

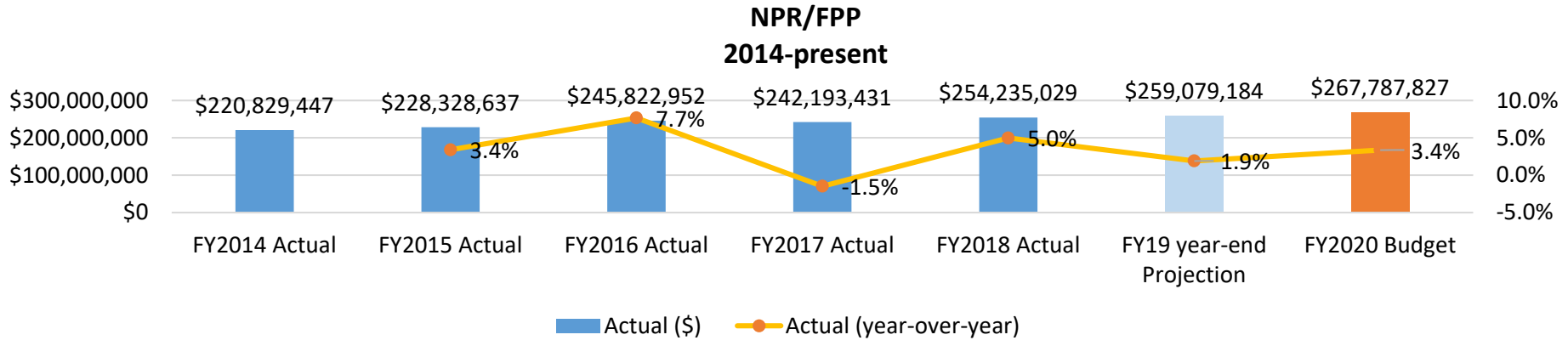
Rutland Regional Medical Center
FY19 Operating Performance

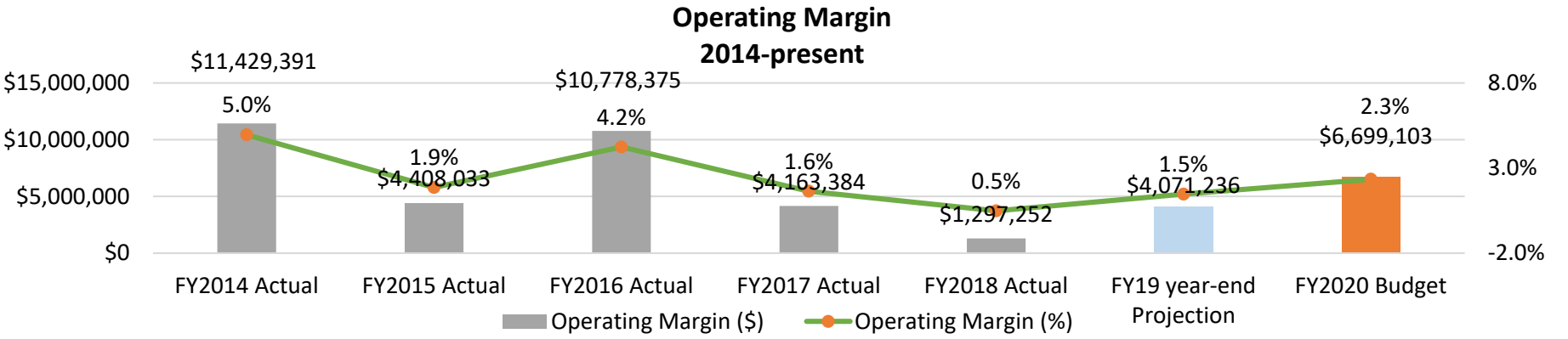




No change to hospital's FY19 projection from its response to staff analysis

Rutland Regional Medical Center
Historical Operating Performance





	FY16A	FY17A	FY18A	FY19B	FY19P	FY20B
Days Cash on Hand	205	216	209	206	203	205
Age of Plant	12	13	14	15	14	14

Rutland Regional Medical Center
Change in Charge

Request	
Overall Change in Charge %	2.7%
NPR due to Change in Charge	$2,757,935
Value of 1% Change in Charge	$1,040,730
Service Category	
Hospital Inpatient Change in Gross	1.1%
Hospital Outpatient Change in Gross Charges	1.4%
Professional Services Change in Gross Charges	0.1%
Payer	
Commercial	$2,757,935
Medicaid	$0
Medicare	$0
% of NPR/FPP Increase	
FY20 Request ($ change FY19B)	$9,067,502
Change in Charge ($)	$2,757,935
Change in Charge as a % of NPR/FPP Increase	30.4%

	FY16	FY17	FY18	FY19*	FY20	5-year average
Approved %	3.7%	-5.1%	4.9%	2.6%	NA	2.9%
Submitted %	3.7%	-5.1%	4.9%	3.0%	2.7%	3.0%

Hospital's assumptions about Medicare and Medicaid remain unchanged.

Rutland Regional Medical Center
ACO Participation

HSA: Rutland

Risk Program Participation		
CY18	CY19	Planned CY20
n/a	Medicaid	Medicaid

FY20 Submitted Data ($ or #, % of System)[5]			
NPR & FPP	Net Worth	DCOH	CAH
$267,787,827; 9.8%	$225,366,861	204.6	No

% FPP/NPR & FPP		
FY18 Act.	FY19 Proj.	FY20 Budget
0.0%	3.4%	0.1%

MRL as % of NPR & FPP	
CY18[6]	CY19[7]
n/a	0.4%

Attributed Lives (#; % of System)	
CY18[1]	CY19[2]
n/a	5,646; 3.3%

MRL as % of Net Worth	
CY18[6]	CY19[7]
n/a	0.4%

Maximum Risk Limit (MRL); % of System MRL	
CY18[3]	CY19[4]
n/a	$978,193; 2.6%

Days Cash on Hand Needed to Fund MRL	
CY18[6]	CY19[7]
n/a	0.8

[1-5]All data sources listed at the end of this report

[6] Calculations under CY18 headers use CY18 data from OneCare, and FY19 data from hospitals.

[7] Calculations under CY19 headers use CY19 data from OneCare, and FY20 data from hospitals.

Springfield Hospital

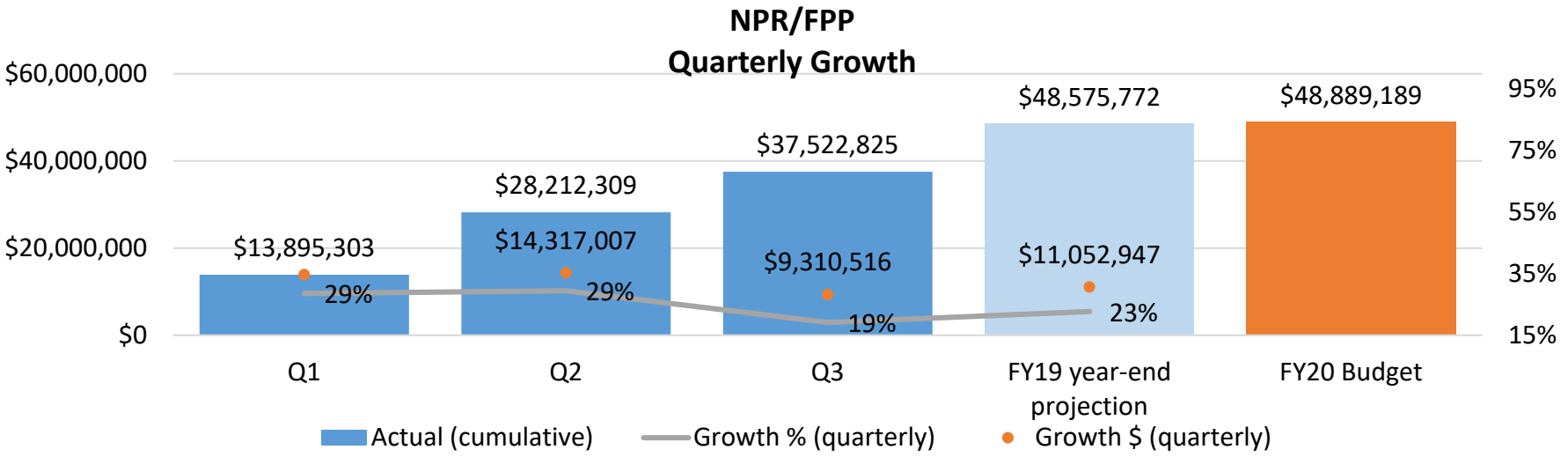
NPR/FPP	
FY19 Budget-to-Projection Variance	**-19.7%**
FY19 Budget ($)	$60,485,878
FY20 Request ($)	$48,889,189
FY20 Request (% change FY19B)	**-19.2%**
FY20 Request ($ change FY19B)	-$11,596,689
FY20 Request (% change FY19P)	0.6%
FY19 Projection (% change FY18 Actuals)	-8.3%
Request is within budget guidance limit	

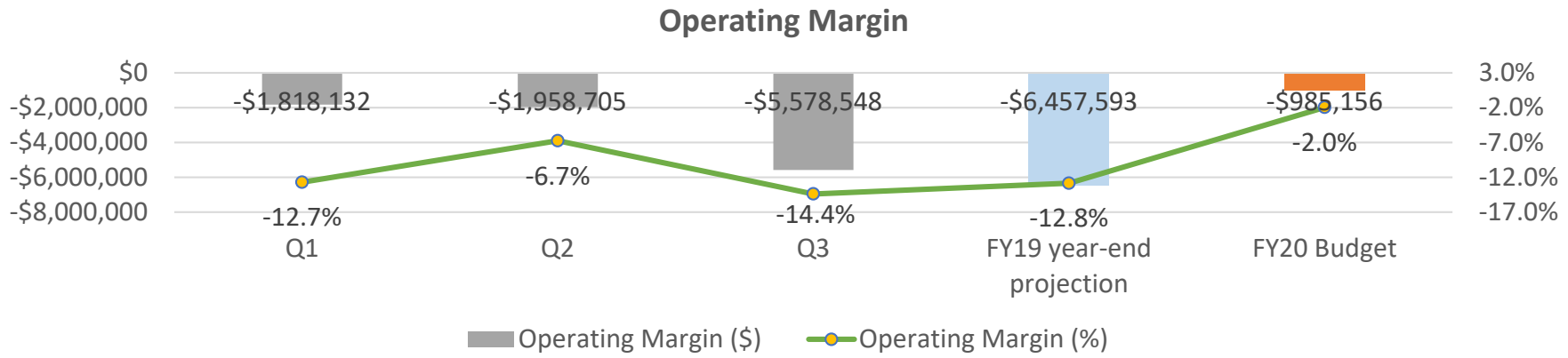
Change in Charges	
Commercial	$0
Medicaid	$0
Medicare	$0
0.0% Change in Charge	

Hospital Justification:

- Utilization decreases in inpatient acute census, psych census and outpatient volumes
- Closure of labor and delivery service line

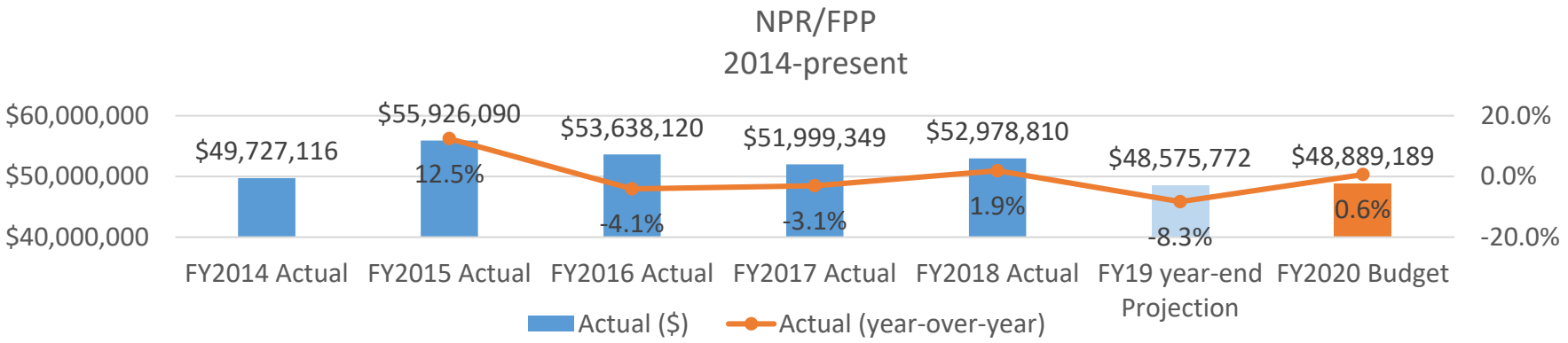
Springfield Hospital
FY19 Operating Performance

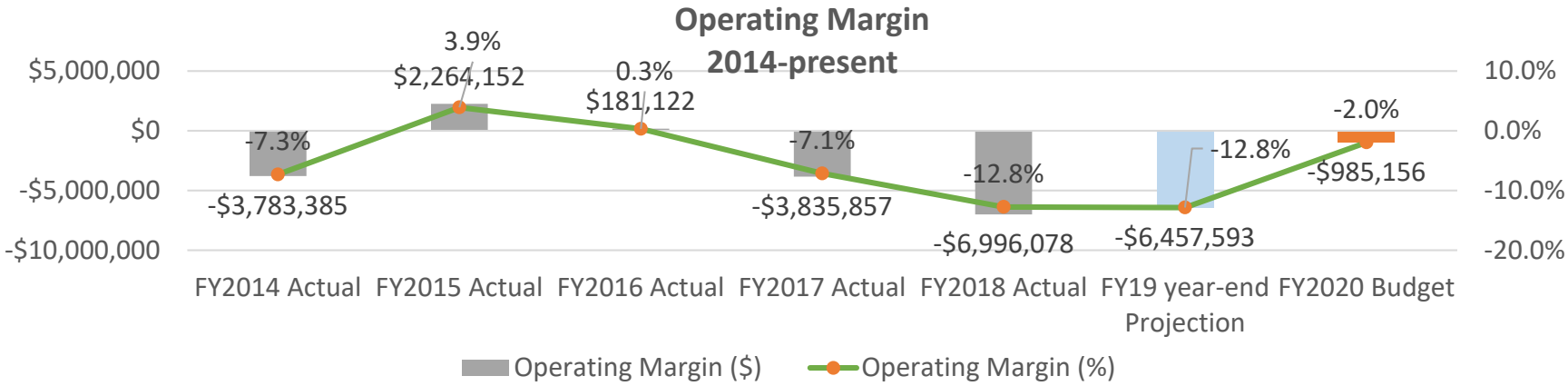




No change to hospital's FY19 projection from their response to staff analysis

Springfield Hospital
Historical Operating Performance





	FY16A	FY17A	FY18A	FY19B	FY19P	FY20B
Days Cash on Hand	104	101	46	107	3	4
Age of Plant	14	16	17	16	17	20

Springfield Hospital
Change in Charge

Request	
Overall Change in Charge %	0.0%
NPR due to Change in Charge	$0
Value of 1% Change in Charge	$0
Service Category	
Hospital Inpatient Change in Gross	0.0%
Hospital Outpatient Change in Gross Charges	0.0%
Professional Services Change in Gross Charges	0.0%
Payer	
Commercial	$0
Medicaid	$0
Medicare	$0

% of NPR/FPP Increase	
FY20 Request ($ change FY19B)	NA
Change in Charge ($)	NA
Change in Charge as a % of NPR/FPP Increase	NA

	FY16	FY17	FY18	FY19*	FY20	5-year average
Approved %	2.8%	0.0%	6.5%	10.0%	NA	5.0%
Submitted %	2.8%	0.0%	6.5%	10.0%	0.0%	5.0%

*FY19 change in charge originally approved at 5.0%, amended in March 2019 to 10.0%

Hospital's assumptions about Medicare and Medicaid remain unchanged.

Springfield Hospital
ACO Participation

HSA: Springfield

Risk Program Participation		
CY18	CY19	Planned CY20
Medicaid Medicare BCBSVT	Medicaid Medicare BCBSVT	Medicaid BCBSVT

FY20 Submitted Data ($ or #, % of System)[5]			
NPR & FPP	Net Worth	DCOH	CAH
$48,889,189; 1.8%	$(6,486,235)	3.7	Yes

% FPP/NPR & FPP		
FY18 Act.	FY19 Proj.	FY20 Budget
0.0%	0.0%	0.0%

MRL as % of NPR & FPP	
CY18[6]	CY19[7]
2.9%	3.7%

Attributed Lives (#; % of System)	
CY18[1]	CY19[2]
8,775; 7.8%	9,064; 5.3%

MRL as % of Net Worth	
CY18[6]	CY19[7]
6.0%	-27.5%

Maximum Risk Limit (MRL); % of System MRL	
CY18[3]	CY19[4]
1,773,290; 8.4%	$1,786,895; 4.7%

Days Cash on Hand Needed to Fund MRL	
CY18[6]	CY19[7]
3.2	3.2

[1-5]All data sources listed on at the end of this report

[6] Calculations under CY18 headers use CY18 data from OneCare, and FY19 data from hospitals.

[7] Calculations under CY19 headers use CY19 data from OneCare, and FY20 data from hospitals.

Provider Transfer and Accounting Adjustment Requests

North Country Hospital
Northwestern Vermont Medical Center
Southwestern Vermont Medical Center

Hospitals requesting adjustments for provider transfers, accounting, and ACO accounting adjustments

North Country Hospital

NPR/FPP	
FY19 Budget-to-Projection Variance	0.6%
FY19 Budget ($)	$81,523,350
FY20 Request ($)	$83,623,249
FY20 Request (% change FY19B)	**2.6%**
FY20 Request ($ change FY19P)	$2,099,899
FY20 Request (% change FY19P)	2.8%
FY19 Projection (% change FY18 Actuals)	4.4%

Request is within budget guidance limit
Effective growth rate 3.4% when factoring accounting adjustment

Change in Charges	
Commercial	$1,496,143
Medicaid	-$198,949
Medicare	$569,841

4.2% Change in Charge

Hospital Justification:

- Operating margin recovery after 3-year downward trend
- Increased complexity of care
- Utilization increases

Note: FY19 projection and FY20 NPR/FPP updated August 9, 2019

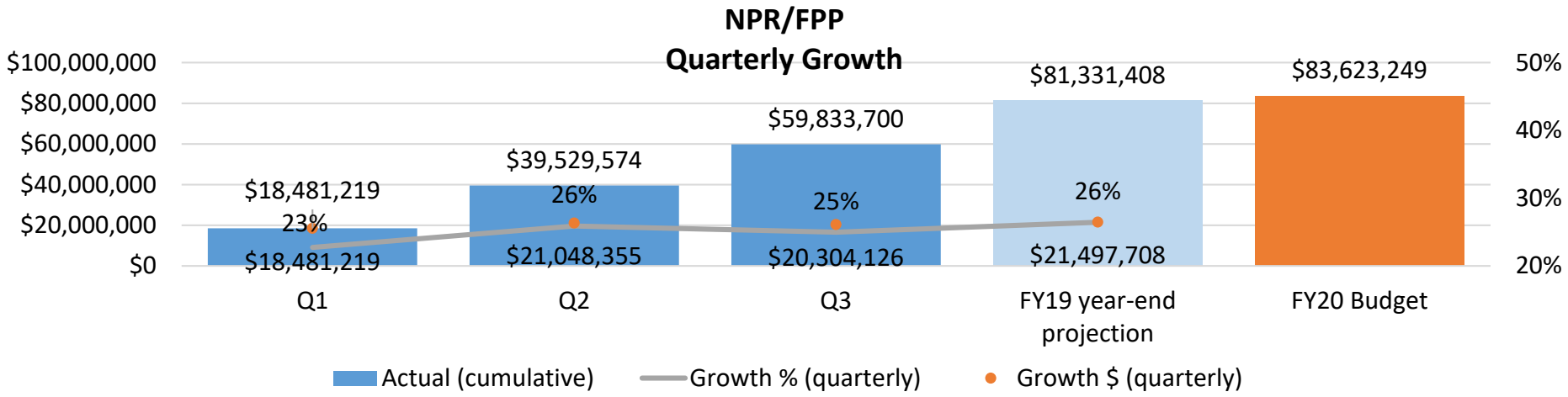
North Country Hospital Accounting Adjustment

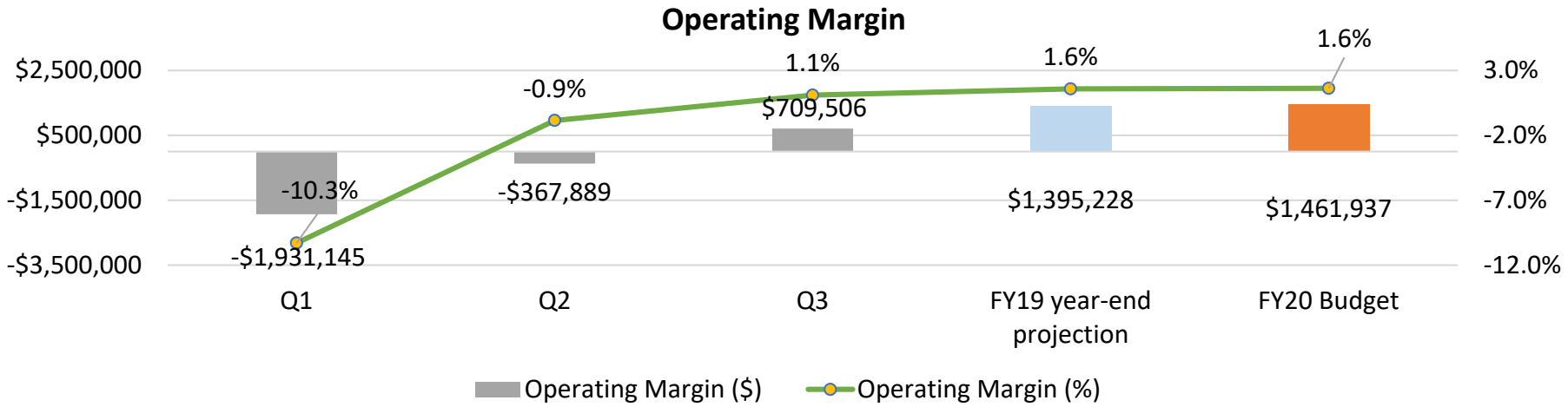
North Country resubmitted their budget information on August 9th to reflect double counting of swing bed revenues in FY19 in the amount of **$638,225**. North Country also adjusted **$644,200** in capitation and incentive income in their FY20 budget.

