

# Mt. Ascutney Hospital & Health Ctr

Fiscal Year 2020 Budget Analysis

Report Date: 8/1/2019

**QUESTIONS**

**QUESTIONS:**

1. Have the hospital's projections for FY2019 changed?
2. What is the total ACO reserve on the balance sheet for Projected FY19 and Budget FY20? If you have a pending settlement, please report the estimated amount of the settlement and which fiscal year it will effect. Are Other Reform Payments recorded in deduction from NPR, if not, where are they recorded?
3. MAHHC's FY19 Budget Order states the "Hospital shall consult with Vermont Information Technology Leaders (VITL) to facilitate patients' ability to electronically consent to adding their clinical data to the Vermont Health Information Exchange (VHIE)." What kind of headway has MAHHC made to facilitate this?
4. What is the value of 1 day of Days Cash on Hand?
5. What is the value of 1% of MAHHC's change in charge request? If there is a variance between MAHHC's calculation and the calculation provided by GMCB staff, please include the steps to your calculation.
6. Are Medicaid and Medicare reimbursement assumptions still valid including Disproportionate Share Payments?
7. Does MAHHC have preliminary performance results of its new prescription drug formulary is it able to publicly share? If so, please share.
8. Does MAHHC plan to contract with OCV in calendar year 2020 for all payers? The submitted budget appears as though it is assuming full participation with a significant increase in dollars budgeted, but the narrative indicates concern with continuing with the ACO. Please show the effect on the P&L if MAHHC chose not to participate in CY20.
9. In both the narrative and in the Adaptive submission MAHHC indicates an increase in grant revenue. Please describe the work and types of grants MAHHC is applying for.
10. It is noted that MAHHC is creating new positions, increasing salaries and replacing contract labor. Is this feasible in the current workforce environment? Additionally, travelers were part of the reason for purchasing a condo for housing; if you replace travelers is this investment sustainable?
11. In general, utilization is budgeted to increase significantly which is also a major driver of the increase in budgeted NPR/FPP. Recent monthly YTD reports show negative variances to budget. Please explain the drivers of the increase in utilization and why FY20 will be different.
12. Days payable increased to more than 70 days. Please explain.
13. Page 2 narrative notes an "ongoing concern" related to \$380,000 cost report audit adjustment from Medicare adjustment. What will this mean for your cash position? Is there any word on the cost report issue of \$1 million that is included in the FY20 budget?
14. Other Operating Revenues for FY20 Budgeted are listed at \$3.3 Million; you've accounted for \$1.7 million in your narrative, from where is the remaining \$1.6 million derived?
15. Page 2 narrative notes a FY20 Budget increase of 6.1% over FY19 Projection but the budget submission is 6.5%; Please clarify.
16. What amount of Other Reform Payments does the hospital expect to receive from OneCare Vermont by the end of calendar year 2020 (e.g., payments from OneCare's Value-Based Incentive Program based on quality performance)?
17. Are the hospital's employees attributed to OneCare, either through participation in a OneCare self-insured program or, if fully-insured, through the hospital's insurer? If not, why not?

**BOARD MEMBER QUESTIONS:**

18. For FY19 projections what departments are expenses exceeding revenues?
19. Please suggest a statistic the GMCB can monitor to better understand the trends in the total number of staffed beds in the hospital versus the number of beds available for use, and how full or empty those beds are from month to month?
20. What is the impact of the now known Medicaid reimbursement increases? Any update on inpatient Medicaid reimbursement changes?
21. If you assumed Medicare increases, what is the value and what would a reduction in commercial be to maintain your NPR?
22. Can you estimate the impact of the swing bed patients from DHH and why they are not subsidizing any losses?
23. Your reconciliation from FY19 budget to FY19 projection show \$1.3 million for ACO. Your bridges reconciliation from FY19 budget to FY20 budget shows the FY20 risk reserve of \$2 million. Shouldn't the change from budget be \$3.3 million?

