

COVID-19 Relief Fund Health Care Sector Considerations

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Overview

1. Hospital Financial Data
2. Expenditures by Health Care Sector
3. Considerations for Funding
4. Questions

FY19 Operating Margin: Community Hospitals



At an entity level, 7 of 14 of hospitals experienced operating losses in FY19, several of which have experienced consecutive years of losses.

	Operating Margin (%)					
	Actuals FY2015	Actuals FY2016	Actuals FY2017	Actuals FY2018	Actuals FY2019	5-Year Average
Brattleboro Memorial Hospital	2.8%	-0.6%	-3.1%	-2.4%	0.8%	-0.5%
Central Vermont Medical Center	2.9%	1.0%	-0.9%	-3.8%	-2.1%	-0.6%
Copley Hospital	6.2%	-0.1%	-0.6%	-3.3%	-3.2%	-0.2%
Gifford Medical Center	2.7%	3.9%	-1.6%	-10.7%	-0.8%	-1.3%
Grace Cottage Hospital	-9.8%	-8.0%	-6.9%	-2.9%	-6.7%	-6.9%
Mt. Ascutney Hospital & Health Ctr	-2.4%	0.3%	2.7%	1.9%	-0.1%	0.5%
North Country Hospital	3.5%	0.2%	-2.3%	-2.3%	1.9%	0.2%
Northeastern VT Regional Hospital	2.2%	2.0%	1.9%	1.7%	1.8%	1.9%
Northwestern Medical Center	9.7%	3.4%	-1.2%	-3.4%	-8.0%	0.1%
Porter Medical Center	-2.4%	1.9%	2.7%	1.8%	5.2%	1.8%
Rutland Regional Medical Center	1.9%	4.2%	1.6%	0.5%	0.7%	1.8%
Southwestern VT Medical Center	3.6%	3.4%	3.7%	4.6%	3.3%	3.7%
Springfield Hospital	3.9%	0.3%	-7.1%	-12.8%	-18.4%	-6.8%
The University of Vermont Medical Center	6.3%	5.9%	5.2%	3.4%	2.2%	4.6%
SYSTEM TOTAL	4.6%	3.9%	2.7%	1.1%	0.7%	2.6%

Note: Springfield did not submit audited FY19 year-end results. Analysis is based on Springfield's unaudited submission.

FY19 NPR/FPP: Community Hospitals



Medicare Designation	Hospital	NPR/FPP Actual FY19	% of Total	Budget-to-Actual Variance
PPS	Brattleboro Memorial Hospital	\$83,994,257	3.2%	0.1%
PPS	Central Vermont Medical Center	\$208,006,996	8.0%	-1.6%
CAH	Copley Hospital	\$66,993,816	2.6%	-4.6%
CAH	Gifford Medical Center	\$50,052,096	1.9%	-10.5%
CAH	Grace Cottage Hospital	\$18,734,702	0.7%	-2.9%
CAH	Mount Ascutney Hospital & Health Center	\$50,849,386	2.0%	-0.7%
CAH	North Country Hospital	\$80,634,917	3.1%	-1.1%
CAH	Northeastern VT Regional Hospital	\$84,684,742	3.3%	3.8%
PPS	Northwestern Medical Center	\$106,529,464	4.1%	-5.5%
CAH	Porter Medical Center	\$84,961,115	3.3%	0.5%
PPS	Rutland Regional Medical Center	\$257,189,661	9.9%	-0.6%
PPS	Southwestern VT Medical Center	\$163,952,570	6.3%	-0.8%
CAH	Springfield Hospital	\$47,392,822	1.8%	-21.6%
PPS	University of Vermont Medical Center	\$1,285,234,193	49.6%	0.9%
	SYSTEM	\$2,589,210,737	100.0%	-0.8%

