

Central Vermont Medical Center

Fiscal Year 2017 Budget Analysis

Report Date: 8/12/2016

Central Vermont Medical Center

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SUMMARY OF BUDGET

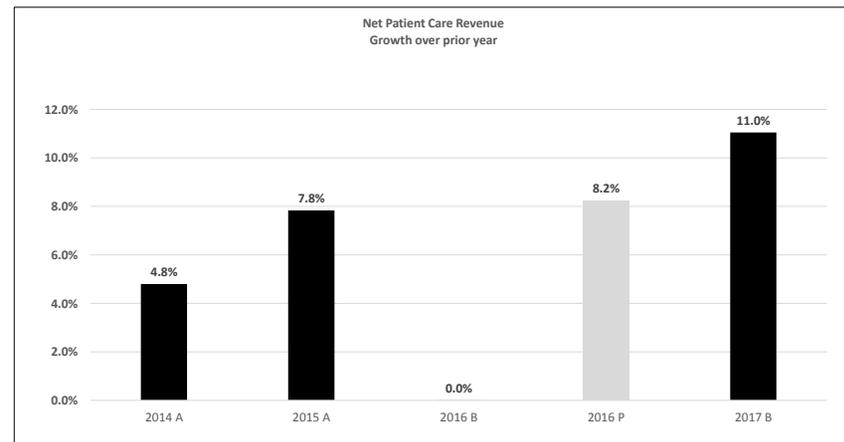
	2015 A	2016 B	2016 P	2017 B	B16-B17 Change \$	B16-B17 Change %	B16-B17 Change \$ All Hospitals	B16-B17 Change % All Hospitals
Gross Patient Care Revenue	\$ 332,365,981	\$ 349,042,779	\$ 368,572,565	\$ 369,484,662	\$ 20,441,883	5.9%	\$ 134,233,796	2.7%
Net Patient Care Revenue	\$ 173,990,659	\$ 173,996,286	\$ 188,326,158	\$ 193,220,803	19,224,517	11.0%	114,454,070	5.0%
Other Operating Revenue	\$ 12,210,941	\$ 11,630,699	\$ 11,346,583	\$ 11,363,838	(266,861)	-2.3%	6,477,684	4.7%
Total Operating Revenue	\$ 186,201,600	\$ 185,626,985	\$ 199,672,741	\$ 204,584,641	\$ 18,957,656	10.2%	\$ 120,931,754	4.9%
Operating Expense	\$ 180,875,428	\$ 180,331,539	\$ 196,424,545	\$ 200,886,232	\$ 20,554,693	11.4%	\$ 119,502,747	5.0%
Net Operating Income	\$ 5,326,172	\$ 5,295,446	\$ 3,248,196	\$ 3,698,409	\$ (1,597,037)	-30.2%	\$ 1,429,007	2.1%
Non Operating Revenue	\$ 1,206,103	\$ 1,850,334	\$ 2,805,980	\$ 1,872,894	\$ 22,560	1.2%	\$ 4,835,590	15.7%
Excess (Deficit) of Rev over Exp	\$ 6,532,275	\$ 7,145,780	\$ 6,054,176	\$ 5,571,303	\$ (1,574,477)	-22.0%	\$ 6,264,597	6.2%
Operating Margin %	2.9%	2.9%	1.6%	1.8%				
Total Margin %	3.5%	3.8%	3.0%	2.7%				

The hospital has prepared a budget with a \$19.2 million increase in net patient revenues (NPR) (11%). Over \$13.9 million of the NPR increase is related to utilization (\$10.9) and physician acquisitions (\$2.8). Lower bad debt and free care, health care reform, and other improved reimbursement explain the balance.

The hospital has a rate increase of 0%, and a 'Commercial Ask rate" of 3% which will raise about \$1.8 million. The operating margin % is budgeted to decline from 2.9% to 1.8%.

Page 3 and 4 explain the hospital NPR increase by operations (utilization, rates, etc) and the change for each payer.

Note: The 2016 Budget and Projected increase is measured from Actual 2015.



