

Springfield Hospital

Fiscal Year 2017 Budget Analysis

Report Date: 8/15/2016

Springfield Hospital

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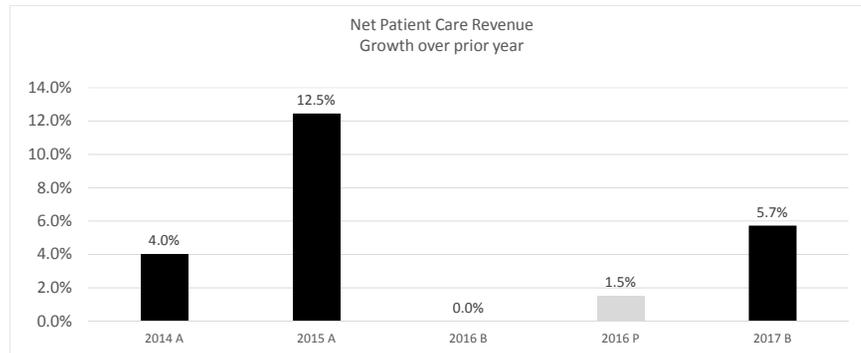
SUMMARY OF BUDGET

	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	\$ 119,561,775	\$ 125,645,200	\$ 122,690,089	\$ 123,894,113	\$ (1,751,087)	-1.4%	\$ 134,233,796	2.7%
Net Patient Care Revenue	\$ 55,926,090	\$ 55,936,500	\$ 56,775,906	\$ 59,147,241	\$ 3,210,741	5.7%	\$ 114,454,070	5.0%
Other Operating Revenue	\$ 1,967,548	\$ 1,922,800	\$ 1,806,000	\$ 1,762,700	\$ (160,100)	-8.3%	\$ 6,477,684	4.7%
Total Operating Revenue	\$ 57,893,638	\$ 57,859,300	\$ 58,581,906	\$ 60,909,941	\$ 3,050,641	5.3%	\$ 120,931,754	4.9%
Operating Expense	\$ 55,629,486	\$ 56,702,000	\$ 56,538,582	\$ 59,158,280	\$ 2,456,280	4.3%	\$ 119,502,747	5.0%
Net Operating Income	\$ 2,264,152	\$ 1,157,300	\$ 2,043,324	\$ 1,751,661	\$ 594,361	51.4%	\$ 1,429,007	2.1%
Non Operating Revenue	\$ (2,699,949)	\$ 1,015,000	\$ 385,000	\$ 750,000	\$ (265,000)	-26.1%	\$ 4,835,590	15.7%
Excess (Deficit) of Rev over Exp	\$ (435,797)	\$ 2,172,300	\$ 2,428,324	\$ 2,501,661	\$ 329,361	15.2%	\$ 6,264,597	6.2%
Operating Margin %	3.9%	2.0%	3.5%	2.9%				
Total Margin %	-0.8%	3.7%	4.1%	4.1%				

The hospital has prepared a budget with a \$3.2 million increase in net patient revenues (NPR) (5.7%). Over \$3.1 million of the NPR increase is related to hospital utilization.

The balance of the increase is primarily related to changes in bad debt and free care and also an increase in disproportionate share revenue. The hospital has not asked for an overall rate increase.

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.

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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
Weighted Average rate for all hospitals	7.9%	5.2%	6.8%	4.4%	2.2%
Springfield Hospital Rate Request	6.0%	4.6%	5.5%	2.8%	0.0%
Hospital Inpatient					0.0%
Hospital Outpatient	#DIV/0!				0.0%
Outpatient Physician	#DIV/0!				0.0%
Chronic/SNF					0.0%
Swing					0.0%
Other					0.0%

The hospital has budgeted a 0% rate increase. They were able to do this because of higher disproportionate share revenues and a recognition to keep in compliance with GMCB enforcement policy.

The majority of the NPR increase will be generated by higher utilization of \$3.1 million.

