

Grace Cottage Hospital

Fiscal Year 2018 Analysis

Report Date: 3/25/2019

Fiscal Year 2018 Analysis															
Grace Cottage Hospital															
INCOME STATEMENT	FY2014A	FY2015A	FY2016A	FY2017A	FY2018B	FY2018P	FY2018A	FY2019B	2018B - 2018A	2018B - 2018A	2018P - 2018A	2018P - 2018A	2018B - 2019B	2018A - 2019B	2014-2018
									\$ Chg	% Chg	\$ Chg	% Chg	% Chg	% Chg	Annual Average
Revenues															
Gross Patient Care Revenue	22,980,699	22,650,537	25,833,339	26,113,855	27,607,149	28,264,307	28,394,054	29,980,632	2,373,483	2.9%	129,747	0.5%	8.6%	5.6%	5.4%
Disproportionate Share Payments	0	0	0	0	0	0	0	0	0	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Bad Debt	(623,521)	(525,606)	(406,558)	(842,397)	(748,260)	(427,511)	(548,943)	(516,506)	231,754	-26.6%	(121,432)	28.4%	-31.0%	-5.9%	-3.1%
Free Care	(331,918)	(196,472)	(126,612)	(110,259)	(101,466)	(184,712)	(158,312)	(181,583)	(80,117)	56.0%	26,400	-14.3%	79.0%	14.7%	-16.9%
Deductions from Revenue	(6,481,973)	(5,889,693)	(8,058,460)	(7,899,991)	(8,108,349)	(9,388,387)	(9,493,062)	(9,989,962)	(1,881,613)	17.1%	(104,675)	1.1%	23.2%	5.2%	10.0%
Graduate Medical Education	0	0	0	0	0	0	0	0	0	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net Patient Care Revenue	15,543,287	16,038,766	17,241,709	17,261,208	18,649,074	18,263,697	18,193,737	19,292,581	643,507	-2.4%	(69,960)	-0.4%	3.5%	6.0%	4.0%
Fixed Prospective Payments Fixed P	0	0	0	0	0	0	0	0	0	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Reserves Reserves	0	0	0	0	0	0	0	0	0	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments Other Refo	0	0	0	0	0	0	0	0	0	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Fixed Prospective Payments & Reserves	0	0	0	0	0	0	0	0	0	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net Patient Care Revenue & Fixed Payments & Reserves	15,543,287	16,038,766	17,241,709	17,261,208	18,649,074	18,263,697	18,193,737	19,292,581	643,507	-2.4%	(69,960)	-0.4%	3.5%	6.0%	4.0%
Other Operating Revenue	800,262	920,058	871,069	1,073,643	1,247,133	1,088,776	1,197,732	1,188,862	(58,271)	-4.0%	108,956	10.0%	-4.7%	-0.7%	10.6%
Total Operating Revenue	16,343,549	16,958,824	18,112,778	18,334,851	19,896,207	19,352,473	19,391,469	20,481,443	585,236	-2.5%	38,996	0.2%	2.9%	5.6%	4.4%
Expenses															
Salaries Non MD	7,417,769	7,907,721	8,455,100	8,838,636	9,377,560	9,210,017	9,395,238	9,605,266	227,706	0.2%	185,221	2.0%	2.4%	2.2%	6.1%
Fringe Benefits Non MD	1,986,443	2,326,337	2,644,288	2,558,790	3,084,330	2,713,266	2,880,909	3,091,037	6,707	-6.6%	167,643	6.2%	0.2%	7.3%	9.7%
Fringe Benefits MD	336,227	345,204	427,177	427,267	477,745	364,103	363,700	387,960	(89,785)	-23.9%	(403)	-0.1%	-18.8%	6.7%	2.0%
Physician Fees, Salaries, Contracts	1,781,788	2,040,342	2,276,960	2,235,272	2,145,185	1,922,036	2,095,450	2,056,963	(88,222)	-2.3%	173,414	9.0%	-4.1%	-1.8%	4.1%
Health Care Provider Tax	623,191	536,205	621,491	648,299	659,052	620,394	620,394	640,758	(18,294)	-5.9%	0	0.0%	-2.8%	3.3%	-0.1%
