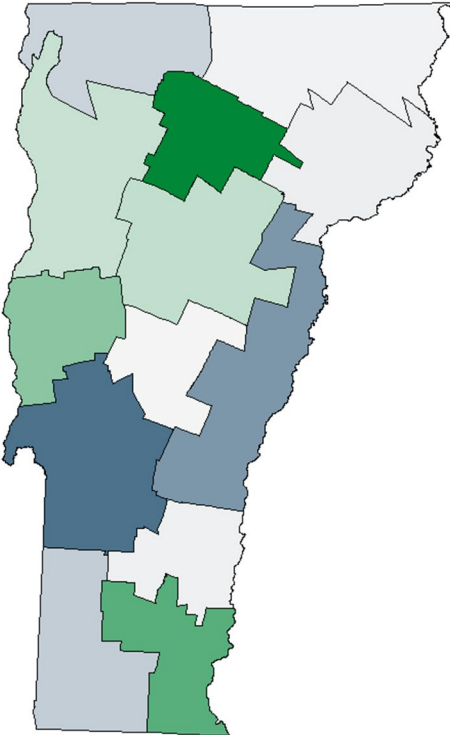


Fiscal Year 2020 Vermont Hospital Budget

Deliberations
September 4 & 9, 2019

GMCB Health System Finance Team



North Country Hospital Recommendations

	FY20 Request	Options	Preliminary Decision
Provider Transfers	None Requested	Not Required	
Accounting Changes	1. \$638,225 double counting swing bed revenue in FY19	Approved adjustment	Adjustment Approved
NPR/FPP	2.6% request is within the budget guidance limit Effective growth is 3.4% when considering accounting adjustment	<ul style="list-style-type: none"> Approve as submitted 	
Change in Charge	4.2% overall change in charge Operating margin recovery	<ul style="list-style-type: none"> Approve as submitted Review change in charge at FY19 enforcement 	
Additional Recommendations		<ul style="list-style-type: none"> Quarterly check-in for FY20 operating performance Accuracy and timeliness of submissions 	

Southwestern Vermont Medical Center Recommendations

	FY20 Request	Options	Preliminary Decision
Provider Transfers	1. SVMC Anesthesia (page 45 of slide deck)	<ul style="list-style-type: none"> Approve as submitted 	
Accounting Changes	None Requested	Not Required	
NPR/FPP	4.3% exceeds growth rate target Effective growth is 3.5% when considering accounting adjustment	<ul style="list-style-type: none"> Approve as submitted 	
Change in Charge	2.8% overall change in charge	<ul style="list-style-type: none"> Approve as submitted 	

Copley Hospital Recommendations

	FY20 Request	Options	Preliminary Decision
Provider Transfers	None Requested	Not Required	
Accounting Changes	None Requested	Not Required	
NPR/FPP	<p>-2.6% budget-to-projection variance triggers 5% cap</p> <p>3.5% request exceeds growth rate limit due to cap</p> <p>6.3% over FY19 projection</p> <p>Financial health concern</p>	<ul style="list-style-type: none"> • Approve as submitted • Adjust according to Change in Charge Options 	
Change in Charge	<p>9.8% overall change in charge</p> <p>1% = \$370,684</p> <p>5-year average: -1.3%</p>	<ul style="list-style-type: none"> • Approve as submitted • Reduce to reflect partial operating margin recovery 	
Additional Recommendations		<ul style="list-style-type: none"> • Monthly check-in for FY20 operating performance 	

Northwestern Vermont Medical Center Recommendations

	FY20 Request	Options	Preliminary Decision
Provider Transfers	<ol style="list-style-type: none"> Cold Hollow Family Practice Northwestern Dermatology 	<ul style="list-style-type: none"> Approve as submitted 	Transfers Approved
Accounting Changes	None Requested	Not Required	
NPR/FPP	<p>-4.0% budget-to-projection variance triggers 5% cap. Resubmitted projection but did not resubmit budget.</p> <p>3.7% request effectively reduced to 3.5% due to provider transfer approval. Still exceeds growth rate limit 5% cap.</p> <p>8.0% over FY19 projection</p> <p>Financial health concern</p>	<ul style="list-style-type: none"> Approve as submitted Exempt 5.0% cap 	
Change in Charge	<p>5.9% overall change in charge</p> <p>5-year average: 0.8%</p>	<ul style="list-style-type: none"> Approve as submitted 	
Additional Recommendations		<ul style="list-style-type: none"> Monthly check-in for operating performance 	

Northeastern Vermont Regional Hospital Recommendations

	FY20 Request	Options	Preliminary Decision
Provider Transfers	None Requested	Not Required	
Accounting Changes	None Requested	Not Required	
NPR/FPP	7.2% exceeds growth rate target	<ul style="list-style-type: none"> Reduce to reflect utilization efficiencies, for example emergency room utilization decreases Reduce to 4.5% - 5.0% Review NPR growth at FY19 enforcement Corresponding reduction in Operating Expenses 	
Change in Charge	3.5% overall change in charges 1% = \$376,300	<ul style="list-style-type: none"> Approve as submitted Reduce to reflect offsetting increases in utilization 3.0% - 3.4% 	
Additional Recommendation	Historical growth in Operating Expenses associated with NPR/FPP growth	<ul style="list-style-type: none"> Quarterly report on cost savings initiatives 	

