

# Mt. Ascutney Hospital & Health Ctr

## Fiscal Year 2017 Budget Analysis

Report Date: 8/16/2016

**Mt. Ascutney Hospital & Health Ctr**

**CEO: Gay Lindstrom**

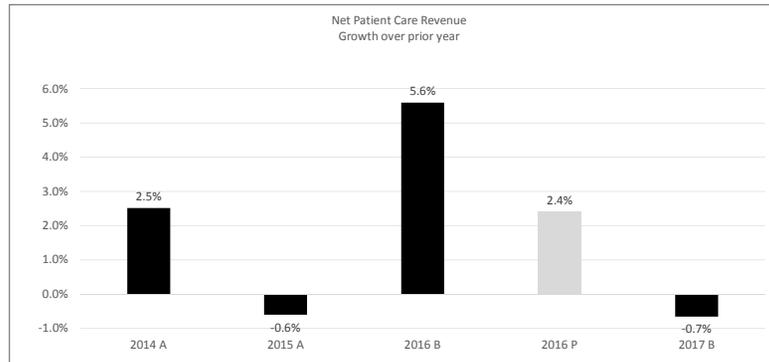
**CFO: Dave Sanville**

**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	\$ 83,434,613	\$ 89,496,703	\$ 87,927,391	\$ 91,421,269	\$ 1,924,566	2.2%	\$ 134,233,796	2.7%
<b>Net Patient Care Revenue</b>	<b>\$ 45,514,515</b>	<b>\$ 48,060,871</b>	<b>\$ 46,612,145</b>	<b>\$ 47,744,700</b>	<b>(316,171)</b>	<b>-0.7%</b>	<b>114,454,070</b>	<b>5.0%</b>
Other Operating Revenue	\$ 2,409,717	\$ 2,589,908	\$ 3,152,847	\$ 2,867,159	277,251	10.7%	6,477,684	4.7%
<b>Total Operating Revenue</b>	<b>\$ 47,924,232</b>	<b>\$ 50,650,779</b>	<b>\$ 49,764,992</b>	<b>\$ 50,611,859</b>	<b>(38,920)</b>	<b>-0.1%</b>	<b>\$ 120,931,754</b>	<b>4.9%</b>
<b>Operating Expense</b>	<b>\$ 49,097,805</b>	<b>\$ 50,599,108</b>	<b>\$ 50,189,968</b>	<b>\$ 51,856,343</b>	<b>1,257,235</b>	<b>2.5%</b>	<b>\$ 119,502,747</b>	<b>5.0%</b>
<b>Net Operating Income</b>	<b>\$ (1,173,573)</b>	<b>\$ 51,671</b>	<b>\$ (424,976)</b>	<b>\$ (1,244,484)</b>	<b>(1,296,155)</b>	<b>-2508.5%</b>	<b>\$ 1,429,007</b>	<b>2.1%</b>
Non Operating Revenue	\$ (303,003)	\$ 446,000	\$ 1,026,970	\$ 1,844,274	\$ 1,398,274	313.5%	\$ 4,835,590	15.7%
<b>Excess (Deficit) of Rev over Exp</b>	<b>\$ (1,476,576)</b>	<b>\$ 497,671</b>	<b>\$ 601,994</b>	<b>\$ 599,790</b>	<b>102,119</b>	<b>20.5%</b>	<b>\$ 6,264,597</b>	<b>6.2%</b>
Operating Margin %	-2.4%	0.1%	-0.9%	-2.5%				
Total Margin %	-3.1%	1.0%	1.2%	1.1%				

The hospital has prepared a budget with net patient revenues (NPR) decreasing by 0.7%. The decrease is related to lower reimbursement and payer mix shifts offset by improved bad debt and free care. The hospital has budgeted an operating loss as the hospital expects to receive over \$1.2 million from DHMC as a System Allocation payment. This payment is being made by DHMC to provide Mt. Ascutney with cash flow to maintain operations.

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.

**Mt. Ascutney Hospital & Health Ctr**

**RATE AND NET PATIENT REVENUE INCREASE**

Rate is the average change in price for services provided.

