

# North Country Hospital

Fiscal Year 2019 Budget Analysis

Report Date: 8/3/2018

QUESTIONS

1. Have the hospital's projections for FY2018 changed?
2. Please explain factors in the changes in Bad Debt and Free Care in the FY2019 Budget (including policy changes if any).
3. Please provide more specificity about what is included in Other Operating Expense for FY2017 Actuals, FY2018 Budget and Projections, and FY2019 Budget, and explain the variation from year to year.
4. Please explain the increase in 21 FTEs from FY2018 Projections to FY2019 Budget.
5. Please complete the table that has been provided to clarify accounting of ACO-related revenue and expenses.
6. Prevalence of COPD and Controlling High Blood Pressure are two All-Payer Model quality measures where performance for the Newport health service area is below the state average. Please describe any initiatives that the hospital is engaged in that address those two measures.

Fiscal Year 2019 Budget Analysis									
North Country Hospital									
INCOME STATEMENT	FY2015A	FY2016A	FY2017A	FY2018B	FY2018P	FY2019B	2018B - 2018P	2018B - 2019B	2018P - 2019B
							% Chg	% Chg	% Chg
<b>Revenues</b>									
Gross Patient Care Revenue	166,223,234	178,370,005	176,924,304	186,181,775	186,233,162	193,012,814	0.0%	3.7%	3.6%
Disproportionate Share Payments	2,276,974	1,735,504	1,201,206	403,818	403,818	879,211	0.0%	117.7%	117.7%
Bad Debt	(3,626,966)	(3,465,231)	(2,087,878)	(1,105,660)	(2,311,810)	(2,071,021)	109.1%	87.3%	-10.4%
Free Care	(1,283,142)	(1,114,262)	(1,545,788)	(1,261,784)	(1,886,795)	(1,753,024)	49.5%	38.9%	-7.1%
Deductions from Revenue	(90,293,004)	(97,734,434)	(97,804,957)	(105,143,570)	(109,659,502)	(114,166,944)	4.3%	8.6%	4.1%
Graduate Medical Education	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!
<b>Net Patient Care Revenue</b>	<b>73,297,094</b>	<b>77,791,582</b>	<b>76,686,887</b>	<b>79,074,579</b>	<b>72,778,873</b>	<b>75,901,036</b>	<b>-8.0%</b>	<b>-4.0%</b>	<b>4.3%</b>
Fixed Prospective Payments & Reserves	0	0	0	0	4,523,027	5,622,314	#DIV/0!	#DIV/0!	24.3%
<b>Net Patient Care Revenue &amp; Fixed Payments &amp; Reserves</b>	<b>73,297,094</b>	<b>77,791,582</b>	<b>76,686,887</b>	<b>79,074,579</b>	<b>77,301,900</b>	<b>81,523,350</b>	<b>-2.2%</b>	<b>3.1%</b>	<b>5.5%</b>