Central Vermont Medical Center

NET PAYER REVENUE CHANGE		FY2016	Projection FY2016	FY2017	B16-B17 \$Change	B16-B17 % change	NPR From Rate	NPR From All Other
All Payers	Gross Revenue	\$349,042,779	\$368,572,565	\$369,484,662	\$20,441,883	5.9%		
	Allowances	(\$168,006,994)	(\$176,104,747)	(\$172,070,365)	(\$4,063,371)	2.4%		
	Bad Debt	(\$6,270,000)	(\$5,445,771)	(\$4,842,995)	\$1,427,005	-22.8%		
	Free Care	(\$3,883,000)	(\$1,943,023)	(\$2,464,000)	\$1,419,000	-36.5%		
	Disproportionate Share Payments	\$3,113,501	\$3,247,134	\$3,113,501	\$0	0.0%		
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	0.0%		
	Net Payer Revenue	\$173,996,286	\$188,326,158	\$193,220,803	\$19,224,517	11.0%	\$2,597,589	\$16,626,928
Commercial	Gross Revenue	\$135,831,714	\$138,972,985	\$140,510,357	\$4,678,643	3.4%		
	Allowances	(\$42,970,533)	(\$44,753,629)	(\$43,999,957)	(\$1,029,424)	2.4%		
	Bad Debt	\$0	\$0	\$0	\$0	0.0%		
	Free Care	\$0	\$0	\$0	\$0	0.0%		
	Disproportionate Share Payments	\$0	\$0	\$0	\$0	0.0%		
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	0.0%		
	Net Payer Revenue	\$92,861,181	\$94,219,356	\$96,510,400	\$3,649,219	3.9%	\$1,650,311	\$1,998,908
Medicaid	Gross Revenue	\$68,781,052	\$74,675,459	\$76,402,605	\$7,621,553	11.1%		
	Allowances	(\$40,367,888)	(\$42,285,215)	(\$44,504,700)	(\$4,136,812)	10.2%		
	Bad Debt	\$0	\$0	\$0	\$0	0.0%		
	Free Care	\$0	\$0	\$0	\$0	0.0%		
	Disproportionate Share Payments	\$3,113,501	\$3,247,134	\$3,113,501	\$0	0.0%		
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	0.0%		
	Net Payer Revenue	\$31,526,665	\$35,637,378	\$35,011,406	\$3,484,741	11.1%	\$0	\$3,484,741
Medicare	Gross Revenue	\$144,430,013	\$154,924,121	\$152,571,700	\$8,141,687	5.6%		
	Allowances	(\$84,668,573)	(\$89,065,903)	(\$83,565,708)	\$1,102,865	-1.3%		
	Bad Debt	\$0	\$0	\$0	\$0	0.0%		
	Free Care	\$0	\$0	\$0	\$0	0.0%		
	Disproportionate Share Payments	\$0	\$0	\$0	\$0	0.0%		
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	0.0%		
	Net Payer Revenue	\$59,761,440	\$65,858,218	\$69,005,992	\$9,244,552	15.5%	\$947,278	\$8,297,274
Bad Debt/Free C	Gross Revenue				\$0	0.0%		
	Allowances				\$0	0.0%		
	Bad Debt	(\$6,270,000)	(\$5,445,771)	(\$4,842,995)	\$1,427,005	-22.8%		
	Free Care	(\$3,883,000)	(\$1,943,023)	(\$2,464,000)	\$1,419,000	-36.5%		
	Disproportionate Share Payments				\$0	0.0%		
	Graduate Medical Education Payments				\$0	0.0%		
	Net Payer Revenue	(\$10,153,000)	(\$7,388,794)	(\$7,306,995)	\$2,846,005	-28.0%	\$0	\$2,846,005

This schedule shows the NPR increase by each major payer, including those receiving care as bad debt or free care. The schedule identifies the NPR increase related to rates separate from all other increases.

The Commercial revenues reflect the NPR the hospital will earn with the negotiated 3% commercial ask. The \$2 million is primarily increases in hospital utilization and additional physician services.

The hospital will NOT receive any new funds because of their rate increase. The increase of \$3.5 million is hospital utilization (\$3 m) and physician services (\$0.5 m).

Utilization is also increasing, and at a much higher reimbursed rate compared to 2016.

