

Porter Medical Center

FY 2019 Actual Audited Financial Results Analysis

Report Date: 2/18/2020

FY 2019 Actual Audited Financial Results Analysis Porter Medical Center

INCOME STATEMENT	FY2018A	FY2019B	FY2019A	FY2020B	2019B -	2019B - 2019A	2018A - 2019A	2019B - 2020B	2019A - 2020B
					2020B \$ Chg	% Chg	% Chg	% Chg	% Chg
Revenues									
Gross Patient Care Revenue	167,523,162	171,658,662	168,352,774	169,510,951	(2,147,711)	-1.9%	0.5%	-1.3%	0.7%
Disproportionate Share Payments	738,988	439,130	500,464	497,840	58,710	14.0%	-32.3%	13.4%	-0.5%
Bad Debt	(4,231,055)	(3,733,610)	(4,386,589)	(4,275,135)	(541,525)	17.5%	3.7%	14.5%	-2.5%
Free Care	(1,496,308)	(1,682,255)	(1,492,822)	(1,486,321)	195,934	-11.3%	-0.2%	-11.6%	-0.4%
Deductions from Revenue	(93,110,937)	(99,140,975)	(93,838,393)	(96,939,496)	2,201,479	-5.3%	0.8%	-2.2%	3.3%
Graduate Medical Education	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net Patient Care Revenue	69,423,850	67,540,952	69,135,434	67,307,839	(233,113)	2.4%	-0.4%	-0.3%	-2.6%
Fixed Prospective Payments	11,462,703	18,342,324	15,401,348	20,661,081	2,318,757	-16.0%	34.4%	12.6%	34.2%
Reserves	(1,057,233)	(2,191,379)	(46,270)	(1,000,000)		-97.9%	-95.6%	-54.4%	2061.2%
Other Reform Payments	517,081	838,618	470,602	518,620		-43.9%	-9.0%	-38.2%	10.2%
Fixed Prospective Payments and Reserves	10,922,551	16,989,563	15,825,681	20,179,700		-6.9%	44.9%	18.8%	27.5%
Net Patient Care Revenue & Fixed Payments & Reserves	80,346,401	84,530,515	84,961,115	87,487,539	2,957,025	0.5%	5.7%	3.5%	3.0%
Other Operating Revenue	2,379,128	4,954,509	6,393,330	6,380,326	1,425,817	29.0%	168.7%	28.8%	-0.2%
Total Operating Revenue	82,725,529	89,485,024	91,354,445	93,867,865	4,382,841	2.1%	10.4%	4.9%	2.8%
Expenses									
Salaries Non MD	27,240,177	29,623,574	27,982,683	29,694,330	70,756	-5.5%	2.7%	0.2%	6.1%
Fringe Benefits Non MD	7,175,748	7,349,268	8,129,180	8,817,848	1,468,580	10.6%	13.3%	20.0%	8.5%
Physician Fees, Salaries, Contracts	11,931,540	12,245,768	14,728,026	14,698,939	2,453,171	20.3%	23.4%	20.0%	-0.2%
Fringe Benefits MD	2,691,475	2,718,945	2,089,919	2,405,856	(313,090)	-23.1%	-22.4%	-11.5%	15.1%
Health Care Provider Tax	4,703,348	4,720,371	4,738,388	4,784,372	64,001	0.4%	0.7%	1.4%	1.0%
Depreciation & Amortization	2,858,520	3,020,880	2,864,387	3,501,544	480,664	-5.2%	0.2%	15.9%	22.2%
Interest - Long Term & Short Term	337,421	319,531	328,419	299,873	(19,658)	2.8%	-2.7%	-6.2%	-8.7%
Other Operating Expense	24,295,093	26,195,236	25,788,172	26,074,579	(120,657)	-1.6%	6.1%	-0.5%	1.1%
Total Operating Expense	81,233,322	86,193,573	86,649,174	90,277,341	4,083,768	0.5%	6.7%	4.7%	4.2%
Net Operating Income (Loss)	1,492,207	3,291,451	4,705,271	3,590,524	299,073	43.0%	215.3%	9.1%	-23.7%
Non-Operating Revenue	3,769,246	399,455	698,021	526,723	127,268	74.7%	-81.5%	31.9%	-24.5%
Excess (Deficit) of Rev Over Exp	5,261,453	3,690,906	5,403,292	4,117,247	426,341	46.4%	2.7%	11.6%	-23.8%