FY19 Approved	FY19 Approved	FY19 Effective Budget
$81,523,350	$81,523,350	$80,885,125
FY20 Original Submission	**FY20 Resubmitted**	**FY20 Resubmission**
$82,979,049	$83,623,249	$83,623,249
	NPR/FPP % Growth	
1.8%	2.6%	3.4%

North Country Hospital
FY19 Operating Performance

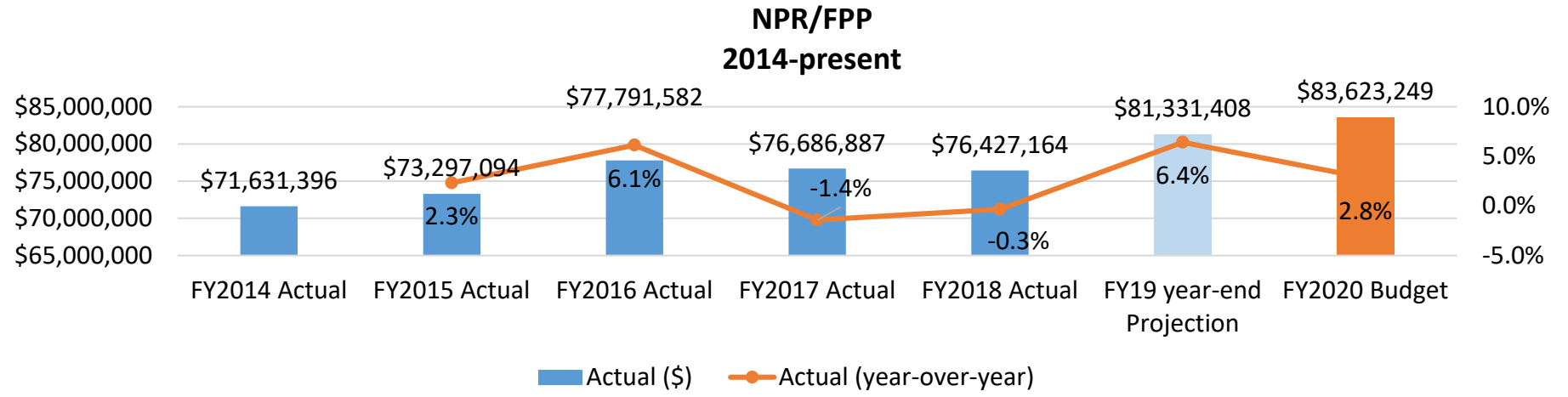
Reflects resubmitted FY19 budget and FY20 budget

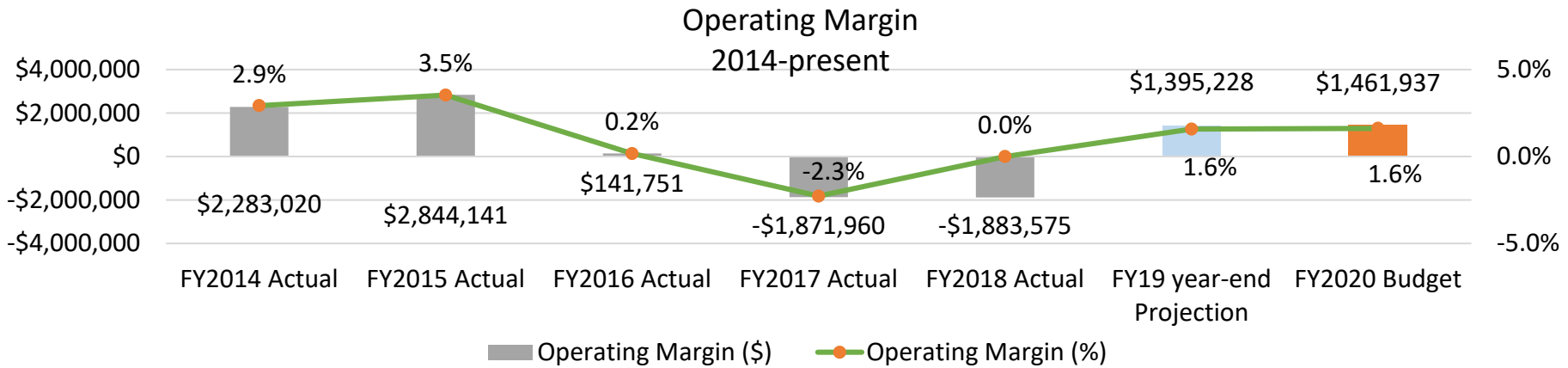




No change to hospital's FY19 projection from their response to staff analysis

North Country Hospital
Historical Operating Performance





	FY16A	FY17A	FY18A	FY19B	FY19P	FY20B
Days Cash on Hand	169	185	213	196	191	202
Age of Plant	9	11	13	13	13	14

VERMONT
GREEN MOUNTAIN CARE BOARD

North Country Hospital
Change in Charge

Request	
Overall Change in Charge %	4.2%
NPR due to Change in Charge	$2,043,275
Value of 1% Change in Charge	$387,681

Service Category	
Hospital Inpatient Change in Gross	5.0%
Hospital Outpatient Change in Gross Charges	5.0%
Physician Outpatient Change in Gross Charges	0.0%

Payer	
Commercial	$1,496,143
Medicaid	-$198,949
Medicare	$569,841

% of NPR/FPP Increase	
FY20 Request ($ change FY19B)	$2,099,899
Change in Charge ($)	$2,043,275
Change in Charge as a % of NPR/FPP Increase	97.3%

	FY16	**FY17**	**FY18**	**FY19**	**FY20**	**5-year average**
Approved	4.8%	3.5%	5.0%	3.6%	NA	5.0%
Submitted	4.8%	3.5%	5.0%	3.6%	4.2%	5.0%

Hospital's assumptions about Medicare and Medicaid remain unchanged.

North Country Hospital
ACO Participation

HSA: Newport

Risk Program Participation		
CY18	CY19	Planned CY20
Medicaid	Medicaid	Medicaid

FY20 Submitted Data ($ or #, % of System)[5]			
NPR & FPP	Net Worth	DCOH	CAH
$82,979,049; 3.0%	$57,757,012	201.8	Yes

% FPP/NPR & FPP		
FY18 Act.	FY19 Proj.	FY20 Budget
5.7%	6.9%	6.8%

MRL as % of NPR & FPP	
CY18[6]	CY19[7]
0.3%	0.5%

Attributed Lives (#; % of System)	
CY18[1]	CY19[2]
3,920; 3.5%	4,649; 2.7%

MRL as % of Net Worth	
CY18[6]	CY19[7]
0.4%	0.8%

Maximum Risk Limit (MRL); % of System MRL	
CY18[3]	CY19[4]
$260,281; 1.2%	$448,423; 1.2%

Days Cash on Hand Needed to Fund MRL	
CY18[6]	CY19[7]
0.6	1.1

[1-5]All data sources listed at the end of this report

[6] Calculations under CY18 headers use CY18 data from OneCare, and FY19 data from hospitals.

[7] Calculations under CY19 headers use CY19 data from OneCare, and FY20 data from hospitals.

Northwestern Medical Center

NPR/FPP	
FY19 Budget-to-Projection Variance	**-4.0%**
FY19 Budget ($)	$112,773,980
FY20 Request ($)	$116,926,579
FY20 Request (% change FY19B)	**3.7%**
FY20 Request ($ change FY19B)	$4,152,599
FY20 Request (% change FY19P)	8.0%
FY19 Projection (% change FY18 Actuals)	4.8%

Budget-to-projection variance triggers 5% cap
Request exceeds 5.0% cap and 3.5% target growth rate
Effective growth rate is 3.5% when considering provider transfer

Change in Charges	
Commercial	$3,395,863
Medicaid	$0
Medicare	$0

5.9% Change in Charge

Hospital Justification:

- 5-year trend of decreasing operating margin
  - -$6,765,758 FY19 projected operating losses (-6.0% operating margin)
- NMC states NPR/FPP growth reasonable given expected increases in utilization and 5.9% request change in charge
- "Overcorrection" in change in charge
- Change in Charge to support operating margin recovery

Note: FY19 projection and FY20 NPR/FPP updated August 9, 2019

Northwestern Vermont Medical Center Provider Transfer Requests

Northwestern Medical Center					
Name of Acquisition or Transfer	**NPR/FPP**	**Expenses**	**Net Profit/Loss**	**Effective Date**	**Adjustment to FY20 NPR/FPP**
Cold Hollow Family Practice	$941,347	$1,103,308	-$161,961	1/1/2020	0.8%
Northwestern Dermatology	-$711,015	-$696,532	-$14,483	1/1/2019	-0.6%
	$230,332	**$406,776**	**-$176,444**		0.2%

Northwestern Vermont Medical Center Provider Transfer Requests

NMC plans to acquire **Cold Hollow Family Practice** located in Enosburg Falls on January 1, 2020

FY20 Impact	
Gross Patient Care Revenue	$1,711,539
Deductions from Revenue	-$770,192
Net Patient Revenue	$941,347
Provider Salaries	$323,352
Provider Fringe Benefits	$45,000
Staff Wages & Benefits (Non MD)	$514,068
Malpractice	$12,000
Depreciation/Amortization	$0
Rent	$64,378
Billing Service	$0
Medical/Surgical Supplies	$40,000
Other Costs	$104,510
Operating Expense	$1,103,308
Net Operating Income/Loss	-$161,961

Northwestern plans to acquire this practice to maintain and improve access to primary care.

FTEs and units of service:

- 1 Provider FTE
- 8 non-provider FTEs
- 6,586 units of service

0.8% impact on FY20 NPR/FPP

GMCB staff recommend approval

Motion to approve Northwestern's request to adjust their FY20 budget request to reflect the acquisition of Cold Hollow Family Practice on January 1, 2020, pending the hospital board's approval and required notice to patients pursuant to Act 143.

Northwestern Vermont Medical Center Provider Transfer Requests

As of January 1, 2019, **Northwestern Dermatology** is no longer a hospital-owned practice

FY19 Impact	
Gross Patient Care Revenue	-$1,622,726
Deductions from Revenue	-$911,711
Net Patient Revenue	**-$711,015**
Provider Salaries	-$432,057
Provider Fringe Benefits	-$51,847
Staff Wages & Benefits (Non MD)	-$144,709
Malpractice	
Depreciation/Amortization	$0
Rent	$0
Billing Service	$0
Medical/Surgical Supplies	-$46,358
Other Costs	-$21,561
Total Operating Expense	**-$696,532**
Net Operating Income/Loss	**-$14,483**

FTEs 0.375 Provider FTE

- 3.45 non-provider FTEs

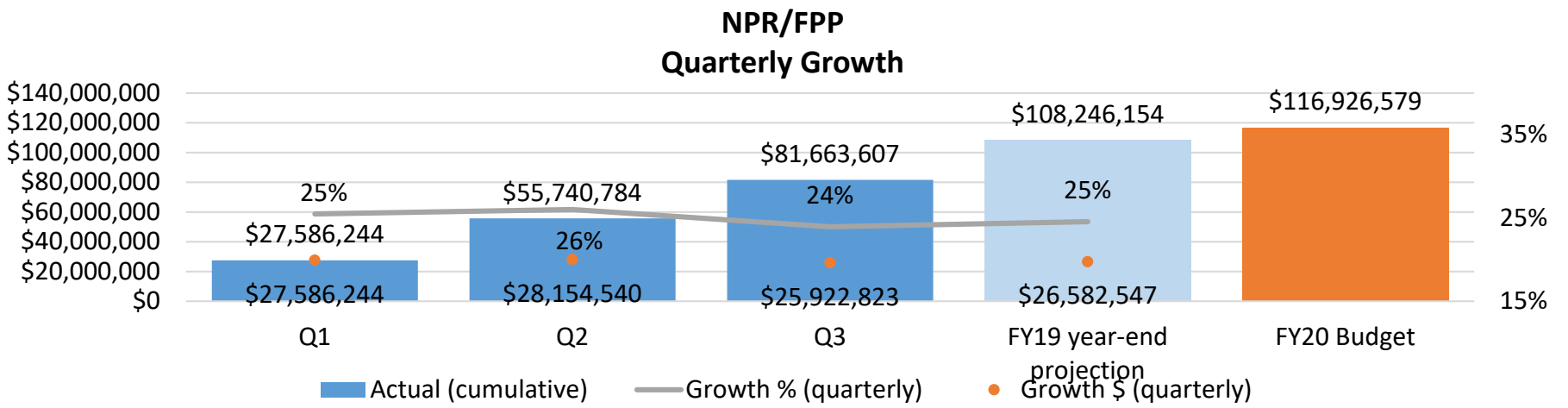
-0.6% impact on FY20 NPR/FPP

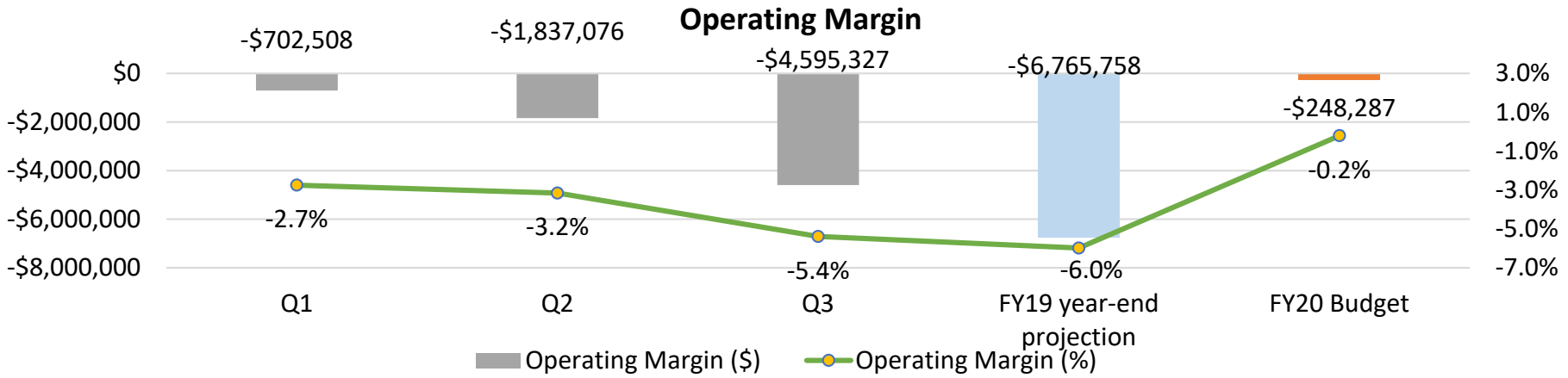
GMCB staff recommend approval

Motion to approve Northwestern's request to adjust their FY20 budget request to reflect the transfer of Northwestern Dermatology to an independent practice.

Northwestern Vermont Medical Center
FY19 Operating Performance

Reflects resubmitted budget to update FY19 projected NPR/FPP and Operating Margin

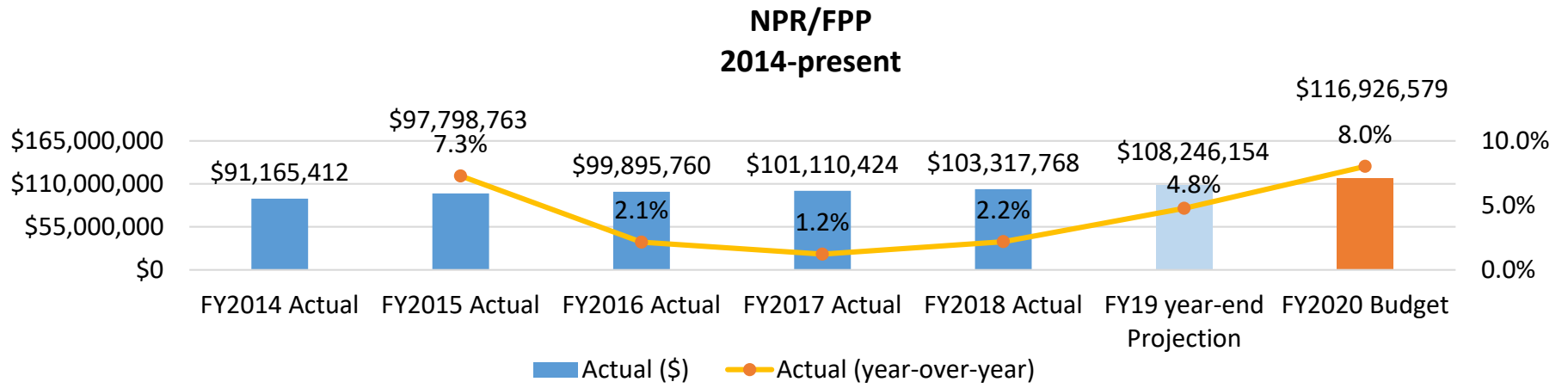


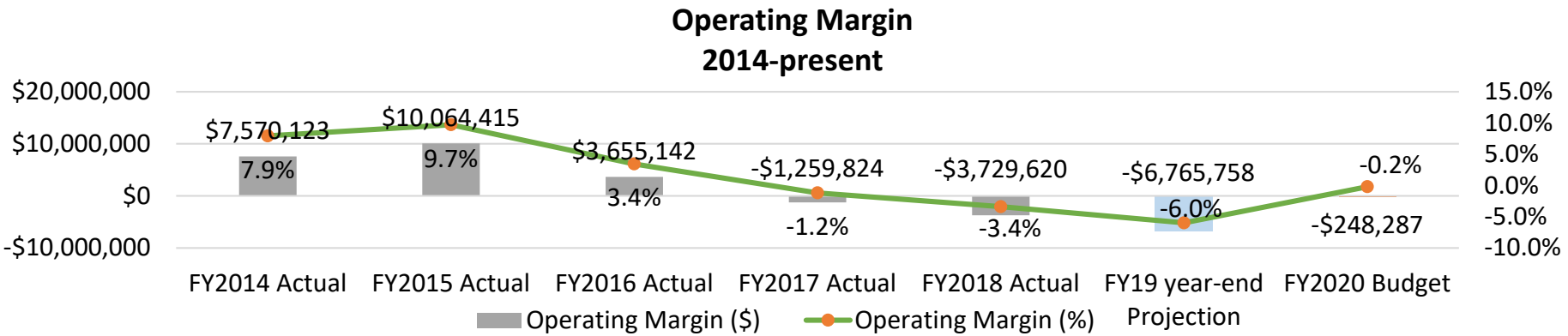


Note: FY19 projection and FY20 NPR/FPP updated August 9, 2019

VERMONT
GREEN MOUNTAIN CARE BOARD

Northwestern Vermont Medical Center
Historical Operating Performance





	FY16A	FY17A	FY18A	FY19B	FY19P	FY20B
Days Cash on Hand	351	331	300	307	257	244
Age of Plant	11	11	11	10	10	10

Northwestern Vermont Medical Center
Change in Charge

Request	
Overall Change in Charge %	5.9%
NPR due to Change in Charge	$3,395,863
Value of 1% Change in Charge	$575,570

Service Category	
Hospital Inpatient Change in Gross	7.6%
Hospital Outpatient Change in Gross Charges	7.6%
Skilled Nursing Facility Change in Gross Charges	0.0%

Payer	
Commercial	$3,395,863
Medicaid	$0
Medicare	$0

% of NPR/FPP Increase	
FY20 Request ($ change FY19B)	$4,152,599
Change in Charge ($)	$3,395,863
Change in Charge as a % of NPR/FPP Increase	81.8%

	FY16	FY17	FY18	FY19	FY20	5-year average
Approved	-8.0%	0.0%	3.5%	2.0%	NA	0.8%
Submitted	-8.0%	2.9%	6.0%	2.0%	5.9%	1.9%

Hospital's assumptions about Medicare and Medicaid remain unchanged.

