



# Vermont Hospital System FY2025 Financials

3/18/2026

# Vermont Hospital System

## Summary Income Statement

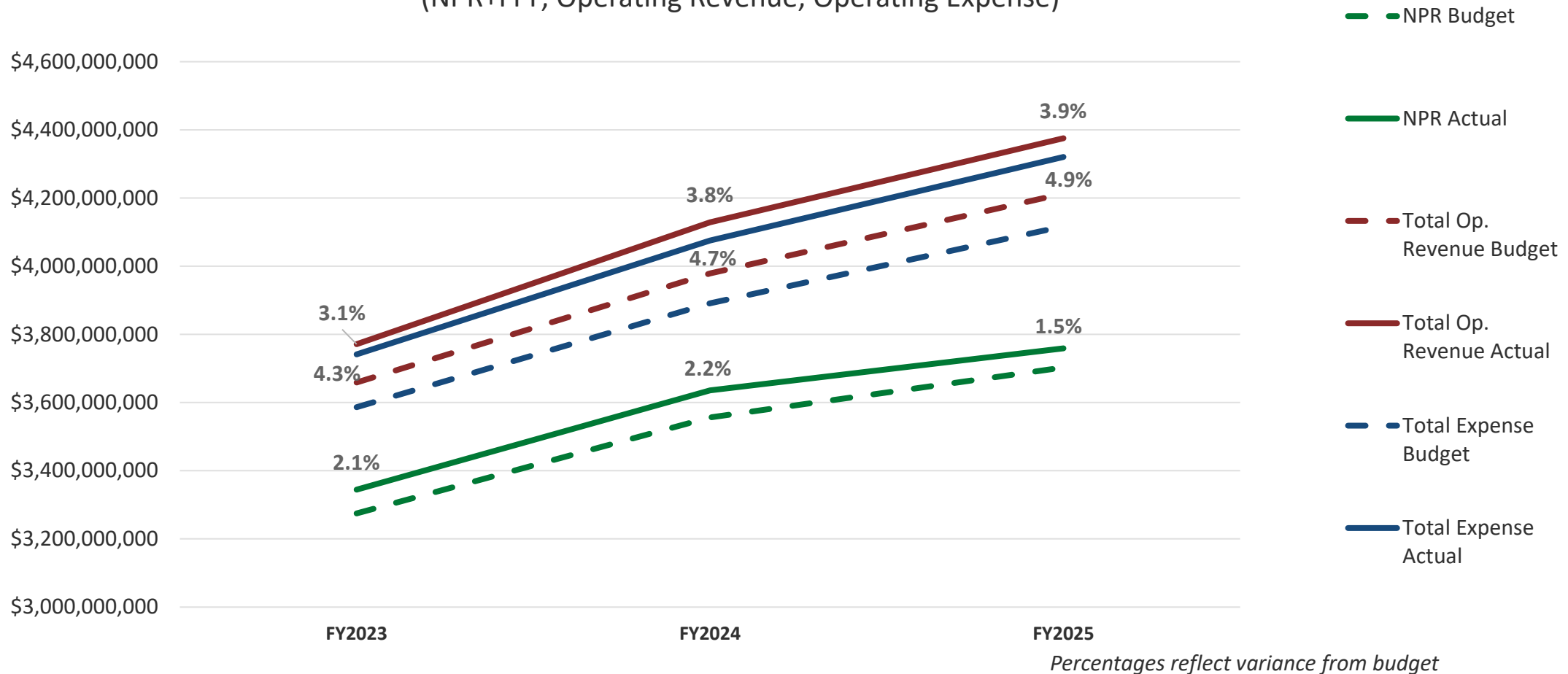
	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Gross patient care revenue	8,062,872,996	8,823,494,121	8,946,316,246	9,084,447,890	1.5%	12.7%
Net revenue deductions	-5,120,254,477	-5,610,238,567	-5,633,795,495	-5,773,245,069	2.5%	12.8%
Net patient care revenue (NPR)	2,942,618,519	3,213,255,554	3,312,520,751	3,311,202,821	0.0%	12.5%
Fixed prospective payments (FPP)	401,878,399	422,734,137	390,343,028	447,855,455	14.7%	11.4%
NPR + FPP	3,344,496,918	3,635,989,692	3,702,863,779	3,759,058,275	1.5%	12.4%
Other operating revenue	426,793,222	492,897,309	510,121,971	616,369,388	20.8%	44.4%
<b>Total operating revenue</b>	<b>3,771,290,139</b>	<b>4,128,887,000</b>	<b>4,212,985,750</b>	<b>4,375,427,664</b>	<b>3.9%</b>	<b>16.0%</b>

Fees, salaries & benefits	2,119,134,495	2,289,425,989	2,345,187,520	2,409,512,391	2.7%	13.7%
All other operating expenses	1,622,255,571	1,786,006,905	1,771,857,960	1,911,001,875	7.9%	17.8%
<b>Total operating expense</b>	<b>3,741,390,066</b>	<b>4,075,432,894</b>	<b>4,117,045,480</b>	<b>4,320,514,266</b>	<b>4.9%</b>	<b>15.5%</b>

	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals
Operating income	29,900,073	53,454,106	95,940,270	54,913,398
Operating margin	0.8%	1.3%	2.3%	1.3%

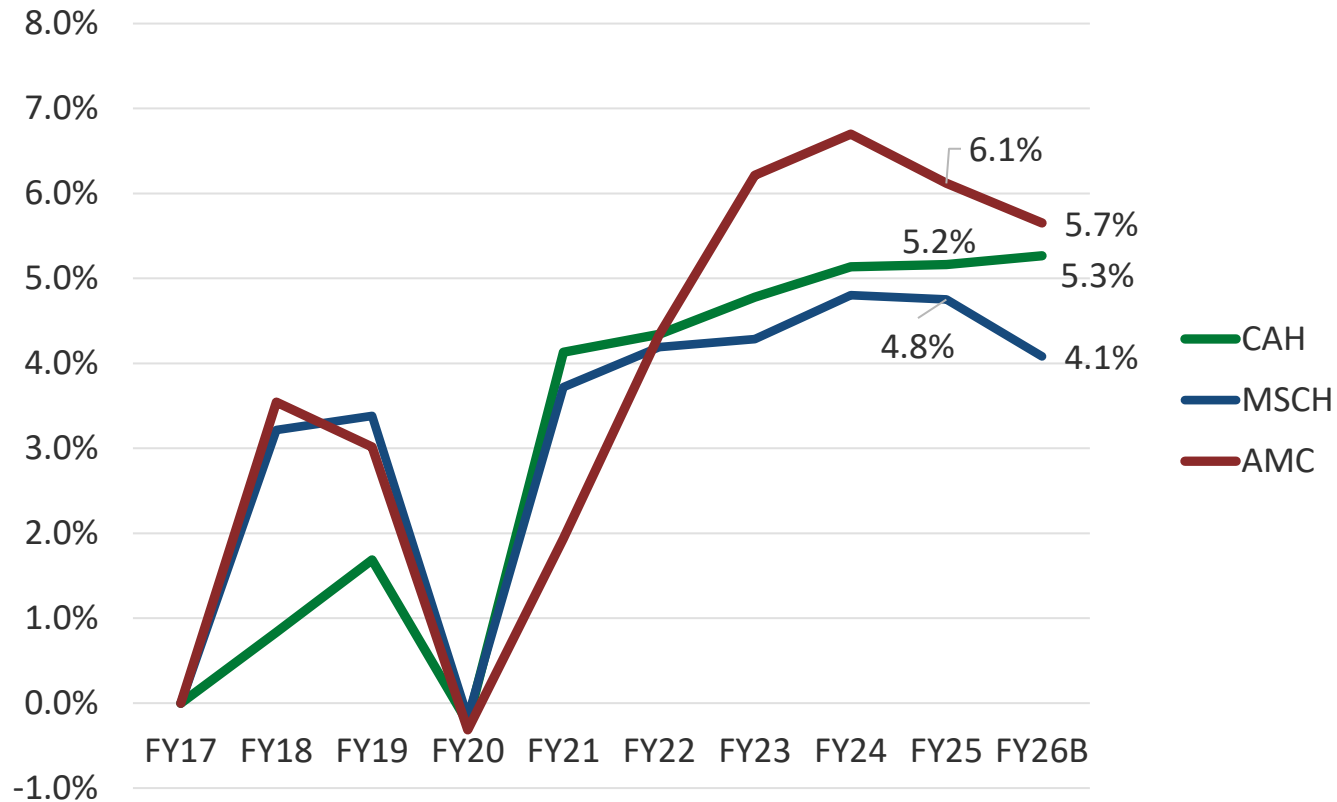
# Vermont Hospital System

**Budget, actuals, and variance**  
(NPR+FPP, Operating Revenue, Operating Expense)



# Vermont Hospital System

**NPR+FPP**  
Compound growth since FY17



From **FY17 to FY25**, net patient care revenue at the **Critical Access Hospitals** has grown at an average annual rate of **5.2%**.

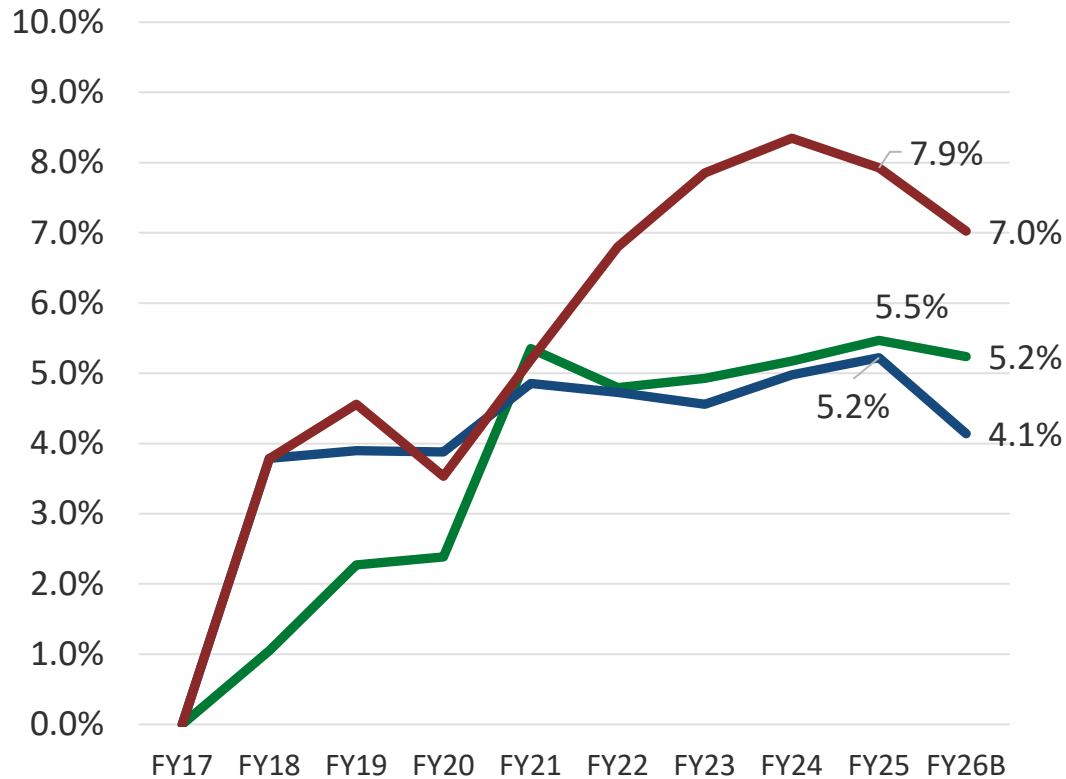
**Mid-Size Community Hospitals** have grown **4.8%**, and the **Academic Medical Center** has grown at an average **6.1%** over this same period.

The last point in the graph reflects growth rates through FY26 with *budgeted* revenue included

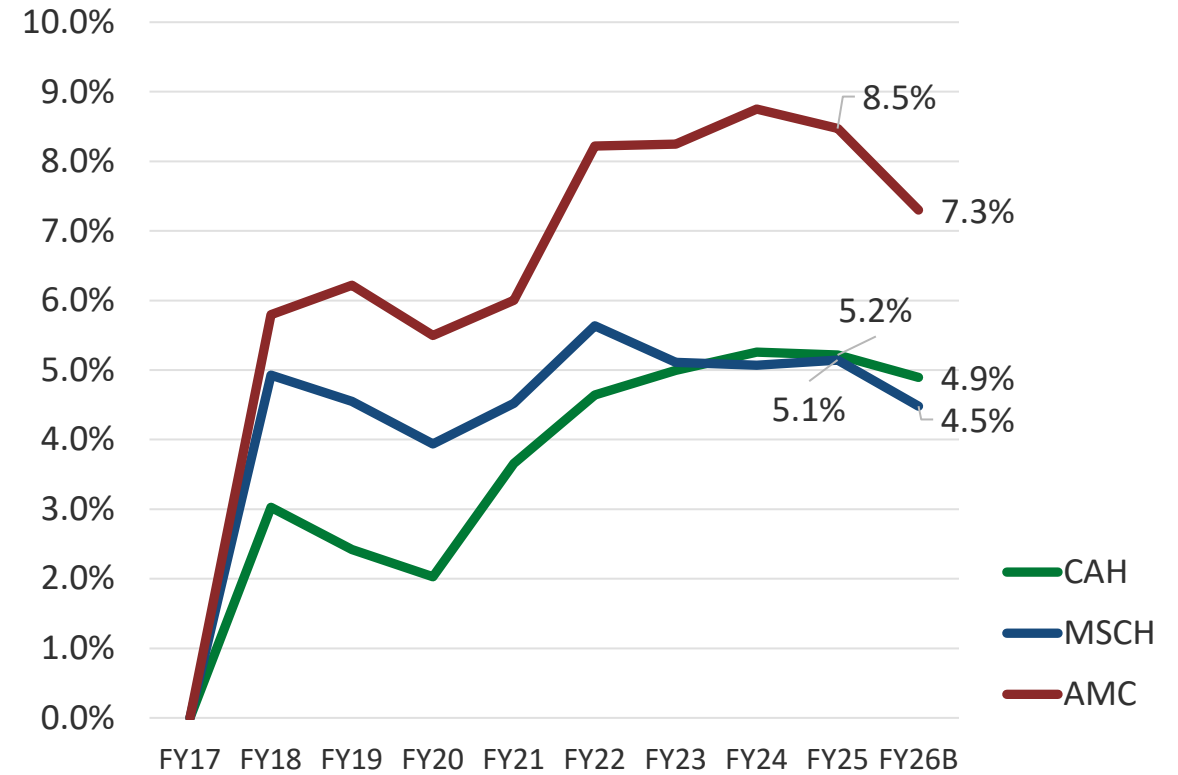
*Percentages reflect compound growth from FY17*

# Vermont Hospital System

**Operating Revenue**  
Compound growth since FY17



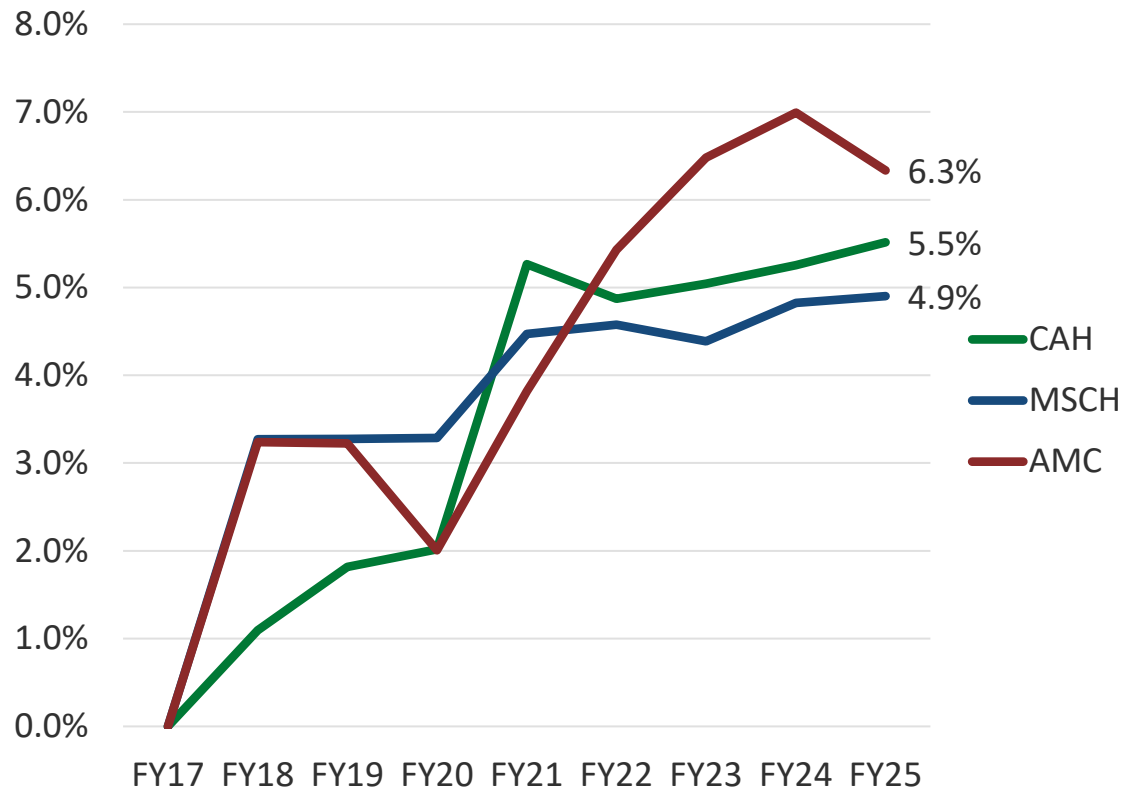
**Operating Expense**  
Compound growth since FY17



Percentages reflect compound growth from FY17

# Vermont Hospital System

**Operating Revenue excluding Pharmacy\***  
Compound growth since FY17



**\*Growth in total Operating Revenue less any reported:**

- Specialty Pharmacy Revenue (Other Operating Revenue)
  - 340B Retail Pharmacy Revenue (Other Operating Revenue)
  - Outpatient Pharmacy Revenue (Other Operating Revenue)
- **After backing out pharmacy revenues, the growth disparity between the Academic Medical Center and other types of hospitals is smaller but still existent, with the AMC averaging 6.3% annual growth vs. 5.5% at the CAHs and 4.9% at the mid-size hospitals between FY17-FY25.**
  - **The system average over this period was 5.1% after excluding UVMMMC.**
  - **Had UVMMMC's total non-pharmacy operating revenue growth increased at this rate (5.1%) instead of 6.3% since FY17, it would have meant approximately \$176M less revenue in FY25**

*Percentages reflect compound growth from FY17*

# Vermont Hospital System

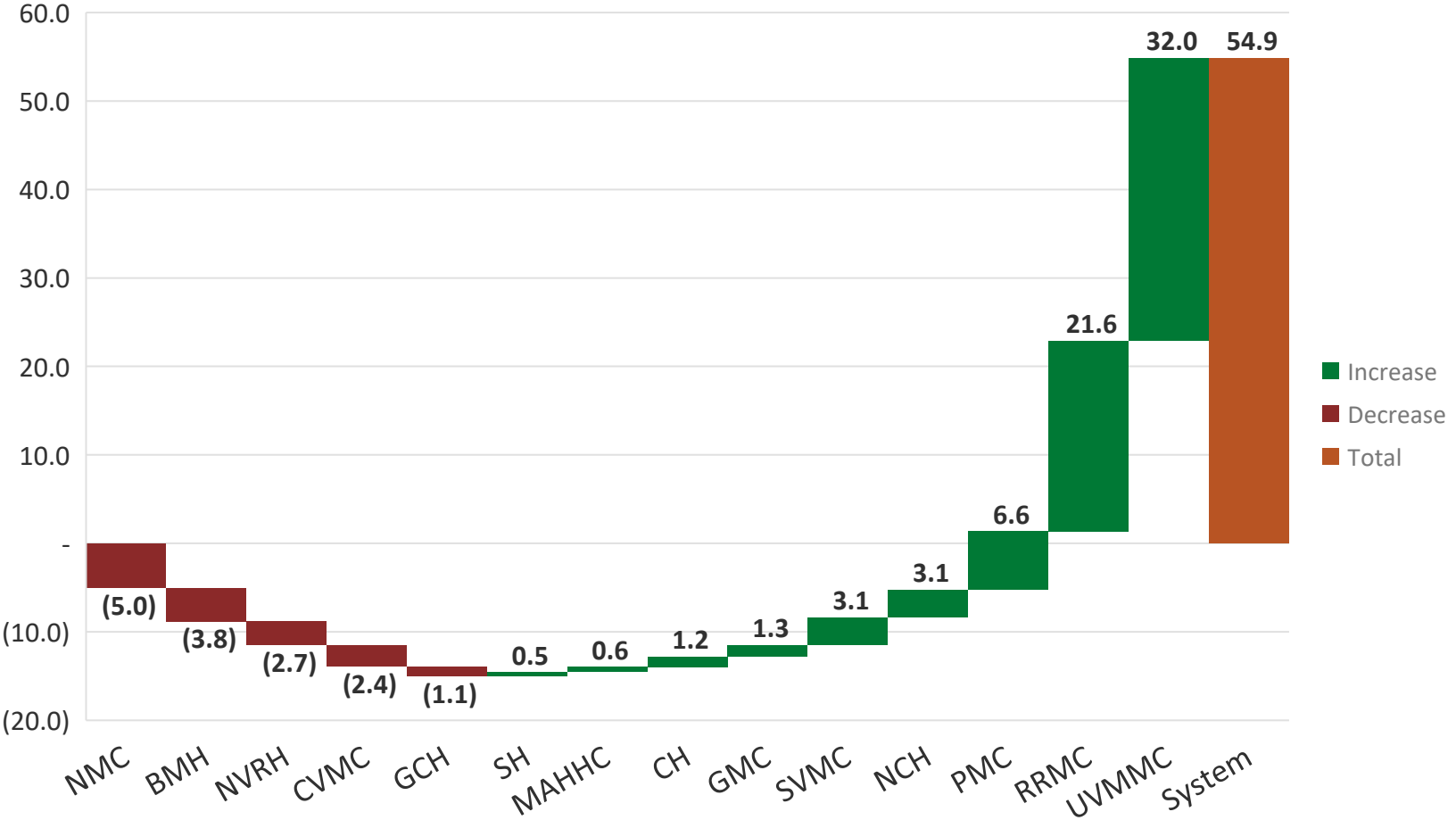
	FY24	FY25	Change
<b>Commercial</b>			
Critical access	15.7%	16.4%	0.8%
Mid-size	29.4%	28.0%	-1.4%
Academic	54.9%	55.5%	0.6%

	FY24	FY25	Change
<b>Medicare</b>			
Critical access	26.6%	24.7%	-1.9%
Mid-size	28.2%	33.2%	5.0%
Academic	45.2%	42.1%	-3.1%

	FY24	FY25	Change
<b>Medicaid</b>			
Critical access	16.2%	17.4%	1.3%
Mid-size	31.0%	28.9%	-2.1%
Academic	52.8%	53.6%	0.8%

- Compared against FY24, the overall concentration of Vermont’s **Commercial** patient care revenue (NPR + FPP) saw a slight shift from the mid-size community hospitals (-1.4%) to the academic medical center (+0.6%) and critical access hospitals (+0.8%)
- We see a larger shift in the concentration of **Medicare** revenue from the academic medical center (-3.1%) and critical access hospitals (-1.9%) to the mid-size community hospitals (+5.0%)
- In **Medicaid**, we see a similar shift from the mid-size community hospitals (-2.1%) to the academic medical center ( +0.8%) and critical access hospitals (+1.3%)

# FY25 Operating Income (\$M)



- Systemwide, Vermont hospitals generated **\$54.9M in operating income** (budgeted \$96M)
- **Nearly 98% of the system income was generated by our two largest hospitals, Rutland Regional Medical Center, and the University of Vermont Medical Center**

# Operating Margin

Hospital	FY21	FY22	FY23	FY24	FY25
BMH	-1.7%	-3.8%	-1.7%	-5.5%	-3.1%
CVMC	-1.0%	-6.5%	-6.5%	1.7%	-0.7%
CH	5.1%	-0.7%	-1.8%	1.4%	1.0%
GMC	8.8%	7.0%	-8.3%	-18.2%	1.9%
GCH	8.0%	-6.8%	-7.2%	-9.9%	-3.6%
MAHHC	9.1%	1.7%	2.0%	1.2%	0.8%
NCH	4.6%	-10.3%	-8.9%	-2.5%	2.8%
NVRH	2.9%	0.2%	0.5%	0.1%	-2.0%
NMC	4.7%	-4.3%	-6.6%	-2.5%	-3.4%
PMC	7.7%	3.1%	7.6%	4.7%	4.9%
RRMC	2.2%	-3.8%	2.1%	0.9%	5.6%
SVMC	4.5%	-0.2%	-3.8%	0.0%	1.3%
SH	1.2%	5.4%	-0.9%	-1.1%	0.7%
UVMC	2.3%	-1.2%	3.1%	2.7%	1.3%
<b>SYSTEM</b>	<b>2.8%</b>	<b>-1.8%</b>	<b>0.8%</b>	<b>1.3%</b>	<b>1.3%</b>

## Formula:

$$\frac{\text{Operating income}}{\text{Total operating revenue}}$$

## Importance:

Operating margin shows the relationship between expenses vs. revenues and represents the “core” profitability of hospital operations. Because of this, non-operating revenue such as investment returns are excluded from the figure.