Benchmarks-Hospital									
Operating Margin%	1.8%	3.7%	5.2%	3.8%					
Total Margin %	6.1%	4.1%	5.9%	4.4%					
EBIDA %	5.7%	7.4%	8.6%	7.9%					
Cost per Adjusted Admission	12,911	13,113	12,369	13,623					

OBSERVATIONS :

Fiscal Year 2020 Budget Analysis		Porter Medical Center							
BALANCE SHEET	FY2018A	FY2019B	FY2019A	FY2020B	2018A-2019A	2019B-2019A	2019A-2020B	2018A-2020B	
Cash & Investments	21,047,087	24,475,433	29,491,702	23,399,355	40.1%	20.5%	-20.7%	11.2%	
Risk Reserve for Fixed Reform Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Other Current Assets	16,566,848	16,312,688	16,866,888	15,172,985	1.8%	3.4%	-10.0%	-8.4%	
Current Assets	37,613,935	40,788,122	46,358,590	38,572,341	23.2%	13.7%	-16.8%	2.5%	
Board Designated Assets	6,322,911	6,259,217	5,517,237	11,965,901	-12.7%	-11.9%	116.9%	89.2%	
Net, Property, Plant And Equipment	18,977,447	21,557,128	18,049,160	19,696,843	-4.9%	-16.3%	9.1%	3.8%	
Other Long-Term Assets	5,697,839	4,223,930	1,106,474	1,899,913	-80.6%	-73.8%	71.7%	-66.7%	
Assets	68,612,132	72,828,397	71,031,461	72,134,998	3.5%	-2.5%	1.6%	5.1%	
Current Liabilities	13,772,796	13,947,880	11,789,068	14,233,259	-14.4%	-15.5%	20.7%	3.3%	
Long Term Liabilities	10,780,847	10,650,612	10,097,273	9,486,771	-6.3%	-5.2%	-6.0%	-12.0%	
Other Noncurrent Liabilities	4,784,578	5,245,601	9,417,003	4,453,131	96.8%	79.5%	-52.7%	-6.9%	
Fund Balance	39,273,911	42,984,303	39,728,118	43,961,837	1.2%	-7.6%	10.7%	11.9%	
Liabilities and Equities	68,612,132	72,828,397	71,031,463	72,134,998	3.5%	-2.5%	1.6%	5.1%	
Benchmarks-Hospital					Change in Points				
Days Cash on Hand	127.47	134.88	128.48	125.31	1.01	(6.40)	(3.16)	(2.15)	
Days Receivable	61.78	61.82	60.68	61.50	(1.10)	(1.14)	0.82	(0.28)	
Days Payable	64.14	61.21	51.36	59.87	(12.78)	(9.85)	8.51	(4.27)	
Long Term Debt to Capitalization	0.22	0.20	0.20	0.18					
Debt Service Coverage Ratio	5.2	6.1	9.0	8.7	3.8	2.9	(0.3)	3.5	
Benchmarks-Vermont System Averages					Change in Points				
Days Cash on Hand	176	172	158	164	(18)	(14)	6	(12)	
Days Receivable	43	44	46	47	3	2	1	4	
Days Payable	63	54	54	54	(10)	(1)	1	(9)	
Long Term Debt to Capitalization	0	0	0	0					
Debt Service Coverage Ratio	2.4	3.6	3.1	3.4	0.7	(0.5)	0.3	1.0	
OBSERVATIONS:									