Net Patient Revenue change	2016 Approved	2017 Submitted	B16-B17 Change	B16-B17 Change	
NPR changes due to:	\$ 55,936,500	\$ 59,147,241	\$ 3,210,741	5.7%	
Commercial Ask Negotiations			\$ -		
Rate request			\$ -	0.0%	Amount to be requested from commercial insurers
Utilization			\$ 3,050,146		Utilization increases across all payers.
Other major program change			\$ -		
Physician Acquisition or reduction			\$ -		
Free care			\$ 479,144		Budgeted to DECREASE OVER 2016 BUDGET.
Bad debt			\$ (641,951)		Budgeted to INCREASE OVER 2016 BUDGET.
Dispro share change			\$ 323,402		The amount agrees with DVHA estimate.
Other NPR changes			\$ -		
Total NPR changes			\$ 3,210,741		

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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	\$125,645,200	\$122,690,089	\$123,894,113	(\$1,751,087)	-1.4%		
	Allowances	(\$63,573,518)	(\$60,500,000)	(\$58,772,285)	\$4,801,233	-7.6%		
	Bad Debt	(\$4,559,200)	(\$4,800,000)	(\$5,201,151)	(\$641,951)	14.1%		
	Free Care	(\$3,083,706)	(\$2,121,907)	(\$2,604,562)	\$479,144	-15.5%		
	Disproportionate Share Payments	\$1,507,724	\$1,507,724	\$1,831,126	\$323,402	21.4%		
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	0.0%		
	Net Payer Revenue	\$55,936,500	\$56,775,906	\$59,147,241	\$3,210,741	5.7%	\$0	\$3,210,741
Commercial	Gross Revenue	\$46,504,826	\$46,304,826	\$43,378,068	(\$3,126,758)	-6.7%		
	Allowances	(\$14,096,493)	(\$13,803,344)	(\$11,938,983)	\$2,157,510	-15.3%		
	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	\$32,408,333	\$32,501,482	\$31,439,085	(\$969,248)	-3.0%	\$0	-\$969,248
Medicaid	Gross Revenue	\$24,682,845	\$24,182,845	\$25,991,700	\$1,308,855	5.3%		
	Allowances	(\$17,165,926)	(\$16,365,926)	(\$16,489,017)	\$676,909	-3.9%		
	Bad Debt	\$0	\$0	\$0	\$0	0.0%		
	Free Care	\$0	\$0	\$0	\$0	0.0%		
	Disproportionate Share Payments	\$1,507,724	\$1,507,724	\$1,831,126	\$323,402	21.4%		
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	0.0%		
	Net Payer Revenue	\$9,024,643	\$9,324,643	\$11,333,809	\$2,309,166	25.6%	\$0	\$2,309,166
Medicare	Gross Revenue	\$54,457,529	\$52,202,418	\$54,524,345	\$66,816	0.1%		
	Allowances	(\$32,311,099)	(\$30,330,730)	(\$30,344,285)	\$1,966,814	-6.1%		
	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%		
	Net Payer Revenue	\$22,146,430	\$21,871,688	\$24,180,060	\$2,033,630	9.2%	\$0	\$2,033,630
Bad Debt/Free C:	Gross Revenue	\$0	\$0	\$0	\$0	0.0%		
	Allowances	\$0	\$0	\$0	\$0	0.0%		
	Bad Debt	(\$4,559,200)	(\$4,800,000)	(\$5,201,151)	(\$641,951)	14.1%		
	Free Care	(\$3,083,706)	(\$2,121,907)	(\$2,604,562)	\$479,144	-15.5%		
	Disproportionate Share Payments	\$0	\$0	\$0	\$0	0.0%		
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	0.0%		
	Net Payer Revenue	(\$7,642,906)	(\$6,921,907)	(\$7,805,713)	(\$162,807)	2.1%	\$0	-\$162,807

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.

There are no rate dollars budgeted since they have a 0% rate. The decrease is largely a reduction in utilization for Commercial payers.

The hospital will NOT receive any new funds because of their rate increase (0%). The \$2.3 million is both increased utilization and reimbursement.

The hospital will NOT receive any new funds because of their rate increase (0%). As a critical care hospital, Medicare will increase some as a function of costs and there is increased utilization.