# Days Cash on Hand

Hospital	FY21*	FY22	FY23	FY24	FY25
BMH	213.6	131.7	108.4	100.6	71.7
CVMC	114.1	68.7	78.5	78.3	81.6
CH	125.7	65.8	42.5	63.6	56.0
GMC	326.2	203.5	146.4	77.6	114.8
GCH	249.0	99.1	87.9	82.5	83.1
MAHHC	246.1	207.5	220.0	221.9	220.1
NCH	315.3	212.6	182.7	201.8	190.2
NVRH	188.9	105.6	98.1	101.2	92.4
NMC	297.9	251.9	223.9	257.6	230.5
PMC	173.9	120.0	98.2	118.3	138.8
RRMC	274.3	181.9	188.7	244.8	250.6
SVMC	52.5	37.5	48.8	53.1	34.2
SH	42.2	70.4	71.0	43.0	55.4
UVMC	199.0	112.6	115.5	137.0	147.8
SYSTEM	196.4	121.2	119.5	136.8	141.0

## Formula:

$$\frac{\text{(Cash Investments + Unrestricted Funded Depreciation + Unrestricted Other Board Designated Assets)} * 365}{\text{(Operating Expenses - Depreciation Amortization)}}$$

## Importance:

Days cash on hand (DCOH) is an important measure of hospital liquidity and estimates the number of days that a hospital could cover their operating expenses using available reserves.

Hospitals need a certain amount of DCOH to meet operating expenses and sustain operations during difficult financial periods, and therefore is a requirement of lenders, rating agencies, and others. It not only reflects liquidity based on past operating results, but it has great bearing on the potential of investment in future results, e.g. access expansion, emergency reserves in lieu of borrowing, etc.

\*FY21 DCOH may appear inflated due to large COVID-related grants being reflected in cash balance

# Days Accounts Receivable

Hospital	FY21	FY22	FY23	FY24	FY25
BMH	78.4	73.9	88.5	98.6	131.7
CVMC	69.2	64.5	41.7	41.4	36.8
CH	48.5	50.7	58.2	58.1	57.7
GMC	40.4	61.5	41.6	72.8	51.3
GCH	42.5	35.5	39.4	41.3	39.9
MAHHC	34.1	30.4	35.9	45.2	37.9
NCH	45.5	70.9	60.5	50.7	50.7
NVRH	39.9	42.1	36.7	35.7	45.6
NMC	35.0	39.4	47.3	47.3	47.9
PMC	67.2	50.0	58.9	40.7	44.8
RRMC	27.9	26.3	32.3	33.4	34.9
SVMC	36.1	34.3	41.5	38.8	45.5
SH	58.3	49.7	55.6	76.8	78.0
UVMC	60.5	50.1	49.8	47.0	48.7
SYSTEM	52.8	47.7	48.0	46.9	49.0

## Formula:

(Gross Patient Accounts Receivable – Allowance for Uncollectable Accounts)  
/  
(Net Patient Care Revenue / 365)

## Importance:

This metric is the average number of days in collection that patient account receivables remain outstanding and provides insight into the hospital's revenue cycle. A lower metric is favorable and is an indicator of good collection practices. If this metric is high, it may indicate that a hospital has a problem with collection receivables which can impact cash flow and days cash on hand.

# Current Ratio

Hospital	FY21	FY22	FY23	FY24	FY25
BMH	3.3	2.9	3.0	3.0	2.6
CVMC	2.1	1.6	1.3	1.4	1.3
CH	1.7	2.9	2.4	2.0	2.0
GMC	2.8	3.1	2.3	1.5	2.4
GCH	2.4	1.8	1.3	1.0	0.9
MAHHC	1.5	1.3	1.5	1.7	1.6
NCH	4.7	3.1	2.5	2.5	2.0
NVRH	2.0	2.1	2.7	2.6	2.4
NMC	6.8	5.2	4.9	5.1	5.6
PMC	3.7	3.6	4.5	3.2	5.7
RRMC	4.1	4.0	5.3	5.3	6.5
SVMC	1.0	0.9	1.1	0.8	0.9
SH	1.6	1.8	1.5	1.3	2.0
UVMC	3.9	3.8	4.1	3.9	4.3
SYSTEM	3.3	3.1	3.2	3.1	3.4

## Formula:

$$\frac{\text{(Current Assets + Unrestricted Funded Depreciation)}}{\text{Current Liabilities}}$$

## Importance:

Current ratio measures a hospital's ability to meet its current liabilities with its current assets. A ratio of 1.0 or higher indicates that all current liabilities could be adequately covered by the hospital's current assets. Low values imply less ability to pay short-term obligations while higher values imply a greater ability to pay short-term obligations.

# Brattleboro

## Brattleboro Memorial Hospital Actuals Income Summary

Revenues	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Gross patient care revenue	\$272,772,922	\$281,141,768	\$299,673,487	\$297,364,922	-0.8%	9.0%
Net revenue deductions	-\$180,691,125	-\$190,113,830	-\$200,942,289	-\$201,555,937	0.3%	11.5%
Net patient care revenue (NPR)	\$92,081,797	\$91,027,938	\$98,731,198	\$95,808,985	-3.0%	4.0%
Fixed prospective payments (FPP)	\$14,103,473	\$14,653,503	\$14,768,761	\$13,771,694	-6.8%	-2.4%
NPR + FPP	\$106,185,271	\$105,681,441	\$113,499,959	\$109,580,679	-3.5%	3.2%
Other operating revenue	\$4,616,532	\$7,371,424	\$5,923,723	\$14,025,817	136.8%	203.8%
<b>Total Operating revenue</b>	<b>\$110,801,803</b>	<b>\$113,052,865</b>	<b>\$119,423,682</b>	<b>\$123,606,496</b>	<b>3.5%</b>	<b>11.6%</b>

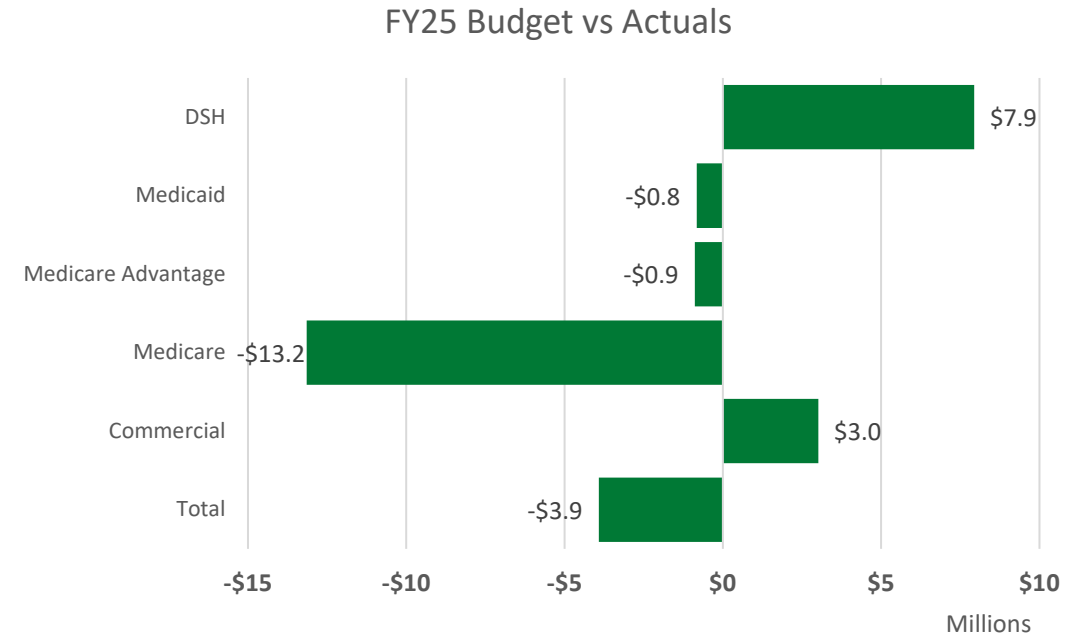
Expenses	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Fees, salaries & benefits	\$67,907,868	\$65,102,751	\$67,711,358	\$68,768,018	1.6%	1.3%
All Other Operating Expenses	\$44,798,472	\$54,125,994	\$51,162,055	\$58,614,803	14.6%	30.8%
<b>Total Operating Expense</b>	<b>\$112,706,339</b>	<b>\$119,228,745</b>	<b>\$118,873,413</b>	<b>\$127,382,821</b>	<b>7.2%</b>	<b>13.0%</b>

Operating Income	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals
Operating income	-\$1,904,537	-\$6,175,880	\$550,269	-\$3,776,325
Operating margin	-1.7%	-5.5%	0.5%	-3.1%

# Brattleboro

Brattleboro Memorial Hospital	FY25 Budget	FY25 Actuals	FY25 Budget vs. Actuals	Actuals compared to budget
<b>Total</b>	<b>\$113,499,959</b>	<b>\$109,580,680</b>	<b>-\$3,919,279</b>	<b>-3.5%</b>
Commercial	\$62,112,184	\$65,124,796	\$3,012,612	4.9%
Medicare	\$35,001,984	\$21,851,570	-\$13,150,414	-37.6%
Medicare Advantage	\$10,371,074	\$9,484,579	-\$886,495	-8.5%
Medicaid	\$6,014,717	\$5,185,840	-\$828,877	-13.8%
Uncategorized	\$0	\$7,933,895	\$7,933,895	

Brattleboro Memorial Hospital	FY24 Actuals	FY25 Actuals	Growth from FY24
Commercial	\$46,435,939	\$65,124,796	40.2%
Medicare	-\$15,208,882	\$21,851,570	-243.7%
Medicare Advantage	\$52,461,054	\$9,484,579	-81.9%
Medicaid	\$15,625,411	\$5,185,840	-66.8%
Uncategorized	\$6,367,916	\$7,933,895	24.6%
<b>Total</b>	<b>\$105,681,438</b>	<b>\$109,580,680</b>	<b>3.7%</b>



## Key Takeaways

- Commercial under/over budget by \$3M (4.9%) -> **moving forward, this would trigger enforcement**
- Public payers under budget, especially Medicare at -\$13.2M (-37.6%)
- BMH financials are still in progress – it remains challenging to pull meaningful information at the Payer level

# Brattleboro

- This is using BMH’s resubmitted FY26 budget – it was much more conservative, rather than aspirational
- **NPR** over budget by 3.6%
- **Other operating revenue** over 39.8%
- **Total operating revenue** over 3.1%
- **Operating expenses** –
  - Labor is running over budget
  - Non-labor is under budget, which is contributing to overall operating expense below budget by 4%

Revenues	Budget FY26 YTD*	1QFY26	YTD Compared to Budget YTD (1Q) / (Budget * (1/4))
Gross patient care revenue	\$70,792,508	\$74,907,572	5.8%
Net revenue deductions	-\$46,666,467	-\$49,907,133	6.9%
Net patient care revenue (NPR)	\$24,126,041	\$25,000,439	3.6%
Fixed prospective payments (FPP)	\$3,663,376	\$3,212,106	-12.3%
NPR + FPP	\$27,789,417	\$28,212,545	1.5%
Other operating revenue	\$1,179,379	\$1,648,433	39.8%
<b>Total Operating revenue</b>	<b>\$28,968,796</b>	<b>\$29,860,978</b>	<b>3.1%</b>

Expenses	Budget YTD*	1Q	YTD Compared to Budget
Fees, salaries & benefits	\$17,519,436	\$18,430,915	5.2%
All Other Operating Expenses	\$15,071,032	\$12,848,846	-14.7%
<b>Total Operating Expense</b>	<b>\$32,590,468</b>	<b>\$31,279,761</b>	<b>-4.0%</b>

	Budget YTD*	1Q	YTD Compared to Budget
Operating Income			
Operating income	-\$3,621,672	-\$1,418,783	\$2,202,889
Operating margin	-12.5%	-4.8%	7.8%

\*This budget is analyzed as a straight average, meaning all comparisons of actuals are against 1/4 of the annual budget

# Brattleboro

- **Gross revenues** are up compared to budget and prior year performance
- **NPR** is up slightly compared to budget and significantly compared to prior year performance
- **Other Operating revenue** is favorable compared to budget, about on pace with prior year performance
- **Expenses** are coming in under budget, using straight line estimates – mostly driven by non-labor expenses as labor is slightly over budget
- **Negative operating margin** – but significantly smaller operating loss than budgeted and improved performance from 1Q of the prior year

Revenues	Budget FY25 straight line (1/4)	Budget FY26 straight line (1/4)	FY25 YTD (1Q)	FY26YTD (1Q)	YTD variance vs. prior year
Gross patient care revenue	\$74,918,372	\$70,792,508	\$71,099,739	\$74,907,572	11.5%
Net revenue deductions	-\$50,235,572	-\$46,666,467	-\$48,160,443	-\$49,907,133	11.6%
Net patient care revenue (NPR)	\$24,682,800	\$24,126,041	\$22,939,296	\$25,000,439	11.5%
Fixed prospective payments (FPP)	\$3,692,190	\$3,663,376	\$3,681,412	\$3,212,106	-12.1%
NPR + FPP	\$28,374,990	\$27,789,417	\$26,620,708	\$28,212,545	8.2%
Other operating revenue	\$1,480,931	\$1,179,379	\$1,513,245	\$1,648,433	36.8%
<b>Total Operating revenue</b>	<b>\$29,855,920</b>	<b>\$28,968,796</b>	<b>\$28,133,953</b>	<b>\$29,860,978</b>	<b>9.4%</b>

Expenses	Budget FY25 straight line (1/4)	Budget FY26 straight line (1/4)	FY25 YTD (1Q)	FY26YTD (1Q)	YTD variance vs. prior year
Fees, salaries & benefits	\$16,927,840	\$17,519,436	\$17,381,860	\$18,430,915	2.5%
All Other Operating Expenses	\$12,790,514	\$15,071,032	\$14,559,109	\$12,848,846	-25.1%
<b>Total Operating Expense</b>	<b>\$29,718,353</b>	<b>\$32,590,468</b>	<b>\$31,940,969</b>	<b>\$31,279,761</b>	<b>-10.7%</b>

	Budget FY25 straight line (1/4)	Budget FY26 straight line (1/4)	FY25 YTD (1Q)	FY26YTD (1Q)
Operating Income				
Operating income	\$137,567	-\$3,621,672	-\$3,807,016	-\$1,418,783
Operating margin	0.5%	-12.5%	-13.5%	-4.8%

# Brattleboro

- **DCOH** has dropped from 100 in FY24 down to 74 in FY25 – 1Q FY26 is at 76, which is considered highly vulnerable
- **Days in A/R** has climbed to 131.7 in FY25 – dropped slightly to 127.2 in 1Q FY26, still extremely poor performance
- **Current ratio** dropped slightly to 2.6 in FY25 – current assets and liabilities have both increased, funded depreciation has decreased
- **Operating margin** at -4.8% in 1Q, -3.1% in FY25
- **Operating Margin for FY25 *without* the Employee Retention Credit (7,788,122): -10%**

Indicator	FY24	FY25	1Q*
Cash & Investments (A)	\$31,667,627	\$25,031,834	\$25,031,834
Average Daily Expense, less depreciation (B)	\$314,853	\$338,117	\$329,059
<b>DCOH (A)/(B)</b>	<b>100.6</b>	<b>74.0</b>	<b>76.1</b>
Net A/R (C)	\$24,531,054	\$34,576,746	\$34,576,746
NPR (D)	\$91,027,938	\$95,808,985	\$25,000,439
<b>Days in A/R (C)/(D) * Total Days</b>	<b>98.6</b>	<b>131.7</b>	<b>127.2</b>
Current Assets (E)	\$30,356,365	\$40,020,149	\$40,020,149
Unrestricted Funded Depreciation (F)	\$29,452,562	\$23,177,093	\$23,177,093
Current Liabilities (G)	\$20,192,532	\$24,058,341	\$24,058,341
<b>Current Ratio (E+F)/(G)</b> <i>*with funded depreciation</i>	<b>3.0</b>	<b>2.6</b>	<b>2.6</b>
<b>Current Ratio (E)/(G)</b> <i>*without funded depreciation</i>	<b>1.5</b>	<b>1.7</b>	<b>1.7</b>
<b>Operating Margin</b>	<b>-5.5%</b>	<b>-3.1%</b>	<b>-4.8%</b>

*\*Balance Sheet numbers based off of year end FY25*

# Brattleboro

## Service Lines

- No known service line changes – have not yet received a narrative for FY25

## FTEs

- Incomplete FTE sheet for FY25 actuals

## Quality

- Current CMS star rating: 3
- Payment boosts for the last 2 years for their VBP Program – in the 90<sup>th</sup> percentile for FY25
- Smaller reduction in payment for readmission reduction program

FY25	Budget	FTE Ratio	Actuals	FTE Ratio
Clinical	377	63%	0	-
Non-Clinical	218	37%	0	-

Fiscal Year	Value Based Purchasing Program National Percentile	Value Based Purchasing Program Payment Adjustment	Readmission Reduction Program Payment Adjustment	Hospital-Acquired Condition Reduction Program Payment Adjustment
FY24	86%	1.16%	-0.71%	0%
FY25	90%	1.39%	-0.39%	0%

## Central Vermont Medical Center Actuals Income Summary

Revenues	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Gross patient care revenue	\$599,019,049	\$668,069,495	\$683,664,186	\$705,044,909	3.1%	17.7%
Net revenue deductions	-\$407,738,751	-\$434,625,529	-\$453,858,078	-\$469,507,384	3.4%	15.1%
Net patient care revenue (NPR)	\$191,280,298	\$233,443,965	\$229,806,109	\$235,537,525	2.5%	23.1%
Fixed prospective payments (FPP)	\$60,845,213	\$65,262,301	\$61,696,323	\$68,485,556	11.0%	12.6%
NPR + FPP	\$252,125,510	\$298,706,266	\$291,502,431	\$304,023,081	4.3%	20.6%
Other operating revenue	\$21,349,043	\$17,967,043	\$17,934,098	\$25,740,452	43.5%	20.6%
<b>Total Operating revenue</b>	<b>\$273,474,553</b>	<b>\$316,673,309</b>	<b>\$309,436,529</b>	<b>\$329,763,533</b>	<b>6.6%</b>	<b>20.6%</b>

Expenses	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Fees, salaries & benefits	\$184,458,948	\$189,317,576	\$192,133,138	\$202,099,496	5.2%	9.6%
All Other Operating Expenses	\$106,859,633	\$121,875,081	\$117,187,908	\$130,084,381	11.0%	21.7%
<b>Total Operating Expense</b>	<b>\$291,318,581</b>	<b>\$311,192,657</b>	<b>\$309,321,046</b>	<b>\$332,183,877</b>	<b>7.4%</b>	<b>14.0%</b>

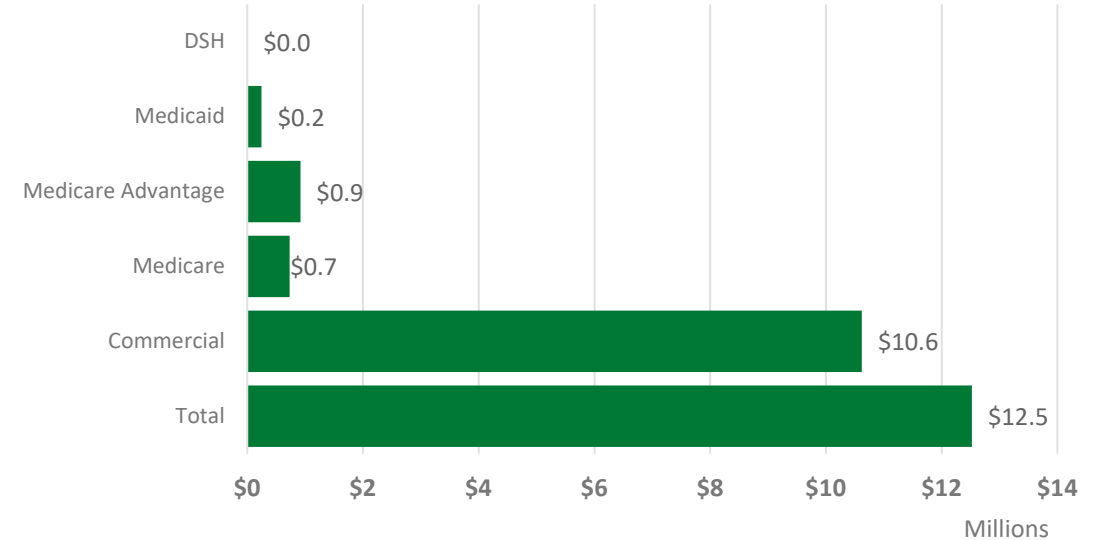
Operating Income	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals
Operating income	-\$17,844,028	\$5,480,653	\$115,483	-\$2,420,344
Operating margin	-6.5%	1.7%	0.0%	-0.7%

# CVMC

Central Vermont Medical Center	FY25 Budget	FY25 Actuals	FY25 Budget vs. Actuals	Actuals compared to budget
<b>Total</b>	<b>\$291,502,431</b>	<b>\$304,023,081</b>	<b>\$12,520,650</b>	<b>4.3%</b>
Commercial	\$147,495,578	\$158,114,873	\$10,619,295	7.2%
Medicare	\$82,451,160	\$83,182,586	\$731,427	0.9%
Medicare Advantage	\$25,414,510	\$26,334,320	\$919,810	3.6%
Medicaid	\$34,804,443	\$35,052,876	\$248,433	0.7%
DSH	\$1,336,740	\$1,338,426	\$1,686	0.1%

Central Vermont Medical Center	FY24 Actuals	FY25 Actuals	Growth from FY24
Commercial	\$146,750,192	\$158,114,873	7.7%
Medicare	\$85,523,292	\$83,182,586	-2.7%
Medicare Advantage	\$28,947,429	\$26,334,320	-9.0%
Medicaid	\$36,182,669	\$35,052,876	-3.1%
DSH	\$1,302,685	\$1,338,426	2.7%
<b>Total</b>	<b>\$298,706,266</b>	<b>\$304,023,081</b>	<b>1.8%</b>

FY25 Budget vs Actuals



## Key Takeaways

- Commercial over budget by \$10.6M (7.2%) -> **moving forward, this would trigger enforcement**
- Public payers close to budget – all slightly over
- Growth at 1.8% across payers from FY24 – largely due to commercial growth (7.7%), drops in Medicare, MA, and Medicaid

# CVMC

- **NPR** over budget by 3.2%; **NPR+FPP** over budget by 3.9%
- **Other operating revenue** over 87.5%
- **Total operating revenue** over 8.1%
- **Operating expenses** –
  - Labor through 1Q running slightly over budget – narrative notes this is due to overtime and over \$6M in traveler labor costs
  - Non-labor expense is significantly over (24.5%) largely driven by pharmaceuticals, med/surg supplies, and shared service allocations
- January 2026 had a significant drop in margin-likely due to rate impacts

\*This budget is input on a month-to-month basis, meaning comparisons of actuals against budgets are estimates of actual year-to-date performance

Revenues	Budget FY26 YTD*	1QFY26	January 2026	YTD (1Q + 1)	YTD Compared to Budget YTD (1Q + 1) / Budget YTD
Gross patient care revenue	\$235,371,127	\$182,966,260	\$55,101,374	\$238,067,634	1.1%
Net revenue deductions	-\$151,801,492	-\$121,181,349	-\$30,661,059	-\$151,842,408	0.0%
Net patient care revenue (NPR)	\$83,569,635	\$61,784,911	\$24,440,315	\$86,225,226	3.2%
Fixed prospective payments (FPP)	\$18,556,884	\$18,021,622	\$1,820,620	\$19,842,242	6.9%
<b>NPR + FPP</b>	\$102,126,519	\$79,806,533	\$26,260,934	\$106,067,467	3.9%
Other operating revenue	\$5,473,546	\$8,366,986	\$1,895,986	\$10,262,972	87.5%
<b>Total Operating revenue</b>	\$107,600,065	\$88,173,519	\$28,156,920	\$116,330,439	8.1%

