

Grace Cottage Hospital

Fiscal Year 2020 Budget Analysis

Report Date: 7/31/2019

**Grace Cottage Hospital
Fiscal Year 2020 Budget Analysis**

QUESTIONS

QUESTIONS:

1. Have the hospital's projections for FY2019 changed?
2. GCH'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 GCH made to facilitate this?
3. What is the value of 1 day of Days Cash on Hand?
4. What is the value of 1% of GCH's change in charge request? If there is a variance between GCH's calculation and the calculation provided by GMCB staff above, please include the steps to your calculation.
5. Are Medicaid and Medicare reimbursement assumptions still valid?
6. In Appendix VI-Bridges, Table 2, Grace Cottage listed funds under "Other (please label)". Please describe what these funds are.
7. Balance Sheet: Is the cause of Days Payable spiking in excess of 98 days in the FY19 Projections due to the projected financial shortfall and matters of cash flow? If not, please explain. Conversely, why do you believe it will recede to 81 days for FY20?
8. According to budget guidance (page 9), FY20 requests should be based on previous performance and projections. Specifically, hospitals with FY19 projections at least 2.0% below budgeted NPR/FPP are expected to submit FY20 requests no more than 5% greater than projections. GCH's FY19B - FY19P % change in NPR/FPP exceeds the -2.0% parameter (-3.3%) and triggers the 5.0% cap. GCH's 2019P - FY20B % change in NPR/FPP of 12.3% exceeds 5.0% cap. Please justify the large increase in NPR/FPP compared to FY19 projections.
9. Please explain the large increase in Operating Margin and Total Margin compared to FY19 projections

BOARD MEMBER QUESTIONS:

10. For FY19 projections what departments are expenses exceeding revenues?
11. 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?
12. The large variance in FY19 forecast is ER visits, what are your assumptions.
13. If you assumed Medicare increases, what is the value and what would a reduction in commercial be to maintain your NPR?

Fiscal Year 2020 Budget Analysis										
Grace Cottage Hospital										
INCOME STATEMENT	FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	2018B -2018A	2019B - 2019P	2018A - 2019P	2019B - 2020B	2019P - 2020B
						% Chg	% Chg	% Chg	% Chg	% Chg
Revenues										
Gross Patient Care Revenue	27,607,149	28,394,054	29,980,632	29,177,157	32,566,535	2.9%	-2.7%	2.8%	8.6%	11.6%
Disproportionate Share Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Bad Debt	(748,260)	(548,943)	(516,506)	(378,350)	(415,746)	-26.6%	-26.7%	-31.1%	-19.5%	9.9%
Free Care	(101,466)	(158,312)	(181,583)	(202,150)	(222,586)	56.0%	11.3%	27.7%	22.6%	10.1%
Deductions from Revenue	(8,108,349)	(9,493,062)	(9,989,962)	(9,931,364)	(10,961,534)	17.1%	-0.6%	4.6%	9.7%	10.4%
Graduate Medical Education	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net Patient Care Revenue	18,649,074	18,193,737	19,292,581	18,665,293	20,966,669	-2.4%	-3.3%	2.6%	8.7%	12.3%
Fixed Prospective Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Reserves	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Fixed Prospective Payments and Reserves	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net Patient Care Revenue & Fixed Payments & Reserves	18,649,074	18,193,737	19,292,581	18,665,293	20,966,669	-2.4%	-3.3%	2.6%	8.7%	12.3%
Reserves	1,247,133	1,197,732	1,188,862	820,517	935,160	-4.0%	-31.0%	-31.5%	-21.3%	14.0%
Other Operating Revenue	1,247,133	1,197,732	1,188,862	820,517	935,160	-4.0%	-31.0%	-31.5%	-21.3%	14.0%
Total Operating Revenue	19,896,207	19,391,469	20,481,443	19,485,810	21,901,829	-2.5%	-4.9%	0.5%	6.9%	12.4%
Expenses										
Salaries Non MD	9,377,560	9,395,238	9,605,266	9,730,361	10,865,284	0.2%	1.3%	3.6%	13.1%	11.7%
Fringe Benefits Non MD	3,084,330	2,880,909	3,091,037	3,174,666	3,766,058	-6.6%	2.7%	10.2%	21.8%	18.6%
Physician Fees, Salaries, Contracts	2,145,185	2,095,450	2,056,963	2,119,741	1,779,047	-2.3%	3.1%	1.2%	-13.5%	-16.1%
Fringe Benefits MD	477,745	363,700	387,960	410,773	394,523	-23.9%	5.9%	12.9%	1.7%	-4.0%
Health Care Provider Tax	659,052	620,394	640,758	645,933	693,363	-5.9%	0.8%	4.1%	8.2%	7.3%
Depreciation & Amortization	644,540	580,783	675,299	675,300	704,859	-9.9%	0.0%	16.3%	4.4%	4.4%
Interest - Long Term & Short Term	125,817	135,590	124,063	140,996	131,338	7.8%	13.6%	4.0%	5.9%	-6.8%
Other Operating Expense	3,972,003	3,875,935	3,748,280	3,783,204	3,832,339	-2.4%	0.9%	-2.4%	2.2%	1.3%
Total Operating Expense	20,486,232	19,947,999	20,329,626	20,680,974	22,166,811	-2.6%	1.7%	3.7%	9.0%	7.2%
Net Operating Income (Loss)	(590,025)	(556,530)	151,817	(1,195,164)	(264,982)	-5.7%	-887.2%	114.8%	-274.5%	-77.8%
Non-Operating Revenue	737,258	1,317,800	742,707	975,413	742,624	78.7%	31.3%	-26.0%	0.0%	-23.9%
Excess (Deficit) of Rev Over Exp	147,233	761,270	894,524	(219,751)	477,642	417.1%	-124.6%	-128.9%	-46.6%	-317.4%
Benchmarks-Hospital										
Operating Margin%	-3.0%	-2.9%	0.7%	-6.1%	-1.2%					
Total Margin %	0.7%	3.7%	4.2%	-1.1%	2.1%					
EBIDA %	0.9%	0.8%	4.6%	-1.9%	2.6%					
Cost per Adjusted Admission	8,212	7,653	6,968	7,714	7,759					
<p>OBSERVATIONS: Grace Cottage's 2019 projection show the hospital performing -3.3% below NPR/FPP budget and 1.7% above Operating Expense budget. Grace Cottage states that the projected NPR/FPP is a result of full staffing in their primary care practice which took effect in January 2019. While Grace Cottage has historically achieved positive total margins through generous community support, they project a total margin of -1.1% and an operating margin of -6.1% The FY20 Budget shows a significant NPR/FPP increase of \$1,674,088 (8.7%) over the FY19 budget, and 12.3% over FY19 projections. Grace Cottage states that the additional growth is based on year-to-date performance with small increases in volume based on current trends budgeted in both the provider practice and hospital outpatient areas. Grace Cottage has not budgeted any new service lines or changes to physician practices/programs. Fringe benefits for Non-MDs is budgeted to increase by 21.8% due to health insurance benefits for employees working 20+ hours/week. Grace Cottage is budgeting an additional 5.10 FTEs in FY20.</p>										