Bad debt is budgeted to move unfavorably compared to budget but more in line with recent history. B2016 was too optimistic.

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

1) The hospital mentions how the FQHC parent is working with the hospital on numerous reform efforts and that the culture of reform is embedded in the organization. Describe how the organizational relationship is working and identify current opportunities and limitations that are ongoing with other community providers.

2) The hospital's net patient revenues (NPR) are increasing 5.7% over 2016 budget. The hospital identifies this increase as being primarily related to hospital utilization experienced in 2016. (The narrative described the increase as 4%, but was working from 2016 PROJECTED instead of BUDGET.)

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a) ER visits, lab tests, and scans are increasing but all other metrics, including acute admissions show no growth.

Further, the gross revenues show a decline from 2016 budget. However, the hospital explains that utilization in 2016 and 2017 is based upon increased utilization. Has the utilization mix shifted? If so, why? Is it a sustainable change?

Are there any market share issues occurring (loss/gain from NH)?

b) Is the hospital seeing high increases in chemotherapies and other drug costs? What is occurring for those services?

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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 (page 4) provided in the staff's analysis.

a) Discuss the increases in Medicaid utilization. Also, why are you expecting better reimbursement in Medicaid? Is it related to your Psych program?

b) Discuss the increases in Medicare utilization.

c) Why is Commercial utilization declining?

4) The hospital is requesting a 0.0% overall rate increase. Part of the rationale was that disproportionate share revenues increased \$320,000. How much rate is required to raise \$320,000 if disproportionate share had not increased?

5) The hospital has budgeted an increase of 5 FTEs over 2016 budget while physician FTEs are down by 4. Productivity levels are very good. Are you recruiting for more physicians or are you at the right level? How do you determine the need for physicians for your service area?

6) Bad debt and free care, together, are budgeted together to be higher than 2016 budget. The last two years show 5.7% and 5.6% while 2017 budget is set at 6.3%. While you have had the highest levels in the state historically, this is a different trend than what we have seen at most other hospitals. Have you had discussions with your peers about why your numbers might be different? Have you noticed a change in cases or patients?

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

8) The hospital narrative (pages 1) does a nice job outlining the hospital's efforts with local mental health and other providers to strengthen services for Level 1 Psychiatric patients in the ER. Have you expanded that effort with local providers to improve services?

9) The hospital shows a transfer OUT of the hospital to another organization of \$450,000 in non-operating funds. What is this transaction?

10) Describe the hospital's plans to increase the long term debt.

Technical

1) Work with GMCB staff to update the balance sheet to correct the fixed capital detail.

Springfield Hospital						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	4.0%	12.5%	0.0%		5.7%					
Overall Rates	5%	5%	3%		0.0%					
Utilization										
Total Average Daily Census	23	25	28	24	24	23.2	-	80	72	192
Adjusted Admissions	7,941	9,034	8,350	9,078	8,198	8,261	-	-	-	-
Operating Room Cases	-	-	-	-	-		-	-	-	-
Capital										
Age of Plant	11.5	12.5	14.2	14.2	21.6	12.0	11.3	11.3	11.2	11.2
Long Term Debt to Capitalization	35.1%	32.9%	22.6%	21.0%	27.4%	26.9%	27.1%	31.2%	23.5%	30.6%
Debt Service Coverage Ratio	(1.1)	4.1	1.4	3.9	3.7	4.2	4.4	2.8	3.0	5.0
Revenue										
Bad Debt %	3.7%	3.5%	3.6%	3.9%	4.2%	1.6%	5.6%	5.5%	6.7%	4.1%
Free Care %	3.3%	2.2%	2.5%	1.7%	2.1%	0.7%	-	-	-	-
Operating Margin %	-7.3%	3.9%	2.0%	3.5%	2.9%	1.9%	-2.4%	0.7%	2.8%	3.0%
Total Margin %	-12.2%	-0.8%	3.7%	4.1%	4.1%	3.2%	3.2%	3.7%	5.7%	5.6%
Physician Gross Revenue %	0.0%	0.0%	0.0%	0.0%	0.0%		-	-	-	-
SNF/Rehab/Swing Gross Revenue %	0.1%	0.1%	0.1%	0.1%	0.1%	0.4%	-	-	-	-
Productivity & Staffing										
Overhead Expense w/ fringe, as a % of Total Operating Exp	22.1%	21.2%	21.2%	21.3%	21.7%	26.1%	-	-	-	-
Cost & Revenue Unit of Measure										
Cost per Adjusted Admission	6,983	6,158	6,791	6,228	7,216	10,264	-	7,557	7,453	7,645
Liquidity										
Current Ratio	1.8	1.8	1.8	2.9	3.0	2.9	1.4	2.3	1.7	1.8
Days Cash on Hand	101	101	105	98	106	129	99	74	75	110
Payer										
Medicare Gross as % of Tot Gross Rev	45%	45%	43%	43%	44%	42%	-	-	-	-
Medicaid Gross as % of Tot Gross Rev	20%	22%	20%	20%	21%	19%	-	-	-	-
Comm/self Gross as % of Tot Gross Rev	36%	33%	37%	38%	35%	37%	-	-	-	-
Medicare % of Net Rev (incl DSH)	40%	43%	41%	40%	42%	34%	-	-	-	-
Medicaid % of Net Rev (incl DSH)	13%	14%	14%	14%	17%	13%	-	-	-	-
Comm/self % of Net Rev (incl DSH)	46%	43%	46%	46%	41%	50%	-	-	-	-