YTD April FY20 NPR/FPP: Community Hospitals



	FY2020 YTD BUDGET	FY2020 YTD ACTUALS	BUDGET-TO- ACTUAL % VARIANCE	ACTUAL-TO- ACTUAL % CHANGE
BRATTLEBORO	\$51,417,970	\$45,129,222	-12.2%	-7.2%
CENTRAL VERMONT	\$126,019,267	\$117,216,174	-7.0%	-3.6%
COPLEY	\$42,384,045	\$39,307,297	-7.3%	1.1%
GIFFORD	\$30,556,741	\$27,907,787	-8.7%	-4.0%
GRACE COTTAGE	\$11,647,896	\$9,798,513	-15.9%	-7.5%
MOUNT ASCUTNEY	\$31,357,409	\$25,728,287	-18.0%	-13.0%
NORTH COUNTRY	\$48,295,777	\$42,666,108	-11.7%	-7.4%
NORTHEASTERN	\$50,898,076	\$45,467,601	-10.7%	-7.1%
NORTHWESTERN	\$68,207,171	\$56,326,810	-17.4%	-13.7%
PORTER	\$50,432,259	\$42,984,131	-14.8%	-8.8%
RUTLAND REGIONAL	\$156,209,566	\$137,333,130	-12.1%	-8.5%
SOUTHWESTERN	\$100,499,376	\$88,079,240	-12.4%	-7.0%
SPRINGFIELD	\$28,518,694	\$24,993,651	-12.4%	-21.7%
UVMMC	\$779,078,142	\$698,264,841	-10.4%	-5.5%
SYSTEM TOTAL	\$1,575,522,389	\$1,401,202,792	-11.1%	-6.7%

FY19 NPR: Brattleboro Retreat Totals



Hospital	NPR Actual (unaudited) FY19	NPR Budget FY19	Budget-to-Actual Variance
Brattleboro Retreat	\$69,119,156	\$73,110,699	-5.8%

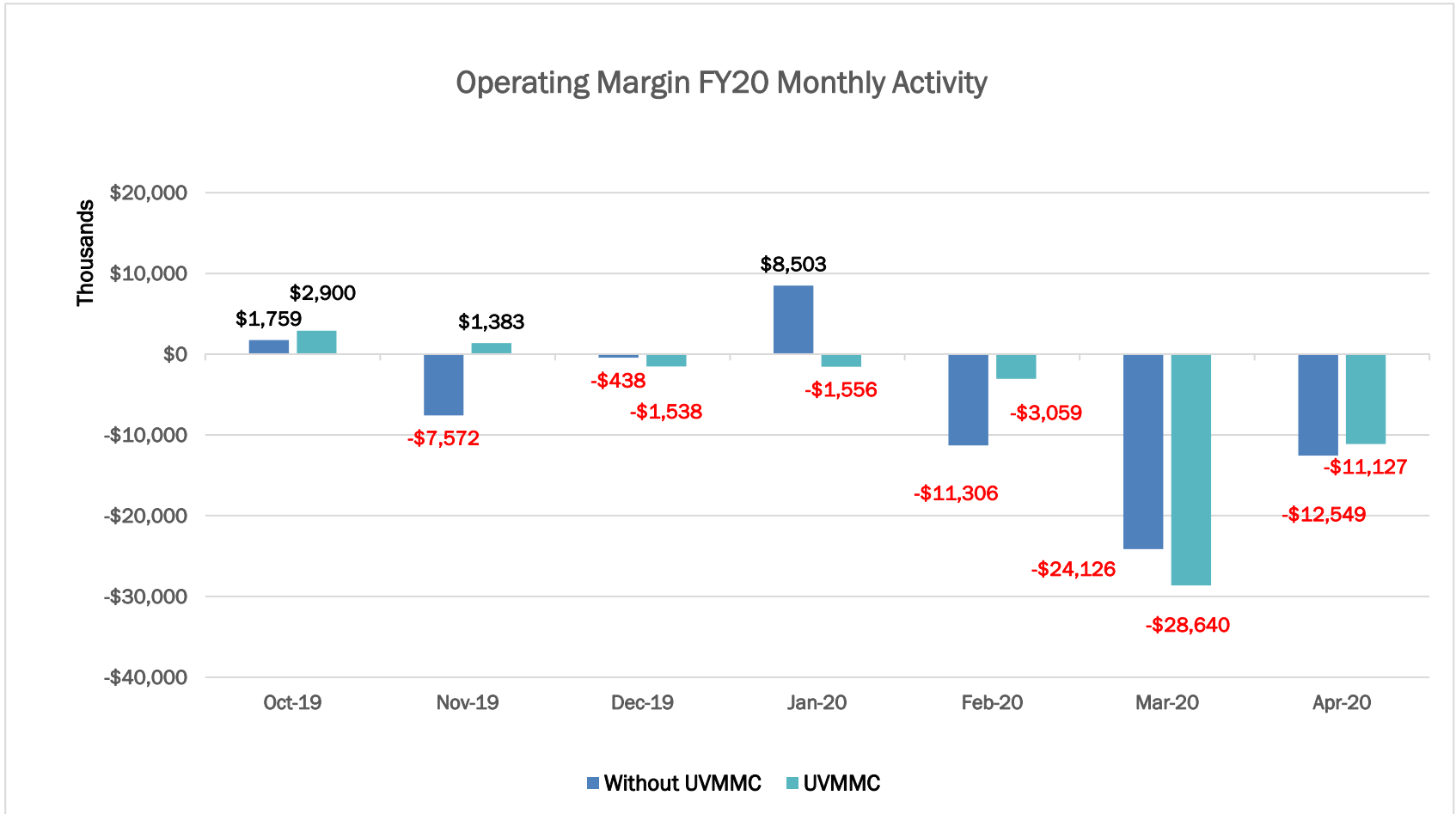
YTD April FY20

Operating Margins: Community Hospitals



	OPERATING MARGIN (\$)	OPERATING MARGIN (%)
BRATTLEBORO	-\$4,995,843	-10.2%
CENTRAL VERMONT	-\$11,737,726	-9.1%
COPLEY	-\$2,408,245	-6.0%
GIFFORD	\$1,876,185	5.8%
GRACE COTTAGE	-\$580,517	-4.9%
MOUNT ASCUTNEY	-\$2,290,530	-7.6%
NORTH COUNTRY	-\$1,473,890	-3.0%
NORTHEASTERN	-\$2,434,043	-4.9%
NORTHWESTERN	-\$9,409,682	-15.5%
PORTER	-\$3,875,501	-8.0%
RUTLAND REGIONAL	-\$5,723,034	-3.7%
SOUTHWESTERN	-\$1,169,148	-1.2%
SPRINGFIELD	-\$1,508,129	-5.2%
UVMHC	-\$41,636,695	-5.1%
SYSTEM TOTAL	-\$87,366,796	-5.5%

