

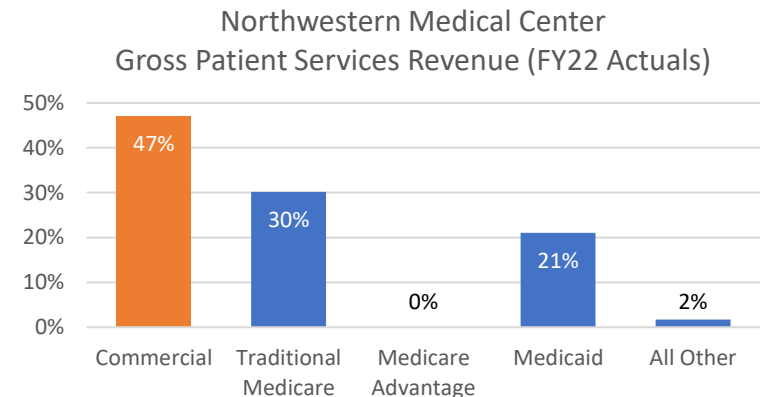
Northwestern Medical Center

FY24 Hospital Budget Review – Northwestern Medical Center Summary for GMCB Deliberations

Budgets								
Year		FY18	FY19	FY20	FY21	FY22	FY23	FY22-24
Net Patient Revenue (NPR)	Guidance	3.0%	2.8%	3.5%	3.5%	3.5%	8.6%	
	Submitted	3.8%	8.0%	3.7%	-0.2%	3.5%	4.5%	10.3%
	Δ Approved	-1.3%	0.0%	0.0%	-4.0%	0.0%	0.0%	
Commercial NPR	Submitted	2.7%	1.1%	6.4%	11.4%	9.2%	12.3%	21.6%
	Δ Approved	4.7%	0.0%	0.0%	-7.7%	0.0%	-0.4%	
Operating Expenses	Submitted	4.6%	6.4%	4.0%	-2.5%	-0.2%	5.5%	3.4%
	Δ Approved	0.0%	0.0%	1.3%	0.0%	0.0%	0.0%	
Change in Charge	Submitted	6.0%	2.0%	5.9%	21.1%	3.0%	9.0%	6.0%*
	Δ Approved	-2.5%	0.0%	0.0%	-8.1%	0.0%	0.0%	
	Commercial weight of approved increase	1.4%	0.9%	2.6%	5.8%	1.4%	4.4%	3.0%*

* As submitted

Actuals							
Year		FY18	FY19	FY20	FY21	FY22	FY23
NPR	%	2.2%	3.1%	-7.5%	20.3%	-2.5%	2.5%
	\$ in M	2.2	3.2	-8.0	20.0	-3.0	2.9
Commercial NPR	%	6.6%	6.2%	-8.4%	32.2%	0.3%	8.9%
	\$ in M	3.1	3.1	-4.4	15.5	0.2	5.6
Operating Expenses	%	5.5%	5.4%	0.9%	2.3%	3.3%	2.8%
	\$ in M	5.89	6.15	1.07	2.81	4.11	3.6



Northwestern Medical Center

Expense Growth Factors

	Northwestern Medical Center		Vermont Hospitals	Benchmark Data		
	FY22-24	VT Hospital Rank	Median	Lo	Benchmark	Hi
Labor	-8.7%	13	4.0%	0.8%	5.2%	9.7%
Utilization	1.2%	14	7.0%	-5.5%	-0.4%	4.2%
Pharm Ex	missing		7.6%	2.3%	12%	21.6%
Cost Inflation	5.0%	3	3.7%	1.1%	5.8%	10.5%

Financial Indicators

	Northwestern Medical Center				Vermont Hospitals
	FY22 Actual	FY23 Approved	FY23 YTD	FY24 Submitted	FY24 Median
Op Margin	-4.3%	1.0%	-5.9%	1.0%	1.2%
Op-EBIDA Margin	1%	6%	-0%	6%	5.6%
Total Margin	-10.1%	2.2%	0.8%	2.8%	3.8%
DCOH	251.9	255.0	234.7	243.6	109.64
Debt Service Coverage Ratio	0.8	3.5	-0.2	3.6	4.56
LT Debt to Capitalization Ratio	17.1%	15.3%	16.5%	15.8%	0.17
Age of Plant	11.8	14.1	12.7	13.5	16.02

Northwestern Medical Center

Ratio of Administrative & General Salaries to Clinical Salaries (Small Rural Hospitals)

Hospital	VT Hospital Rank	Hospital Percent Rank ¹	Comparator 25 th Percentile	Comparator 75 th Percentile
27%	11	33 rd	37%	53%

CMI-Adjusted Average Cost per Medicare Discharge (Small Rural Hospitals)

Hospital	VT Hospital Rank	Hospital Percent Rank ²	Comparator 25 th Percentile	Comparator 75 th Percentile
\$13,457	9	96 th	\$8,817	\$12,730

¹ Lower rank means more investment in clinical salaries (a lower ratio of administrative & general salaries to clinical salaries).

² Lower rank means lower costs per discharge (lower CMI-adjusted average cost per Medicare Discharge)

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Inpatient – Relative Cost and Price (PPS, Not major teaching)						
Year		FY18	FY19	FY20	FY21	FY22
Commercial Cost per Discharge	Hospital	\$13,864	\$11,892	\$12,671	\$14,892	\$15,798
	25 th percentile	\$11,546	\$10,692	\$11,931	\$11,680	\$11,817
	75 th percentile	\$13,864	\$12,248	\$13,506	\$14,812	\$15,461
Commercial Cost Coverage	Hospital	82%	86%	73%	76%	76%
	25 th percentile	97%	87%	75%	90%	86%
	75 th percentile	105%	106%	104%	111%	133%
Standardized Price	Hospital	\$14,322				
	25 th percentile	\$15,461				
	75 th percentile	\$25,573				

Outpatient – Relative Cost and Price (PPS, Not major teaching)						
Year		FY18	FY19	FY20	FY21	FY22
Commercial Cost per Discharge	Hospital	\$340	\$358	\$382	\$396	\$388
	25 th percentile	\$341	\$344	\$382	\$382	\$388
	75 th percentile	\$379	\$358	\$383	\$436	\$467
Commercial Cost Coverage	Hospital	203%	172%	164%	194%	196%
	25 th percentile	233%	180%	173%	196%	196%
	75 th percentile	273%	225%	209%	223%	233%
Standardized Price	Hospital	\$227				
	25 th percentile	\$214				
	75 th percentile	\$365				