Expenses	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Fees, salaries & benefits	\$69,412,333	\$52,667,106	\$17,014,579	\$69,681,685	0.4%
All Other Operating Expenses	\$38,030,745	\$35,293,467	\$12,056,986	\$47,350,453	24.5%
<b>Total Operating Expense</b>	\$107,443,077	\$87,960,574	\$29,071,564	\$117,032,138	8.9%

Operating Income	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Operating income	\$156,988	\$212,946	-\$914,644	-\$701,699	-\$858,687
Operating margin	0.1%	0.2%	-3.2%	-0.6%	-0.7%

# CVMC

- **Gross revenues** are up compared to both budget and prior year performance
- **NPR** is below budget through the first 1/3 of the year, but higher than prior year
- **Other Operating revenue** is favorable to budget and prior year, driven by 340B revenues, premium incentives, café revenue, and restricted fund releases
- **Expenses** are coming in over budget, using straight line estimates – also higher than prior year, largely due to non-labor expenses
- **Negative operating margin (-0.6%)** – worse than budget, but an improvement from prior year

Revenues	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs. prior year
Gross patient care revenue	\$227,888,062	\$235,948,772	\$235,991,678	\$238,067,634	-2.6%
Net revenue deductions	-\$151,286,026	-\$145,741,970	-\$156,810,134	-\$151,842,408	0.5%
Net patient care revenue (NPR)	\$76,602,036	\$90,206,802	\$79,181,545	\$86,225,226	-7.5%
Fixed prospective payments (FPP)	\$20,565,441	\$10,340,205	\$22,374,389	\$19,842,242	76.4%
NPR + FPP	\$97,167,477	\$100,547,008	\$101,555,934	\$106,067,467	0.9%
Other operating revenue	\$5,978,033	\$5,473,546	\$7,504,653	\$10,262,972	49.4%
<b>Total Operating revenue</b>	<b>\$103,145,510</b>	<b>\$106,020,554</b>	<b>\$109,060,587</b>	<b>\$116,330,439</b>	<b>3.8%</b>

Expenses	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs. prior year
Fees, salaries & benefits	\$64,044,379	\$68,405,746	\$69,393,651	\$69,681,685	-6.0%
All Other Operating Expenses	\$39,062,636	\$37,364,251	\$41,618,221	\$47,350,453	18.9%
<b>Total Operating Expense</b>	<b>\$103,107,015</b>	<b>\$105,769,996</b>	<b>\$111,011,872</b>	<b>\$117,032,138</b>	<b>2.8%</b>

	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)
Operating Income				
Operating income	\$38,494	\$250,558	-\$1,951,285	-\$701,699
Operating margin	0.0%	0.2%	-1.8%	-0.6%

\*\*Using straight line methodology

# CVMC

- **DCOH** has dropped from around 80 in FY24 and FY25 to 71
- **Days in A/R** remains right around 40 – this is average performance
- **Current ratio** dropped slightly from FY24 to 1.3 (0.8 without funded depreciation) -
- **Operating margin** at -0.6% - slightly better than FY25 at -0.7%, worse than FY24 performance of 1.7%
- **Operating Margin for FY25 without the Employee Retention Credit (2.3M): -1.4%**

## Central Vermont Medical Center Financial Indicators

Indicator	FY24	FY25	1Q + 1
Cash & Investments (A)	\$65,158,615	\$72,589,611	\$66,438,625
Average Daily Expense, less depreciation (B)	\$831,962	\$889,742	\$930,030
<b>DCOH (A)/(B)</b>	<b>78.3</b>	<b>81.6</b>	<b>71.4</b>
Net A/R (C)	\$26,416,766	\$23,740,615	\$28,450,635
NPR (D)	\$233,443,965	\$235,537,525	\$86,225,226
<b>Days in A/R (C)/(D) * Total Days</b>	<b>41.4</b>	<b>36.8</b>	<b>40.6</b>
Current Assets (E)	\$65,963,367	\$66,246,658	\$65,385,454
Unrestricted Funded Depreciation (F)	\$34,424,869	\$38,219,035	\$38,751,295
Current Liabilities (G)	\$73,467,249	\$81,020,702	\$80,324,123
<b>Current Ratio (E+F)/(G)</b> <i>*with funded depreciation</i>	<b>1.4</b>	<b>1.3</b>	<b>1.3</b>
<b>Current Ratio (E)/(G)</b> <i>*without funded depreciation</i>	<b>0.9</b>	<b>0.8</b>	<b>0.8</b>
<b>Operating Margin</b>	<b>1.7%</b>	<b>-0.7%</b>	<b>-0.6%</b>

# CVMC

## Service Lines

- Closure of Inpatient Psych in January 2025
- Consolidation of physician practices and outpatient rehab sites
  - Impact of closures in FY26, minimal impact as most providers and patients were redirected to other practices
- Radiation Oncology had limited services for 6 months while linear accelerator was replaced

## FTEs

- Staff FTE above budget by 0.6%, persistent traveler use contributed to labor overages
- Physician clinical FTEs significantly below budget, total paid FTEs exceeded budget – \$1.5M overage in physician salaries
- Clinical to non-clinical ratio in generally in line with FY25 budget

## Quality

- Current CMS star rating: 2; quality payments worsened slightly from FY24 to FY25

FY25	Budget	FTE Ratio	Actuals	FTE Ratio
Clinical	918	65%	930	66%
Non-Clinical	487	35%	488	34%

Fiscal Year	Value Based Purchasing Program National Percentile	Value Based Purchasing Program Payment Adjustment	Readmission Reduction Program Payment Adjustment	Hospital-Acquired Condition Reduction Program Payment Adjustment
FY24	88%	1.27%	-1.17%	-1%
FY25	67%	0.44%	-1.30%	-1%

# Copley

## Copley Hospital Actuals Income Summary

Revenues	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Gross patient care revenue	\$176,928,306	\$207,755,825	\$221,218,964	\$238,057,306	7.6%	34.6%
Net revenue deductions	-\$86,862,484	-\$109,523,292	-\$111,458,484	-\$129,697,484	16.4%	49.3%
Net patient care revenue (NPR)	\$90,065,822	\$98,232,533	\$109,760,480	\$108,359,822	-1.3%	20.3%
Fixed prospective payments (FPP)	\$6,134,878	\$5,027,752	\$5,168,928	\$4,972,432	-3.8%	-18.9%
NPR + FPP	\$96,200,700	\$103,260,285	\$114,929,408	\$113,332,254	-1.4%	17.8%
Other operating revenue	\$1,875,397	\$2,256,582	\$1,996,098	\$3,755,138	88.1%	100.2%
Total Operating revenue	\$98,076,098	\$105,516,867	\$116,925,506	\$117,087,392	0.1%	19.4%

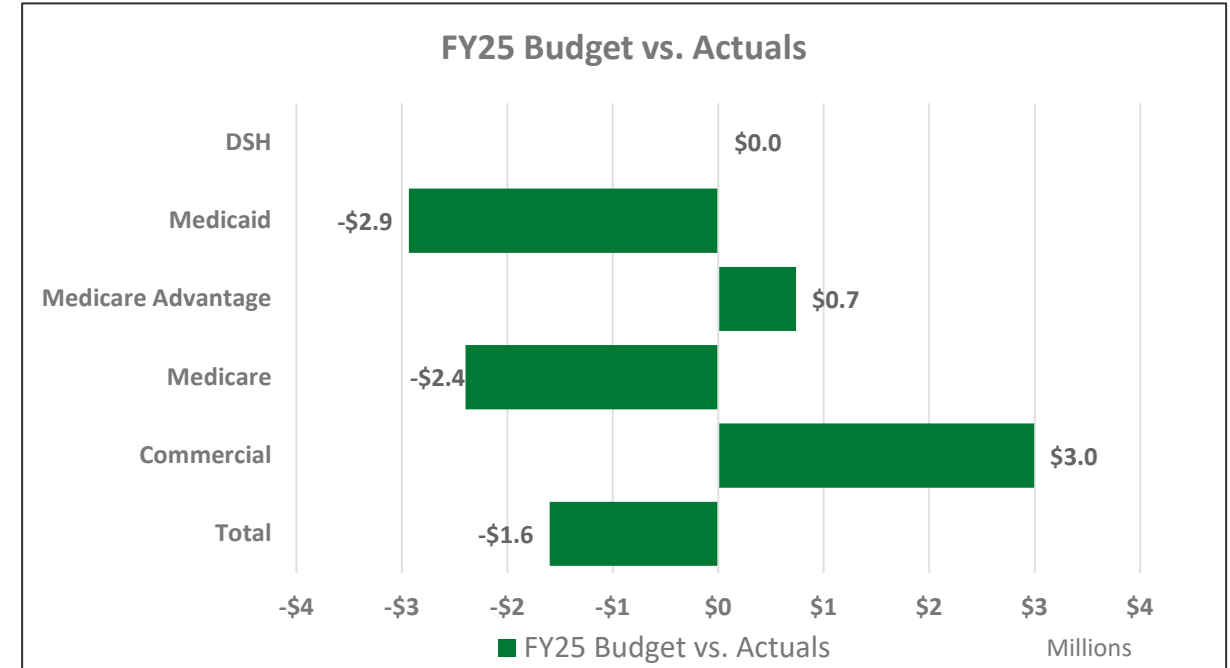
Expenses	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Fees, salaries & benefits	\$54,075,620	\$57,147,243	\$70,050,139	\$58,123,914	-17.0%	7.5%
All Other Operating Expenses	\$45,727,018	\$46,892,554	\$43,599,710	\$57,761,098	32.5%	26.3%
Total Operating Expense	\$99,802,638	\$104,039,797	\$113,649,849	\$115,885,012	2.0%	16.1%

Operating Income	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals
Operating income	-\$1,726,541	\$1,477,070	\$3,275,657	\$1,202,380
Operating margin	-1.8%	1.4%	2.8%	1.0%

# Copley

Copley Hospital	FY25 Budget	FY25 Actuals	FY25 Budget vs. Actuals	Actuals compared to budget
<b>Total</b>	<b>\$114,929,408</b>	<b>\$113,332,255</b>	<b>-\$1,597,153</b>	<b>-1.4%</b>
Commercial	\$59,412,374	\$62,407,659	\$2,995,285	5.0%
Medicare	\$29,699,935	\$27,304,004	-\$2,395,931	-8.1%
Medicare Advantage	\$16,818,786	\$17,556,050	\$737,264	4.4%
Medicaid	\$8,998,313	\$6,064,542	-\$2,933,771	-32.6%
DSH	\$0	\$0	\$0	

Copley Hospital	FY24 Actuals	FY25 Actuals	Growth from FY24
Commercial	\$45,293,922	\$62,407,659	37.8%
Medicare	\$34,244,461	\$27,304,004	-20.3%
Medicare Advantage	\$13,981,517	\$17,556,050	25.6%
Medicaid	\$8,792,933	\$6,064,542	-31.0%
DSH	\$687,273	\$0	-100.0%
<b>Total</b>	<b>\$103,000,106</b>	<b>\$113,332,255</b>	<b>10.0%</b>



## Key Takeaways

- Commercial over budget by \$3M (5%) -> **moving forward, this would trigger enforcement**
- Public payers under budget, in total -\$4.6M under budget
- Growth at 10% across payers from FY24 – large increases in commercial (37.8%) and MA (25.6%), decrease in Medicare (-20.3%) and Medicaid (-31%)

# Copley

- **NPR** under budget by -8.1%
  - Public payers running under by 17% - 37% as of 1Q
  - Commercial running over
- **Other operating revenue** over 147.6%
- **Total operating revenue** under -6.9%
- **Operating expenses** –
  - Labor is running under budget.
  - Travelers are running over budget for the year
  - Non-labor budget running over – the 1Q narrative speaks to only being over by 0.4%

\*This budget is analyzed as a straight average, meaning all comparisons of actuals are against 1/3 of the annual budget

Revenues	Budget FY26 YTD*	1QFY26	January 2026	YTD (1Q + 1)	YTD Compared to Budget YTD (1Q + 1) / Budget YTD
Gross patient care revenue	\$90,244,274	\$61,892,758	\$21,762,498	\$83,655,255	-7.3%
Net revenue deductions	-\$48,928,062	-\$34,103,903	-\$11,598,627	-\$45,702,530	-6.6%
Net patient care revenue (NPR)	\$41,316,213	\$27,788,854	\$10,163,871	\$37,952,725	-8.1%
Fixed prospective payments (FPP)	\$1,651,892	\$1,155,044	\$0	\$1,155,044	-30.1%
NPR + FPP	\$42,968,105	\$28,943,898	\$10,163,871	\$39,107,769	-9.0%
Other operating revenue	\$586,326	\$1,083,615	\$367,868	\$1,451,483	147.6%
<b>Total Operating revenue</b>	<b>\$43,554,431</b>	<b>\$30,027,513</b>	<b>\$10,531,738</b>	<b>\$40,559,252</b>	<b>-6.9%</b>

Expenses	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Fees, salaries & benefits	\$25,417,663	\$14,894,846	\$5,488,344	\$20,383,190	-19.8%
All Other Operating Expenses	\$17,201,189	\$14,747,274	\$4,688,943	\$19,436,217	13.0%
<b>Total Operating Expense</b>	<b>\$42,618,852</b>	<b>\$29,642,119</b>	<b>\$10,177,287</b>	<b>\$39,819,406</b>	<b>-6.6%</b>

Operating Income	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Operating income	\$935,579	\$385,394	\$354,451	\$739,846	-\$195,733
Operating margin	2.1%	1.3%	3.4%	1.8%	-0.3%

# Copley

- **Gross revenues** are down significantly compared to both budget and prior year performance
- **NPR** is also down from both budget, while last year they were running over at this point
- **Other Operating revenue** is highly favorable – from reviewing their income statement, appears to be driven by reference lab revenue
- **Expenses** are coming in under budget, using straight line estimates – mostly driven by labor – prior year expenses were unfavorable, driven by other operating expense.
- **Positive operating margin** – but under budget and not as strong as prior year

Revenues	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs. prior year
Gross patient care revenue	\$73,739,655	\$90,244,274	\$80,706,709	\$83,655,255	-15.3%
Net revenue deductions	-\$37,152,828	-\$48,928,062	-\$42,295,318	-\$45,702,530	-17.9%
Net patient care revenue (NPR)	\$36,586,827	\$41,316,213	\$38,411,391	\$37,952,725	-12.5%
Fixed prospective payments (FPP)	\$1,722,976	\$1,651,892	\$1,577,609	\$1,155,044	-23.6%
NPR + FPP	\$38,309,803	\$42,968,105	\$39,989,000	\$39,107,769	-12.8%
Other operating revenue	\$665,366	\$586,326	\$500,350	\$1,451,483	229.2%
<b>Total Operating revenue</b>	<b>\$38,975,169</b>	<b>\$43,554,431</b>	<b>\$40,489,350</b>	<b>\$40,559,252</b>	<b>-10.4%</b>

Expenses	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs. prior year
Fees, salaries & benefits	\$23,350,046	\$25,417,663	\$19,183,453	\$20,383,190	-2.4%
All Other Operating Expenses	\$14,533,237	\$17,201,189	\$19,992,111	\$19,436,217	-17.9%
<b>Total Operating Expense</b>	<b>\$37,883,283</b>	<b>\$42,618,852</b>	<b>\$39,175,564</b>	<b>\$39,819,406</b>	<b>-9.7%</b>

Operating Income	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)
Operating income	\$1,091,886	\$935,579	\$1,313,786	\$739,846
Operating margin	2.8%	2.1%	3.2%	1.8%

\*\*Using straight line methodology

# Copley

- DCOH continues to drop – note that Copley does hold cash at the parent company
- Days in A/R hovers right below 60 – this is below average performance
- Current ratio remains steady around 2 – drop in both current assets and liabilities
- Operating margin at 1.8% YTD – improvement over both FY24 and FY25

## Copley Hospital Financial Indicators

Indicator	FY24	FY25	1Q + 1
Cash & Investments (A)	\$17,546,165	\$17,203,254	\$13,459,735
Average Daily Expense, less depreciation (B)	\$275,877	\$307,022	\$313,018
<b>DCOH (A)/(B)</b>	<b>63.6</b>	<b>56.0</b>	<b>43.0</b>
Net A/R (C)	\$15,590,654	\$17,140,192	\$18,217,587
NPR (D)	\$98,232,533	\$108,359,822	\$37,952,725
<b>Days in A/R (C)/(D) * Total Days</b>	<b>58.1</b>	<b>57.7</b>	<b>59.0</b>
Current Assets (E)	\$39,227,837	\$40,548,196	\$37,529,611
Unrestricted Funded Depreciation (F)	\$0	\$0	\$0
Current Liabilities (G)	\$20,004,572	\$20,016,295	\$17,724,016
<b>Current Ratio (E+F)/(G)</b> <i>*with funded depreciation</i>	<b>2.0</b>	<b>2.0</b>	<b>2.1</b>
<b>Current Ratio (E)/(G)</b> <i>*without funded depreciation</i>	<b>2.0</b>	<b>2.0</b>	<b>2.1</b>
<b>Operating Margin</b>	<b>1.4%</b>	<b>1.0%</b>	<b>1.8%</b>

# Copley

## Service Lines

- No service line changes mentioned in the narrative
  - Ongoing discussion on pre- and post-natal care

## FTEs

- Staff FTEs below budget by 15%, offset some by additional traveler cost (31.5 actual, 22 budgeted)
- Admin FTEs increasing compared to budget, and budgeted to increase more in FY26
- Clinical to non-clinical ratio dropped from FY25 budget

FY25	Budget	FTE Ratio	Actuals	FTE Ratio
Clinical	332	72%	236	59%
Non-Clinical	131	28%	161	41%

## Quality

- Current CMS star rating: 3

# Gifford

## Gifford Medical Center Actuals Income Summary

Revenues	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Gross patient care revenue	\$121,151,099	\$122,215,677	\$132,020,197	\$129,242,595	-2.1%	6.7%
Net revenue deductions	-\$70,302,693	-\$68,534,790	-\$67,893,026	-\$70,299,300	3.5%	0.0%
Net patient care revenue (NPR)	\$50,848,406	\$53,680,887	\$64,127,171	\$58,943,295	-8.1%	15.9%
Fixed prospective payments (FPP)	\$3,963,519	\$3,045,354	\$2,588,420	\$2,966,172	14.6%	-25.2%
NPR + FPP	\$54,811,925	\$56,726,241	\$66,715,591	\$61,909,467	-7.2%	12.9%
Other operating revenue	\$2,084,068	\$1,769,697	\$1,697,585	\$9,049,040	433.1%	334.2%
Total Operating revenue	\$56,895,993	\$58,495,938	\$68,413,176	\$70,958,508	3.7%	24.7%

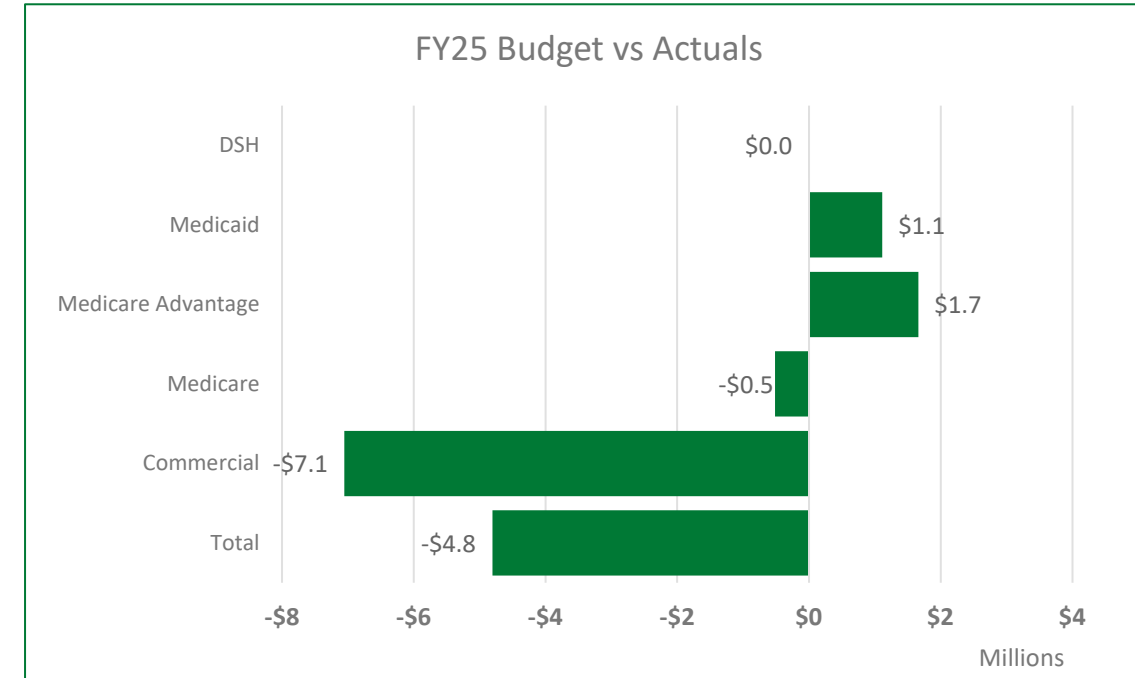
Expenses	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Fees, salaries & benefits	\$27,169,959	\$33,245,745	\$34,207,082	\$33,063,412	-3.3%	21.7%
All Other Operating Expenses	\$34,459,966	\$35,885,626	\$31,056,380	\$36,579,489	17.8%	6.2%
Total Operating Expense	\$61,629,925	\$69,131,370	\$65,263,462	\$69,642,901	6.7%	13.0%

Operating Income	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals
Operating income	-\$4,733,932	-\$10,635,433	\$3,149,714	\$1,315,606
Operating margin	-8.3%	-18.2%	4.6%	1.9%

# Gifford

Gifford Medical Center	FY25 Budget	FY25 Actuals	FY25 Budget vs. Actuals	Actuals compared to budget
<b>Total</b>	<b>\$66,715,592</b>	<b>\$61,909,791</b>	<b>-\$4,805,800</b>	<b>-7.2%</b>
Commercial	\$34,488,930	\$27,433,436	-\$7,055,494	-20.5%
Medicare	\$21,690,707	\$21,175,449	-\$515,258	-2.4%
Medicare Advantage	\$6,375,838	\$8,036,972	\$1,661,134	26.1%
Medicaid	\$3,755,693	\$4,867,585	\$1,111,892	29.6%
DSH	\$404,424	\$396,350	-\$8,074	-2.0%

Gifford Medical Center	FY24 Actuals	FY25 Actuals	Growth from FY24
Commercial	\$27,821,393	\$27,433,436	-1.4%
Medicare	\$20,239,415	\$21,175,449	4.6%
Medicare Advantage	\$4,601,596	\$8,036,972	74.7%
Medicaid	\$3,667,486	\$4,867,585	32.7%
DSH	\$396,350	\$396,350	0.0%
<b>Total</b>	<b>\$56,726,241</b>	<b>\$61,909,791</b>	<b>9.1%</b>



## Key Takeaways

- Commercial under budget by \$7.1M (-20.5%), Medicare also under budget slightly
- Medicaid over by almost 30%, MA over by 26.1%
- Growth at 9.1% across payers from FY24 – largely driven by MA and Medicaid, drop in commercial by -1.4%

# Gifford

- **NPR+FPP** under budget by -1.2%
  - Commercial running slightly under
  - MA combined with Medicare close to budget
  - Medicaid running under budget
- **Other operating revenue** under -29.1%
- **Total operating revenue** under -2.1%
- **Operating expenses** –
  - Labor is running slightly over budget.
  - Offset by All Other Operating Expenses
- **Operating Margin** slightly under budget due to lower than budgeted revenues

\*This budget is analyzed as a straight average, meaning all comparisons of actuals are against ¼ of the annual budget

Revenues	Budget FY26 YTD*	1QFY26	YTD Compared to Budget YTD (1Q) / Budget YTD
Gross patient care revenue	\$33,585,270	\$33,211,510	-1.1%
Net revenue deductions	-\$17,507,637	-\$17,850,986	2.0%
Net patient care revenue (NPR)	\$16,077,633	\$15,360,524	-4.5%
Fixed prospective payments (FPP)	\$187,500	\$711,596	279.5%
<b>NPR + FPP</b>	<b>\$16,265,133</b>	<b>\$16,072,120</b>	<b>-1.2%</b>
Other operating revenue	\$556,753	\$394,680	-29.1%
<b>Total Operating revenue</b>	<b>\$16,821,886</b>	<b>\$16,466,801</b>	<b>-2.1%</b>

Expenses	Budget YTD*	1Q	YTD Compared to Budget
Fees, salaries & benefits	\$7,885,054	\$8,034,845	1.9%
All Other Operating Expenses	\$8,545,211	\$8,447,469	-1.1%
<b>Total Operating Expense</b>	<b>\$16,430,265</b>	<b>\$16,482,315</b>	<b>0.3%</b>

	Budget YTD*	1Q	YTD Compared to Budget
<b>Operating Income</b>			
Operating income	\$391,621	-\$15,514	-\$407,135
Operating margin	2.3%	-0.1%	-2.4%

# Gifford

- **Gross revenues** are basically at budget, however last year they were running significantly behind
- **NPR** is also down from budget, but it's an improvement from prior year
- **Other Operating revenue** is down YTD, as well as compared to prior year
- **Expenses** are only slightly over, particularly in labor, but this is good given their NPR is improved since prior year
- **Positive operating margin** – negative YTD, but improved since last year. Nearly breakeven.