Northwestern Vermont Medical Center
ACO Participation

HSA: St. Albans

Risk Program Participation		
CY18	CY19	Planned CY20
Medicaid Medicare BCBSVT	Medicaid Medicare BCBSVT	Medicaid Medicare BCBSVT

FY20 Submitted Data ($ or #, % of System)[5]			
NPR & FPP	Net Worth	DCOH	CAH
$116,926,579, 4.3%	$131,647,728	287.7	No

% FPP/NPR & FPP		
FY18 Act.	FY19 Proj.	FY20 Budget
13.9%	16.9%	21.0%

MRL as % of NPR & FPP	
CY18[6]	CY19[7]
1.4%	3.6%

Attributed Lives (#; % of System)	
CY18[1]	CY19[2]
6,909; 6.1%	15,357; 8.9%

MRL as % of Net Worth	
CY18[6]	CY19[7]
1.2%	3.2%

Maximum Risk Limit (MRL); % of System MRL	
CY18[3]	CY19[4]
$1,628,106; 7.7%	$4,200,754; 11.0%

Days Cash on Hand Needed to Fund MRL	
CY18[6]	CY19[7]
4.5	11.7

[1-5]All data sources listed at the end of this report

[6] Calculations under CY18 headers use CY18 data from OneCare, and FY19 data from hospitals.

[7] Calculations under CY19 headers use CY19 data from OneCare, and FY20 data from hospitals.

Southwestern Vermont Medical Center

NPR/FPP	
FY19 Budget-to-Projection Variance	**-0.2%**
FY19 Budget ($)	$165,201,376
FY20 Request ($)	$172,284,645
FY20 Request (% change FY19B)	**4.3%**
FY20 Request ($ change FY19B)	$7,083,269
FY20 Request (% change FY19P)	4.5%
FY19 Projection (% change FY18 Actuals)	2.4%

Request exceeds 3.5% target growth rate

Within target growth rate when considering request for provider transfer 3.5%

Change in Charges	
Commercial	$2,776,170
Medicaid	$0
Medicare	$0

2.8% Change in Charge

Hospital Justification:

- Utilization increases
- Anesthesia provider transfer

Southwestern Vermont Medical Center Provider Transfer Requests

SVMC plans to acquire **SVMC Anesthesia** located in Bennington on January 1, 2020

FY20 Impact	
Gross Patient Care Revenue	$2,147,112
Deductions from Revenue	-$846,098
Net Patient Revenue	**$1,301,014**
Provider Salaries	$1,977,890
Provider Fringe Benefits	$338,220
Staff Wages & Benefits (Non MD)	-
Malpractice	$203,920
Depreciation/Amortization	-
Rent	-
Billing Service	$75,685
Medical/Surgical Supplies	$100,823
Other Costs	$343,938
Operating Expense	**$3,040,476**
Net Operating Income/Loss	**-$1,739,462**

Currently, SVMC has a professional service agreement (PSA) with an Anesthesia group. Under the new arrangement, physicians would be hospital-employed.

FTEs and units of service:

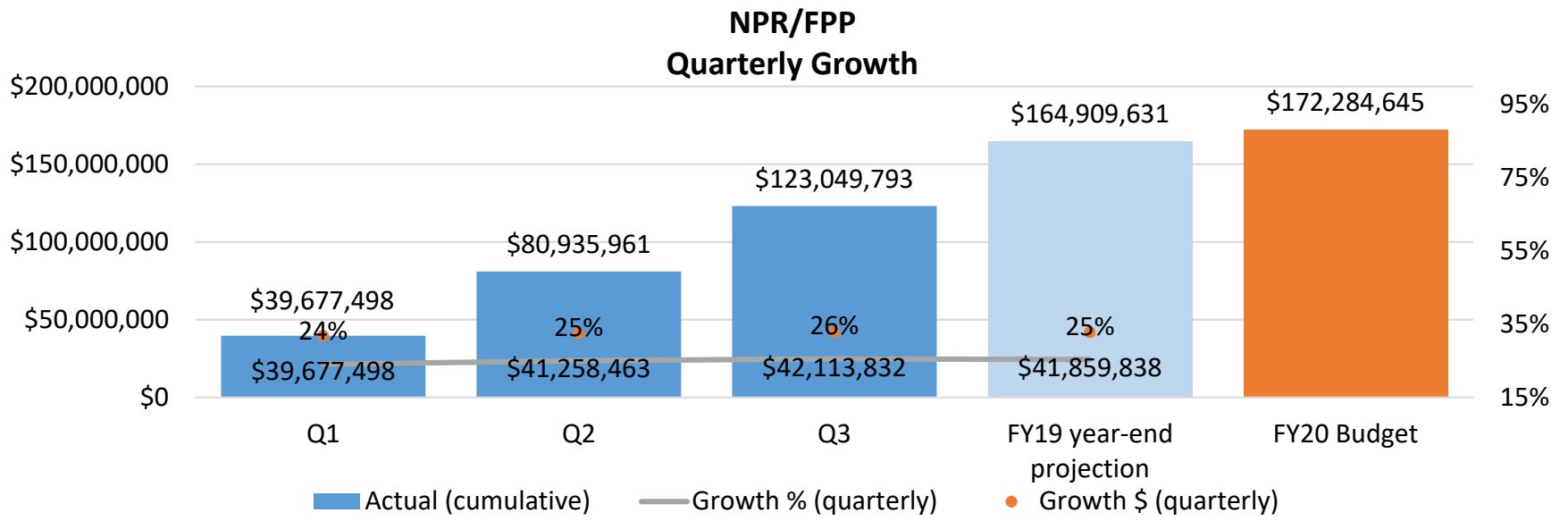
- 3 Provider FTE
- 3.75 non-provider FTEs
- 43,933 units of service

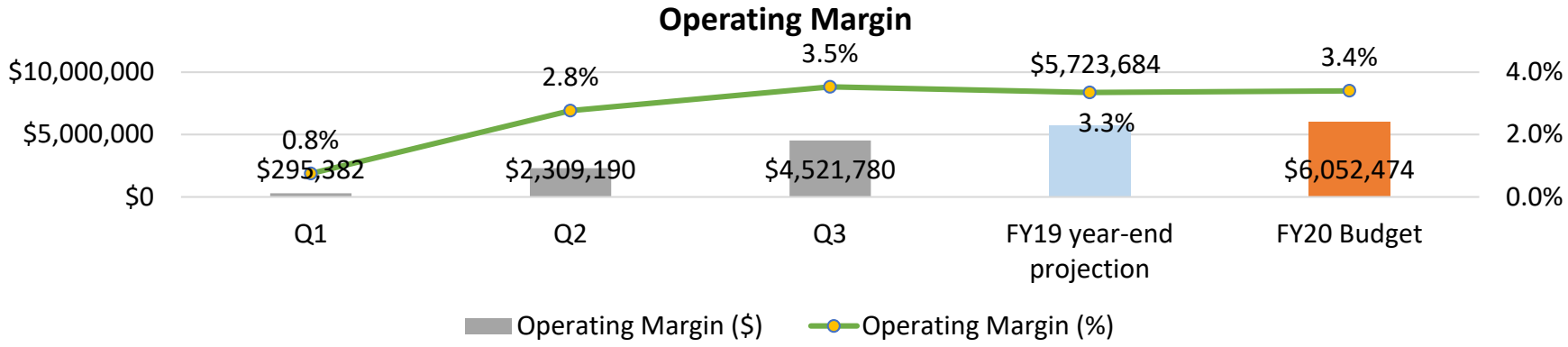
0.8% impact on FY20 NPR/FPP

GMCB staff recommend approval

Motion to approve Southwestern's request to adjust their FY20 budget request to reflect the acquisition of SVMC Anesthesia on January 1, 2020, pending required notice to patients pursuant to Act 143.

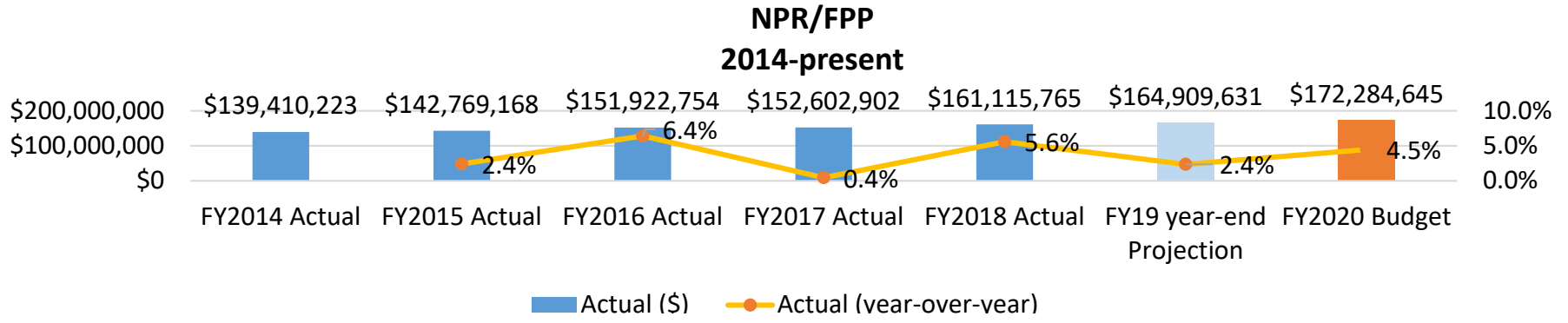
Southwestern Vermont Medical Center
FY19 Operating Performance

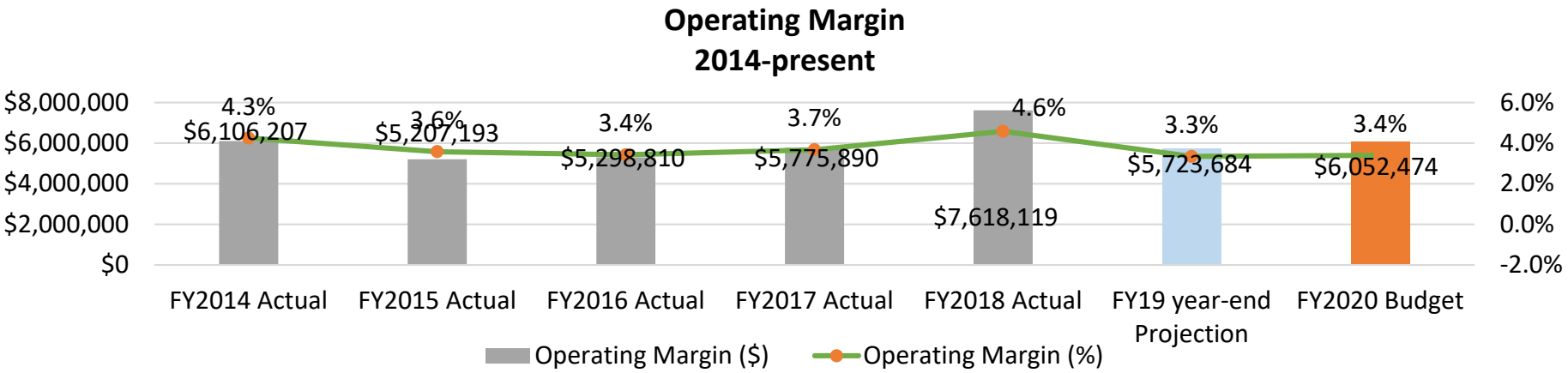




No change to hospital's FY19 projection from their response to staff analysis

Southwestern Vermont Medical Center
Historical Operating Performance





	FY16A	FY17A	FY18A	FY19B	FY19P	FY20B
Days Cash on Hand*	59	44	38	46	35	36
Age of Plant	17	17	17	18	18	18

*Does not include parent company of 161 for FY20

Southwestern Vermont Medical Center
Change in Charge

Request	
Overall Change in Charge %	2.8%
NPR due to Change in Charge	$2,776,170
Value of 1% Change in Charge	$926,000

Service Category	
Hospital Inpatient Change in Gross	4.7%
Hospital Outpatient Change in Gross Charges	4.7%
Professional Services Change in Gross Charges	0.0%

Payer	
Commercial	$2,776,170
Medicaid	$0
Medicare	$0

% of NPR/FPP Increase	
FY20 Request ($ change FY19B)	$7,083,269
Change in Charge ($)	$2,776,170
Change in Charge as a % of NPR/FPP Increase	39.2%

	FY16	**FY17**	**FY18**	**FY19**	**FY20**	**5-year average**
Approved	3.8%	3.4%	2.9%	3.0%	NA	3.5%
Submitted	3.8%	3.9%	2.9%	3.2%	2.8%	3.7%

Southwestern Vermont Medical Center
ACO Participation

HSA: Bennington

Risk Program Participation		
CY18	CY19	Planned CY20
Medicaid	Medicaid Medicare BCBSVT	Medicaid Medicare BCBSVT

FY20 Submitted Data ($ or #, % of System)[5]			
NPR & FPP	Net Worth	DCOH	CAH
$172,284,645; 6.3%	$41,156,577	35.7*	No

*SVMC's DCOH considering parent company: 161

% FPP/NPR & FPP		
FY18 Act.	FY19 Proj.	FY20 Budget
3.3%	17.4%	21.2%

MRL as % of NPR & FPP	
CY18[6]	CY19[7]
0.2%	1.4%

Attributed Lives (#; % of System)	
CY18[1]	CY19[2]
5,884; 5.2%	14,560; 8.4%

MRL as % of Net Worth	
CY18[6]	CY19[7]
0.9%	5.9%

Maximum Risk Limit (MRL); % of System MRL	
CY18[3]	CY19[4]
$404,598; 1.9%	$2,439,652; 6.4%

Days Cash on Hand Needed to Fund MRL	
CY18[6]	CY19[7]
0.4	2.8

[1-5]All data sources listed at the end of this report

[6] Calculations under CY18 headers use CY18 data from OneCare, and FY19 data from hospitals.

[7] Calculations under CY19 headers use CY19 data from OneCare, and FY20 data from hospitals.

Non-Compliant Requests

Brattleboro Memorial Hospital
Copley Hospital
Northeastern Vermont Regional Hospital
Mount Ascutney
Grace Cottage

Request exceeds 5.0% cap for those hospitals whose budget-to-projection variance exceeds -2.0%
and/or
Request exceeds 3.5% target growth rate

Brattleboro Memorial Hospital

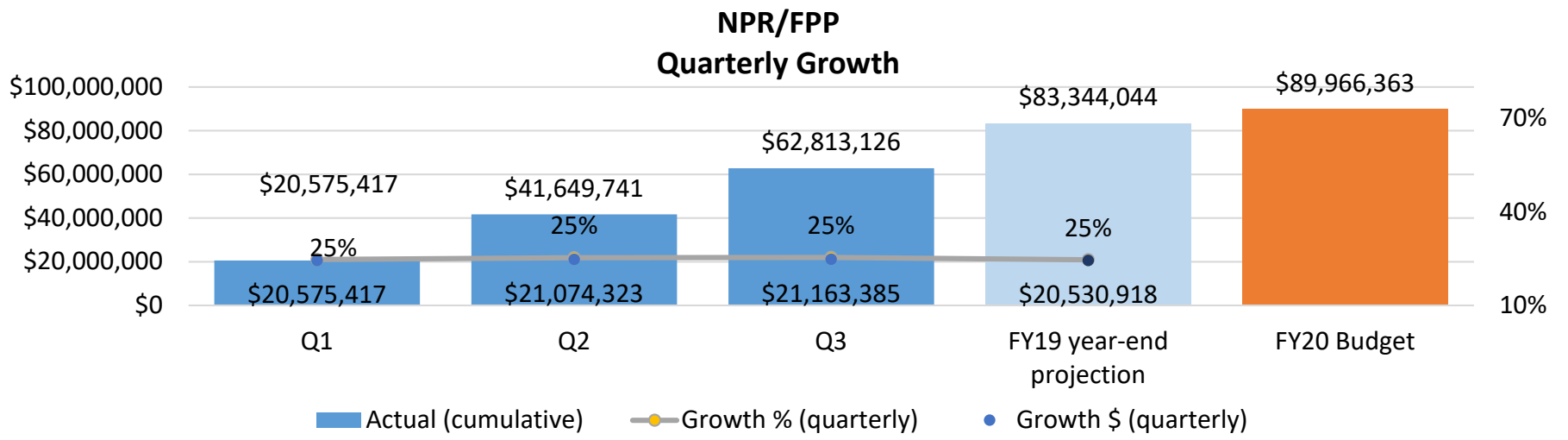
NPR/FPP	
FY19 Budget-to-Projection Variance	**-0.7%**
FY19 Budget ($)	$83,947,707
FY20 Request ($)	$89,344,044
FY20 Request (% change FY19B)	**7.2%**
FY20 Request ($ change FY19B)	$6,018,656
FY20 Request (% change FY19P)	7.9%
FY19 Projection (% change FY18 Actuals)	7.4%
Request exceeds the 3.5% target growth rate	

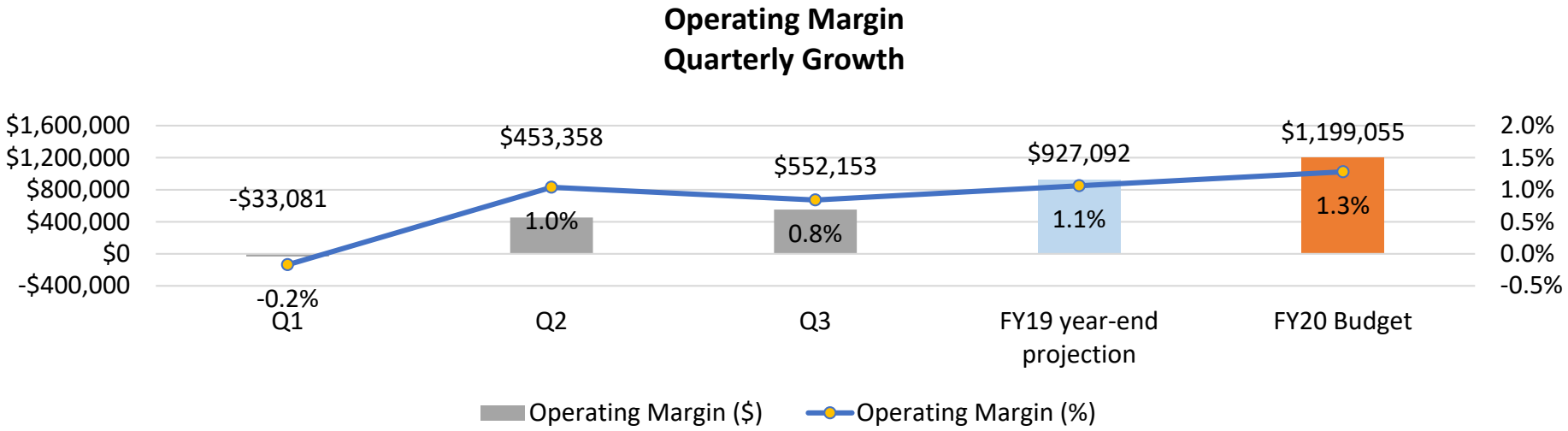
Change in Charges	
Commercial	$1,879,709
Medicaid	$0
Medicare	$0
3.4% Change in Charge	

Hospital Justification:

- Increased Utilization
  - Expectation that patients will continue to return to BMH now that clinicians have been recruited in Orthopedics, Primary Care, OB/GYN, General Surgery, Hospitalists, Dentist and Urology ARPN
- 3-year trend of negative operating margin

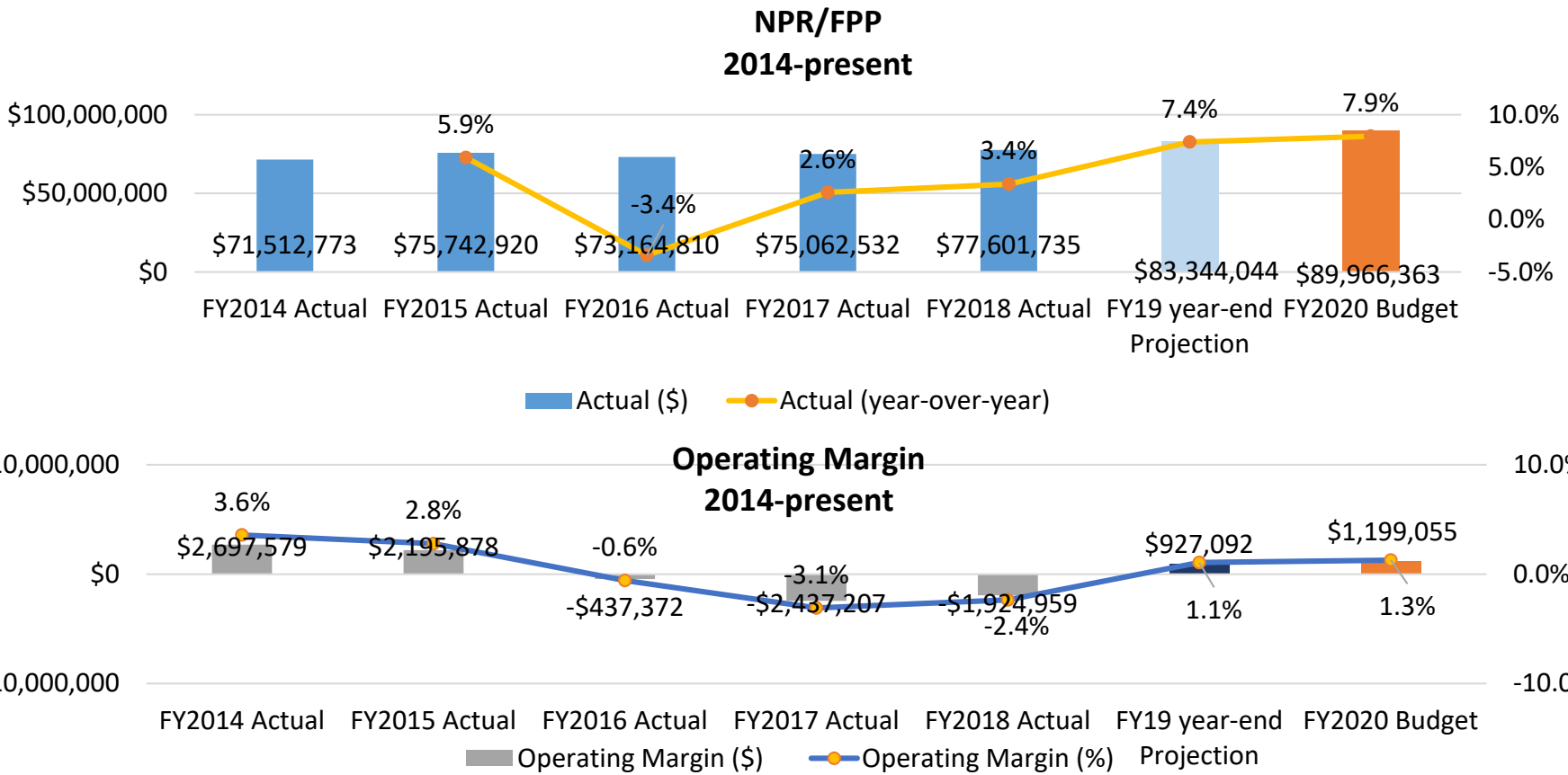
Brattleboro Memorial Hospital
FY19 Operating Performance





No change to hospital's FY19 projection from their response to staff analysis

Brattleboro Memorial Hospital
Historical Operating Performance



	FY16A	FY17A	FY18A	FY19B	FY19P	FY20B
Days Cash on Hand	229	195	196	196	253	146
Age of Plant	9	10	10	11	12	13

Brattleboro Memorial Hospital Change in Charge

Request	
Overall Change in Charge %	3.4%
NPR due to Change in Charge	$1,879,709
Value of 1% Change in Charge	$531,295
Service Category	
Hospital Inpatient Change in Gross	4.4%
Hospital Outpatient Change in Gross Charges	3.6%
Professional Services Change in Gross Charges	0.0%
Payer	
Commercial	$1,879,709
Medicaid	$0
Medicare	$0
% of NPR/FPP Increase	
FY20 Request ($ change FY19B)	$6,018,656
Change in Charge ($)	$1,879,709
Change in Charge as a % of NPR/FPP Increase	31.2%

	FY16	FY17	FY18	FY19	FY20	5-year average
Approved	-1.4%	3.5%	5.7%	3.9%	NA	2.9%
Submitted	-1.2%	3.5%	8.9%	4.9%	3.4%	3.8%

Hospital's assumptions about Medicare and Medicaid remain unchanged.