**Fiscal Year 2020 Budget Analysis Mt. Ascutney Hospital & Health Ctr**

INCOME STATEMENT	FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	2018B - 2018A	2019B - 2019P	2018A - 2019P	2019B - 2020B	2019P - 2020B
						% Chg	% Chg	% Chg	% Chg	% Chg
<b>Revenues</b>										
Gross Patient Care Revenue	92,707,821	97,368,608	101,585,837	102,583,125	107,884,778	5.0%	1.0%	5.4%	6.2%	5.2%
Disproportionate Share Payments	683,877	683,877	300,000	340,539	340,000	0.0%	13.5%	-50.2%	13.3%	-0.2%
Bad Debt	(927,078)	(1,541,879)	(1,777,742)	(2,242,820)	(1,887,984)	66.3%	26.2%	45.5%	6.2%	-15.8%
Free Care	(788,016)	(949,742)	(1,015,853)	(968,575)	(1,078,848)	20.5%	-4.7%	2.0%	6.2%	11.4%
Deductions from Revenue	(42,994,295)	(45,484,924)	(48,652,472)	(53,256,635)	(58,397,282)	5.8%	9.5%	17.1%	20.0%	9.7%
Graduate Medical Education	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Net Patient Care Revenue</b>	<b>48,682,309</b>	<b>50,075,941</b>	<b>50,439,770</b>	<b>46,455,634</b>	<b>46,860,664</b>	<b>2.9%</b>	<b>-7.9%</b>	<b>-7.2%</b>	<b>-7.1%</b>	<b>0.9%</b>
Fixed Prospective Payments	0	732,703	756,000	6,242,224	9,600,961	#DIV/0!	725.7%	751.9%	1170.0%	53.8%
Reserves	0	0	0	(1,252,269)	(1,975,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	57.7%
Other Reform Payments	0	0	0	193,662	520,692	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	168.9%
<b>Fixed Prospective Payments and Reserves</b>	<b>0</b>	<b>732,703</b>	<b>756,000</b>	<b>5,183,617</b>	<b>8,146,653</b>	<b>#DIV/0!</b>	<b>585.7%</b>	<b>607.5%</b>	<b>977.6%</b>	<b>57.2%</b>
<b>Net Patient Care Revenue &amp; Fixed Payments &amp; Reserves</b>	<b>48,682,309</b>	<b>50,808,643</b>	<b>51,195,770</b>	<b>51,639,251</b>	<b>55,007,317</b>	<b>4.4%</b>	<b>0.9%</b>	<b>1.6%</b>	<b>7.4%</b>	<b>6.5%</b>
Other Operating Revenue	3,346,873	3,694,902	3,659,789	3,875,304	3,301,477	10.4%	5.9%	4.9%	-9.8%	-14.8%
<b>Total Operating Revenue</b>	<b>52,029,182</b>	<b>54,503,546</b>	<b>54,855,559</b>	<b>55,514,555</b>	<b>58,308,794</b>	<b>4.8%</b>	<b>1.2%</b>	<b>1.9%</b>	<b>6.3%</b>	<b>5.0%</b>
<b>Expenses</b>										
Salaries Non MD	19,948,664	20,332,089	21,475,959	21,951,495	22,742,927	1.9%	2.2%	8.0%	5.9%	3.6%
Fringe Benefits Non MD	7,091,700	7,097,429	7,197,995	7,384,573	7,789,552	0.1%	2.6%	4.0%	8.2%	5.5%
Physician Fees, Salaries, Contracts	4,595,438	6,312,966	4,779,482	6,261,580	5,538,199	37.4%	31.0%	-0.8%	15.9%	-11.6%
Fringe Benefits MD	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Health Care Provider Tax	1,800,000	1,762,965	1,750,000	1,757,524	2,000,000	-2.1%	0.4%	-0.3%	14.3%	13.8%
Depreciation & Amortization	2,299,071	2,076,659	2,223,622	2,323,471	2,660,450	-9.7%	4.5%	11.9%	19.6%	14.5%
Interest - Long Term & Short Term	272,000	226,535	256,000	241,310	233,000	-16.7%	-5.7%	6.5%	-9.0%	-3.4%
Other Operating Expense	16,932,239	15,642,648	17,154,917	15,995,036	16,744,801	-7.6%	-6.8%	2.3%	-2.4%	4.7%
<b>Total Operating Expense</b>	<b>52,939,112</b>	<b>53,451,291</b>	<b>54,837,975</b>	<b>55,914,989</b>	<b>57,708,929</b>	<b>1.0%</b>	<b>2.0%</b>	<b>4.6%</b>	<b>5.2%</b>	<b>3.2%</b>
<b>Net Operating Income (Loss)</b>	<b>(909,930)</b>	<b>1,052,255</b>	<b>17,584</b>	<b>(400,434)</b>	<b>599,865</b>	<b>-215.6%</b>	<b>-2377.3%</b>	<b>-138.1%</b>	<b>3311.4%</b>	<b>-249.8%</b>
Non-Operating Revenue	2,040,934	1,934,494	861,000	1,000,803	792,000	-5.2%	16.2%	-48.3%	-8.0%	-20.9%
<b>Excess (Deficit) of Rev Over Exp</b>	<b>1,131,004</b>	<b>2,986,749</b>	<b>878,584</b>	<b>600,369</b>	<b>1,391,865</b>	<b>164.1%</b>	<b>-31.7%</b>	<b>-79.9%</b>	<b>58.4%</b>	<b>131.8%</b>

