MAURICE CHALMERS
DIRECTOR
OFFICE OF LEGISLATIVE
BUDGET REVIEW

NASSAU COUNTY LEGISLATURE
1550 FRANKLIN AVENUE, ROOM 126
MINEOLA, NEW YORK 11501
(516) 571-6292

Inter-Departmental Memo

To: Hon. Richard J. Nicolello, Presiding Officer
Hon. Kevan Abrahams, Minority Leader
All Members of the Nassau County Legislature

From: Maurice Chalmers, Director
Office of Legislative Budget Review

Date: February 10, 2023

Re: NuHealth's FY 23 Budget

Attached please find the Office of Legislative Budget Review's (OLBR) analysis of NuHealth's FY 23 budget, which is based off data and discussions between OLBR and the NuHealth Administration. The document is intended to provide the Legislature with an overview of the FY 23 budget.

The Nassau Interim Finance Authority (NIFA) has been given oversight of NuHealth since FY 21 and continues to oversee their finances and operations. On December 7, 2022, the Hospital Board approved both the FY 22 and FY 23 Operating budgets. Since the FY 22 budget was never approved during the Fiscal Year, the Hospital operated with the FY 22 drafted budget as prepared, and conducted normal business based on the drafted budget. Since FY 22 is almost closed, OLBR has prepared this report with the focus on the recent Board Approved FY 23 budget.

The FY 23 budget has been prepared using FY 22 operations modified because of the impact of the COVID-19 crisis, and the changes that occurred in FY 22. According to the budget summary, patient volumes are based on FY 22 projected year-to-date volumes.

The FY 23 budget does not include any Coronavirus, Aid, Relief and Economic Security Act (CARES) funding. While the 2020 and 2021 operating results produced deficits, they still benefited from CARES funding, which has since been discontinued. However, the Hospital continues to take on the additional expenses such as lab testing, patient visitor screening, and Personal Protective Equipment (PPE) from the persistence of the ongoing variants/subvariants of the coronavirus.

Prior to the Cares funding, the Hospital was part of a New York States Delivery System Reform Incentive program (DSRIP) which was a five-year program from 2015-2020, that provided funding to New York hospitals based on their abilities to meet performance goals to restructure the healthcare system by diverting patients from emergency rooms. The expiration of the DSRIP program in FY 20, the elimination of CARES Funding after FY 21, have contributed to significant reductions in federal and state funding, among other expired programs.

In FY 23, NuHealth is budgeting a $179.4 million loss before Other Post-Employment Benefits (OPEB), the NYS Actuarial Pension (GASB 68) adjustment and non-operating activities. After these items, the budget projects a shortfall of roughly $226.6 million. The overall deficit is attributed to a budgeted loss of $154.0 million for Nassau University Medical Center (NUMC) and $25.3 million for the A. Holly Patterson (AHP) nursing home. The budget for the Correctional Center Facility has been included in the consolidated budget for inmate healthcare, which is expected to break-even. The remaining NuHealth subsidiaries for the Physician Faculty Practice Plan and the Nassau Health Care Corp (LTD) are also budgeted to break-even.

The FY 21 operating results represent the fourth straight year that the Hospital has been producing a budget deficit, and outside auditors have issued a “going concern” finding. According to the FY 23 Budget, the deficit has grown from an operating shortfall of $107.0 million in FY 21, to a negative $127.2 million projected in FY 22, to a negative $179.4 million in FY 23; before Other Post Employment Benefits (OPEB), the NYS Actuarial pension (GASB 68) adjustment and non-operating activities/expenses. According NuHealth’s 2021 financial statements, the Hospital’s long-term outstanding debt as of December 31, 2021 was $155.5 million, and the current portion was $16.7 million, for a net long-term amount of $138.8 million. The County is the guarantor of NuHealth’s debt.

