

The University of Vermont Medical Center

Fiscal Year 2017 Budget Analysis

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The University of Vermont Medical Center

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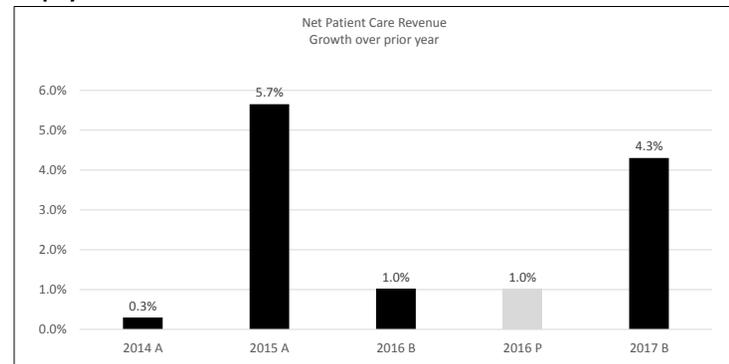
SUMMARY OF BUDGET

	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	\$ 2,475,195,109	\$ 2,469,407,647	\$ 2,469,407,647	\$ 2,505,711,841	\$ 36,304,194	1.5%	\$ 134,233,796	2.7%
Net Patient Care Revenue	\$ 1,115,357,666	\$ 1,126,774,924	\$ 1,126,774,924	\$ 1,175,237,274	48,462,350	4.3%	114,454,070	5.0%
Other Operating Revenue	\$ 87,569,491	\$ 91,529,439	\$ 91,529,439	\$ 92,152,380	622,940	0.7%	6,477,684	4.7%
Total Operating Revenue	\$ 1,202,927,157	\$ 1,218,304,364	\$ 1,218,304,364	\$ 1,267,389,654	\$ 49,085,290	4.0%	\$ 120,931,754	4.9%
Operating Expense	\$ 1,127,327,647	\$ 1,172,159,584	\$ 1,172,159,584	\$ 1,219,374,676	\$ 47,215,092	4.0%	\$ 119,502,747	5.0%
Net Operating Income	\$ 75,599,510	\$ 46,144,780	\$ 46,144,779	\$ 48,014,978	\$ 1,870,199	4.1%	\$ 1,429,007	2.1%
Non Operating Revenue	\$ (23,681,502)	\$ 13,745,404	\$ 13,745,404	\$ 15,257,311	\$ 1,511,907	11.0%	\$ 4,835,590	15.7%
Excess (Deficit) of Rev over Exp	\$ 51,918,007	\$ 59,890,183	\$ 59,890,183	\$ 63,272,289	\$ 3,382,106	5.6%	\$ 6,264,597	6.2%
Operating Margin %	6.3%	3.8%	3.8%	3.8%				
Total Margin %	4.4%	4.9%	4.9%	4.9%				

UVMHC hospital has prepared a budget with a \$48.5 million increase in net patient revenues (NPR), an increase of 4.3%. Over \$25 million of the NPR increase is related to utilization (\$17.1 m) and physician acquisitions (\$8.8). Lower bad debt and free care, health care reform investments, 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 \$13.2 million. The operating margin % is budgeted at 3.8%, the same as 2016 Budget.

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, The University of Vermont Medical Center

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%
Central Vermont Medical Center Rate Request	5.0%	6.9%	5.9%	4.7%	3.0%

	2013 Approved	2014 Approved	2015 Approved	2016 Approved	2017 Submitted
The University Of Vermont Medical Center Rate Request	9.4%	4.4%	7.8%	6.0%	3.0%

This schedule is prepared to show both UVMCMC and CVMC.

CVMC's net patient revenues (NPR) are increasing 11% over 2016 budget and UVMCMC is increasing 4.3% over 2016 approved budget. 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 (\$11.6 million). The hospital has prepared the following schedule to discuss these changes at the hearing and will show this information for each hospital.

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

Net Patient Revenue change NPR changes due to:	Central Vermont Medical Center		The University Of Vermont Medical Center		The University Health Network	
	2016 Approved	2017 Submitted	2016 Approved	2017 Submitted	2016 Approved	2017 Submitted
	\$ 173,996,286	\$ 193,220,803	\$ 1,126,774,924	\$ 1,175,237,274	\$ 1,300,771,210	\$ 1,368,458,077
B16-B17 NPR Change	\$ 19,224,517	11.0%	B16-B17 Change	\$ 48,462,350 4.3%	B16-B17 Change	\$ 67,686,867 5.2%