**Benchmarks-Hospital**

Operating Margin%	-1.7%	1.9%	0.0%	-0.7%	1.0%
Total Margin %	2.1%	5.3%	1.6%	1.1%	2.4%
EBIDA %	3.2%	6.2%	4.6%	3.9%	6.0%
Cost per Adjusted Admission	7,667	8,430	7,692	8,452	7,462

**OBSERVATIONS:** MAHHC's submitted increase in NPR/FPP of \$3.8 million is 7.4% over the 2019 budget. MAHHC did not acquire any physician practices this year and did not report any plans to acquire any in the 2020 budget. The increase to the FY20 budget is 6.5% over the FY19 submitted projections. While this is high, expenses are also budgeted to continue to grow at a similar rate, which is in line with the FY19 submitted projection. MAHHC is participating in all three ACO payer programs for calendar year (CY) 2019. MAHHC stated it is not committed to continuing all three programs in CY20, but budgeted as if they were participating in all three payer programs. The narrative indicates budgeting a 1.0% operating margin for the first time in recent history; 17A was 2.7%, 18A was 1.9%; budgets were lower; trend makes sense. Page 2 narrative notes a FY20 Budget increase of 6.1% over FY19 Projection but above it is 6.5%; Please clarify.

Fiscal Year 2020 Budget Analysis										
Mt. Ascutney Hospital & Health Ctr										
NET PAYER REVENUE CHANGES - PAYERS										
		FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	2018A - 2019P % Chg	2019B - 2019P % Chg	2019B - 2020B % Chg	2019P - 2020B % Chg
<b>All Payers</b>	<b>Gross Patient Care Revenue</b>	96,980,209	97,368,608	101,585,837	102,583,125	107,884,778	5.4%	1.0%	6.2%	5.2%
	Contractual Allowances	-45,277,372	-45,484,924	-48,652,472	-53,256,635	-58,397,282	17.1%	9.5%	20.0%	9.7%
	Bad Debt	-1,490,646	-1,541,879	-1,777,742	-2,242,820	-1,887,984	45.5%	26.2%	6.2%	-15.8%
	Free Care	-936,265	-949,742	-1,015,853	-968,575	-1,078,848	2.0%	-4.7%	6.2%	11.4%
	Graduate Medical Education Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Disproportionate Share Payments	683,877	683,877	300,000	340,539	340,000	-50.2%	13.5%	13.3%	-0.2%
	<b>Net Payer Revenue</b>	<b>49,959,805</b>	<b>50,075,941</b>	<b>50,439,770</b>	<b>46,455,634</b>	<b>46,860,664</b>	<b>-7.2%</b>	<b>-7.9%</b>	<b>-7.1%</b>	<b>0.9%</b>
	Fixed Prospective Payments	671,644	732,703	756,000	6,242,224	9,600,961	751.9%	725.7%	1170.0%	53.8%
	Reserves - Risk Portion	0	0	0	-1,252,269	-1,975,000	#DIV/0!	#DIV/0!	#DIV/0!	57.7%
	Other Reform Payments	0	0	0	193,662	520,692	#DIV/0!	#DIV/0!	#DIV/0!	168.9%
	<b>Fixed Prospective Payment &amp; Reserves</b>	<b>671,644</b>	<b>732,703</b>	<b>756,000</b>	<b>5,183,617</b>	<b>8,146,653</b>	<b>607.5%</b>	<b>585.7%</b>	<b>977.6%</b>	<b>57.2%</b>
	<b>Net Payer Revenue &amp; Fixed Prospective Payments</b>	<b>50,631,449</b>	<b>50,808,643</b>	<b>51,195,770</b>	<b>51,639,251</b>	<b>55,007,317</b>	<b>1.6%</b>	<b>0.9%</b>	<b>7.4%</b>	<b>6.5%</b>
<b>Commercial</b>	<b>Gross Patient Care Revenue</b>	30,539,886	30,331,573	33,434,038	33,753,587	35,299,931	11.3%	1.0%	5.6%	4.6%
	Contractual Allowances	-9,501,003	-9,424,439	-10,207,972	-9,950,713	-13,528,095	5.6%	-2.5%	32.5%	36.0%
	Bad Debt	-1,490,646	-1,541,879	-1,777,742	-2,242,820	-1,887,984	45.5%	26.2%	6.2%	-15.8%
	Free Care	-936,265	-949,742	-1,015,853	-968,575	-1,078,848	2.0%	-4.7%	6.2%	11.4%
	Graduate Medical Education Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Net Payer Revenue</b>	<b>18,611,973</b>	<b>18,415,513</b>	<b>20,432,471</b>	<b>20,591,479</b>	<b>18,805,004</b>	<b>11.8%</b>	<b>0.8%</b>	<b>-8.0%</b>	<b>-8.7%</b>
	Fixed Prospective Payments	0	0	0	0	1,070,971	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Reserves - Risk Portion	0	0	0	0	-175,000	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	0	0	0	0	57,560	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Fixed Prospective Payment &amp; Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>953,531</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>