On a consolidated basis, the FY 23 budget has a revenue shortfall of $12.2 million, due mostly to declines in federal and state aid funding. The revenue decline would have been larger but is primarily offset by an increase in net patient service revenue and in the New York State Intergovernmental Transfer (IGT). The significant drop of $16.7 million in federal and state aid is due to the expiration of the Value Based Payment Quality Improvement Program (VBP-QIP) in which NUMC received two yearly awards in FY 22.

The FY 23 operating expenses are budgeted to grow by $39.9 million, or 6.0%, compared to the FY 22 projection. The increase in expenses is primarily due to higher budgets for supplies and general expenses as well as salary costs, offset by lower depreciation expenses. The salary increase is attributed to a rise in staffing due to current mandates by New York State, as well as adjustments for longevity and step increases.

The Full Time Equivalent Employees (FTEs) at NUMC are increasing by 112 to 2,841 in FY 23; and the FY 22 projection reflects an increase of 61 FTEs, when compared to the FY 21 actual. During FY 21-FY 22, the hospital was forced to deal with labor shortages, due to the “great resignation" wave, resulting in new mandated staffing ratios, as such the hospital has budgeted to increase the FTEs. Meanwhile, the FTEs at AHP are budgeted to increase by 22 in FY 22, and by 7 to 679 in FY 23.

On a consolidated basis, the fringe benefit budget is declining significantly by $11.5 million, compared to the FY 22 projection. According to the Hospital, the large decrease, despite the rise in salaries, is due to the pension contribution rate declining from 18.2% to 13%. Although the pension contribution rate is declining, OLBR cautions that the portion related to NUMC, (the reduction of $10.0 million in the budget), may not be sufficient to accommodate both the additional FTEs and the growth in the health insurance rate.

The Hospital's cash flow has also been negatively impacted in recent years. The FY 23 budgeted cash flow statement reflects approximately a usage of **negative $70.0 million**, which will draw down the beginning cash flow balance of $82.5 million, resulting in a projected year-end operating cash balance of $12.6 million.

According to the Hospital, they are currently limited in modifying operations. Most of the impact of the operational improvements over the past few years have been negated by factors beyond Management's control such as the discontinuance of government relief. However, the Administration continues to implement revenue cycle initiatives, such as building up the Neurosurgery Institute. The Hospital continues to reach out for Government support since expenses continue to outpace revenue.

If you should have any questions, please do not hesitate to contact the Office.

cc: Anthony Boutin, President / Chief Executive Officer
Richard Rank, Director of Finance
Andrew Persich, Budget Director, OMB
Chris Ostuni, Majority Counsel
Meredith Hughes, Legal Director and Deputy Majority Counsel
Michele Darcy, Minority Finance Director
Robert Miles, Staff Attorney
Cecilia Capers, Deputy Minority Counsel
Michael Pulitzer, Clerk of the Legislature
James Darcy, Counsel to the Legislative Clerk

Consolidated NuHealth

- The FY 23 budget for NuHealth has been prepared using FY 22 operations, modified because of the impact of the COVID-19 crisis and the changes that occurred in FY 22. According to the budget summary, patient volumes are based on 2022 projected year-to-date volumes.
- The Nassau Interim Finance Authority (NIFA) has been an oversight to NuHealth's finances and operations since FY 21.
- The FY 23 budget does not include any Coronavirus, Aid, Relief and Economic Security Act (CARES) funding. While the 2020 and 2021 operating results produced deficits, they still benefited from CARES funding, which has since been discontinued. However, the Hospital continues to take on the additional expenses such as lab testing, patient visitor screening, and Personal Protective Equipment (PPE) equipment from the ongoing variants/subvariants of the coronavirus.
- The FY 21 operating results represent the fourth straight year of producing a budget deficit, and outside auditors have issued a "going concern" finding. According to the FY 23 Budget Summary, the FY 23 budget deficit has grown from an operating shortfall of $107.0 million in FY 21, to a negative $127.2 million projected in FY 22, to a negative $179.4 million in FY 23; before Other Post-Employment Benefits (OPEB), the NYS Actuarial Pension (GASB 68) adjustment and non-operating expenses.
- The 2023 budgeted deficit of $179.4 million; becomes a projected shortfall of $226.6 million after Other Post-Employment Benefits (OPEB), the NYS Actuarial Pension (GASB 68) adjustment and non-operating activities.
- The FY 23 budgeted cash flow statement reflects approximately a <u>negative</u> $70.0 million which will drawdown the beginning cash flow balance of $82.5 million, resulting in a projected year-end operating cash balance of $12.6 million.
- The Hospital continues to implement new initiatives and is currently building up a Neurology Institute and hiring Neurosurgeons. However, since volume levels are unknown, this revenue was not included in the FY 23 budget; but revenue could be enhanced should it come to fruition.

