

March 14, 2022

Actual FY 2022 Narrative

Please see below the “Bridges” report per your request.

FY 2022 Approved Budget to FY 2022 Actual Results – Net Patient Revenue

Bridges - FY 2022 Approved Budget to FY 2022 Actual Results

NPR/FPP	Total	% over/under
FY 22 Approved Budget	\$ 87,889,674	
Utilization	4,431,613	2.1%
Reimbursement/Payer Mix	(3,313,232)	2.5%
Bad Debt/Free Care	(5,929,527)	144.0%
Physician Acq/Trans		
Changes in Accounting		
Changes in DSH	681,889	99.3%
Other reform payments	1,863,101	297.1%
FPP	613,921	5.8%
FY 22 Actual Results	\$ 86,237,439	

Utilization: For fiscal year 2022 revenues have exceeded budgeted amounts in several areas. When completing the budget in March/April of 2021 a lot of uncertainty still existed as to how it would affect revenues in the coming months. The emergency department had utilization of 4.4 million dollars over their original budget, which was offset by surgical services (3.6 million) dollars. Radiology exceeded their budget by 4.8 million dollars, and the provider practices were (1.2 million) underutilized. There were other various areas that make up the rest of the variance.

Reimbursement/Payer mix: We collected 37.4% of billed revenue, compared to our budget of 37.6%.

Bad Debt/Free Care: We underwent an EMR conversion in May of 2022, which included hospital and provider billing and coding. This created many delays in billing and collections, as well as workflow issues for physicians. As a result, we had an audit adjustment to write down our net patient receivable which impacted primarily bad debt. Bad debt was over budget 6.8 million dollars and free care was slightly under budget by 400 thousand dollars.

Changes in DSH: Budget 2022 DSH payment was an estimate based on what was known when the budget was completed.

Other Reform Payments: This variance from budget is primarily due to incentive income of 1.6 million which had a budget of 600 thousand dollars.

FPP: This category represents the dollars received from OneCare Vermont for participating in the ACO. FPP payments exceeded budget by 613 thousand dollars or 5.8% of budget. This amount is an offset of the reimbursement decrease because it is net patient revenue for Medicaid.

Bridges - FY 2022 Approved Budget to FY 2022 Actual Results

Expenses	Amount	% over/under
FY 22 Approved Budget	\$ 93,407,053	
Salaries/Fringes/Locums	6,814,298	11.6%
Physician Contracts		
Contract Staffing		
Supplies		
Drugs		
Facilities		
IT Related		
Health Reform Programs		
Depreciation	(97,889)	-2.7%
Interest	55,051	13.3%
Health Care Provider Tax	896,470	19.8%
Other non salary expense	(678,122)	-2.6%
Other (please label)		
Cost Savings		
FY 22 Actual Results	\$ 100,396,861	

Salaries: Salaries which include locums/travelers were over budget by 6.8 million. The variance in this line can be accounted for by traveler costs which continued to climb in FY 2022. The highest number of travelers needed were mainly in the operating and nursing departments, but we also had travelers in our radiology departments and in primary care for both physician and nursing.

Fringe Benefits: Due to the number of open positions and travelers who do not receive benefits, this expense category was under budget for FY 2022 by 1.5 million dollars which helped offset the travelers expense.

Health Care Provider Tax: Budget 2022 provider tax was an estimate based on what was known when the budget was completed.

Other non-salary expense: The largest variance in non- salary expenses is repairs and maintenance, which was 166 thousand dollars. Many other categories were slightly over budget, but not significant in themselves to mention.

Interest expense: Interest expense was over budget due to our need to draw from our line of credit to support operational expenses during and after the migration to the new EMR.