	<b>Net Payer Revenue &amp; Fixed Prospective Payments</b>	<b>18,611,973</b>	<b>18,415,513</b>	<b>20,432,471</b>	<b>20,591,479</b>	<b>19,758,535</b>	<b>11.8%</b>	<b>0.8%</b>	<b>-3.3%</b>	<b>-4.0%</b>
	<b>Percentage of total</b>	37%	36%	40%	40%	36%				
<b>Medicaid</b>	<b>Gross Patient Care Revenue</b>	11,372,875	11,435,999	11,384,702	10,916,219	10,958,398	-4.5%	-4.1%	-3.7%	0.4%
	Contractual Allowances	-8,802,393	-8,897,010	-10,277,659	-9,804,158	-7,865,559	10.2%	-4.6%	-23.5%	-19.8%
	Bad Debt	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Free Care	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Graduate Medical Education Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Net Payer Revenue</b>	<b>2,570,482</b>	<b>2,538,989</b>	<b>1,107,043</b>	<b>1,112,061</b>	<b>3,092,839</b>	<b>-56.2%</b>	<b>0.5%</b>	<b>179.4%</b>	<b>178.1%</b>
	Fixed Prospective Payments	671,644	732,703	756,000	754,005	899,512	2.9%	-0.3%	19.0%	19.3%
	Reserves - Risk Portion	0	0	0	-100,000	-100,000	#DIV/0!	#DIV/0!	#DIV/0!	0.0%
	Other Reform Payments	0	0	0	193,662	208,187	#DIV/0!	#DIV/0!	#DIV/0!	7.5%
	<b>Fixed Prospective Payment &amp; Reserves</b>	<b>671,644</b>	<b>732,703</b>	<b>756,000</b>	<b>847,667</b>	<b>1,007,699</b>	<b>15.7%</b>	<b>12.1%</b>	<b>33.3%</b>	<b>18.9%</b>
	<b>Net Payer Revenue &amp; Fixed Prospective Payments</b>	<b>3,242,126</b>	<b>3,271,692</b>	<b>1,863,043</b>	<b>1,959,728</b>	<b>4,100,538</b>	<b>-40.1%</b>	<b>5.2%</b>	<b>120.1%</b>	<b>109.2%</b>
	<b>Percentage of total</b>	6%	6%	4%	4%	7%				
<b>Medicare</b>	<b>Gross Patient Care Revenue</b>	55,067,448	55,601,036	56,767,097	57,913,319	61,626,449	4.2%	2.0%	8.6%	6.4%
	Contractual Allowances	-26,973,975	-27,163,475	-28,166,841	-33,501,764	-37,003,628	23.3%	18.9%	31.4%	10.5%
	Bad Debt	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Free Care	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Graduate Medical Education Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Net Payer Revenue</b>	<b>28,093,473</b>	<b>28,437,561</b>	<b>28,600,256</b>	<b>24,411,555</b>	<b>24,622,821</b>	<b>-14.2%</b>	<b>-14.6%</b>	<b>-13.9%</b>	<b>0.9%</b>
	Fixed Prospective Payments	0	0	0	5,488,219	7,630,478	#DIV/0!	#DIV/0!	#DIV/0!	39.0%
	Reserves - Risk Portion	0	0	0	-1,152,269	-1,700,000	#DIV/0!	#DIV/0!	#DIV/0!	47.5%
	Other Reform Payments	0	0	0	254,945	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Fixed Prospective Payment &amp; Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,335,950</b>	<b>6,185,423</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>42.7%</b>
	<b>Net Payer Revenue &amp; Fixed Prospective Payments</b>	<b>28,093,473</b>	<b>28,437,561</b>	<b>28,600,256</b>	<b>28,747,505</b>	<b>30,808,244</b>	<b>1.1%</b>	<b>0.5%</b>	<b>7.7%</b>	<b>7.2%</b>
	<b>Percentage of total</b>	55%	56%	56%	56%	56%				
	<b>Disproportionate Share Payments</b>	<b>683,877</b>	<b>683,877</b>	<b>300,000</b>	<b>340,539</b>	<b>340,000</b>	<b>-50.2%</b>	<b>13.5%</b>	<b>13.3%</b>	<b>-0.2%</b>
	<b>Percentage of total</b>									
	<b>NPR &amp; FPP to Gross Commercial (no dsh)</b>	<b>61%</b>	<b>61%</b>	<b>61%</b>	<b>61%</b>	<b>56%</b>				
	<b>NPR &amp; FPP to Gross Medicaid (no dsh)</b>	<b>29%</b>	<b>29%</b>	<b>16%</b>	<b>18%</b>	<b>37%</b>				
	<b>NPR &amp; FPP to Gross Medicare (no dsh)</b>	<b>51%</b>	<b>51%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>				
	<b>NPR &amp; FPP to Gross All (no dsh)</b>	<b>52%</b>	<b>51%</b>	<b>50%</b>	<b>50%</b>	<b>51%</b>				
<b>Observations:</b> Significant shift from commercial to Medicaid and Medicare. Significant spike in Medicaid as a percentage for FY20 Budget, to levels not seen historically (37%).										