The hospital will explain the change in NPR for each payer as part of its budget presentation, including bad debt/free care changes.

Page 3 describes the 2017 NPR increase by major operational changes (rates, utilization, etc).

ANALYSIS AND QUESTIONS

A report has been completed for both UVM and CVMC separately. However, we prepared the page related to the NPR increase that shows both of their changes together on one page. This was done to coordinate information in the narrative and to assist the hospitals as they present their information from their network.

1) Describe the need to prepare a comprehensive narrative and presentation. Are there opportunities to improve and ease reporting in the process from the hospitals perspective?

The hospitals submitted a 0% rate that does include higher prices for some services while others are decreasing. These service price changes will yield about \$4.8 million from non-commercial payers. In addition, they have submitted a “commercial ask” of 3% that they will negotiate with Commercial payers that is expected to yield about \$14.9 million. The Commercial ask will increase NPR by \$1.7 million for CVMC and \$ 13.2 million for UVMC.

2) Why are prices being changed for services if they convey no real rate effect? Explain the difference of the rate increase vs. the commercial ask from the hospitals’ perspective.

Page 3 of this report

a) CVMC’s net patient revenues (NPR) are increasing 11% over 2016 approved budget and UVMC is increasing 4.3% over 2016 approved budget. The rate schedule reflects the changes in NPR into major categories of revenue such as rate increase, utilization, physician transfer or acquisitions, bad debt/free care, and disproportionate share changes, and payer mix, service line, and other changes realized during 2016.

The essence of all these changes is that the 2017 budget is higher than the 3.4 % guideline because of higher utilization (rebased) (\$12.4 million) and physician acquisitions (\$11.8 million). The hospital has prepared the following schedule for discussion at the hearing.

NPR Increase FY16 to FY17 Budget	5.2%	\$ 67,686,869
Inflation/Allowable	3.0%	\$ 39,394,770
HCR Investments	0.3%	\$ 4,287,167
Off-cycle Physician Integration	0.9%	\$ 11,572,932
Actual Budget Rebased	1.0%	\$ 12,432,000

b) Describe the off-cycle physician integration. Identify the physicians, physician “disciplines”, non-MD FTEs, and revenues for each hospital. How does the hospital determine the appropriate physician need for the service area? What information is used to make these determinations?

c) Describe the revenues listed as “actual budget rebasing”. Explain how utilization realized in the 2015 actuals is impacting the 2016 and 2017 budgets.

d) Briefly describe the types of revenues included in the inflation/allowable category.

3) For both UVMC and CVMC, the hospital narrative (Attachment B) describes \$4.3 million in various items as health care reform investments that are budgeted in 2017. What is unique about the IT funds and Institute of Quality funds that qualifies them as health care reform? For FY 2017, what is the total amount of health care reform investment in the budget?

ANALYSIS AND QUESTIONS

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- 4) The GMCB is interested in understanding the NPR changes occurring from budget to budget by payer.
- a) UVMMC & CVMC-----Explain your NPR changes at the budget hearing using the payer schedule (page 4) provided in the staff's analysis.
 - b) For both UVMMC and CVMC, Medicare reimbursement is increasing as compared to Budget 2016. What factors explain the more favorable reimbursement being realized?
 - c) Bad debt and free care are budgeted at reasonable levels for each hospital, reflecting a decline from 2016 budget. The hospitals state that bd/fc have "leveled off" and don't expect more decline. What information supports the assumption that bd/fc has "leveled off"?
- 5) Acute admissions for the two hospitals are up 1,460 over 2014 levels when combining the hospital information from 2014 to 2017. Provide a summary schedule that shows the types of changes in admissions and how the age of patients is impacting the change. Are there market share effects also occurring?
- 6) Each hospital has budgeted an increase of non-MD FTEs over 2016 budget. We want to understand how many FTEs are being added to support physician expansion and additions. Provide a schedule showing the total number of non-MD FTEs for each hospital separate from those supporting physicians. Show this for the years 2015 through 2017.
- 7) For CVMC, why is salary per FTE lower in the FY 2017 budget than in projected 2016?
- 8) Describe each hospital's efforts with local mental health and other providers to strengthen community health services. Describe any successes and identify limitations of those efforts.
- 9) UVMMC did not provide any FY 2016 projections. Provide a P&L of the latest projections for net revenues, expenditures, and surplus.

Technical

10) Both UVMMC and CVMC show variances from provider tax and disproportionate share payments from DVHA. Explain how the timing of this and network issues effects your budget information. Are there other factors unaccounted for here?

	2017 DVHA	2017 CVMC	If corrected to DVHA #: Higher (lower) NPR
Provider Tax	\$10,230,377	\$10,529,277	\$298,900
DSH	\$1,598,948	\$3,113,501	(\$1,514,553)
Total CVMC change			(\$1,215,653)
	2017 DVHA	2017 UVMMC	Higher (lower) NPR
Provider Tax	\$65,881,313	\$67,015,159	\$1,133,846
DSH	\$18,724,391	\$18,115,526	\$608,864
Total UVMMC change			\$1,742,710
Total change both hospitals			\$527,057 higher NPR of 0.04%

Central Vermont Medical Center						Vt Median	Northeast CAH	Other Non-Profit	100 - 199 Beds	All Teaching
KEY INDICATORS	2014 A	2015 A	2016 B	2016 P	2017 B	2017 B	U.S. Benchmarks FY2014			
Net Patient Revenue Change	4.8%	7.8%	0.0%		11.0%					
Overall Rates	7%	6%	5%		0.0%					
Utilization										
Total Average Daily Census	179	173	186	181	189	23.2	-	80	72	192
Adjusted Admissions	15,092	16,125	16,553	17,496	18,086	8,261	-	-	-	-
Capital										
Age of Plant	9.0	9.0	10.4	10.0	10.6	12.0	11.3	11.3	11.2	11.2
Long Term Debt to Capitalization	18.5%	18.1%	15.5%	20.8%	16.2%	26.9%	27.1%	31.2%	23.5%	30.6%
Debt Service Coverage Ratio	4.1	4.4	4.6	3.8	4.5	4.2	4.4	2.8	3.0	5.0
Revenue										
Bad Debt %	2.0%	1.3%	1.8%	1.5%	1.3%	1.6%	5.6%	5.5%	6.7%	4.1%
Free Care %	0.9%	1.3%	1.1%	0.5%	0.7%	0.7%	-	-	-	-
Operating Margin %	2.8%	2.9%	2.9%	1.6%	1.8%	1.9%	-2.4%	0.7%	2.8%	3.0%
Total Margin %	4.9%	3.5%	3.8%	3.0%	2.7%	3.2%	3.2%	3.7%	5.7%	5.6%
Productivity & Staffing										
Total Operating Exp	20.0%	20.3%	20.1%	20.2%	19.3%	26.1%	-	-	-	-
Cost & Revenue Unit of Measure										
Cost per Adjusted Admission	11,085	11,217	10,894	11,227	11,107	10,264	-	7,557	7,453	7,645
Liquidity										
Current Ratio	3.1	2.9	3.7	2.8	3.3	2.9	1.4	2.3	1.7	1.8
Days Cash on Hand	120	110	129	120	123	129	99	74	75	110
Payer										
Medicare Gross as % of Tot Gross Rev	41%	42%	41%	42%	41%	42%	-	-	-	-
Medicaid Gross as % of Tot Gross Rev	20%	20%	20%	20%	21%	19%	-	-	-	-
Comm/self Gross as % of Tot Gross Rev	39%	38%	39%	38%	38%	37%	-	-	-	-
Medicare % of Net Rev (incl DSH)	34%	35%	35%	36%	36%	34%	-	-	-	-
Medicaid % of Net Rev (incl DSH)	17%	17%	17%	18%	17%	13%	-	-	-	-
Comm/self % of Net Rev (incl DSH)	49%	48%	48%	47%	47%	50%	-	-	-	-

