

# DRAFT

## Net Patient Revenue change

HOSPITAL	2016	2017	2017	2018	2017 to 2018	
	Actual Results	Approved Budget	Projection	Submitted Budget	\$ Change	% Change
Brattleboro Memorial Hospital	\$73,164,810	\$76,408,611	\$75,004,925	\$80,202,627	\$3,794,016	5.0%
Central Vermont Medical Center	\$191,539,946	\$191,831,143	\$192,467,552	\$198,726,498	\$6,895,355	3.6%
Copley Hospital	\$62,804,324	\$64,819,405	\$66,837,565	\$69,663,508	\$4,844,103	7.5%
Gifford Medical Center	\$54,787,886	\$57,762,429	\$55,999,376	\$59,497,391	\$1,734,962	3.0%
Grace Cottage Hospital	\$17,241,709	\$19,205,503	\$17,334,364	\$18,649,074	-\$556,429	-2.9%
Mt. Ascutney Hospital & Health Center	\$46,402,275	\$47,744,700	\$46,645,730	\$48,395,281	\$650,581	1.4%
North Country Hospital	\$77,791,582	\$81,189,662	\$77,389,594	\$79,670,761	-\$1,518,901	-1.9%
Northeastern VT Regional Hospital	\$71,586,551	\$71,339,400	\$75,996,100	\$79,385,200	\$8,045,800	11.3%
Northwestern Medical Center	\$99,895,760	\$101,935,936	\$100,706,855	\$105,776,757	\$3,840,821	3.8%
Porter Medical Center	\$75,061,496	\$76,094,922	\$77,066,147	\$78,682,778	\$2,587,856	3.4%
Rutland Regional Medical Center	\$245,822,952	\$243,415,448	\$245,247,743	\$251,547,278	\$8,131,830	3.3%
Southwestern VT Medical Center	\$151,922,754	\$152,362,260	\$151,057,048	\$159,497,504	\$7,135,244	4.7%
Springfield Hospital	\$53,638,120	\$59,147,241	\$52,779,844	\$59,375,198	\$227,957	0.4%
University of Vermont Medical Center	\$1,156,546,653	\$1,172,785,845	\$1,194,410,143	\$1,213,835,692	\$41,049,847	3.5%
<b>Total</b>	<b>\$2,378,206,818</b>	<b>\$2,416,042,505</b>	<b>\$2,428,942,986</b>	<b>\$2,502,905,547</b>	<b>\$86,863,043</b>	<b>3.6%</b>
<b>Annual Year to Year % Change</b>	<b>4.4%</b>	<b>1.6%</b>	<b>2.1%</b>	<b>3.6%</b>		

# DRAFT

## History of Rate increases

	2014		2015		2016		2017		2018
	Submitted	Approved	Submitted	Approved	Submitted	Approved	Submitted	Approved	Submitted
Brattleboro Memorial Hospital	6.2%	5.8%	2.7%	2.7%	-1.2%	-1.4%	3.5%	3.5%	8.9%
Central Vermont Medical Center	7.9%	6.9%	5.9%	5.9%	4.7%	4.7%	3.0%	2.5%	0.7%
Copley Hospital	6.0%	6.0%	0.0%	0.0%	-3.0%	-4.0%	0.0%	0.0%	0.0%
Gifford Medical Center	7.6%	7.6%	5.6%	5.6%	5.8%	5.8%	3.9%	3.9%	4.0%
Grace Cottage Hospital	6.0%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Mt. Ascutney Hospital & Health Ctr	5.0%	5.0%	3.2%	3.2%	5.7%	5.7%	4.9%	4.9%	4.9%
North Country Hospital	8.0%	8.0%	8.3%	8.3%	4.8%	4.8%	3.5%	3.5%	5.0%
Northeastern VT Regional Hospital	5.8%	5.6%	5.0%	5.0%	5.2%	5.2%	3.8%	3.8%	4.3%
Northwestern Medical Center	4.6%	3.9%	6.4%	6.4%	-8.0%	-8.0%	2.9%	0.0%	6.0%
Porter Medical Center	6.0%	6.0%	5.0%	5.0%	5.3%	5.3%	3.7%	3.7%	3.0%
Rutland Regional Medical Center	4.8%	4.8%	8.4%	8.4%	3.7%	3.7%	-5.1%	-5.1%	4.9%
Southwestern VT Medical Center	9.0%	7.2%	4.5%	4.5%	3.8%	3.8%	3.9%	3.4%	2.9%
Springfield Hospital	6.0%	4.6%	5.5%	5.5%	2.8%	2.8%	0.0%	0.0%	6.5%
The University of Vermont Medical Center	4.5%	4.4%	0.0%	0.0%	6.0%	6.0%	3.0%	2.5%	0.7%
<b>Weighted Average All Hospitals</b>	<b>5.5%</b>	<b>5.2%</b>	<b>6.8%</b>	<b>6.8%</b>	<b>4.4%</b>	<b>4.4%</b>	<b>2.2%</b>	<b>1.8%</b>	<b>2.4%</b>