Brattleboro Memorial Hospital
ACO Participation

HSA: Brattleboro

Risk Program Participation		
CY18	CY19	Planned CY20
Medicaid Medicare BCBSVT	Medicaid Medicare BCBSVT	Medicaid Medicare BCBSVT

FY20 Submitted Data ($ or #, % of System)[5]			
NPR & FPP	Net Worth	DCOH	CAH
$89,966,363; 3.3%	$62,417,161	146.3	No (MDH)

% FPP/NPR & FPP		
FY18 Act.	FY19 Proj.	FY20 Budget
9.7%	12.2%	12.2%

MRL as % of NPR & FPP	
CY18[6]	CY19[7]
1.6%	1.3%

Attributed Lives (#; % of System)	
CY18[1]	CY19[2]
7,246; 6.4%	7,476; 4.3%

MRL as % of Net Worth	
CY18[6]	CY19[7]
2.3%	1.9%

Maximum Risk Limit (MRL); % of System MRL	
CY18[3]	CY19[4]
$1,346,573; 6.4%	$1,165,053; 3.1%

Days Cash on Hand Needed to Fund MRL	
CY18[6]	CY19[7]
3.2	2.8

[1-5]All data sources listed at the end of this report

[6] Calculations under CY18 headers use CY18 data from OneCare, and FY19 data from hospitals.

[7] Calculations under CY19 headers use CY19 data from OneCare, and FY20 data from hospitals.

Copley Hospital

NPR/FPP	
FY19 Budget-to-Projection Variance	**-2.6%**
FY19 Budget ($)	$70,201,316
FY20 Request ($)	$72,658,362
FY20 Request (% change FY19B)	**3.5%**
FY20 Request ($ change FY19B)	$2,457,046
FY20 Request (% change FY19P)	6.3%
FY19 Projection (% change FY18 Actuals)	3.2%

Budget-to-to-projection variance triggers 5.0% cap
Request exceeds the 3.5% target growth rate

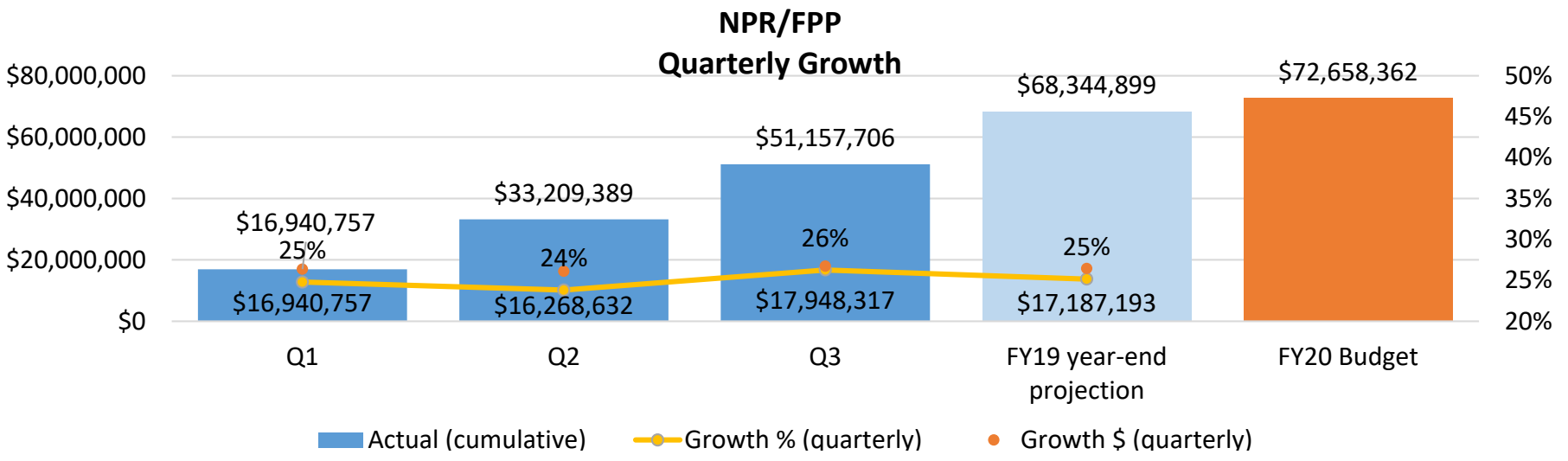
Change in Charges	
Commercial	$3,636,748
Medicaid	$0
Medicare	$0

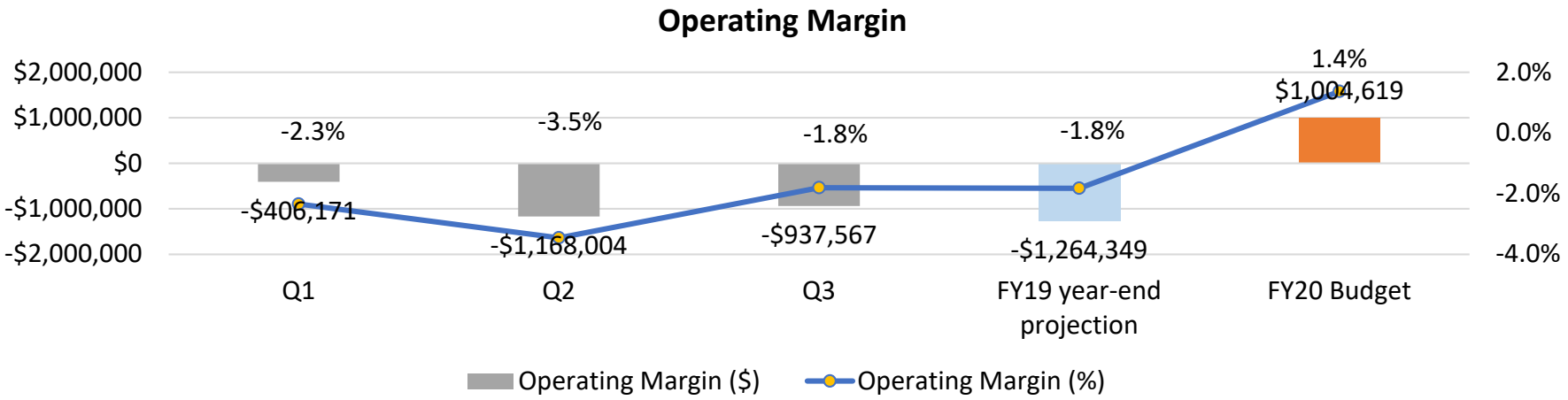
9.8% Change in Charge

Hospital Justification:

- 4-year trend of negative operating margin
- Requirement to build cash for deferred maintenance and risk mitigation
- Cost pressures
  - Inflation, Drugs (oncology Rx), Wages, Supplies (implants)
  - Affiliation initiatives
- Service Mix and Complexity of Care
- “Overcorrection of change in charge, 4-year trend -1.7%”
- Change in Charge to support positive operating margin

Copley Hospital
FY19 Operating Performance

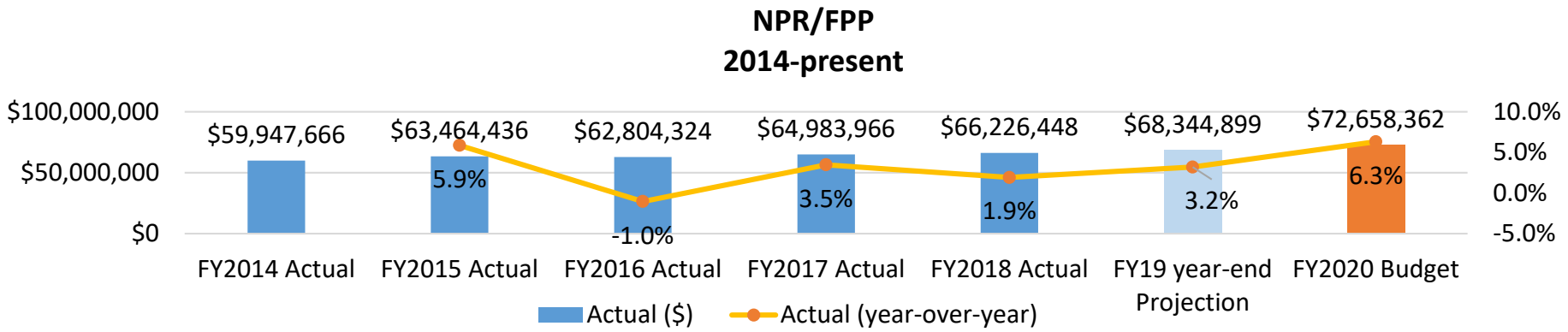


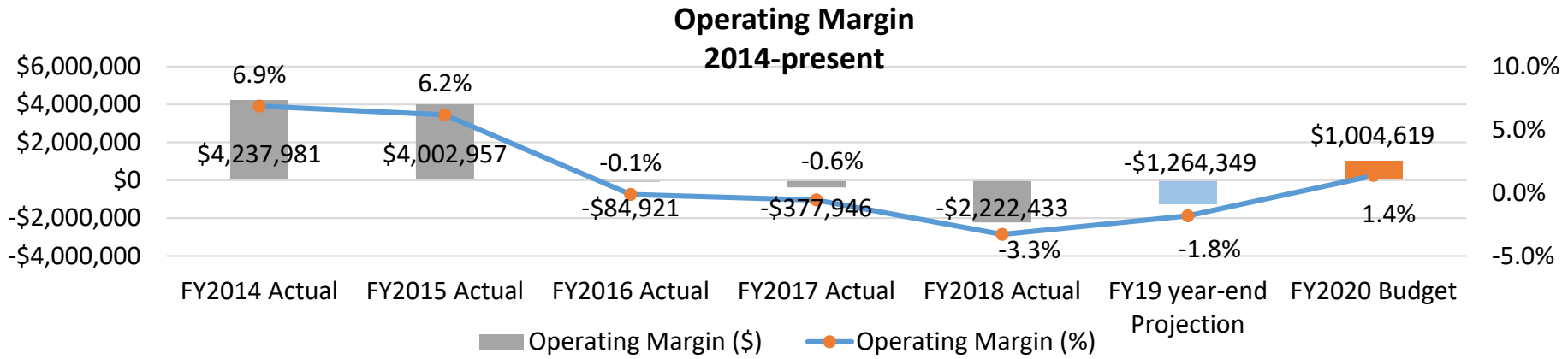


No change to hospital's FY19 projection from their response to staff analysis.

VERMONT
GREEN MOUNTAIN CARE BOARD

Copley Hospital
Historical Operating Performance





	FY16A	FY17A	FY18A	FY19B	FY19P	FY20B
Days Cash on Hand	82	84	64	65	67	72
Age of Plant	11	12	10	12	12	12

Copley Hospital
Change in Charge

Request	
Overall Change in Charge %	9.8%
NPR due to Change in Charge	$3,636,748
Value of 1% Change in Charge	$370,684

Service Category	
Hospital Inpatient Change in Gross	9.8%
Hospital Outpatient Change in Gross Charges	9.8%
Skilled Nursing Facility Change in Gross Charges	9.8%

Payer	
Commercial	$3,636,748
Medicaid	$0
Medicare	$0

% of NPR/FPP Increase	
FY20 Request ($ change FY19B)	$2,457,046
Change in Charge ($)	$3,636,748
Change in Charge as a % of NPR/FPP Increase	148.0%

	FY16	FY17	FY18	FY19	FY20	5-year average
Approved	-4.0%	-3.7%	-3.4%	4.5%	NA	-1.3%
Submitted	-3.0%	0.0%	0.0%	7.9%	9.8%	1.0%

Hospital's assumptions about Medicare and Medicaid remain unchanged.

Copley Hospital
ACO Participation

HSA: Morrisville

Risk Program Participation		
CY18	CY19	Planned CY20
n/a	n/a	Medicaid

FY20 Submitted Data ($ or #, % of System)[5]			
NPR & FPP	Net Worth	DCOH	CAH
$72,658,362; 2.7%	$35,219,117	72.1	Yes

% FPP/NPR & FPP		
FY18 Act.	FY19 Proj.	FY20 Budget
0.0%	0.0%	0.0%

[1-5]All data sources listed at the end of this report

[6] Calculations under CY18 headers use CY18 data from OneCare, and FY19 data from hospitals.

[7] Calculations under CY19 headers use CY19 data from OneCare, and FY20 data from hospitals.

Northeastern Vermont Regional Hospital

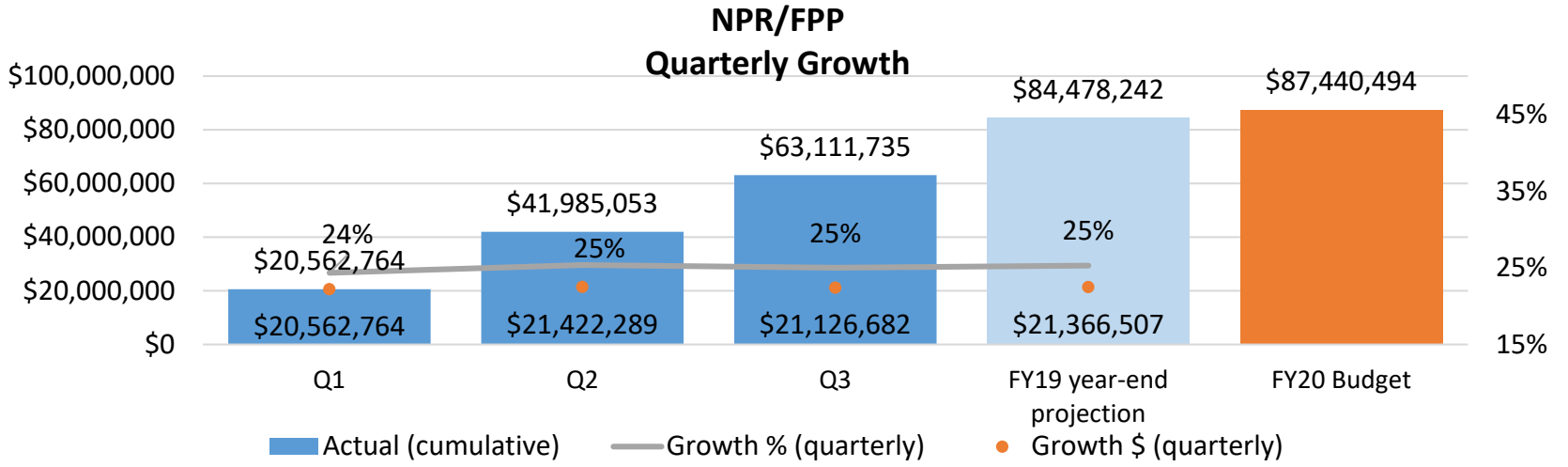
NPR/FPP	
FY19 Budget-to-Projection Variance	**3.6%**
FY19 Budget ($)	$81,568,705
FY20 Request ($)	$87,440,494
FY20 Request (% change FY19B)	**7.2%**
FY20 Request ($ change FY19B)	$5,871,789
FY20 Request (% change FY19P)	3.5%
FY19 Projection (% change FY18 Actuals)	7.7%
Request exceeds the 3.5% target growth rate	

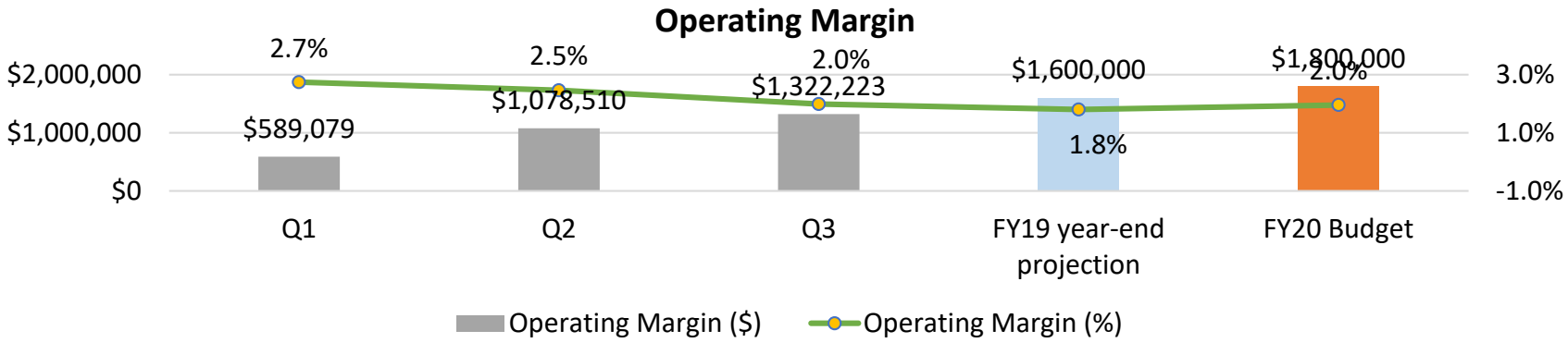
Change in Charges	
Commercial	$1,317,200
Medicaid	$0
Medicare	$0
3.5% Change in Charge	

Hospital Justification:

- Utilization increases
  - Average daily census increased from 14 to 18
  - Regained confidence in the hospital from service area
  - Increased staffing levels (orthopedics, general surgery, specialty and primary care)
  - Change in Charge to support long term operating margin
  - Operating margin necessary to expand Emergency Room planned for FY23

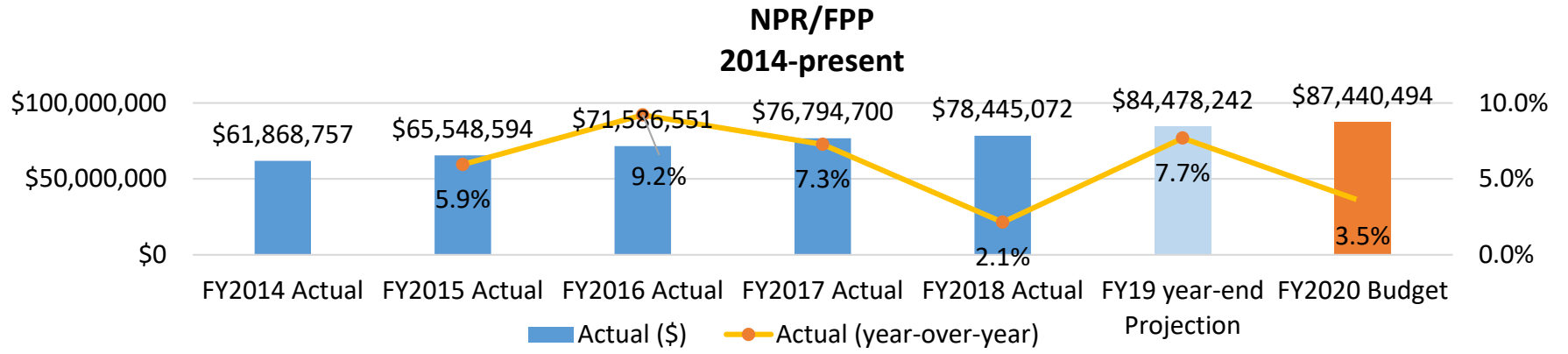
Northeastern Vermont Regional Hospital
FY19 Operating Performance

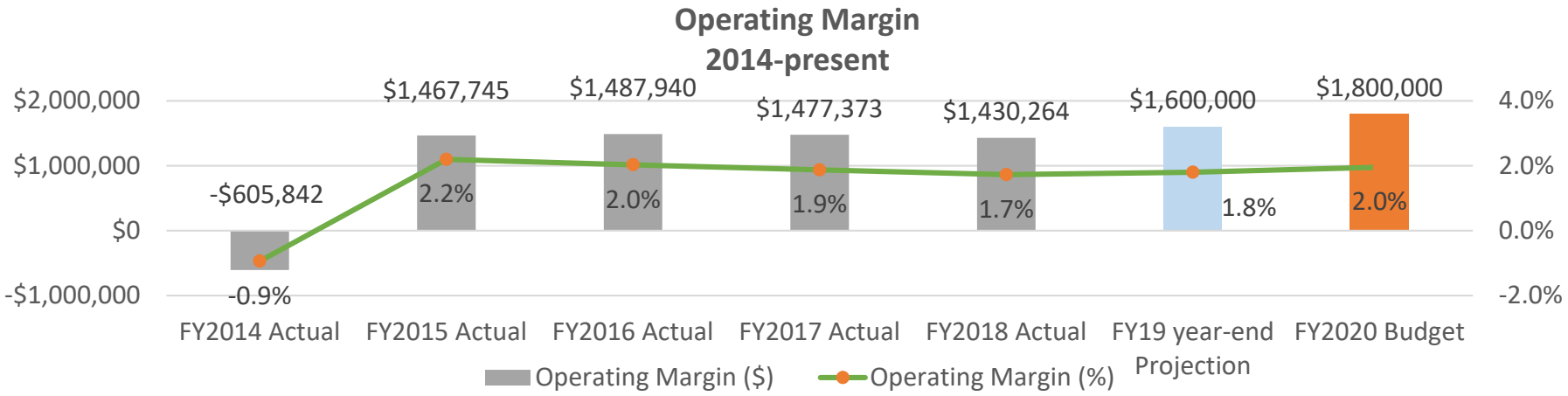




No change to hospital's FY19 projection from their response to staff analysis.