Depreciation & Amortization	1,391,853	1,134,712	705,748	599,378	644,540	584,568	580,783	675,299	30,759	-9.9%	(3,785)	-0.6%	4.8%	16.3%	-19.6%
Interest - Long Term & Short Term	66,220	139,854	150,863	131,905	125,817	129,080	135,590	124,063	(1,754)	7.8%	6,510	5.0%	-1.4%	-8.5%	19.6%
Other Operating Expense	3,875,863	4,184,039	4,278,775	4,166,086	3,972,003	3,866,530	3,875,935	3,748,280	(223,723)	-2.4%	9,405	0.2%	-5.6%	-3.3%	0.0%
Total Operating Expense	17,479,354	18,614,414	19,560,402	19,605,633	20,486,232	19,409,994	19,947,999	20,329,626	(156,606)	-2.6%	538,005	2.8%	-0.8%	1.9%	3.4%
		6%	5%	0%		2%	-1%								
Net Operating Income (Loss)	(1,135,805)	(1,655,590)	(1,447,624)	(1,270,782)	(590,025)	(57,521)	(556,530)	151,817	741,842	-5.7%	(499,009)	867.5%	-125.7%	-127.3%	-16.3%
Non-Operating Revenue	670,524	943,756	1,052,582	1,533,287	737,258	1,045,502	1,317,800	742,707	5,449	78.7%	272,298	26.0%	0.7%	-43.6%	18.4%
Excess (Deficit) of Rev Over Exp	(465,281)	(711,834)	(395,042)	262,505	147,233	987,981	761,270	894,524	747,291	417.1%	(226,711)	-22.9%	507.6%	17.5%	#NUM!
Benchmarks-Hospital															
Operating Margin%	-6.9%	-9.8%	-8.0%	-6.9%	-3.0%	-0.3%	-2.9%	0.7%							
Total Margin %	-2.7%	-4.0%	-2.1%	1.3%	0.7%	4.8%	3.7%	4.2%							
EBIDA Margin %	2.0%	-2.2%	-3.3%	-2.9%	0.9%	0.8%	0.8%	4.6%							
Cost per Adjusted Admission	5,960	7,514	7,367	7,262	8,212	6,831	7,653	6,968							

Fiscal Year 2018 Analysis												
Grace Cottage Hospital												
NET PAYER REVENUE CHANGE - PAYERS									2017A - 2018A	2018B - 2018A	2014A - 2019B	2018A - 2019B
	FY2014A	FY2015A	FY2016A	FY2017A	FY2018B	FY2018A	FY2019B	% Chg	% Chg	% Chg	% Chg	
All Payers	Gross Patient Care Revenue	\$22,980,699	\$22,650,537	\$25,833,339	\$26,113,855	\$27,607,149	\$28,394,054	\$29,980,632	8.7%	2.9%	30.5%	5.6%
	Contractual Allowances	(\$6,481,973)	(\$5,889,693)	(\$8,058,460)	(\$7,899,991)	(\$8,108,349)	(\$9,493,062)	(\$9,989,962)	20.2%	17.1%	54.1%	5.2%
	Bad Debt	(\$623,521)	(\$525,606)	(\$406,558)	(\$842,397)	(\$748,260)	(\$548,943)	(\$516,506)	-34.8%	-26.6%	-17.2%	-5.9%
	Free Care	(\$331,918)	(\$196,472)	(\$126,612)	(\$110,259)	(\$101,466)	(\$158,312)	(\$181,583)	43.6%	56.0%	-45.3%	14.7%
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Net Payer Revenue	\$15,543,287	\$16,038,766	\$17,241,709	\$17,261,208	\$18,649,074	\$18,193,737	\$19,292,581	5.4%	-2.4%	24.1%	6.0%
	FPP & Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	NPR & FPP	\$15,543,287	\$16,038,766	\$17,241,709	\$17,261,208	\$18,649,074	\$18,193,737	\$19,292,581	5.4%	-2.4%	24.1%	6.0%
			3%	8%	0%	8%	-2%	6%				
Commercial	Gross Patient Care Revenue	\$7,197,490	\$6,759,985	\$7,736,127	\$8,077,162	\$8,552,351	\$8,943,562	\$9,264,853	10.7%	4.6%	28.7%	3.6%
	Contractual Allowances	(\$1,695,353)	(\$1,938,623)	(\$2,357,427)	(\$2,726,400)	(\$2,691,681)	(\$2,931,622)	(\$2,993,540)	7.5%	8.9%	76.6%	2.1%