UVMMC reported an overall 0% rate increase in fiscal years 2015, 2016, 2017 and 2018. CVMC reported an overall 0% rate increase in FY 2017 and .2% in FY 2018. Porter's overall approved rate for FY 2017 is 3.7% and negotiated commercial rate for FY 2017 is 5.3%, in FY 2018 they submitted 0% overall rate increase and 3.0% negotiated commercial rate. The weighted average has been estimated to reflect the UVMMC, CVMC and Porter negotiated commercial rates in fiscal years 2015, 2016, 2017 and 2018.

**Copley reduced its overall FY17 rates by 3.7% effective January 1, 2017, with targeted reductions in surgical services, orthopedic implants, and drugs.**

# DRAFT

**Vermont Hospitals  
Annual Rate Increase and Net Patient Revenue change  
FY2018 Budgets**

	Annual Rate Increases				Net Patient Revenue change			
	2017		2018		2017	2018	2017 to 2018	
	Submitted	Approved	Submitted		Approved	Submitted	\$ Change	% Change
Brattleboro Memorial Hospital	3.5%	3.5%	8.90%		\$76,408,611	\$80,202,627	\$3,794,016	4.97%
Central Vermont Medical Center	3.0%	2.5%	0.72%		\$191,831,143	\$198,726,498	\$6,895,355	3.59%
Copley Hospital	0.0%	0.0%	0.00%		\$64,819,405	\$69,663,508	\$4,844,103	7.47%
Gifford Medical Center	3.9%	3.9%	4.00%		\$57,762,429	\$59,497,391	\$1,734,962	3.00%
Grace Cottage Hospital	5.0%	5.0%	5.00%		\$19,205,503	\$18,649,074	-\$556,429	-2.90%
Mt. Ascutney Hospital & Health Ctr	4.9%	4.9%	4.89%		\$47,744,700	\$48,395,281	\$650,581	1.36%
North Country Hospital	3.5%	3.5%	5.00%		\$81,189,662	\$79,670,761	-\$1,518,901	-1.87%
Northeastern VT Regional Hospital	3.8%	3.8%	4.25%		\$71,339,400	\$79,385,200	\$8,045,800	11.28%
Northwestern Medical Center	2.9%	0.0%	6.00%		\$101,935,936	\$105,776,757	\$3,840,821	3.77%
Porter Medical Center	3.7%	3.7%	3.00%		\$76,094,922	\$78,682,778	\$2,587,856	3.40%
Rutland Regional Medical Center	-5.1%	-5.1%	4.94%		\$243,415,448	\$251,547,278	\$8,131,830	3.34%
Southwestern VT Medical Center	3.9%	3.4%	2.85%		\$152,362,260	\$159,497,504	\$7,135,244	4.68%
Springfield Hospital	0.0%	0.0%	6.50%		\$59,147,241	\$59,375,198	\$227,957	0.39%
The University of Vermont Medical Center	3.0%	2.5%	0.72%		\$1,172,785,845	\$1,213,835,692	\$41,049,847	3.50%
<b>Weighted Average Rate for All Hospitals</b>	<b>2.2%</b>	<b>1.8%</b>	<b>2.38%</b>	<b>Total Net Patient Revenue</b>	<b>\$2,416,042,505</b>	<b>\$2,502,905,547</b>	<b>\$86,863,043</b>	<b>3.60%</b>