	2013 Approved	2014 Approved	2015 Approved	2016 Approved	2017 Submitted
<b>Weighted Average rate for all hospitals</b>	7.9%	5.2%	6.8%	4.4%	2.2%
<b>Mt. Ascutney Hospital &amp; Health Ctr Rate Request</b>	7.0%	5.0%	3.2%	5.7%	4.9%
Hospital Inpatient					5.7%
Hospital Outpatient					5.1%
Outpatient Physician					4.0%
Chronic/SNF					5.5%
Swing					6.1%
Other					0.0%

The 4.9% rate increase is achieved by a 5.7% increase budgeted for inpatient services, 5.1% increase for outpatient services, 4.0% for physician services, 6.1% for swing bed, and 5.5% for their Rehab services.

The NPR change is a \$316,171 **DECREASE**. The change is a combination of rate increases and improved bad debt and free care offset by reimbursement and utilization payer shifts. The rate increase will generate \$1,150,637 and is being budgeted to offset other reimbursement and payer mix shifts. Bad debt and free care will also be favorable as will disproportionate share.

<b>Net Patient Revenue change</b>	<b>2016 Approved</b>	<b>2017 Submitted</b>	<b>B16-B17 Change</b>	<b>B16-B17 Change</b>	
<b>NPR changes due to:</b>	\$ 48,060,871	\$ 47,744,700	\$ (316,171)	<b>-0.7%</b>	
Commercial Ask Negotiations			\$ -		
Rate request			\$ 1,150,637	<b>4.9%</b>	<b>Rate to be requested from commercial insurers</b>
Utilization			\$ 8,550		Narrative states volumes are flat and even reduced in some areas.
Other major program change			\$ -		
Physician Acquisition or reduction			\$ -		
Free care			\$ 117,886		Budgeted in 2017 very close to projected levels.
Bad debt			\$ 1,770,690		Budgeted in '17 close to projected levels - shows significant improvement over 2016 Budget
Dispro share change			\$ 537,617		The amount is as reported by DVHA.
Other NPR changes			\$ (3,901,551)		Reimbursement changes and payer mix shifts.
Other NPR changes			\$ -		
<b>Total NPR changes</b>			\$ (316,171)		

