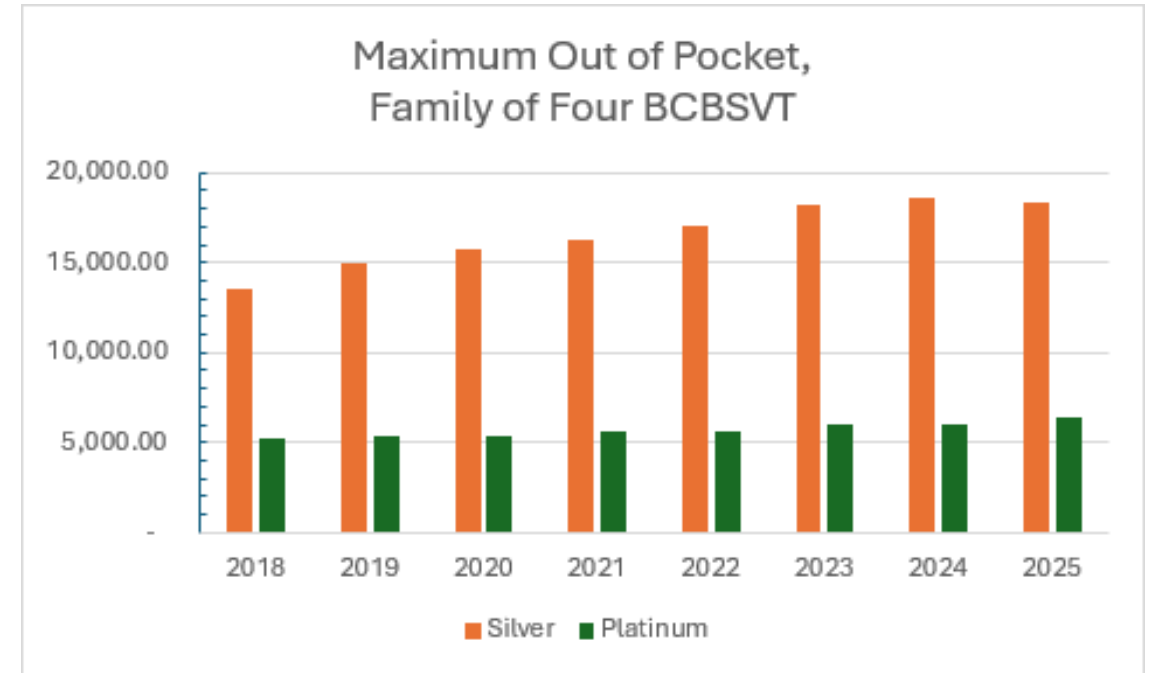
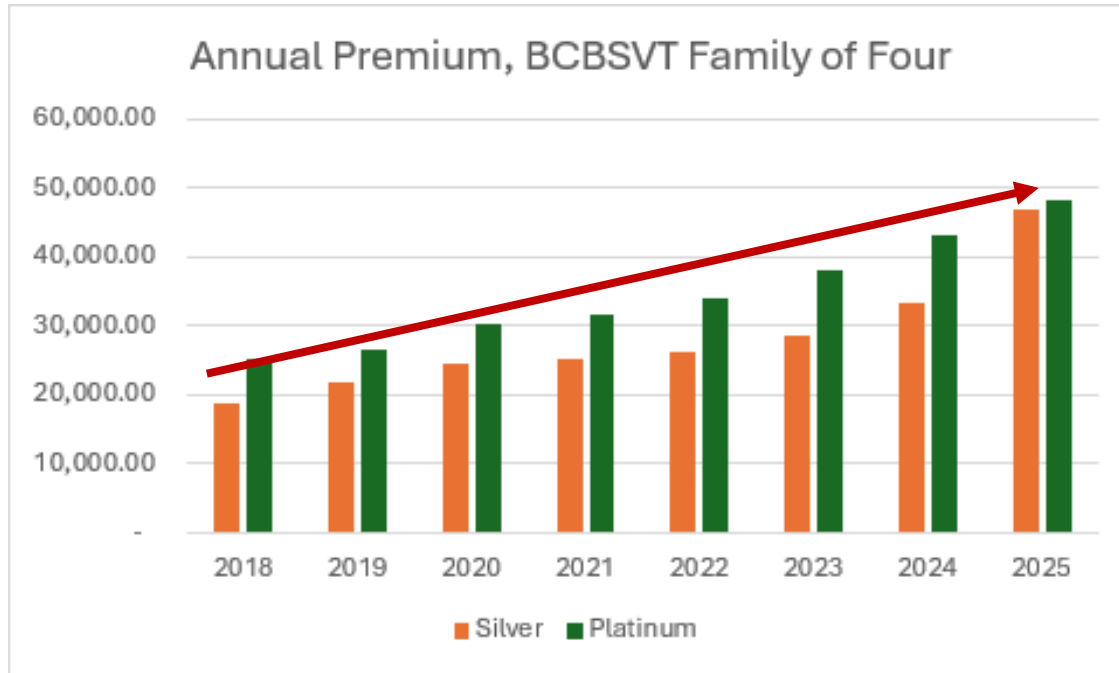