UVMHC reported an overall 0% rate increase in fiscal years 2017 and 2018. CVMC reported an overall 0% rate increase in FY 2017 and .2% in FY 2018. Porter's overall approved rate for FY 2017 is 3.7% and negotiated commercial rate for FY 2017 is 5.3%, in FY 2018 they submitted 0% overall rate increase and 3.0% negotiated commercial rate. The weighted average has been estimated to reflect the UVMHC, CVMC and Porter negotiated commercial rates in fiscal years 2017 and 2018.

**Copley reduced its overall FY17 rates by 3.7% effective January 1, 2017, with targeted reductions in surgical services, orthopedic implants, and drugs.**

Vermont Hospitals, 2018 Budget Submissions

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	Waiver request?	Submitted Rate/Price Increase		Actual 2016 Orders for Budget 2018 Rates		NPR from B2017		Met NPR Cap 3.4%	Healthcare Investments	Allowed Health Care Investments .4%	Over Health Care Cap	ACO Risk
		Overall	Commercial			\$ Change	% Change					
Brattleboro Memorial Hospital		8.90%				\$3,794,016	4.97%		\$349,522	\$305,634	-43,888	
Central Vermont Medical Center		0.20%	0.72%	0.72%	no more than	\$6,895,355	3.59%		\$1,300,000	\$767,325	-532,675	Yes
Copley Hospital		0.00%				\$4,844,103	7.47%		\$32,500	\$259,278	0	
Gifford Medical Center	Yes	4.00%				\$1,734,962	3.00%	Yes	\$0	\$231,050	0	
Grace Cottage Hospital	Yes	5.00%				-\$556,429	-2.90%	Yes	\$0	\$76,822	0	
Mt. Ascutney Hospital & Health Ctr	Yes	4.89%				\$650,581	1.36%	Yes	\$0	\$190,979	0	
North Country Hospital		5.00%				-\$1,518,901	-1.87%	Yes	\$680,145	\$324,759	-355,386	
Northeastern VT Regional Hospital		4.25%		3.20%	no more than	\$8,045,800	11.28%		\$180,000	\$285,358	0	
Northwestern Medical Center		6.00%		-1.10%	no more than	\$3,840,821	3.77%		\$407,744	\$407,744	0	Yes, but not included in budget
Porter Medical Center		0.00%	3.00%			\$2,587,856	3.40%	Yes	\$315,000	\$304,380	-10,620	Yes
Rutland Regional Medical Center		4.94%		1.00%	reduction	\$8,131,830	3.34%	Yes	\$974,000	\$973,662	0	
Southwestern VT Medical Center		0.00%	2.85%	2.85%	no more than	\$7,135,244	4.68%		\$0	\$609,449	0	
Springfield Hospital		6.50%				\$227,957	0.39%	Yes	\$0	\$236,589	0	
The University of Vermont Medical Center		0.00%	0.72%	0.72%	no more than	\$41,049,847	3.50%		\$6,400,000	\$4,691,143	-1,708,857	Yes
		2.4%				\$86,863,043	3.60%		\$10,638,911	\$9,664,170	-2,651,426	