Other Operating Revenue	7,181,556	6,174,954	5,620,168	5,885,122	5,655,416	6,083,556	-3.9%	3.4%	7.6%
<b>Total Operating Revenue</b>	<b>80,478,650</b>	<b>83,966,536</b>	<b>82,307,055</b>	<b>84,959,701</b>	<b>82,957,316</b>	<b>87,606,906</b>	<b>-2.4%</b>	<b>3.1%</b>	<b>5.6%</b>
<b>Expenses</b>									
Salaries Non MD	24,491,810	26,443,428	26,747,116	27,485,621	26,467,298	27,664,659	-3.7%	0.7%	4.5%
Fringe Benefits Non MD	8,077,211	9,377,399	10,083,036	10,481,826	10,338,550	10,732,923	-1.4%	2.4%	3.8%
Fringe Benefits MD	1,130,331	1,129,208	1,075,390	1,154,352	1,003,816	1,164,079	-13.0%	0.8%	16.0%
Physician Fees, Salaries, Contracts	13,465,876	14,439,987	15,256,583	14,196,022	14,296,865	14,792,632	0.7%	4.2%	3.5%
Health Care Provider Tax	4,283,890	4,464,892	4,633,146	4,533,348	4,533,348	4,533,348	0.0%	0.0%	0.0%
Depreciation & Amortization	4,681,156	5,060,771	4,650,398	4,458,804	4,066,750	4,358,483	-8.8%	-2.2%	7.2%
Interest - Long Term & Short Term	647,943	596,513	692,008	689,347	674,663	605,858	-2.1%	-12.1%	-10.2%
Other Operating Expense	20,856,291	22,312,587	21,041,340	21,266,142	20,625,069	22,796,328	-3.0%	7.2%	10.5%
<b>Total Operating Expense</b>	<b>77,634,509</b>	<b>83,824,785</b>	<b>84,179,016</b>	<b>84,265,462</b>	<b>82,006,360</b>	<b>86,648,310</b>	<b>-2.7%</b>	<b>2.8%</b>	<b>5.7%</b>
<b>Net Operating Income (Loss)</b>	<b>2,844,141</b>	<b>141,751</b>	<b>(1,871,960)</b>	<b>694,239</b>	<b>950,956</b>	<b>958,597</b>	<b>37.0%</b>	<b>38.1%</b>	<b>0.8%</b>
Non-Operating Revenue	(1,384,871)	2,028,401	3,886,125	1,253,190	1,653,237	1,504,524	31.9%	20.1%	-9.0%
<b>Excess (Deficit) of Rev Over Exp</b>	<b>1,459,270</b>	<b>2,170,151</b>	<b>2,014,165</b>	<b>1,947,429</b>	<b>2,604,193</b>	<b>2,463,121</b>	<b>33.7%</b>	<b>26.5%</b>	<b>-5.4%</b>
<b>Benchmarks-Hospital</b>									
Operating Margin%	3.5%	0.2%	-2.3%	0.8%	1.1%	1.1%			
Total Margin %	1.8%	2.5%	2.3%	2.3%	3.1%	2.8%			
Cost per Adjusted Admission	8,655	8,963	5,951	9,688	10,169	10,813			
<b>OBSERVATIONS:</b>									
In FY2019, the hospital is projecting 2.4% less in NPR & FPP than for FY2018 and 2.7% less in Expenses. Bad Debt and Free Care in the FY2019 Budget are higher than FY2018 Budget but lower than FY2018 Projections. The hospital is requesting a 3.6% rate/price increase. The hospital is expecting to replace two surgeons who have left within the last year.									