Consolidated NuHealth, Cont.

Consolidated Statement 2023 Budget ($ in millions)	Actual 2021	Projected 2022*	2022 Proj vs. 2021 Actual	Budget 2023	2023 Bud vs. 2022 Proj
Operating Revenue	$508.95	$536.77	$27.82	$524.54	($12.23)
Total Operating Expense	615.95	663.94	47.99	703.88	39.94
Salaries & Fringe	423.47	458.09	34.62	461.51	3.42
Non-Personnel Expenses	192.48	205.85	13.37	242.37	36.52
Net Income (Loss) Before OPEB, GASB 68 & Non-Operating	**($107.00)**	**($127.17)**	**($20.17)**	**($179.35)**	**($52.18)**
OPEB, GASB 68, Non-Operating Activities, & Capital Contribution	(38.09)	(15.27)	22.82	(47.24)	(31.96)
Net Income (Loss)	**($145.09)**	**($142.45)**	**$2.64**	**($226.58)**	**($84.14)**

*2022 financial results are unaudited.

- The chart above details NuHealth's consolidated operating results for the FY 21 actuals, the FY 22 projection and the FY 23 budget.
- The NuHealth FY 23 Adopted Budget reflects a decline in revenue of $12.2 million, compared to the FY 22 year-end projection. The decrease in revenue is mostly attributed to a reduction in Other Operating Revenue, consisting of federal and state aid. The revenue decline would have been larger but is slightly offset by an increase in net patient service revenue at A. Holly Patterson (AHP) and smaller rise in the New York State Intergovernmental Transfer (IGT).
- FY 23 operating expenses are budgeted to grow by $39.9 million, or 6.0%, compared to the FY 22 projection. The increase in expenses is primarily due to higher budgets for supplies and general expenses as well as salary costs, offset by lower depreciation expenses. This will be discussed later in the report.
- OPEB and non-operating activities are further increasing the budgeted deficit by $47.2 million. OPEB reflects the future liability for retirees' health insurance benefits. The non-operating activities include interest income & expense.
- A line for the New York State Actuarial Pension Adjustment (related to GASB 68) is included and generally reflects actual versus assumed operations of the New York State & Local Retirement System. The purpose of GASB 68 is to improve accounting and financial reporting by state and local government employers that provide pension benefits. The Hospital does not budget an amount, since this cannot be estimated.

Consolidated NuHealth, Cont.

Consolidated Statement 2023 Budget (in millions)					
	NuHealth	**NUMC***	**AHP**	**PPP**	**NHCC, LTD***
Operating Revenue	$524.54	$449.79	$60.25	$14.50	$5.10
Operating Expense	$703.88	603.82	85.57	14.50	5.10
Net Income (Loss) Before OPEB, GASB 68 & Non-Operating	**($179.35)**	**($154.03)**	**($25.32)**	**$0.00**	**$0.00**
*NUMC figures include the contract for the Correctional Center inmate contract.					