Commercial Ask Negotiations	\$ 1,650,311	3.0%	\$ 13,235,541	3.0%	\$ 14,885,852	3.0%
Rate request (non-commercial payers)	\$ 947,278	0%	\$ 3,845,483	0%	\$ 4,792,761	0%
Utilization	\$ 8,481,165		\$ 6,643,399		\$ 15,124,564	
Other major program change	\$ 2,495,688		\$ 10,477,181		\$ 12,972,869	
Physician Acquisition or reduction	\$ 2,804,070		\$ 8,768,861		\$ 11,572,931	
Free care	\$ 1,419,000		\$ 6,636,984		\$ 8,055,984	
Bad debt	\$ 1,427,005		\$ 5,732,372		\$ 7,159,377	
Dispro share change	\$ -		\$ 1,390,032		\$ 1,390,032	
Other NPR changes	\$ -		\$ (8,267,504)		\$ (8,267,504)	
			\$ -		\$ -	
Total NPR changes	\$ 19,224,517		\$ 48,462,350		\$ 67,686,867	

The University of 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	\$2,469,407,647	\$2,469,407,647	\$2,505,711,841	\$36,304,194	1.5%		
	Allowances	(\$1,345,499,058)	(\$1,345,499,058)	(\$1,347,200,575)	(\$1,701,517)	0.1%		
	Bad Debt	(\$26,410,099)	(\$26,410,099)	(\$20,712,524)	\$5,697,576	-21.6%		
	Free Care	(\$17,449,060)	(\$17,449,060)	(\$10,676,995)	\$6,772,065	-38.8%		
	Disproportionate Share Payments	\$16,725,494	\$16,725,494	\$18,115,526	\$1,390,032	8.3%		
	Graduate Medical Education Payments	\$30,000,000	\$30,000,000	\$30,000,000	\$0	0.0%		
	Net Payer Revenue	\$1,126,774,924	\$1,126,774,924	\$1,175,237,274	\$48,462,350	4.3%	\$17,081,024	\$31,381,326
Commercial	Gross Revenue	\$1,113,620,804	\$1,113,620,804	\$1,056,539,948	(\$57,080,856)	-5.1%		
	Allowances	(\$389,470,305)	(\$389,470,305)	(\$319,339,111)	\$70,131,194	-18.0%		
	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	\$724,150,499	\$724,150,499	\$737,200,837	\$13,050,338	1.8%	\$13,315,433	-\$265,095
Medicaid	Gross Revenue	\$366,753,835	\$366,753,835	\$422,959,436	\$56,205,601	15.3%		
	Allowances	(\$274,780,227)	(\$274,780,227)	(\$327,102,635)	(\$52,322,408)	19.0%		
	Bad Debt	\$0	\$0	\$0	\$0	0.0%		
	Free Care	\$0	\$0	\$0	\$0	0.0%		
	Disproportionate Share Payments	\$16,725,494	\$16,725,494	\$18,115,526	\$1,390,032	8.3%		
	Graduate Medical Education Payments	\$30,000,000	\$30,000,000	\$30,000,000	\$0	0.0%		
	Net Payer Revenue	\$138,699,103	\$138,699,103	\$143,972,328	\$5,273,225	3.8%	-\$2,094	\$5,275,318
Medicare	Gross Revenue	\$989,033,008	\$989,033,008	\$1,026,212,456	\$37,179,449	3.8%		
	Allowances	(\$681,248,526)	(\$681,248,526)	(\$700,758,829)	(\$19,510,303)	2.9%		
	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	\$307,784,481	\$307,784,481	\$325,453,628	\$17,669,146	5.7%	\$3,767,685	\$13,901,462
Bad Debt/Free Care	Gross Revenue				\$0	0.0%		
	Allowances				\$0	0.0%		
	Bad Debt	(\$26,410,099)	(\$26,410,099)	(\$20,712,524)	\$5,697,576	-21.6%		
	Free Care	(\$17,449,060)	(\$17,449,060)	(\$10,676,995)	\$6,772,065	-38.8%		
	Disproportionate Share Payments				\$0	0.0%		
	Graduate Medical Education Payments				\$0	0.0%		
	Net Payer Revenue	(\$43,859,159)	(\$43,859,159)	(\$31,389,518)	\$12,469,641	-28.4%	\$0	\$12,469,641

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). The negative \$.3 million is various offsetting effects such as reimbursement changes and additional physician services.

The hospital will NOT receive any new funds because of their rate increase. The increase of \$5.3 million is disproportionate share, utilization changes in the hospital, and physician acquisition revenue.

Medicare is effected by changes for rates, utilization and payer mix shift, physician additions, and improved reimbursement.