Revenues	Budget FY25 straight line (1/4)	Budget FY26 straight line (1/4)	FY25 YTD (1Q )	FY26YTD (1Q)	YTD variance vs. prior year
Gross patient care revenue	\$33,005,049	\$33,585,270	\$30,868,119	\$33,211,510	5.7%
Net revenue deductions	-\$16,973,257	-\$17,507,637	-\$16,769,020	-\$17,850,986	3.2%
Net patient care revenue (NPR)	\$16,031,793	\$16,077,633	\$14,099,100	\$15,360,524	8.6%
Fixed prospective payments (FPP)	\$647,105	\$187,500	\$556,586	\$711,596	341.2%
NPR + FPP	\$16,678,898	\$16,265,133	\$14,655,686	\$16,072,120	12.5%
Other operating revenue	\$424,396	\$556,753	\$475,453	\$394,680	-36.7%
<b>Total Operating revenue</b>	<b>\$17,103,294</b>	<b>\$16,821,886</b>	<b>\$15,131,139</b>	<b>\$16,466,801</b>	<b>10.6%</b>

Expenses	Budget FY25 straight line (1/4)	Budget FY26 straight line (1/4)	FY25 YTD (1Q)	FY26YTD (1Q)	YTD variance vs. prior year
Fees, salaries & benefits	\$8,551,771	\$7,885,054	\$8,063,608	\$8,034,845	8.1%
All Other Operating Expenses	\$7,764,095	\$8,545,211	\$8,220,845	\$8,447,469	-6.6%
<b>Total Operating Expense</b>	<b>\$16,315,866</b>	<b>\$16,430,265</b>	<b>\$16,284,453</b>	<b>\$16,482,315</b>	<b>0.5%</b>

Operating Income	Budget FY25 straight line (1/4)	Budget FY26 straight line (1/4)	FY25 YTD (1Q)	FY26YTD (1Q)
Operating income	\$787,429	\$391,621	-\$1,153,314	-\$15,514
Operating margin	4.6%	2.3%	-7.6%	-0.1%

\*\*Using straight line methodology

# Gifford

- **DCOH** jumped in FY25 to nearly 115, but has dropped since to 97.1 – both show an improvement over FY24 largely due to additional cash & investments
- **Days in A/R** has improved from FY24 and is now considered average performing
- **Current ratio** has improved from FY24 to over 2 (around 2 without funded depreciation) – due to both increased current assets and decreased liabilities
- **Operating margin** at -0.1% - improvement over FY24 (-18.2%) but worse compared to FY25 (1.9%)
- **Operating Margin for FY25 *without* the Employee Retention Credit: (-8,163,164): -10.9%**

## Gifford Financial Indicators

Indicator	FY24	FY25	1Q
Cash & Investments (A)	\$13,913,277	\$20,601,935	\$16,514,202
Average Daily Expense, less depreciation (B)	\$177,737	\$179,473	\$170,016
<b>DCOH (A)/(B)</b>	<b>78.3</b>	<b>114.8</b>	<b>97.1</b>
Net A/R (C)	\$10,676,484	\$8,290,846	\$8,172,020
NPR (D)	\$53,680,887	\$58,943,295	\$15,360,524
<b>Days in A/R (C)/(D) * Total Days</b>	<b>72.8</b>	<b>51.3</b>	<b>48.9</b>
Current Assets (E)	\$16,502,951	\$21,090,347	\$17,317,046
Unrestricted Funded Depreciation (F)	\$3,841,192	\$3,190,596	\$3,269,793
Current Liabilities (G)	\$13,919,193	\$10,120,019	\$9,107,300
<b>Current Ratio (E+F)/(G)</b> <i>*with funded depreciation</i>	<b>1.5</b>	<b>2.4</b>	<b>2.3</b>
<b>Current Ratio (E)/(G)</b> <i>*without funded depreciation</i>	<b>1.2</b>	<b>2.1</b>	<b>1.9</b>
<b>Operating Margin</b>	<b>-18.2%</b>	<b>1.9%</b>	<b>-0.1%</b>

# Gifford

## Service Lines

- No mention of service line changes in the narrative

## FTEs

- Note that Gifford has among the highest clinical to non-clinical ratios in the state at around 85% clinical
- Clinical to non-clinical ratio aligns with budget – drop in both clinical and non-clinical FTE counts compared to budget

## Quality

- Current CMS star rating: 4
- One of only two 4-star hospitals in Vermont (no 5 star)

FY25	Budget	FTE Ratio	Actuals	FTE Ratio
Clinical	186	85%	162	86%
Non-Clinical	33	15%	26	14%

# Grace Cottage

## Grace Cottage Hospital Actuals Income Summary

Revenues	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Gross patient care revenue	\$42,950,598	\$48,772,126	\$50,810,257	\$48,148,005	-5.2%	12.1%
Net revenue deductions	-\$17,679,206	-\$20,285,293	-\$21,588,070	-\$19,045,939	-11.8%	7.7%
Net patient care revenue (NPR)	\$25,271,392	\$28,486,833	\$29,222,187	\$29,102,066	-0.4%	15.2%
Fixed prospective payments (FPP)	\$0	\$0	\$0	\$0		
NPR + FPP	\$25,271,392	\$28,486,833	\$29,222,187	\$29,102,066	-0.4%	15.2%
Other operating revenue	\$1,500,335	\$1,345,530	\$1,368,856	\$2,200,456	60.8%	46.7%
Total Operating revenue	\$26,771,727	\$29,832,363	\$30,591,043	\$31,302,522	2.3%	16.9%

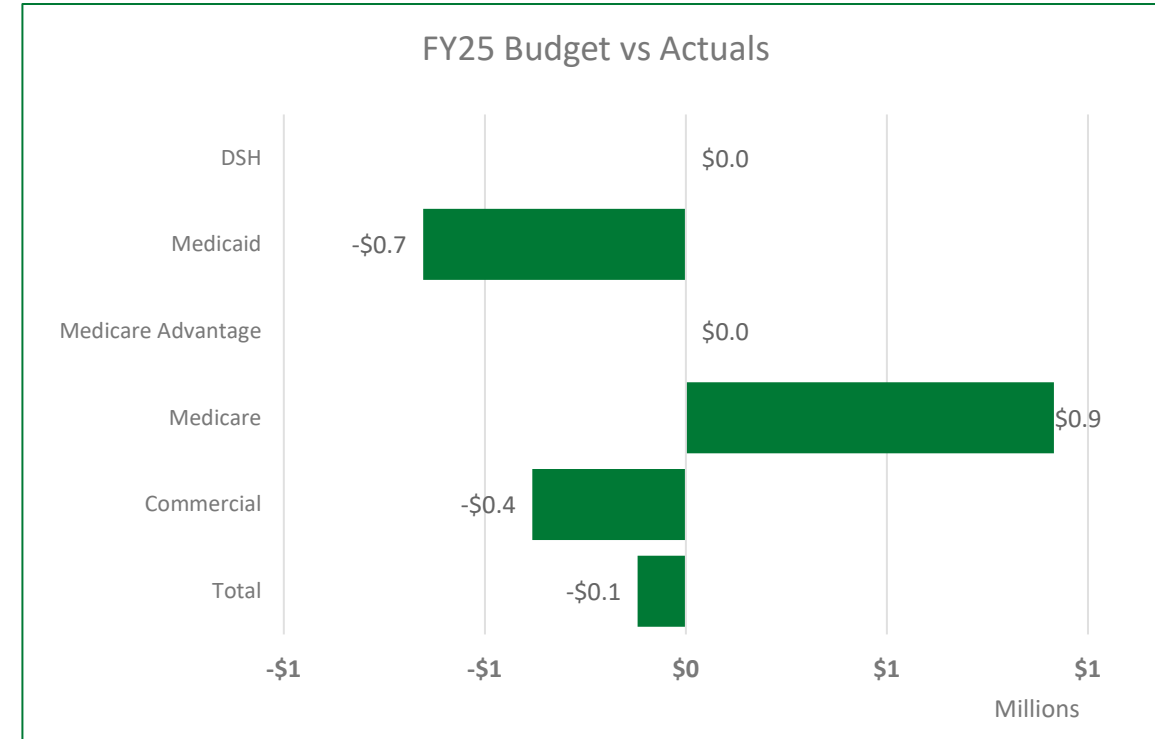
Expenses	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Fees, salaries & benefits	\$20,269,550	\$22,699,874	\$23,471,261	\$24,362,604	3.8%	20.2%
All Other Operating Expenses	\$8,427,315	\$10,086,319	\$7,873,245	\$8,074,023	2.6%	-4.2%
Total Operating Expense	\$28,696,865	\$32,786,193	\$31,344,506	\$32,436,627	3.5%	13.0%

Operating Income	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals
Operating income	-\$1,925,138	-\$2,953,830	-\$753,463	-\$1,134,105
Operating margin	-7.2%	-9.9%	-2.5%	-3.6%

# Grace Cottage

Grace Cottage Hospital	FY25 Budget	FY25 Actuals	FY25 Budget vs. Actuals	Actuals compared to budget
<b>Total</b>	<b>\$29,222,187</b>	<b>\$29,102,066</b>	<b>-\$120,121</b>	<b>-0.4%</b>
Commercial	\$12,478,921	\$12,096,932	-\$381,989	-3.1%
Medicare	\$13,982,697	\$14,897,936	\$915,239	6.5%
Medicare Advantage	\$0	\$0	\$0	
Medicaid	\$2,760,569	\$2,107,198	-\$653,371	-23.7%
DSH	\$0	\$0	\$0	

Grace Cottage Hospital	FY24 Actuals	FY25 Actuals	Growth from FY24
Commercial	\$11,596,823	\$12,096,932	4.3%
Medicare	\$14,575,897	\$14,897,936	2.2%
Medicare Advantage	\$0	\$0	
Medicaid	\$2,314,113	\$2,107,198	-8.9%
DSH	\$0	\$0	
<b>Total</b>	<b>\$28,486,833</b>	<b>\$29,102,066</b>	<b>2.2%</b>



## Key Takeaways

- Commercial under budget by -3.1%, Medicaid under budget by -23.7%
- Medicare over budget by 6.5%
- Growth at 2.2% across payers from FY24 – commercial has grown 4.3% and Medicare 2.2%, while Medicaid has dropped -8.9%

# Grace Cottage

- **DCOH** stable from FY24 to FY25 around 82-83
- **Days in A/R** also stable around 40 – this is considered average performance
- **Current ratio** has dropped slightly – no funded depreciation, and this is largely due to a drop in current assets
- **Operating margin** for FY25 came in at -3.6% - an improvement over FY24 at nearly -10%

Grace Cottage Financial Indicators

Indicator	FY24	FY25
Cash & Investments (A)	\$7,178,067	\$7,156,345
Average Daily Expense, less depreciation (B)	\$87,015	\$86,154
<b>DCOH (A)/(B)</b>	<b>82.5</b>	<b>83.1</b>
Net A/R (C)	\$3,211,111	\$3,184,626
NPR (D)	\$28,486,833	\$29,102,066
<b>Days in A/R (C)/(D) * Total Days</b>	<b>41.3</b>	<b>39.9</b>
Current Assets (E)	\$6,759,727	\$5,517,425
Unrestricted Funded Depreciation (F)	\$0	\$0
Current Liabilities (G)	\$6,792,843	\$6,020,036
<b>Current Ratio (E+F)/(G)</b> <i>*with funded depreciation</i>	<b>1.0</b>	<b>0.9</b>
<b>Current Ratio (E)/(G)</b> <i>*without funded depreciation</i>	<b>1.0</b>	<b>0.9</b>
<b>Operating Margin</b>	<b>-9.9%</b>	<b>-3.6%</b>

# Grace Cottage

## Service Lines

- No service line changes

## FTEs

- Onboarded two new providers during the year, had less than budgeted Outpatient Physical Therapy FTEs for part of the year, both of which had an impact on revenue/utilization
- Clinical to non-clinical ratio and FTE counts both closely aligned with FY25 budget

FY25	Budget	FTE Ratio	Actuals	FTE Ratio
Clinical	100	57%	102	57%
Non-Clinical	76	43%	76	43%

## Quality

- Current CMS star rating: N/A

# Mt. Ascutney

## Mt. Ascutney Hospital & Health Ctr Actuals Income Summary

Revenues	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Gross patient care revenue	\$129,802,427	\$141,821,464	\$147,440,185	\$147,506,823	0.0%	13.6%
Net revenue deductions	-\$67,626,318	-\$73,598,413	-\$76,315,168	-\$78,923,235	3.4%	16.7%
Net patient care revenue (NPR)	\$62,176,109	\$68,223,051	\$71,125,017	\$68,583,588	-3.6%	10.3%
Fixed prospective payments (FPP)	\$3,176,715	\$1,408,160	\$1,670,000	\$1,987,312	19.0%	-37.4%
NPR + FPP	\$65,352,824	\$69,631,211	\$72,795,017	\$70,570,900	-3.1%	8.0%
Other operating revenue	\$4,491,139	\$5,588,631	\$4,426,698	\$5,740,742	29.7%	27.8%
<b>Total Operating revenue</b>	<b>\$69,843,963</b>	<b>\$75,219,842</b>	<b>\$77,221,715</b>	<b>\$76,311,642</b>	<b>-1.2%</b>	<b>9.3%</b>

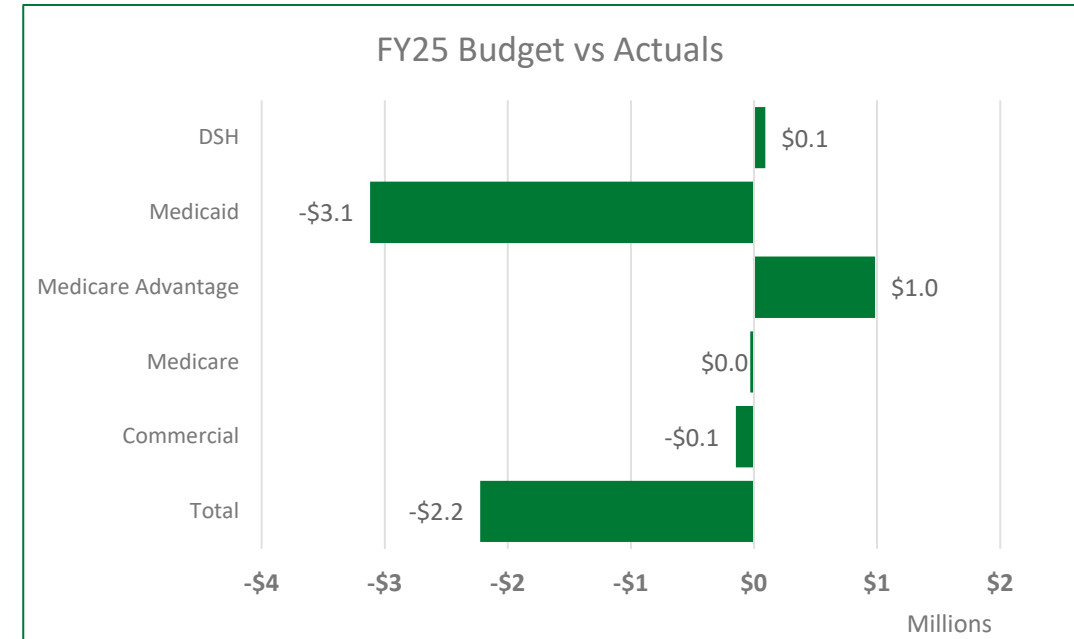
Expenses	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Fees, salaries & benefits	\$39,387,368	\$43,464,989	\$48,481,806	\$44,858,383	-7.5%	13.9%
All Other Operating Expenses	\$29,054,455	\$30,821,964	\$28,195,931	\$30,867,552	9.5%	6.2%
<b>Total Operating Expense</b>	<b>\$68,441,823</b>	<b>\$74,286,953</b>	<b>\$76,677,737</b>	<b>\$75,725,935</b>	<b>-1.2%</b>	<b>10.6%</b>

Operating Income	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals
Operating income	\$1,402,140	\$932,889	\$543,978	\$585,707
Operating margin	2.0%	1.2%	0.7%	0.8%

# Mt. Ascutney

Mt. Ascutney Hospital & Health Ctr	FY25 Budget	FY25 Actuals	FY25 Budget vs. Actuals	Actuals compared to budget
<b>Total</b>	<b>\$72,795,015</b>	<b>\$70,570,901</b>	<b>-\$2,224,114</b>	<b>-3.1%</b>
Commercial	\$25,553,683	\$25,405,160	-\$148,523	-0.6%
Medicare	\$29,387,956	\$29,357,476	-\$30,480	-0.1%
Medicare Advantage	\$11,435,501	\$12,418,146	\$982,645	8.6%
Medicaid	\$6,081,647	\$2,962,655	-\$3,118,992	-51.3%
DSH	\$336,228	\$427,464	\$91,236	27.1%

Mt. Ascutney Hospital & Health Ctr	FY24 Actuals	FY25 Actuals	Growth from FY24
Commercial	\$27,210,195	\$25,405,160	-6.6%
Medicare	\$27,845,803	\$29,357,476	5.4%
Medicare Advantage	\$11,405,480	\$12,418,146	8.9%
Medicaid	\$2,788,584	\$2,962,655	6.2%
DSH	\$381,149	\$427,464	12.2%
<b>Total</b>	<b>\$69,631,211</b>	<b>\$70,570,901</b>	<b>1.3%</b>



## Key Takeaways

- Commercial and Medicare both very close to budget
- Medicaid extremely under budget by \$3.1M (-51.3%), MA over budget by \$1M (8.6%)
- Growth at 1.3% across payers from FY24 – commercial has dropped -6.6%, remaining payers have increased between 5.4%-8.9%

# Mt. Ascutney

- **NPR+FPP** running on budget at 0.1%
  - Commercial running significantly over, particularly in Self-Pay
  - Public payers coming in short
- **Other operating revenue** over 33.8%
- **Total operating revenue** over 2.5%
- **Operating expenses** –
  - Labor is running under budget
  - Non-labor budget running significantly over
- Impact of Act 55 unclear

Revenues	Budget FY26 YTD*	1QFY26	January 2026	YTD (1Q + 1)	YTD Compared to Budget YTD (1Q + 1) / Budget YTD
Gross patient care revenue	\$51,562,172	\$38,186,477	\$13,519,938	\$51,706,415	0.3%
Net revenue deductions	-\$26,546,762	-\$19,301,460	-\$7,308,156	-\$26,609,616	0.2%
Net patient care revenue (NPR)	\$25,015,410	\$18,885,017	\$6,211,782	\$25,096,799	0.3%
Fixed prospective payments (FPP)	\$99,168	\$40,238	\$0	\$40,238	-59.4%
<b>NPR + FPP</b>	\$25,114,578	\$18,925,255	\$6,211,782	\$25,137,037	0.1%
Other operating revenue	\$1,963,616	\$1,650,180	\$977,126	\$2,627,306	33.8%
<b>Total Operating revenue</b>	\$27,078,194	\$20,575,435	\$7,188,908	\$27,764,343	2.5%

Expenses	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Fees, salaries & benefits	\$18,044,594	\$13,068,495	\$4,283,524	\$17,352,019	-3.8%
All Other Operating Expenses	\$8,836,544	\$8,594,375	\$2,730,927	\$11,325,302	28.2%
<b>Total Operating Expense</b>	\$26,881,138	\$21,662,870	\$7,014,451	\$28,677,321	6.7%

Operating Income	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Operating income	\$197,056	-\$1,087,435	\$174,457	-\$912,978	-\$1,110,034
Operating margin	0.7%	-5.3%	2.4%	-3.3%	-4.0%

\*This budget is analyzed as a straight average, meaning all comparisons of actuals are against 1/3 of the annual budget

# Mt. Ascutney

- **Gross revenues and NPR** are at budget
- **FPP** highly variable to budget for both years
- **Other Operating revenue** is favorable to budget, similar to prior year
- **Expenses** over budget – last year they were running close to budget.
  - Both years have ran under in labor
- **Negative operating margin** – last year YTD was positive, largely driven by the expenses running over

Revenues	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs. prior year
Gross patient care revenue	\$49,146,728	\$51,562,172	\$49,805,737	\$51,706,415	-1.0%
Net revenue deductions	-\$25,438,389	-\$26,546,762	-\$26,593,883	-\$26,609,616	-4.1%
Net patient care revenue (NPR)	\$23,708,339	\$25,015,410	\$23,211,854	\$25,096,799	2.5%
Fixed prospective payments (FPP)	\$556,667	\$99,168	\$625,980	\$40,238	-63.9%
NPR + FPP	\$24,265,006	\$25,114,578	\$23,837,834	\$25,137,037	1.9%
Other operating revenue	\$1,475,566	\$1,963,616	\$1,934,038	\$2,627,306	2.1%
<b>Total Operating revenue</b>	<b>\$25,740,572</b>	<b>\$27,078,194</b>	<b>\$25,771,872</b>	<b>\$27,764,343</b>	<b>2.4%</b>

Expenses	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs. prior year
Fees, salaries & benefits	\$16,160,602	\$18,044,594	\$14,851,318	\$17,352,019	4.6%
All Other Operating Expenses	\$9,398,644	\$8,836,544	\$10,218,231	\$11,325,302	17.9%
<b>Total Operating Expense</b>	<b>\$25,559,246</b>	<b>\$26,881,138</b>	<b>\$25,069,549</b>	<b>\$28,677,321</b>	<b>8.8%</b>

Operating Income	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)
Operating income	\$181,326	\$197,056	\$702,323	-\$912,978
Operating margin	0.7%	0.7%	2.7%	-3.3%

\*\*Using straight line methodology

# Mt. Ascutney

- **DCOH** remained around 220 for FY24 and FY25; FY26 through January shows a drop to around 205 – all still strong
- **Days in A/R** dropped from FY24 to FY25 to 37.9, but has risen above both to 53.8 in FY26 – this is now below average performance
- **Current ratio** remains stable around 1.6-1.7 – note that Mt. Ascutney does not have any unrestricted funded depreciation
- **Operating margin** is at -3.3% through January – this is worse performance than FY24 (1.2%) and FY25 (0.8%)

## Mt. Ascutney Hospital & Health Ctr Financial Indicators

Indicator	FY24	FY25	1Q + 1
Cash & Investments (A)	\$43,482,853	\$43,807,771	\$45,776,257
Average Daily Expense, less depreciation (B)	\$195,885	\$198,961	\$223,757
<b>DCOH (A)/(B)</b>	<b>222.0</b>	<b>220.2</b>	<b>204.6</b>
Net A/R (C)	\$8,425,859	\$7,127,218	\$10,981,567
NPR (D)	\$68,223,051	\$68,583,588	\$25,096,799
<b>Days in A/R (C)/(D) * Total Days</b>	<b>45.2</b>	<b>37.9</b>	<b>53.8</b>
Current Assets (E)	\$25,725,271	\$15,701,019	\$14,454,630
Unrestricted Funded Depreciation (F)	\$0	\$0	\$0
Current Liabilities (G)	\$15,110,234	\$10,095,100	\$8,483,471
<b>Current Ratio (E+F)/(G)</b> <i>*with funded depreciation</i>	<b>1.7</b>	<b>1.6</b>	<b>1.7</b>
<b>Current Ratio (E)/(G)</b> <i>*without funded depreciation</i>	<b>1.7</b>	<b>1.6</b>	<b>1.7</b>
<b>Operating Margin</b>	<b>1.2%</b>	<b>0.8%</b>	<b>-3.3%</b>

# Mt. Ascutney

## Service Lines

- No mention of service line changes in the narrative

## FTEs

- Shortfall in FTEs compared to budget – note continuing challenges with staffing levels and wage/market pressures, particularly with being a border hospital
- Decrease in staffing expenses offset by contracted labor expenses – these were still contained and decreasing from the prior year
- Some decrease in FTEs also shifted to contracted positions through DH
- Clinical to non-clinical ratio increased slightly from FY25 budget – both clinical and non-clinical FTE counts down from budget

FY25	Budget	FTE Ratio	Actuals	FTE Ratio
Clinical	218	55%	193	56%
Non-Clinical	181	45%	154	44%