Brattleboro Memorial Hospital Recommendations

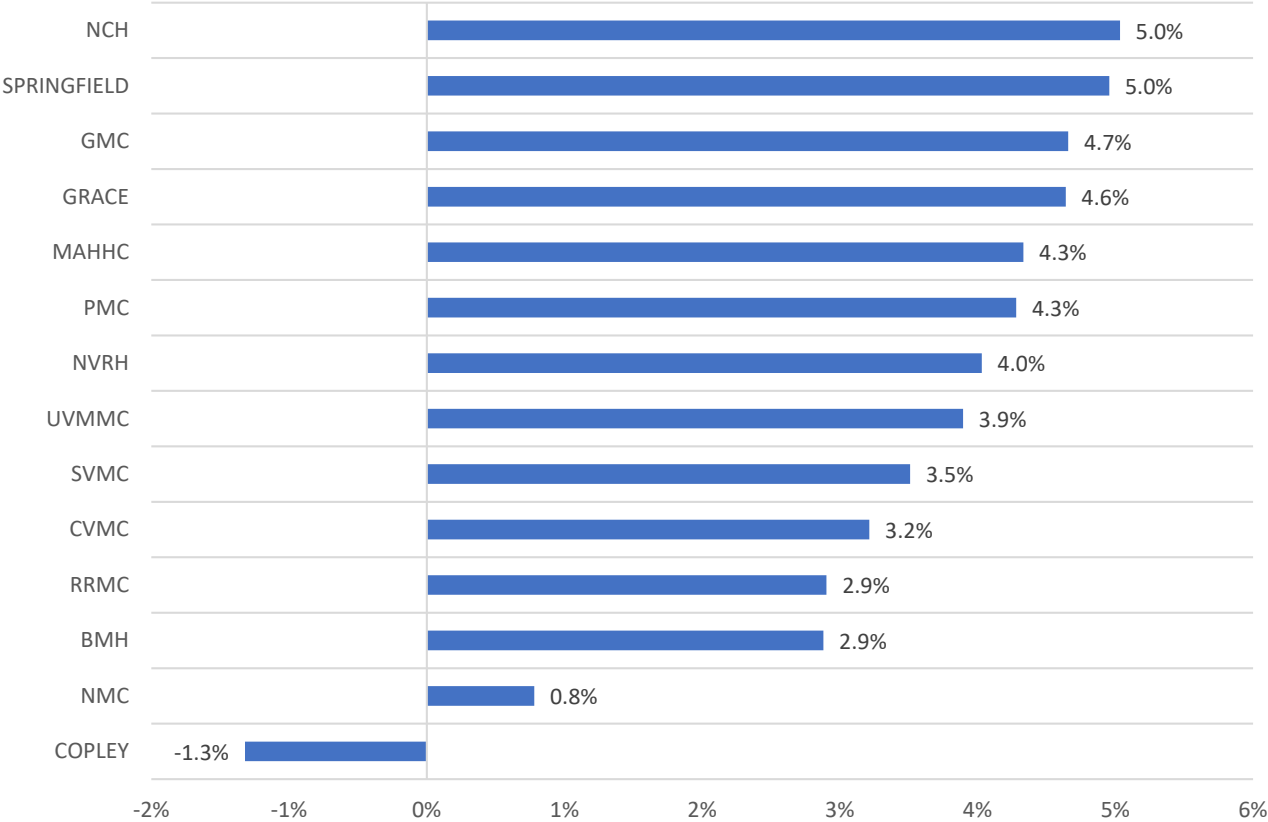
	FY20 Request	Options	Preliminary Decision
Provider Transfers	None Requested	Not Required	
Accounting Changes	None Requested	Not Required	
NPR/FPP	-0.7% FY19 budget variance 7.2% request exceeds 3.5% target growth rate	<ul style="list-style-type: none"> • Reduce to reflect justified utilization • Reduce to 4.5% - 5.0% • Review NPR growth at FY19 enforcement • Corresponding reduction in Operating Expenses 	
Change in Charge	3.4% change in charge 5-year average: 2.9%	<ul style="list-style-type: none"> • Approve as submitted • Reduce to reflect offsetting increases in utilization • Value of 1% Change in Charge \$531,295 	

Grace Cottage Recommendations

	FY20 Request	Options	Preliminary Decision
Provider Transfers	None Requested	Not Required	
Accounting Changes	None Requested	Not Required	
NPR/FPP	-3.3% budget-to-projection variance triggers 5% cap 8.7% exceeds growth rate target Operating margin concern	<ul style="list-style-type: none"> • Approve as submitted • Reduce to reflect justified utilization • Reduce to 3.5% - 5.0% • Review NPR growth at FY19 enforcement • Corresponding reduction in operating expenses 	
Change in Charge	3.2% overall change in charges	<ul style="list-style-type: none"> • Approve as submitted 	
Additional Recommendations		<ul style="list-style-type: none"> • Monthly check-in of FY20 operating performance 	

Approved Change in Charge 5-year average

5 Year Average of Approved Rates



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%