Mt. Ascutey Hospital & Health Ctr								
NET PAYER REVENUE CHANGE		FY2016	Projection FY2016	FY2017	B16-B17 \$Change	B16-B17 % change	NPR From Rate	NPR From All Other
<b>All Payers</b>	<b>Gross Revenue</b>	\$89,496,703	\$87,927,391	\$91,421,269	\$1,924,566	2.2%		
	Allowances	(\$38,146,371)	(\$39,969,857)	(\$42,522,891)	(\$4,376,520)	11.5%		
	Bad Debt	(\$2,684,903)	(\$840,745)	(\$914,213)	\$1,770,690	-65.9%		
	Free Care	(\$894,968)	(\$692,410)	(\$777,082)	\$117,886	-13.2%		
	Disproportionate Share Payments	\$290,410	\$187,766	\$537,617	\$247,207	85.1%		
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	0.0%		
	<b>Net Payer Revenue</b>	<b>\$48,060,871</b>	<b>\$46,612,145</b>	<b>\$47,744,700</b>	<b>(\$316,171)</b>	<b>-0.7%</b>	<b>\$1,150,637</b>	<b>-\$1,466,808</b>
<b>Commercial</b>								
<b>Commercial</b>	<b>Gross Revenue</b>	\$32,156,469	\$28,914,631	\$30,055,042	(\$2,101,427)	-6.5%		
	Allowances	(\$10,382,092)	(\$9,173,415)	(\$9,856,726)	\$525,366	-5.1%		
	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%		
	<b>Net Payer Revenue</b>	<b>\$21,774,377</b>	<b>\$19,741,216</b>	<b>\$20,198,316</b>	<b>(\$1,576,061)</b>	<b>-7.2%</b>	<b>\$230,629</b>	<b>-\$1,806,690</b>
		68%	68%	67%	75%			
<b>Medicaid</b>	<b>Gross Revenue</b>	\$11,978,284	\$13,769,178	\$14,328,799	\$2,350,515	19.6%		
	Allowances	(\$8,164,735)	(\$9,300,165)	(\$9,861,571)	(\$1,696,836)	20.8%		
	Bad Debt	\$0	\$0	\$0	\$0	0.0%		
	Free Care	\$0	\$0	\$0	\$0	0.0%		
	Disproportionate Share Payments	\$290,410	\$187,766	\$537,617	\$247,207	85.1%		
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	0.0%		
	<b>Net Payer Revenue</b>	<b>\$4,103,959</b>	<b>\$4,656,779</b>	<b>\$5,004,845</b>	<b>\$900,886</b>	<b>22.0%</b>	<b>\$72,945</b>	<b>\$827,941</b>
		34%	34%	35%	38%			
<b>Medicare</b>	<b>Gross Revenue</b>	\$45,361,950	\$45,243,582	\$47,037,428	\$1,675,478	3.7%		
	Allowances	(\$19,599,544)	(\$21,496,277)	(\$22,804,594)	(\$3,205,050)	16.4%		
	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%		
	<b>Net Payer Revenue</b>	<b>\$25,762,406</b>	<b>\$23,747,305</b>	<b>\$24,232,834</b>	<b>(\$1,529,572)</b>	<b>-5.9%</b>	<b>\$847,063</b>	<b>-\$2,376,635</b>
		57%	52%	52%	-91%			
<b>Bad Debt/Free Care</b>	<b>Gross Revenue</b>				\$0	0.0%		
	Allowances				\$0	0.0%		
	Bad Debt	(\$2,684,903)	(\$840,745)	(\$914,213)	\$1,770,690	-65.9%		
	Free Care	(\$894,968)	(\$692,410)	(\$777,082)	\$117,886	-13.2%		
	Disproportionate Share Payments				\$0	0.0%		
	Graduate Medical Education Payments				\$0	0.0%		
	<b>Net Payer Revenue</b>	<b>(\$3,579,871)</b>	<b>(\$1,533,155)</b>	<b>(\$1,691,295)</b>	<b>\$1,888,576</b>	<b>-52.8%</b>	<b>\$0</b>	<b>\$1,888,576</b>

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 planned rate increase dollars for this year ('17). There will be an overall commercial decrease from 2016 levels mostly due to decreasing reimbursement.

The hospital will receive some new funds because of their rate increase. They expect to see additional revenues from increased utilization.

As a critical care hospital, Medicare change is based upon cost structure. However, a significant reduction in reimbursement is planned in 2017.

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**

1) Mt. Ascutney continues to integrate with Dartmouth Hitchcock Health (DH-H) and this budget reflects that change in reimbursement, staffing, and utilization.

Provide the GMCB with an overview of those changes. Explain the challenges and opportunities for Mt. Ascutney in the next several years. What are the greatest risks with the 2017 budget?

The hospital is also examining other organization shifts with long standing providers in their community such as Stoughton House and Evarts House (licensed by the State of Vermont as residential care homes).

Describe the integration with DH-H and explain the programmatic and operational shifts that are planned and/or underway. Describe the financial expectations for Mt. Ascutney going forward as it relates to the integration.

Describe the savings and costs for the integration that the hospital has experienced.

2) The hospital's net patient revenues (NPR) are increasing 0.7% over 2016 budget. This increase is an estimate based upon numerous utilization changes, reimbursement changes, and continued changes with patients' insurance coverage and free care.

The hospital shows a change in bad debt from 3% of gross revenues in Bud 2016 to 1% in Bud 2017. Describe those changes. Is free care policy changing?

3) The GMCB is interested in understanding the changes occurring from budget to budget by payer. Explain your NPR changes at the budget hearing using the payer schedule provided in the staff's analysis.

a) The narrative discusses numerous shifts occurring in utilization. Describe the shifts the hospital is seeing by payer. Describe the reimbursement impacts as well as impacts on costs.

4) The hospital has budgeted a 2.4% operating loss that will be covered with a transfer from DH-H. Explain the plan here and whether this will be continued going forward. What is the rate of impact if the hospital has to increase rates in lieu of the transfer?

5) Describe the hospital's efforts with local mental health and other providers to strengthen community health services. Describe any successes and identify limitations of those efforts.