**Fiscal Year 2020 Budget Analysis**

**Mt. Ascutney Hospital & Health Ctr**

**CHANGE IN CHARGE AND NET PATIENT REVENUE INCREASE**

Change in charge is the average change in price for services provided.

	FY2017	FY2018	FY2019	FY2020
<b>Weighted Average Approved Rate (all hospitals)</b>	1.8%	2.0%	2.9%	
<b>Weighted Average Submitted Rate (all hospitals)</b>	2.2%	2.3%	3.9%	3.2%
<b>Approved % Change in Charge</b>	4.9%	4.9%	2.9%	n/a
<b>Commercial Approved % Change in Charge</b>	4.9%	4.9%	2.9%	n/a
<b>Submitted % Change in Charge</b>	4.9%	4.9%	2.9%	3.2%
<b>Commercial Submitted % Change in Charge</b>	4.9%	4.9%	2.9%	3.2%

Hospital Inpatient Change in Gross Charges	4.0%
Hospital Outpatient Change in Gross Charges	4.0%
Professional Services Change in Gross Charges	3.0%
Primary Care Change in Gross Charges	3.0%
Specialty Care Change in Gross Charges	3.0%
Skilled Nursing Facility Change in Gross Charges	
Rehab	4.0%
Swing	1.6%

<b>Net Patient Revenue Change Due to Charge Request</b>	
Commercial	\$ 1,376,000
Medicaid	\$ -
Medicare	\$ -
Disproportionate Share	\$ 40,000
<b>Total Change Due to Charge Request</b>	<b>\$ 1,416,000</b>
<b>Value of 1% Charge - Calculated by GMCB</b>	<b>\$ 442,500</b>

**OBSERVATIONS:** MAHHC is requesting an overall change in gross charges of 3.2%. This includes increases to Inpatient Room and Board for Acute Inpatient and Acute Inpatient Rehabilitation at 4%, Swing Bed Room and Board at 0%, all Inpatient and Swing ancillaries at 4.0, All Outpatient charges and ancillaries at 4.0%, and Physician charges at 3.0%. Pharmaceutical charges are priced at cost plus and therefore no price increases are applied to pharmaceuticals. It appears that MAHHC did not assume any reimbursement increases in Medicare or Medicaid for FY20.