Central Vermont Medical Center

PROFIT & LOSS STATEMENT	2014 A	2015 A	2016 B	2016 P	2017 B	B16-B17 Change	B16-B17 Change %
Revenues							
Gross Patient Care Revenue	\$ 301,005,474	\$ 332,365,981	\$ 349,042,779	\$ 368,572,565	\$ 369,484,662	\$ 20,441,883	5.9%
Disproportionate Share Payments	2,057,789	3,113,509	3,113,501	3,247,134	3,113,501	-	0.0%
Bad Debt	(6,081,997)	(4,271,792)	(6,270,000)	(5,445,771)	(4,842,995)	1,427,005	-22.8%
Free Care	(2,754,623)	(4,179,800)	(3,883,000)	(1,943,023)	(2,464,000)	1,419,000	-36.5%
Graduate Medical Education	-	-	-	-	-	-	-
Deductions from Revenue	(132,872,883)	(153,037,239)	(168,006,994)	(176,104,747)	(172,070,365)	(4,063,371)	2.4%
Net Patient Care Revenue	\$ 161,353,760	\$ 173,990,659	\$ 173,996,286	\$ 188,326,158	\$ 193,220,803	\$ 19,224,517	11.0%
	4.8%	7.8%	0.0%	8.2%	11.0%		
Other Operating Revenue	\$ 10,818,672	\$ 12,210,941	\$ 11,630,699	\$ 11,346,583	\$ 11,363,838	\$ (266,861)	-2.3%
Total Operating Revenue	\$ 172,172,432	\$ 186,201,600	\$ 185,626,985	\$ 199,672,741	\$ 204,584,641	\$ 18,957,656	10.2%
Operating Expense							
Salaries Non MD	62,763,124	69,709,945	69,625,339	75,122,190	77,134,890	7,509,551	10.8%
Fringe Benefits Non MD	22,592,018	21,520,428	21,640,607	24,574,476	24,266,850	2,626,243	12.1%
Fringe Benefits MD	3,677,770	3,503,325	3,522,889	4,000,496	3,950,418	427,529	12.1%
Physician Fees Salaries Contracts & Fringes	20,105,492	22,074,295	22,597,526	25,028,935	26,835,906	4,238,380	18.8%
Health Care Provider Tax	9,085,389	9,613,251	9,570,781	10,068,654	10,529,277	958,496	10.0%
Depreciation Amortization	9,380,706	9,770,912	9,926,476	9,773,539	10,107,631	181,155	1.8%
Interest - Short Term	5,125	-	-	-	34,554	34,554	
Interest - Long Term	1,171,279	1,042,882	930,145	961,486	466,128	(464,017)	-49.9%
Other Operating Expense	38,517,069	43,640,390	42,517,776	46,894,769	47,560,578	5,042,802	11.9%
Total Operating Expense	\$ 167,297,972	\$ 180,875,428	\$ 180,331,539	\$ 196,424,545	\$ 200,886,232	\$ 20,554,693	11.4%
Year over Year Change	2.9%	8.1%	-0.3%	-	11.4%		
Net Operating Income (Loss)	\$ 4,874,460	\$ 5,326,172	\$ 5,295,446	\$ 3,248,196	\$ 3,698,409	\$ (1,597,037)	-30.2%
Oper margin %	2.8%	2.9%	2.9%	1.6%	1.8%	(0)	-36.6%
Non-Operating Revenue	\$ 3,747,329	\$ 1,206,103	\$ 1,850,334	\$ 2,805,980	\$ 1,872,894	\$ 22,560	1.2%
Excess (Deficit) Of Revenue Over Expense	\$ 8,621,789	\$ 6,532,275	\$ 7,145,780	\$ 6,054,176	\$ 5,571,303	\$ (1,574,477)	-22.0%

Bad debt and free care are estimated to have lower costs and/or cases. The 2017 is budgeted at projected 2016 levels.

"Other operating revenue" includes over \$4.3 million of 340B pharmacy funds. Grant income, cafeteria, and other income are itemized in the detail.

Most all areas show double digit increases as the hospital has added FTEs, physician acquisitions, and variable costs related to utilization. These increases include the offset of over \$2 million in internal savings. (see narrative)

The provider tax amount includes costs related to the nursing home.

They refinanced their debt which has lowered their interest expense.

The operating margin is budgeted to decline from 2.9% to 1.8%.