6) Explain why FTEs are shifting and now being paid as contracted employees.

7) The hospital is requesting a 4.9% overall rate increase that will be applied to 5 different service categories as outlined on page 2. Are these the rates that is negotiated with commercial payers? Describe the strategy and basis for this increase.

8) Are the FY 16 projections for net revenues, expenditures, and surplus as reported still valid? If not, describe any material changes.

9) What is CHT funding?

Mt. Ascutney Hospital & Health Ctr						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			
<b>Net Patient Revenue Change</b>	2.5%	-0.6%	5.6%		-0.7%					
<b>Overall Rates</b>	5%	3%	6%		4.9%					
<b>Utilization</b>										
Total Average Daily Census	24	27	27	27	27	23.2	-	80	72	192
Adjusted Admissions	7,675	7,827	7,264	6,827	7,397	8,261	-	-	-	-
<b>Capital</b>										
Age of Plant	9.6	8.6	13.7	14.3	11.2	12.0	11.3	11.3	11.2	11.2
Long Term Debt to Capitalization	34.0%	32.2%	35.7%	34.5%	32.4%	26.9%	27.1%	31.2%	23.5%	30.6%
Debt Service Coverage Ratio	3.1	2.5	2.9	1.8	2.0	4.2	4.4	2.8	3.0	5.0
<b>Revenue</b>										
Bad Debt %	1.0%	1.8%	3.0%	1.0%	1.0%	1.6%	5.6%	5.5%	6.7%	4.1%
Free Care %	1.6%	0.9%	1.0%	0.8%	0.9%	0.7%	-	-	-	-
Operating Margin %	-1.0%	-2.4%	0.1%	-0.9%	-2.5%	1.9%	-2.4%	0.7%	2.8%	3.0%
Total Margin %	0.4%	-3.1%	1.0%	1.2%	1.1%	3.2%	3.2%	3.7%	5.7%	5.6%
<b>Productivity &amp; Staffing</b>										
Overhead Expense w/ fringe, as a % of Total Operating Exp	26.0%	31.3%	46.8%	32.5%	36.5%	26.1%	-	-	-	-
<b>Cost &amp; Revenue Unit of Measure</b>										
Cost per Adjusted Admission	6,408	6,273	6,966	7,352	7,010	10,264	-	7,557	7,453	7,645
<b>Liquidity</b>										
Current Ratio	2.2	1.9	1.9	2.0	1.8	2.9	1.4	2.3	1.7	1.8
Days Cash on Hand	138	143	141	127	129	129	99	74	75	110
<b>Payer</b>										
Medicare Gross as % of Tot Gross Rev	50%	54%	51%	51%	51%	42%	-	-	-	-
Medicaid Gross as % of Tot Gross Rev	13%	13%	13%	16%	16%	19%	-	-	-	-
Comm/self Gross as % of Tot Gross Re	37%	34%	36%	33%	33%	37%	-	-	-	-
Medicare % of Net Rev (incl DSH)	51%	52%	54%	51%	51%	34%	-	-	-	-
Medicaid % of Net Rev (incl DSH)	9%	7%	8%	10%	9%	13%	-	-	-	-
Comm/self % of Net Rev (incl DSH)	40%	42%	38%	39%	39%	50%	-	-	-	-