Fiscal Year 2020 Budget Analysis									
Porter Medical Center									
NET PAYER REVENUE CHANGES - PAYERS		FY2018A	FY2019B	FY2019A	FY2020B	2018A - 2019A % Chg	2019B - 2019A % Chg	2019B - 2020B % Chg	2019A - 2020B % Chg
All Payers	Gross Patient Care Revenue	167,523,162	171,658,662	168,352,774	169,510,951	0.5%	-1.9%	-1.3%	0.7%
	Contractual Allowances	-93,110,937	-99,140,975	-93,838,393	-96,939,496	0.8%	-5.3%	-2.2%	3.3%
	Bad Debt	-4,231,055	-3,733,610	-4,386,589	-4,275,135	3.7%	17.5%	14.5%	-2.5%
	Free Care	-1,496,308	-1,682,255	-1,492,822	-1,486,321	-0.2%	-11.3%	-11.6%	-0.4%
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Disproportionate Share Payments	738,988	439,130	500,464	497,840	-32.3%	14.0%	13.4%	-0.5%
	Net Payer Revenue	69,423,850	67,540,952	69,135,434	67,307,839	-0.4%	2.4%	-0.3%	-2.6%
	Fixed Prospective Payments	11,462,703	18,342,324	15,401,348	20,661,081	34.4%	-16.0%	12.6%	34.2%
	Reserves - Risk Portion	-1,057,233	-2,191,379	-46,270	-1,000,000	-95.6%	-97.9%	-54.4%	2061.2%
	Other Reform Payments	517,081	838,618	470,602	518,620	-9.0%	-43.9%	-38.2%	10.2%
	Fixed Prospective Payment & Reserves	10,922,551	16,989,563	15,825,681	20,179,700	44.9%	-6.9%	18.8%	27.5%
	Net Payer Revenue & Fixed Prospective Payments	80,346,401	84,530,515	84,961,115	87,487,539	5.7%	0.5%	3.5%	3.0%
Commercial	Gross Patient Care Revenue	69,826,800	72,193,800	70,557,218	71,933,113	1.0%	-2.3%	-0.4%	2.0%
	Contractual Allowances	-23,972,557	-24,491,561	-22,326,407	-22,901,091	-6.9%	-8.8%	-6.5%	2.6%
	Bad Debt	-4,231,055	-3,733,610	-4,386,589	-4,275,135	3.7%	17.5%	14.5%	-2.5%
	Free Care	-1,496,308	-1,682,255	-1,492,822	-1,486,321	-0.2%	-11.3%	-11.6%	-0.4%
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Net Payer Revenue	40,126,880	42,286,374	42,351,400	43,270,566	5.5%	0.2%	2.3%	2.2%
	Fixed Prospective Payments	0	3,426,274	-95,011	2,903,465	#DIV/0!	-102.8%	-15.3%	-3155.9%
	Reserves - Risk Portion	0	-233,060	-16,043	-106,353	#DIV/0!	-93.1%	-54.4%	562.9%
	Other Reform Payments	42,097	66,131	55,187	69,974	31.1%	-16.5%	5.8%	26.8%
	Fixed Prospective Payment & Reserves	42,097	3,259,345	-55,867	2,867,085	-232.7%	-101.7%	-12.0%	-5232.0%
	Net Payer Revenue & Fixed Prospective Payments	40,168,977	45,545,720	42,295,533	46,137,651	5.3%	-7.1%	1.3%	9.1%
Percentage of total		50%	54%	50%	53%				
Medicaid	Gross Patient Care Revenue	26,786,818	26,673,951	26,519,958	27,244,712	-1.0%	-0.6%	2.1%	2.7%
	Contractual Allowances	-21,739,495	-23,365,675	-22,424,284	-21,808,938	3.1%	-4.0%	-6.7%	-2.7%
	Bad Debt	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Free Care	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Net Payer Revenue	5,047,323	3,308,276	4,095,674	5,435,773	-18.9%	23.8%	64.3%	32.7%
	Fixed Prospective Payments	3,612,230	4,184,939	4,226,330	4,812,107	17.0%	1.0%	15.0%	13.9%
	Reserves - Risk Portion	-129,549	-391,387	146,211	-178,603	-212.9%	-137.4%	-54.4%	-222.2%
	Other Reform Payments	247,884	262,275	182,337	200,589	-26.4%	-30.5%	-23.5%	10.0%
	Fixed Prospective Payment & Reserves	3,730,565	4,055,828	4,554,878	4,834,093	22.1%	12.3%	19.2%	6.1%
	Net Payer Revenue & Fixed Prospective Payments	8,777,888	7,364,104	8,650,552	10,269,866	-1.5%	17.5%	39.5%	18.7%
Percentage of total		11%	9%	10%	12%				
Medicare	Gross Patient Care Revenue	70,909,544	72,790,911	71,275,598	70,333,127	0.5%	-2.1%	-3.4%	-1.3%
	Contractual Allowances	-47,398,885	-51,283,739	-49,087,702	-52,229,467	3.6%	-4.3%	1.8%	6.4%
	Bad Debt	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Free Care	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Net Payer Revenue	23,510,659	21,507,172	22,187,896	18,103,660	-5.6%	3.2%	-15.8%	-18.4%
	Fixed Prospective Payments	7,850,473	10,731,110	11,270,030	12,945,509	43.6%	5.0%	20.6%	14.9%
	Reserves - Risk Portion	-927,684	-1,566,932	-176,438	-715,044	-81.0%	-88.7%	-54.4%	305.3%
	Other Reform Payments	227,100	510,211	233,078	248,057	2.6%	-54.3%	-51.4%	6.4%
	Fixed Prospective Payment & Reserves	7,149,889	9,674,390	11,326,670	12,478,522	58.4%	17.1%	29.0%	10.2%
	Net Payer Revenue & Fixed Prospective Payments	30,660,548	31,181,562	33,514,566	30,582,182	9.3%	7.5%	-1.9%	-8.7%
Percentage of total		38%	37%	39%	35%				
	Disproportionate Share Payments	738,988	439,130	500,464	497,840	-32.3%	14.0%	13.4%	-0.5%
Percentage of total									
	NPR & FPP to Gross Commercial (no dsh)	58%	63%	60%	64%				
	NPR & FPP to Gross Medicaid (no dsh)	33%	28%	33%	38%				
	NPR & FPP to Gross Medicare (no dsh)	43%	43%	47%	43%				
	NPR & FPP to Gross All (no dsh)	48%	49%	50%	51%				
Observations:									