- As previously mentioned, the NuHealth FY 23 consolidated budget projects a $179.4 million deficit, before OPEB, the pension adjustment, and non-operating activities. The overall deficit is attributed to a budgeted loss of $154.0 million for Nassau University Medical Center (NUMC) and $25.3 million for the A. Holly Patterson (AHP) nursing home. The Correctional Center Facility inmate contract budget is included within the NUMC figures.
- The remaining NuHealth subsidiaries for the Physician Faculty Practice Plan and the Nassau Health Care Corp (LTD) are budgeted to break-even. NHCC, LTD was established as an off-shore captive insurance company for its medical malpractice coverage and is licensed under insurance law.
- The chart on the following page displays the budgeted figures for the Nassau University Medical Center. The FY 23 budgeted deficit of $154.0 million; (prior to OPEB, the pension adjustment and non-operating activities), is a greater deficit of $56.8 million from the FY 22 projected results of $97.3 million.

Nassau University Medical Center

Nassau University Medical Center
2023 Budget
($ in millions)

	Actual 2021	Projected 2022*	2022 Proj vs. 2021 Actual	Budget 2023	2023 Bud vs. 2022 Proj
Operating Revenue	$427.92	$468.73	$40.81	$449.79	($18.94)
Total Operating Expense	521.24	565.99	44.76	603.82	37.83
Salaries & Fringe	348.08	373.42	25.34	376.17	2.75
Non-Personnel Expenses	173.15	192.57	19.42	227.65	35.08
Net Income (Loss) Before OPEB, GASB 68 & Non-Operating	**($93.32)**	**($97.26)**	**($3.94)**	**($154.03)**	**($56.77)**
OPEB, GASB 68, Non-Operating Activities, & Capital Contribution	(29.44)	(10.68)	18.77	(37.10)	(26.42)
Net Income (Loss)	**($122.76)**	**($107.94)**	**$14.82**	**($191.13)**	**($83.19)**
Full-Time Equivalent Employees	2,668	2,729	61	2,841	112

Note: 2022 financial results are unaudited.

- The FY 23 budget has a revenue shortfall of $18.9 million due mostly to declines in federal and state aid funding, followed by smaller decreases in net patient service revenue and Nassau County billings.
- The significant drop of $16.7 million in federal and state aid is due to the expiration of the Value Based Payment Quality Improvement Program (VBP-QIP) in which NUMC received two yearly awards in FY 22. No award has been announced for FY 23.
- The FY 23 budgeted decline of $2.5 million in net patient service revenue reduces the budget to $341.1 million. The decrease is primarily due to the reduction in Medicare uncompensated charity care reimbursements received in FY 22 that are not recurring.
  - In addition, according to the budget summary, Medicaid rates are higher because of a 1% COLA increase and the elimination of the 1.5% across the board reduction instituted at the beginning of the COVID crisis. These were effective April 1, 2022, as part of the New York State budget for FY 2022-23 and will impact NUMC for a full year in FY 23.
  - The Administration continues to implement revenue cycle initiatives which include building up the Neurosurgery Institute and the hiring of neurosurgeons. However, this revenue was not included in the FY 23 budget but could enhance it should it come to fruition.
  - In addition, the Hospital joined an Independent Professional Association to facilitate a plan to improve reimbursement rates.
- The NUMC FY 23 Budget includes $19.5 million in revenue for the inmate healthcare contract for the County Correctional Center. According to the Hospital, the current contract includes the $1.9 million for the administrative fee and other expenses and the $17.6 million in direct payments from the Correctional Center Facility. The increase is due to a higher budgeted inmate population of over 800. This will be discussed in more detail later in the report under the Correctional Center Facility section.

Nassau University Medical Center, Cont.