Fiscal Year 2020 Budget Analysis										
Grace Cottage Hospital										
NET PAYER REVENUE CHANGES - PAYERS					2018A - 2019P	2019B - 2019P	2019B - 2020B	2019P - 2020B		
		FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	% Chg	% Chg	% Chg	% Chg
All Payers	Gross Patient Care Revenue	28,328,479	28,394,054	29,980,632	29,177,157	32,566,535	2.8%	-2.7%	8.6%	11.6%
	Contractual Allowances	-9,377,669	-9,493,062	-9,989,962	-9,931,364	-10,961,534	4.6%	-0.6%	9.7%	10.4%
	Bad Debt	-565,553	-548,943	-516,506	-378,350	-415,746	-31.1%	-26.7%	-19.5%	9.9%
	Free Care	-153,575	-158,312	-181,583	-202,150	-222,586	27.7%	11.3%	22.6%	10.1%
	Graduate Medical Education Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Disproportionate Share Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Net Payer Revenue	18,231,682	18,193,737	19,292,581	18,665,293	20,966,669	2.6%	-3.3%	8.7%	12.3%
	Fixed Prospective Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Reserves - Risk Portion	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Fixed Prospective Payment & Reserves	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Net Payer Revenue & Fixed Prospective Payments	18,231,682	18,193,737	19,292,581	18,665,293	20,966,669	2.6%	-3.3%	8.7%	12.3%	
Commercial	Gross Patient Care Revenue	8,910,961	8,943,562	9,264,853	8,554,528	9,629,957	-4.3%	-7.7%	3.9%	12.6%
	Contractual Allowances	-2,911,627	-2,931,622	-2,993,540	-2,808,845	-3,160,621	-4.2%	-6.2%	5.6%	12.5%
	Bad Debt	-565,553	-548,943	-516,506	-378,350	-415,746	-31.1%	-26.7%	-19.5%	9.9%
	Free Care	-153,575	-158,312	-181,583	-202,150	-222,586	27.7%	11.3%	22.6%	10.1%
	Graduate Medical Education Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Net Payer Revenue	5,280,207	5,304,685	5,573,224	5,165,183	5,831,004	-2.6%	-7.3%	4.6%	12.9%
	Fixed Prospective Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Reserves - Risk Portion	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Fixed Prospective Payment & Reserves	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net Payer Revenue & Fixed Prospective Payments	5,280,207	5,304,685	5,573,224	5,165,183	5,831,004	-2.6%	-7.3%	4.6%	12.9%	
Percentage of total		29%	29%	29%	28%	28%				
Medicaid	Gross Patient Care Revenue	3,960,843	3,953,187	4,146,671	3,935,251	4,440,402	-0.5%	-5.1%	7.1%	12.8%
	Contractual Allowances	-2,578,436	-2,587,316	-2,655,405	-2,490,167	-2,759,408	-3.8%	-6.2%	3.9%	10.8%
	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!
	Net Payer Revenue	1,382,407	1,365,871	1,491,266	1,445,084	1,680,994	5.8%	-3.1%	12.7%	16.3%
	Fixed Prospective Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Reserves - Risk Portion	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Fixed Prospective Payment & Reserves	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net Payer Revenue & Fixed Prospective Payments	1,382,407	1,365,871	1,491,266	1,445,084	1,680,994	5.8%	-3.1%	12.7%	16.3%	
Percentage of total		8%	8%	8%	8%	8%				
Medicare	Gross Patient Care Revenue	15,456,674	15,497,305	16,569,108	16,687,378	18,496,176	7.7%	0.7%	11.6%	10.8%
	Contractual Allowances	-3,887,606	-3,974,124	-4,341,017	-4,632,352	-5,041,505	16.6%	6.7%	16.1%	8.8%
	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!
	Net Payer Revenue	11,569,068	11,523,181	12,228,091	12,055,026	13,454,671	4.6%	-1.4%	10.0%	11.6%
	Fixed Prospective Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Reserves - Risk Portion	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Fixed Prospective Payment & Reserves	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net Payer Revenue & Fixed Prospective Payments	11,569,068	11,523,181	12,228,091	12,055,026	13,454,671	4.6%	-1.4%	10.0%	11.6%	
Percentage of total		63%	63%	63%	65%	64%				
Disproportionate Share Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Percentage of total										
NPR & FPP to Gross Commercial (no dsh)	59%	59%	60%	60%	61%					
NPR & FPP to Gross Medicaid (no dsh)	35%	35%	36%	37%	38%					
NPR & FPP to Gross Medicare (no dsh)	75%	74%	74%	72%	73%					
NPR & FPP to Gross All (no dsh)	64%	64%	64%	64%	64%					