FY 2019 Actual Audited Financial Results Analysis					Porter Medical Center				
UTILIZATION & STAFFING	FY2018A	FY2019B	FY2019A	FY2020B	2018A-2019A	2019B-2019A	2019B-2020B	2019A-2020B	
UTILIZATION									
Adjusted Admissions	6,292	6,573	7,005	6,627	11.3%	6.6%	0.8%	-5.4%	
Acute Admissions	1,433	1,507	1,575	1,488	9.9%	4.5%	-1.3%	-5.5%	
Acute Average Length Of Stay	3.3	3.2	3.2	3.2	-3.4%	0.9%	1.1%	0.2%	
All Operating Room Procedure	3,153	3,468	3,567	3,443	13.1%	2.9%	-0.7%	-3.5%	
Tests	176,412	185,363	175,274	175,128	-0.6%	-5.4%	-5.5%	-0.1%	
Emergency Room Visits	12,588	13,313	12,681	12,034	0.7%	-4.7%	-9.6%	-5.1%	
CT Scan, Radiology - Diagnostic	29,846	30,842	31,012	29,870	3.9%	0.6%	-3.2%	-3.7%	
Exams	1,088	1,092	1,151	1,084	5.8%	5.4%	-0.7%	-5.8%	
Provider Work RVU	0	155,341	151,962	165,356	#DIV/0!	-2.2%	6.4%	8.8%	
Physician Office Visits	103,631	104,933	0	105,222	-100.0%	-100.0%	0.3%	#DIV/0!	
Clinic Visits	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
STAFFING									
Non-MD FTEs	404	424	408	425	3.8	(16.2)	0.6	16.8	
Travelers, Travelers MD	13	4	9	3	(4.0)	4.9	(1.1)	(6.0)	
Residents & Fellows	0	0	0	0	0.0	0.0	0.0	0.0	
MLPs	20	23	20	22	(0.6)	(3.2)	(0.8)	2.5	
Physician FTEs	33	36	39	43	5.1	2.5	6.6	4.1	
Total FTEs	471	487	475	493	4.3	(12.0)	5.4	17.3	
Benchmark-Central Vermont Medical Center									
Salary per FTE - Non-MD	64,161	66,239	65,420	66,433	2.0%	-1.2%	0.3%	1.5%	
Salary & Benefits per FTE - Non-MD	81,063	82,686	84,425	86,161	4.1%	2.1%	4.2%	2.1%	
FTEs Per Adjusted Occupied Bed	7	8	7	8	-6.3%	-11.0%	-1.9%	10.2%	
FTEs per 100 Adj Discharges	7	7	6	7	-9.5%	-10.2%	-0.8%	10.5%	
Benchmarks-Vermont System Averages									
Salary per FTE - Non-MD	66,067	67,435	70,572	70,085	6.8%	4.7%	3.9%	-0.7%	
Salary & Benefits per FTE - Non-MD	84,930	86,796	90,767	89,722	6.9%	4.6%	3.4%	-1.2%	
FTEs Per Adjusted Occupied Bed	6	6	6	6	-2.7%	-6.5%	1.7%	8.8%	
FTEs per 100 Adj Discharges	7	8	7	8	-0.6%	-4.5%	2.1%	7.0%	

OBSERVATIONS: