

STEWARDSHIP

NMC's Financial Update

NMC continues to believe that providing high-quality and safe care to patients and taking great care of our team leads directly to financial stewardship. It is vitally important for non-profit organizations like NMC to achieve a positive operating margin so that we can reinvest in the business. Those investments come in the form of equipment, technology, and space. It is a cycle that ensures NMC will be here to serve the community for many years to come.

Unfortunately, NMC lost money from operations in FY'24. Wage pressures and workforce shortages continue to play a significant role in our organization. We are grateful to our employed team members that have chosen NMC or who have stayed at NMC. We are also grateful to the traveling staff that have helped



HEALTHCARE REFORM MOVING FORWARD IN VERMONT

Vermont is increasingly focused on the topic of health care reform. In 2024, the State of Vermont Agency of Human Services applied for, and was selected to participate in, a new federal program called the Advancing All-Payer Health Equity Approaches and Development model (AHEAD). The new model would begin in 2026, and more information can be found [HERE](#).

In addition, the Vermont Legislature passed Act 167 in 2022 to fund research into how to improve health system sustainability and hospital financial health. In collaboration with the State of Vermont Agency of Human Services, the Green Mountain Care Board engaged a consulting group named Oliver Wyman to investigate and provide a set of recommendations. The full report can be found [HERE](#).

The recommendations include significant changes for Vermonters.

As these efforts advance, we will do our best to keep you informed, highlight ways to learn more, and share opportunities to provide input to help ensure continued access to quality local healthcare in our community.

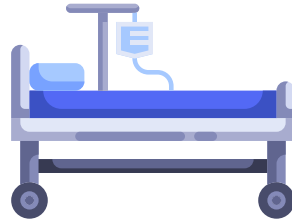


NMC By The Numbers

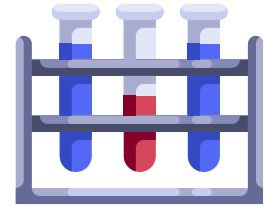
A FEW STATS ABOUT THE CARE PROVIDED BY NMC IN FY2024



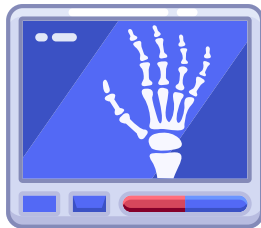
11,915
Hospital Admissions



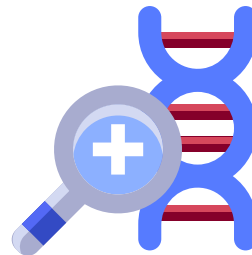
65,189
Inpatient Lab Tests



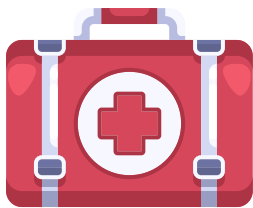
328,889
Outpatient Lab Tests



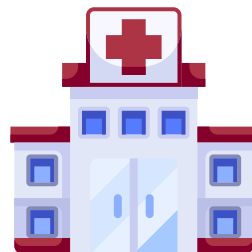
67,155
Diagnostic Imaging Tests



54,335
Specialty Practices Visits



25,102
Urgent Care Visits



24,716
Emergency Room Visits

Collaborative Health Network Continues to Grow

As a founding partner of the New England Collaborative Hospital Network (NECHN), NMC was pleased to welcome Cottage Hospital of Woodsville, NH and Adirondack Health of Saranac Lake NY.

NE-CHN offers independent hospitals, and their community care partners a structure, similar to large network systems, enabling them to achieve cost savings related to group purchasing and shared administrative functions without giving up control to a large health system that can often create challenges for rural patient care, local community focus and cultural alignment.

The organization grew in 2024 from its original participants which included Copley Hospital and Brattleboro Memorial Hospital in addition to NMC.



NEW ENGLAND COLLABORATIVE HEALTH NETWORK

Financial Report

**Unaudited data*

	Actual	Budget	Variance	PY Actual
Gross Patient Revenue				
Inpatient Revenue	55,763,664	59,870,996	(4,107,332)	58,424,662
Outpatient Revenue	228,555,335	224,378,677	4,176,658	205,733,718
Total Gross Patient Revenue	284,318,999	284,249,673	69,326	264,158,380
Revenue Deductions				
Contractual Allowances	159,052,439	157,621,867	(1,430,572)	147,025,968
Charity Care	1,054,855	1,764,611	709,756	1,610,405
Total Revenue Deductions	160,107,294	159,386,478	(720,816)	148,636,373
% To Total Gross Revenue	56.31%	56.07%	-0.24%	56.27%
Net Patient Revenue	124,211,705	124,863,195	(651,490)	115,522,007
Other Revenue	7,513,627	6,491,496	1,022,131	6,522,718
Total Net Operating Revenue	131,725,332	131,354,691	370,641	122,044,725
Operating Expenses				
Salaries and Wages	59,250,793	57,751,519	(1,499,274)	52,929,764
Employee Benefits	14,748,688	19,288,660	4,539,972	12,604,128
Supplies	16,862,477	3,929,124	(12,933,353)	15,282,365
Contracted Services	20,936,247	6,434,544	(14,501,703)	22,975,025
Travelers	4,496,747	3,929,124	(567,623)	8,162,147
Depreciation	6,459,237	6,434,544	(24,693)	6,196,138
Interest and Amortization	550,093	621,000	70,907	465,263
Medicaid Provider Tax	5,805,098	5,413,296	(391,802)	5,725,208
Other	2,594,853	3,506,700	911,847	2,939,542
Utilities	1,197,726	1,324,548	126,822	1,140,335
Repairs and Maintenance	376,885	245,220	(131,665)	306,764
Insurance	1,853,585	1,953,696	100,111	1,545,493
Total Operating Expenses	135,132,429	110,831,975	(24,300,454)	130,272,172
Net Operating Income (Loss)	(3,407,097)	20,522,716	(23,929,813)	(8,227,447)
Nonoperating Gains (Losses)				
Interest and Dividends	1,512,515	1,813,610	(301,095)	1,587,975
General Donations	15,430	11,136	4,294	(45,029)
Realized Gain(loss) on Investments	709,903	-	709,903	2,424,126
Unrealized Gain(loss) on Investments	14,131,337	-	14,131,337	5,000,614
Other	(817,579)	(194,459)	(623,120)	185,156
Investment Property, net	733,404	806,496	(73,092)	675,021
Total Nonoperating Gains (Losses)	16,285,010	2,436,783	13,848,227	9,827,863
Net Income (Loss)	12,877,913	22,959,499	(10,081,586)	1,600,416