**Fiscal Year 2020 Budget Analysis** **Mt. Ascutney Hospital & Health Ctr**

**UTILIZATION & STAFFING** **FY2018B** **FY2018A** **FY2019B** **FY2019P** **FY2020B** **2018B-2018A** **2018A-2019P** **2019B-2019P** **2019B-2020B** **2019P-2020B**

**UTILIZATION**

Adjusted Admissions	6,378	6,341	7,129	6,615	7,734	-0.6%	4.3%	-7.2%	8.5%	16.9%
Acute Admissions	392	394	396	342	382	0.6%	-13.2%	-13.6%	-3.5%	11.7%
Acute Average Length Of Stay	3.8	3.8	3.5	3.7	3.5	0.3%	-2.3%	5.3%	0.9%	-4.2%
All Operating Room Procedure	1,606	1,597	1,765	1,676	1,759	-0.5%	4.9%	-5.0%	-0.3%	5.0%
Tests	60,499	60,786	60,020	58,790	59,970	0.5%	-3.3%	-2.0%	-0.1%	2.0%
Emergency Room Visits	4,731	4,764	4,600	4,652	4,730	0.7%	-2.4%	1.1%	2.8%	1.7%
CT Scan, Radiology - Diagnostic	11,755	11,815	11,967	12,348	12,254	0.5%	4.5%	3.2%	2.4%	-0.8%
Exams	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Provider Work RVU	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Physician Office Visits	42,135	41,965	43,650	44,306	48,958	-0.4%	5.6%	1.5%	12.2%	10.5%
Clinic Visits	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

**STAFFING**

Non-MD FTEs	300	300	312	309	320	(0.4)	8.7	(3.3)	8.4	11.7
Travelers, Travelers MD	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Residents & Fellows	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
MLPs	11	11	11	10	10	0.1	(0.5)	(0.8)	(1.4)	(0.6)
Physician FTEs	20	20	20	20	22	0.0	0.1	0.2	2.9	2.7
<b>Total FTEs</b>	<b>331</b>	<b>330</b>	<b>342</b>	<b>339</b>	<b>352</b>	<b>(0.3)</b>	<b>8.3</b>	<b>(3.9)</b>	<b>9.9</b>	<b>13.8</b>

**Benchmarks-Hospital**

Salary per FTE - Non-MD	65,286	65,461	66,510	68,857	68,939	0.3%	5.2%	3.5%	3.7%	0.1%
Salary & Benefits per FTE - Non-MD	88,111	88,311	88,801	92,020	92,551	0.2%	4.2%	3.6%	4.2%	0.6%
FTEs Per Adjusted Occupied Bed	5	5	5	5	4	0.2%	0.6%	1.0%	-6.7%	-7.6%
FTEs per 100 Adj Discharges	5	5	5	5	4	0.5%	-1.6%	6.4%	-5.8%	-11.5%

**Benchmarks-Vermont System Averages**

Salary per FTE - Non-MD	66,011	66,067	67,435	68,152	70,075	0.1%	3.2%	1.1%	3.9%	2.8%
Salary & Benefits per FTE - Non-MD	84,936	84,930	86,796	87,678	89,716	0.0%	3.2%	1.0%	3.4%	2.3%
FTEs Per Adjusted Occupied Bed	6	6	6	6	6	0.1%	-1.7%	-3.5%	1.5%	5.1%
FTEs per 100 Adj Discharges	8	8	8	8	8	0.1%	-0.9%	-1.1%	2.3%	3.4%

**OBSERVATIONS & QUESTIONS:** The hospital's Salary & Benefits per FTE Non-MD are higher than the system average since FY18. In general, utilization is budgeted to increase significantly which is also a major driver of the increase in budgeted NPR/FPP. Recent monthly YTD reports show negative variances to budget. Please explain the drivers of the increase in utilization and why FY20 will be different.