**Fiscal Year 2019 Budget Analysis North Country Hospital**

NET PAYER REVENUE CHANGE - PAYERS		FY2018B	FY2018P	FY2019B	2018B - 2018P % Chg	2018B - 2019B % Chg	2018P - 2019B % Chg	Change due to Rate	Change due to Non-Rate Items
<b>All Payers</b>	<b>Gross Patient Care Revenue</b>	\$186,181,775	\$186,233,154	\$193,012,814	0.0%	3.7%	3.6%		
	Contractual Allowances	(\$105,143,570)	(\$109,659,502)	(\$114,166,944)	4.3%	8.6%	4.1%		
	Bad Debt	(\$1,105,660)	(\$2,311,810)	(\$2,071,021)	109.1%	87.3%	-10.4%		
	Free Care	(\$1,261,784)	(\$1,886,795)	(\$1,753,024)	49.5%	38.9%	-7.1%		
	Graduate Medical Education Payments	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!		
	Disproportionate Share Payments	\$403,818	\$403,818	\$879,211	0.0%	117.7%	117.7%		
	<b>Net Payer Revenue</b>	<b>\$79,074,579</b>	<b>\$72,778,865</b>	<b>\$75,901,036</b>	<b>-8.0%</b>	<b>-4.0%</b>	<b>4.3%</b>		
Fixed Prospective Payments & Reserves	\$0	\$4,523,027	\$5,622,314	#DIV/0!	#DIV/0!	24.3%			
<b>Net Patient Care Rev &amp; Fixed Payments &amp; Reserves</b>	<b>\$79,074,579</b>	<b>\$77,301,892</b>	<b>\$81,523,350</b>	<b>-2.2%</b>	<b>3.1%</b>	<b>5.5%</b>	<b>\$2,317,981</b>	<b>\$130,790</b>	
<b>Commercial</b>	<b>Gross Patient Care Revenue</b>	\$61,525,233	\$61,844,097	\$64,384,857	0.5%	4.6%	4.1%		
	Contractual Allowances	(\$16,385,202)	(\$20,186,897)	(\$21,209,465)	23.2%	29.4%	5.1%		
	Bad Debt	(\$1,105,660)	(\$2,311,810)	(\$2,071,021)	109.1%	87.3%	-10.4%		
	Free Care	(\$1,261,784)	(\$1,886,795)	(\$1,753,024)	49.5%	38.9%	-7.1%		
	<b>NPR</b>	<b>\$42,772,587</b>	<b>\$37,458,596</b>	<b>\$39,351,347</b>	<b>-12.4%</b>	<b>-8.0%</b>	<b>5.1%</b>		
	Fixed Prospective Payment & Reserves	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!		
	<b>Total Net Payer Revenue &amp; Fixed Prospective Payment</b>	<b>\$42,772,587</b>	<b>\$37,458,596</b>	<b>\$39,351,347</b>	<b>-12.4%</b>	<b>-8.0%</b>	<b>5.1%</b>	<b>\$1,482,297</b>	<b>(\$745,503)</b>
<b>Medicaid</b>	<b>Gross Patient Care Revenue</b>	\$47,789,151	\$47,295,339	\$48,788,854	-1.0%	2.1%	3.2%		
	Contractual Allowances	(\$36,534,389)	(\$40,276,063)	(\$41,339,854)	10.2%	13.2%	2.6%		
	Bad Debt	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!		
	Free Care	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!		
	Graduate Medical Education Payments	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!		
	<b>NPR</b>	<b>\$11,254,762</b>	<b>\$7,019,277</b>	<b>\$7,449,000</b>	<b>-37.6%</b>	<b>-33.8%</b>	<b>6.1%</b>		
	Fixed Prospective Payment & Reserves	\$0	\$4,523,027	\$5,622,314	#DIV/0!	#DIV/0!	24.3%		
<b>Total Net Payer Revenue &amp; Fixed Prospective Payment</b>	<b>\$11,254,762</b>	<b>\$11,542,304</b>	<b>\$13,071,314</b>	<b>2.6%</b>	<b>16.1%</b>	<b>13.2%</b>	<b>(\$42,761)</b>	<b>(\$20,514)</b>	
<b>Medicare</b>	<b>Gross Patient Care Revenue</b>	\$76,867,391	\$77,093,717	\$79,839,103	0.3%	3.9%	3.6%		
	Contractual Allowances	(\$52,223,979)	(\$49,196,543)	(\$51,617,625)	-5.8%	-1.2%	4.9%		
	Bad Debt	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!		
	Free Care	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!		
	<b>NPR</b>	<b>\$24,643,412</b>	<b>\$27,897,174</b>	<b>\$28,221,478</b>	<b>13.2%</b>	<b>14.5%</b>	<b>1.2%</b>		
	Fixed Prospective Payment & Reserves	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!		
	<b>Total Net Payer Revenue &amp; Fixed Prospective Payment</b>	<b>\$24,643,412</b>	<b>\$27,897,174</b>	<b>\$28,221,478</b>	<b>13.2%</b>	<b>14.5%</b>	<b>1.2%</b>	<b>\$878,445</b>	<b>\$421,414</b>
<b>Disproportionate Share Payments</b>	<b>\$403,818</b>	<b>\$403,818</b>	<b>\$879,211</b>	<b>0.0%</b>	<b>117.7%</b>	<b>117.7%</b>		<b>\$475,393</b>	
<b>NPR to Gross Commercial (no dsh)</b>	<b>69.5%</b>	<b>60.6%</b>	<b>61.1%</b>						
<b>NPR to Gross Medicaid (no dsh)</b>	<b>23.6%</b>	<b>24.4%</b>	<b>26.8%</b>						
<b>NPR to Gross Medicare (no dsh)</b>	<b>32.1%</b>	<b>36.2%</b>	<b>35.3%</b>						
<b>NPR to Gross All (no dsh)</b>	<b>42.3%</b>	<b>41.3%</b>	<b>41.8%</b>						

**Observations:** The hospital is requesting a 3.57% rate/price increase overall for FY2019. NPR to Gross ratio for each payer is showing fluctuations, perhaps due to accounting changes related to Gross Revenue associated with Fixed Prospective Payments or utilization. Bad Debt and Free Care are also increasing, unfavorably. Disproportionate Share Payments show an increase of \$475,393.