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
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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 each hospital's staff 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 hospitals 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%

The University of 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	0.3%	5.7%	1.0%		4.3%					
Overall Rates	4%	0%	0%		0.0%					
Utilization										
Total Average Daily Census	319	328	321	321	316	23.2	-	80	72	192
Adjusted Admissions	67,687	66,174	64,447	64,447	64,127	8,261	-	-	-	-
Capital										
Age of Plant	10.3	12.0	11.7	11.7	11.8	12.0	11.3	11.3	11.2	11.2
Long Term Debt to Capitalization	35.9%	32.5%	38.9%	38.9%	34.5%	26.9%	27.1%	31.2%	23.5%	30.6%
Debt Service Coverage Ratio	4.2	5.2	3.4	3.4	4.4	4.2	4.4	2.8	3.0	5.0
Revenue										
Bad Debt %	1.1%	0.8%	1.1%	1.1%	0.8%	1.6%	5.6%	5.5%	6.7%	4.1%
Free Care %	0.7%	0.5%	0.7%	0.7%	0.4%	0.7%	-	-	-	-
Operating Margin %	4.6%	6.3%	3.8%	3.8%	3.8%	1.9%	-2.4%	0.7%	2.8%	3.0%
Total Margin %	6.1%	4.4%	4.9%	4.9%	4.9%	3.2%	3.2%	3.7%	5.7%	5.6%
Productivity & Staffing										
Total Operating Exp	31.6%	31.8%	33.0%	33.0%	33.8%	26.1%	-	-	-	-
Cost & Revenue Unit of Measure										
Cost per Adjusted Admission	15,842	17,036	18,188	18,188	19,015	10,264	-	7,557	7,453	7,645
Liquidity										
Current Ratio	3.9	3.9	3.7	3.7	3.7	2.9	1.4	2.3	1.7	1.8
Days Cash on Hand	197	201	197	197	176	129	99	74	75	110
Payer										
Medicare Gross as % of Tot Gross Rev	40%	40%	40%	40%	41%	42%	-	-	-	-
Medicaid Gross as % of Tot Gross Rev	14%	15%	15%	15%	17%	19%	-	-	-	-
Comm/self Gross as % of Tot Gross Rev	46%	45%	45%	45%	42%	37%	-	-	-	-
Medicare % of Net Rev (incl DSH)	30%	29%	28%	28%	28%	34%	-	-	-	-
Medicaid % of Net Rev (incl DSH)	11%	11%	11%	11%	11%	13%	-	-	-	-
Comm/self % of Net Rev (incl DSH)	59%	60%	61%	61%	61%	50%	-	-	-	-

The University of 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	\$ 2,419,304,380	\$ 2,475,195,109	\$ 2,469,407,647	\$ 2,469,407,647	\$ 2,505,711,841	\$ 36,304,194	1.5%
Disproportionate Share Payment	15,934,537	15,880,155	16,725,494	16,725,494	18,115,526	1,390,032	8.3%
Bad Debt	(26,717,639)	(19,610,271)	(26,410,099)	(26,410,099)	(20,712,524)	5,697,576	-21.6%
Free Care	(17,323,263)	(11,643,918)	(17,449,060)	(17,449,060)	(10,676,995)	6,772,065	-38.8%
Graduate Medical Education	30,278,412	30,000,000	30,000,000	30,000,000	30,000,000	-	0.0%
Deductions from Revenue	(1,365,800,533)	(1,374,463,409)	(1,345,499,058)	(1,345,499,058)	(1,347,200,575)	(1,701,517)	0.1%
Net Patient Care Revenue	\$ 1,055,675,894	\$ 1,115,357,666	\$ 1,126,774,924	\$ 1,126,774,924	\$ 1,175,237,274	\$ 48,462,350	4.3%
	0.3%	5.7%	1.0%	1.0%	4.3%		
Other Operating Revenue	\$ 68,364,092	\$ 87,569,491	\$ 91,529,439	\$ 91,529,439	\$ 92,152,380	\$ 622,940	0.7%
Total Operating Revenue	\$ 1,124,039,986	\$ 1,202,927,157	\$ 1,218,304,364	\$ 1,218,304,364	\$ 1,267,389,654	\$ 49,085,290	4.0%
Operating Expense							
Salaries Non MD	354,352,614	373,276,785	386,644,657	386,644,657	402,038,753	15,394,095	4.0%
Fringe Benefits Non MD	108,720,146	116,060,905	128,589,934	128,589,934	128,056,659	(533,275)	-0.4%
Fringe Benefits MD	22,172,100	24,926,324	25,975,283	25,975,283	27,658,198	1,682,915	6.5%
Contracts & Fringes	137,169,247	144,455,636	141,293,606	141,293,606	149,413,662	8,120,055	5.7%
Health Care Provider Tax	58,413,252	61,055,591	64,220,845	64,220,845	67,015,159	2,794,314	4.4%
Depreciation Amortization	48,394,510	44,842,796	50,919,989	50,919,989	52,148,230	1,228,241	2.4%
Interest - Short Term	-	-	-	-	-	-	-
Interest - Long Term	16,342,598	14,826,075	18,434,696	18,434,696	13,541,490	(4,893,206)	-26.5%
Other Operating Expense	326,731,731	347,883,536	356,080,574	356,080,574	379,502,525	23,421,952	6.6%
Total Operating Expense	\$ 1,072,296,197	\$ 1,127,327,647	\$ 1,172,159,584	\$ 1,172,159,584	\$ 1,219,374,676	\$ 47,215,092	4.0%
Year over Year Change	1.4%	5.1%	4.0%	-	4.0%		
Net Operating Income (Loss)	\$ 51,743,789	\$ 75,599,510	\$ 46,144,780	\$ 46,144,779	\$ 48,014,978	\$ 1,870,199	4.1%
Operating Margin %	4.6%	6.3%	3.8%	3.8%	3.8%		
Non-Operating Revenue	\$ 17,312,734	\$ (23,681,502)	\$ 13,745,404	\$ 13,745,404	\$ 15,257,311	\$ 1,511,907	11.0%
Excess (Deficit) Of Revenue Over Expense	\$ 69,056,522	\$ 51,918,007	\$ 59,890,183	\$ 59,890,183	\$ 63,272,289	\$ 3,382,106	5.6%
	6.1%	4.3%	4.9%	4.9%	5.0%		