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UTILIZATION & STAFFING	2014 A	2015 A	2016 B	2016 P	2017 B	B16-B17 Change
UTILIZATION						
Adjusted Admissions	15,092	16,125	16,553	17,496	18,086	9.3%
Acute Admissions	3,495	3,877	3,680	4,142	4,131	12.3%
Acute Average Length Of Stay	4.9	4.7	4.8	4.6	4.6	-4.8%
Operating Room Procedures	3,446	3,305	3,694	3,762	3,796	2.8%
Laboratory Tests	483,724	480,341	489,619	485,110	473,982	-3.2%
Emergency Room Visits	26,119	24,784	23,500	24,388	24,388	3.8%
Cat Scan, Radiology - Diagnostic Procedures	48,275	51,418	50,557	53,752	52,189	3.2%
Magnetic Resonance Image Exams	2,979	3,956	3,192	4,470	4,244	33.0%
Physician Office Visits	180,895	192,997	219,587	199,880	244,829	11.5%
Clinics Visits	0	0	0	0	0	0.0%
STAFFING						
Non-MD FTEs	1,023	1,101	1,113	1,171	1,210	98
Travelers	8	12	0	12	4	4
Residents & Fellows	0	0	0	0	0	0
Mid Level Providers (MLPs)	26	32	38	43	46	8
Physician FTEs	78	83	86	82	85	-1
Total MD and Non MD FTEs	1,134	1,228	1,236	1,308	1,346	110
Salary & Benefits per FTE - Non-MD	\$ 81,270	\$ 80,366	\$ 79,327	\$ 82,668	\$ 80,688	1.7%
FTEs Per Adjusted Occupied Bed	5.1	5.4	5.3	5.5	5.5	5.1%
FTEs per 100 Adj Discharges	7.0	7.0	7.0	6.9	6.9	0.0%
Comparative Benchmarks						
Vermont System Averages						
Salary & Benefits per FTE - Non-MD	\$ 78,162	\$ 80,704	\$ 82,457	\$ 83,286	\$ 83,856	1.7%
FTEs Per Adjusted Occupied Bed	5.5	5.7	5.8	5.8	6.1	4.5%
FTEs per 100 Adj Discharges	7.0	7.2	7.5	7.2	7.5	-0.2%
U.S. Benchmarks						
FTEs Per Adjusted Occupied Bed						
Northeast Critical Access Hospital	0.00	-	-	-	-	
Other Non-Profit	3.60	-	-	-	-	
100 - 199 Beds	3.45	-	-	-	-	
All Teaching	3.45	-	-	-	-	

Increases over most areas except lab tests and acute length of stay. Acute admissions have increase significantly. Physician visit increases are due to the integration of community practices. The hospital has been asked to explain the utilization change.

The increase and addition of physician services and acquisitions is evident with the addition of mid-level providers. Submitted physician revenues show an increase of 28% over 2015 actuals. A summary schedule will be requested to reflect FTE and revenue changes.

Salary and fringe per FTE is lower than projected 2016. Under review.

The benchmark shows the hospital lower or very close to their Vermont peers. The national numbers are much different and will require further review to see if there are reporting differences.

Central Vermont Medical Center

BALANCE SHEET	2014 A	2015 A	2016 B	2016 P	2017 B
Cash & Investments	\$ 7,294,723	\$ 8,392,378	\$ 14,513,564	\$ 16,818,604	\$ 19,500,000
Total Current Assets	\$ 29,337,527	\$ 31,876,588	\$ 36,888,564	\$ 44,465,784	\$ 45,450,000
Board Designated Assets	\$ 44,515,863	\$ 43,022,405	\$ 45,900,000	\$ 44,779,453	\$ 45,000,000
Net, Property, Plant And Equipment	\$ 70,070,774	\$ 68,114,385	\$ 77,613,696	\$ 68,680,518	\$ 75,011,446
Other Long-Term Assets	\$ 11,811,472	\$ 9,881,536	\$ 11,950,000	\$ 10,929,896	\$ 11,000,000
Total Assets	\$ 155,735,636	\$ 152,894,914	\$ 172,352,260	\$ 168,855,651	\$ 176,461,446
Current Liabilities	\$ 23,693,942	\$ 25,583,107	\$ 22,163,156	\$ 31,991,987	\$ 27,350,000
Long Term Liabilities	\$ 19,804,173	\$ 17,154,892	\$ 18,167,000	\$ 21,654,431	\$ 19,500,000
Other Noncurrent Liabilities	\$ 24,819,602	\$ 32,309,253	\$ 33,000,000	\$ 32,763,733	\$ 28,750,000
Fund Balance	\$ 87,417,919	\$ 77,847,662	\$ 99,022,104	\$ 82,445,500	\$ 100,861,446
Total Liabilities and Equities	\$ 155,735,636	\$ 152,894,914	\$ 172,352,260	\$ 168,855,651	\$ 176,461,446