## North Country Hospital

### RATE AND NET PATIENT REVENUE INCREASE

Rate is the average change in price for services provided.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Weighted Average Approved Rate (all hospitals)</b>	6.82%	4.37%	1.67%	2.04%	
<b>Weighted Average Submitted Rate (all hospitals)</b>	6.82%	4.40%	2.21%	2.34%	3.12%
<b>North Country Hospital Approved Rate</b>	8.30%	4.82%	3.48%	5.00%	
<b>North Country Hospital Submitted Rate</b>	8.30%	4.82%	3.48%	5.00%	3.57%

Hospital Inpatient Gross Revenue	5.9%
Hospital Outpatient Gross Revenue	3.1%
Physician Outpatient Gross Revenue	0.0%
Chronic/SNF Gross Revenue	0.0%
Swing Gross Revenue	0.0%

<b>Net Patient Revenue Change Due to Rate Request</b>		
	Commercial	\$ 1,482,297
	Medicaid	\$ (42,761)
	Medicare	\$ 878,445
	Disproportionate Share	\$ -
	<b>Total Change Due to Rate Request</b>	<b>\$ 2,317,981</b>

<b>Value of 1% Rate - Calculated by GMCB</b>	\$ 649,294	
<b>Value of 1% Rate - Calculated by North Country</b>	\$ -	
	<b>Variance</b>	<b>\$ 649,294</b>

North Country has a rate/price request of 3.57%.

The 3.57% will result in increased NPR of \$2.3 million.

For NCH, every 1% increase in rate/price is worth approximately \$649,294 in net patient revenue.

Fiscal Year 2019 Budget Analysis	North Country Hospital					
	FY2015A	FY2016A	FY2017A	FY2018B	FY2018P	FY2019B
<b>DASHBOARD</b>						
Net Patient Care Revenue	73,297,094	77,791,582	76,686,887	79,074,579	72,778,873	75,901,036
Net Patient Care Rev & Fixed Payments & Reserves	73,297,094	77,791,582	76,686,887	79,074,579	77,301,900	81,523,350
NPR & FPP % Variance		6.1%	-1.4%	3.1%	-2.2%	5.5%
Three Year NPR & FPP CAGR* (FY16A - FY19B)						1.6%
Operating Expense	77,634,509	83,824,785	84,179,016	84,265,462	82,006,360	86,648,310
Oper Exp % Variance		8.0%	0.4%	0.1%	-2.7%	5.7%
Three Year Oper. Exp. CAGR* (FY16A - FY19B)						1.1%
<b>Revenue</b>						
Operating Margin %	3.5%	0.2%	-2.3%	0.8%	1.1%	1.1%
Total Margin %	1.8%	2.5%	2.3%	2.3%	3.1%	2.8%
Bad Debt %	2.2%	1.9%	1.2%	0.6%	1.2%	1.1%
Free Care %	0.8%	0.6%	0.9%	0.7%	1.0%	0.9%
<b>Cost</b>						
Cost per Adjusted Admission	8,655	8,963	5,951	9,688	10,169	10,813
Overhead Exp. as a % of Total Operating Exp.	22.7%	22.3%	21.5%	22.2%	22.9%	23.2%
<b>Productivity &amp; Utilization</b>						
Acute Admissions	1,420	1,394	2,268	1,432	1,358	1,357
Adjusted Admissions	8,971	9,352	14,337	8,698	8,064	8,014
Average Length of Stay	3	3	2	3	4	4
FTEs Per Adjusted Occupied Bed	5	5	6	6	6	7
FTEs per 100 Adj Discharges	5	5	3	5	5	6
<b>Cash</b>						
Days Cash on Hand	198.8	169.3	185.5	196.3	201.2	196.3
Current Ratio	1.4	4.3	3.7	4.4	4.3	4.4
<b>Capital</b>						
Age of Plant	9.1	9.3	10.9	12.6	12.7	12.7
Long Term Debt to Capitalization				27.4%	23.9%	21.8%
Debt Service Coverage Ratio	0.39	3.34	1.95	3.34	3.24	3.51
*CAGR = Compounded Annual Growth Rate						

