

# Current Provider Taxes in Vermont:

## *Context:*

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- **Hospitals** – 6% of net patient revenues
  - Psychiatric Facilities – 4.21% of net patient revenues.
- **Intermediate Care Facilities** – 5.9% of total annual and indirect expenses
- **Nursing Homes** - \$4,919.53 per licensed bed
  - Approx. 6% of net patient revenue
- **Pharmacy** - \$0.10 for each prescription filled and refilled
- **Home Health** – 19.3% of net operating revenues from core home health care services (excluding Medicare Revenues)
  - Approx. 3.64% of net patient revenue

## Scenario 1:

Change the formula from 19.3% of Core Operating Revenue to 3.64% of Net Patient Revenue

- Net neutral approach but changes how the tax is calculated
- Column “f” is what agency currently pay
- Column “g” is what they would pay under this proposal

### Provider Tax Assessment for SFY 2017 Home Health Agencies

		CURRENT PROVIDER TAX ESTIMATES 19.3% Core Operating Service Revenues					DRAFT Converting to% of Net Patient Revenues	
Agency	(a) Net Patient Revenue from Audited Financial Statement	(b) Net Operating Revenues from Core Home Health Services	(c) 19.3%	(d) % Net Patient Revenue (c ÷ a)	(e) Cap Limit - 6% of Net Patient Revenue	(f) Projected Tax Assessment (c + e)	(g) 3.64% of Net Patient Revenue	(h) Variance from Current Provider Tax Estimate (g - f)
Addison County Home Health & Hospice	\$ 10,176,735	\$ 2,885,299	556,863	5.5%		\$ 556,862.71	\$ 370,433	(\$186,430)
VNA and Hospice of Southwestern Vermont Health Care**	\$ 3,498,823	\$ 690,916	133,347	3.8%		\$ 133,347	\$ 127,357	(\$5,990)
Caledonia Home Health Care & Hospice (NCHC)	\$ 5,339,006	\$ 1,277,905	246,636	4.6%		\$ 246,636	\$ 194,340	(\$52,296)
Central Vermont Home Health & Hospice	\$ 10,576,103	\$ 2,134,407	411,941	3.9%		\$ 411,941	\$ 384,970	(\$26,970)
Franklin County Home Health Agency	\$ 7,478,286	\$ 2,613,103	504,329	6.7%	(\$55,632)	\$ 448,697	\$ 272,210	(\$176,488)
Lamoille Home Health & Hospice	\$ 3,516,866	\$ 777,346	150,028	4.3%		\$ 150,028	\$ 128,014	(\$22,014)
Manchester Health Services	\$ 1,523,460	\$ 376,642	72,692	4.8%		\$ 72,692	\$ 55,454	(\$17,238)
Orleans, Essex VNA & Hospice	\$ 3,967,906	\$ 984,589	190,026	4.8%		\$ 190,026	\$ 144,432	(\$45,594)
Bayada Nursing Services-Professional Nursing Services	\$ 19,746,452	\$ 705,611	136,183	0.7%		\$ 136,183	\$ 718,771	\$582,588
Rutland Area Visiting Nurse Association & Hospice	\$ 12,075,629	\$ 2,691,434	519,447	4.3%		\$ 519,447	\$ 439,553	(\$79,894)
Visiting Nurse Association and Hospice of Vermont and New Hampshire	\$ 19,661,848	\$ 2,592,391	500,331	2.5%		\$ 500,331	\$ 715,691	\$215,360
Visiting Nurse Association of Chittenden and Grand Isle Counties	\$ 26,702,448	\$ 5,986,596	1,155,413	4.3%		\$ 1,155,413	\$ 971,969	(\$183,444)
<b>Total</b>	<b>124,263,562</b>	<b>\$ 23,716,239</b>	<b>4,577,234</b>	<b>3.68%</b>	<b>(\$55,632)</b>	<b>\$ 4,521,602</b>	<b>\$ 4,523,194</b>	<b>\$1,591</b>

## Scenario 2:

Reduce current cap from 6% of net patient revenue to 5%

- Reduction in revenues of \$123K (\$269K gross impact)