## BUDGET TO BUDGET VARIANCES EXPLAINED

Net Patient Care Revenue	2017B - 2018B \$ Chg	2017B - 2018B % Chg	Rate	Rate affect of Actual 2016 Orders	Rate Difference: FY17 Actual to Budget Experience	Utilization	Utilization offset by helathcare investments	Util/Reimb / Payer Mix	Bad Debt/Free Care Changes	Physician Trans/Acq	DSH Changes	Health Reform Investments	Other	Explained Variance Total
Brattleboro Memorial Hospital	3,794,015	5.0%	3,680,135			-		(4,239,147)	3,286,982	1,176,100	(459,576)	349,522		3,794,016
Central Vermont Medical Center	6,895,355	3.6%	1,581,049		(996,820)	5,738,457	(1,300,000)	1,932,727	(876,441)	368,061	(851,678)	1,300,000		6,895,355
Copley Hospital	4,844,103	7.5%				7,349,834		(1,952,189)	75,748	(431,214)	(230,576)	32,500		4,844,103
Gifford Medical Center	1,734,962	3.0%	2,362,211			(466,032)		178,554	(116,551)		(223,219)			1,734,963
Grace Cottage Hospital	(556,429)	-2.9%	355,666			(733,227)			(178,868)					(556,429)
Mt. Ascutney Hospital & Health Center	650,581	1.4%	3,852,571			(3,037,423)			(23,799)		(140,768)			650,581
North Country Hospital	(1,518,901)	-1.9%	2,951,506			(7,393,642)			2,696,359		(453,268)	680,145		(1,518,900)
Northeastern VT Regional Hospital	8,045,800	11.3%	1,605,700	(220,000)		4,569,500			(336,100)		(465,000)	180,000	2,711,700	8,045,800
Northwestern Medical Center	3,840,821	3.8%	3,030,267			2,608,453		393,619	(2,526,881)	375,000	(475,733)	407,744	28,352	3,840,821
Porter Medical Center	2,587,857	3.4%	242,676			3,630,548			(1,443,963)		(156,408)	315,000		2,587,853
Rutland Regional Medical Center	8,131,830	3.3%	5,063,174			4,267,423			(1,234,292)	207,156	(1,145,633)	974,000		8,131,828
Southwestern VT Medical Center	7,135,244	4.7%	2,913,001			198,375		4,005,801	(298,334)		316,401			7,135,244
Springfield Hospital	227,957	0.4%	2,661,580			(2,079,888)			596,205		(949,940)			227,957
The University of Vermont Medical Center	41,049,847	3.5%	19,184,247	(9,928,524)	(26,196,723)	59,669,582	(6,400,000)	9,212,215	(7,754,936)		(3,136,014)	6,400,000		41,049,847
<b>All Vermont Community Hospitals</b>	<b>86,863,042</b>	<b>0</b>	<b>49,483,783</b>	<b>(10,148,524)</b>	<b>(27,193,543)</b>	<b>74,321,959</b>	<b>(7,700,000)</b>	<b>9,531,580</b>	<b>(8,134,870)</b>	<b>1,695,103</b>	<b>(8,371,412)</b>	<b>10,638,911</b>	<b>2,740,052</b>	<b>86,863,039</b>

