

# Brattleboro Memorial Hospital

Fiscal Year 2020 Budget Analysis

Report Date: 7/24/2019

Draft

**QUESTIONS**

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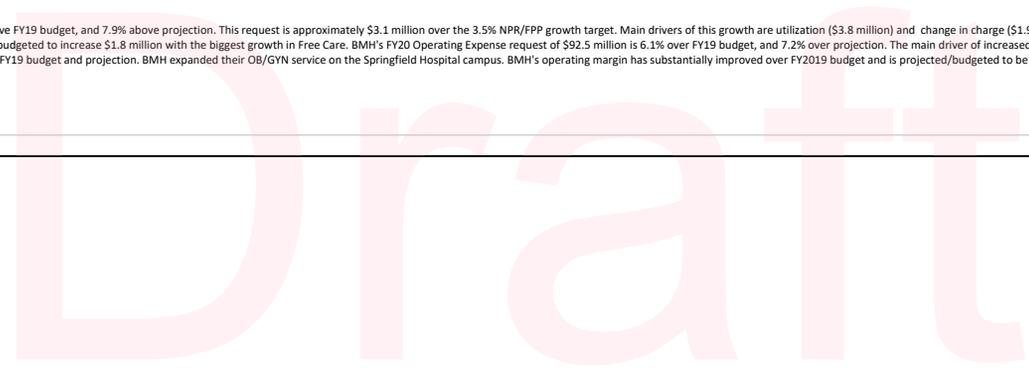
1. Have the hospital's projections for FY2019 changed?
2. What is the total ACO reserve on the balance sheet? Are Other Reform Payments recorded in deduction from NPR, if not, where are they recorded?
3. BMH's FY19 Budget Order states the "Hospital shall consult with Vermont Information Technology Leaders (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 BMH made to facilitate this?
4. For FY19 projections what departments are expenses exceeding revenues?
5. 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?
6. What is the value of 1 day of Days Cash on Hand?
7. What is the value of 1% of BMH's change in charge request? If there is a variance between BMH's calculation and the calculation provided by GMCB staff above, please include the steps to your calculation.
8. Are Medicaid and Medicare reimbursement assumptions still valid including Disproportionate Share Payments?
9. BMH's requested NPR/FPP is 7.9% above FY19 projections- please justify this substantial growth.
10. What is the impact on NPR/FPP of migrating the cardiology physician service from a hospital-owned practice to a professional service arrange with Dartmouth, what is the effective date?
11. Please calculate the impact on NPR/FPP and Operating Expenses for the expansion of OB/GYN services to support Springfield community.
12. BMH's narrative and Appendix V show that they are participating in the BCBSVT (commercial) OCV program however the payer tab does not show a FPP revenue for this program- please explain.
13. BMH attributes the decrease in NPR/FPP to Gross Medicare to the "growing exposure to services provided under the FPP"- please further explain.
14. BMH's narrative calculation for the NPR/FPP Gross to Commercial ratio at 58% does not match GMCB's calculation at 70%. Please explain.
15. Please explain the accounting change between Commercial and Medicare of \$3.1 million.
16. What is the hospital's plan to recruit 498 FTEs when they are currently projecting 458?
17. Days Cash on Hand is budgeted to decrease substantially from FY19 projection- please explain.
18. The narrative indicates that FY 19 Projected 'Other Oper. Exp.' is \$2.9 million over FY 19 budget. What is driving the projected overage and do you anticipate this continuing?
19. Capital plan totals in the narrative are \$1,620,947 and in the Capital tab of the budget, \$1,529,564, please explain.
20. BMH listed its maximum up/downside risk as \$579,000 for CY20. That amount is recorded in Adaptive both under FY19 Projection and FY20 Budget. Please explain why the full amount of risk is being recorded in both years rather than making a smaller adjustment to the reserves to bring it up to the maximum risk level for CY20.