Mt. Ascutney Hospital & Health Ctr							
PROFIT & LOSS STATEMENT	2014 A	2015 A	2016 B	2016 P	2017 B	B16-B17 Change	B16-B17 Change %
<b>Revenues</b>							
<b>Gross Patient Care Revenue</b>	\$ 80,390,152	\$ 83,434,613	\$ 89,496,703	\$ 87,927,391	\$ 91,421,269	\$ 1,924,566	2.2%
Disproportionate Share Payments	533,586	376,571	290,410	187,766	537,617	247,207	85.1%
Bad Debt	(770,772)	(1,498,927)	(2,684,903)	(840,745)	(914,213)	1,770,690	-65.9%
Free Care	(1,280,926)	(765,163)	(894,968)	(692,410)	(777,082)	117,886	-13.2%
Graduate Medical Education	-	-	-	-	-	-	-
Deductions from Revenue	(33,082,691)	(36,032,579)	(38,146,371)	(39,969,857)	(42,522,891)	(4,376,520)	11.5%
<b>Net Patient Care Revenue</b>	\$ 45,789,349	\$ 45,514,515	\$ 48,060,871	\$ 46,612,145	\$ 47,744,700	\$ (316,171)	-0.7%
Year over Year Change	2.5%	-0.6%	5.6%	2.4%	-0.7%		
<b>Other Operating Revenue</b>	\$ 2,931,428	\$ 2,409,717	\$ 2,589,908	\$ 3,152,847	\$ 2,867,159	\$ 277,251	10.7%
<b>Total Operating Revenue</b>	\$ 48,720,777	\$ 47,924,232	\$ 50,650,779	\$ 49,764,992	\$ 50,611,859	\$ (38,920)	-0.1%
<b>Operating Expense</b>							
Salaries Non MD	17,553,376	17,621,811	18,590,566	18,506,303	18,679,955	89,389	0.5%
Fringe Benefits Non MD	5,376,420	4,826,804	6,000,074	5,664,072	6,213,453	213,379	3.6%
Fringe Benefits MD	760,648	814,888	819,259	773,994	853,238	33,979	4.1%
Physician Fees Salaries Contracts & Fringes	7,103,399	7,069,399	7,022,956	6,423,060	6,104,789	(918,167)	-13.1%
Health Care Provider Tax	1,732,272	1,828,623	1,870,000	1,714,969	1,779,000	(91,000)	-4.9%
Depreciation Amortization	2,501,983	2,844,370	2,251,744	1,820,677	2,535,126	283,382	12.6%
Interest - Short Term	-	-	-	-	-	-	-
Interest - Long Term	504,632	446,591	566,793	702,275	300,000	(266,793)	-47.1%
Other Operating Expense	13,651,852	13,645,319	13,477,716	14,584,618	15,390,782	1,913,066	14.2%
Community Foundation Donation	-	-	-	-	-	-	-
<b>Total Operating Expense</b>	\$ 49,184,582	\$ 49,097,805	\$ 50,599,108	\$ 50,189,968	\$ 51,856,343	\$ 1,257,235	2.5%
Year over Year Change	1.0%	-0.2%	3.1%	-	2.5%		
<b>Net Operating Income (Loss)</b>	\$ (463,805)	\$ (1,173,573)	\$ 51,671	\$ (424,976)	\$ (1,244,484)	\$ (1,296,155)	-2508.5%
<b>Non-Operating Revenue</b>	\$ 679,987	\$ (303,003)	\$ 446,000	\$ 1,026,970	\$ 1,844,274	\$ 1,398,274	313.5%
<b>Excess (Deficit) Of Revenue Over Expense</b>	\$ 216,182	\$ (1,476,576)	\$ 497,671	\$ 601,994	\$ 599,790	\$ 102,119	20.5%

Bad debt and free care are both based upon current projections. This will show significant improvement for bad debt in 2017.

Over \$2.1 million of "other operating revenue" is made up of 340B pharmacy and CHT funding.

Salaries and Fringe are down 1.8% from 2016, some key clinical positions are now contracted services with DHMC reported in 'other operating expenses'.

Depreciation is increasing due to planned capital purchases. Other operating costs are the largest increase.

The hospital is expecting over \$1.2 million from DHMC as a System Allocation payment reported in Non-operating revenue.

The hospital has budgeted a larger operating loss than recent experience.

**Mt. Ascutney Hospital & Health Ctr**

<b>UTILIZATION &amp; STAFFING</b>	<b>2013 A</b>	<b>2014 A</b>	<b>2015 A</b>	<b>2016 B</b>	<b>2016 P</b>	<b>2017 B</b>	<b>B16-B17 Change</b>
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**UTILIZATION**