	Bad Debt	(\$623,521)	(\$525,606)	(\$406,558)	(\$842,397)	(\$748,260)	(\$548,943)	(\$516,506)	-34.8%	-26.6%	-17.2%	-5.9%
	Free Care	(\$331,918)	(\$196,472)	(\$126,612)	(\$110,259)	(\$101,466)	(\$158,312)	(\$181,583)	43.6%	56.0%	-45.3%	14.7%
	NPR	\$4,546,698				\$5,304,685	\$5,573,224	#DIV/0!	#DIV/0!	22.6%	5.1%	
	FPP & Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	NPR & FPP	\$4,546,698	\$4,099,284	\$4,845,530	\$4,398,106	\$5,010,944	\$5,304,685	\$5,573,224	20.6%	5.9%	22.6%	5.1%
			-10%	18%	-9%	14%	6%	5%				
Medicaid	Gross Patient Care Revenue	\$3,551,168	\$3,727,922	\$4,375,514	\$3,758,504	\$4,045,060	\$3,953,187	\$4,146,671	5.2%	-2.3%	16.8%	4.9%
	Contractual Allowances	(\$2,214,233)	(\$2,351,335)	(\$2,768,463)	(\$2,325,597)	(\$2,480,757)	(\$2,587,316)	(\$2,655,405)	11.3%	4.3%	19.9%	2.6%
	Bad Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Free Care	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	NPR	\$1,336,935				\$1,365,871	\$1,491,266	#DIV/0!	#DIV/0!	11.5%	9.2%	
	FPP & Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	NPR & FPP	\$1,336,935	\$1,376,587	\$1,607,051	\$1,432,907	\$1,564,303	\$1,365,871	\$1,491,266	-4.7%	-12.7%	11.5%	9.2%
			3%	17%	-11%	9%	-13%	9%				
Medicare	Gross Patient Care Revenue	\$12,232,041	\$12,162,630	\$13,721,698	\$14,278,189	\$15,009,738	\$15,497,305	\$16,569,108	8.5%	3.2%	35.5%	6.9%
	Contractual Allowances	(\$2,572,387)	(\$1,599,735)	(\$2,932,570)	(\$2,847,994)	(\$2,935,911)	(\$3,974,124)	(\$4,341,017)	39.5%	35.4%	68.8%	9.2%
	Bad Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Free Care	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	NPR	\$9,659,654				\$11,523,181	\$12,228,091	#DIV/0!	#DIV/0!	26.6%	6.1%	
	FPP & Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	NPR & FPP	\$9,659,654	\$10,562,895	\$10,789,128	\$11,430,195	\$12,073,827	\$11,523,181	\$12,228,091	0.8%	-4.6%	26.6%	6.1%
			9%	2%	6%	6%	-5%	6%				
	Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	NPR to Gross Commercial (no dsh)	63.2%	60.6%	62.6%	54.5%	58.6%	59.3%	60.2%				
	NPR to Gross Medicaid (no dsh)	37.6%	36.9%	36.7%	38.1%	38.7%	34.6%	36.0%				
	NPR to Gross Medicare (no dsh)	79.0%	86.8%	78.6%	80.1%	80.4%	74.4%	73.8%				
	NPR to Gross All (no dsh)	67.6%	70.8%	66.7%	66.1%	67.6%	64.1%	64.4%				

Annual Financial Health Analysis: FY14-17 Actuals, FY18 Projection, FY19 GMCB-Approved Budget		Grace Cottage Hospital							Flex Monitoring Team 2016 CAH Medians		2018 Almanac of Hospital Financial and Operating Indicators (Optum) FY2016				
DASHBOARD	FY2013A	FY2014A	FY2015A	FY2016A	FY2017A	FY2018B	FY2018A	FY2019B	Vermont--8 Hospitals	U.S.--1317 Hospitals	Northeast Region	Northeast CAH	25-99 beds	100-199 beds	Teaching Hospitals
Net Patient Care Rev & Fixed Payments & Reserves	15,327,065	15,543,287	16,038,766	17,241,709	17,261,208	18,649,074	18,193,737	19,292,581							
NPR & FPP % Change			3.2%	7.5%	0.1%	8.0%	-2.4%	6.0%							
Five Year NPR & FPP CAGR* (FY15A - FY18A)							3.2%								