**Fiscal Year 2020 Budget Analysis** **Brattleboro Memorial Hospital**

INCOME STATEMENT	FY2016A	FY2017A	FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	2019B - 2020B		2018B - 2018A		2018A - 2019P		2019B - 2020B	
								\$ Chg	% Chg	% Chg	% Chg	% Chg	% Chg		
<b>Revenues</b>															
Gross Patient Care Revenue	148,991,981	150,218,471	169,571,693	158,812,614	173,560,346	179,008,533	188,470,050	14,909,704	-6.3%	3.1%	12.7%	8.6%	5.3%		
Disproportionate Share Payments	918,389	866,228	517,313	539,206	604,168	601,569	530,861	(73,307)	4.2%	-0.4%	11.6%	-12.1%	-11.8%		
Bad Debt	(3,778,102)	(3,915,046)	(3,203,297)	(5,383,192)	(3,911,671)	(3,691,054)	(4,577,548)	(666,877)	68.1%	-5.6%	-31.4%	17.0%	24.0%		
Free Care	(880,452)	(1,192,080)	(1,509,789)	(1,091,093)	(1,496,690)	(1,855,449)	(2,783,813)	(1,287,123)	-27.7%	24.0%	70.1%	86.0%	50.0%		
Deductions from Revenue	(72,087,006)	(70,915,040)	(86,496,487)	(82,781,526)	(94,839,665)	(100,874,228)	(102,674,926)	(7,835,261)	-4.3%	6.4%	21.9%	8.3%	1.8%		
Graduate Medical Education	0	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		
<b>Net Patient Care Revenue</b>	<b>73,164,810</b>	<b>75,062,532</b>	<b>78,879,433</b>	<b>70,096,009</b>	<b>73,916,488</b>	<b>73,189,371</b>	<b>78,964,624</b>	<b>5,048,136</b>	<b>-11.1%</b>	<b>-1.0%</b>	<b>4.4%</b>	<b>6.8%</b>	<b>7.9%</b>		
Fixed Prospective Payments	0	0	0	7,505,725	0	10,031,219	10,154,673	970,520	#DIV/0!	1.2%	35.3%	9.7%	8.3%		
Reserves	0	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		
Other Reform Payments	0	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		
<b>Fixed Prospective Payments and Res</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,505,725</b>	<b>10,031,219</b>	<b>10,154,673</b>	<b>11,001,739</b>	<b>970,520</b>	<b>#DIV/0!</b>	<b>1.2%</b>	<b>35.3%</b>	<b>9.7%</b>	<b>8.3%</b>		
<b>Net Patient Care Revenue &amp; Fixed Payments &amp; Reserves</b>	<b>73,164,810</b>	<b>75,062,532</b>	<b>78,879,433</b>	<b>77,601,735</b>	<b>83,947,707</b>	<b>83,344,044</b>	<b>89,966,363</b>	<b>6,018,656</b>	<b>-1.6%</b>	<b>-0.7%</b>	<b>7.4%</b>	<b>7.2%</b>	<b>7.9%</b>		
Other Operating Revenue	2,435,186	3,803,166	3,555,853	4,179,089	3,221,145	3,865,447	3,688,633	467,488	17.5%	20.0%	-7.5%	14.5%	-4.6%		
<b>Total Operating Revenue</b>	<b>75,599,996</b>	<b>78,865,698</b>	<b>82,435,286</b>	<b>81,780,823</b>	<b>87,168,632</b>	<b>87,209,491</b>	<b>93,654,996</b>	<b>6,486,144</b>	<b>-0.8%</b>	<b>0.0%</b>	<b>6.6%</b>	<b>7.4%</b>	<b>7.4%</b>		
<b>Expenses</b>															
Salaries Non MD	24,114,635	24,916,816	26,810,405	26,182,989	28,311,452	26,800,131	30,408,713	2,097,261	-2.3%	-4.3%	2.4%	7.4%	13.5%		
Fringe Benefits Non MD	6,692,579	6,748,472	7,343,526	7,525,508	7,520,256	7,220,026	7,705,650	185,394	2.5%	-4.0%	-4.1%	2.5%	6.7%		
Physician Fees, Salaries, Contracts	14,695,165	16,347,060	17,436,707	17,312,134	19,498,508	18,388,534	20,244,533	746,025	-0.7%	-5.7%	6.2%	3.8%	10.1%		
Fringe Benefits MD	0	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		
<b>Total Operating Expense</b>	<b>76,637,368</b>	<b>81,302,905</b>	<b>83,398,416</b>	<b>83,705,782</b>	<b>87,154,734</b>	<b>86,282,398</b>	<b>92,455,941</b>	<b>5,301,207</b>	<b>0.4%</b>	<b>-1.0%</b>	<b>3.1%</b>	<b>6.1%</b>	<b>7.2%</b>		
<b>Net Operating Income (Loss)</b>	<b>(437,372)</b>	<b>(2,437,207)</b>	<b>(963,130)</b>	<b>(1,924,959)</b>	<b>14,118</b>	<b>927,092</b>	<b>1,199,055</b>	<b>1,184,937</b>	<b>99.9%</b>	<b>6466.9%</b>	<b>-148.2%</b>	<b>8393.2%</b>	<b>29.3%</b>		
Non-Operating Revenue	2,232,750	3,200,593	740,000	2,818,244	758,000	651,698	761,000	3,000	280.8%	-11.0%	-76.9%	0.4%	16.8%		
<b>Excess (Deficit) of Rev Over Exp</b>	<b>1,795,377</b>	<b>763,386</b>	<b>(223,130)</b>	<b>893,285</b>	<b>772,118</b>	<b>1,578,790</b>	<b>1,960,055</b>	<b>1,187,937</b>	<b>-500.3%</b>	<b>104.5%</b>	<b>76.7%</b>	<b>153.9%</b>	<b>24.1%</b>		

<b>Benchmarks-Hospital</b>															
Operating Margin%	-0.6%	-3.1%	-1.2%	-2.4%	0.0%	1.1%	1.3%								
Total Margin %	2.3%	0.9%	-0.3%	1.1%	0.9%	1.8%	2.1%								
EBIDA %	5.4%	2.5%	3.9%	3.5%	5.6%	6.1%	6.5%								
Cost per Adjusted Admission	9,285	10,566	10,550	11,192	12,728	11,990	12,312								

**OBSERVATIONS:** BMH's FY20 NPR/FPP of nearly \$90 million is 7.2% above FY19 budget, and 7.9% above projection. This request is approximately \$3.1 million over the 3.5% NPR/FPP growth target. Main drivers of this growth are utilization (\$3.8 million) and change in charge (\$1.9 million). Utilization increases are attributed to births (Springfield), imaging, oncology and rehab. Bad Debt and Free Care are budgeted to increase \$1.8 million with the biggest growth in Free Care. BMH's FY20 Operating Expense request of \$92.5 million is 6.1% over FY19 budget, and 7.2% over projection. The main driver of increased operating expenses is attributed to workforce (\$4.6 million). BMH acquired three practices in FY19- all of which are reflected in their FY19 budget and projection. BMH expanded their OB/GYN service on the Springfield Hospital campus. BMH's operating margin has substantially improved over FY2019 budget and is projected/budgeted to be positive. BMH's long term plan is to increase operating margin to 3.0%.