Adjusted Admissions	6,625	7,675	7,827	7,264	6,827	7,397	1.8%
Acute Admissions	352	350	398	366	350	360	-1.6%
Acute Average Length Of Stay	3.7	3.2	3.3	3.5	3.4	3.4	-2.3%
Operating Room Procedures	29	0	1,865	1,989	1,977	42	-97.9%
Laboratory Tests	83,887	92,513	64,900	67,598	62,572	61,277	-9.4%
Emergency Room Visits	5,464	5,243	4,024	4,830	4,472	4,808	-0.5%
Cat Scan, Radiology - Diagnostic Procedures	641	12,853	12,765	12,812	13,288	12,861	0.4%
Magnetic Resonance Image Exams	0	0	0	0	0	0	0.0%
Physician Office Visits	0	0	51,997	65,120	48,866	51,645	-20.7%
Clinics Visits	0	0	0	0	0	0	0.0%

**STAFFING**

Non-MD FTEs	327	303	298	304	294	301	-4
Travelers	0	0	0	0	0	0	0
Residents & Fellows	0	0	0	0	0	0	0
Mid Level Providers	7	10	9	10	9	8	-2
Physician FTEs	22	21	22	22	21	20	-2
<b>Total MD and Non MD FTEs</b>	<b>356</b>	<b>334</b>	<b>329</b>	<b>336</b>	<b>324</b>	<b>328</b>	<b>-8</b>

Salary & Benefits per FTE - Non-MD	\$ 67,512	\$ 73,385	\$ 73,192	\$ 78,227	\$ 79,697	\$ 80,679	3.1%
FTEs Per Adjusted Occupied Bed	5.0	4.7	4.4	4.5	4.7	4.5	-1.3%
FTEs per 100 Adj Discharges	5.0	4.1	3.9	4.3	4.4	4.2	-3.6%

**Comparative Benchmarks**

**Vermont System Averages**

<b>Salary &amp; Benefits per FTE - Non-MD</b>	<b>\$ 77,361</b>	<b>\$ 78,162</b>	<b>\$ 80,704</b>	<b>\$ 82,457</b>	<b>\$ 83,286</b>	<b>\$ 83,856</b>	<b>1.7%</b>
<b>FTEs Per Adjusted Occupied Bed</b>	<b>5.4</b>	<b>5.5</b>	<b>5.7</b>	<b>5.8</b>	<b>5.8</b>	<b>6.1</b>	<b>4.5%</b>
<b>FTEs per 100 Adj Discharges</b>	<b>6.7</b>	<b>7.0</b>	<b>7.2</b>	<b>7.5</b>	<b>7.2</b>	<b>7.5</b>	<b>-0.2%</b>

**U.S. Benchmarks**

<b>FTEs Per Adjusted Occupied Bed</b>							
Northeast Critical Access Hospital	0.00	0.00	-	-	-	-	
Other Non-Profit	3.60	3.60	-	-	-	-	
100 - 199 Beds	3.45	3.45	-	-	-	-	
All Teaching	3.45	3.45	-	-	-	-	

The overall utilization shows a level comparable to FY 2016 budgeted levels. However, the hospital overall volume mix is changing and will impact both costs and revenue sources over the next few years. The hospital will discuss.

No significant shifts are being reflected for FTE or physicians, but some key clinical positions are now contracted services with DHMC .

The 3.1% increase is reflective of their average merit increase and the 2% average market increases.

This benchmark does not exist for NE critical access hospitals.

**Mt. Ascutney Hospital & Health Ctr**

<b>BALANCE SHEET</b>	<b>2014 A</b>	<b>2015 A</b>	<b>2016 B</b>	<b>2016 P</b>	<b>2017 B</b>
Cash & Investments	\$ 2,812,066	\$ 3,534,580	\$ 1,811,298	\$ 1,856,503	\$ 1,682,375
Total Current Assets	\$ 10,529,215	\$ 10,790,580	\$ 9,797,829	\$ 9,435,211	\$ 8,767,222
Board Designated Assets	\$ 14,898,301	\$ 14,531,518	\$ 16,837,525	\$ 14,971,372	\$ 15,719,940
Net, Property, Plant And Equipment	\$ 11,549,113	\$ 14,445,756	\$ 13,828,609	\$ 18,872,580	\$ 19,422,454
Other Long-Term Assets	\$ 2,228,173	\$ 2,306,278	\$ 2,246,008	\$ 2,222,290	\$ 2,212,839
<b>Total Assets</b>	<b>\$ 39,204,802</b>	<b>\$ 42,074,132</b>	<b>\$ 42,709,971</b>	<b>\$ 45,501,453</b>	<b>\$ 46,122,455</b>
Current Liabilities	\$ 8,169,713	\$ 9,370,251	\$ 10,074,026	\$ 8,717,593	\$ 9,271,966
Long Term Liabilities	\$ 8,401,684	\$ 8,073,352	\$ 10,617,357	\$ 10,514,384	\$ 10,024,748
Other Noncurrent Liabilities	\$ 6,302,707	\$ 7,660,302	\$ 2,435,664	\$ 5,983,788	\$ 5,733,788
Fund Balance	\$ 16,330,698	\$ 16,970,227	\$ 19,582,924	\$ 20,285,688	\$ 21,091,953
<b>Total Liabilities and Equities</b>	<b>\$ 39,204,802</b>	<b>\$ 42,074,132</b>	<b>\$ 42,709,971</b>	<b>\$ 45,501,453</b>	<b>\$ 46,122,455</b>