## Quality

- Current CMS star rating: N/A

# North Country

## North Country Hospital Actuals Income Summary

Revenues	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Gross patient care revenue	\$262,370,533	\$285,202,726	\$294,275,257	\$290,000,190	-1.5%	10.5%
Net revenue deductions	-\$178,774,079	-\$194,043,788	-\$199,783,741	-\$192,792,642	-3.5%	7.8%
Net patient care revenue (NPR)	\$83,596,454	\$91,158,938	\$94,491,516	\$97,207,548	2.9%	16.3%
Fixed prospective payments (FPP)	\$11,629,622	\$10,733,156	\$10,286,978	\$10,254,924	-0.3%	-11.8%
NPR + FPP	\$95,226,076	\$101,892,094	\$104,778,494	\$107,462,472	2.6%	12.8%
Other operating revenue	\$3,995,979	\$4,651,763	\$4,734,917	\$4,139,412	-12.6%	3.6%
Total Operating revenue	\$99,222,055	\$106,543,857	\$109,513,411	\$111,601,884	1.9%	12.5%

Expenses	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Fees, salaries & benefits	\$63,534,237	\$66,862,422	\$64,256,408	\$67,658,064	5.3%	6.5%
All Other Operating Expenses	\$44,475,895	\$42,317,560	\$43,895,243	\$40,839,299	-7.0%	-8.2%
Total Operating Expense	\$108,010,132	\$109,179,982	\$108,151,651	\$108,497,363	0.3%	0.5%

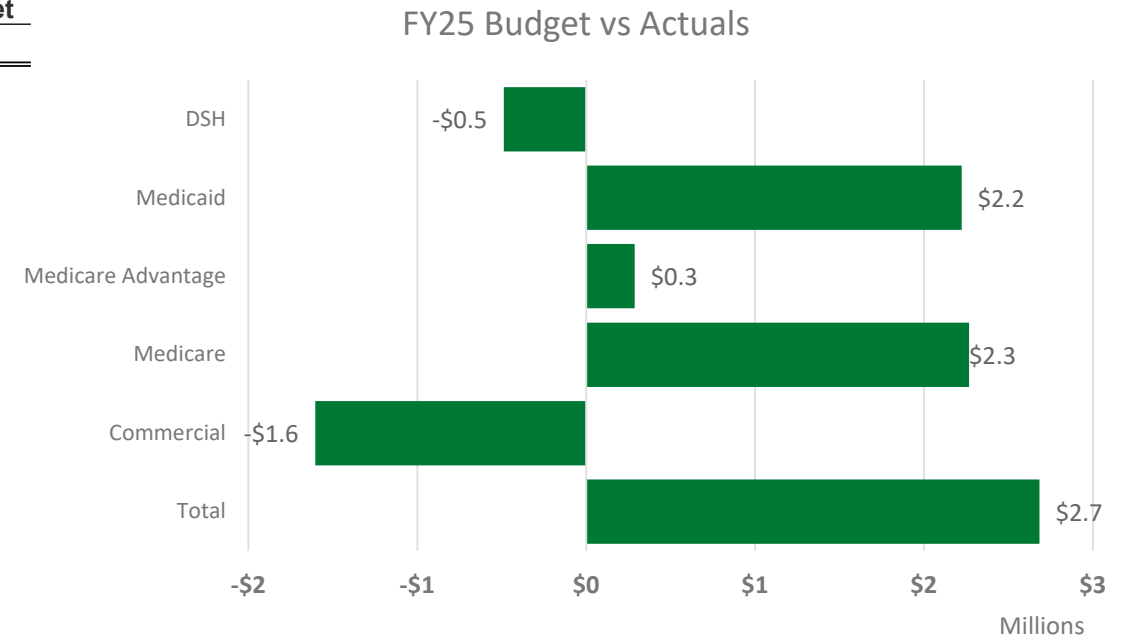
	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals
Operating Income				
Operating income	-\$8,788,077	-\$2,636,125	\$1,361,760	\$3,104,521
Operating margin	-8.9%	-2.5%	1.2%	2.8%

\*As submitted in adaptive – not to be used to compare overages for enforcement

# North Country

North Country Hospital	FY25 Budget	FY25 Actuals	FY25 Budget vs. Actuals	Actuals compared to budget
<b>Total</b>	<b>\$104,778,487</b>	<b>\$107,462,510</b>	<b>\$2,684,023</b>	<b>2.6%</b>
Commercial	\$54,151,546	\$52,547,076	-\$1,604,470	-3.0%
Medicare	\$24,191,970	\$26,459,042	\$2,267,072	9.4%
Medicare Advantage	\$12,795,746	\$13,082,921	\$287,175	2.2%
Medicaid	\$12,500,443	\$14,723,365	\$2,222,922	17.8%
DSH	\$1,138,782	\$650,106	-\$488,676	-42.9%

North Country Hospital	FY24 Actuals	FY25 Actuals	Growth from FY24
Commercial	\$51,667,382	\$52,547,076	1.7%
Medicare	\$23,102,868	\$26,459,042	14.5%
Medicare Advantage	\$12,813,493	\$13,082,921	2.1%
Medicaid	\$13,697,274	\$14,723,365	7.5%
DSH	\$611,077	\$650,106	6.4%
<b>Total</b>	<b>\$101,892,094</b>	<b>\$107,462,510</b>	<b>5.5%</b>



## Key Takeaways

- Commercial under budget by \$1.6M (-3%), DSH also well under budget
- Medicare over by \$2.3M (9.4%) and Medicaid over by \$2.2M (17.8%)
- Growth at 5.5% across payers from FY24 – all payers increased, by largest increases were in Medicare (14.5%) and Medicaid (7.5%) – only small growth in commercial (1.7%)

# North Country

- **Volumes based on Gross Revenues close to budget**
- **NPR** coming in at budget
- **Other operating revenue** under -14.1% - due to blue print & ACO revenue
- **Total operating revenue** slight over 0.1%
- **Operating expenses** –
  - Labor is running slightly over budget
  - Non-labor expense is over mainly due to provider taxes being significantly under budgeted
- **Margin** coming in slightly under budget due to expense overages

\*This budget is analyzed as a straight average, meaning all comparisons of actuals are against 1/3 of the annual budget

Revenues	Budget FY26 YTD*	1QFY26	January 2026	YTD (1Q + 1)	YTD Compared to Budget YTD (1Q + 1) / Budget YTD
Gross patient care revenue	\$95,655,513	\$71,446,853	\$24,125,083	\$95,571,936	-0.1%
Net revenue deductions	-\$60,918,964	-\$46,871,608	-\$16,326,459	-\$63,198,067	3.7%
Net patient care revenue (NPR)	\$34,736,549	\$24,575,245	\$7,798,624	\$32,373,869	-6.8%
Fixed prospective payments (FPP)	\$1,035,074	\$2,300,496	\$1,354,006	\$3,654,502	253.1%
NPR + FPP	\$35,771,623	\$26,875,741	\$9,152,630	\$36,028,371	0.7%
Other operating revenue	\$1,445,275	\$1,002,584	\$238,924	\$1,241,508	-14.1%
<b>Total Operating revenue</b>	<b>\$37,216,898</b>	<b>\$27,878,325</b>	<b>\$9,391,554</b>	<b>\$37,269,879</b>	<b>0.1%</b>

Expenses	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Fees, salaries & benefits	\$23,405,799	\$17,831,781	\$5,816,138	\$23,647,919	1.0%
All Other Operating Expenses	\$13,559,742	\$10,908,687	\$3,771,593	\$14,680,280	8.3%
<b>Total Operating Expense</b>	<b>\$36,965,541</b>	<b>\$28,740,468</b>	<b>\$9,587,731</b>	<b>\$38,328,199</b>	<b>3.7%</b>

Operating Income	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Operating income	\$251,357	-\$862,143	-\$196,177	-\$1,058,320	-\$1,309,677
Operating margin	0.7%	-3.1%	-2.1%	-2.8%	-3.5%

# North Country

- **Gross revenues** on budget, compared to prior year being overbudgeted
- **NPR** is also down from both budget, while last year they were running over at this point
- **FPP** coming in similar to last year - underbudgeted
- **Other Operating revenue** is under budget, similar to last year, but moreso
- **Expenses** running over – prior years ran on budget. Labor is under, while provider tax is over
- **Negative operating margin** – worse performance compared to budget and prior year

Revenues	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs. prior year
Gross patient care revenue	\$98,091,752	\$95,655,513	\$93,348,462	\$95,571,936	5.0%
Net revenue deductions	-\$66,594,580	-\$60,918,964	-\$61,535,102	-\$63,198,067	12.3%
Net patient care revenue (NPR)	\$31,497,172	\$34,736,549	\$31,813,360	\$32,373,869	-7.7%
Fixed prospective payments (FPP)	\$3,428,993	\$1,035,074	\$3,499,323	\$3,654,502	246.0%
NPR + FPP	\$34,926,165	\$35,771,623	\$35,312,683	\$36,028,371	-0.4%
Other operating revenue	\$1,578,306	\$1,445,275	\$1,464,349	\$1,241,508	-7.4%
<b>Total Operating revenue</b>	<b>\$36,504,470</b>	<b>\$37,216,898</b>	<b>\$36,777,032</b>	<b>\$37,269,879</b>	<b>-0.6%</b>

Expenses	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs. prior year
Fees, salaries & benefits	\$21,418,803	\$23,405,799	\$22,843,723	\$23,647,919	-5.3%
All Other Operating Expenses	\$14,631,748	\$13,559,742	\$13,933,307	\$14,680,280	13.7%
<b>Total Operating Expense</b>	<b>\$36,050,550</b>	<b>\$36,965,541</b>	<b>\$36,777,030</b>	<b>\$38,328,199</b>	<b>1.6%</b>

	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)
Operating Income				
Operating income	\$453,920	\$251,357	\$2	-\$1,058,320
Operating margin	1.2%	0.7%	0.0%	-2.8%

\*\*Using straight line methodology

# North Country

- **DCOH** continues to drop, still in strong standing at 186 through January FY26
- **Days in A/R** has seen a small reduction from FY24 and FY25 through January FY26, now at 47.1 which is considered average performance
- **Current ratio** dropped from FY24 to FY25 from 2.5 to 2.0, strengthened slightly to 2.1 since – largely due to an increase in current liabilities
- **Operating margin** through January FY26 is at -2.8% - significantly worse than FY25 at positive 2.8%, slightly worse than FY24 at -2.5%

## North Country Hospital Financial Indicators

Indicator	FY24	FY25	1Q + 1
Cash & Investments (A)	\$58,471,513	\$54,941,758	\$56,263,947
Average Daily Expense, less depreciation (B)	\$289,738	\$288,746	\$302,468
<b>DCOH (A)/(B)</b>	<b>201.8</b>	<b>190.3</b>	<b>186.0</b>
Net A/R (C)	\$12,616,369	\$13,512,883	\$12,387,453
NPR (D)	\$91,158,938	\$97,207,548	\$32,373,869
<b>Days in A/R (C)/(D) * Total Days</b>	<b>50.7</b>	<b>50.7</b>	<b>47.1</b>
Current Assets (E)	\$26,422,177	\$27,254,059	\$24,482,409
Unrestricted Funded Depreciation (F)	\$54,696,813	\$50,251,309	\$52,019,915
Current Liabilities (G)	\$32,629,679	\$38,075,442	\$35,988,800
<b>Current Ratio (E+F)/(G)</b> <i>*with funded depreciation</i>	<b>2.5</b>	<b>2.0</b>	<b>2.1</b>
<b>Current Ratio (E)/(G)</b> <i>*without funded depreciation</i>	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>
<b>Operating Margin</b>	<b>-2.5%</b>	<b>2.8%</b>	<b>-2.8%</b>

# North Country

### Service Lines

- No service line changes

### FTEs

- FTEs close to budget, benefits over due to high health insurance claims
- Locums over budget by \$1.2M
- Clinical to non-clinical ratio increased from FY25 budget – largely driven by drop in non-clinical FTE count

FY25	Budget	FTE Ratio	Actuals	FTE Ratio
Clinical	285	58%	290	65%
Non-Clinical	203	42%	158	35%

### Quality

- Current CMS star rating: 2

\*Note that EMR lawsuit is anticipated to be finalized in 2Q FY26

## Northeastern VT Regional Hospital Actuals Income Summary

Revenues	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Gross patient care revenue	\$249,483,133	\$267,851,359	\$273,699,002	\$281,873,852	3.0%	13.0%
Net revenue deductions	-\$148,068,450	-\$156,869,007	-\$157,832,163	-\$171,207,264	8.5%	15.6%
Net patient care revenue (NPR)	\$101,414,683	\$110,982,352	\$115,866,839	\$110,666,587	-4.5%	9.1%
Fixed prospective payments (FPP)	\$10,749,243	\$10,520,046	\$8,667,651	\$15,037,566	73.5%	39.9%
NPR + FPP	\$112,163,926	\$121,502,398	\$124,534,490	\$125,704,154	0.9%	12.1%
Other operating revenue	\$9,378,436	\$7,924,842	\$7,201,219	\$8,254,924	14.6%	-12.0%
Total Operating revenue	\$121,542,362	\$129,427,240	\$131,735,709	\$133,959,077	1.7%	10.2%

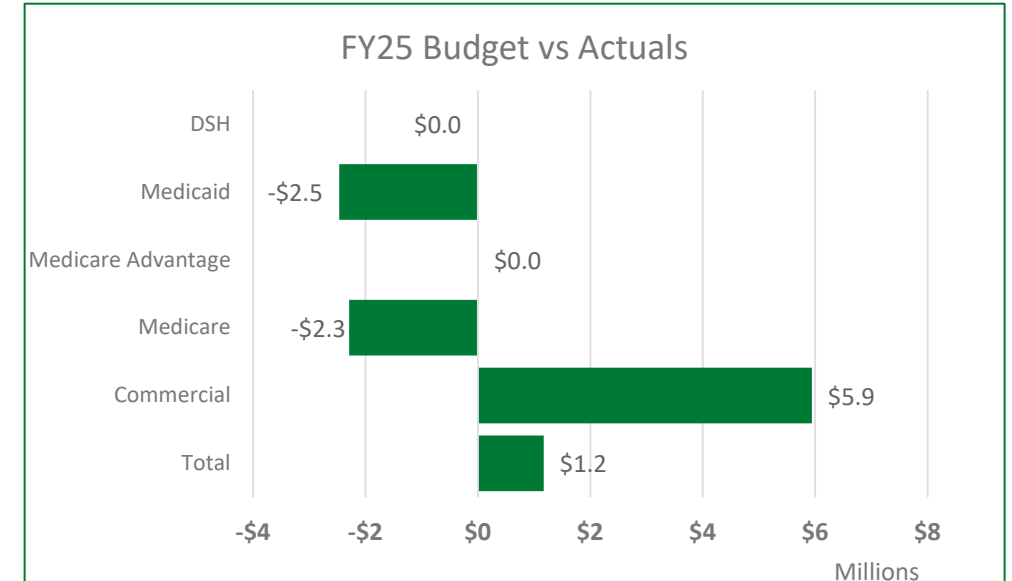
Expenses	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Fees, salaries & benefits	\$72,302,327	\$80,094,835	\$81,390,168	\$81,492,102	0.1%	12.7%
All Other Operating Expenses	\$48,651,416	\$49,204,214	\$49,433,225	\$55,166,264	11.6%	13.4%
Total Operating Expense	\$120,953,743	\$129,299,049	\$130,823,393	\$136,658,366	4.5%	13.0%

	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals
Operating Income				
Operating income	\$588,619	\$128,191	\$912,316	-\$2,699,289
Operating margin	0.5%	0.1%	0.7%	-2.0%

# NVRH

Northeastern VT Regional Hospital	FY25 Budget	FY25 Actuals	FY25 Budget vs. Actuals	Actuals compared to budget
<b>Total</b>	<b>\$124,534,490</b>	<b>\$125,704,156</b>	<b>\$1,169,666</b>	<b>0.9%</b>
Commercial	\$48,773,268	\$54,711,744	\$5,938,476	12.2%
Medicare	\$57,909,211	\$55,619,742	-\$2,289,469	-4.0%
Medicare Advantage	\$0	\$0	\$0	
Medicaid	\$16,877,011	\$14,407,424	-\$2,469,587	-14.6%
DSH	\$975,000	\$965,246	-\$9,754	-1.0%

Northeastern VT Regional Hospital	FY24 Actuals	FY25 Actuals	Growth from FY24
Commercial	\$54,303,832	\$54,711,744	0.8%
Medicare	\$53,792,663	\$55,619,742	3.4%
Medicare Advantage	\$0	\$0	
Medicaid	\$12,427,483	\$14,407,424	15.9%
DSH	\$978,421	\$965,246	-1.3%
<b>Total</b>	<b>\$121,502,399</b>	<b>\$125,704,156</b>	<b>3.5%</b>



## Key Takeaways

- Commercial over budget by \$5.9M (12.2%) -> **moving forward, this would trigger enforcement**
- MA combined with Medicare due to Adaptive reporting
- Public payers came in under
- Growth at 3.5% across payers from FY24, mostly driven by Medicaid, which was actually underbudgeted

# NVRH

- **NPR** appears to be coming in slightly favorable
  - Commercial coming in slightly under
  - Medicaid solidly over budget, followed by MA & Medicare slightly over as well
  - **Other operating revenue** coming in much higher
- **Total operating revenue** combined, total operating revenue appears to be much higher than budget
- **Operating expenses** –
  - Running slightly over in both labor & other operating expense
- Strong operating margin

\*This budget is analyzed as a straight average, meaning all comparisons of actuals are against 1/3 of the annual budget

Revenues	Budget FY26 YTD*	1QFY26	January 2026	YTD (1Q + 1)	YTD Compared to Budget YTD (1Q + 1) / Budget YTD
Gross patient care revenue	\$101,542,827	\$75,626,910	\$25,048,497	\$100,675,407	-0.9%
Net revenue deductions	-\$62,281,690	-\$47,458,227	-\$14,221,772	-\$61,679,999	-1.0%
Net patient care revenue (NPR)	\$39,261,137	\$28,168,683	\$10,826,725	\$38,995,408	-0.7%
Fixed prospective payments (FPP)	\$4,529,875	\$5,119,719	\$0	\$5,119,719	13.0%
<b>NPR + FPP</b>	<b>\$43,791,012</b>	<b>\$33,288,402</b>	<b>\$10,826,725</b>	<b>\$44,115,127</b>	<b>0.7%</b>
Other operating revenue	\$1,735,982	\$2,224,312	\$474,737	\$2,699,049	55.5%
<b>Total Operating revenue</b>	<b>\$45,526,994</b>	<b>\$35,512,714</b>	<b>\$11,301,462</b>	<b>\$46,814,176</b>	<b>2.8%</b>

Expenses	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Fees, salaries & benefits	\$27,072,856	\$20,799,756	\$6,674,917	\$27,474,673	1.5%
All Other Operating Expenses	\$18,082,533	\$13,898,652	\$4,638,241	\$18,536,893	2.5%
<b>Total Operating Expense</b>	<b>\$45,155,389</b>	<b>\$34,698,408</b>	<b>\$11,313,158</b>	<b>\$46,011,566</b>	<b>1.9%</b>

Operating Income	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Operating income	\$371,605	\$814,306	-\$11,696	\$802,610	\$431,004
Operating margin	0.8%	2.3%	-0.1%	1.7%	0.9%

# NVRH

- **Gross revenues** slightly under budget, compared to prior year when they were slightly over
- **NPR** slightly under budget, but favorable compared to last year
- **FPP** coming in over budget, but less so than prior year being significantly over budget
- **Other Operating revenue** over budget, prior year was under budget
- **Expenses** are coming in over budget – labor is slightly over and on pace with prior year, overall actuals are coming in closer to budget than prior year
- **Positive operating margin** at 1.7% - this is an improvement over budgeted and prior year

Revenues	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs. prior year
Gross patient care revenue	\$91,233,001	\$101,542,827	\$92,838,800	\$100,675,407	-2.6%
Net revenue deductions	-\$52,610,721	-\$62,281,690	-\$56,747,953	-\$61,679,999	-8.2%
Net patient care revenue (NPR)	\$38,622,280	\$39,261,137	\$36,090,847	\$38,995,408	6.3%
Fixed prospective payments (FPP)	\$2,889,217	\$4,529,875	\$4,453,580	\$5,119,719	-26.7%
NPR + FPP	\$41,511,497	\$43,791,012	\$40,544,427	\$44,115,127	3.1%
Other operating revenue	\$2,400,406	\$1,735,982	\$2,080,935	\$2,699,049	79.3%
<b>Total Operating revenue</b>	<b>\$43,911,903</b>	<b>\$45,526,994</b>	<b>\$42,625,362</b>	<b>\$46,814,176</b>	<b>5.9%</b>

Expenses	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs. prior year
Fees, salaries & benefits	\$27,130,056	\$27,072,856	\$27,493,255	\$27,474,673	0.1%
All Other Operating Expenses	\$16,477,742	\$18,082,533	\$17,235,414	\$18,536,893	-2.0%
<b>Total Operating Expense</b>	<b>\$43,607,798</b>	<b>\$45,155,389</b>	<b>\$44,728,669</b>	<b>\$46,011,566</b>	<b>-0.7%</b>

Operating Income	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)
Operating income	\$304,105	\$371,605	-\$2,103,307	\$802,610
Operating margin	0.7%	0.8%	-4.9%	1.7%

\*\*Using straight line methodology

# NVRH

- **DCOH** dropped from FY24 at around 100 to closer to 90 for FY25 and FY26 through January
- **Days in A/R** continues to rise from 35.7 in FY24 to 45.6 in FY25 and now at 47 – creeping closer to below average performance
- **Current ratio** has stayed around 2.4-2.8 with funded depreciation (1.0-1.2 without)
- **Operating margin** is at 1.7% through January FY26 – an improvement over FY24 (0.1%) and FY25 (-2%)

## NVRH Financial Indicators

Indicator	FY24	FY25	1Q + 1
Cash & Investments (A)	\$34,467,099	\$33,642,813	\$32,725,202
Average Daily Expense, less depreciation (B)	\$340,373	\$363,625	\$363,394
<b>DCOH (A)/(B)</b>	<b>101.3</b>	<b>92.5</b>	<b>90.1</b>
Net A/R (C)	\$10,831,777	\$13,832,904	\$14,913,345
NPR (D)	\$110,982,352	\$110,666,587	\$38,995,408
<b>Days in A/R (C)/(D) * Total Days</b>	<b>35.7</b>	<b>45.6</b>	<b>47.0</b>
Current Assets (E)	\$24,151,186	\$23,366,500	\$23,454,127
Unrestricted Funded Depreciation (F)	\$30,092,012	\$31,185,094	\$32,160,040
Current Liabilities (G)	\$20,944,275	\$22,833,310	\$20,168,443
<b>Current Ratio (E+F)/(G)</b> <i>*with funded depreciation</i>	<b>2.6</b>	<b>2.4</b>	<b>2.8</b>
<b>Current Ratio (E)/(G)</b> <i>*without funded depreciation</i>	<b>1.2</b>	<b>1.0</b>	<b>1.2</b>
<b>Operating Margin</b>	<b>0.1%</b>	<b>-2.0%</b>	<b>1.7%</b>

# NVRH

## Service Lines

- No changes, but loss of 2 surgeons impacted surgical service line

## FTEs

- Locum expenses related to vacancies in Surgery, Primary Care, and the Emergency Departments
- Fringe benefits over budget due to health claims and workers compensation claims
- Clinical to non-clinical ratio increased from FY25 budget – largely driven by reduction in non-clinical FTE count

## Quality

- Current CMS star rating: 3

FY25	Budget	FTE Ratio	Actuals	FTE Ratio
Clinical	388	69%	391	72%
Non-Clinical	175	31%	151	28%

## Northwestern Medical Center Actuals Income Summary

Revenues	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Gross patient care revenue	\$274,204,060	\$299,346,325	\$342,152,877	\$324,000,308	-5.3%	18.2%
Net revenue deductions	-\$177,479,390	-\$190,417,171	-\$213,537,902	-\$198,511,837	-7.0%	11.9%
Net patient care revenue (NPR)	\$96,724,670	\$108,929,154	\$128,614,975	\$125,488,471	-2.4%	29.7%
Fixed prospective payments (FPP)	\$20,809,731	\$17,179,222	\$4,880,997	\$7,637,596	56.5%	-63.3%
NPR + FPP	\$117,534,401	\$126,108,376	\$133,495,972	\$133,126,067	-0.3%	13.3%
Other operating revenue	\$6,567,024	\$7,554,371	\$7,520,690	\$9,981,611	32.7%	52.0%
Total Operating revenue	\$124,101,425	\$133,662,747	\$141,016,662	\$143,107,677	1.5%	15.3%