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

Over \$12 million of "other operating revenue" is made up of 340B pharmacy funds and over \$39 million is related to Specialty and OP pharmacy.

Salaries, Fringe and other operating costs make the largest increases in expenses. Savings are budgeted for the self funded health plans. Change in expense accounting for OneCare is also reflected in the budget.

The hospital has refinanced their debt which has lowered their interest expense.

The hospital has continued to budget a 3.8% operating margin and a 5% total margin %.

The University of Vermont Medical Center

UTILIZATION & STAFFING	2013 A	2014 A	2015 A	2016 B	2016 P	2017 B	B16-B17 Change
UTILIZATION							
Adjusted Admissions	73,970	67,687	66,174	64,447	64,447	64,127	-0.5%
Acute Admissions	19,740	17,820	18,395	17,959	17,959	18,644	3.8%
Acute Average Length Of Stay	5.5	5.8	5.7	5.7	5.7	5.4	-5.4%
Operating Room Procedures	38,038	37,330	37,504	37,474	37,474	38,539	2.8%
Laboratory Tests	2,653,007	2,591,495	2,512,410	2,515,435	2,515,435	2,520,383	0.2%
Emergency Room Visits	60,237	60,144	60,162	59,572	59,572	60,162	1.0%
Cat Scan, Radiology - Diagnostic Procedures	206,529	215,902	218,942	217,268	217,268	226,220	4.1%
Magnetic Resonance Image Exams	17,363	18,070	18,785	18,504	18,504	19,766	6.8%
Physician Office Visits	2,455,170	2,528,726	2,605,666	2,577,360	2,577,360	2,698,178	4.7%
Clinics Visits	1,155,200	1,211,621	1,246,412	1,227,240	1,227,240	1,241,022	1.1%
STAFFING							
Non-MD FTEs	5,105	5,242	5,313	5,378	5,378	5,461	83
Travelers	22	8	19	0	0	0	0
Residents & Fellows	307	321	318	321	321	326	6
Mid Level Providers	170	172	172	186	186	206	20
Physician FTEs	488	509	520	538	538	567	29
Total MD and Non MD FTEs	6,092	6,252	6,341	6,422	6,422	6,560	137
Salary & Benefits per FTE - Non-MD	\$ 80,768	\$ 80,743	\$ 84,327	\$ 87,554	\$ 87,554	\$ 88,449	1.0%
FTEs Per Adjusted Occupied Bed	5.0	5.4	5.6	5.8	5.8	6.3	8.2%
FTEs per 100 Adj Discharges	7.5	8.5	8.8	9.1	9.1	9.3	2.4%
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	-	-	-	-	

Acute admissions and physician visits are each increasing, influencing all other areas of utilization. Acute admissions have increased above 2016 budget and 2015 actual experience. The hospital has been asked to explain.

The narrative describes changes in FTE accounting for OneCare that is recommended by their auditor. The OneCare FTEs are now reported in a subsidiary organization.