Fiscal Year 2019 Budget Analysis							North Country Hospital			
UTILIZATION & STAFFING	FY2015A	FY2016A	FY2017A	FY2018B	FY2018P	FY2019B	2018B-2018P	2018B-2019B	2018P-2019B	
<b>UTILIZATION</b>										
Adjusted Admissions	8,970	9,352	14,145	8,698	8,064	8,014	-7.3%	-7.9%	-0.6%	
Acute Admissions	1,420	1,394	2,268	1,432	1,358	1,357	-5.2%	-5.2%	-0.1%	
Acute Average Length Of Stay	3.2	3.2	3.1	3.2	3.2	3.2	0.4%	0.2%	-0.2%	
All Operating Room Procedure	3,129	3,063	3,000	2,968	3,036	3,036	2.3%	2.3%	0.0%	
Tests	532,354	549,247	531,368	538,700	515,671	515,672	-4.3%	-4.3%	0.0%	
Emergency Room Visits	16,605	15,987	15,521	16,530	15,456	15,456	-6.5%	-6.5%	0.0%	
CT Scan, Radiology - Diagnostic	17,166	18,101	18,075	17,637	17,738	17,737	0.6%	0.6%	0.0%	
Exams	1,378	1,386	1,324	1,354	1,345	1,345	-0.7%	-0.7%	0.0%	
Provider Work RVU	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	
Physician Office Visits	86,549	97,769	99,775	98,876	94,872	95,918	-4.0%	-3.0%	1.1%	
Clinic Visits	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	
<b>STAFFING</b>										
FT Equivalents (Heads)	426	444	456	459	443	464	(16)	5	21	
Travelers, Travelers MD	0	0	0	0	0	0	0	0	0	
Residents & Fellows	0	0	0	0	0	0	0	0	0	
MLPs	0	0	0	0	0	0	0	0	0	
Physician FTEs	30	29	30	31	29	33	(2)	1	3	
Total FTEs	457	473	487	491	473	497	(18)	6	24	
<b>Benchmarks-Hospital</b>										
Salary per FTE - Non-MD	\$ 57,460	\$ 59,587	\$ 58,602	\$ 59,854	\$ 59,696	\$ 59,605	-0.3%	-0.4%	-0.2%	
Salary & Benefits per FTE - Non-MD	\$ 76,410	\$ 80,718	\$ 80,694	\$ 82,680	\$ 83,014	\$ 82,730	0.4%	0.1%	-0.3%	
FTEs Per Adjusted Occupied Bed	5	5	6	6	6	7	3.9%	9.4%	5.3%	
FTEs per 100 Adj Discharges	5	5	3	5	5	6	4.1%	9.7%	5.3%	
<b>Benchmarks-Vermont System Averages</b>										
Salary per FTE - Non-MD	\$ 61,326	\$ 63,250	\$ 65,422	\$ 65,917	\$ 67,055	\$ 67,424	1.7%	2.3%	0.5%	
Salary & Benefits per FTE - Non-MD	\$ 80,704	\$ 81,921	\$ 85,211	\$ 84,856	\$ 86,361	\$ 86,812	1.8%	2.3%	0.5%	
FTEs Per Adjusted Occupied Bed	6	6	6	6	6	6	-0.7%	2.8%	3.6%	
FTEs per 100 Adj Discharges	7	7	7	8	8	8	-1.1%	1.3%	2.4%	

**Observations:**

NCH's overall utilization in FY2019 Budget, as measured by Adjusted Admissions, is expected to decrease from FY2018 Budget and Projections. Most other FY2019 Budget utilization measures are the same as FY2018 Projections and several show a decline over FY2018 Budget. In the FY2019 Budget, the hospital is budgeting for more FTEs than for FY2018 Projections. The hospital is expecting to replace two surgeons that have terminated within the last year in FY2019.

Salary & Benefits per FTE have remained steady. Productivity statistics as measured by FTEs per Adjusted Occupied and FTEs per 100 Adjusted Discharges are projected to increase.

**Questions:** Please explain the reduction in 21 FTEs from FY2018 Projections to FY2019 Budget; where are the positions, why were they eliminated, and have any services been affected as a result?