**Fiscal Year 2020 Budget Analysis** **Brattleboro Memorial Hospital**

		FY2016A	FY2017A	FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	2018A - 2019P % Chg	2019B - 2019P % Chg	2019B - 2020B % Chg	2019P - 2020B % Chg
<b>NET PAYER REVENUE CHANGES - PAYERS</b>												
<b>All Payers</b>	<b>Gross Patient Care Revenue</b>	148,991,981	150,218,470	159,709,205	158,812,615	173,560,346	179,008,532	188,470,050	12.7%	3.1%	8.6%	5.3%
	Contractual Allowances	-72,087,006	-70,915,040	-83,091,106	-82,781,526	-94,839,665	-100,874,228	-102,674,926	21.9%	6.4%	8.3%	1.8%
	Bad Debt	-3,778,102	-3,915,046	-5,201,534	-5,383,192	-3,911,671	-3,691,054	-4,577,548	-31.4%	-5.6%	17.0%	24.0%
	Free Care	-880,452	-1,192,080	-1,125,984	-1,091,093	-1,496,690	-1,855,449	-2,783,813	70.1%	24.0%	86.0%	50.0%
	Graduate Medical Education Payments	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Disproportionate Share Payments	918,389	866,228	537,382	539,206	604,168	601,569	530,861	11.6%	-0.4%	-12.1%	-11.8%
	<b>Net Payer Revenue</b>	<b>73,164,810</b>	<b>75,062,531</b>	<b>70,827,962</b>	<b>70,096,010</b>	<b>73,916,488</b>	<b>73,189,370</b>	<b>78,964,624</b>	<b>4.4%</b>	<b>-1.0%</b>	<b>6.8%</b>	<b>7.9%</b>
	Fixed Prospective Payments	0	0	6,880,248	7,505,725	10,031,219	10,154,673	11,001,739	35.3%	1.2%	9.7%	8.3%
	Reserves - Risk Portion	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Fixed Prospective Payment &amp; Reserves</b>	<b>0</b>	<b>0</b>	<b>6,880,248</b>	<b>7,505,725</b>	<b>10,031,219</b>	<b>10,154,673</b>	<b>11,001,739</b>	<b>35.3%</b>	<b>1.2%</b>	<b>9.7%</b>	<b>8.3%</b>
	<b>Net Payer Revenue &amp; Fixed Prospective Payments</b>	<b>73,164,810</b>	<b>75,062,531</b>	<b>77,708,210</b>	<b>77,601,735</b>	<b>83,947,707</b>	<b>83,344,043</b>	<b>89,966,363</b>	<b>7.4%</b>	<b>-0.7%</b>	<b>7.2%</b>	<b>7.9%</b>
<b>Commercial</b>	<b>Gross Patient Care Revenue</b>	55,253,395	53,626,816	56,541,500	56,094,722	62,566,233	66,500,624	70,274,577	18.6%	6.3%	12.3%	5.7%
	Contractual Allowances	-12,612,488	-12,542,303	-17,218,796	-17,446,498	-15,929,436	-21,089,299	-13,453,002	20.9%	32.4%	-15.5%	-36.2%
	Bad Debt	-3,778,102	-3,915,046	-5,201,534	-5,383,192	-3,911,671	-3,691,054	-4,577,548	-31.4%	-5.6%	17.0%	24.0%
	Free Care	-880,452	-1,192,080	-1,125,984	-1,091,093	-1,496,690	-1,855,449	-2,783,813	70.1%	24.0%	86.0%	50.0%
	Graduate Medical Education Payments	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Net Payer Revenue</b>	<b>37,982,353</b>	<b>35,977,386</b>	<b>32,995,185</b>	<b>32,173,939</b>	<b>41,228,436</b>	<b>39,864,822</b>	<b>49,460,214</b>	<b>23.9%</b>	<b>-3.3%</b>	<b>20.0%</b>	<b>24.1%</b>
	Fixed Prospective Payments	0	0	20,431	22,288	0	0	0	-100.0%	#DIV/0!	#DIV/0!	#DIV/0!
	Reserves - Risk Portion	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Fixed Prospective Payment &amp; Reserves</b>	<b>0</b>	<b>0</b>	<b>20,431</b>	<b>22,288</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-100.0%</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>
	<b>Net Payer Revenue &amp; Fixed Prospective Payments</b>	<b>37,982,353</b>	<b>35,977,386</b>	<b>33,015,616</b>	<b>32,196,227</b>	<b>41,228,436</b>	<b>39,864,822</b>	<b>49,460,214</b>	<b>23.8%</b>	<b>-3.3%</b>	<b>20.0%</b>	<b>24.1%</b>
<b>Percentage of total</b>		52%	48%	42%	41%	49%	48%	55%				14.9%
<b>Medicaid</b>	<b>Gross Patient Care Revenue</b>	30,089,257	29,995,405	29,312,444	28,897,431	32,031,649	30,812,013	32,278,893	6.6%	-3.8%	0.8%	4.8%
	Contractual Allowances	-20,338,977	-20,064,817	-21,278,898	-21,030,068	-24,192,570	-24,271,111	-23,078,921	15.4%	0.3%	-4.6%	-4.9%
	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!
	<b>Net Payer Revenue</b>	<b>9,750,280</b>	<b>9,930,588</b>	<b>8,033,546</b>	<b>7,867,363</b>	<b>7,839,079</b>	<b>6,540,902</b>	<b>9,199,972</b>	<b>-16.9%</b>	<b>-16.6%</b>	<b>17.4%</b>	<b>40.7%</b>
	Fixed Prospective Payments	0	0	1,940,288	2,116,678	2,868,445	2,407,991	2,591,823	13.8%	-16.1%	-9.6%	7.6%
	Reserves - Risk Portion	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Fixed Prospective Payment &amp; Reserves</b>	<b>0</b>	<b>0</b>	<b>1,940,288</b>	<b>2,116,678</b>	<b>2,868,445</b>	<b>2,407,991</b>	<b>2,591,823</b>	<b>13.8%</b>	<b>-16.1%</b>	<b>-9.6%</b>	<b>7.6%</b>
	<b>Net Payer Revenue &amp; Fixed Prospective Payments</b>	<b>9,750,280</b>	<b>9,930,588</b>	<b>9,973,834</b>	<b>9,984,041</b>	<b>10,707,524</b>	<b>8,948,893</b>	<b>11,791,795</b>	<b>-10.4%</b>	<b>-16.4%</b>	<b>10.1%</b>	<b>31.8%</b>
<b>Percentage of total</b>		13%	13%	13%	13%	13%	11%	13%				22.1%
<b>Medicare</b>	<b>Gross Patient Care Revenue</b>	63,649,329	66,596,249	73,855,262	73,820,462	78,962,464	81,695,895	85,916,580	10.7%	3.5%	8.8%	5.2%
	Contractual Allowances	-39,135,541	-38,307,920	-44,593,412	-44,304,960	-54,717,659	-55,513,818	-66,143,003	25.3%	1.5%	20.9%	19.1%
	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!
	<b>Net Payer Revenue</b>	<b>24,513,788</b>	<b>28,288,329</b>	<b>29,261,850</b>	<b>29,515,502</b>	<b>24,244,805</b>	<b>26,182,077</b>	<b>19,773,577</b>	<b>-11.3%</b>	<b>8.0%</b>	<b>-18.4%</b>	<b>-24.5%</b>
	Fixed Prospective Payments	0	0	4,919,529	5,366,759	7,162,774	7,746,682	8,409,916	44.3%	8.2%	17.4%	8.6%
	Reserves - Risk Portion	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Fixed Prospective Payment &amp; Reserves</b>	<b>0</b>	<b>0</b>	<b>4,919,529</b>	<b>5,366,759</b>	<b>7,162,774</b>	<b>7,746,682</b>	<b>8,409,916</b>	<b>44.3%</b>	<b>8.2%</b>	<b>17.4%</b>	<b>8.6%</b>
	<b>Net Payer Revenue &amp; Fixed Prospective Payments</b>	<b>24,513,788</b>	<b>28,288,329</b>	<b>34,181,379</b>	<b>34,882,261</b>	<b>31,407,579</b>	<b>33,928,759</b>	<b>28,183,493</b>	<b>-2.7%</b>	<b>8.0%</b>	<b>-10.3%</b>	<b>-16.9%</b>
<b>Percentage of total</b>		34%	38%	44%	45%	37%	41%	31%				-23.0%
<b>Disproportionate Share Payments</b>		<b>918,389</b>	<b>866,228</b>	<b>537,382</b>	<b>539,206</b>	<b>604,168</b>	<b>601,569</b>	<b>530,861</b>	<b>11.6%</b>	<b>-0.4%</b>	<b>-12.1%</b>	<b>-11.8%</b>
<b>Percentage of total</b>												
	NPR & FPP to Gross Commercial (no dsh)	69%	67%	58%	57%	66%	60%	70%	0.04			
	NPR & FPP to Gross Medicaid (no dsh)	32%	33%	34%	35%	33%	29%	37%	0.03			
	NPR & FPP to Gross Medicare (no dsh)	39%	42%	46%	47%	40%	42%	33%	(0.07)			
	NPR & FPP to Gross All (no dsh)	48%	49%	48%	49%	48%	46%	47%	(0.01)			

**Observations:** BMH treats FPP reserves as a reduction from FPP revenue and is set aside until year-end settlement. BMH cites inadequate reimbursement from Medicare and Medicaid as driving their low operating margin. The hospital shows a change in accounting between Commercial and Medicare of \$3.1 million.

**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%	4.0%
<b>Approved % Change in Charge</b>	3.5%	5.7%	3.9%	n/a
<b>Commercial Approved % Change in Charge</b>	3.5%	5.7%	3.9%	n/a
<b>Submitted % Change in Charge</b>	3.5%	8.9%	4.9%	3.4%
<b>Commercial Submitted % Change in Charge</b>	3.5%	8.9%	4.9%	3.4%

Hospital Inpatient Change in Gross Charges	4.4%
Hospital Outpatient Change in Gross Charges	3.6%
Professional Services Change in Gross Charges	0.0%
Primary Care Change in Gross Charges	
Specialty Care Change in Gross Charges	
Skilled Nursing Facility Change in Gross Charges	
Other (specify) Change in Gross Charges	
Other (specify) Change in Gross Charges	

<b>Net Patient Revenue Increase/Decrease Due to Change in Gross Charge Request</b>	
Commercial	\$ 1,879,709
Medicaid	\$ -
Medicare	\$ -
Disproportionate Share	\$ (73,307)
<b>Total Change Due to Rate Request</b>	<b>\$ 1,806,402</b>

<b>Value of 1% Change in Charge - Calculated by GMCB</b>	<b>\$ 531,295</b>
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**OBSERVATIONS:** BMH assumed no change in reimbursement levels or Medicaid and Medicare.

Fiscal Year 2020 Budget Analysis													Brattleboro Memorial Hospital												
UTILIZATION & STAFFING	FY2016A	FY2017A	FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	2018B-2018A	2018A-2019P	2019B-2019P	2019B-2020B	2019P-2020B													
<b>UTILIZATION</b>																									
Adjusted Admissions	8,189	7,695	7,515	7,479	6,847	7,196	7,509	-0.5%	-3.8%	5.1%	9.7%	4.4%													
Acute Admissions	1,611	1,618	1,691	1,691	1,556	1,573	1,664	0.0%	-7.0%	1.1%	6.9%	5.8%													
Acute Average Length Of Stay	3.3	3.3	3.6	3.6	3.2	3.4	2.9	0.7%	-5.4%	7.7%	-9.4%	-15.9%													
All Operating Room Procedure	2,366	2,534	2,227	2,209	2,644	1,986	2,310	-0.8%	-10.1%	-24.9%	-12.6%	16.3%													
Tests	220,825	211,401	218,526	218,434	214,150	209,491	214,197	0.0%	-4.1%	-2.2%	0.0%	2.2%													
Emergency Room Visits	13,399	14,173	13,649	13,615	13,335	12,478	13,019	-0.3%	-8.4%	-6.4%	-2.4%	4.3%													
CT Scan, Radiology - Diagnostic	33,053	29,530	32,236	32,223	30,150	30,898	32,368	0.0%	-4.1%	2.5%	7.4%	4.8%													
Exams	2,266	2,213	2,097	2,083	2,207	2,054	2,135	-0.7%	-1.4%	-6.9%	-3.3%	3.9%													
Provider Work RVU	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!													
Physician Office Visits	242,651	259,130	244,838	238,312	342,486	226,270	265,873	-2.7%	-5.1%	-33.9%	-22.4%	17.5%													
Clinic Visits	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!													
<b>STAFFING</b>																									
Non-MD FTEs	420	432	444	441	474	458	498	(2.5)	16.4	(16.4)	24.3	40.7													
Travelers, Travelers MD	7	12	7	8	0	0	0	0.7	(8.2)	0.0	0.0	0.0													
Residents & Fellows	0	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0													
MLPs	0	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0													
Physician FTEs	43	44	47	47	61	54	57	(0.8)	7.0	(7.0)	(3.6)	3.4													
<b>Total FTEs</b>	<b>471</b>	<b>488</b>	<b>499</b>	<b>496</b>	<b>535</b>	<b>511</b>	<b>555</b>	<b>(2.6)</b>	<b>15.3</b>	<b>(23.3)</b>	<b>20.7</b>	<b>44.1</b>													
<b>Benchmark-Brattleboro Memorial Hospital</b>																									
Salary per FTE - Non-MD	57,360	57,730	59,127	59,342	59,725	58,558	61,016	0.4%	-1.3%	-2.0%	2.2%	4.2%													
Salary & Benefits per FTE - Non	73,279	73,366	76,054	76,398	75,590	74,333	76,478	0.5%	-2.7%	-1.7%	1.2%	2.9%													
FTEs Per Adjusted Occupied Be	6	6	6	6	8	7	8	-0.8%	13.9%	-14.7%	5.9%	24.1%													
FTEs per 100 Adj Discharges	5	6	6	6	7	6	7	-0.1%	7.8%	-8.1%	-4.1%	4.3%													
<b>Benchmarks-Vermont System Averages</b>																									
Salary per FTE - Non-MD	63,250	65,422	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	81,921	85,211	84,936	84,930	86,796	87,678	89,716	0.0%	3.2%	1.0%	3.4%	2.3%													
FTEs Per Adjusted Occupied Be	6	6	6	6	6	6	6	0.1%	-1.7%	-3.5%	1.5%	5.1%													
FTEs per 100 Adj Discharges	7	7	8	8	8	8	8	0.1%	-0.9%	-1.1%	2.3%	3.4%													

**OBSERVATIONS:** Overall utilization as measured by adjusted admissions shows an increase of 9.7% over FY20 budget, and 4.4% over projection. BMH expects increases in births (Springfield), imaging, oncology and rehab and has staffed up accordingly. FTEs per adjusted occupied bed are higher than the Vermont System Average and FTEs per 100 adjusted discharges is below the Vermont System Average. Salary per FTE and Salary and Benefits per FTE are below the Vermont System Average. BMH's FY20 to FY19 budget includes 24 new FTE positions- (12 patient care, 7 physicians services and 5 other) but it is an increase of 41 positions from FY19 projection.

Fiscal Year 2020 Budget Analysis										
Brattleboro Memorial Hospital										
BALANCE SHEET	FY2016A	FY2017A	FY2018A	FY2019B	FY2019P	FY2020B	2018A-2019P	2019B-2019P	2019P-2020B	2018A-2020B
<b>Cash &amp; Investments</b>	<b>4,193,240</b>	<b>2,595,840</b>	<b>3,827,859</b>	<b>4,611,076</b>	<b>4,500,000</b>	<b>4,047,715</b>	<b>17.6%</b>	<b>-2.4%</b>	<b>-10.1%</b>	<b>5.7%</b>
Risk Reserve for Fixed Reform Payments	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Current Assets	11,631,251	15,265,678	12,997,276	11,436,585	11,781,624	12,432,823	-9.4%	3.0%	5.5%	-4.3%
<b>Current Assets</b>	<b>15,824,491</b>	<b>17,861,517</b>	<b>16,825,134</b>	<b>16,047,661</b>	<b>16,281,624</b>	<b>16,480,538</b>	<b>-3.2%</b>	<b>1.5%</b>	<b>1.2%</b>	<b>-2.0%</b>
Board Designated Assets	40,688,744	38,550,477	38,703,559	39,768,177	52,398,533	31,289,770	35.4%	31.8%	-40.3%	-19.2%
Net, Property, Plant And Equipment	27,068,802	28,117,484	27,174,131	32,746,200	25,479,037	48,343,617	-6.2%	-22.2%	89.7%	77.9%
Other Long-Term Assets	0	0	0	300,000	150,000	150,000	#DIV/0!	-50.0%	0.0%	#DIV/0!
<b>Assets</b>	<b>83,582,038</b>	<b>84,529,479</b>	<b>82,702,824</b>	<b>88,862,038</b>	<b>94,309,194</b>	<b>96,263,925</b>	<b>14.0%</b>	<b>6.1%</b>	<b>2.1%</b>	<b>16.4%</b>
<b>Current Liabilities</b>	<b>15,351,245</b>	<b>16,906,144</b>	<b>15,496,411</b>	<b>14,483,198</b>	<b>15,022,953</b>	<b>16,465,566</b>	<b>-3.1%</b>	<b>3.7%</b>	<b>9.6%</b>	<b>6.3%</b>
Long Term Liabilities	10,513,802	9,097,624	7,823,655	16,097,241	18,687,403	17,381,198	138.9%	16.1%	-7.0%	122.2%
Other Noncurrent Liabilities	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Fund Balance	57,716,990	58,525,710	59,382,758	58,281,599	60,598,837	62,417,161	2.0%	4.0%	3.0%	5.1%
<b>Liabilities and Equities</b>	<b>83,582,037</b>	<b>84,529,478</b>	<b>82,702,824</b>	<b>88,862,038</b>	<b>94,309,193</b>	<b>96,263,925</b>	<b>14.0%</b>	<b>6.1%</b>	<b>2.1%</b>	<b>16.4%</b>
<b>Benchmarks-Hospital</b>							<b>Change in Points</b>			
Days Cash on Hand	228.51	194.96	196.30	196.25	253.23	146.34	56.94	56.98	(106.89)	(49.96)
Days Receivable	29.55	46.21	35.12	37.57	39.62	38.56	4.50	2.05	(1.06)	3.44
Long Term Debt to Capitalization	15%	13%	12%	22%	24%	22%	12%	2%	-2%	10%
Days Payable	78.16	80.11	71.52	64.05	66.86	68.19	(4.66)	2.82	1.33	(3.33)
Debt Service Coverage Ratio	2.9	1.4	2.0	3.3	3.8	3.2	1.8	0.4	(0.6)	1.2
<b>Benchmarks-Vermont System Averages</b>							<b>Change in Points</b>			
Days Cash on Hand	182	192	176	172	167	166	(9)	(5)	(1)	(10)
Days Receivable	42	43	43	44	47	46	4	3	(0)	4
Long Term Debt to Capitalization	30%	29%	27%	25%	26%	24%	-1%	1%	-2%	-3%
Days Payable	60	58	63	54	54	55	(9)	(0)	1	(9)
Debt Service Coverage Ratio	5.0	3.9	2.4	3.6	3.0	3.5	0.6	(0.7)	0.6	1.1
<b>OBSERVATIONS:</b> The Days cash On hand has been over the system average for many years but has changed for FY20. Days Cash on Hand is budgeted to decrease substantially from FY19 projection- (assuming this has to do with the Modernization Project CON since DSCR does not change).										

CAPITAL BUDGET	FY2018A	FY2019B	FY2019P	FY2020B	2021 Plan	2022 Plan	2023 Plan
Non-Certificate of Need Capital Plans Total	3,677,775	2,062,129	2,553,547	1,529,564	2,669,349	1,071,222	1,593,753
Certificate of Need Capital Plans	0	7,500,000	4,500,000	22,500,000	0	0	0
Total Capital Purchases	3,677,775	9,562,129	7,053,547	24,029,564	2,669,349	1,071,222	1,593,753

Brattleboro Memorial Hospital							
Age of Plant	10.1	11.2	11.9	12.7	0.0	0.0	0.0
Capital Expenditures to Depreciation	80%	45%	60%	35%	0%	0%	0%
Capital Cost % of Total Expense	5.7%	5.5%	5.1%	5.3%	0.0%	0.0%	0.0%