VT HOSPITAL BUDGETS FY2018

Health Care Investments per Narratives	B2017-B2018 Net Patient Revenue Increase	Allowed Health Care Investments .4%	Health Care Investment s	Health Care Over Health Care Cap	ACO APM Next Gen	ACO Fees	ACO Personnel	Emergency Room	Mental Health & SA	Centralized Scheduling	Tele-Health	Scribes	Coordinator /management	Home Care	IT Investments	Nursing Home Expenses	Primary Care access	Quality?	DA?
Brattleboro Memorial Hospital	3,794,015	305,634	349,522	-43,888						Centralized Scheduling	Tele-Health	Scribes	Care Coordinator						
Central Vermont Medical Center	6,895,355	767,325	1,300,000	-532,675	APM support											Nursing Home Expenses	Primary Care access		
Copley Hospital	4,844,103	259,278	32,500					Social Worker in ER											
Gifford Medical Center	1,734,962	231,050	0																
Grace Cottage Hospital	-556,429	76,822	0														Primary Care/PCMH, CHT		
Mt. Ascutney Hospital & Health Center	650,581	190,979	0																
North Country Hospital	-1,518,901	324,759	680,145	-355,386		ACO Fees	ACO Director									Depreciation Expense			
Northeastern VT Regional Hospital	8,045,800	285,358	180,000						screening & referral services					RN & Paramedic					
Northwestern Medical Center	3,840,821	407,744	407,744			ACO Fees													
Porter Medical Center	2,587,857	304,380	315,000	-10,620	ACO APM Next Gen			Security and staffing in ER	Medication Assisted Therapy										
Rutland Regional Medical Center	8,131,830	973,662	974,000					screening & referral services &	Medication REACH, Peer				Community Care Management	BluePrint					
Southwestern VT Medical Center	7,135,244	609,449	0																
Springfield Hospital	227,957	236,589	0																
University of Vermont Medical Center	41,049,847	4,691,143	6,400,000	-1,708,857				Mental Health Techs in ER	Emergency & Inpatient Psych Svc						Oncology, Clinical Trials, Ilab,			Jeffords for Quality	Howard Ctr Contract
<b>Total</b>	<b>86,863,042</b>	<b>9,664,170</b>	<b>10,638,911</b>	<b>-2,651,426</b>															

Hospital	ACO	Taking Risk in 2018?	How Much?	Where?
Brattleboro Memorial Hospital	OneCare Vermont	Yes		As the budget was being finalized, we received information from One Care's budget process and we have attempted to build the impact of participating in the all payor risk contracts into this budget. The Brattleboro Health Service Area has attributed 8,111 covered lives with an estimated Total Cost of Care (TCOC) of \$40.8 million in 2018. Only \$15.1 million of that TCOC is expected to be spent at BMH yet we will be at risk for the entire \$40.8 million. We have built in 50% of 9 months exposure to the maximum risk share calculated by One Care Vermont for our attributed lives.
			\$ 15,300,000	
Central Vermont Medical Center	OneCare Vermont	Yes		Reserves have not been built into NPR. Internally, PMPM payments are recorded as other revenue; for the budget submission, it has been included as NPR.
			Did not quantify	
Northwestern Medical Center	OneCare Vermont	Yes		Per their narrative, Northwestern did not have an analysis of the impact of the All Payer Model from OneCare at the time of the budget submission. They have since received the analysis and deemed the difference between submitted NPR to be immaterial. No update was made to their submitted budget to reflect this change.
			\$ 2,900,000	
Porter Medical Center	OneCare Vermont	Yes		As a risk bearing entity, we assume the risk that is associated with the APM and as stated in our budget narrative, we have not incorporated reserves into our budget. In accordance with FASB (Financial Accounting Standards Board) guidelines we recognize the fixed payment revenue in other revenue. For our budget submission we have reported all associated revenues as Net Patient Revenue.
			Did not quantify	
The University of Vermont Medical Center	OneCare Vermont	Yes		Reserves have not been built into NPR. Internally, PMPM payments are recorded as other revenue; for the budget submission, it has been included as NPR.
			Did not quantify	
Copley Hospital	CHAC	No		
Gifford Medical Center	CHAC	No		
Grace Cottage Hospital	CHAC	No		
Mt. Ascutney Hospital & Health Center		No		
North Country Hospital	OneCare Vermont	No		
			Per Robin: North Country indicated they might take risk for Medicaid, if that was an option.	Did not quantify
				Not included in the budget.
Northeastern VT Regional Hospital	CHAC	No		
Rutland Regional Medical Center	CHAC	No		
Southwestern VT Medical Center	OneCare Vermont	No		
			Per Robin: Southwestern indicated they would decide re: risk in September.	\$ 3,600,000
				Not included in the budget.
Springfield Hospital	CHAC	No		
			Might take risk.	\$ 2,000,000
				Not included in the budget.

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