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CHANGE IN CHARGE AND NET PATIENT REVENUE INCREASE

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

	FY2017	FY2018	FY2019	FY2020
Weighted Average Approved Rate (all hospitals)	1.8%	2.0%	2.9%	
Weighted Average Submitted Rate (all hospitals)	2.2%	2.3%	3.9%	3.2%
Approved % Change in Charge	5.0%	5.0%	3.2%	n/a
Commercial Approved % Change in Charge	5.0%	5.0%	3.2%	n/a
Submitted % Change in Charge	5.0%	5.0%	3.2%	3.2%
Commercial Submitted % Change in Charge	5.0%	5.0%	3.2%	3.2%

Hospital Inpatient Change in Gross Charges	3.2%
Hospital Outpatient Change in Gross Charges	3.2%
Professional Services Change in Gross Charges	
Primary Care Change in Gross Charges	3.2%
Specialty Care Change in Gross Charges	
Skilled Nursing Facility Change in Gross Charges	
Hospital Swing	3.2%
Other (specify) Change in Gross Charges	

Net Patient Revenue Change Due to Charge Request	
Commercial (includes Self-Insured and Workers Comp)	\$ 116,174
Medicaid	\$ -
Medicare	\$ 244,562
Disproportionate Share	\$ -
Total Change Due to Charge Request	\$ 360,736
Value of 1% Charge - Calculated by GMCB	\$ 112,730

OBSERVATIONS: Grace is requesting a 3.2% increase in Gross Charges. The 3.2% change in charge results in a 2.0% NPR increase. Grace assumed no increase in Medicaid reimbursement for FY20.