Northeastern Vermont Regional Hospital
Historical Operating Performance





	FY16A	FY17A	FY18A	FY19B	FY19P	FY20B
Days Cash on Hand	123	124	120	122	108	114
Age of Plant	13	13	13	13	13	12

Northeastern Vermont Regional Hospital Change in Charge

Request	
Overall Change in Charge %	3.5%
NPR due to Change in Charge	$1,317,200
Value of 1% Change in Charge	$376,300

Service Category	
Hospital Inpatient Change in Gross	3.8%
Hospital Outpatient Change in Gross Charges	3.8%
All Other Change in Gross Charges	0.0%

Payer	
Commercial	$1,317,200
Medicaid	$0
Medicare	$0

% of NPR/FPP Increase	
FY20 Request ($ change FY19B)	$5,871,789
Change in Charge ($)	$1,317,200
Change in Charge as a % of NPR/FPP Increase	22.4%

	FY16	FY17	FY18	FY19	FY20	5-year average
Approved	5.2%	3.8%	3.2%	3.0%	NA	4.0%
Submitted	5.2%	3.8%	4.3%	4.0%	3.5%	4.4%

Hospital's assumptions about Medicare and Medicaid remain unchanged.

Northeastern Vermont Regional Hospital
ACO Participation

HSA: St. Johnsbury

Risk Program Participation		
CY18	CY19	Planned CY20
n/a	Medicaid	Medicaid

FY20 Submitted Data ($ or #, % of System)[5]			
NPR & FPP	Net Worth	DCOH	CAH
$87,440,494; 3.2%	$44,883,800	107.5	Yes

% FPP/NPR & FPP		
FY18 Act.	FY19 Proj.	FY20 Budget
0.0%	3.9%	5.2%

MRL as % of NPR & FPP	
CY18[6]	CY19[7]
n/a	0.8%

Attributed Lives (#; % of System)	
CY18[1]	CY19[2]
n/a	5,003; 2.9%

MRL as % of Net Worth	
CY18[6]	CY19[7]
n/a	1.5%

Maximum Risk Limit (MRL); % of System MRL	
CY18[3]	CY19[4]
n/a	$678,843; 1.8%

Days Cash on Hand Needed to Fund MRL	
CY18[6]	CY19[7]
n/a	1.0

[1-5]All data sources listed at the end of this report

[6] Calculations under CY18 headers use CY18 data from OneCare, and FY19 data from hospitals.

[7] Calculations under CY19 headers use CY19 data from OneCare, and FY20 data from hospitals.

Mt. Ascutney Hospital & Health Center

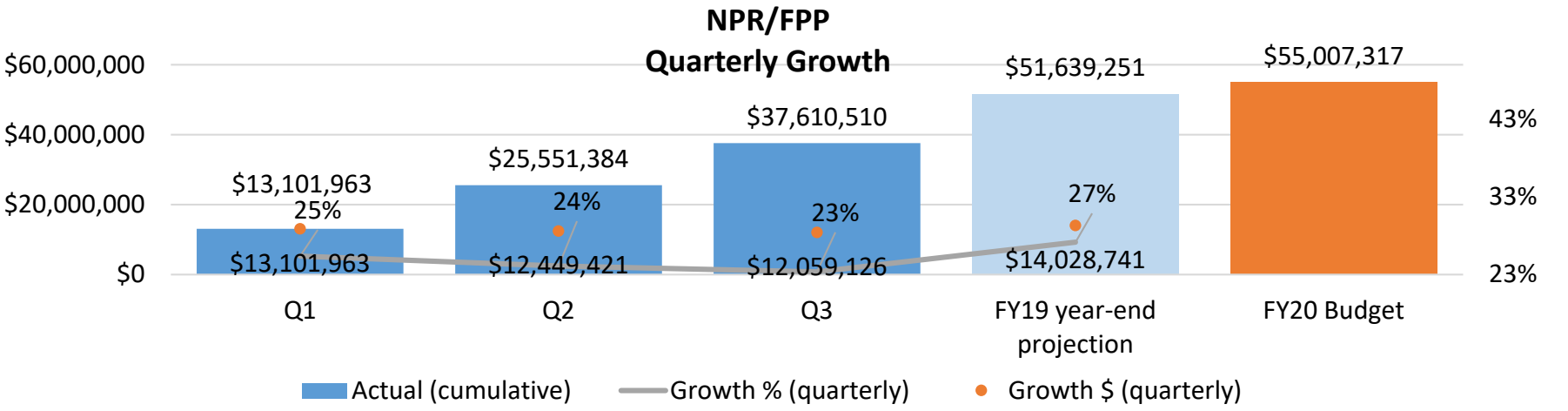
NPR/FPP	
FY19 Budget-to-Projection Variance	**0.9%**
FY19 Budget ($)	$51,195,770
FY20 Request ($)	$55,007,317
FY20 Request (% change FY19B)	**7.4%**
FY20 Request ($ change FY19B)	$3,811,547
FY20 Request (% change FY19P)	6.5%
FY19 Projection (% change FY18 Actuals)	1.6%
Request exceeds the 3.5% target growth rate	

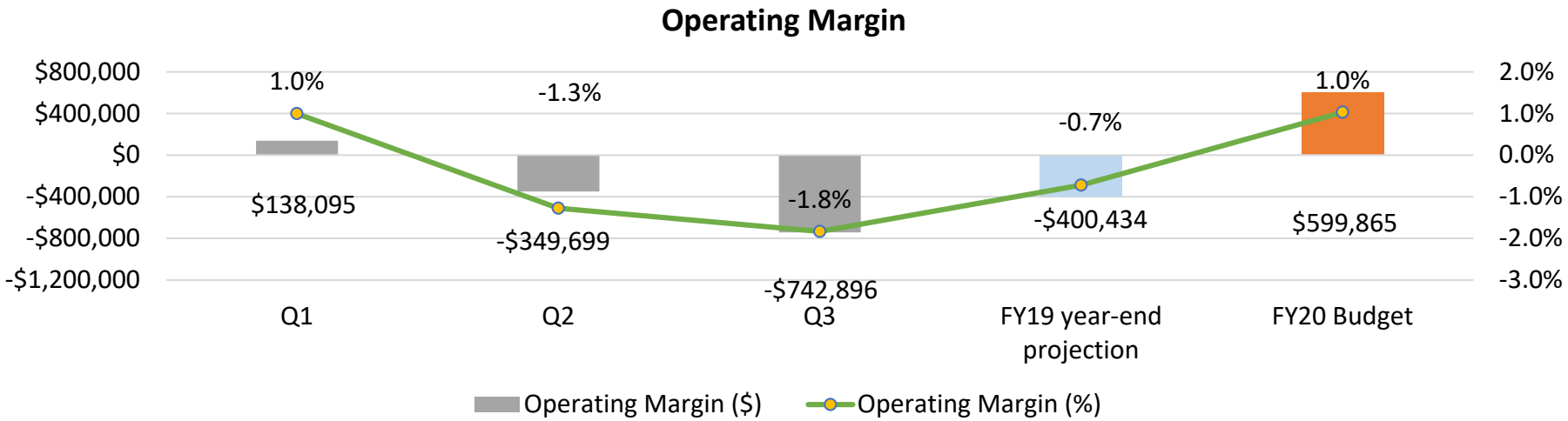
Change in Charges	
Commercial	$1,376,000
Medicaid	$0
Medicare	$0
3.2% Change in Charge	

Hospital Justification:

- Utilization increases
  - Springfield Volume
  - Increases in primary care (3 new primary care providers), swing beds, rehab, ancillary services
- Change in Charge to support operating margin

Mt. Ascutney Hospital & Health Center
FY19 Operating Performance

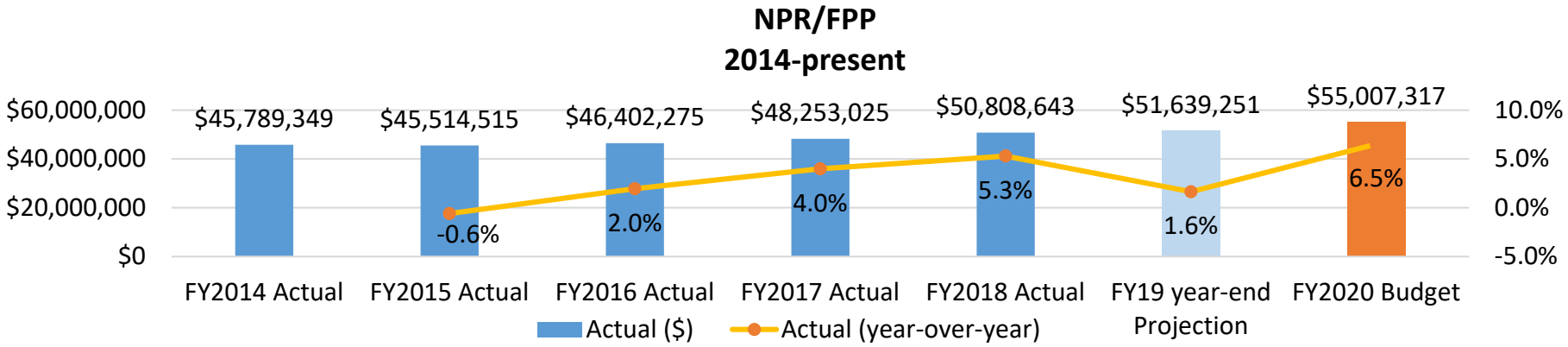


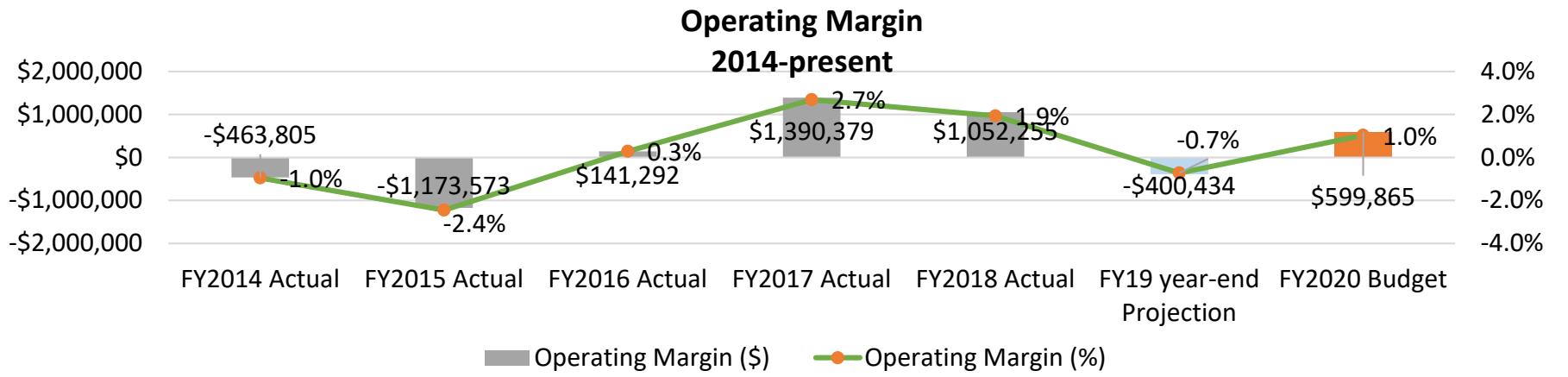


No change to hospital's FY19 projection from their response to staff analysis.

VERMONT
GREEN MOUNTAIN CARE BOARD

Mt. Ascutney Hospital & Health Center
Historical Operating Performance





	FY16A	FY17A	FY18A	FY19B	FY19P	FY20B
Days Cash on Hand	91	119	132	120	127	133
Age of Plant	13	12	13	12	13	12

Mt. Ascutney Hospital & Health Center
Change in Charge

Request	
Overall Change in Charge %	3.2%
NPR due to Change in Charge	$1,376,000
Value of 1% Change in Charge	$430,000
Service Category	
Hospital Inpatient Change in Gross Charges	4.0%
Hospital Outpatient Change in Gross Charges	4.0%
Professional Services Change in Gross Charges	3.0%
Rehab Change in Gross Charges	4.0%
Swing Change in Gross Charges	1.6%
Payer	
Commercial	$1,376,000
Medicaid	$0
Medicare	$0
% of NPR/FPP Increase	
FY20 Request ($ change FY19B)	$3,811,547
Change in Charge ($)	$1,376,000
Change in Charge as a % of NPR/FPP Increase	36.1%

	FY16	FY17	FY18	FY19	FY20	5-year average
Approved	5.7%	4.9%	4.9%	2.9%	NA	4.3%
Submitted	5.7%	4.9%	4.9%	2.9%	3.2%	4.3%

Hospital's assumptions about Medicare and Medicaid remain unchanged.

Mt. Ascutney Hospital & Health Center
ACO Participation

HSA: Windsor

Risk Program Participation		
CY18	CY19	Planned CY20
Medicaid	Medicaid Medicare BCBSVT	Medicaid Medicare BCBSVT

FY20 Submitted Data ($ or #, % of System)[5]			
NPR & FPP	Net Worth	DCOH	CAH
$55,007,317; 2.0%	$30,326,779	133.0	Yes

% FPP/NPR & FPP		
FY18 Act.	FY19 Proj.	FY20 Budget
1.4%	10.0%	14.8%

MRL as % of NPR & FPP	
CY18[6]	CY19[7]
0.2%	3.9%

Attributed Lives (#; % of System)	
CY18[1]	CY19[2]
1,071; 0.9%	5,775; 3.4%

MRL as % of Net Worth	
CY18[6]	CY19[7]
0.3%	7.0%

Maximum Risk Limit (MRL); % of System MRL	
CY18[3]	CY19[4]
$83,530; 0.4%	$2,126,624; 5.6%

Days Cash on Hand Needed to Fund MRL	
CY18[6]	CY19[7]
0.2	7.1

[1-5]All data sources listed at the end of this report

[6] Calculations under CY18 headers use CY18 data from OneCare, and FY19 data from hospitals.

[7] Calculations under CY19 headers use CY19 data from OneCare, and FY20 data from hospitals.

Grace Cottage

NPR/FPP	
FY19 Budget-to-Projection Variance	**-3.3%**
FY19 Budget ($)	$19,292,581
FY20 Request ($)	$20,966,669
FY20 Request (% change FY19B)	**8.7%**
FY20 Request ($ change FY19B)	$1,674,088
FY20 Request (% change FY19P)	12.3%
FY19 Projection (% change FY18 Actuals)	2.6%

Budget-to-Projection variance triggers 5% cap
Request exceeds the 3.5% target growth rate

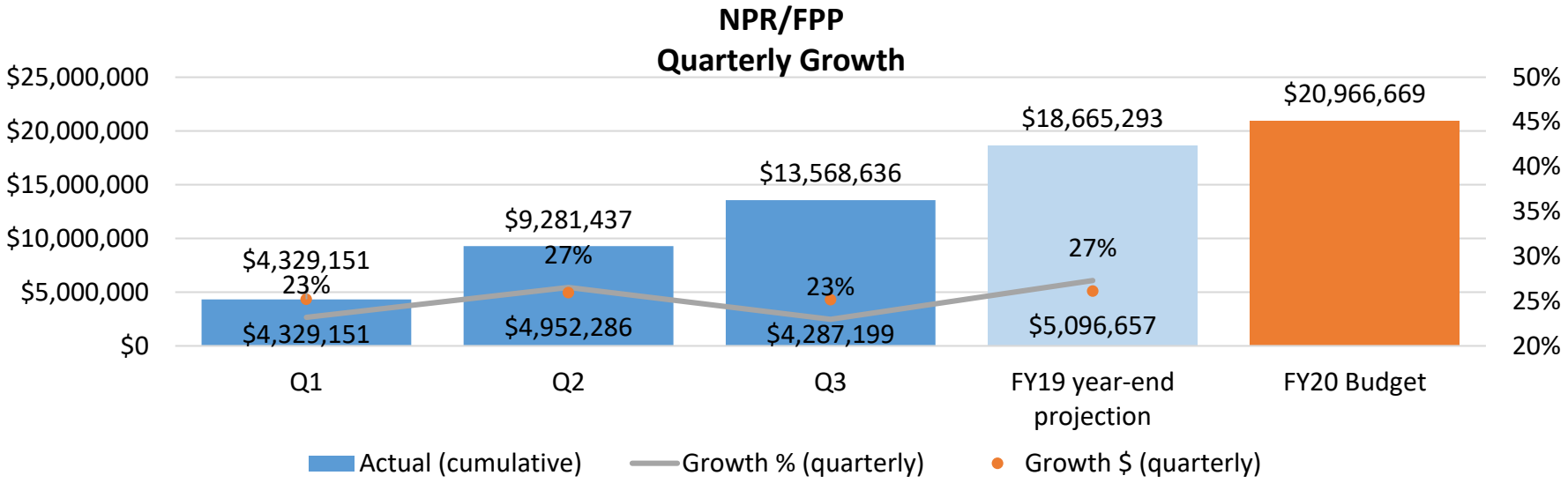
Change in Charges	
Commercial	$116,174
Medicaid	$0
Medicare	$244,562

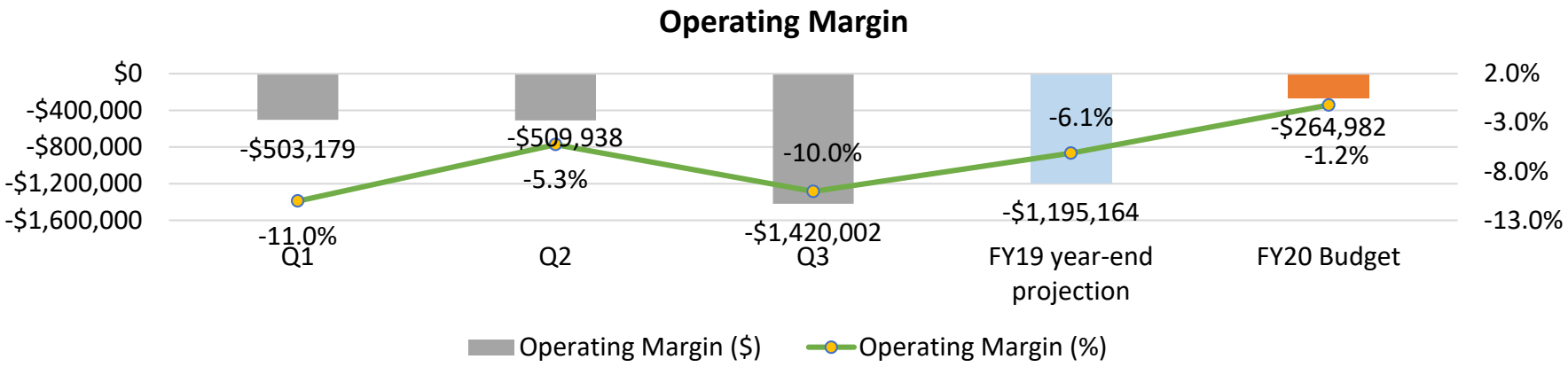
3.2% Change in Charge

Hospital Justification:

- Utilization increases
  - Primary care is now fully staffed and have full patient panels
- Change in charge to support operating margin

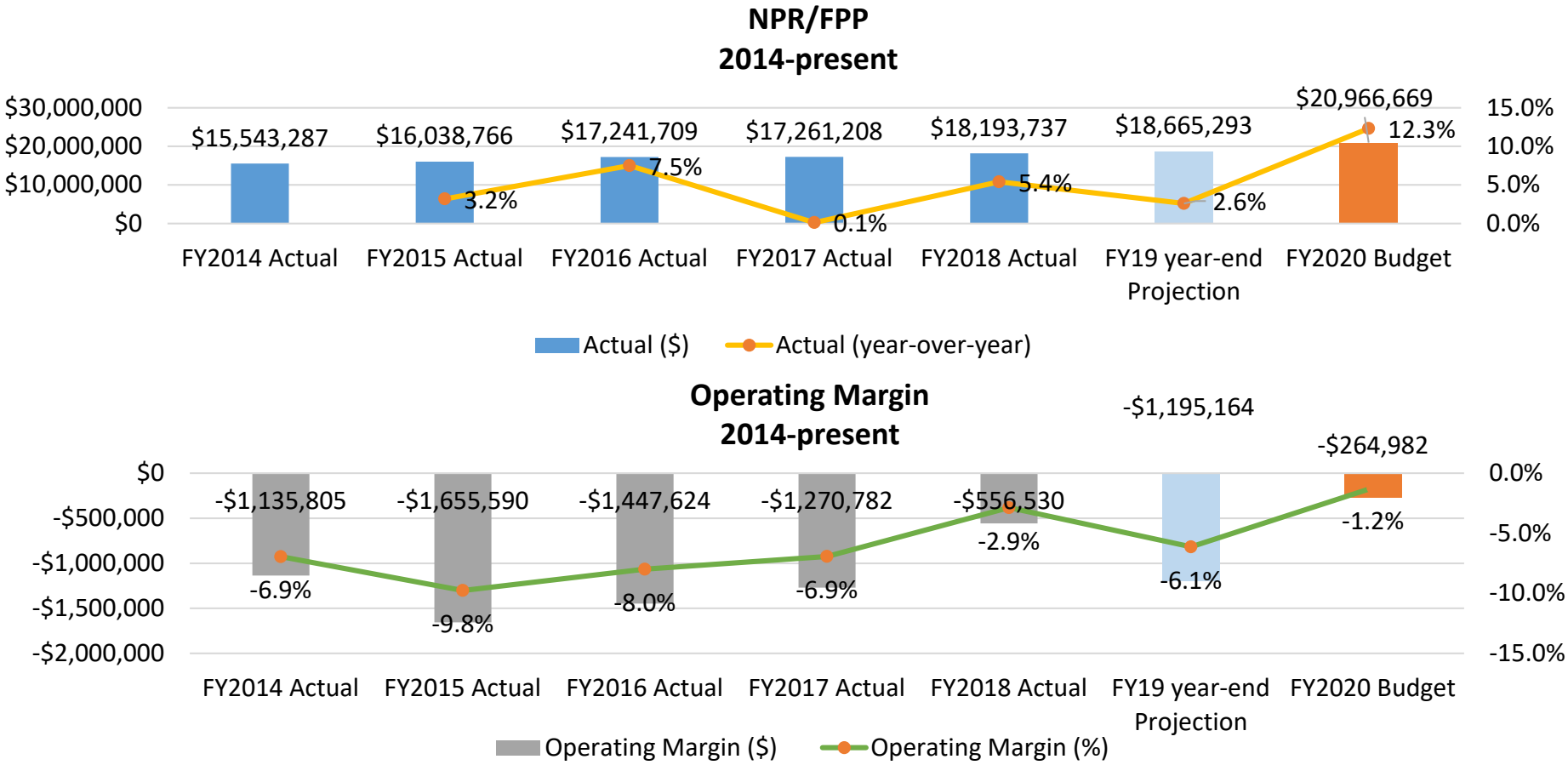
Grace Cottage
FY19 Operating Performance





No change to hospital's FY19 projection from their response to staff analysis.

Grace Cottage
Historical Operating Performance



	FY16A	FY17A	FY18A	FY19B	FY19P	FY20B
Days Cash on Hand	78	86	92	93	94	91
Age of Plant	18	22	23	21	21	21

Grace Cottage
Change in Charge

Request	
Overall Change in Charge %	3.2%
NPR due to Change in Charge	$360,736
Value of 1% Change in Charge	$112,730

Service Category	
Hospital Inpatient Change in Gross Charges	3.2%
Hospital Outpatient Change in Gross Charges	3.2%
Primary Care Change in Gross Charges	3.2%
Swing Change in Gross Charges	3.2%

Payer	
Commercial	$116,174
Medicaid	$0
Medicare	244,562

% of NPR/FPP Increase	
FY20 Request ($ change FY19B)	$1,674,088
Change in Charge ($)	$360,736
Change in Charge as a % of NPR/FPP Increase	21.5%

	FY16	**FY17**	**FY18**	**FY19**	**FY20**	**5-year average**
Approved	5.8%	5.0%	5.0%	3.2%	NA	4.6%
Submitted	5.8%	5.0%	5.0%	3.2%	3.2%	4.6%

Grace Cottage
ACO Participation

No participation budgeted in FY20

The University of Vermont Health Network Request

Porter Medical Center (Compliant)
Central Vermont Medical Center (Non-Compliant)
The University of Vermont Medical Center (Non-Compliant)

Central Vermont Medical Center

NPR/FPP	
FY19 Budget-to-Projection Variance	**-2.2%**
FY19 Budget ($)	$211,387,021
FY20 Request ($)	$218,043,247
FY20 Request (% change FY19B)	**3.1%**
FY20 Request ($ change FY19B)	$6,656,226
FY20 Request (% change FY19P)	5.4%
FY19 Projection (% change FY18 Actuals)	6.3%

Variance triggers 5% cap
Request is not compliant with budget guidance
Growth rate impacted by requested adjustments

Change in Charges	
Commercial	$20,332,096
Medicaid	-$63,457
Medicare	$7,154,587

3.0% Overall Change in Charge
5.9% Commercial Change in Charge

Hospital Justification:

- Case Mix Index
- Unique Patients
- Adjustments decrease NPR/FPP growth rate to 2.0%
    1. Provider Transfers
        - $3.4 million in provider transfer adjustments
    2. Accounting Adjustment
        - $821,520 reclassification of bad debt collection fees to expenses
    3. ACO Accounting
        - -$1.8 million reclassification of payment reform investments to NPR/FPP deductions
- Change in charge to cover annual inflation on commercial business and support long term operating margin

Represents 9/9 updates to FY19 projection and FY20 budget

Central Vermont Medical Center Resubmissions

FY19 Projection

FY19 Projection	7/1/2019	8/9/2019	9/5/2019
NPR/FPP ($)	$209,649,672	$205,689,884	$206,785,307
NPR/FPP (% variance)	-0.8%	-2.70%	-2.2%
Operating Margin	$678,464	-$4,281,324	-$4,043,741
Operating Margin (%)	0.3%	-1.9%	-1.8%

FY20 Budget

FY20 Budget	7/1/2019	8/9/2019	9/5/2019
NPR/FPP ($)	$222,024,685	No Change	$218,043,247
NPR/FPP (% growth)	5.0%		3.1%
Operating Margin	$4,168,541		$187,103
Operating Margin (%)	1.7%		0.1%

Central Vermont Medical Center Accounting Adjustment & Provider Transfers

Provider Transfers

Central Vermont Medical Center is requesting an NPR/FPP adjustment for three provider transfers:

	Oncology	Pulmonology	Dermatology
NPR/FPP Impact ($)	$2,006,256	$692,182	$731,628
NPR/FPP Impact (%)	-0.9%	-0.3%	-0.3%

Overall Impact of Provider Transfers
-1.6%

Accounting Adjustment

The UVMHN proposes two accounting adjustments:

1. Accounting Adjustment: reclassification of bad debt collection fees to expenses
2. ACO accounting: reclassification of payment reform investments to NPR/FPP deductions

	Accounting	ACO Accounting
NPR/FPP Impact ($)	$821,520	-$1,806,998
NPR/FPP Impact (%)	-0.4%	0.8%

Overall Impact of Accounting Adjustments
0.5%

Central Vermont Medical Center Provider Transfer Requests

Pulmonology- Effective September 1, 2019

FY20 Impact	
Gross Patient Care Revenue	$1,701,812
Deductions from Revenue	$1,009,630
Net Patient Revenue - Physician	**$692,182**
Provider Salaries	$315,700
Provider Fringe Benefits	$63,140
Staff Wages & Benefits (Non MD)	$200,510
Medical/Surgical Supplies	$3,090
Other Costs	$34,449
Total Operating Expense	**$616,889**
Net Operating Income/Loss	**$75,293**

GMCB staff recommend approval

Motion to approve CVMC's request to adjust their FY20 budget to reflect full scope of volume associated with the previously approved pulmonary acquisition.

In 2018, the GMCB approved CVMC's acquisition of an independent pulmonologist's inpatient services.

CVMC's FY20 request is a follow up to the original request to add outpatient services.

Current wait times to see a pulmonologist is 3-4 months.

FTEs and units of service:

- 1 FTE
- 6,002 units of service

-0.3% impact on NPR/FPP

Central Vermont Medical Center Provider Transfer Requests

Dermatology- Effective September 1, 2019

FY20 Impact	
Gross Patient Care Revenue	$1,186,364
Deductions from Revenue	$454,736
Net Patient Revenue - Physician	**$731,628**
Provider Salaries	$265,893
Provider Fringe Benefits	$53,179
Staff Wages & Benefits (Non MD)	$279,836
Medical/Surgical Supplies	$89,042
Other Costs	$86,112
Total Operating Expense	**$774,062**
Net Operating Income/Loss	**-$42,434**

GMCB staff recommend approval

Motion to approve CVMC's request to adjust their FY20 budget to reflect full scope of volume associated with the previously approved dermatology acquisition.

In 2018, the GMCB approved CVMC's 0.4 FTE dermatology acquisition resulting from the closure of an independent practice.

CVMC's FY20 request is a follow up to the original request to add 0.8 FTE.

Current wait times to see a dermatologist is 35 days.

FTEs and units of service:

- 0.8 FTE
- 4,263 units of service

-0.3% impact on NPR/FPP

Central Vermont Medical Center Provider Transfer Requests

Oncology- October 1, 2019

FY20 Impact	
Gross Patient Care Revenue	$3,895,643
Deductions from Revenue	-$1,889,387
Net Patient Revenue - Physician	**$2,006,256**
Provider Salaries	$446,300
Provider Fringe Benefits	$89,260
Other Costs	$42,974
Total Operating Expense	**$578,534**
Net Operating Income/Loss	**$1,427,722**

GMCB staff recommendation:

- **Not eligible for provider transfer adjustment**
- **Consider as justification for overall NPR/FPP request- increased utilization, access to care and shared services**

CVMC is expanding oncology coverage due to the increased need for this service. CVMC will also continue to support Gifford and Copley patients in need of oncological services.

Current wait time for a new patient to see an oncologist is 19 days.

1.0 FTE

-0.9% impact on NPR/FPP

Central Vermont Medical Center Accounting Adjustment

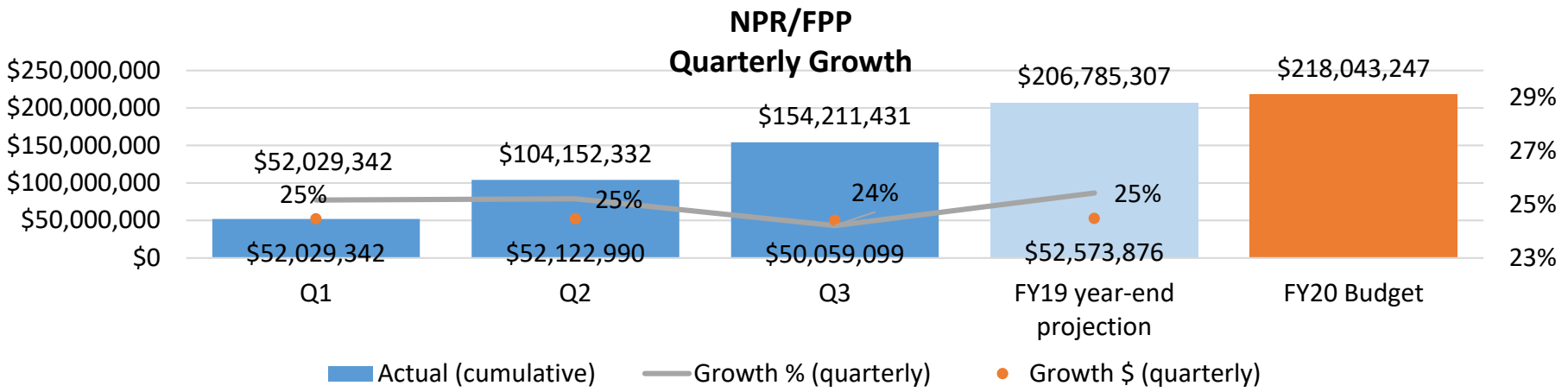
Central Vermont Medical Center proposes two accounting adjustments:

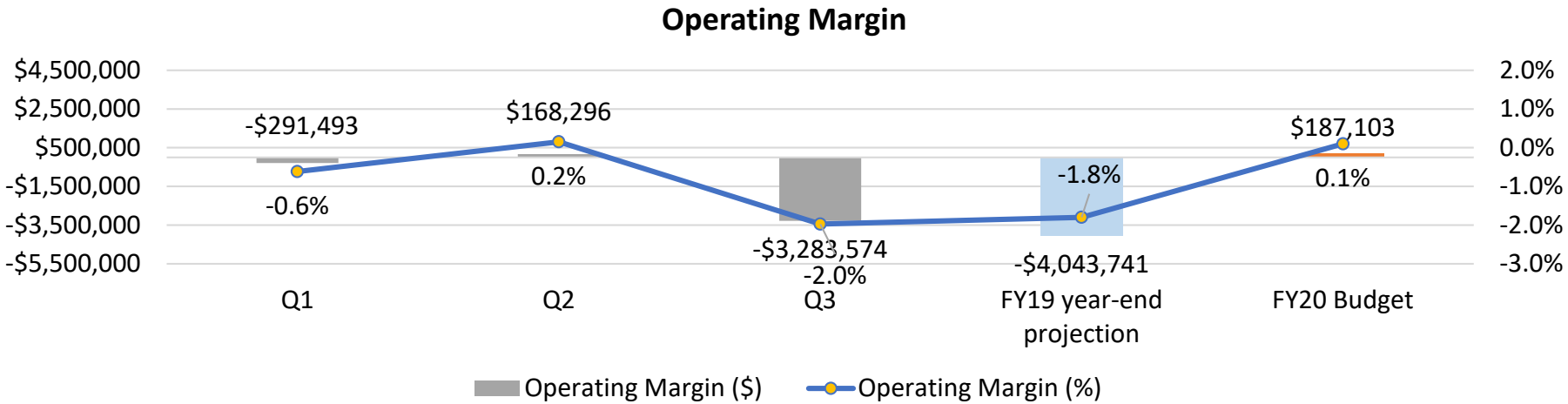
1. Accounting Adjustment: reclassification of bad debt collection fees to expenses
2. ACO accounting: reclassification of payment reform investments to NPR/FPP deductions

	Accounting	ACO Accounting
NPR/FPP Impact ($)	$821,520	-$1,806,998
NPR/FPP Impact (%)	-0.4%	0.8%
	Overall Impact of Accounting Adjustments	
	0.5%	

Motion to recognize CVMC's accounting adjustments to reclassify bad debt collection fees as an expense and to reclassify payment reform investments as NPR/FPP deductions

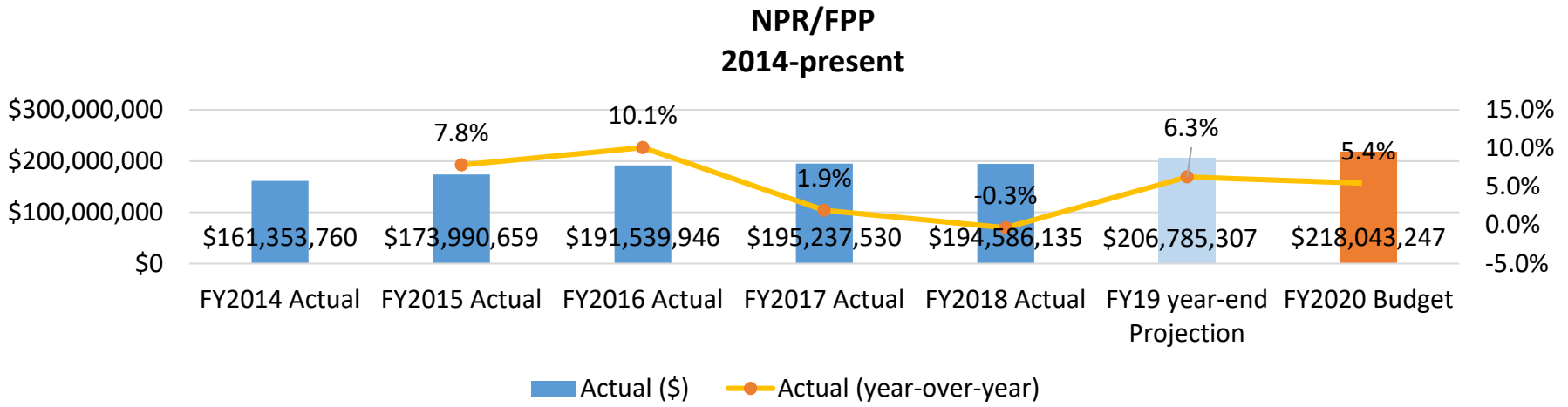
Central Vermont Medial Center
FY19 Operating Performance

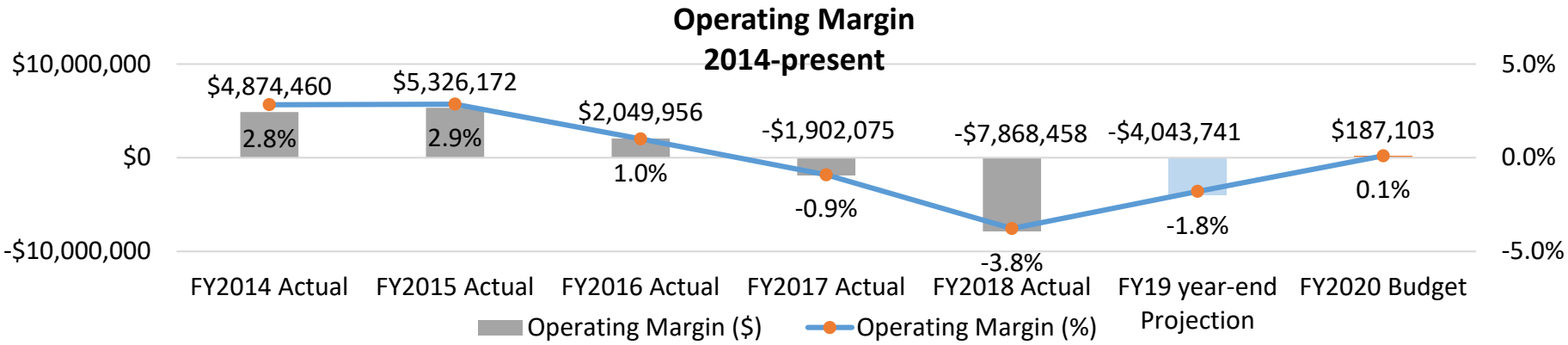




Represents 9/9 updates to FY19 projection and FY20 budget

Central Vermont Medical Center
Historical Operating Performance





	FY16A	FY17A	FY18A	FY19B	FY19P	FY20B
Days Cash on Hand	99	116	110	113	?	?
Age of Plant	10	10	11	12	12	13

Central Vermont Medical Center
Change in Charge

Request	
Overall Change in Charge %	3.0%
Commercial Change in Charge%	5.9%
NPR due to Change in Charge	NA
Value of 1% Change in Charge	NA
Service Category	
Hospital Inpatient Change in Gross Charges	3.0%
Hospital Outpatient Change in Gross Charges	3.0%
Professional Services Change in Gross Charges	3.0%
Skilled Nursing Facility Change in Gross Charges	3.0%
Payer	
Commercial	NA
Medicaid	NA
Medicare	NA

% of NPR/FPP Increase	
FY20 Request ($ change FY19B)	$6,656,226
Change in Charge ($)	NA
Change in Charge as a % of NPR/FPP Increase	NA

Overall Charge	FY16	FY17	FY18	FY19	FY20	Blended 5-year average
Approved	4.7%	2.5%	0.7%	2.3%	NA	3.2%
Submitted	4.7%	3.0%	0.7%	2.8%	5.9%	3.4%

Central Vermont Medical Center
ACO Participation

HSA: Berlin

Risk Program Participation		
CY18	CY19	Planned CY20
Medicaid Medicare BCBSVT	Medicaid Medicare BCBSVT	Medicaid Medicare BCBSVT

FY20 Submitted Data ($ or #, % of System)[5]			
NPR & FPP	Net Worth	DCOH	CAH
$222,024,685, 3.3%	$110,057,485	89.1	No

% FPP/NPR & FPP		
FY18 Act.	FY19 Proj.	FY20 Budget
14.7%	18.7%	23.4%

MRL as % of NPR & FPP	
CY18[6]	CY19[7]
1.7%	2.1%

Attributed Lives (#; % of System)	
CY18[1]	CY19[2]
15,225; 13.5%	20,433; 11.9%

MRL as % of Net Worth	
CY18[6]	CY19[7]
3.7%	4.3%

Maximum Risk Limit (MRL); % of System MRL	
CY18[3]	CY19[4]
$3,497,498; 16.5%	$4,754,444; 12.5%

Days Cash on Hand Needed to Fund MRL	
CY18[6]	CY19[7]
1.9	2.5

[1-5]All data sources listed at the end of this report

[6] Calculations under CY18 headers use CY18 data from OneCare, and FY19 data from hospitals.