- The FY 23 NUMC budget includes $35.0 million in IGT funding, $0.9 million more than the projection. The IGT program is intended to reimburse hospitals for the costs of Medicaid or underinsured patients who leave providers uncompensated for a portion of their care.
- The miscellaneous budget is decreasing by $0.4 million, to $16.0 million in FY 23. This line includes parking fees, cafeteria sales, residential housing rent, antenna rental, equity interest and the anesthesiology outsourcing of NuHealth employees.
- The NUMC FY 23 Budget includes revenue from the Physician Faculty Practice Plan. The practice plan revenue budget of $16.0 million is increasing by over $0.3 million when compared to FY 22, since clinic operations have rebounded to pre-Covid levels, and the higher volumes will produce greater reimbursement.
- Total operating expenses before OPEB, GASB 68 and non-operating activities, are projected to increase by $37.8 million or 6.7%, mostly due to large rise in salaries, as well as higher non-personnel expenses.
  - Salaries are increasing by $12.8 million, or 5.2%, compared to the FY 22 projection. The salary increase is attributed to a rise in staffing due to current mandates by New York State, as well as adjustments for longevity and step increases.
  - Employment incentives such as bonuses are being utilized to maintain safe and effective staffing to provide patient care.
- The Full Time Equivalent Employees (FTEs) are increasing by 112 to 2,841 in FY 23. The FY 22 projection reflects an increase of 61 FTEs, when compared to the FY 21 actual.
  - During FY 21-FY 22, the hospital was forced to deal with labor shortages, due to the "Great Resignation", as well as new mandated staffing ratios.
  - The rise in salaries appears reasonable based on the additional headcount increase. However, if the additional staffing does not occur, there could be an opportunity within the salary budget.
- Fringe benefits are decreasing by $10.0 million, compared to the FY 22 projection. According to the Hospital, the large decrease, despite the rise in salaries, is due to the pension contribution rate declining from 18.2% to roughly 13.0%. Partially offsetting this decline is a rise in the health insurance growth rate of 4.0%. The 4.0% growth rate was budgeted before NYSHIP announced the 2023 rates and seems optimistic based on NYSHIP's final health insurance growth rate which reflects 12.5% for individual insurance and 14.9% for the family plan.
  - OLBR cautions that the $10.0 million reduction in the fringe benefit budget, may fall short from accommodating both from the rise in the health insurance rate along with the additional 112 FTE's. Therefore, OLBR is flagging the reduction as a risk.
- Supplies are higher by $11.7 million, or 22.6%, due to an inflation rate rise of 6% for pharmaceutical costs, as well as operating room and neurological supplies.

- General expenses are budgeted to grow by $23.9 million, or 23.5%, mainly attributed to agency use, malpractice expenses and general inflation.
- Depreciation expenses are budgeted to decrease by roughly $0.4 million to $18.0 million.

Nassau County Correctional Center

Correctional Center
2023 Budget
($ in millions)

	Actual 2021	Projected 2022*	2022 Proj vs. 2021 Actual	Budget 2023	2023 Bud vs. 2022 Proj
Operating Revenue	$17.77	$17.12	($0.66)	$17.60	$0.49
Total Operating Expense	17.77	17.12	(0.66)	17.60	0.49
Salaries & Fringe	14.57	15.00	0.43	14.08	(0.92)
Non-Personnel Exp.	3.20	2.12	(1.08)	3.52	1.4
Net Income (Loss) Before OPEB & GASB 68	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
OPEB, GASB 68, & Non-Operating Activities	0.00	0.00	0.00	0.00	0.00
Net Income (Loss)	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Full-Time Equivalent Employees	108	108	0	102	(6)

Note: 2022 financial results are unaudited.

- NuHealth's FY 23 Budget includes $19.5 million for the inmate healthcare contract at the Nassau County Correctional Center of which $17.6 million in direct payments are budgeted under the Correctional Center's budget and $1.9 million for administrative fees is budgeted under NUMC's budget. The contract requires the County to make monthly payments of $1.5 million to NuHealth, along with one-twelfth of the $1.9 million administrative fee.
  - According to the contract, the County pays NuHealth this amount, to provide medical, mental health, dental and ancillary services to inmates in the custody of the Nassau County Sheriff's Department and those incarcerated at the Nassau County Correctional Center. The contract also includes operating an on-site infirmary and making appropriate referrals for hospital admissions, emergency room visits and offsite services not available at the Jail.