Fiscal Year 2020 Budget Analysis		Grace Cottage Hospital								
UTILIZATION & STAFFING	FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	2018B-2018A	2018A-2019P	2019B-2019P	2019B-2020B	2019P-2020B
UTILIZATION										
Adjusted Admissions	2,598	2,607	2,918	2,681	2,857	0.3%	2.8%	-8.1%	-2.1%	6.6%
Acute Admissions	137	138	149	129	129	1.1%	-6.5%	-13.4%	-13.4%	0.0%
Acute Average Length Of Stay	2.8	2.8	2.5	2.8	2.8	-1.0%	2.0%	11.8%	11.8%	0.0%
All Operating Room Procedure	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Tests	51,696	51,401	52,810	51,870	56,714	-0.6%	0.9%	-1.8%	7.4%	9.3%
Emergency Room Visits	3,086	3,120	3,080	2,781	2,781	1.1%	-10.9%	-9.7%	-9.7%	0.0%
CT Scan, Radiology - Diagnostic	4,339	4,340	4,548	4,409	4,833	0.0%	1.6%	-3.1%	6.3%	9.6%
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	19,017	18,865	19,831	18,628	22,026	-0.8%	-1.3%	-6.1%	11.1%	18.2%
Clinic Visits	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
STAFFING										
Non-MD FTEs	138	138	139	135	136	(0.3)	(3.4)	(4.7)	(3.6)	1.1
Travelers, Travelers MD	3	3	0	1	0	0.2	(1.7)	1.1	0.0	(1.1)
Residents & Fellows	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
MLPs	0	0	0	7	10	0.0	6.9	7.0	10.0	3.0
Physician FTEs	8	8	8	9	7	(0.1)	0.5	0.4	(1.3)	(1.8)
Total FTEs	149	149	148	151	153	(0.2)	2.3	3.9	5.1	1.2
Benchmarks-Hospital										
Salary per FTE - Non-MD	67,804	67,973	68,919	68,659	74,507	0.2%	1.0%	-0.4%	8.1%	8.5%
Salary & Benefits per FTE - Non-MD	88,721	88,816	91,098	91,060	100,331	0.1%	2.5%	0.0%	10.1%	10.2%
FTEs Per Adjusted Occupied Bed	7	7	7	7	7	0.3%	-2.2%	-1.1%	-4.5%	-3.4%
FTEs per 100 Adj Discharges	5	5	5	5	5	-0.6%	-0.3%	10.7%	6.9%	-3.4%
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%
<p>OBSERVATIONS: Grace Cottage plans to increase reliance on mid-level practitioners in 2020. In order to help fill nursing positions and alleviate the use of travelers, Grace Cottage now offers health insurance benefits to employees working 20+ hours/week (this is normal for Vermont hospitals).</p>										

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Grace Cottage Hospital								
BALANCE SHEET	FY2018A	FY2019B	FY2019P	FY2020B	2018A-2019P	2019B-2019P	2019P-2020B	2018A-2020B
Cash & Investments	291,005	277,212	315,000	414,081	8.2%	13.6%	31.5%	42.3%
Risk Reserve for Fixed Reform Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Current Assets	4,048,662	3,921,007	4,192,687	4,439,330	3.6%	6.9%	5.9%	9.6%
Current Assets	4,339,667	4,198,219	4,507,687	4,853,411	3.9%	7.4%	7.7%	11.8%
Board Designated Assets	4,667,648	4,775,297	4,915,005	5,007,865	5.3%	2.9%	1.9%	7.3%
Net, Property, Plant And Equipment	3,364,425	3,916,476	3,105,528	3,464,274	-7.7%	-20.7%	11.6%	3.0%
Other Long-Term Assets	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Assets	12,371,740	12,889,992	12,528,220	13,325,550	1.3%	-2.8%	6.4%	7.7%
Current Liabilities	4,804,942	4,514,281	5,377,619	4,776,677	11.9%	19.1%	-11.2%	-0.6%
Long Term Liabilities	1,028,366	716,045	831,920	1,752,550	-19.1%	16.2%	110.7%	70.4%
Other Noncurrent Liabilities	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Fund Balance	6,538,432	7,659,666	6,318,681	6,796,323	-3.4%	-17.5%	7.6%	3.9%
Liabilities and Equities	12,371,740	12,889,992	12,528,220	13,325,550	1.3%	-2.8%	6.4%	7.7%
Benchmarks-Hospital					Change in Points			
Days Cash on Hand	92.04	92.50	94.13	91.07	2.09	1.62	(3.05)	(0.97)
Days Receivable	41.36	40.56	39.03	37.30	(2.32)	(1.53)	(1.74)	(4.06)
Long Term Debt to Capitalization	14%	9%	13%	25%	-1%	5%	12%	10%
Days Payable	90.56	83.83	98.11	81.24	7.56	14.28	(16.88)	(9.32)
Debt Service Coverage Ratio	0.3	0.5	(0.8)	1.2	(1.1)	(1.3)	2.0	0.9
Benchmarks-Vermont System Averages					Change in Points			
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
OBSERVATIONS: Days payable is projected to spike in excess of 98 days for FY19 and recede to 81 days in FY20.								