Operating Expense	17,435,950	17,479,354	18,614,414	19,560,402	19,605,633	20,486,232	19,947,999	20,329,626							
Oper Exp % Change			6.5%	5.1%	0.2%	4.5%	-2.6%	1.9%							
Five Year Operating Expenses CAGR* (FY15A - FY18A)							2.7%								
Profitability															
Operating Margin	(1,046,933)	(1,135,805)	(1,655,590)	(1,447,624)	(1,270,782)	(590,025)	(556,530)	151,817							
Five Year Operating Margin CAGR* (FY15A - FY18A)							-13.3%								
EBIDA Margin%		2.0%	-2.2%	-3.3%	-2.9%	0.9%	0.8%	#REF!			8.1%	7.3%	7.7%	10.7%	10.7%
Operating Margin %	-6.4%	-6.9%	-9.8%	-8.0%	-6.9%	-3.0%	-2.9%	0.7%	0.61%	0.93%	0.0%	-2.1%	-0.5%	2.1%	2.1%
Total Margin	(89,055)	(465,281)	(711,834)	(395,042)	262,505	147,233	761,270	894,524							
Five Year Total Margin CAGR* (FY15A - FY18A)							-210.3%								
Total Margin %	-0.5%	-2.7%	-4.0%	-2.1%	1.3%	0.7%	3.7%	4.2%	2.25%	2.74%	1.6%	0.0%	1.9%	6.0%	3.7%
Return On Assets	-0.7%	-4.1%	-6.2%	-3.4%	2.2%	1.3%	6.2%	6.9%			1.6%	0.0%	2.0%	5.3%	3.7%
Liquidity															
Cash & Investments	284,902	220,593	195,899	237,043	155,417	359,871	291,005	277,212							
Days Cash on Hand	72	81	76	78	86	76	92	93	134.67	77.72	84	93	116	80	98
Current Ratio	1.8	1.7	1.3	1.0	0.9	1.1	0.9	0.9	1.66	2.48	1.6	1.4	2.6	1.8	1.5
Expense Per Day**		47,889	50,998	53,590	53,714	56,127	54,652	55,698							
Days Receivable**	50.8	57.1	48.4	48.5	42.2	37.8	41.4	40.6	43.11	51.34	42.1	46.3	48.6	42.8	42.3
Days Payable**	47.3	53.1	70.0	85.1	90.0	67.4	90.6	83.8			67.3	66.0	48.8	65.2	67.7
Capital															
Age of Plant**	6.7	7.7	10.4	17.8	22.0	21.4	23.3	21.4	12.54	10.48	12.5	14.4	10.6	12.4	10.5
Long Term Debt to Capitalization**	27.7%	25.7%	29.0%	25.8%	20.8%	29.9%	14.4%	8.8%	31.83	27.20	28.0%	23.0%	26.6%	19.0%	32.8%
Debt Service Coverage Ratio	1.1	1.6	(1.3)	(1.2)	(1.1)	0.2	0.3	0.5	7.05	3.35	3.1	1.4	3.1	6.7	6.0
Cash to Long Term Debt	117.1%	155.2%	159.7%	235.0%	323.7%	184.5%	474.9%	695.6%							
*CAGR = Compounded Annual Growth Rate															
**Denotes metric is favorable if lower															

Fiscal Year 2018 Analysis		Grace Cottage Hospital								
UTILIZATION & STAFFING	FY2014A	FY2015A	FY2016A	FY2017A	FY2018B	FY2018A	FY2019B	2018B-2018A	2018B-2019B	2018A-2019B
UTILIZATION										
Adjusted Admissions	2,933	2,477	2,655	2,700	2,495	2,607	2,918	4.5%	17.0%	11.9%
Acute Admissions	179	130	131	137	120	138	149	15.0%	24.2%	8.0%
Acute Average Length Of Stay	3.1	3.1	2.7	2.9	3.1	2.8	2.5	-10.7%	-18.6%	-8.8%
All Operating Room Procedure Tests	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!
Emergency Room Visits	63,332	56,945	58,289	53,263	54,940	51,401	52,810	-6.4%	-3.9%	2.7%
Cat Scan, Radiology - Diagnostic Exams	2,536	2,736	2,892	2,869	2,712	3,120	3,080	15.0%	13.6%	-1.3%
Provider Work RVU	4,257	4,012	4,144	4,116	4,332	4,340	4,548	0.2%	5.0%	4.8%
Physician Office Visits	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!
Visits	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!