Fiscal Year 2019 Budget Analysis		North Country Hospital					
BALANCE SHEET	FY2015A	FY2016A	FY2017A	FY2018B	FY2018P	FY2019B	
Cash & Investments	\$ 5,441,054	\$ 2,507,404	\$ 1,567,456	\$ 5,194,466	\$ 2,604,181	\$ 2,463,129	
Risk Reserve for Fixed Reform Payments	-	-	-	-	-	-	
Other Current Assets	11,716,624	11,590,179	14,331,770	13,958,810	16,007,955	16,298,085	
Current Assets	17,157,678	14,097,583	15,899,226	19,153,276	18,612,136	18,761,214	
Board Designated Assets	34,288,615	34,027,352	38,845,739	37,723,628	40,354,695	41,795,358	
Net, Property, Plant And Equipment	28,038,118	26,815,387	24,697,926	24,175,605	26,537,431	26,046,855	
Other Long-Term Assets	2,218,838	4,668,601	4,320,222	3,404,110	4,430,142	4,581,767	
<b>Assets</b>	<b>\$ 81,703,249</b>	<b>\$ 79,608,923</b>	<b>\$ 83,763,113</b>	<b>\$ 84,456,619</b>	<b>\$ 89,934,404</b>	<b>\$ 91,185,194</b>	
Current Liabilities	\$ 32,020,167	\$ 9,897,642	\$ 12,636,713	\$ 12,999,175	\$ 13,733,163	\$ 13,733,163	
Long Term Liabilities	3,456,829	20,602,338	19,364,561	19,339,895	17,846,140	16,541,890	
Other Noncurrent Liabilities	-	-	-	-	-	-	
Fund Balance	46,226,253	49,108,943	51,761,839	52,117,549	58,355,101	60,910,141	
<b>Liabilities and Equities</b>	<b>\$ 81,703,249</b>	<b>\$ 79,608,923</b>	<b>\$ 83,763,113</b>	<b>\$ 84,456,619</b>	<b>\$ 89,934,404</b>	<b>\$ 91,185,194</b>	
<b>Benchmarks-Hospital</b>							
Days Cash on Hand	198.8	169.3	185.5	196.3	201.2	196.3	
Long Term Debt to Capitalization	7.0%	29.6%	27.8%	27.4%	23.9%	21.8%	
Debt Service Coverage Ratio	0.4	3.3	2.0	3.3	3.2	3.5	
<b>Benchmarks-Vermont System Averages</b>							
Days Cash on Hand	178.5	183.3	193.6	167.3	178.2	173.4	
Long Term Debt to Capitalization	27.6%	30.5%	29.0%	29.6%	26.7%	25.4%	
Debt Service Coverage Ratio	3.7	5.0	3.9	3.7	3.7	3.7	
<b>Observations:</b>							
The hospital's balances for Other Current Assets have shifted from FY2017 Actuals to FY2018 Projections and FY2019 Budget. The Fund Balance is steadily increasing. Days Cash on Hand is higher than the Vermont System Average.							

**Fiscal Year 2019 Budget Analysis**

**North Country Hospital**

<b>CAPITAL BUDGET</b>	<b>2015A</b>	<b>FY2016A</b>	<b>FY2017A</b>	<b>FY2018B</b>	<b>FY2018P</b>	<b>FY2019B</b>	<b>2020 Plan</b>	<b>2021 Plan</b>	<b>2022 Plan</b>
Non-Certificate of Need Capital Plans Total				\$ 3,269,037	\$ 3,269,037	\$ 6,251,686	\$ -	\$ -	\$ -
Certificate of Need Capital Plans				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Capital Purchases</b>				<b>\$ 3,269,037</b>	<b>\$ 3,269,037</b>	<b>\$ 6,251,686</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>North Country Hospital</b>									
Age of Plant	9.1	9.3	10.9	12.6	12.7	12.7			
Capital Expenditures to Depreciation	115.9%	79.9%	53.5%	73.3%	80.4%	143.4%			
Capital Cost % of Total Expense	6.9%	6.7%	6.3%	6.1%	5.8%	5.7%			

<b>Benchmarks-Vermont System Averages</b>									
Age of Plant	11.4	11.8	12.5	13.0	13.2	13.5	-	-	-
Capital Expenditures to Depreciation				116.6%	116.5%	145.7%	-	-	-
Capital Cost % of Total Expense				5.3%	5.3%	5.0%	-	-	-

**Observations:** The hospital is budgeting more Non-CON Capital Expenditures for FY2019 than in the past; the narrative indicates that the increase is intended to cover lab and ED renovations. Age of Plant has been closer to the Vermont System Average in recent years.