FY20 Operating Margins: Community Hospitals



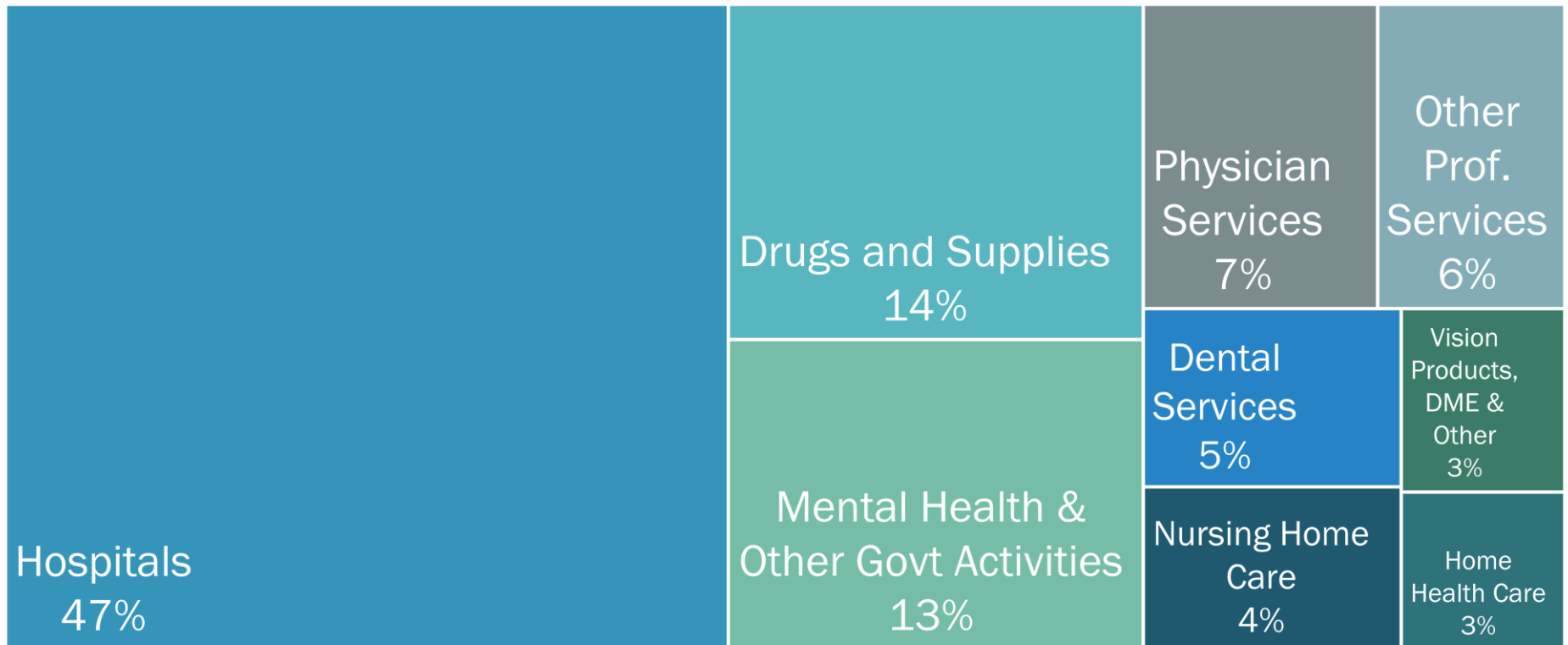
COVID-19 Stimulus Funds



Vermont Hospitals ONLY Stimulus Tracking				
Hospital	Stimulus Round #1	Stimulus Round #2	Rural Stimulus	TOTAL Stimulus Received (5/11/2020)
BMH	\$ 1,051,952	\$ 349,994	\$ 4,798,283	\$ 6,200,229
<i>Brattleboro Retreat</i>	\$ 563,505	\$ 864,181		\$ 1,427,686
Copley	\$ 1,298,294	\$ 26,264	\$ 4,500,000	\$ 5,824,558
CVMC	\$ 2,355,780	\$ 1,265,395	\$ 7,462,887	\$ 11,084,062
Gifford	\$ 1,001,000	\$ 94,000	\$ 4,171,000	\$ 5,266,000
Grace Cottage	\$ 663,500		\$ 3,570,639	\$ 4,234,139
Mt. A	\$ 744,597	\$ 255,561	\$ 4,183,547	\$ 5,183,705
NCH	\$ 1,289,085	\$ 232,388	\$ 4,907,511	\$ 6,428,985
NMC	\$ 1,644,433	\$ 128,767	\$ 5,405,155	\$ 7,178,355
NVRH	\$ 1,761,000		\$ 4,846,100	\$ 6,607,100
Porter	\$ 562,224	\$ 828,816	\$ 4,748,050	\$ 6,139,090
Rutland	\$ 5,400,000		\$ 8,545,000	\$ 13,945,000
Springfield	\$ 417,151	\$ 475,306	\$ 4,300,000	\$ 5,192,457
SVMC	\$ 1,932,528	\$ 1,184,661	\$ 6,300,000	\$ 9,417,189
UVMC	\$ 13,659,785	\$ 9,051,495		\$ 22,711,280
Total	\$ 34,344,834	\$ 14,756,829	\$ 67,738,172	\$ 116,839,834

Expenditures by Health Care Sector

2018 Total Vermont Provider Spending
Total Estimate: \$6.4 Billion



Key Decisions

1. How do these funds allow us to continue pursuing affordability?
2. How can we advance work on ensuring the sustainability of our health care system?
3. What is the right total dollar amount to reasonably accomplish priorities?
4. How to assess need, determine impact, and prioritize funding recipients?
5. What factors do most to protect the triple aim?
6. Can and how to allocate in a way that preserves the investments that we have already made in health care reform (e.g. population health)?

Hospital Funding

1. Funding could be contingent on the continuation of **population health investments**, on which our health care reform efforts have been based to date
2. Funding could be contingent on **sustainability planning**, to ensure that hospitals are using the dollars efficiently and right-sizing their operations for their communities and population trends
3. Allocations can only support **affordability** efforts and offset commercial rate increases if the amounts are sufficient and timely
4. GMCB continues to offer collaboration with AHS, such as **utilizing the hospital budget process** as a mechanism to inform funding allocation decisions

Other Considerations

- Goals of triple aim and the All Payer Model, are still central tenants
- Continued participation in Health Care Reform, including reducing reliance on FFS
- Scale/Attribution in the All Payer Model
- Workforce
- Telehealth
- Long-term ROI
- Independent Provider Support
- Collaboration between providers

Resources

- [Hospital Budget Process](#)
- [Expenditure Analysis](#)
- Sustainability Planning
 - [GMCB Staff Presentation](#)
 - [Framework](#)
- [All Payer Model](#)
- [Rate Review Process](#)
 - [Rate Review Explainer](#)

Appendix: 2018 VT Healthcare Expenditure Analysis-Provider



PROVIDERS & FACILITIES	Percent of Total	Provider Total	Percent of Total	Providers without Drugs, Supplies, Vision and DME
Hospitals	46.7%	\$3,008,938,061	55.7%	\$3,008,938,061
Community Hospitals	41.8%	\$2,690,862,695	49.8%	\$2,690,862,695
Inpatient	14.6%	\$938,690,398	17.4%	\$938,690,398
Outpatient & ER	19.9%	\$1,279,735,019	23.7%	\$1,279,735,019
Inpatient-Physician	2.4%	\$154,136,146	2.9%	\$154,136,146
Outpatient-Physician	4.9%	\$318,301,131	5.9%	\$318,301,131
Veterans Hospital	3.5%	\$227,198,718	4.2%	\$227,198,718
Psychiatric Hosp: State	0.3%	\$22,399,242	0.4%	\$22,399,242
Psychiatric Hosp: Private	1.1%	\$68,477,405	1.3%	\$68,477,405
Physician Services	7.1%	\$460,062,650	8.5%	\$460,062,650
Office of Physicians	6.8%	\$438,954,436	8.1%	\$438,954,436
Ambulatory Clinics	0.2%	\$15,406,228	0.3%	\$15,406,228
CMHCs	0.0%	\$278,062	0.0%	\$278,062
Other Ambulatory Clinics	0.2%	\$15,128,167	0.3%	\$15,128,167
Labs	0.1%	\$5,701,986	0.1%	\$5,701,986
Dental Services	4.6%	\$296,601,668	5.5%	\$296,601,668
Other Professional Services	5.7%	\$367,256,730	6.8%	\$367,256,730
Chiropractor	0.5%	\$30,380,190	0.6%	\$30,380,190
Physical Therapy Services	1.1%	\$72,949,002	1.4%	\$72,949,002
Psychological Services	0.9%	\$60,941,430	1.1%	\$60,941,430
Podiatrist Services	0.0%	\$2,432,460	0.0%	\$2,432,460
Optometrists	0.7%	\$44,000,475	0.8%	\$44,000,475
Other	2.4%	\$156,553,173	2.9%	\$156,553,173
Home Health Care	2.6%	\$166,088,068	3.1%	\$166,088,068
Drugs and Supplies	13.9%	\$896,953,520	0.0%	
Rx	12.5%	\$804,306,144	0.0%	
Other Supplies	1.4%	\$92,647,376	0.0%	
Vision Products & DME	1.7%	\$112,054,385	0.0%	
Nursing Home Care	4.2%	\$270,961,815	5.0%	\$270,961,815
Other/Unclass. Health Services	0.5%	\$33,658,663	0.0%	
Mental Health & Other Govt Activities	12.9%	\$828,999,956	15.4%	\$828,999,956
AHS Other	4.9%	\$313,426,636	5.8%	\$313,426,636
Home & Community Based	4.8%	\$308,162,140	5.7%	\$308,162,140
Other Mental Health/Substance Abuse	3.2%	\$207,411,180	3.8%	\$207,411,180
TOTAL	100.0%	\$6,441,575,516	100.0%	\$5,398,908,948
Percent of total expenditures		100.0%		

Provider reported data

Amounts imputed from National Health Expenditures