Fiscal Year 2020 Budget Analysis		Grace Cottage Hospital					
CAPITAL BUDGET	FY2018A	FY2019B	FY2019P	FY2020B	2021 Plan	2022 Plan	2023 Plan
Non-Certificate of Need Capital Plans Total	593,968	1,114,992	416,403	1,201,105	782,330	207,420	75,000
Certificate of Need Capital Plans	0	0	0	0	0	5,000,000	0
Total Capital Purchases	593,968	1,114,992	416,403	1,201,105	782,330	5,207,420	75,000
Grace Cottage Hospital							
Age of Plant	23.3	21.4	21.1	21.2	0.0	0.0	0.0
Capital Expenditures to Depreciation	102%	165%	62%	170%	0%	0%	0%
Capital Cost % of Total Expense	3.6%	3.9%	3.9%	3.8%	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%

Fiscal Year 2020 Budget Analysis	Grace Cottage 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
DASHBOARD											
Net Patient Care Rev & Fixed Payments & Reserves	17,241,709	17,261,208	18,649,074	18,193,737	19,292,581	18,665,293	20,966,669				
Budget to Budget % Change NPR & FPP					3.5%		8.7%				
Budget to Actual/Projection % Change NPR & FPP				-2.4%		-3.3%	12.3%				
Three Year NPR & FPP CAGR* (FY18A - FY20B)							7.4%				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							5.0%				
Operating Expense	19,560,402	19,605,633	20,486,232	19,947,999	20,329,626	20,680,974	22,166,811				
Budget to Budget % Change Oper Exp					-0.8%		9.0%				
Budget to Actual/Projection % Change Oper Exp				-2.6%		1.7%	7.2%				
Three Year NPR & FPP CAGR* (FY18A - FY20B)							5.4%				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							3.2%				
Profitability											
Operating Margin	(1,447,624)	(1,270,782)	(590,025)	(556,530)	151,817	(1,195,164)	(264,982)				
Three Year NPR & FPP CAGR* (FY18A - FY20B)							-31.0%				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							-34.6%				
EBIDA Margin%	75.7%	-2.9%	0.9%	0.8%	4.6%	-1.9%	2.6%				
Operating Margin %	-8.0%	-6.9%	-3.0%	-2.9%	0.7%	-6.1%	-1.2%	-1.48%	0.93%	0.8%	0.8%
Total Margin	(395,042)	262,505	147,233	761,270	894,524	(219,751)	477,642				
Three Year NPR & FPP CAGR* (FY17A - FY20B)							(0.21)				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							#NUM!				
Total Margin %	-2.1%	1.3%	0.7%	3.7%	4.2%	-1.1%	2.1%	2.47%	1.79%	3.5%	4.5%
Return On Assets	-3.4%	2.2%	1.3%	6.2%	6.9%	-1.8%	3.6%				
Costs											
Cost per Adjusted Admission	13,611	14,022	15,254	13,836	14,236	14,194	14,439				
Salary per FTE - Non-MD	62,147	64,071	65,997	67,973	68,919	68,659	74,507	77,782	57,928	65,605	66,657
Five Year Salary per FTE CAGR* (FY16A - FY20B)							4.6%				
Overhead Exp. as a % of Total Operating Exp.**	32.2%	31.9%	32.8%	32.7%	34.2%	33.5%	33.5%				
Liquidity											
Cash & Investments	237,043	155,417	359,871	291,005	277,212	315,000	414,081				
Days Cash on Hand	78	86	76	92	93	94	91	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**	53,590	53,714	56,127	54,652	55,698	56,660	60,731				0
Days Receivable**	48	42	38	41	41	39	37	43	51	42	49
Days Payable**	85	90	67	91	84	98	81				
Capital											
Age of Plant**	18	22	21	23	21	21	21	13	11	15	11
Long Term Debt to Capitalization**	25.8%	20.8%	29.9%	14.4%	8.8%	13.3%	24.9%	30.6%	31.3%	31%	31%
Debt Service Coverage Ratio	(1.24)	(1.14)	0.23	0.33	0.49	(0.78)	1.18	8.01	3.74	6.6	2.6
Cash to Long Term Debt	2.35	3.24	1.84	4.75	6.96	6.20	3.06				
*CAGR = Compounded Annual Growth Rate											
**Denotes metric is favorable if lower											