Nassau County Correctional Center, Con’t

- The term of the original contract expired August 31, 2019, however, the Correctional Center subsequently submitted three contract amendments, most recently being August 1, 2021, through July 31, 2026.

- ➢ The FY 22 projection and FY 23 budget for the Correctional Center are projected to break even at $17.6 million. The FY 23 budget is a $0.5 million increase when compared to FY 22.
- ➢ Operating expenses are expected to increase by $0.5 million compared to FY 22 projected expenses. This is mostly driven by a rise in general expenses and supplies; due to a higher budgeted inmate population of over 800 as previously mentioned.
- ➢ The FY 23 budget includes 102 FTEs, a decrease of six FTEs, compared to the prior year projection. The reduction in FTEs contributes to the 7.7% decline in salaries.
- ➢ Fringe benefits are also decreasing minimally by $69,000, or 1.8% compared to FY 23, which is directly correlated to the lower FTEs and due to the pension contribution rate declining from 18.2% to 13%.

A. Holly Patterson Extended Care Facility

A. Holly Patterson
2023 Budget
($ in millions)

	Actual 2021	Projected 2022*	2022 Proj vs. 2021 Actual	Budget 2023	2023 Bud vs. 2022 Proj
Operating Revenue	$61.04	$53.70	($7.34)	$60.25	$6.55
Total Operating Expense	74.72	83.61	8.89	85.57	1.96
Salaries & Fringe	61.99	71.72	9.73	71.84	0.12
Non-Personnel Exp.	12.73	11.89	(0.84)	13.73	1.8
Net Income (Loss) Before OPEB & GASB 68	**($13.68)**	**($29.91)**	**($16.23)**	**($25.32)**	**$4.59**
OPEB, GASB 68, & Non-Operating Activities	(8.65)	(4.60)	4.05	(10.14)	(5.54)
Net Income (Loss)	**($22.33)**	**($34.51)**	**($12.18)**	**($35.46)**	**($0.95)**
Full-Time Equivalent Employees	650	672	22	679	7

Note: 2022 financial results are unaudited.

- The FY 23 budget for AHP is projected to have a $25.3 million deficit before OPEB, the NYS actuarial pension adjustment and non-operating activities. After these items, the budget results in a shortfall of roughly $35.5 million.
- The AHP budget has a shortfall of $1.0 million, compared to the $34.5 million deficit that is projected in FY 22.
- The $6.6 million increase in revenue is being driven by a rise of $6.2 million in net patient service revenue, and a $0.3 million increase in the IGT.
  - Net patient service revenue is expected to increase due to budget initiatives, the maturation of the two new programs (the Chinese and the Indian Program), and a rise in the average daily census.
    - The anticipated average daily census will increase from a current 473 residents to 523 by year-end. Resident days are budgeted at 190,834 in FY 23, which is an increase of approximately 10.6% from the 2022 projected level.
  - The FY 23 budget of $550,000 for miscellaneous revenue includes rent income for the dialysis center.
- Total operating expenses are increasing by roughly $2.0 million due primarily to a rise in salaries, supplies, and general expenses.
  - Salaries are increasing by $1.4 million due to steps and longevity and from the impact of the increased staffing for the two cultural programs.
  - The FTEs are increasing by 22 in FY 22, and by 7 to 679 in FY 23.

A. Holly Patterson Extended Care Facility, Cont.

- Fringe benefits are decreasing by $1.3 million in FY 23 due to the pension contribution rate declining from 18.2% to 13%.
  - Non-personnel expenses are increasing by $1.8 million to $13.7 million when compared to the FY 22 projection. The amount is increasing because of the impact of higher days.
  - Supplies are increasing by $0.9 million to $4.9 million when compared to FY 22.
  - General expenses are increasing by $1.1 million to $6.7 million when compared to FY 22.