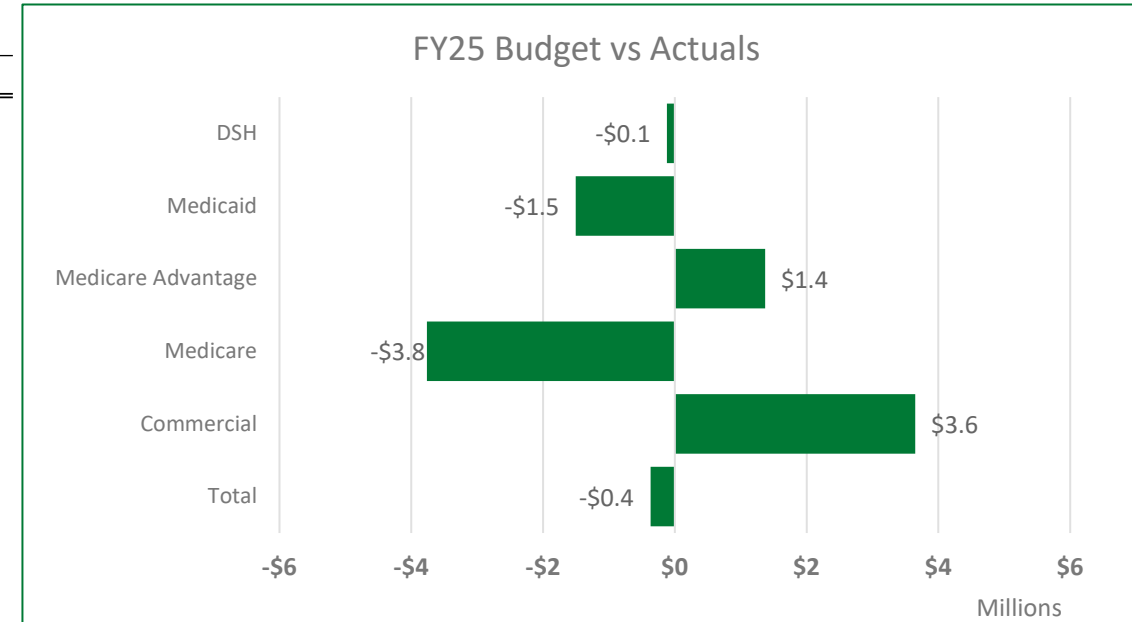
Expenses	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Fees, salaries & benefits	\$72,655,268	\$79,297,458	\$80,767,388	\$83,675,604	3.6%	15.2%
All Other Operating Expenses	\$59,673,607	\$57,772,409	\$60,069,782	\$64,307,599	7.1%	7.8%
Total Operating Expense	\$132,328,875	\$137,069,867	\$140,837,170	\$147,983,203	5.1%	11.8%

Operating Income	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals
Operating income	-\$8,227,450	-\$3,407,120	\$179,492	-\$4,875,526
Operating margin	-6.6%	-2.5%	0.1%	-3.4%

# NMC

Northwestern Medical Center	FY25 Budget	FY25 Actuals	FY25 Budget vs. Actuals	Actuals compared to budget
<b>Total</b>	<b>\$133,495,972</b>	<b>\$133,126,070</b>	<b>-\$369,902</b>	<b>-0.3%</b>
Commercial	\$63,590,543	\$67,238,271	\$3,647,728	5.7%
Medicare	\$37,504,664	\$33,740,751	-\$3,763,913	-10.0%
Medicare Advantage	\$15,912,113	\$17,280,702	\$1,368,589	8.6%
Medicaid	\$15,139,963	\$13,637,626	-\$1,502,337	-9.9%
DSH	\$1,348,689	\$1,228,720	-\$119,969	-8.9%

Northwestern Medical Center	FY24 Actuals	FY25 Actuals	Growth from FY24
Commercial	\$78,831,678	\$67,238,271	
Medicare Advantage	\$0	\$17,280,702	
<b>Total Commercial</b>	<b>\$78,831,678</b>	<b>\$84,518,973</b>	<b>7.2%</b>
Medicare	\$33,385,980	\$33,740,751	1.1%
Medicaid	\$12,583,074	\$13,637,626	8.4%
DSH	\$1,307,644	\$1,228,720	-6.0%
<b>Total</b>	<b>\$126,108,376</b>	<b>\$133,126,070</b>	<b>5.6%</b>



## Key Takeaways

- Commercial over budget by \$3.6M (5.7%) -> **moving forward, this would trigger enforcement**
- Medicare and Medicaid came in under budget by -10% and -9.9% respectively, MA came in over budget by 8.6%
- Growth at 5.6% across payers from FY24 – MA broken out in FY25, therefore it's hard to analyze accurately growth in commercial. However, there was significant growth in Medicaid, with a slight uptick in Medicare.

# NMC

- **NPR** strong at 5% over
  - Public payers are coming in strong based on 1Q reporting – the 1Q narrative mentions improved collection rate
- **Other operating revenue** coming in strong YTD
- **Total operating revenue** coming in higher than originally budgeted\*\*
- **Operating expenses** –
  - Also coming in over budget, mostly driven by Other Operating Expense – 1Q narrative mentions travelers
- **Operating margin** is favorable to budget, however still operating at a loss
- Unable to comment on impact of Act 55

\*This budget is analyzed as a straight average, meaning all comparisons of actuals are against 1/4 of the annual budget

\*\*NMC came in with a mid-year request – these financials reflect the originally submitted & approved budget

Revenues	Budget FY26 YTD*	1QFY26	YTD Compared to Budget YTD (1Q + 1) / Budget YTD
Gross patient care revenue	\$84,782,833	\$82,546,859	-2.6%
Net revenue deductions	-\$52,060,964	-\$48,179,820	-7.5%
Net patient care revenue (NPR)	\$32,721,869	\$34,367,039	5.0%
Fixed prospective payments (FPP)	\$0	\$0	
NPR + FPP	\$32,721,869	\$34,367,039	5.0%
Other operating revenue	\$1,934,709	\$2,607,823	34.8%
<b>Total Operating revenue</b>	<b>\$34,656,578</b>	<b>\$36,974,862</b>	<b>6.7%</b>

Expenses	Budget YTD*	1Q	YTD Compared to Budget
Fees, salaries & benefits	\$21,193,228	\$21,487,982	1.4%
All Other Operating Expenses	\$15,455,989	\$16,746,437	8.3%
<b>Total Operating Expense</b>	<b>\$36,649,216</b>	<b>\$38,234,419</b>	<b>4.3%</b>

Operating Income	Budget YTD*	1Q	YTD Compared to Budget
Operating income	-\$1,992,639	-\$1,259,557	\$733,082
Operating margin	-5.7%	-3.4%	2.3%

# NMC

- **Gross revenues** under budget, similarly prior year was under budget but performing better comparatively
- **NPR** over budget (compared to originally approved budget), prior year was well under budget, improved performance
- **Other Operating revenue** coming in over budget, similar to prior year
- **Expenses** over budget, primarily due to non-labor expense – prior year actuals came in closer to budget
- **Negative operating margin** at -3.4% - improvement to original budget, worse than prior year performance

Revenues	Budget FY25 straight line (1/4)	Budget FY26 straight line (1/4)	FY25 YTD (1Q)	FY26YTD (1Q)	YTD variance vs. prior year
Gross patient care revenue	\$85,538,219	\$84,782,833	\$78,386,473	\$82,546,859	6.2%
Net revenue deductions	-\$53,384,476	-\$52,060,964	-\$50,204,430	-\$48,179,820	-1.6%
Net patient care revenue (NPR)	\$32,153,744	\$32,721,869	\$28,182,043	\$34,367,039	19.8%
Fixed prospective payments (FPP)	\$1,220,249	\$0	\$4,245,120	\$0	
NPR + FPP	\$33,373,993	\$32,721,869	\$32,427,163	\$34,367,039	8.1%
Other operating revenue	\$1,880,173	\$1,934,709	\$2,408,300	\$2,607,823	5.2%
<b>Total Operating revenue</b>	<b>\$35,254,166</b>	<b>\$34,656,578</b>	<b>\$34,835,463</b>	<b>\$36,974,862</b>	<b>8.0%</b>

Expenses	Budget FY25 straight line (1/4)	Budget FY26 straight line (1/4)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs. prior year
Fees, salaries & benefits	\$20,191,847	\$21,193,228	\$20,242,806	\$21,487,982	1.1%
All Other Operating Expenses	\$15,017,446	\$15,455,989	\$14,931,785	\$16,746,437	9.0%
<b>Total Operating Expense</b>	<b>\$35,209,293</b>	<b>\$36,649,216</b>	<b>\$35,174,591</b>	<b>\$38,234,419</b>	<b>4.4%</b>

	Budget FY25 straight line (1/4)	Budget FY26 straight line (1/4)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)
Operating Income				
Operating income	\$44,873	-\$1,992,639	-\$339,128	-\$1,259,557
Operating margin	0.1%	-5.7%	-1.0%	-3.4%

\*\*Using straight line methodology

# NMC

- **DCOH** continues to drop – dropped nearly 30 days from FY24 to FY25 and has since dropped another 13 days; still strong but cannot sustain them forever
- **Days in A/R** is maintained right around 47-49 days, which is close to below average performance
- **Current ratio** has improved from FY24 and FY25 to 6.2, largely due to reductions in current liabilities – note that NMC does not have any unrestricted funded depreciation
- **Operating margin** is at -3.4%, which is consistent with FY25 and worse than FY24 at -2.5%

## NMC Hospital Financial Indicators

Indicator	FY24	FY25	1Q
Cash & Investments (A)	\$92,033,269	\$89,293,052	\$86,546,611
Average Daily Expense, less depreciation (B)	\$357,337	\$387,366	\$398,542
<b>DCOH (A)/(B)</b>	<b>257.6</b>	<b>230.5</b>	<b>217.2</b>
Net A/R (C)	\$14,088,520	\$16,465,034	\$18,137,074
NPR (D)	\$108,929,154	\$125,488,471	\$34,367,039
<b>Days in A/R (C)/(D) * Total Days</b>	<b>47.3</b>	<b>47.9</b>	<b>48.6</b>
Current Assets (E)	\$99,856,815	\$97,999,755	\$96,596,337
Unrestricted Funded Depreciation (F)	\$0	\$0	\$0
Current Liabilities (G)	\$19,729,935	\$17,601,785	\$15,568,215
<b>Current Ratio (E+F)/(G)</b> <i>*with funded depreciation</i>	<b>5.1</b>	<b>5.6</b>	<b>6.2</b>
<b>Current Ratio (E)/(G)</b> <i>*without funded depreciation</i>	<b>5.1</b>	<b>5.6</b>	<b>6.2</b>
<b>Operating Margin</b>	<b>-2.5%</b>	<b>-3.4%</b>	<b>-3.4%</b>

# NMC

## Service Lines

- No mention of service line changes in the narrative

## FTEs

- Labor costs accounted for nearly 90% of variance in operating expenses, which exceeded budget by \$7.1M (5.1%)
- Clinical to non-clinical ratio dropped from FY25 budget

FY25	Budget	FTE Ratio	Actuals	FTE Ratio
Clinical	383	60%	331	56%
Non-Clinical	254	40%	261	44%

## Quality

- Current CMS star rating: 3
- Several reductions in payment, most minor, worse compared to FY24

Fiscal Year	Value Based Purchasing Program National Percentile	Value Based Purchasing Program Payment Adjustment	Readmission Reduction Program Payment Adjustment	Hospital-Acquired Condition Reduction Program Payment Adjustment
FY24	-	-	-0.45%	0%
FY25	46%	-0.12%	-0.18%	-1%

## Porter Medical Center Actuals Income Summary

Revenues	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Gross patient care revenue	\$214,404,008	\$223,332,772	\$241,468,416	\$248,320,306	2.8%	15.8%
Net revenue deductions	-\$120,962,465	-\$125,873,363	-\$137,211,402	-\$145,395,100	6.0%	20.2%
Net patient care revenue (NPR)	\$93,441,544	\$97,459,409	\$104,257,014	\$102,925,206	-1.3%	10.1%
Fixed prospective payments (FPP)	\$22,022,831	\$23,808,147	\$26,072,312	\$25,696,008	-1.4%	16.7%
NPR + FPP	\$115,464,374	\$121,267,556	\$130,329,326	\$128,621,214	-1.3%	11.4%
Other operating revenue	\$4,314,902	\$5,062,023	\$4,718,191	\$6,959,761	47.5%	61.3%
Total Operating revenue	\$119,779,276	\$126,329,579	\$135,047,517	\$135,580,975	0.4%	13.2%

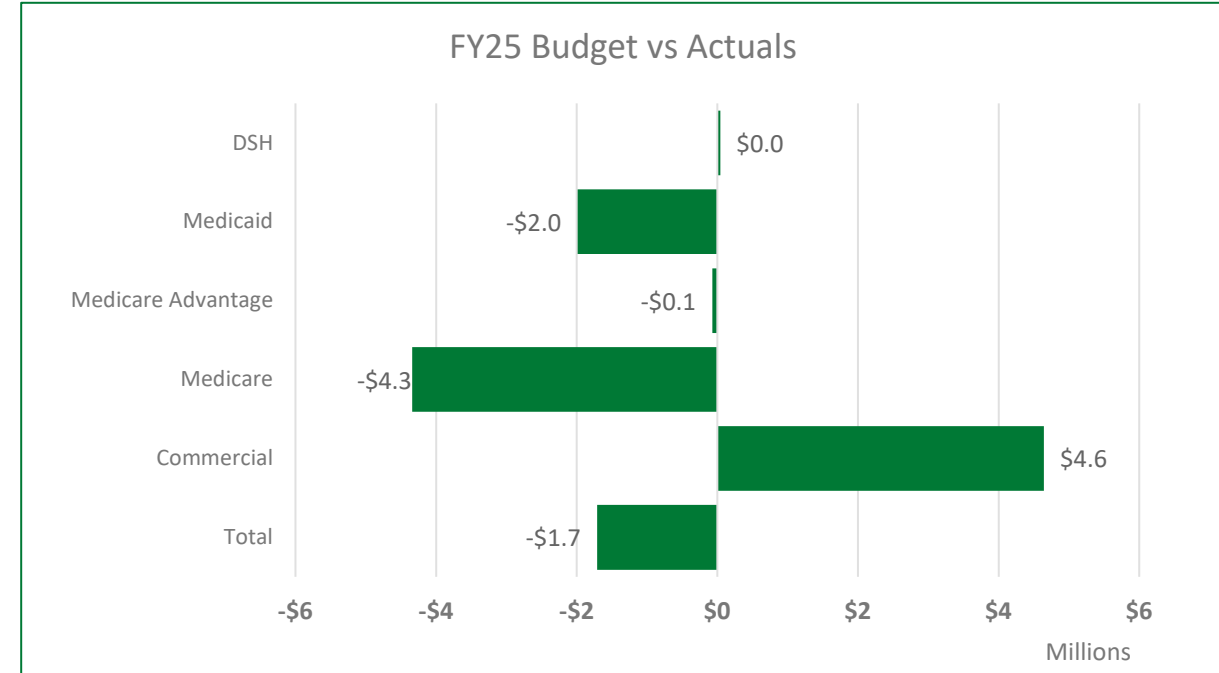
Expenses	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Fees, salaries & benefits	\$70,732,756	\$71,349,109	\$78,608,580	\$79,016,816	0.5%	11.7%
All Other Operating Expenses	\$39,991,606	\$48,988,553	\$50,125,074	\$49,967,763	-0.3%	24.9%
Total Operating Expense	\$110,724,362	\$120,337,662	\$128,733,653	\$128,984,579	0.2%	16.5%

Operating Income	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals
Operating income	\$9,054,914	\$5,991,918	\$6,313,863	\$6,596,396
Operating margin	7.6%	4.7%	4.7%	4.9%

# Porter

Porter Medical Center	FY25 Budget	FY25 Actuals	FY25 Budget vs. Actuals	Actuals compared to budget
<b>Total</b>	<b>\$130,329,326</b>	<b>\$128,621,214</b>	<b>-\$1,708,112</b>	<b>-1.3%</b>
Commercial	\$62,730,436	\$67,376,206	\$4,645,771	7.4%
Medicare	\$35,595,293	\$31,257,564	-\$4,337,728	-12.2%
Medicare Advantage	\$19,765,532	\$19,693,929	-\$71,603	-0.4%
Medicaid	\$11,823,971	\$9,835,744	-\$1,988,227	-16.8%
DSH	\$414,095	\$457,770	\$43,675	10.5%

Porter Medical Center	FY24 Actuals	FY25 Actuals	Growth from FY24
Commercial	\$53,594,130	\$67,376,206	25.7%
Medicare	\$35,276,516	\$31,257,564	-11.4%
Medicare Advantage	\$19,697,599	\$19,693,929	0.0%
Medicaid	\$12,297,254	\$9,835,744	-20.0%
DSH	\$402,057	\$457,770	13.9%
<b>Total</b>	<b>\$121,267,556</b>	<b>\$128,621,214</b>	<b>6.1%</b>



## Key Takeaways

- Commercial over budget by \$4.6M (7.4%) -> **moving forward, this would trigger enforcement**
- Medicare under budget by \$4.3M (-12.2%) and Medicaid under budget by \$2M (-16.8%)
- Growth at 6.1% across payers from FY24 – largely due to commercial growth at 25.7%, while Medicare and Medicaid dropped -11.4% and -20%, respectively

# Porter

- **NPR** as of 1Q – Porter was running over budget by 1.5% in NPR & FPP
  - It appears in January this takes a negative swing and falls to -0.9% under budget – this swing could be in part from Act 55 impacts
  - Medicare is over offset by a drop in MA
  - Slightly lower than budgeted commercial
- **Other operating revenue** over budget as of 1Q due to 340B revenue
- **Total operating revenue** essentially right on budget, NPR/FPP under, offset by other operating revenue
- **Operating expenses** –
  - Traveler and premium pay expense driving labor overages
  - Also running over from volume driven expenses as of 1Q

\*This budget is input on a month-to-month basis, meaning comparisons of actuals against budgets are estimates of actual year-to-date performance

Revenues	Budget FY26 YTD*	1QFY26	January 2026	YTD (1Q + 1)	YTD Compared to Budget YTD (1Q + 1) / Budget YTD
Gross patient care revenue	\$83,342,329	\$63,011,538	\$19,291,668	\$82,303,206	-1.2%
Net revenue deductions	-\$46,230,816	-\$36,587,933	-\$9,204,817	-\$45,792,750	-0.9%
Net patient care revenue (NPR)	\$37,111,513	\$26,423,605	\$10,086,851	\$36,510,456	-1.6%
Fixed prospective payments (FPP)	\$6,942,453	\$6,335,037	\$807,192	\$7,142,228	2.9%
NPR + FPP	\$44,053,966	\$32,758,641	\$10,894,043	\$43,652,684	-0.9%
Other operating revenue	\$2,295,828	\$2,401,010	\$327,788	\$2,728,797	18.9%
<b>Total Operating revenue</b>	<b>\$46,349,794</b>	<b>\$35,159,651</b>	<b>\$11,221,830</b>	<b>\$46,381,481</b>	<b>0.1%</b>

Expenses	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Fees, salaries & benefits	\$26,331,582	\$20,062,745	\$6,779,002	\$26,841,747	1.9%
All Other Operating Expenses	\$16,891,346	\$12,913,147	\$4,361,199	\$17,274,346	2.3%
<b>Total Operating Expense</b>	<b>\$43,222,928</b>	<b>\$32,975,892</b>	<b>\$11,140,201</b>	<b>\$44,116,093</b>	<b>2.1%</b>

Operating Income	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Operating income	\$3,126,866	\$2,183,759	\$81,629	\$2,265,388	-\$861,478
Operating margin	6.7%	6.2%	0.7%	4.9%	-1.9%

# Porter

- **Gross revenues** are coming in under budget, compared to over budget in FY25 – largely driven by January performance
- **NPR** this year is slightly under budget, while prior year was running slightly over budget
- **Other Operating Revenue** running over, however not as much as prior year – mostly driven by 340B revenue
- **Expenses** running over very slightly, similar to prior year and essentially at budget
- **Positive operating margin** – but slightly under last year performance

Revenues	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs prior year
Gross patient care revenue	\$80,489,472	\$84,671,888	\$82,257,685	\$82,303,206	-4.9%
Net revenue deductions	-\$45,737,134	-\$44,116,644	-\$46,686,417	-\$45,792,750	1.7%
Net patient care revenue (NPR)	\$34,752,338	\$40,555,245	\$35,571,268	\$36,510,456	-12.0%
Fixed prospective payments (FPP)	\$8,690,771	\$4,385,420	\$8,209,184	\$7,142,228	72.4%
NPR + FPP	\$43,443,109	\$44,940,664	\$43,780,452	\$43,652,684	-3.6%
Other operating revenue	\$1,572,730	\$2,295,828	\$2,094,105	\$2,728,797	-10.7%
<b>Total Operating revenue</b>	<b>\$45,015,839</b>	<b>\$47,236,492</b>	<b>\$45,874,557</b>	<b>\$46,381,481</b>	<b>-3.6%</b>

Expenses	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs prior year
Fees, salaries & benefits	\$26,202,860	\$26,343,475	\$26,582,331	\$26,841,747	0.4%
All Other Operating Expenses	\$16,708,358	\$17,517,970	\$16,732,229	\$17,274,346	-1.5%
<b>Total Operating Expense</b>	<b>\$42,911,218</b>	<b>\$43,861,445</b>	<b>\$43,314,561</b>	<b>\$44,116,093</b>	<b>-0.4%</b>

	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)
Operating Income				
Operating income	\$2,104,621	\$3,375,048	\$2,559,997	\$2,265,388
Operating margin	4.7%	7.1%	5.6%	4.9%

\*\*Using straight line methodology

# Porter

- **DCOH** has improved from FY24 to 138.8 in FY25 – this has dropped slightly in FY26 through January to 131.4
- **Days in A/R** increased from FY24 to FY25 by about 4 to 44.8, remains steady through January FY26
- **Current ratio** has increased since FY24 and FY25 to 6.7 through January FY26 (4.4 without funded depreciation) largely due to drops in current liabilities
- **Operating margin** remains strong at 4.9% through January FY26 – comparable to both FY24 and FY25
- **Operating Margin for FY25 *without the Employee Retention Credit*: (-126,485): 4.8%**

## Porter Hospital Financial Indicators

Indicator	FY24	FY25	1Q + 1
Cash & Investments (A)	\$38,127,385	\$48,168,652	\$46,315,991
Average Daily Expense, less depreciation (B)	\$322,232	\$347,040	\$352,395
<b>DCOH (A)/(B)</b>	<b>118.3</b>	<b>138.8</b>	<b>131.4</b>
Net A/R (C)	\$10,836,399	\$12,646,070	\$13,313,926
NPR (D)	\$97,459,409	\$102,925,206	\$36,510,456
<b>Days in A/R (C)/(D) * Total Days</b>	<b>40.7</b>	<b>44.8</b>	<b>44.9</b>
Current Assets (E)	\$57,039,351	\$63,684,811	\$62,533,711
Unrestricted Funded Depreciation (F)	\$26,696,295	\$29,551,059	\$31,868,460
Current Liabilities (G)	\$26,046,779	\$16,393,396	\$14,088,177
<b>Current Ratio (E+F)/(G)</b> <i>*with funded depreciation</i>	<b>3.2</b>	<b>5.7</b>	<b>6.7</b>
<b>Current Ratio (E)/(G)</b> <i>*without funded depreciation</i>	<b>2.2</b>	<b>3.9</b>	<b>4.4</b>
<b>Operating Margin</b>	<b>4.7%</b>	<b>4.9%</b>	<b>4.9%</b>

# Porter

## Service Lines

- No additions or removals to service lines

## FTEs

- Staff FTEs were below budget by 5.5%, but salary expenses were \$1.6M (3%) over budget due to high traveler expense
- Fringe benefits below budget by \$1.2M due to below budget staff FTEs
- Clinical to non-clinical ratio on par with budget – drop in both clinical and non-clinical FTE counts compared to budget

## Quality

- Current CMS star rating: 3

FY25	Budget	FTE Ratio	Actuals	FTE Ratio
Clinical	379	66%	360	66%
Non-Clinical	195	34%	183	34%

# Rutland

## Rutland Regional Medical Center Actuals Income Summary

Revenues	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Gross patient care revenue	\$862,623,622	\$929,356,531	\$973,071,508	\$911,023,717	-6.4%	5.6%
Net revenue deductions	-\$538,845,064	-\$596,469,602	-\$630,574,939	-\$557,356,049	-11.6%	3.4%
Net patient care revenue (NPR)	\$323,778,558	\$332,886,929	\$342,496,569	\$353,667,668	3.3%	9.2%
Fixed prospective payments (FPP)	\$1,256,641	-\$1,342,724	\$0	\$2,638,847		110.0%
NPR + FPP	\$325,035,199	\$331,544,205	\$342,496,569	\$356,306,515	4.0%	9.6%
Other operating revenue	\$21,538,135	\$18,777,064	\$16,374,163	\$26,114,407	59.5%	21.2%
Total Operating revenue	\$346,573,334	\$350,321,269	\$358,870,732	\$382,420,922	6.6%	10.3%

Expenses	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Fees, salaries & benefits	\$179,486,712	\$183,048,713	\$189,541,572	\$189,835,862	0.2%	5.8%
All Other Operating Expenses	\$159,663,955	\$164,031,325	\$162,943,205	\$171,025,112	5.0%	7.1%
Total Operating Expense	\$339,150,667	\$347,080,038	\$352,484,777	\$360,860,974	2.4%	6.4%

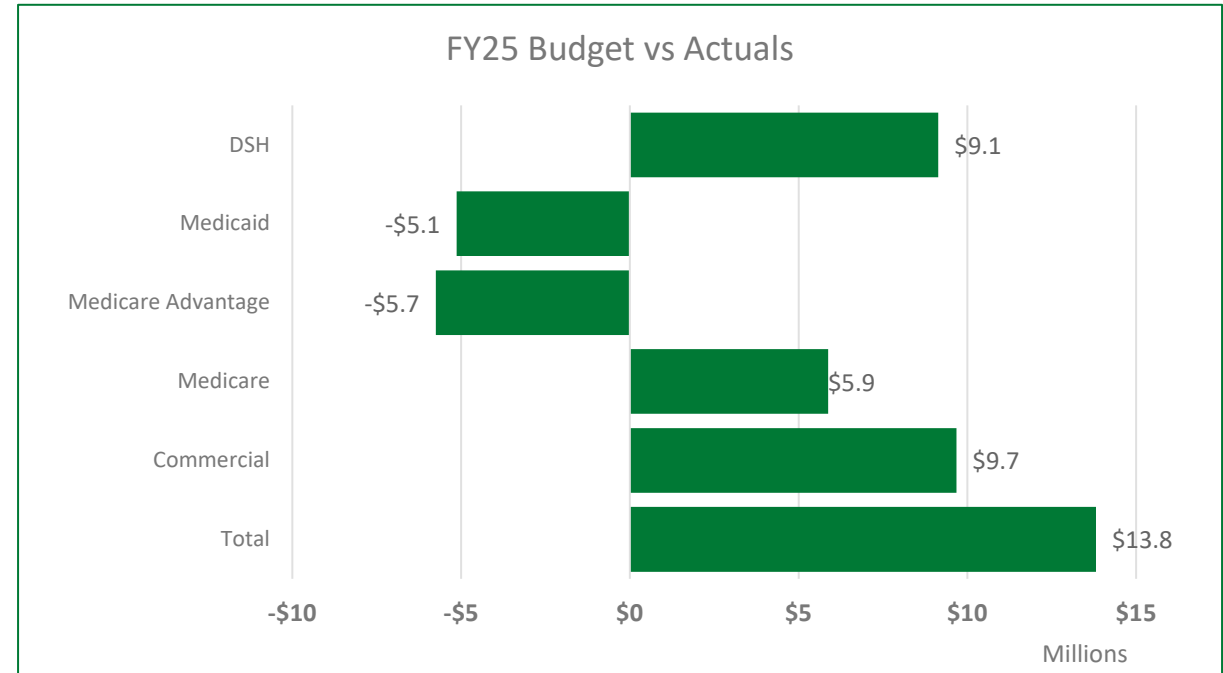
	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals
Operating Income				
Operating income	\$7,422,666	\$3,241,231	\$6,385,955	\$21,559,948
Operating margin	2.1%	0.9%	1.8%	5.6%

\*As submitted in adaptive – not to be used to compare overages for enforcement

# Rutland

Rutland Regional Medical Center	FY25 Budget*	FY25 Actuals	FY25 Budget vs. Actuals	Actuals compared to budget
<b>Total</b>	<b>\$342,496,568</b>	<b>\$356,306,518</b>	<b>\$13,809,949</b>	<b>4.0%</b>
<b>Commercial</b>	\$169,234,437	\$178,909,407	\$9,674,970	<b>5.7%</b>
<b>Medicare</b>	\$91,736,311	\$97,608,066	\$5,871,755	<b>6.4%</b>
<b>Medicare Advantage</b>	\$46,576,047	\$40,829,168	-\$5,746,879	<b>-12.3%</b>
<b>Medicaid</b>	\$34,949,773	\$29,818,167	-\$5,131,606	<b>-14.7%</b>
<b>Unallocated</b>	\$0	\$9,141,709	\$9,141,709	

Rutland Regional Medical Center	FY24 Actuals	FY25 Actuals	Growth from FY24
<b>Commercial</b>	\$173,602,631	\$178,909,407	<b>3.1%</b>
<b>Medicare</b>	\$86,953,924	\$97,608,066	<b>12.3%</b>
<b>Medicare Advantage</b>	\$42,340,274	\$40,829,168	<b>-3.6%</b>
<b>Medicaid</b>	\$34,121,475	\$29,818,167	<b>-12.6%</b>
<b>Unallocated</b>	-\$5,474,098	\$9,141,709	<b>-267.0%</b>
<b>Total</b>	\$331,544,206	\$356,306,518	<b>7.5%</b>



## Key Takeaways

- Commercial over budget by \$9.7M (5.7%) -> **moving forward, this would trigger enforcement**
- Medicare over budget by \$5.9M (6.4%), Medicaid and MA under budget by -14.7% and -12.3%, respectively
- Rutland received a low volume decrease adjustment of \$9.48M – without this: budget order (at \$345M) vs. actuals is within 1%
- Growth at 7.5% across payers from FY24 – commercial and Medicare contribute to this growth, while MA & Medicaid have dropped.

# Rutland

- **NPR** over by 1.4%
  - Major commercial & Medicare payers running over
  - Offset by lower than budget Medicaid & Medicare Advantage
- **Other operating revenue** substantially over – mostly driven by 340B revenues, followed by specialty/outpatient pharmacy
- **Total operating revenue** very over budget at 6.1% over
- **Operating expenses** –
  - Coming in over in both labor expense & other operating expense
- Hard to determine impact from Act 55 as of January
- **Operating Margin** – Well over budget

\*This budget is input on a month-to-month basis, meaning comparisons of actuals against budgets are estimates of actual year-to-date performance

Revenues	Budget FY26 YTD*	1QFY26	January 2026	YTD (1Q + 1)	YTD Compared to Budget YTD (1Q + 1) / Budget YTD
Gross patient care revenue	\$313,482,353	\$229,487,133	\$72,668,456	\$302,155,589	-3.6%
Net revenue deductions	-\$198,202,025	-\$144,162,957	-\$41,415,524	-\$185,578,481	-6.4%
Net patient care revenue (NPR)	\$115,280,328	\$85,324,176	\$31,252,932	\$116,577,108	1.1%
Fixed prospective payments (FPP)	\$382,936	\$682,478	\$6,714	\$689,192	80.0%
NPR + FPP	\$115,663,264	\$86,006,654	\$31,259,646	\$117,266,300	1.4%
Other operating revenue	\$6,672,245	\$9,490,247	\$3,042,202	\$12,532,449	87.8%
<b>Total Operating revenue</b>	<b>\$122,335,509</b>	<b>\$95,496,901</b>	<b>\$34,301,848</b>	<b>\$129,798,749</b>	<b>6.1%</b>

Expenses	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Fees, salaries & benefits	\$66,232,797	\$50,775,435	\$17,304,465	\$68,079,900	2.8%
All Other Operating Expenses	\$56,978,129	\$44,803,286	\$15,117,531	\$59,920,817	5.2%
<b>Total Operating Expense</b>	<b>\$123,210,926</b>	<b>\$95,578,721</b>	<b>\$32,421,996</b>	<b>\$128,000,717</b>	<b>3.9%</b>

Operating Income	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Operating income	-\$875,417	-\$81,820	\$1,879,852	\$1,798,032	\$2,673,449
Operating margin	-0.7%	-0.1%	5.5%	1.4%	2.1%

# Rutland

- **Gross revenues** are above budget, which is an improvement to last year when gross revenues fell well below budget
- **NPR** is coming in above budget to a greater extent than prior year
- **Other Operating revenue** is up significantly compared to budget and to a greater extent than prior year
- **Expenses** over budget driven by both labor and non-labor expenses; prior year was over budget in non-labor but under budget in labor expense
- **Positive operating margin** at 1.4% - an improvement over budget (-1.4%) but worse performance compared to prior year

Revenues	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs prior year
Gross patient care revenue	\$324,357,169	\$301,183,899	\$305,951,481	\$302,155,589	6.4%
Net revenue deductions	-\$210,191,646	-\$189,097,351	-\$190,920,238	-\$185,578,481	8.0%
Net patient care revenue (NPR)	\$114,165,523	\$112,086,549	\$115,031,243	\$116,577,108	3.2%
Fixed prospective payments (FPP)	\$0	\$127,645	\$261,426	\$689,192	
NPR + FPP	\$114,165,523	\$112,214,194	\$115,292,669	\$117,266,300	3.5%
Other operating revenue	\$5,458,054	\$6,940,734	\$7,208,657	\$12,532,449	36.7%
<b>Total Operating revenue</b>	<b>\$119,623,577</b>	<b>\$119,154,928</b>	<b>\$122,501,326</b>	<b>\$129,798,749</b>	<b>6.4%</b>

Expenses	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs prior year
Fees, salaries & benefits	\$63,180,524	\$65,181,510	\$62,320,812	\$68,079,900	5.9%
All Other Operating Expenses	\$54,314,402	\$55,629,286	\$55,043,791	\$59,920,817	6.3%
<b>Total Operating Expense</b>	<b>\$117,494,926</b>	<b>\$120,810,796</b>	<b>\$117,364,603</b>	<b>\$128,000,717</b>	<b>6.1%</b>

	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)
Operating Income				
Operating income	\$2,128,652	-\$1,655,868	\$5,136,722	\$1,798,032
Operating margin	1.8%	-1.4%	4.2%	1.4%

\*\*Using straight line methodology

# Rutland

- **DCOH** remains strong around 250
- **Days in A/R** has increased slightly since FY25 to 40.1, but remains in the average performance range
- **Current ratio** continues to increase due to increases in current assets and unrestricted funded depreciation, while current liabilities has also continued to drop
- **Operating margin** is positive at 1.4% through January FY26 – this is an improvement from FY24 (0.9%) but worse performance than FY25 (5.6%)

## Rutland Financial Indicators

Indicator	FY24	FY25	1Q + 1
Cash & Investments (A)	\$223,427,157	\$238,799,177	\$251,598,383
Average Daily Expense, less depreciation (B)	\$912,846	\$953,026	\$1,004,122
<b>DCOH (A)/(B)</b>	<b>244.8</b>	<b>250.6</b>	<b>250.6</b>
Net A/R (C)	\$30,384,869	\$33,795,542	\$38,041,597
NPR (D)	\$332,886,929	\$353,667,668	\$116,577,108
<b>Days in A/R (C)/(D) * Total Days</b>	<b>33.4</b>	<b>34.9</b>	<b>40.1</b>
Current Assets (E)	\$66,875,982	\$82,375,185	\$78,809,002
Unrestricted Funded Depreciation (F)	\$202,223,868	\$219,655,066	\$225,070,367
Current Liabilities (G)	\$50,946,772	\$46,676,769	\$42,597,450
<b>Current Ratio (E+F)/(G)</b> <i>*with funded depreciation</i>	<b>5.3</b>	<b>6.5</b>	<b>7.1</b>
<b>Current Ratio (E)/(G)</b> <i>*without funded depreciation</i>	<b>1.3</b>	<b>1.8</b>	<b>1.9</b>
<b>Operating Margin</b>	<b>0.9%</b>	<b>5.6%</b>	<b>1.4%</b>

# Rutland

FY25	Budget	FTE Ratio	Actuals	FTE Ratio
Clinical	815	62%	676	60%
Non-Clinical	509	38%	454	40%

## Service Lines

- No changes to service lines

## FTEs

- Physician salaries exceeded budget by \$1.6M largely due to locum and per diem coverage as a result of multiple leaves of absence and staffing shortages
- Fringe benefits below budget by \$1.8M due to lower than anticipated claim activity
- Clinical to non-clinical ratio dropped slightly from FY25 budget – clinical and non-clinical FTE counts down from budget

## Quality

- Current CMS star rating: 1
- Overall quality appeared to have worsened between FY24 and FY25 – note that there is a reporting lag

Fiscal Year	Value Based Purchasing Program National Percentile	Value Based Purchasing Program Payment Adjustment	Readmission Reduction Program Payment Adjustment	Hospital-Acquired Condition Reduction Program Payment Adjustment
FY24	38%	-0.29%	-0.64%	0%
FY25	6%	-1.11%	-0.59%	-1%

## Southwestern VT Medical Center Actuals Income Summary

Revenues	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Gross patient care revenue	\$459,782,526	\$512,553,354	\$542,874,697	\$541,730,875	-0.2%	17.8%
Net revenue deductions	-\$304,193,863	-\$340,193,354	-\$362,722,901	-\$363,192,984	0.1%	19.4%
Net patient care revenue (NPR)	\$155,588,663	\$172,360,000	\$180,151,796	\$178,537,891	-0.9%	14.7%
Fixed prospective payments (FPP)	\$29,113,085	\$29,609,757	\$30,429,000	\$29,162,541	-4.2%	0.2%
NPR + FPP	\$184,701,748	\$201,969,757	\$210,580,796	\$207,700,432	-1.4%	12.5%
Other operating revenue	\$12,035,405	\$15,288,285	\$14,928,547	\$22,865,268	53.2%	90.0%
Total Operating revenue	\$196,737,153	\$217,258,042	\$225,509,343	\$230,565,700	2.2%	17.2%

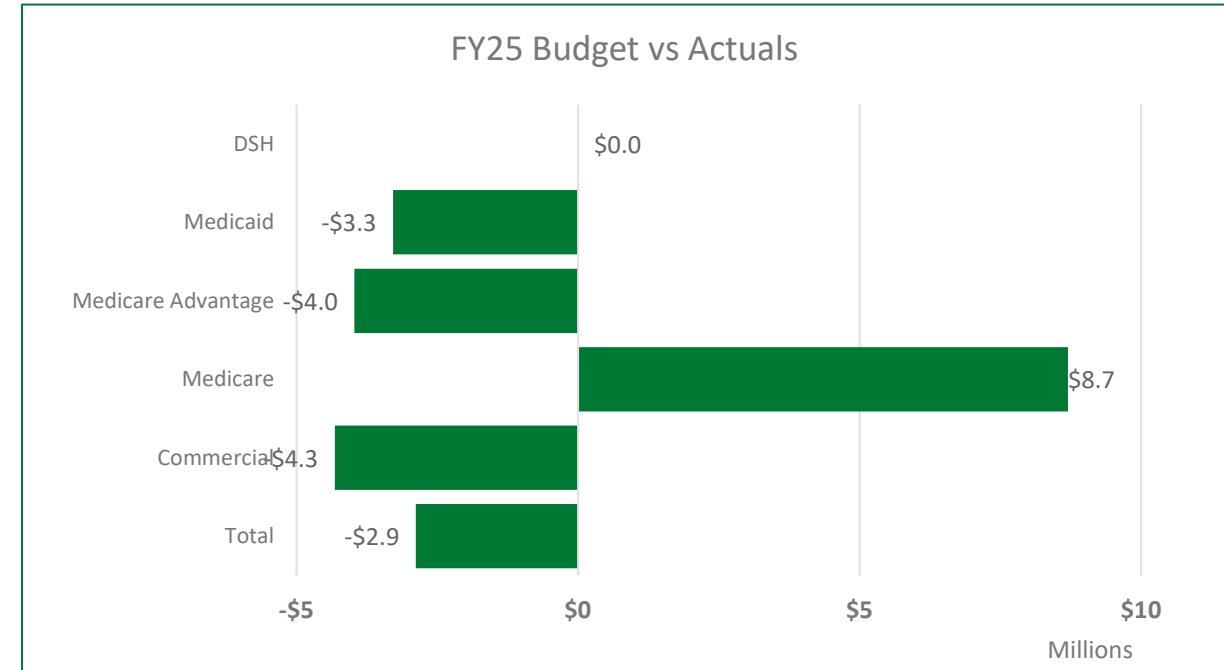
Expenses	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Fees, salaries & benefits	\$117,567,897	\$131,719,179	\$128,436,466	\$136,435,271	6.2%	16.0%
All Other Operating Expenses	\$86,580,957	\$85,466,159	\$93,470,546	\$91,035,292	-2.6%	5.1%
Total Operating Expense	\$204,148,854	\$217,185,338	\$221,907,012	\$227,470,563	2.5%	11.4%

	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals
Operating Income				
Operating income	-\$7,411,702	\$72,704	\$3,602,331	\$3,095,137
Operating margin	-3.8%	0.0%	1.6%	1.3%

# SVMC

Southwestern VT Medical Center	FY25 Budget	FY25 Actuals	FY25 Budget vs. Actuals	Actuals compared to budget
<b>Total</b>	<b>\$210,580,797</b>	<b>\$207,700,443</b>	<b>-\$2,880,354</b>	<b>-1.4%</b>
Commercial	\$112,570,864	\$108,251,032	-\$4,319,832	-3.8%
Medicare	\$52,798,953	\$61,499,808	\$8,700,855	16.5%
Medicare Advantage	\$23,153,451	\$19,179,458	-\$3,973,993	-17.2%
Medicaid	\$22,057,529	\$18,770,145	-\$3,287,384	-14.9%
DSH	\$0	\$0	\$0	

Southwestern VT Medical Center	FY24 Actuals	FY25 Actuals	Growth from FY24
Commercial	\$40,306,869	\$108,251,032	168.6%
Medicare	\$48,721,973	\$61,499,808	26.2%
Medicare Advantage	\$91,053,346	\$19,179,458	-78.9%
Medicaid	\$21,887,569	\$18,770,145	-14.2%
DSH	\$0	\$0	
<b>Total</b>	<b>\$201,969,757</b>	<b>\$207,700,443</b>	<b>2.8%</b>



## Key Takeaways

- Commercial under budget by \$4.3M (-3.8%), MA under by \$4M (-17.2%), Medicaid under by \$3.3M (-14.9%)
- Medicare over budget by \$8.7M (16.5%)
- Growth at 2.8% across payers from FY24 – reporting anomaly appears to skew 2024 data – no meaningful trends can be observed

# SVMC

- **NPR & FPP** slightly under budget at -0.3%
  - Shift in volumes from Medicaid to Medicare & commercial
  - Commercial NPR coming in over budget
  - MA, Medicare are under budget
  - Medicaid remains flat
- **Other operating revenue** over 112.4% - largely due to 340B & additional COVID stimulus checks
- **Total operating revenue** over 5.4%
- **Operating expenses** –
  - Operating expense variance driven by higher 340B costs & administrative expenses, according to 1Q narrative

\*This budget is input on a month-to-month basis, meaning comparisons of actuals against budgets are estimates of actual year-to-date performance

Revenues	Budget FY26 YTD*	1QFY26	January 2026	YTD (1Q + 1)	YTD Compared to Budget YTD (1Q + 1) / Budget YTD
Gross patient care revenue	\$194,153,003	\$148,673,904	\$50,012,569	\$198,686,473	2.3%
Net revenue deductions	-\$122,902,681	-\$96,857,642	-\$33,550,208	-\$130,407,850	6.1%
Net patient care revenue (NPR)	\$71,250,322	\$51,816,262	\$16,462,361	\$68,278,623	-4.2%
Fixed prospective payments (FPP)	\$0	\$1,763,886	\$1,027,116	\$2,791,002	
<b>NPR + FPP</b>	\$71,250,322	\$53,580,148	\$17,489,477	\$71,069,625	-0.3%
Other operating revenue	\$3,740,647	\$5,620,141	\$2,325,734	\$7,945,875	112.4%
<b>Total Operating revenue</b>	\$74,990,969	\$59,200,289	\$19,815,211	\$79,015,500	5.4%

Expenses	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Fees, salaries & benefits	\$47,011,120	\$34,341,534	\$11,936,219	\$46,277,753	-1.6%
All Other Operating Expenses	\$28,965,485	\$23,480,262	\$7,533,195	\$31,013,457	7.1%
<b>Total Operating Expense</b>	\$75,976,605	\$57,821,796	\$19,469,414	\$77,291,210	1.7%

Operating Income	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Operating income	-\$985,636	\$1,378,493	\$345,797	\$1,724,290	\$2,709,926
<b>Operating margin</b>	-1.3%	2.3%	1.7%	2.2%	3.5%

# SVMC

- **Gross revenues** are over budget and up significantly compared to prior year
- **NPR** is under budget but still up from the prior year – closer to budget when including FPP
- **Other Operating revenue** is significantly over budget, compared to prior year where it was over only slightly
- **Expenses** are coming in over slightly; labor expense is under budget (compared to prior year being over) and non-labor expense is over budget (compared to prior year being under)
- **Positive operating margin** at 2.2%, which is an improvement to budget and prior year

Revenues	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs prior year
Gross patient care revenue	\$180,958,232	\$194,557,155	\$178,123,773	\$198,686,473	3.7%
Net revenue deductions	-\$120,907,634	-\$122,982,800	-\$118,524,060	-\$130,407,850	8.2%
Net patient care revenue (NPR)	\$60,050,599	\$71,574,355	\$59,599,713	\$68,278,623	-3.9%
Fixed prospective payments (FPP)	\$10,143,000	\$0	\$9,944,436	\$2,791,002	
NPR + FPP	\$70,193,599	\$71,574,355	\$69,544,149	\$71,069,625	0.2%
Other operating revenue	\$4,976,182	\$3,813,993	\$5,860,274	\$7,945,875	76.9%
<b>Total Operating revenue</b>	<b>\$75,169,781</b>	<b>\$75,388,348</b>	<b>\$75,404,423</b>	<b>\$79,015,500</b>	<b>4.5%</b>

Expenses	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs prior year
Fees, salaries & benefits	\$42,812,155	\$47,478,196	\$45,265,627	\$46,277,753	-7.8%
All Other Operating Expenses	\$31,156,849	\$29,352,391	\$29,695,784	\$31,013,457	10.9%
<b>Total Operating Expense</b>	<b>\$73,969,004</b>	<b>\$76,830,587</b>	<b>\$74,961,411</b>	<b>\$77,291,210</b>	<b>-0.7%</b>

	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)
Operating Income				
Operating income	\$1,200,777	-\$1,442,239	\$443,012	\$1,724,290
Operating margin	1.6%	-1.9%	0.6%	2.2%

\*\*Using straight line methodology

# SVMC

- **DCOH** continues to drop – important to note that SVMC does hold cash at the parent company
- **Days in A/R** has increased from FY24 to around 45 in FY25 and FY26 through January – still considered average performance
- **Current ratio** is relatively stable but low – less than 1 (breakeven)
- **Operating margin** is at 2.2% through January FY26 – this is better performance than FY24 (0%) and FY25 (1.3%)
- **Operating Margin for FY25 *without* the Employee Retention Credit: (-337,219): 1.2%**

## SVMC Financial Indicators

Indicator	FY24	FY25	1Q + 1
Cash & Investments (A)	\$30,573,559	\$20,733,514	\$16,554,294
Average Daily Expense, less depreciation (B)	\$575,946	\$605,453	\$610,129
<b>DCOH (A)/(B)</b>	<b>53.1</b>	<b>34.2</b>	<b>27.1</b>
Net A/R (C)	\$18,272,819	\$22,269,631	\$25,099,475
NPR (D)	\$172,360,000	\$178,537,891	\$68,278,623
<b>Days in A/R (C)/(D) * Total Days</b>	<b>38.8</b>	<b>45.5</b>	<b>45.2</b>
Current Assets (E)	\$32,903,291	\$39,410,765	\$40,095,766
Unrestricted Funded Depreciation (F)	\$10,167,989	\$8,952,512	\$9,227,322
Current Liabilities (G)	\$53,801,441	\$52,271,984	\$55,803,914
<b>Current Ratio (E+F)/(G)</b> <i>*with funded depreciation</i>	<b>0.8</b>	<b>0.9</b>	<b>0.9</b>
<b>Current Ratio (E)/(G)</b> <i>*without funded depreciation</i>	<b>0.6</b>	<b>0.8</b>	<b>0.7</b>
<b>Operating Margin</b>	<b>0.0%</b>	<b>1.3%</b>	<b>2.2%</b>

# SVMC

FY25	Budget	FTE Ratio	Actuals	FTE Ratio
Clinical	693	75%	703	75%
Non-Clinical	226	25%	230	25%

## Service Lines

- Radiology transitioned from a private entity to the hospital with closing of Bennington’s private Radiology practice
  - Not a new service; transition began in FY25
- Bariatrics surgery cases were introduced as a new service in the FY26 budget and began in late FY25

## FTEs

- Large positive variances in salaries and wages due in large part to restructuring many administrative positions and benefits
- Clinical to non-clinical ratio aligns with budget