Fiscal Year 2020 Budget Analysis								
Mt. Ascutney Hospital & Health Ctr								
BALANCE SHEET	FY2018A	FY2019B	FY2019P	FY2020B	2018A-2019P	2019B-2019P	2019P-2020B	2018A-2020B
<b>Cash &amp; Investments</b>	<b>7,344,466</b>	<b>6,380,918</b>	<b>7,051,191</b>	<b>8,051,191</b>	<b>-4.0%</b>	<b>10.5%</b>	<b>14.2%</b>	<b>9.6%</b>
Other Current Assets	7,538,992	7,171,691	7,277,135	6,277,135	-3.5%	1.5%	-13.7%	-16.7%
<b>Current Assets</b>	<b>14,883,458</b>	<b>13,552,609</b>	<b>14,328,326</b>	<b>14,328,326</b>	<b>-3.7%</b>	<b>5.7%</b>	<b>0.0%</b>	<b>-3.7%</b>
Board Designated Assets	19,094,654	19,043,644	19,453,038	20,231,159	1.9%	2.1%	4.0%	6.0%
Net, Property, Plant And Equipment	18,085,244	21,033,829	16,763,121	19,868,896	-7.3%	-20.3%	18.5%	9.9%
Other Long-Term Assets	2,692,351	2,770,913	2,718,020	2,718,020	1.0%	-1.9%	0.0%	1.0%
<b>Assets</b>	<b>54,755,707</b>	<b>56,400,995</b>	<b>53,262,505</b>	<b>57,146,401</b>	<b>-2.7%</b>	<b>-5.6%</b>	<b>7.3%</b>	<b>4.4%</b>
<b>Current Liabilities</b>	<b>10,173,319</b>	<b>7,709,548</b>	<b>8,884,160</b>	<b>10,681,125</b>	<b>-12.7%</b>	<b>15.2%</b>	<b>20.2%</b>	<b>5.0%</b>
Long Term Liabilities	11,342,994	11,515,170	11,640,281	11,511,334	2.6%	1.1%	-1.1%	1.5%
Other Noncurrent Liabilities	4,686,501	8,882,254	4,386,693	4,627,163	-6.4%	-50.6%	5.5%	-1.3%
Fund Balance	28,552,893	28,294,023	28,351,371	30,326,779	-0.7%	0.2%	7.0%	6.2%
<b>Liabilities and Equities</b>	<b>54,755,707</b>	<b>56,400,995</b>	<b>53,262,505</b>	<b>57,146,401</b>	<b>-2.7%</b>	<b>-5.6%</b>	<b>7.3%</b>	<b>4.4%</b>
<b>Benchmarks-Hospital</b>					<b>Change in Points</b>			
<b>Days Cash on Hand</b>	<b>132.20</b>	<b>120.42</b>	<b>126.70</b>	<b>133.04</b>	<b>(5.50)</b>	<b>6.28</b>	<b>6.34</b>	<b>0.84</b>
Days Receivable	41.75	39.06	46.53	38.34	4.78	7.47	(8.19)	(3.41)
Long Term Debt to Capitalization	28%	29%	30%	28%	1%	0%	-2%	-1%
Days Payable	72.28	53.48	60.51	70.82	(11.77)	7.02	10.31	(1.46)
Debt Service Coverage Ratio	8.0	6.1	4.3	7.1	(3.7)	(1.8)	2.8	(0.9)
<b>Benchmarks-Vermont System Averages</b>					<b>Change in Points</b>			
Days Cash on Hand	176	172	167	166	(9)	(5)	(1)	(10)
Days Receivable	43	44	47	46	4	3	(0)	4
Long Term Debt to Capitalization	27%	25%	26%	24%	-1%	1%	-2%	-3%
Days Payable	63	54	54	55	(9)	(0)	1	(9)
Debt Service Coverage Ratio	2.4	3.6	3.0	3.5	0.6	(0.7)	0.6	1.1
<b>OBSERVATIONS:</b> MAHHC's Days Cash on Hand appear to be stable with a decrease in Days receivable, but increase in Days Payable to 70.82.								

Fiscal Year 2020 Budget Analysis		Mt. Ascutney Hospital & Health Ctr					
CAPITAL BUDGET	FY2018A	FY2019B	FY2019P	FY2020B	2021 Plan	2022 Plan	2023 Plan
Non-Certificate of Need Capital Plans Total	3,262,272	3,824,575	3,870,775	4,486,000	1,063,000	1,063,000	0
Certificate of Need Capital Plans	0	0	0	0	0	0	0
Total Capital Purchases	3,262,272	3,824,575	3,870,775	4,486,000	1,063,000	1,063,000	0
Mt. Ascutney Hospital & Health Ctr							
Age of Plant	12.8	11.9	12.6	11.5			
Capital Expenditures to Depreciation	157%	172%	167%	169%			
Capital Cost % of Total Expense	4.3%	4.5%	4.6%	5.0%			
Benchmarks-Vermont System Averages							
Age of Plant	13.1	13.5	13.4	12.8			
Capital Expenditures to Depreciation	79%	111%	105%	77%			
Capital Cost % of Total Expense	4.8%	5.0%	4.8%	5.3%			
<p><b>OBSERVATIONS:</b> MAHHC does not have any CONs planned for FY20. Non-CON capital plans include routine replacement of equipment, mechanical systems, and plant maintenance. MAHHC's age of plant remains lower than the Vermont system average.</p>							