NuHealth Key Operating Statistics

NuHealth Statistics	2021 Actual	2022* Projected	2022 Proj. vs 2021 Act.	2023 Budget	2023 Budget vs. 2022 Proj.
NUMC Average Daily Census	319	321	0.6%	322	0.3%
NUMC Patient Days	116,504	117,159	0.6%	117,610	0.4%
NUMC Discharges*	18,832	17,518	-7.0%	17,927	2.3%
NUMC Average Length of Stay	6.19	6.69	8.1%	6.56	-1.9%
NUMC Casemix Index	1.05	1.05	0.0%	1.04	-1.0%
NUMC FTE per Adjusted Occupied Bed	6.62	6.58	-0.6%	6.82	3.6%
NUMC % Occupancy Available Beds	66.36%	66.73%	0.6%	66.99%	0.4%
NUMC Bad Debt as a % of Patient Revenue	18.84%	19.84%	5.3%	19.84%	0.0%
AHP Avg. Daily Census	437	473	8.2%	523	10.6%
AHP Patient Days	159,520	172,536	8.2%	190,834	10.6%

*2022 financial results are unaudited.

- The FY 23 Budget assumes that inpatient volumes, such as discharges, and patient days are slightly increasing, compared to the FY 22 projection.
    - NUMC's average daily census of 322 is a 0.3% increase compared to FY 22. This occurs after a 0.6% rise from FY 21 to FY 22.
- The discharge volume is expected to increase by 2.3% when compared to FY 22. This is followed by a 7.0% drop in volume compared to the FY 21 actual.

NuHealth Key Operating Statistics, Cont.

- The following table shows the actual discharge variances from FY 14 to FY 21 and the FY 22 projection and FY 23 budgeted figure.

Discharge Volumes
FY 14 - FY 21 Actual, FY 22 Projected & FY 23 Budget

Year	*Discharge Volumes*	*% Change from Previous Year*
2023 Budget	17,927	2.33%
2022 Projected	17,518	-6.98%
2021	18,832	6.78%
2020	17,636	-12.12%
2019	20,068	1.21%
2018	19,829	-2.68%
2017	20,375	-1.23%
2016	20,629	-0.26%
2015	20,683	-0.23%
2014	20,730	-1.67%

- ➢ The number of patient days are budgeted to increase by 0.4% to 117,610. Based on the number of discharges and patient days budgeted in FY 23, the average length of stay will decrease by 1.9% to a level of 6.6.
- ➢ The FY 23 casemix index is budgeted to decline by 1.0% to 1.04. In FY 22 the casemix index is constant at 1.05 when compared to FY 21. The casemix projection is based on historical discharge diagnoses provided by NUMC.
- ➢ The FY 22 projected FTE per adjusted occupied bed at NUMC is 6.58, however it is budgeted to increase by 3.6% to 6.82 in FY 23.
- ➢ The NUMC percentage of occupied available beds in the FY 23 budget is increasing by 0.4% to 66.99%, compared to the FY 22 projection. This is followed by a 0.6% rise in FY 22 compared to FY 21.
- ➢ Bad debt as a percentage of patient revenue is budgeted to remain constant in FY 23 at 19.84%, however there was an increase of 5.3% in FY 22 compared to FY 21.
- ➢ At AHP, the average daily census and the number of patient days are both budgeted to increase by 10.6% in FY 23 compared to FY 22. As previously mentioned, the rise is due to the maturation of the two new cultural programs.
  - In the FY 23 budget, the average daily census is budgeted to increase to 523 from the FY 22 projection of 473.
  - AHP's patient days are budgeted to increase to 190,834 days in FY 23, compared to 172,536 in FY 22.