## Quality

- Current CMS star rating: 4 (only one of two Vermont hospitals)
- VBP program adjustment went from a positive to negative adjustment; no adjustment for HAC reduction program

Fiscal Year	Value Based Purchasing Program National Percentile	Value Based Purchasing Program Payment Adjustment	Readmission Reduction Program Payment Adjustment	Hospital-Acquired Condition Reduction Program Payment Adjustment
FY24	59%	0.23%	-0.40%	-1%
FY25	37%	-0.30%	-0.29%	0%

# Springfield

## Springfield Hospital Actuals Income Summary

Revenues	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Gross patient care revenue	\$126,374,858	\$146,101,836	\$148,924,669	\$154,595,282	3.8%	22.3%
Net revenue deductions	-\$70,967,069	-\$87,609,499	-\$84,461,242	-\$94,783,865	12.2%	33.6%
Net patient care revenue (NPR)	\$55,407,788	\$58,492,337	\$64,463,427	\$59,811,417	-7.2%	7.9%
Fixed prospective payments (FPP)	\$0	\$3,947,862	\$0	\$4,334,962		
NPR + FPP	\$55,407,788	\$62,440,199	\$64,463,427	\$64,146,379	-0.5%	15.8%
Other operating revenue	\$4,100,379	\$1,231,073	\$939,000	\$6,623,953	605.4%	61.5%
Total Operating revenue	\$59,508,168	\$63,671,273	\$65,402,427	\$70,770,332	8.2%	18.9%

Expenses	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Fees, salaries & benefits	\$34,690,771	\$35,493,885	\$37,553,857	\$39,117,205	4.2%	12.8%
All Other Operating Expenses	\$25,374,480	\$28,883,530	\$26,861,687	\$31,156,358	16.0%	22.8%
Total Operating Expense	\$60,065,251	\$64,377,414	\$64,415,544	\$70,273,563	9.1%	17.0%

Operating Income	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals
Operating income	-\$557,083	-\$706,142	\$986,883	\$496,768
Operating margin	-0.9%	-1.1%	1.5%	0.7%

# Springfield

- **NPR** over 1.3% - based off of Gross revenues, this is largely driven by increased volume
- **Other operating revenue** over 18.9%
- **Total operating revenue** over 1.5%
- **Operating expenses** –
  - Labor expense slightly under, non-labor expense over causing total operating expense to be over budget by 5.2%
  - A large driver of this overage is in traveler expense

Revenues	Budget FY26 YTD*	1QFY26	YTD Compared to Budget YTD (1Q + 1) / Budget YTD
Gross patient care revenue	\$41,379,555	\$43,293,272	4.6%
Net revenue deductions	-\$25,168,326	-\$26,758,327	6.3%
Net patient care revenue (NPR)	\$16,211,229	\$16,534,945	2.0%
Fixed prospective payments (FPP)	\$1,103,551	\$1,010,018	-8.5%
NPR + FPP	\$17,314,780	\$17,544,963	1.3%
Other operating revenue	\$196,146	\$233,211	18.9%
<b>Total Operating revenue</b>	<b>\$17,510,926</b>	<b>\$17,778,174</b>	<b>1.5%</b>

Expenses	Budget YTD*	1Q	YTD Compared to Budget
Fees, salaries & benefits	\$10,436,286	\$10,350,452	-0.8%
All Other Operating Expenses	\$7,100,420	\$8,100,548	14.1%
<b>Total Operating Expense</b>	<b>\$17,536,706</b>	<b>\$18,451,000</b>	<b>5.2%</b>

Operating Income	Budget YTD*	1Q	YTD Compared to Budget
Operating income	-\$25,780	-\$672,826	-\$647,046
Operating margin	-0.1%	-3.8%	-3.6%

\*\*This budget is input on a month-to-month basis, meaning comparisons of actuals against budgets are estimates of actual year-to-date performance

# Springfield

- **Gross revenues** are coming in higher than budget – prior year was closer to budget
- **NPR** is on budget, an improvement from prior year when they were well below
- **Other Operating revenue** is coming in slightly over budget, similar to prior year
- **Expenses** are over budget to a greater extent than prior year
- **Negative operating margin** at -3.8%, worse than budgeted and prior year

Revenues	Budget FY25 straight line (1/4)	Budget FY26 straight line (1/4)	FY25 YTD (1Q)	FY26YTD (1Q)	YTD variance vs prior year
Gross patient care revenue	\$37,231,167	\$41,708,358	\$37,075,786	\$43,293,272	4.2%
Net revenue deductions	-\$21,115,311	-\$25,360,786	-\$22,234,385	-\$26,758,327	0.2%
Net patient care revenue (NPR)	\$16,115,857	\$16,347,572	\$14,841,401	\$16,534,945	9.8%
Fixed prospective payments (FPP)	\$0	\$1,103,551	\$936,089	\$1,010,018	
NPR + FPP	\$16,115,857	\$17,451,123	\$15,777,490	\$17,544,963	2.7%
Other operating revenue	\$234,750	\$200,000	\$269,635	\$233,211	1.5%
<b>Total Operating revenue</b>	<b>\$16,350,607</b>	<b>\$17,651,123</b>	<b>\$16,047,125</b>	<b>\$17,778,174</b>	<b>2.6%</b>

Expenses	Budget FY25 straight line (1/4)	Budget FY26 straight line (1/4)	FY25 YTD (1Q)	FY26YTD (1Q)	YTD variance vs prior year
Fees, salaries & benefits	\$9,388,464	\$10,540,879	\$9,092,908	\$10,350,452	1.4%
All Other Operating Expenses	\$6,715,422	\$7,103,859	\$7,437,044	\$8,100,548	3.0%
<b>Total Operating Expense</b>	<b>\$16,103,886</b>	<b>\$17,644,738</b>	<b>\$16,529,952</b>	<b>\$18,451,000</b>	<b>1.9%</b>

Operating Income	Budget FY25 straight line (1/4)	Budget FY26 straight line (1/4)	FY25 YTD (1Q)	FY26YTD (1Q)
Operating income	\$246,721	\$6,385	-\$482,827	-\$672,826
Operating margin	1.5%	0.0%	-3.0%	-3.8%

\*\*Using straight line methodology

# Springfield

- **DCOH** increased from FY24 to FY25 by over 12, but has since dropped back to 45 in FY26 1Q
- **Days in A/R** remains high at 74.5 but is still an improvement over FY24 and FY25, however still below average performance
- **Current ratio** improved from FY24 and has remained consistent at 2 – note that Springfield does not have any unrestricted funded depreciation
- **Operating margin** is at -3.8% through 1Q – worse than FY24 (-1.1%) and FY25 (0.7%)
- **Operating Margin for FY25 *without* the Employee Retention Credit:** (-5.6M): -7.9%

## Springfield Hospital Financial Indicators

Indicator	FY24	FY25	1Q
Cash & Investments (A)	\$7,408,062	\$10,468,432	\$8,846,057
Average Daily Expense, less depreciation (B)	\$172,356	\$188,796	\$196,637
<b>DCOH (A)/(B)</b>	<b>43.0</b>	<b>55.4</b>	<b>45.0</b>
Net A/R (C)	\$12,273,534	\$12,782,754	\$13,395,514
NPR (D)	\$58,492,337	\$59,811,417	\$16,534,945
<b>Days in A/R (C)/(D) * Total Days</b>	<b>76.8</b>	<b>78.0</b>	<b>74.5</b>
Current Assets (E)	\$24,630,358	\$27,489,329	\$26,252,072
Unrestricted Funded Depreciation (F)	\$0	\$0	\$0
Current Liabilities (G)	\$18,977,712	\$13,688,262	\$12,921,808
<b>Current Ratio (E+F)/(G)</b> <i>*with funded depreciation</i>	<b>1.3</b>	<b>2.0</b>	<b>2.0</b>
<b>Current Ratio (E)/(G)</b> <i>*without funded depreciation</i>	<b>1.3</b>	<b>2.0</b>	<b>2.0</b>
<b>Operating Margin</b>	<b>-1.1%</b>	<b>0.7%</b>	<b>-3.8%</b>

# Springfield

## Service Lines

- Have not received a narrative from Springfield, so service line changes are unknown

## FTEs

- Clinical to non-clinical ratio dropped from FY25 budget – largely due to clinical FTEs dropping

## Quality

- Current CMS star rating: 2

\* Note Springfield has requested an extension to March 20<sup>th</sup> to submit required actuals information.

FY25	Budget	FTE Ratio	Actuals	FTE Ratio
Clinical	191	58%	142	52%
Non-Clinical	140	42%	133	48%

## UVMHC Actuals Income Summary

Revenues	FY23 Actuals	FY24 Actuals	FY25* Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Gross patient care revenue	\$4,271,005,855	\$4,689,972,863	\$4,595,022,544	\$4,767,538,800	3.8%	11.6%
Net revenue deductions	-\$2,750,063,520	-\$3,022,081,635	-\$2,915,616,090	-\$3,084,218,253	5.8%	12.2%
Net patient care revenue (NPR)	\$1,520,942,336	\$1,667,891,228	\$1,679,406,454	\$1,683,320,547	0.2%	10.7%
Fixed prospective payments (FPP)	\$218,073,448	\$238,881,601	\$224,113,658	\$264,302,320	17.9%	21.2%
NPR + FPP	\$1,739,015,783	\$1,906,772,829	\$1,903,520,112	\$1,947,622,867	2.3%	12.0%
Other operating revenue	\$328,946,447	\$396,108,981	\$420,358,186	\$470,918,408	12.0%	43.2%
Total Operating revenue	\$2,067,962,231	\$2,302,881,810	\$2,323,878,298	\$2,418,541,275	4.1%	17.0%

Expenses	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals	Budget-to-Actuals variance	FY23 to FY25 actual growth
Fees, salaries & benefits	\$1,114,895,214	\$1,230,582,211	\$1,248,578,298	\$1,301,005,640	4.2%	16.7%
All Other Operating Expenses	\$888,516,795	\$1,009,655,618	\$1,005,983,969	\$1,085,522,841	7.9%	22.2%
Total Operating Expense	\$2,003,412,010	\$2,240,237,829	\$2,254,562,267	\$2,386,528,481	5.9%	19.1%

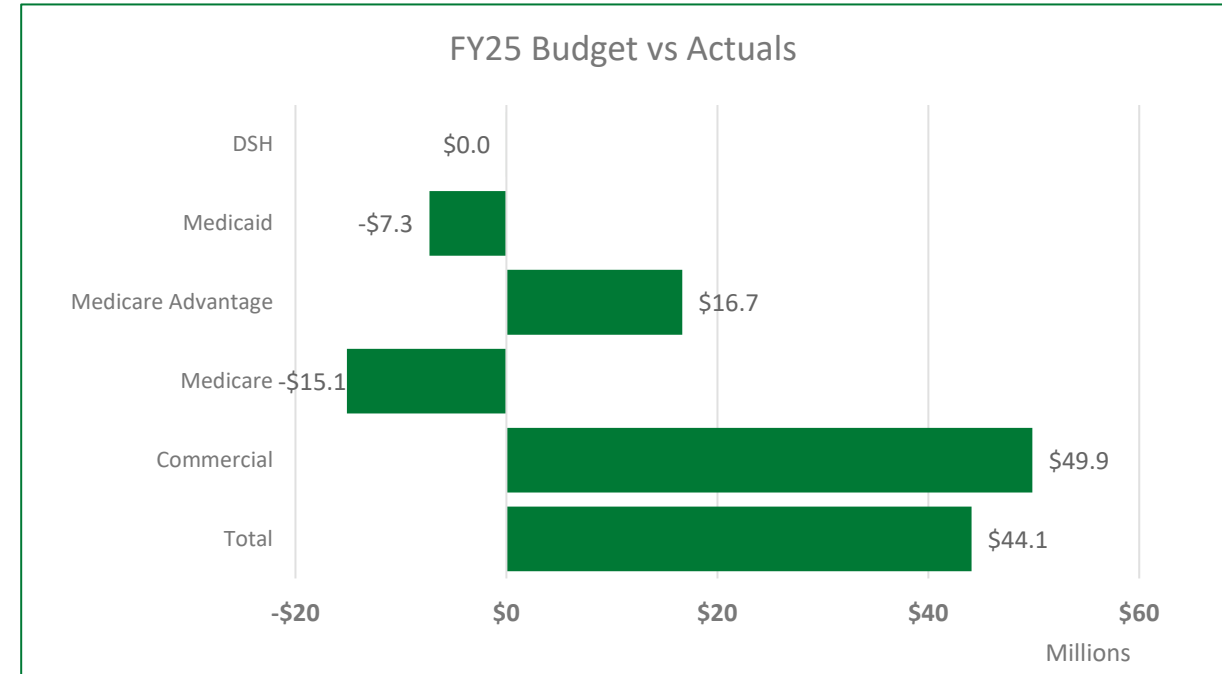
	FY23 Actuals	FY24 Actuals	FY25 Budget	FY25 Actuals
Operating Income				
Operating income	\$64,550,221	\$62,643,981	\$69,316,031	\$32,012,794
Operating margin	3.1%	2.7%	3.0%	1.3%

\*As submitted in adaptive – not to be used to compare overages for enforcement

# UVMHC

The University of Vermont Medical Center	FY25 Budget	FY25 Actuals	FY25 Budget vs. Actuals	Actuals compared to budget
<b>Total</b>	<b>\$1,903,520,112</b>	<b>\$1,947,622,867</b>	<b>\$44,102,755</b>	<b>2.3%</b>
Commercial	\$1,103,300,741	\$1,153,180,044	\$49,879,302	4.5%
Medicare	\$393,589,362	\$378,466,405	-\$15,122,958	-3.8%
Medicare Advantage	\$198,273,805	\$214,938,662	\$16,664,856	8.4%
Medicaid	\$197,073,892	\$189,777,516	-\$7,296,375	-3.7%
DSH	\$11,282,311	\$11,260,240	-\$22,071	-0.2%

The University of Vermont Medical Center	FY24 Actuals	FY25 Actuals	Growth from FY24
Commercial	\$1,104,991,271	\$1,153,180,044	4.4%
Medicare	\$383,768,624	\$378,466,405	-1.4%
Medicare Advantage	\$201,998,574	\$214,938,662	6.4%
Medicaid	\$204,720,394	\$189,777,516	-7.3%
DSH	\$11,293,966	\$11,260,240	-0.3%
<b>Total</b>	<b>\$1,906,772,829</b>	<b>\$1,947,622,867</b>	<b>2.1%</b>



## Key Takeaways

- Commercial over budget by \$49.9M (4.5%) -> **moving forward, this would trigger enforcement**
- Medicare and Medicaid under budget at -3.8% and -3.7%, respectively
- Growth at 2.1% across payers from FY24 – largely from commercial and MA growth, as Medicare and Medicaid have both decreased

# UVMHC

- **NPR+FPP** over YTD by 1.7%, this is driven by Commercial and Medicaid, offset by Medicare & MA
  - **Other operating revenue** significantly over- driven by Retail pharmacy demand according to 1Q narrative
  - **Total operating revenue** over by 5.2%, primarily driven by other operating revenue
- Operating expenses –**
- Labor expense close to budget due to lower health insurance claims experience
  - Non-labor expense over due to Retail pharmacy, Pharmaceuticals, Med/Surg supplies & Purchased Services, as well as mental health investments & efficiency initiatives
- **Operating Margin** significantly drops for January – partially due to rate impacts & overages in expenses

\*This budget is input on a month-to-month basis, meaning comparisons of actuals against budgets are estimates of actual year-to-date performance

Revenues	Budget FY26 YTD*	1QFY26	January 2026	YTD (1Q + 1)	YTD Compared to Budget YTD (1Q + 1) / Budget YTD
Gross patient care revenue	\$1,474,681,617	\$1,118,543,588	\$324,178,561	\$1,442,722,149	-2.2%
Net revenue deductions	-\$935,848,500	-\$709,227,908	-\$182,813,870	-\$892,041,778	-4.7%
Net patient care revenue (NPR)	\$538,833,117	\$409,315,680	\$141,364,691	\$550,680,371	2.2%
Fixed prospective payments (FPP)	\$77,454,955	\$65,442,396	\$10,511,072	\$75,953,468	-1.9%
NPR + FPP	\$616,288,072	\$474,758,076	\$151,875,763	\$626,633,839	1.7%
Other operating revenue	\$153,123,257	\$139,779,918	\$43,163,467	\$182,943,386	19.5%
<b>Total Operating revenue</b>	<b>\$769,411,329</b>	<b>\$614,537,994</b>	<b>\$195,039,230</b>	<b>\$809,577,225</b>	<b>5.2%</b>

Expenses	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Fees, salaries & benefits	\$448,339,569	\$333,214,504	\$116,356,270	\$449,570,774	0.3%
All Other Operating Expenses	\$316,182,692	\$276,234,234	\$91,662,380	\$367,896,615	16.4%
<b>Total Operating Expense</b>	<b>\$764,522,261</b>	<b>\$609,448,738</b>	<b>\$208,018,650</b>	<b>\$817,467,389</b>	<b>6.9%</b>

Operating Income	Budget YTD*	1Q	Jan-26	YTD (1Q + 1)	YTD Compared to Budget
Operating income	\$4,889,068	\$5,089,256	-\$12,979,420	-\$7,890,164	-\$12,779,232
Operating margin	0.6%	0.8%	-6.7%	-1.0%	-1.6%

# UVMHC

- **Gross revenues** under budget, compared to prior year being over budget – overall gross revenues down from prior year
- **NPR** is also under budget, very close to the prior year amount
- **Other Operating revenue** is over budget, compared to prior year being under budget
- **Expenses** are over budget – labor expense is over but to a smaller degree than prior year, non-labor expenses are significantly over budget largely due to pharmaceuticals
- **Negative operating margin** at -1% - worse than budgeted and prior year

Revenues	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs prior year
Gross patient care revenue	\$1,531,674,181	\$1,489,826,762	\$1,583,900,302	\$1,442,722,149	-6.4%
Net revenue deductions	-\$971,872,030	-\$907,200,982	-\$1,033,894,665	-\$892,041,778	-7.6%
Net patient care revenue (NPR)	\$559,802,151	\$582,625,780	\$550,005,637	\$550,680,371	-3.8%
Fixed prospective payments (FPP)	\$74,704,553	\$50,067,200	\$85,015,552	\$75,953,468	33.3%
NPR + FPP	\$634,506,704	\$632,692,980	\$635,021,189	\$626,633,839	-1.0%
Other operating revenue	\$140,119,395	\$154,682,732	\$135,148,519	\$182,943,386	22.6%
<b>Total Operating revenue</b>	<b>\$774,626,099</b>	<b>\$787,375,711</b>	<b>\$770,169,708</b>	<b>\$809,577,225</b>	<b>3.4%</b>

Expenses	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)	YTD variance vs prior year
Fees, salaries & benefits	\$416,192,766	\$445,809,061	\$431,465,645	\$449,570,774	-2.7%
All Other Operating Expenses	\$335,327,990	\$333,694,937	\$331,097,476	\$367,896,615	11.7%
<b>Total Operating Expense</b>	<b>\$751,520,756</b>	<b>\$779,503,998</b>	<b>\$762,563,121</b>	<b>\$817,467,389</b>	<b>3.4%</b>

	Budget FY25 straight line (1/3)	Budget FY26 straight line (1/3)	FY25 YTD (1Q + 1)	FY26YTD (1Q + 1)
Operating Income				
Operating income	\$23,105,344	\$7,871,713	\$7,606,587	-\$7,890,164
Operating margin	3.0%	1.0%	1.0%	-1.0%

\*\*Using straight line methodology

# UVMHC

- **DCOH** has increased slightly from FY24 and remains around 143-148
- **Days in A/R** increased in FY25 and through January FY26 and is now at 52.1, which is considered below average performance
- **Current ratio** continues to increase and is at 4.5 through January FY26 (2.7 without funded depreciation)
- **Operating margin** is at -1% through January FY26 – this is worse than FY24 (2.7%) and FY25 (1.3%)
- **Operating Margin for FY25 *without the Employee Retention Credit***: (-12.6M): 0.8%

## UVMHC Financial Indicators

Indicator	FY24	FY25	1Q + 1
Cash & Investments (A)	\$812,247,678	\$936,980,332	\$924,791,990
Average Daily Expense, less depreciation (B)	\$5,933,332	\$6,345,312	\$6,446,942
<b>DCOH (A)/(B)</b>	<b>136.9</b>	<b>147.7</b>	<b>143.4</b>
Net A/R (C)	\$213,980,797	\$224,667,292	\$233,462,781
NPR (D)	\$1,667,891,228	\$1,683,320,547	\$550,680,371
<b>Days in A/R (C)/(D) * Total Days</b>	<b>47.0</b>	<b>48.7</b>	<b>52.1</b>
Current Assets (E)	\$767,795,764	\$853,149,907	\$800,468,138
Unrestricted Funded Depreciation (F)	\$467,791,790	\$517,018,479	\$541,679,258
Current Liabilities (G)	\$313,981,613	\$321,468,670	\$296,872,691
<b>Current Ratio (E+F)/(G)</b> <i>*with funded depreciation</i>	<b>3.9</b>	<b>4.3</b>	<b>4.5</b>
<b>Current Ratio (E)/(G)</b> <i>*without funded depreciation</i>	<b>2.4</b>	<b>2.7</b>	<b>2.7</b>
<b>Operating Margin</b>	<b>2.7%</b>	<b>1.3%</b>	<b>-1.0%</b>

# UVMHC

FY25	Budget	FTE Ratio	Actuals	FTE Ratio
Clinical	5,441	66%	5,432	65%
Non-Clinical	2,836	34%	2,935	35%

## Service Lines

- No changes to service lines, only absorbed CVHO patients (in Schedule A submitted with budget)

## FTEs

- Staff FTEs came in 1.3% over budget, which was main driver of \$19.8M salary overage along with sign-on bonuses
- Clinical to non-clinical ratio decreased slightly from FY25 budget – clinical FTEs under budget, non-clinical over budget

## Quality

- Current CMS star rating: 3
- No major changes in quality-based payment adjustments from FY24 to FY25

Fiscal Year	Value Based Purchasing Program National Percentile	Value Based Purchasing Program Payment Adjustment	Readmission Reduction Program Payment Adjustment	Hospital-Acquired Condition Reduction Program Payment Adjustment
FY24	43%	-0.16%	-0.18%	-1%
FY25	20%	-0.69%	-0.17%	-1%

# Enforcement

**Four hospitals** have technically exceeded their revenue caps in FY25 and may be subject to potential enforcement:

- Central VT Medical Center
- North Country Hospital
- Rutland Regional Medical Center
- University of Vermont Medical Center

Staff have received written notice from the following hospitals in regards to previously determined adjustments to their budgets:

- **Rutland Regional Medical Center** – as part of a previous settlement agreement, the low volume adjustment from CMS would not be counted as part of their NPR in FY25 in regards to enforcement
- **University of Vermont Medical Center** is applying an adjustment based on the provider transfer, which they submitted in a schedule A during the FY26 budget process

## **Next steps:**

- Staff will review & determine which hospitals will be notified of potential enforcement

# Enforcement

Hospital	Budget Orders	Actuals	%	\$
Brattleboro Memorial Hospital	113,943,285	109,580,679	-3.8%	(4,362,606)
Central Vermont Medical Center	291,502,431	304,023,081	4.3%	12,520,650
Copley Hospital	114,929,408	113,332,254	-1.4%	(1,597,154)
Gifford Medical Center	66,729,745	61,909,112	-7.2%	(4,820,633)
Grace Cottage Hospital	29,222,187	29,102,066	-0.4%	(120,121)
Mt. Ascutney Hospital & Health Ctr	72,795,017	70,570,900	-3.1%	(2,224,117)
North Country Hospital	105,626,414	107,462,472	1.7%	1,836,058
Northeastern VT Regional Hospital	125,495,126	125,704,154	0.2%	209,028
Northwestern Medical Center	134,725,507	133,348,765	-1.0%	(1,376,742)
Porter Medical Center	130,329,326	128,621,214	-1.3%	(1,708,112)
Rutland Regional Medical Center	345,262,783	356,306,515	3.2%	11,043,732
Southwestern VT Medical Center	210,580,798	207,700,432	-1.4%	(2,880,366)
Springfield Hospital	64,463,428	64,146,379	-0.5%	(317,049)
The University of Vermont Medical Center	1,924,036,717	1,947,622,867	1.2%	23,586,150
<b>System</b>	<b>3,729,642,172</b>	<b>3,759,430,889</b>	<b>0.80%</b>	<b>29,788,717</b>

# Accessibility Requests

**To receive this information in an alternative format or for other accessibility requests, please contact:**

Kristen LaJeunesse

Communication & Information Officer

[Green Mountain Care Board](#)

[Kristen.LaJeunesse@vermont.gov](mailto:Kristen.LaJeunesse@vermont.gov)

(802) 622-4134