

# UVMMMC FY23 NPR results – Basis and Request

Approved NPR Budget was \$1,658,725,627  
 Actual result was NPR of \$1,729,015  
 \$80,290,156 was the NPR overage for FY23.  
 Breakdown:  
 Utilization was \$121,231,384 (\$35.9M Medicare, \$10.2M Medicaid, \$15.7M Self-Pay & Other with \$59.4M being Commercial)  
 Rate was not the driver.  
 Actual overage of \$80.2M is less than the utilization overage of \$121.1M.\*  
 \*Noting that rate and payer mix are both negative drivers for Major Comm.

Of special note: UVMMMC began budgeting FY23 under a new CFO and with **\$19.98M loss** recorded as of February 2022. As budgeting continued and GMCB FY23 presentations were underway, UVMMMC was still suffering with a **\$33.5M loss** on record through August.  
  
 UVMMMC was in no way able to predict utilization at the level that occurred. UVMMMC FY23 budget was based upon what was known and therefore **request** in accordance with Enforcement Rule 3.00 that GMCB allow UVMMMC to retain the NPR that was generated by volume as this NPR was used to cover the associated costs of providing the additional care sought by patients.

NPR	Total	Total Medicare	Total Medicaid	Total Major Comm	Total Self-Pay/Other	DSH
FY 2023 Approved Budget	\$ 1,658,725,627					
Utilization	\$ 121,231,384	\$ 35,910,847	\$ 10,220,678	\$ 59,413,576	\$ 15,686,283	
Rate	\$ (15,511,292)	\$ 10,586,135	\$ (14,890,742)	\$ (21,104,424)	\$ 9,897,738	
Payer Mix	\$ (59,705,167)	\$ 18,206,432	\$ 3,796,437	\$ (85,688,009)	\$ 3,979,972	
Bad Debt	\$ 26,478,210	\$ 10,190,879	\$ 1,439,339	\$ 11,496,151	\$ 3,351,842	
Free Care	\$ 6,866,039	\$ 1,503,154	\$ 2,801,639	\$ 2,131,402	\$ 429,844	
Changes in DSH	\$ (11,826,485)					\$ (11,826,485)
GME Reimbursement Change	\$ 30,713,364		\$ 30,713,364			
Administrative Write-Offs	\$ (17,955,898)				\$ (17,955,898)	
FY 2023 Actual Results	\$ 1,739,015,783	\$ 76,397,447	\$ 34,080,715	\$ (33,751,303)	\$ 15,389,782	\$ (11,826,485)

## Enforcement or Adjustment – Rule 3.000



GMCB Rule 3.000, § 3.401(c). After determining that a hospital's performance has differed substantially from its budget, the Board may adjust its budget by:

1. changing hospital rates or prices by the amount of net revenues exceeding the budgeted net revenues;
2. changing the net revenue and/or expenditure levels of future budgets;
3. allowing hospital rates to be increased for a hospital with a deficit caused by revenues that were less than projected, but whose actual expenditures were within the budget limits;
4. allowing a hospital to retain surplus funds if the surplus was achieved while the hospital stayed within its established budget;
5. allowing a hospital to retain a percentage of surplus generated primarily by volume in excess of that projected for a particular year; or
6. any other circumstance the Board deems appropriate.