The balance sheet is in good shape as it shows steady Board Designated Assets, a consistent long term debt, and growth in net assets (fund bal.).

CVMC has re-financed its debt as part of their partnering with UVMMC.

Central Vermont Medical Center					
Net Increase/(Decrease) in Cash	\$ 1,363,365	\$ 1,097,655	\$ 6,121,186	\$ 8,426,226	\$ 4,986,436
Days Cash on Hand	119.8	109.7	129.4	120.5	123.4
Long Term Debt to Capitalization	18.5%	18.1%	15.5%	20.8%	16.2%
Debt Service Coverage Ratio	4.1	4.4	4.6	3.8	4.5

The hospital's debt position compares favorably with both the Vermont hospitals and 100-199 peers. Also, the days cash on hand to "cover" this debt is also favorable and overall days cash on hand is steady.

Comparative Benchmarks					
Vermont System Averages					
Net Increase/(Decrease) in Cash	\$ 54,485,429	\$ (13,749,624)	\$ (778,512)	\$ (3,061,249)	\$ (680,856)
Days Cash on Hand	176.3	178.5	179.6	174.8	165.5
Long Term Debt to Capitalization	29.7%	27.6%	31.3%	32.0%	29.5%
Debt Service Coverage Ratio	3.3	3.7	2.7	2.8	3.1
U.S. Benchmarks					
100-199 Beds					
Days Cash on Hand-Peers	74.80	-	-	-	-
Long Term Debt to Capitalization-Peers	24%	-	-	-	-
Debt Service Coverage Ratio-Peers	3.0	-	-	-	-

Central Vermont Medical Center

Capital Budget	2014 A	2015 A	2016 B	2016 P	2017 B	2018 Plan	2019 Plan	2020 Plan
Non-Certificate of Need Capital Plans Total	\$ 5,693,801	\$ 9,306,066	\$ 13,000,000	\$ 13,000,000	\$ 14,134,000	\$ 10,300,000	\$ 10,300,000	\$ 10,300,000
Certificate of Need Capital Plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Purchases	\$ 5,693,801	\$ 9,306,066	\$ 13,000,000	\$ 13,000,000	\$ 14,134,000	\$ 10,300,000	\$ 10,300,000	\$ 10,300,000

Central Vermont Medical Center

Age of Plant	9.0	9.0	10.4	10.0	10.6
Capital Expenditures to Depreciation	60.7%	95.2%	131.0%	133.0%	139.8%
Capital Cost % of Total Expense	6.3%	6.0%	6.0%	5.5%	5.3%

Comparative Benchmarks

Vermont System Averages

Age of Plant	10.2	11.4	11.9	11.9	12.3
Capital Expenditures to Depreciation	80.6%	97.1%	95.1%	96.0%	128.2%
Capital Cost % of Total Expense	5.9%	5.4%	5.8%	5.6%	5.3%

U.S. Benchmarks

100-199 Beds

Age of Plant-Peers	11.2	-	-	-	-
Capital Expenditures to Depreciation-Peers	0.0%	-	-	-	-
Capital Cost % of Total Expense-Peers	6.0%	-	-	-	-

The hospital's capital costs and age of plant are favorable compared to Vermont peers. The AOP is increasing some, but the metric compares favorably with peers. The CON projects are included in UVMMC capital plans and include a replacement of the Renal Dialysis Site and network EHR. See the narrative for more detailed information on their capital plans.

The capital metrics also compare favorably with national peers for hospitals with 100-199 beds.

The capital plans for 2017-2020 reflect the ongoing capital investments to support the institution.