Fiscal Year 2020 Budget Analysis	Mt. Ascutney Hospital & Health Ctr							Flex Monitoring Team 2017 CAH Medians		2019 Flex Monitoring Team FY2017	2019 Almanac of Hospital Indicators (Optum)
	DASHBOARD	FY2016A	FY2017A	FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	Vermont--8 Hospitals	U.S.--1317 Hospitals	Northeast CAH
<b>Net Patient Care Rev &amp; Fixed Payments &amp; Reserves</b>	46,402,275	48,253,025	48,682,309	50,808,643	51,195,770	51,639,251	55,007,317				
Budget to Budget % Change NPR & FPP					5.2%		7.4%				
Budget to Actual/Projection % Change NPR & FPP				4.4%		0.9%	6.5%				
Three Year NPR & FPP CAGR* (FY18A - FY20B)							4.0%				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							4.3%				
<b>Operating Expense</b>	49,577,507	50,392,970	52,939,112	53,451,291	54,837,975	55,914,989	57,708,929				
Budget to Budget % Change Oper Exp					3.6%		5.2%				
Budget to Actual/Projection % Change Oper Exp				1.0%		2.0%	3.2%				
Three Year NPR & FPP CAGR* (FY18A - FY20B)							3.9%				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							3.9%				
<b>Profitability</b>											
<b>Operating Margin</b>	141,292	1,390,379	(909,930)	1,052,255	17,584	(400,434)	599,865				
Three Year NPR & FPP CAGR* (FY18A - FY20B)							-24.5%				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							43.5%				
EBIDA Margin%	39.0%	7.2%	3.2%	6.2%	4.6%	3.9%	6.0%				
Operating Margin %	0.3%	2.7%	-1.7%	1.9%	0.0%	-0.7%	1.0%	-1.48%	0.93%	0.8%	0.8%
<b>Total Margin</b>	1,302,564	5,890,709	1,131,004	2,986,749	878,584	600,369	1,391,865				
Three Year NPR & FPP CAGR* (FY17A - FY20B)							(0.32)				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							1.7%				
Total Margin %	2.6%	10.5%	2.1%	5.3%	1.6%	1.1%	2.4%	2.47%	1.79%	3.5%	4.5%
Return On Assets	2.8%	11.6%	2.4%	5.5%	1.6%	1.1%	2.4%				
<b>Costs</b>											
Cost per Adjusted Admission	13,611	14,022	15,254	13,836	14,236	14,194	14,439				
Salary per FTE - Non-MD	58,972	61,610	63,393	65,461	66,510	68,857	68,939	77,782	57,928	65,605	66,657
Five Year Salary per FTE CAGR* (FY16A - FY20B)							4.0%				
Overhead Exp. as a % of Total Operating Exp.**	32.6%	33.2%	40.3%	39.8%	39.2%	39.1%	40.1%				
<b>Liquidity</b>											
<b>Cash &amp; Investments</b>	3,644,335	6,267,363	2,122,595	7,344,466	6,380,918	7,051,191	8,051,191				
Days Cash on Hand	91	119	76	132	120	127	133	133	78	114	137
Current Ratio	3.70	4.52	5.72	5.38	4.88	6.53	7.38	1.57	2.54	0	2
Expense Per Day**	135,829	138,063	145,039	146,442	150,241	153,192	158,107			0	0
Days Receivable**	40	43	41	42	39	47	38	43	51	42	49
Days Payable**	58	59	56	72	53	61	71				
<b>Capital</b>											
Age of Plant**	13	12	13	13	12	13	12	13	11	15	11
Long Term Debt to Capitalization**	36.1%	31.1%	35.6%	28.4%	29.5%	29.5%	27.5%	30.6%	31.3%	31%	31%
Debt Service Coverage Ratio	5.23	9.15	4.72	7.97	6.13	4.30	7.06	8.01	3.74	6.6	2.6
Cash to Long Term Debt	1.06	1.36	0.95	1.64	1.51	1.60	1.74				
*CAGR = Compounded Annual Growth Rate											
**Denotes metric is favorable if lower											