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PROFIT & LOSS STATEMENT	2013 A	2014 A	2015 A	2016 B	2016 P	2017 B	B16-B17 Change	B16-B17 Change %
Revenues								
Gross Patient Care Revenue	\$ 96,888,859	\$ 105,304,477	\$ 119,561,775	\$ 125,645,200	\$ 122,690,089	\$ 123,894,113	\$ (1,751,087)	-1.4%
Disproportionate Share Payments	1,590,066	1,682,709	2,203,544	1,507,724	1,507,724	1,831,126	323,402	21.4%
Bad Debt	(3,870,704)	(3,948,148)	(4,129,553)	(4,559,200)	(4,800,000)	(5,201,151)	(641,951)	14.1%
Free Care	(3,583,684)	(3,430,999)	(2,606,086)	(3,083,706)	(2,121,907)	(2,604,562)	479,144	-15.5%
Graduate Medical Education	-	-	-	-	-	-	-	-
Deductions from Revenue	(43,227,580)	(49,880,923)	(59,103,590)	(63,573,518)	(60,500,000)	(58,772,285)	4,801,233	-7.6%
Net Patient Care Revenue	\$ 47,796,957	\$ 49,727,116	\$ 55,926,090	\$ 55,936,500	\$ 56,775,906	\$ 59,147,241	\$ 3,210,741	5.7%
		4.0%	12.5%	0.0%	1.5%	5.7%		
Other Operating Revenue	\$ 2,178,254	\$ 1,943,403	\$ 1,967,548	\$ 1,922,800	\$ 1,806,000	\$ 1,762,700	\$ (160,100)	-8.3%
Total Operating Revenue	\$ 49,975,211	\$ 51,670,519	\$ 57,893,638	\$ 57,859,300	\$ 58,581,906	\$ 60,909,941	\$ 3,050,641	5.3%
Operating Expense								
Salaries Non MD	16,155,854	16,622,949	16,193,138	16,669,252	16,669,252	17,831,656	1,162,404	7.0%
Fringe Benefits Non MD	5,295,383	5,069,628	5,482,087	5,088,736	5,088,736	5,383,700	294,964	5.8%
Fringe Benefits MD	338,000	388,000	600,000	450,000	450,000	500,000	50,000	11.1%
Physician Fees Salaries Contracts & Fringes	4,186,098	5,242,164	5,574,664	5,984,821	5,984,821	5,651,707	(333,114)	-5.6%
Health Care Provider Tax	2,978,093	2,960,223	3,173,125	3,358,144	3,358,144	3,548,834	190,690	5.7%
Depreciation Amortization	2,234,986	2,196,432	2,086,564	2,214,900	2,214,900	1,530,594	(684,306)	-30.9%
Interest - Short Term	-	-	-	-	-	-	-	-
Interest - Long Term	236,915	319,186	320,222	525,000	361,582	510,000	(15,000)	-2.9%
Other Operating Expense	20,014,023	22,655,322	22,199,686	22,411,147	22,411,147	24,201,789	1,790,642	8.0%
Total Operating Expense	\$ 51,439,352	\$ 55,453,904	\$ 55,629,486	\$ 56,702,000	\$ 56,538,582	\$ 59,158,280	\$ 2,456,280	4.3%
Year over Year Change		7.8%	0.3%	1.9%	-	4.3%		
Net Operating Income (Loss)	\$ (1,464,141)	\$ (3,783,385)	\$ 2,264,152	\$ 1,157,300	\$ 2,043,324	\$ 1,751,661	\$ 594,361	51.4%
Non-Operating Revenue	\$ 3,834,765	\$ (2,238,019)	\$ (2,699,949)	\$ 1,015,000	\$ 385,000	\$ 750,000	\$ (265,000)	-26.1%
Excess (Deficit) Of Revenue Over Expense	\$ 2,370,624	\$ (6,021,404)	\$ (435,797)	\$ 2,172,300	\$ 2,428,324	\$ 2,501,661	\$ 329,361	15.2%