Health Care Landscape Trends

Affordability



Note: Most VHC users are eligible for subsidies or tax credits. Most uninsured Vermonters are for VHC plan subsidies from APRA will continue through 2025.

S. 126, Section 6 Network Operations

UVM HEALTH NETWORK

- New York Hospital Loans
- New York Hospital Margin and Network Impact
- Network Expenses

CURRENT BALANCES



7. Information and documentation reflecting the status of repayment of any direct or indirect financial support provided by any Vermont-based hospital, or UVMHN, to any New York-based hospitals.

Response:



	FY24 Year-End Due to/Due from Balance	Average Monthly Purchases by UVMHC & UVMHN on Behalf of Other Hospital	Months of Activity Balance Represents
CVPH	\$76.3M	\$10.6M	7.2
AHMC	\$15.8M	\$2.1M	7.5
ECH	\$1.0M	\$1.0M	1.0

The FY24 year-end “due to” and “due from” balances are unaudited, year-end figures and therefore will not tie to the FY24 Projected amount stated on the most recent NY/VT Funds Flow Analysis, which only reflects projected (rather than actual) FY24 loans. The balances are one to two months in arrears due to a lag with respect to prior month actual transactions and processing time.

SENT VIA EMAIL

December 6, 2024

Matthew Sutter
Deputy Director of Health Systems Finance
Green Mountain Care Board
144 State Street
Montpelier, VT 05602
Matthew.Sutter@vermont.gov

Re: Requests for Information (November 8, 2024)

9. Health System Transfers/Funds Flows

a. For the \$60M due from related party CVPH to UVM, provide a detailed breakdown of that balance, when it accrued, for what, and the status of repayment.

Outstanding at 9/30/23. As stated during the 8/28/24 GMCB UVMHC budget hearing, this balance fluctuates at any given time.

Approximate breakdown of \$60M

- \$10M for Shared Services and other integrated expense funding models
- \$30M for Pharmacy expense
- \$20M for Physician salary & fringe

REDACTED

University of Vermont Medical Center

Follow-up questions from FY25 budget hearing

Responses submitted to Green Mountain Care Board 9/6/24

11 CHAIR FOSTER: Yeah, I've seen
12 that. Okay. So my question was like, are there
13 contracts or how is this memorialized, this 60
14 million that's owed from CVPH to UVMC?

15 MR. VINCENT: So there's no
16 contracts that memorialize that. That's part of
17 us -- as we function as a network, we will have
18 balances that are due between the partners.
19 There are many systems, actually, that don't even
20 have this due to/due from. So if you look at --
21 and actually, I think you even see it in some of
22 the regulated entities that that you have when
23 you look at their cash balance, it's zero because
24 all the cash has been managed centrally within
25 the -- within their network structure. For us,

9 CHAIR FOSTER: Okay. So are there
10 terms? Is there, like, a term sheet? How do you
11 know when they owe what money? Is there, like, a
12 schedule of when they have to pay you back? Is
13 there an interest rate?

14 MR. VINCENT: Again, we're -- I --
15 we're a health network. So this -- we're one
16 entity in terms of how we're -- how we manage the
17 funds flow between the organization. So charging
18 each other interest for -- and having a term
19 sheet when we're all part of the -- the same
20 organization is not something that -- it's not
21 something you see in any network. And certainly,
22 it's not something we would do internally within
23 the UVM Health Network.