[7] Calculations under CY19 headers use CY19 data from OneCare, and FY20 data from hospitals.

Porter Medical Center

NPR/FPP	
FY19 Budget-to-Projection Variance	**0.6%**
FY19 Budget ($)	$84,530,515
FY20 Request ($)	$87,487,539
FY20 Request (% change FY19B)	**3.5%**
FY20 Request ($ change FY19B)	$2,957,025
FY20 Request (% change FY19P)	2.9%
FY19 Projection (% change FY18 Actuals)	5.8%

Request is within budget guidance

Change in Charges	
Commercial	$1,264,439
Medicaid	$0
Medicare	-$350,000

0.0% Overall Change in Charge
2.6% Commercial Change in Charge

Hospital Justification:

- Case Mix Index
- Provider Transfers and ACO Accounting Adjustment. The combined impact of the adjustments nets zero.
    1. Provider Transfers
        - $1,110,958 million in provider transfer adjustments, -1.25% impact on NPR/FPP
    2. Accounting Adjustment
        - $1,067,391 reclassification of ACO expenses to deductions from revenue, 1.25% impact on NPR/FPP
- Change in charge to cover annual inflation on commercial business and support long term operating margin

Porter Medical Center updated its FY19 projection on September 6, 2019

Porter Medical Center
ACO Accounting Adjustment & Provider Transfers

Provider Transfers

Porter Medical Center is requesting an NPR/FPP adjustment for two provider transfers:

1. General Surgery: $361,239
2. Radiology: $749,719

Accounting Adjustment

The UVMHN proposes an accounting adjustment related to the ACO payment reform investments. The adjustment reclassifies payment reform investments as an NPR/FPP deductions.
The impact of this adjustment on Porter Medical Center is $1,067,391.

	General Surgery	Radiology	ACO Accounting Adjustment
NPR/FPP Impact ($)	$361,239	$749,719	-$1,067,391
NPR/FPP Impact (%)	-0.4%	-0.9%	1.2%

The combined impact of these adjustments has a zero-net effect on Porter Medical Center's NPR/FPP growth. When considering the provider transfer and accounting adjustments, the hospital remains at 3.5% FY20 growth, within budget guidance.

Porter Medical Center
Provider Transfer Requests

General Surgery- Effective June 1, 2019

FY20 Impact	
Gross Patient Care Revenue	$648,897
Deductions from Revenue	-$287,658
Net Patient Revenue - Physician	**$361,239**
Provider Salaries	$310,394
Provider Fringe Benefits	$83,806
Staff Wages & Benefits (Non MD)	$0
Malpractice	$13,000
Depreciation/Amortization	$0
Rent	$0
Billing Service	$0
Medical/Surgical Supplies	$3,200
Other Costs	$3,330
Total Operating Expense	**$413,730**
Net Operating Income/Loss	**-$52,491**

The unexpected loss last year of one of the two independent general surgeons, resulted in Porter supporting this need in the community. Due to the future retirement of the second independent general surgeon, Porter will be employing him in the interim to ensure continuity of care.

FTEs and units of service:

- 0.75 Provider FTE

-0.4% impact on NPR/FPP

GMCB staff recommend approval

Motion to approve PMC's request to adjust their FY20 budget to reflect the general surgery acquisition.

Porter Medical Center
Provider Transfer Requests

Radiology- Effective June 1, 2019

FY20 Impact	
Gross Patient Care Revenue	$1,452,325
Deductions from Revenue	-$702,606
Net Patient Revenue - Physician	**$749,719**
Provider Salaries	$901,216
Provider Fringe Benefits	$180,243
Staff Wages & Benefits (Non MD)	$0
Malpractice	$6,000
Depreciation/Amortization	$0
Rent	$0
Billing Service	$0
Medical/Surgical Supplies	$0
Other Costs	$88,028
Total Operating Expense	**$1,175,487**
Net Operating Income/Loss	**-$425,768**

Porter Hospital has had a longstanding relationship with Middlebury Radiologists, who have provided interpretation of imaging. With the transfer of this independent practice, Porter Hospital is able to offer a fully integrated service line as of June 2019. This integration will streamline the patient experience with regard to the billing process.

FTEs and units of service:

- 1.8 Provider FTE

-0.9% impact on NPR/FPP

GMCB staff recommend approval

Motion to approve PMC's request to adjust their FY20 budget to reflect the radiology acquisition.

Porter Medical Center Accounting Adjustment

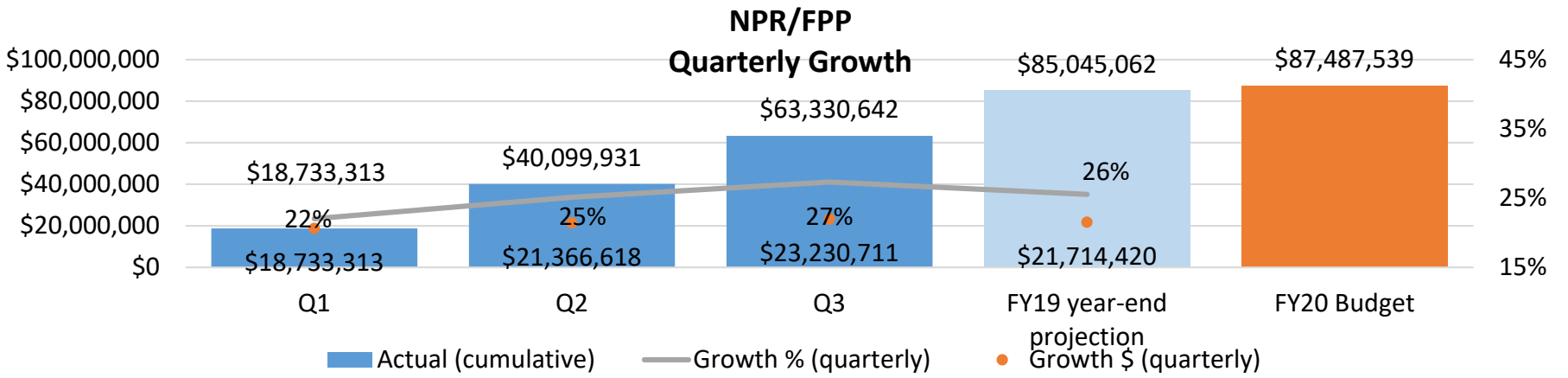
Porter Medical Center proposes an accounting adjustment related to the ACO payment reform investments.
The adjustment reclassifies payment reform investments as an NPR/FPP deductions.
The impact of this adjustment on Porter Medical Center is $1,067,391.

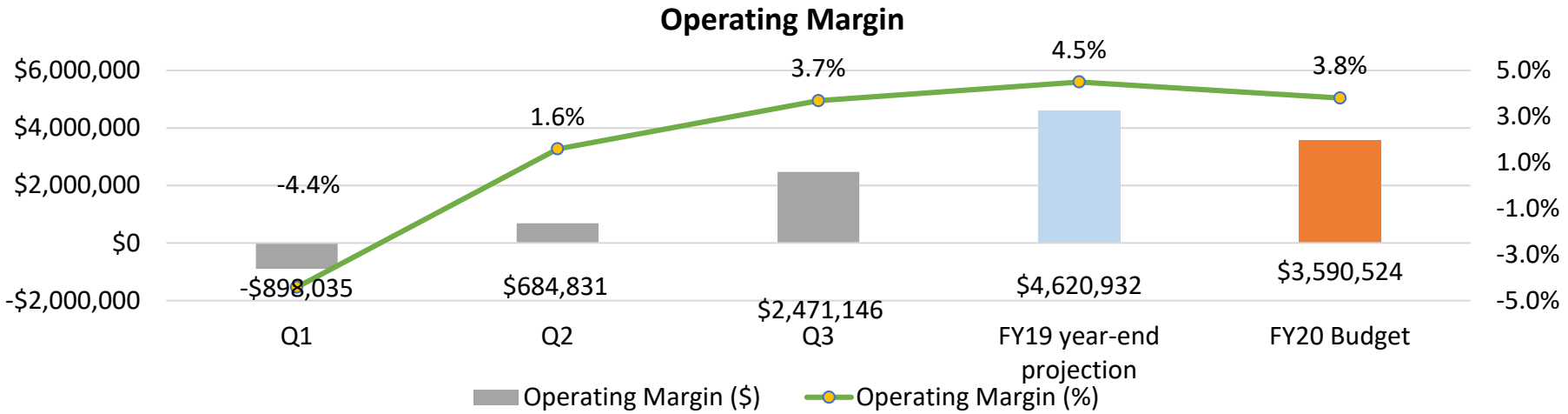
	ACO Accounting Adjustment
NPR/FPP Impact ($)	-$1,067,391
NPR/FPP Impact (%)	1.2%

Motion to recognize PMC's accounting adjustment to reclassify payment reform investments as NPR/FPP deductions

Porter Hospital
FY19 Operating Performance

Porter Medical Center updated its FY19 projection on September 6, 2019

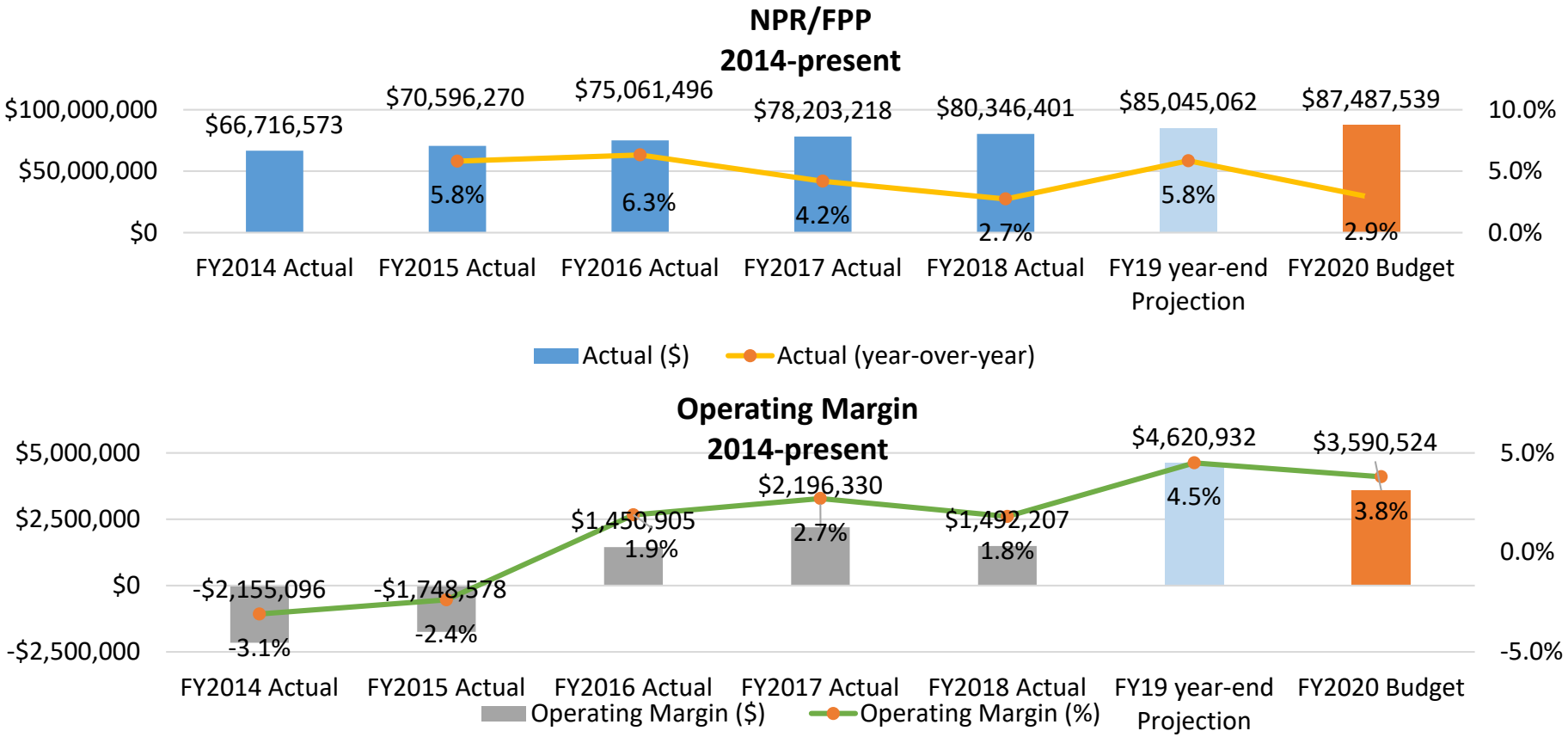




VERMONT
GREEN MOUNTAIN CARE BOARD

Porter Hospital
Historical Operating Performance

Porter Medical Center updated its FY19 projection on September 6, 2019



	FY16A	FY17A	FY18A	FY19B	FY19P	FY20B
Days Cash on Hand	101	119	127	135	118	125
Age of Plant	11	12	12	13	13	12

Porter Hospital
Change in Charge

Request	
Overall Change in Charge %	0.0%
Commercial Change in Charge%	2.6%
NPR due to Change in Charge	$914,438
Value of 1% Change in Charge	$374,288
Service Category	
Hospital Inpatient Change in Gross Charges	0.1%
Hospital Outpatient Change in Gross Charges	4.1%
Professional Services Change in Gross Charges	0.0%
Skilled Nursing Facility Change in Gross Charges	0.0%
Payer	
Commercial	$1,264,439
Medicaid	$0
Medicare	-$350,001

% of NPR/FPP Increase	
FY20 Request ($ change FY19B)	$2,957,025
Change in Charge ($)	$973,148
Change in Charge as a % of NPR/FPP Increase	30.9%

	FY16	FY17	FY18	FY19	FY20	Blended 5-year average
Approved	5.3%	5.3%	3.0%	2.8%	NA	4.3%
Submitted	5.3%	3.7%	3.0%	2.8%	2.6.%	4.0%

Porter Medical Center
ACO Participation

HSA: Middlebury

Risk Program Participation		
CY18	CY19	Planned CY20
Medicaid Medicare BCBSVT	Medicaid Medicare BCBSVT	Medicaid Medicare BCBSVT

FY20 Submitted Data ($ or #, % of System)[5]			
NPR & FPP	Net Worth	DCOH	CAH
$87,487,539; 3.2%	$43,961,837	125.3	Yes

% FPP/NPR & FPP		
FY18 Act.	FY19 Proj.	FY20 Budget
13.6%	19.8%	23.1%

MRL as % of NPR & FPP	
CY18[6]	CY19[7]
2.5%	3.4%

Attributed Lives (#; % of System)	
CY18[1]	CY19[2]
9,749; 8.6%	13,979; 8.1%

MRL as % of Net Worth	
CY18[6]	CY19[7]
4.9%	6.7%

Maximum Risk Limit (MRL); % of System MRL	
CY18[3]	CY19[4]
$2,097,705; 9.9%	$2,960,613; 7.8%

Days Cash on Hand Needed to Fund MRL	
CY18[6]	CY19[7]
3.4	4.8

[1-5]All data sources listed at the end of this report

[6] Calculations under CY18 headers use CY18 data from OneCare, and FY19 data from hospitals.

[7] Calculations under CY19 headers use CY19 data from OneCare, and FY20 data from hospitals.

University of Vermont Medical Center

NPR/FPP	
FY19 Budget-to-Projection Variance	**1.9%**
FY19 Budget ($)	$1,273,460,046
FY20 Request ($)	$1,351,201,703
FY20 Request (% change FY19B)	**6.1%**
FY20 Request ($ change FY19B)	$77,741,657
FY20 Request (% change FY19P)	4.1%
FY19 Projection (% change FY18 Actuals)	3.5%

Request exceeds the 3.5% target growth rate

Change in Charges	
Commercial	$20,332,096
Medicaid	-$63,457
Medicare	$7,154,587

3.0% Overall Change in Charge
4.0% Commercial Change in Charge

Hospital Justification:

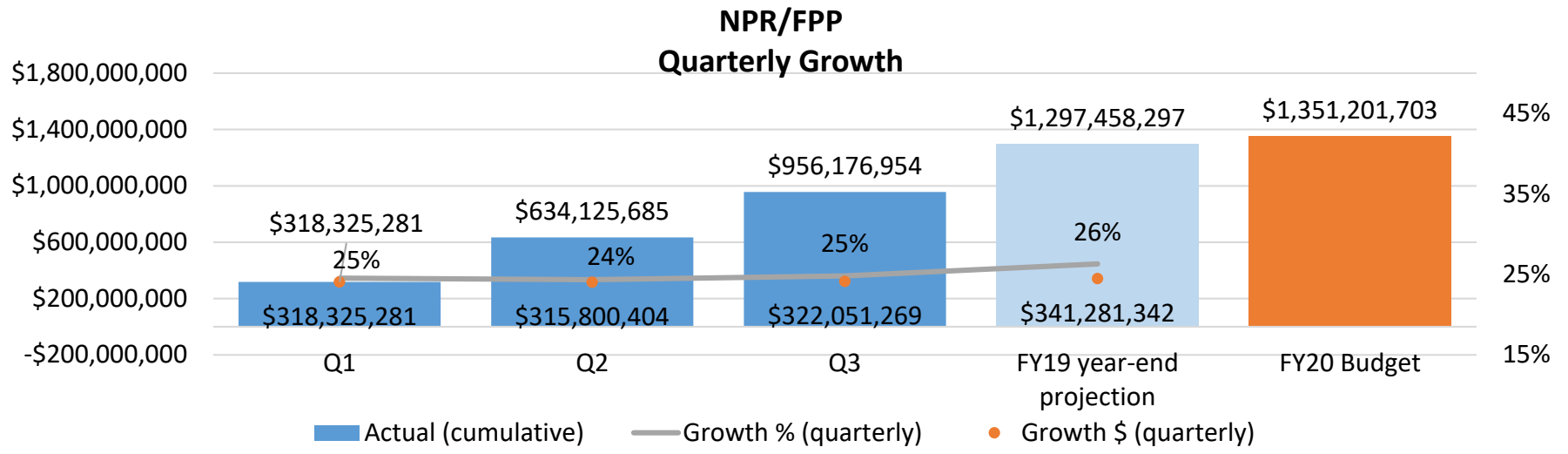
- Case Mix Index
- Unique Patients
- ACO Accounting Adjustment: -$6.4 million, increasing NPR/FPP growth by 0.5%
- Change in charge to cover annual inflation on commercial business and support long term operating margin

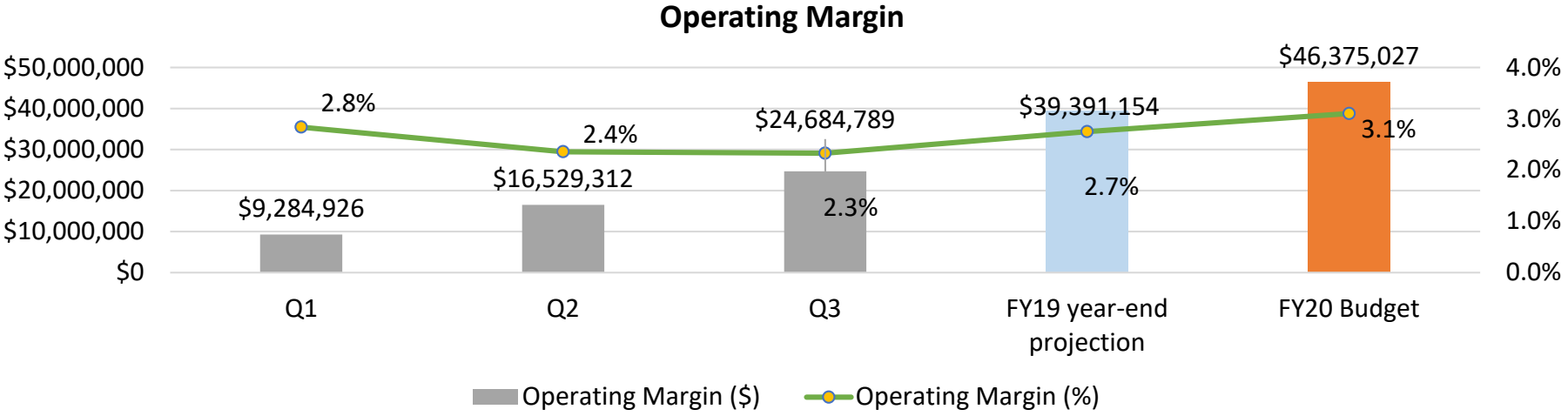
University of Vermont Medical Center ACO Accounting Adjustment

The UVMHN proposes an accounting adjustment related to the ACO payment reform investments. The adjustment reclassifies payment reform investments as an NPR/FPP deductions.
On August 9, 2019 UVMMC updated this request from $8.4 million to $6.4 million.