The hospital will receive an increase in disproportionate share (DSH).

The hospital is expecting to see more bad debt (a continuing trend) and less free care. They will discuss this.

Over \$1.6 million of "other operating revenue" is made up of 340B Pharmacy funds.

Salaries, fringe, and other operating costs make the largest increase in expenses. The hospital went 2 years with no wage increase.

Decreases are budgeted in non-operating revenue with regards to investments and transfers from related organizations.

The hospital has budgeted a 2.9% operating margin.

Springfield Hospital

UTILIZATION & STAFFING	2013 A	2014 A	2015 A	2016 B	2016 P	2017 B	B16-B17 Change
UTILIZATION							
Adjusted Admissions	8,475	7,941	9,034	8,350	9,078	8,198	-1.8%
Acute Admissions	1,945	1,933	1,994	2,010	1,954	1,930	-4.0%
Acute Average Length Of Stay	4.4	4.2	4.3	4.8	4.3	4.3	-10.4%
Operating Room Procedures	1,331	1,404	1,453	1,573	1,418	1,368	-13.0%
Laboratory Tests	464,824	484,126	462,944	444,416	469,000	469,780	5.7%
Emergency Room Visits	14,888	14,425	15,142	14,900	15,300	15,110	1.4%
Cat Scan, Radiology - Diagnostic Procedures	20,477	21,044	20,544	19,894	20,080	20,374	2.4%
Magnetic Resonance Image Exams	1,211	1,329	1,693	1,802	1,793	1,790	-0.7%
Physician Office Visits	0	0	0	26,300	26,300	22,020	-16.3%
Clinics Visits	3,225	2,724	2,545	2,750	1,760	1,786	-35.1%
STAFFING							
Non-MD FTEs	307	303	298	298	298	304	5
Travelers	0	0	0	0	0	0	0
Residents & Fellows	0	0	0	0	0	0	0
Mid Level Providers	0	0	0	0	0	0	0
Physician FTEs	14	16	19	25	25	21	-3.9
Total MD and Non MD FTEs	321	319	317	323	323	324	1
Salary & Benefits per FTE - Non-MD	\$ 69,851	\$ 71,522	\$ 72,677	\$ 72,908	\$ 72,908	\$ 76,459	4.9%
FTEs Per Adjusted Occupied Bed	3.0	3.4	2.8	2.7	2.8	3.1	15.6%
FTEs per 100 Adj Discharges	3.6	3.8	3.3	3.6	3.3	3.7	3.6%
Comparative Benchmarks							
Vermont System Averages							
Salary & Benefits per FTE - Non-MD	\$ 77,361	\$ 78,162	\$ 80,704	\$ 82,457	\$ 83,286	\$ 83,856	1.7%
FTEs Per Adjusted Occupied Bed	5.4	5.5	5.7	5.8	5.8	6.1	4.5%
FTEs per 100 Adj Discharges	6.7	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	0.00	-	-	-	-	
Other Non-Profit	3.60	3.60	-	-	-	-	
100 - 199 Beds	3.45	3.45	-	-	-	-	
All Teaching	3.45	3.45	-	-	-	-	