STAFFING										
FT Equivalents (Heads)	126	131	136	138	142	138	139	(4)	(3)	1
Travelers, Travelers MD	3	4	4	4	0	3	0	3	0	(3)
Residents & Fellows	0	0	0	0	0	0	0	0	0	0
MLPs	0	0	0	0	0	0	0	0	0	(0)
Physician FTEs	8	9	10	9	9	8	8	(1)	(1)	0
Total FTEs	137	144	149	151	151	149	148	(2)	(3)	(2)
Benchmarks-Hospital										
Salary per FTE - Non-MD	\$ 59,002	\$ 60,148	\$ 62,147	\$ 64,071	\$ 65,997	\$ 67,973	\$ 68,919	3.0%	4.4%	1.4%
Salary & Benefits per FTE - Non-MD	\$ 74,803	\$ 77,843	\$ 81,583	\$ 82,620	\$ 87,704	\$ 88,816	\$ 91,098	1.3%	3.9%	2.6%
FTEs Per Adjusted Occupied Bed	5	6	7	6	7	7	7	4.3%	3.0%	-1.2%
FTEs per 100 Adj Discharges	4	5	5	5	6	5	5	-6.9%	-16.1%	-9.9%
Benchmarks-Vermont System Averages										
Salary per FTE - Non-MD	\$ 59,466	\$ 61,326	\$ 63,250	\$ 65,422	\$ 65,917	\$ 66,659	\$ 67,426	1.1%	2.3%	1.2%
Salary & Benefits per FTE - Non-MD	\$ 78,162	\$ 80,704	\$ 81,921	\$ 85,211	\$ 84,856	\$ 85,466	\$ 86,788	0.7%	2.3%	1.5%
FTEs Per Adjusted Occupied Bed	6	6	6	6	6	6	6	1.2%	2.8%	1.6%
FTEs per 100 Adj Discharges	7	7	7	7	8	8	8	0.8%	1.2%	0.4%

Fiscal Year 2018 Analysis		Grace Cottage Hospital						
BALANCE SHEET	FY2014A	FY2015A	FY2016A	FY2017A	FY2018B	FY2018A	FY2019B	
Cash & Investments	\$ 220,593	\$ 195,899	\$ 237,043	\$ 155,417	\$ 359,871	\$ 291,005	\$ 277,212	
Net Patient Accounts Receivable	2,430,698	2,128,878	2,290,564	1,993,912	1,930,201	2,061,409	2,143,952	
Risk Reserve for Fixed Reform Payments	-	-	-	-	-	-	-	
Other Current Assets	1,319,446	2,036,291	1,764,432	1,908,351	1,611,181	1,987,253	1,777,055	
Current Assets	3,970,737	4,361,068	4,292,039	4,057,680	3,901,253	4,339,667	4,198,219	
Board Designated Assets	3,433,017	3,537,806	3,887,683	4,392,760	3,833,245	4,667,648	4,775,297	
Net, Property, Plant And Equipment	3,880,812	3,658,528	3,453,925	3,395,151	3,569,593	3,364,425	3,916,476	
Other Long-Term Assets	-	-	-	-	-	-	-	
Assets	\$ 11,284,566	\$ 11,557,402	\$ 11,633,647	\$ 11,845,591	\$ 11,304,091	\$ 12,371,740	\$ 12,889,992	
Accounts Payable	439,046	1,014,584	1,025,387	1,189,085	1,289,016	891,933	623,527	
Salaries, Wages And Payroll Taxes Payable	817,543	919,979	980,563	1,081,011	1,110,562	1,261,637	1,129,386	
Other Current Liabilities	1,082,193	1,417,989	2,391,928	2,418,050	1,261,776	2,651,372	2,761,368	
Current Liabilities	\$ 2,338,782	\$ 3,352,552	\$ 4,397,878	\$ 4,688,146	\$ 3,661,354	\$ 4,804,942	\$ 4,514,281	
Long Term Liabilities	2,293,625	2,282,126	1,719,623	1,380,284	2,232,297	1,028,366	716,045	
Other Noncurrent Liabilities	-	-	-	-	-	-	-	
Fund Balance	6,652,159	5,922,724	5,516,146	5,777,161	5,410,440	6,538,432	7,659,666	
Liabilities and Equities	\$ 11,284,566	\$ 11,557,402	\$ 11,633,647	\$ 11,845,591	\$ 11,304,091	\$ 12,371,740	\$ 12,889,992	
Benchmarks-Hospital	Comparative Benchmarks-Vermont System Averages							
Days Cash on Hand	80.8	76.1	78.2	85.8	75.8	92.0	92.5	
Long Term Debt to Capitalization	25.7%	29.0%	25.8%	20.8%	29.9%	14.4%	8.8%	
Debt Service Coverage Ratio	1.6	(1.3)	(1.2)	(1.1)	0.2	0.3	0.5	