FY19 Approved	FY19 Effective Budget
$1,273,460,046	$1,267,090,324
FY20 Request	**FY20 Request**
$1,351,201,703	$1,351,201,703
NPR/FPP % Growth	
6.1%	6.6%

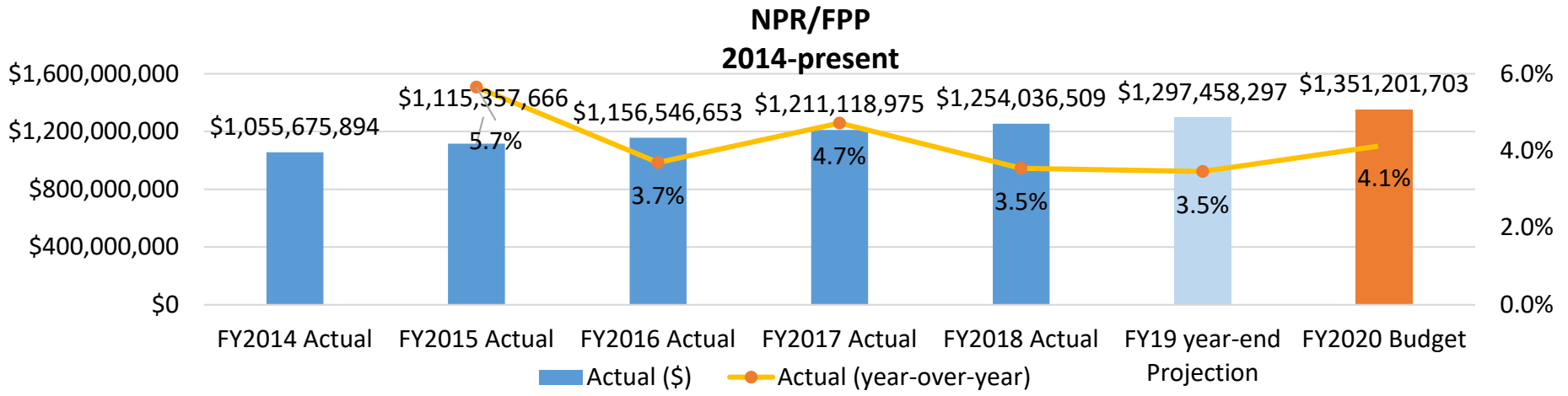
University of Vermont Medical Center
FY19 Operating Performance

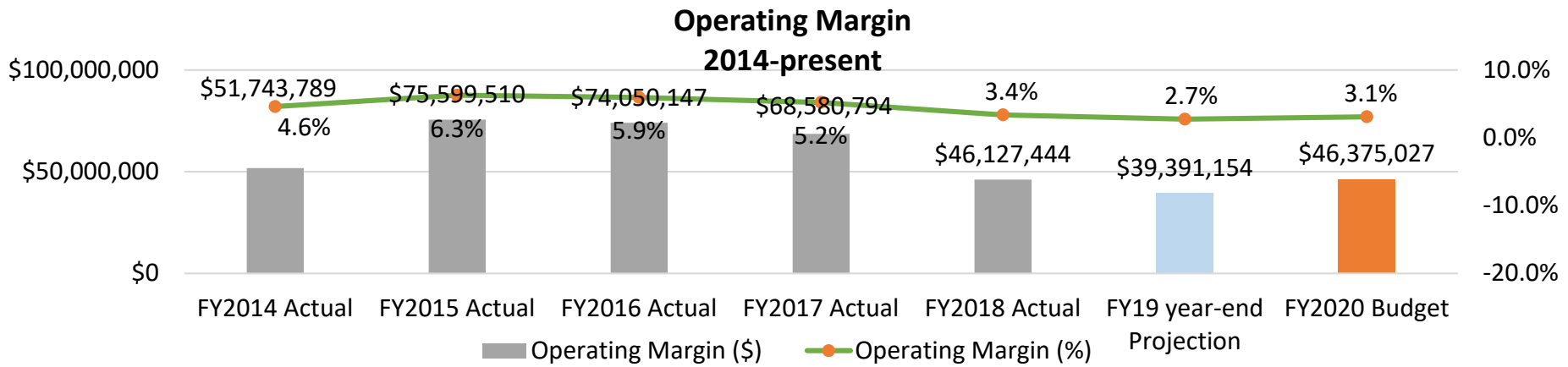




No change to hospital's FY19 projection from their response to staff analysis.

University of Vermont Medical Center
Historical Operating Performance





	FY16A	FY17A	FY18A	FY19B	FY19P	FY20B
Days Cash on Hand	214	229	202	192	189	192
Age of Plant	12	13	13	13	13	12

University of Vermont Medical Center
Change in Charge

Request	
Overall Change in Charge %	3.0%
Commercial Change in Charge %	4.0%
NPR due to Change in Charge	$27,423,226
Value of 1% Change in Charge	$6,100,000
Service Category	
Hospital Inpatient Change in Gross Charges	5.0%
Hospital Outpatient Change in Gross Charges	5.0%
Professional Services Change in Gross Charges	-3.9%
Skilled Nursing Facility Change in Gross Charges	0.0%
Payer	
Commercial	$20,332,096
Medicaid	-$63,457
Medicare	$7,154,587
% of NPR/FPP Increase	
FY20 Request ($ change FY19B)	$77,741,657
Change in Charge ($)	$27,423,226
Change in Charge as a % of NPR/FPP Increase	35.3%

	FY16	FY17	FY18	FY19	FY20	Blended 5-year average
Approved Overall	2.0%	0.0%	0.0%	3.0%	NA	3.9%
Submitted Overall	0.0%	0.0%	0.0%	3.0%	3.0%	4.3%
Approved Commercial	6.0%	2.5%	0.7%	2.5%	NA	
Submitted Commercial	6.0%	3.0%	0.7%	4.0%	4.0%	

University of Vermont Medical Center

At the budget hearing, the GMCB discussed use of an alternate FY19 base for analysis. The purpose of an alternate base is to more accurately consider FY19 operating performance. Nevertheless, FY20 established budgets and corresponding budget orders will be based on FY19 approved budgets.

Base	% Growth over FY18 budget	NPR/FPP	Pros	Cons
FY19 submitted/approved	1.1%	$1,273,460,046	Process consistency	FY19 operating performance not considered
FY19 at target growth	3.2%	$1,292,370,525	Reflects stable multi-year growth	Process inconsistency
FY19 projection	NA	$1,297,458,297	FY19 operating performance considered	Process inconsistency

% Growth over FY19			
Base	FY19 NPR/FPP	FY20 Request	% growth over FY19
FY19 submitted/approved	$1,273,460,046	$1,351,201,703	6.1%
FY19 at target growth	$1,292,370,525		4.6%
FY19 projection	$1,297,458,297		4.1%

The University of Vermont Medical Center ACO Participation

HSA: Burlington

Risk Program Participation		
CY18	CY19	Planned CY20
Medicaid Medicare BCBSVT	Medicaid Medicare BCBSVT	Medicaid Medicare BCBSVT

FY20 Submitted Data ($ or #, % of System)[5]			
NPR & FPP	Net Worth	DCOH	CAH
$1,351,201,703; 49.5%	$1,090,502,003	192.4	No

% FPP/NPR & FPP		
FY18 Act.	FY19 Proj.	FY20 Budget
9.4%	10.4%	17.1%

MRL as % of NPR & FPP	
CY18[6]	CY19[7]
0.8%	1.1%

Attributed Lives (#; % of System)	
CY18[1]	CY19[2]
51,631; 7.8%	64,343; 37.3%

MRL as % of Net Worth	
CY18[6]	CY19[7]
0.9%	1.4%

Maximum Risk Limit (MRL); % of System MRL	
CY18[3]	CY19[4]
$9,601,911; 45.3%	$15,454,595; 40.6%

Days Cash on Hand Needed to Fund MRL	
CY18[6]	CY19[7]
1.4	2.3

[1-5]All data sources listed at the end of this report

[6] Calculations under CY18 headers use CY18 data from OneCare, and FY19 data from hospitals.

[7] Calculations under CY19 headers use CY19 data from OneCare, and FY20 data from hospitals.

Additional Resources

ACO Participation Data Sources

[1]OCV 2018 Budget Submission. OneCare Vermont 2018 Attribution Data (March 21, 2018). Available at: https://gmcboard.vermont.gov/sites/gmcb/files/OCV%202018%20Attribution%20Data%20Submission%203-21-2018.pdf

[2]OCV 2019 Budget Submission. OneCare ACO Providers and Payer Programs (Sections 2-3 Appendix). Appendix 2.4: 2019 Budgeted Risk Model. Available at: https://gmcboard.vermont.gov/sites/gmcb/files/documents/Part%203%20Attachment%20B%20OneCare%20Payer%20Program%20Attribution%20Guide.pdf

[4]OneCare Vermont. Email to GMCB Staff, August 12, 2019 Budget Submission.

[5]FY2020 Hospital Budget Submissions, compiled by GMCB staff. Individual submissions available at: https://gmcboard.vermont.gov/content/FY2020-Budget

Case Mix Index

	Hospital Fiscal Year (10/1 - 9/30)				
Hospital	**2015**	**2016**	**2017**	**2018**	**2019***
BMH	1.24	1.26	1.24	1.22	1.19
Copley	1.20	1.23	1.28	1.35	1.41
CVMC	1.22	1.24	1.21	1.28	1.42
Gifford	1.01	1.02	1.01	1.04	0.93
Grace Cottage	0.87	0.91	0.87	0.92	0.88
MAHHC	1.14	1.06	0.98	1.06	1.03
NCH	1.04	1.05	1.05	1.06	1.10
NMC	1.32	1.37	1.35	1.31	1.33
NVRH	1.18	1.20	1.21	1.22	1.30
Porter	1.12	1.20	1.17	1.28	1.29
RRMC	1.34	1.38	1.38	1.35	1.34
Springfield	1.04	1.05	1.03	1.06	1.06
SVMC	1.25	1.23	1.25	1.23	1.23
UVMMC	1.70	1.75	1.77	1.75	1.75

Case Mix Index table provided by VAHHS
Data Source: Vermont Uniform Hospital Discharge Data Set
CMS public use DRG Grouper Version 36 used to identify case weights
This is aggregate inpatient data pulled from the discharge data warehouse as received from Vermont Hospitals.
Data received is “point in time” and does not reflect any updates hospitals may have made in their systems after data submission.
*2019 data includes the first 2 quarters of the fiscal year

Payer Mix
FY19 & FY20

Hospital Payer Mix % Budget Year	Commercial FY2019	Commercial FY2020	Medicaid FY2019	Medicaid FY2020	Medicare FY2019	Medicare FY2020	Bad Debt & Free Care FY2019	Bad Debt & Free Care FY2020	DSH FY2019	DSH FY2020	NPR/FPP FY2019	NPR/FPP FY2020
Brattleboro Memorial Hospital	50.7%	58.0%	12.8%	13.1%	37.4%	31.3%	-1.6%	-3.0%	0.7%	0.6%	100%	100%
Central Vermont Medical Center	49.9%	53.1%	13.4%	13.1%	38.2%	34.8%	-2.1%	-1.5%	0.7%	0.6%	100%	100%
Copley Hospital	61.2%	58.7%	8.1%	8.6%	30.0%	32.0%	0.0%	0.0%	0.7%	0.6%	100%	100%
Gifford Medical Center	56.4%	53.1%	7.3%	9.8%	35.2%	36.1%	0.0%	0.0%	1.0%	1.0%	100%	100%
Grace Cottage Hospital	29.6%	28.7%	7.7%	8.0%	63.4%	64.2%	-0.7%	-0.9%	0.0%	0.0%	100%	100%
Mt. Ascutney Hospital & Health Ctr	43.4%	39.4%	3.6%	7.5%	55.9%	56.0%	-3.5%	-3.4%	0.6%	0.6%	100%	100%
North Country Hospital	48.5%	48.2%	16.0%	14.6%	34.6%	36.3%	-0.2%	-0.3%	1.1%	1.1%	100%	100%
Northeastern VT Regional Hospital	45.2%	44.7%	14.7%	13.8%	38.9%	40.7%	0.0%	-0.4%	1.2%	1.1%	100%	100%
Northwestern Medical Center	49.2%	50.6%	17.6%	17.5%	33.1%	32.0%	-0.8%	-0.9%	0.8%	0.8%	100%	100%
Porter Medical Center	57.6%	56.8%	8.7%	11.7%	36.9%	35.0%	-3.7%	-4.1%	0.5%	0.6%	100%	100%
Rutland Regional Medical Center	49.6%	52.1%	10.2%	9.2%	39.0%	37.5%	0.0%	0.0%	1.2%	1.2%	100%	100%
Southwestern VT Medical Center	50.4%	50.4%	11.3%	10.9%	37.7%	38.3%	0.0%	0.0%	0.6%	0.5%	100%	100%
Springfield Hospital	46.2%	47.0%	18.8%	18.0%	37.0%	35.2%	-3.7%	-2.1%	1.8%	1.8%	100%	100%
The University of Vermont Medical Center	60.3%	61.1%	10.8%	9.9%	29.8%	29.7%	-1.7%	-1.6%	0.8%	0.8%	100%	100%
All Vermont Community Hospitals	54.1%	55.2%	11.4%	11.0%	33.9%	33.3%	-0.3%	-0.3%	0.9%	0.8%	100%	100%

NPR & FPP ($)

Reflects resubmitted information as of August 9th

Hospitals	Actuals FY14	FY15	FY16	FY17	FY18	Budget FY19	Projection FY19	Budget FY20
Brattleboro Memorial Hospital	$71,512,773	$75,742,920	$73,164,810	$75,062,532	$77,601,735	$83,947,707	83,344,044	89,966,363
Central Vermont Medical Center	$161,353,760	$173,990,659	$191,539,946	$195,237,530	$194,586,135	$211,387,021	205,689,884	222,024,685
Copley Hospital	$59,947,666	$63,464,436	$62,804,324	$64,983,966	$66,226,448	$70,201,316	68,344,899	72,658,362
Gifford Medical Center	$58,282,092	$53,896,728	$54,787,886	$54,307,372	$48,844,171	$55,894,654	51,250,800	52,382,984
Grace Cottage Hospital	$15,543,287	$16,038,766	$17,241,709	$17,261,208	$18,193,737	$19,292,581	18,665,293	20,966,669
Mt. Ascutney Hospital & Health Ctr	$45,789,349	$45,514,515	$46,402,275	$48,253,025	$50,808,643	$51,195,770	51,639,251	55,007,317
North Country Hospital	$71,631,396	$73,297,094	$77,791,582	$76,686,887	$76,427,164	$81,523,350	81,331,408	83,623,249
Northeastern VT Regional Hospital	$61,868,757	$65,548,594	$71,586,551	$76,794,700	$78,445,072	$81,568,705	84,478,242	87,440,494
Northwestern Medical Center	$91,165,412	$97,798,763	$99,895,760	$101,110,424	$103,317,768	$112,773,980	108,246,154	116,926,579
Porter Medical Center	$66,716,573	$70,596,270	$75,061,496	$78,203,218	$80,346,401	$84,530,515	83,827,507	87,487,539
Rutland Regional Medical Center	$220,829,447	$228,328,637	$245,822,952	$242,193,431	$254,235,029	$258,720,325	259,079,184	267,787,827
Southwestern VT Medical Center	$139,410,223	$142,769,168	$151,922,754	$152,602,902	$161,115,765	$165,201,376	164,909,631	172,284,645
Springfield Hospital	$49,727,116	$55,926,090	$53,638,120	$51,999,349	$52,978,810	$60,485,878	48,575,772	48,889,189
The University of Vermont Medical Center	$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
System Total	$2,169,453,746	$2,278,270,306	$2,378,206,818	$2,445,815,519	$2,517,163,387	$2,610,183,225	2,606,840,366	2,728,647,606

NPR & FPP (% growth)

Reflects resubmitted information as of August 9th

Hospital	FY15	Actual-to-Actual % Change FY16	FY17	FY18	Projection-to-Budget % Change FY19 - FY20	Budget-to-Budget % Change FY19 - FY20
Brattleboro Memorial Hospital	5.9%	-3.4%	2.6%	3.4%	7.9%	7.2%
Central Vermont Medical Center	7.8%	10.1%	1.9%	-0.3%	7.9%	5.0%
Copley Hospital	5.9%	-1.0%	3.5%	1.9%	6.3%	3.5%
Gifford Medical Center	-7.5%	1.7%	-0.9%	-10.1%	2.2%	-6.3%
Grace Cottage Hospital	3.2%	7.5%	0.1%	5.4%	12.3%	8.7%
Mt. Ascutney Hospital & Health Ctr	-0.6%	2.0%	4.0%	5.3%	6.5%	7.4%
North Country Hospital	2.3%	6.1%	-1.4%	-0.3%	2.8%	2.6%
Northeastern VT Regional Hospital	5.9%	9.2%	7.3%	2.1%	3.5%	7.2%
Northwestern Medical Center	7.3%	2.1%	1.2%	2.2%	8.0%	3.7%
Porter Medical Center	5.8%	6.3%	4.2%	2.7%	4.4%	3.5%
Rutland Regional Medical Center	3.4%	7.7%	-1.5%	5.0%	3.4%	3.5%
Southwestern VT Medical Center	2.4%	6.4%	0.4%	5.6%	4.5%	4.3%
Springfield Hospital	12.5%	-4.1%	-3.1%	1.9%	0.6%	-19.2%
The University of Vermont Medical Center	5.7%	3.7%	4.7%	3.5%	4.1%	6.1%
System Total	5.0%	4.4%	2.8%	2.9%*	4.7%	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.

Operating Margin ($)

Reflects resubmitted information as of August 9th

	Actuals FY17	Actuals FY18	Budget FY19	Projection FY19	Budget FY20	5- Year Average
Brattleboro Memorial Hospital	($2,437,207)	($1,924,959)	$14,118	$927,092	$1,199,055	($559,005)
Central Vermont Medical Center	($1,902,075)	($7,868,458)	$3,256,040	($4,281,324)	$4,168,541	($2,470,829)
Copley Hospital	($377,946)	($2,222,433)	$232,541	($1,264,349)	$1,004,619	($715,027)
Gifford Medical Center	($874,293)	($5,369,446)	$1,415,014	($437,031)	$1,540,766	($1,285,001)
Grace Cottage Hospital	($1,270,782)	($556,530)	$151,817	($1,195,164)	($264,982)	($821,865)
Mt. Ascutney Hospital & Health Ctr	$1,390,379	$1,052,255	$17,584	($400,434)	$599,865	$660,516
North Country Hospital	($1,871,960)	($1,883,575)	$958,597	$1,395,228	$1,461,937	($224,592)
Northeastern VT Regional Hospital	$1,477,373	$1,430,264	$1,558,900	$1,600,000	$1,800,000	$1,576,909
Northwestern Medical Center	($1,259,824)	($3,729,620)	$2,696,711	($6,765,758)	($248,287)	($3,000,872)
Porter Medical Center	$2,196,330	$1,492,207	$3,291,451	$3,180,665	$3,590,524	$2,614,931
Rutland Regional Medical Center	$4,163,384	$1,297,252	$6,198,934	$4,071,236	$6,699,103	$4,057,744
Southwestern VT Medical Center	$5,775,890	$7,618,119	$6,117,017	$5,723,684	$6,052,474	$6,292,542
Springfield Hospital	($3,835,857)	($6,996,078)	$1,299,287	($6,457,593)	($985,156)	($4,568,671)
The University of Vermont Medical Center	$68,580,794	$46,127,444	$39,244,024	$39,391,154	$46,375,027	$50,118,605
System Total	$69,754,205	$28,466,441	$66,452,035	$35,487,406	$72,993,486	$51,675,385

Operating Margin %

Reflects resubmitted information as of August 9th

	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%	-6.0%	-0.2%	-1.5%
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%
System Total	2.7%	1.1%	2.4%	1.5%	2.5%	2.3%