The 2017 budget shows a decline in overall volume as the hospital is rebuilding its perioperative services. The hospital will explain the changes being seen at the hearing. Changes in the psychiatric unit are effecting this.

FTEs have increased to support the planned surgical services, but MD FTEs have decreased, the hospital will explain.

Salary and benefits show a significant increase while productivity remains steady and favorable. FTE per 100 discharges is favorable compared to the Vermont system.

This benchmark does not exist for NE critical access hospitals.

Springfield Hospital

BALANCE SHEET	2014 A	2015 A	2016 B	2016 P	2017 B
Cash & Investments	\$ 13,584,708	\$ 14,325,942	\$ 11,222,000	\$ 14,121,932	\$ 15,053,852
Total Current Assets	\$ 23,964,364	\$ 24,365,922	\$ 23,540,000	\$ 25,647,541	\$ 27,102,852
Board Designated Assets	\$ 1,189,927	\$ 548,578	\$ 4,500,000	\$ 446,710	\$ 1,618,667
Net, Property, Plant And Equipment	\$ 14,547,206	\$ 14,240,591	\$ 16,710,338	\$ 21,387,897	\$ 18,128,819
Other Long-Term Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ 39,701,497	\$ 39,155,091	\$ 44,750,338	\$ 47,482,148	\$ 46,850,338
Current Liabilities	\$ 13,063,621	\$ 13,814,569	\$ 15,208,900	\$ 16,989,008	\$ 12,940,985
Long Term Liabilities	\$ 8,915,272	\$ 8,084,169	\$ 8,356,000	\$ 8,708,792	\$ 12,326,595
Other Noncurrent Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance	\$ 17,722,604	\$ 17,256,353	\$ 21,185,438	\$ 21,784,348	\$ 21,582,758
Total Liabilities and Equities	\$ 39,701,497	\$ 39,155,091	\$ 44,750,338	\$ 47,482,148	\$ 46,850,338

The balance sheet is steady and shows an improved fund balance. Debt is expected to be increased in 2017. The hospital will describe these plans.

Springfield Hospital					
Days Cash on Hand	101.3	101.4	105.3	97.9	105.6
Long Term Debt to Capitalization	35.1%	32.9%	22.6%	21.0%	27.4%
Debt Service Coverage Ratio	(1.1)	4.1	1.4	3.9	3.7

Cash is budgeted at recent levels and debt indicators have improved since 2014.

Comparative Benchmarks					
Vermont System Averages					
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

Cash on hand is lower than their Vermont peers.

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	-	-	-	-

Springfield Hospital

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	\$ 2,806,695	\$ 2,921,402	\$ 2,101,200	\$ 2,101,200	\$ 2,100,000	\$ 2,190,000	\$ 2,350,000	\$ 2,300,000
Certificate of Need Capital Plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Purchases	\$ 2,806,695	\$ 2,921,402	\$ 2,101,200	\$ 2,101,200	\$ 2,100,000	\$ 2,190,000	\$ 2,350,000	\$ 2,300,000

Springfield Hospital

Age of Plant	11.5	12.5	14.2	14.2	15.0
Capital Expenditures to Depreciation	127.8%	140.0%	94.9%	94.9%	137.2%
Capital Cost % of Total Expense	4.5%	4.3%	4.8%	4.6%	3.4%

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 low compared to Vermont peers. The age of plant is trending higher as the hospital has not had any major investment in some time. The capital metrics compare favorably with national peers for critical access hospitals for 2014.

The hospital's narrative states that the \$2.1 million capital budget is "very modest with no single items or projects in excess of \$500K". The narrative also states that there are no CONs "pending or conceived".