<u>Hospital</u>	<u>Reference</u>	<u>Location</u>	<u>Hospital Type</u>	FY19	FY20	FY21	FY22	FY23	FY24
Margin %									
Champlain Valley Physicians Hospital	CVPH	Plattsburgh, NY	Sole Community	-1.9%	-2.1%	-1.9%	-7.8%	-9.1%	-0.4%
Alice Hyde Medical Center	AHMC ¹	Malone, NY	Critical Access	2.3%	1.1%	-0.2%	-9.3%	-4.0%	5.1%
Elizabethtown Community Hospital	ECH	Elizabethtown, NY	Critical Access	3.5%	4.9%	6.0%	4.9%	9.8%	22.7%
Days Cash									
Champlain Valley Physicians Hospital	CVPH	Plattsburgh, NY	Sole Community	43.4	54.1	55.3	2.8	(6.0)	(2.1)
Alice Hyde Medical Center	AHMC	Malone, NY	Critical Access	81.7	108.6	91.6	57.2	26.4	37.2
Elizabethtown Community Hospital	ECH	Elizabethtown, NY	Critical Access	149.6	203.4	262.0	215.1	253.2	389.1

Notes:

1) AHMC changed to a Critical access hospital in FY24. Margin reflects Hospital only and excludes SNF.

UNIVERSITY of VERMONT
HEALTH NETWORK

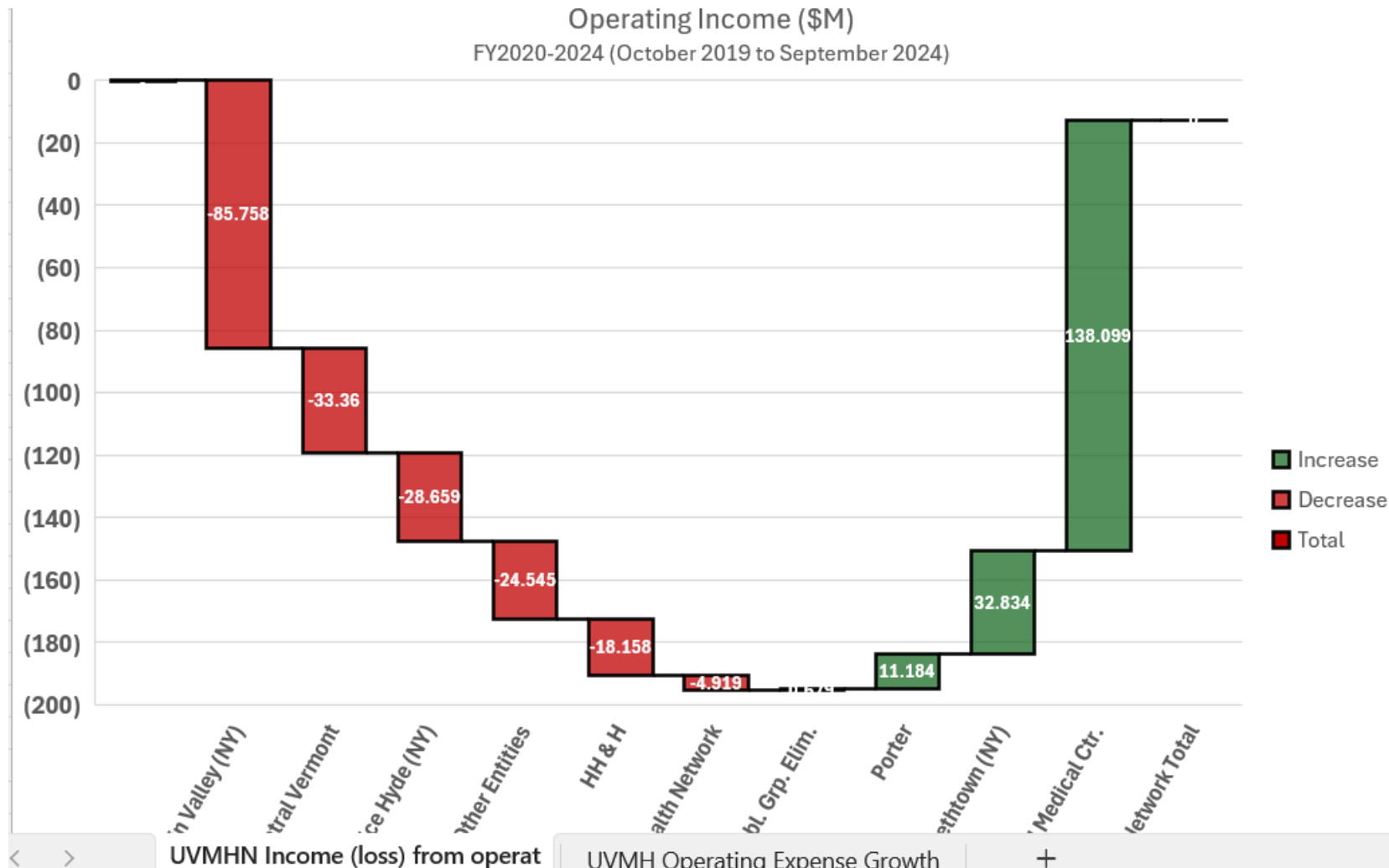
As explained in my December 6, 2024 response, each of our Vermont hospital's rate requests to the Board is determined based on that hospital's operating expenses and profit and loss statement. More specifically, as detailed in each of our recent budget filings, each Vermont hospital seeks a commercial rate that is the projected per unit cost inflation, less the amount of rate increase expected from its non-commercial payers. For this reason, the operating margins and days cash of UVMHN's New York hospitals have no impact on the commercial rate requests filed by its Vermont hospitals.

SENT VIA EMAIL

January 10, 2025

Matthew Sutter
Deputy Director of Health Systems Finance
Green Mountain Care Board
144 State Street
Montpelier, VT 05602
Matthew.Sutter@vermont.gov

Re: Requests for Information (November 8, 2024)



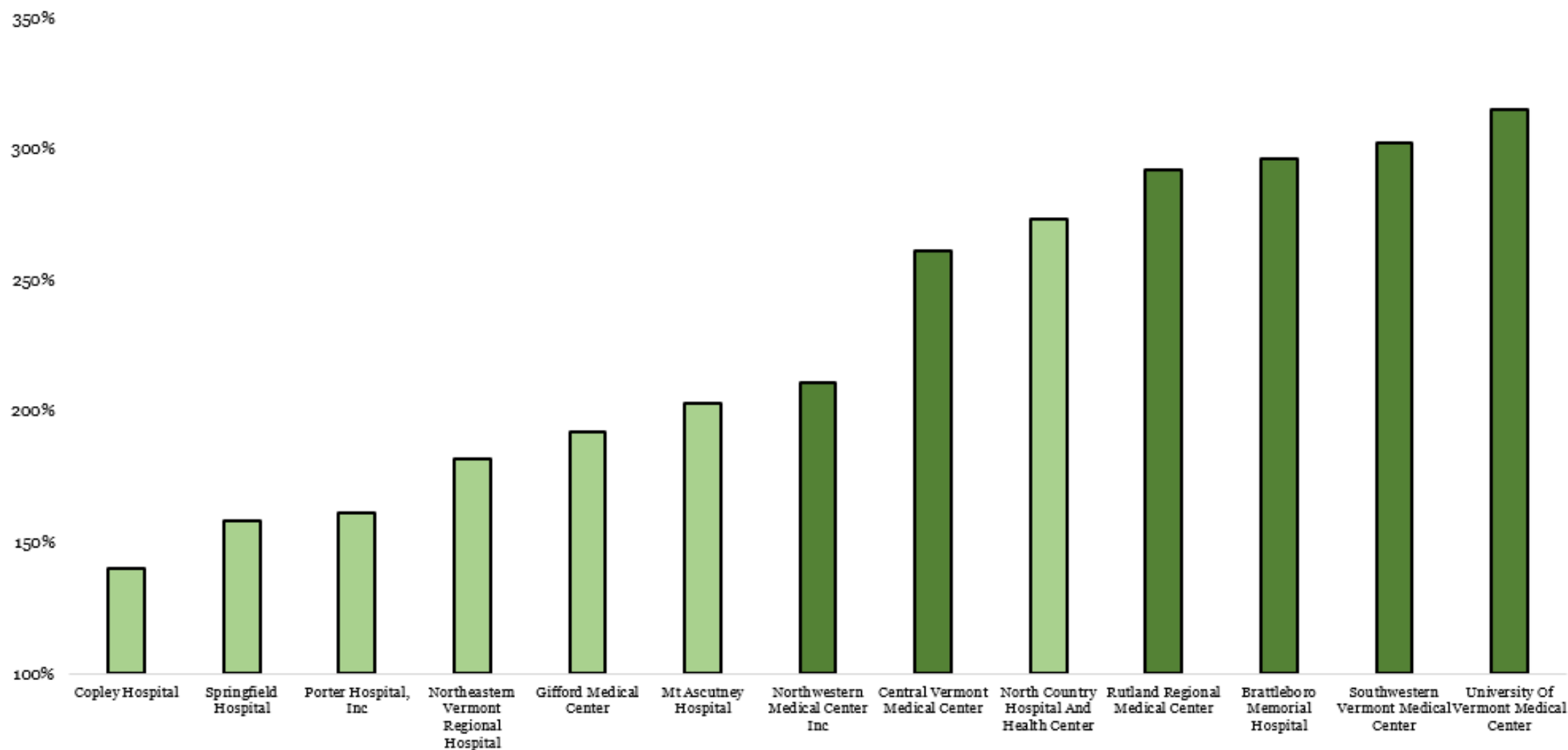
Sources: UVMHN Audited Financials [FY20, FY21, FY22, FY23, FY24]
Income (loss) from operations

10 MS. HOLMES: Got it. I guess as we are
11 talking about that side of the lake, there was a lot
12 of discussion about the need to preserve an A-bond
13 rating, and I can appreciate that on so many levels.
14 And my understanding is that the health network's
15 bond rating is determined by the performance of all
16 the hospitals, not just the Vermont hospitals. And,
17 in fact, you mentioned that the Medical Center
18 actually has to achieve a better than benchmark
19 margin to support the other hospitals.

20 We never really hear about how the New
21 York hospitals are doing, but clearly they contribute
22 to your bond rating, and they contribute to the need
23 for the UVM Medical Center to have a higher than
24 benchmark, you know, margins.

Large variation in Vermont hospital prices

Relative price for inpatient and outpatient services



Source: Analysis of Prices Paid to Hospitals by Private Health Plans data. Whaley et al. 2024. Critical access hospitals light-shaded.

36	Health Network Development		
37	Total Expense	4,397,904	4,947,291
38	Total Other Revenue	606,457	910,532
39	FTEs		
40	Management	13	15
41	All Other	16	17
42	Total	29	31
43	Salaries		
44	Management	1,664,389	2,037,489
45	All Other	1,216,251	1,167,796
46	Total	2,880,640	3,205,285

47	Health Network External Relations		
48	Total Expense	8,985,688	9,681,302
49	Total Other Revenue	0	0
50	FTEs		
51	Management	14	15
52	All Other	27	26
53	Total	41	41

124	Revenue Cycle		
125	Total Expense	81,661,660	89,894,576
126	Total Other Revenue	208,243	265,789
127	FTEs		
128	Management	84	86
129	All Other	863	860
130	Total	946	946
131	Salaries		
132	Management	8,905,413	9,685,140
133	All Other	50,286,182	55,720,439
134	Total	59,191,595	65,405,579

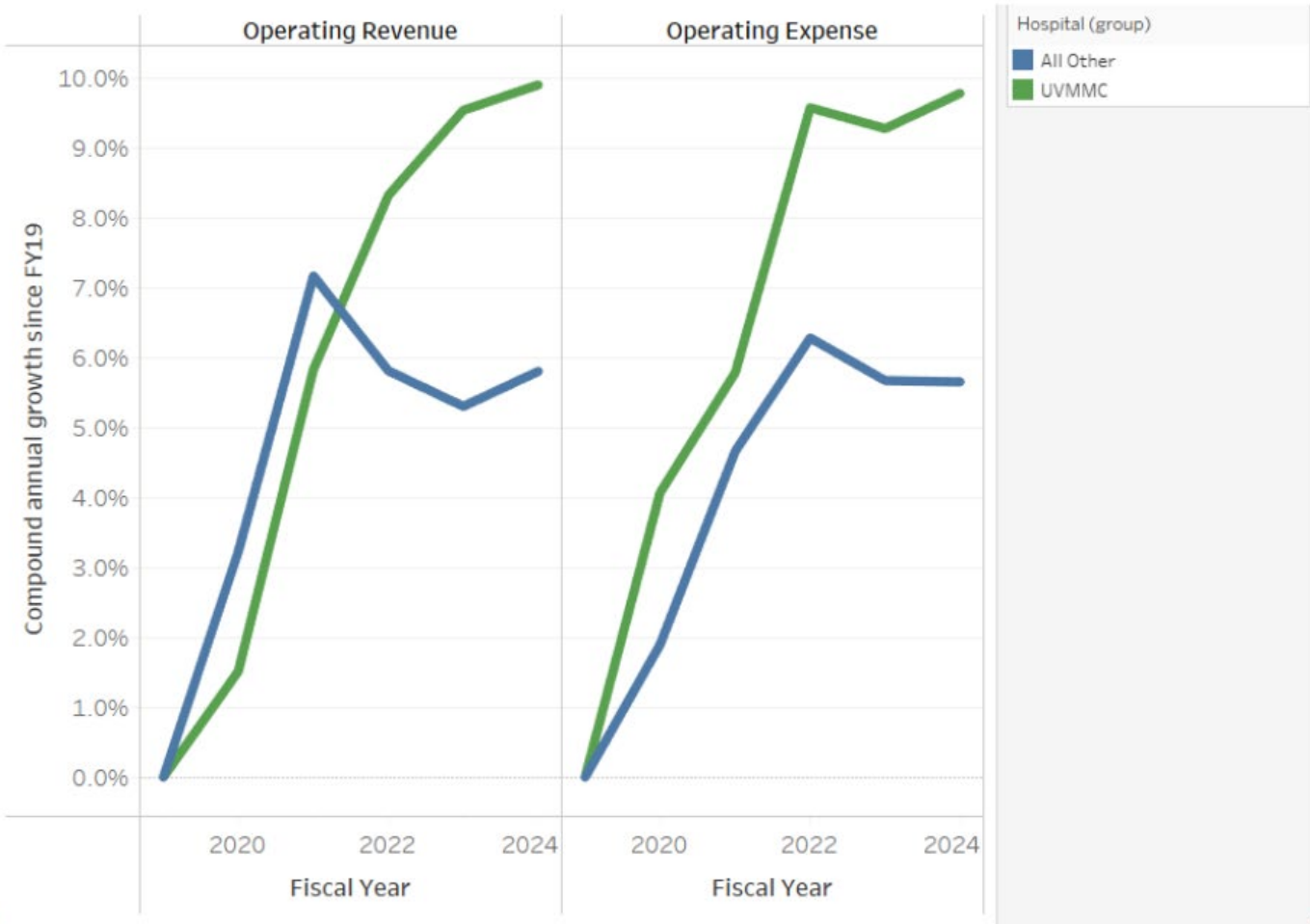
201	PHSO		
202	Total Expense	21,514,986	29,337,270
203	Total Other Revenue	18,163,702	19,563,040
204	FTEs		
205	Management	13	19
206	All Other	121	143
207	Total	134	162

	A	B	C
1	Shared Services, Accounts by Time	FY2024	FY2025
2	Shared Services		
157	Health Network Administration		
158	Total Expense	20,580,945	27,295,207
159	Total Other Revenue	3,094,995	5,041,974
160	FTEs		
161	Management	15	24
162	All Other	14	23
163	Total	29	47
80	HR Operations		
81	Total Expense	26,899,546	28,275,577
82	Total Other Revenue	267,700	252,810
83	FTEs		
84	Management	40	42
85	All Other	115	116
86	Total	155	158



UVMNC Network_Shared_Services - View-only

Vermont Hospital System



Vermont Hospital System



			FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
NPR + FPP	Commercial	UVMC	29.0%	28.5%	29.2%	28.7%	27.7%	28.0%	30.0%	31.3%
		All Other	24.5%	24.1%	24.7%	24.5%	25.6%	23.8%	23.4%	20.9%
	Medicaid	UVMC	5.4%	5.5%	5.0%	5.6%	5.4%	6.1%	6.1%	5.8%
		All Other	6.0%	6.0%	5.6%	6.0%	6.6%	6.2%	5.0%	4.7%
	Medicare	UVMC	14.4%	15.3%	15.0%	14.6%	14.2%	14.9%	15.6%	16.6%
		All Other	19.2%	19.6%	19.6%	19.6%	19.8%	19.6%	19.3%	20.3%
	Uncategorized	UVMC	0.7%	0.5%	0.4%	0.5%	0.4%	0.7%	0.3%	0.3%
		All Other	0.7%	0.5%	0.5%	0.5%	0.4%	0.8%	0.3%	0.0%
			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

- If we look just at NPR (we cannot break out total operating revenue by payer), UVMC is receiving a larger piece of the commercial pie

Note: For FY24 above, Medicare Advantage is included under Medicare (rather than Commercial) for consistent time series reporting.