Benchmarks-Vermont System Averages							
Age of Plant	13.1	13.5	13.4	12.8	0.0	0.0	0.0
Capital Expenditures to Depreciation	79%	111%	105%	77%	0%	0%	0%
Capital Cost % of Total Expense	4.8%	5.0%	4.8%	5.3%	0.0%	0.0%	0.0%

**OBSERVATIONS:** BMH's has delayed their "Modernization Project" CON approved in 2017 due to Act 250 permitting challenges. BMH plans to commence construction by summer's end and continue through FY20, budgeting \$22.5 million for this project. Non-CON capital plans include \$900,000 in upgrades to information services to enhance security and improve access to clinical and financial data. **QUESTIONS:** non-CON capital plans budget inconsistent with narrative (\$1.6 million).



Fiscal Year 2020 Budget Analysis	Brattleboro Memorial Hospital							Flex Monitoring Team 2017 CAH Medians		2019 Flex Monitoring Team FY2017	2019 Almanac of Hospital Indicators (Optum)
	FY2016A	FY2017A	FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	Vermont--8 Hospitals	U.S.--1317 Hospitals	Northeast CAH	Teaching Hospitals
<b>DASHBOARD</b>											
Net Patient Care Rev & Fixed Payments & Reserves	73,164,810	75,062,532	78,879,433	77,601,735	83,947,707	83,344,044	89,966,363				
Budget to Budget % Change NPR & FPP					6.4%		7.2%				
Budget to Actual/Projection % Change NPR & FPP				-1.6%		-0.7%	7.9%				
Three Year NPR & FPP CAGR* (FY18A - FY20B)							7.7%				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							5.3%				
Operating Expense	76,037,368	81,302,905	83,398,416	83,705,782	87,154,734	86,282,398	92,455,941				
Budget to Budget % Change Oper Exp					4.5%		6.1%				
Budget to Actual/Projection % Change Oper Exp				0.4%		-1.0%	7.2%				
Three Year NPR & FPP CAGR* (FY18A - FY20B)							5.1%				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							5.0%				
<b>Profitability</b>											
Operating Margin	(437,372)	(2,437,207)	(963,130)	(1,924,959)	14,118	927,092	1,199,055				
Three Year NPR & FPP CAGR* (FY18A - FY20B)							#NUM!				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							#NUM!				
EBIDA Margin%	65.0%	2.5%	3.9%	3.5%	5.6%	6.1%	6.5%				
Operating Margin %	-0.6%	-3.1%	-1.2%	-2.4%	0.0%	1.1%	1.3%	-1.48%	0.93%	0.8%	0.8%
Total Margin	1,795,377	763,386	(223,130)	893,285	772,118	1,578,790	1,960,055				
Three Year NPR & FPP CAGR* (FY17A - FY20B)							0.48				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							2.2%				
Total Margin %	2.3%	0.9%	-0.3%	1.1%	0.9%	1.8%	2.1%	2.47%	1.79%	3.5%	4.5%
Return On Assets	2.1%	0.9%	-0.3%	1.1%	0.9%	1.7%	2.0%				
<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	57,360	57,730	56,914	59,342	59,725	58,558	61,016	77,782	57,928	65,605	66,657
Five Year Salary per FTE CAGR* (FY16A - FY20B)							1.6%				
Overhead Exp. as a % of Total Operating Exp.**	21.5%	21.8%	22.1%	21.2%	20.7%	21.9%	21.4%				
<b>Liquidity</b>											
Cash & Investments	4,193,240	2,595,840	3,320,662	3,827,859	4,611,076	4,500,000	4,047,715				
Days Cash on Hand	229	195	215	196	196	253	146	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**	208,322	222,748	228,489	229,331	238,780	236,390	253,304			0	0
Days Receivable**	33	39	33	37	28	42	40	43	51	42	49
Days Payable**	51	50	48	49	41	40	36				
<b>Capital</b>											
Age of Plant**	9	10	13	10	11	12	13	13	11	15	11
Long Term Debt to Capitalization**	15.4%	13.5%	11.3%	11.6%	21.6%	23.6%	21.8%	30.6%	31.3%	31%	31%
Debt Service Coverage Ratio	2.86	1.40	2.72	2.00	3.34	3.76	3.19	8.01	3.74	6.6	2.6
Cash to Long Term Debt	4.27	4.52	6.24	5.44	2.76	3.04	2.03				
*CAGR = Compounded Annual Growth Rate											
**Denotes metric is favorable if lower											