We have requested a schedule showing FTEs related to physician acquisitions for the hospital.

Productivity benchmarks are difficult to compare as UVMHC is a major teaching hospital - one of +130 or so in the country. We do not have access to those metrics.

The University of Vermont Medical Center

BALANCE SHEET	2014 A	2015 A	2016 B	2016 P	2017 B
Cash & Investments	\$ 212,890,000	\$ 186,606,000	\$ 169,659,874	\$ 169,659,874	\$ 152,547,112
Total Current Assets	\$ 411,632,000	\$ 366,056,000	\$ 368,540,573	\$ 368,540,573	\$ 342,747,112
Board Designated Assets	\$ 364,937,000	\$ 430,108,000	\$ 501,284,036	\$ 501,284,036	\$ 466,392,888
Net, Property, Plant And Equipment	\$ 409,366,000	\$ 431,324,000	\$ 562,587,766	\$ 562,587,766	\$ 624,464,000
Other Long-Term Assets	\$ 41,954,000	\$ 31,951,000	\$ 39,130,749	\$ 39,130,749	\$ 31,951,000
Total Assets	\$ 1,227,889,000	\$ 1,259,439,000	\$ 1,471,543,124	\$ 1,471,543,124	\$ 1,465,555,000
Current Liabilities	\$ 180,262,000	\$ 183,891,000	\$ 201,175,344	\$ 201,175,344	\$ 195,198,000
Long Term Liabilities	\$ 366,045,000	\$ 339,803,000	\$ 483,623,505	\$ 483,623,505	\$ 428,451,000
Other Noncurrent Liabilities	\$ 27,584,000	\$ 29,951,000	\$ 27,651,363	\$ 27,651,363	\$ 29,951,000
Fund Balance	\$ 653,998,000	\$ 705,794,000	\$ 759,092,912	\$ 759,092,912	\$ 811,955,000
Total Liabilities and Equities	\$ 1,227,889,000	\$ 1,259,439,000	\$ 1,471,543,124	\$ 1,471,543,124	\$ 1,465,555,000

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 balance). Long term debt is improving as the hospital has refinanced.

The University of Vermont Medical Center						
Net Increase/(Decrease) in Cash	\$ 21,503,001	\$ (26,284,000)	\$ (16,946,126)	\$ (16,946,127)	\$ (17,112,762)	
Days Cash on Hand	196.6	200.7	197.3	197.3	175.6	
Long Term Debt to Capitalization	35.9%	32.5%	38.9%	38.9%	34.5%	
Debt Service Coverage Ratio	4.2	5.2	3.4	3.4	4.4	

The hospital's debt to capitalization is slightly unfavorable compared to both the Vermont hospital and Teaching Hospital peers.

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	

Days cash on hand to "cover" this debt is steady.

U.S. Benchmarks						
All Teaching						
Days Cash on Hand-Peers	109.60	-	-	-	-	
Long Term Debt to Capitalization-Peers	31%	-	-	-	-	
Debt Service Coverage Ratio-Peers	5.0	-	-	-	-	

The University of 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	\$ 38,304,505	\$ 41,143,559	\$ 39,300,000	\$ 39,300,000	\$ 66,341,160	\$ 32,200,000	\$ 31,050,000	\$ 31,660,000
Certificate of Need Capital Plans	\$ 21,654,141	\$ 23,130,895	\$ 60,500,000	\$ 60,500,000	\$ 84,646,000	\$ 100,101,000	\$ 89,096,000	\$ 29,675,000
Total Capital Purchases	\$ 59,958,646	\$ 64,274,455	\$ 99,800,000	\$ 99,800,000	\$ 150,987,160	\$ 132,301,000	\$ 120,146,000	\$ 61,335,000

The University of Vermont Medical Center

Age of Plant	10.3	12.0	11.7	11.7	11.8
Capital Expenditures to Depreciation	79.2%	91.8%	77.2%	77.2%	127.2%
Capital Cost % of Total Expense	6.0%	5.3%	5.9%	5.9%	5.4%

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

All Teaching				
Age of Plant-Peers	11.2	-	-	-
Capital Expenditures to Depreciation-Peers	0.0%	-	-	-
Capital Cost % of Total Expense-Peers	6.2%	-	-	-

The hospital's capital costs and age of plant align closely with the Vermont average as UVMMC represents almost half of the system. When compared nationally, the most recent data shows UVMMC was in a more favorable position for costs and age of plant in 2014.

The narrative notes a number of major CONs planned over the 2018-20 timeline and includes the Inpatient Bed Replacement, South Burlington Outpatient Campus \$25 million, Primary Care Project \$5 million, and ongoing EPIC network replacement.