<b>Mt. Ascutney Hospital &amp; Health Ctr</b>					
Net Increase/(Decrease) in Cash	\$ (966,135)	\$ 722,514	\$ (1,723,282)	\$ (1,678,077)	\$ (128,923)
Days Cash on Hand	138.5	142.6	140.8	127.0	128.8
Long Term Debt to Capitalization	34.0%	32.2%	35.7%	34.5%	32.4%
Debt Service Coverage Ratio	3.1	2.5	2.9	1.8	2.0

<b>Comparative Benchmarks</b>					
<b>Vermont System Averages</b>					
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
<b>U.S. Benchmarks</b>					
<b>Northeast Critical Access Hospital</b>					
Days Cash on Hand-Peers	99.30	-	-	-	-
Long Term Debt to Capitalization-Peers	27%	-	-	-	-
Debt Service Coverage Ratio-Peers	4.4	-	-	-	-

The balance sheet shows variances over the last several years due to Property Plant and Equipment valuations related to the "merger" with DHMC. This will be explained further at the hearing.

The hospital's debt position compares unfavorably with both the Vermont hospital median and NE critical access peers. Cash on hand is lower than the Vermont average but are higher than the Vt. CAH median.

It should be noted that Mt. Ascutney is in transition and some metrics will shift as they establish their position with DHMC.

**Mt. Ascutney Hospital & Health Ctr**

<b>Capital Budget</b>	<b>2014 A</b>	<b>2015 A</b>	<b>2016 B</b>	<b>2016 P</b>	<b>2017 B</b>	<b>2018 Plan</b>	<b>2019 Plan</b>	<b>2020 Plan</b>
Non-Certificate of Need Capital Plans Total	\$ 1,526,245	\$ 915,276	\$ 2,376,200	\$ 2,545,700	\$ 3,085,000	\$ 2,877,000	\$ 1,647,000	\$ 1,063,000
Certificate of Need Capital Plans	\$ 308,187	\$ 4,986,851	\$ 303,963	\$ 303,963	\$ -	\$ -	\$ -	\$ -
<b>Total Capital Purchases</b>	<b>\$ 1,834,432</b>	<b>\$ 5,902,127</b>	<b>\$ 2,680,163</b>	<b>\$ 2,849,663</b>	<b>\$ 3,085,000</b>	<b>\$ 2,877,000</b>	<b>\$ 1,647,000</b>	<b>\$ 1,063,000</b>

**Mt. Ascutney Hospital & Health Ctr**

Age of Plant	9.6	8.6	13.7	14.3	11.2
Capital Expenditures to Depreciation	61.0%	32.2%	105.5%	139.8%	151.3%
Capital Cost % of Total Expense	6.1%	6.7%	5.6%	5.0%	5.5%

**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**

**Northeast Critical Access Hospital**

Age of Plant-Peers	11.3	-	-	-	-
Capital Expenditures to Depreciation-Peers	0.0%	-	-	-	-
Capital Cost % of Total Expense-Peers	5.8%	-	-	-	-

The hospital's capital costs are now comparable with Vermont peers and the age of plant is showing slightly younger physical plant and equipment.

When compared nationally in 2014, the hospital had slightly higher costs and a younger physical plant.