Provider Tax Assessment for SFY 2017 Home Health Agencies

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If capped at 5.0%

### CURRENT PROVIDER TAX ESTIMATES - 19.3% Core Operating Service

Agency	(a) Net Operating Revenues from Core Home Health Services	(b) 19.3%	(c) % Net Patient Revenue (b ÷ f)	(d) Cap Limit - 6% of Net Patient Revenue (current)	(e) Cap Limit - 5% of Net Patient Revenue (add'l changes)	(f) Projected Tax Assessment (b + d+ e)
Addison County Home Health & Hospice	\$ 2,885,299	556,863	5.5%		(48,026)	\$ 508,837
VNA and Hospice of Southwestern Vermont Health Care**	\$ 690,916	133,347	3.8%			\$ 133,347
Caledonia Home Health Care & Hospice (NCHC)	\$ 1,277,905	246,636	4.6%			\$ 246,636
Central Vermont Home Health & Hospice	\$ 2,134,407	411,941	3.9%			\$ 411,941
Franklin County Home Health Agency	\$ 2,613,103	504,329	6.7%	(55,632)	(74,783)	\$ 373,914
Lamoille Home Health & Hospice	\$ 777,346	150,028	4.3%			\$ 150,028
Mancheater Health Services	\$ 376,642	72,692	4.8%			\$ 72,692
Orleans, Essex VNA & Hospice	\$ 984,589	190,026	4.8%			\$ 190,026
Bayada Nursing Services-Professional Nursing Services	\$ 705,611	136,183	0.7%			\$ 136,183
Rutland Area Visiting Nurse Association & Hospice	\$ 2,691,434	519,447	4.3%			\$ 519,447
Visiting Nurse Association and Hospice of Vermont and New Hampshire	\$ 2,592,391	500,331	2.5%			\$ 500,331
Visiting Nurse Association of Chittenden and Grand Isle Counties	\$ 5,986,596	1,155,413	4.3%			\$ 1,155,413
Total	\$ 23,716,239	4,577,234	3.68%	(55,632)	(122,809)	\$ 4,398,794

Net (or needed revenue off-set)

\$ 122,808 Net

Gross (total cost of a service after federal match)

\$ 268,845 Gross

### Scenario 3:

Reduce current cap from 6% of net patient revenue to 5%

Increase rate from 19.3% of core operating services revenues to 20%

- Net neutral proposal

Provider Tax Assessment for SFY 2017 Home Health Agencies

BUDGET NEUTRAL PROPOSAL

DRAFT

If capped at 5.0%

CURRENT PROVIDER TAX ESTIMATES - 19.3% Core Operating Service

Agency	(a)	(b)	(c)	(d)	(e)	(f)	Variance from Current Tax
	Net Operating Revenues from Core Home Health Services	20.0% <i>(current rate = 19.3%)</i>	% Net Patient Revenue (b ÷ f)	Cap Limit - 6% of Net Patient Revenue	Cap Limit - 5% of Net Patient Revenue (add'l changes)	Projected Tax Assessment (b + d + e)	
Addison County Home Health & Hospice	\$ 2,885,299	577,060	5.7%		(68,223)	\$ 508,837	(48,026)
VNA and Hospice of Southwestern Vermont Health Care**	\$ 690,916	138,183	3.9%			\$ 138,183	4,836
Caledonia Home Health Care & Hospice (NCHC)	\$ 1,277,905	255,581	4.8%			\$ 255,581	8,945
Central Vermont Home Health & Hospice	\$ 2,134,407	426,881	4.0%			\$ 426,881	14,940
Franklin County Home Health Agency	\$ 2,613,103	522,621	7.0%	(55,632)	(93,074)	\$ 373,914	(74,783)
Lamoille Home Health & Hospice	\$ 777,346	155,469	4.4%			\$ 155,469	5,441
Manchester Health Services	\$ 376,642	75,328	4.9%			\$ 75,328	2,636
Orleans, Essex VNA & Hospice	\$ 984,589	196,918	5.0%			\$ 196,918	6,892
Bayada Nursing Services-Professional Nursing Services	\$ 705,611	141,122	0.7%			\$ 141,122	4,939
Rutland Area Visiting Nurse Association & Hospice	\$ 2,691,434	538,287	4.5%			\$ 538,287	18,840
Visiting Nurse Association and Hospice of Vermont and New Hampshire	\$ 2,592,391	518,478	2.6%			\$ 518,478	18,147
Visiting Nurse Association of Chittenden and Grand Isle Counties	\$ 5,986,596	1,197,319	4.5%			\$ 1,197,319	41,906
<b>Total</b>	<b>\$ 23,716,239</b>	<b>4,743,248</b>	<b>3.82%</b>	<b>(55,632)</b>	<b>(161,297)</b>	<b>\$ 4,526,319</b>	<b>\$ 4,715</b>

Net (or needed revenue off-set)  
Gross (total cost of a service after federal match)

\$ 4,717 Net  
\$ 10,325 Gross