

# Northeastern VT Regional Hospital

FY 2019 Actual Audited Financial Results Analysis

Report Date: 2/18/2020

**FY 2019 Actual Audited Financial Results Analysis Northeastern VT Regional Hospital**

INCOME STATEMENT	FY2018A	FY2019B	FY2019A	FY2020B	2019B -	2019B - 2019A	2018A - 2019A	2019B - 2020B	2019A - 2020B
					2020B \$ Chg	% Chg	% Chg	% Chg	% Chg
<b>Revenues</b>									
<b>Gross Patient Care Revenue</b>	<b>161,098,014</b>	<b>170,991,978</b>	<b>177,779,611</b>	<b>182,848,500</b>	<b>11,856,522</b>	<b>4.0%</b>	<b>10.4%</b>	<b>6.9%</b>	<b>2.9%</b>
Disproportionate Share Payments	1,075,300	953,000	959,185	987,745	34,745	0.6%	-10.8%	3.6%	3.0%
Bad Debt	(3,046,071)	(3,192,800)	(3,270,152)	(3,544,000)	(351,200)	2.4%	7.4%	11.0%	8.4%
Free Care	(2,923,433)	(3,072,000)	(3,141,595)	(3,365,750)	(293,750)	2.3%	7.5%	9.6%	7.1%
Deductions from Revenue	(77,758,738)	(84,111,473)	(87,642,307)	(94,232,751)	(10,121,278)	4.2%	12.7%	12.0%	7.5%
Graduate Medical Education	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Net Patient Care Revenue</b>	<b>78,445,072</b>	<b>81,568,705</b>	<b>84,684,742</b>	<b>82,693,744</b>	<b>1,125,039</b>	<b>3.8%</b>	<b>8.0%</b>	<b>1.4%</b>	<b>-2.4%</b>
Fixed Prospective Payments	0	0	0	5,139,100	5,139,100	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Reserves	0	0	0	(579,000)		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	0	0	0	0		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Fixed Prospective Payments and Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,560,100</b>		<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>
<b>Net Patient Care Revenue &amp; Fixed Payments &amp; Reserves</b>	<b>78,445,072</b>	<b>81,568,705</b>	<b>84,684,742</b>	<b>87,253,844</b>	<b>5,685,139</b>	<b>3.8%</b>	<b>8.0%</b>	<b>7.0%</b>	<b>3.0%</b>
Other Operating Revenue	4,409,530	3,692,700	4,132,135	4,668,400	975,700	11.9%	-6.3%	26.4%	13.0%
<b>Total Operating Revenue</b>	<b>82,854,602</b>	<b>85,261,405</b>	<b>88,816,877</b>	<b>91,922,244</b>	<b>6,660,839</b>	<b>4.2%</b>	<b>7.2%</b>	<b>7.8%</b>	<b>3.5%</b>
<b>Expenses</b>									
Salaries Non MD	28,129,106	29,645,050	28,684,186	32,118,861	2,473,811	-3.2%	2.0%	8.3%	12.0%
Fringe Benefits Non MD	9,130,544	8,881,546	8,939,996	11,271,845	2,390,299	0.7%	-2.1%	26.9%	26.1%
Physician Fees, Salaries, Contracts	9,159,003	10,371,950	9,938,553	10,173,083	(198,867)	-4.2%	8.5%	-1.9%	2.4%
Fringe Benefits MD	2,439,169	2,561,347	2,460,389	3,053,164	491,817	-3.9%	0.9%	19.2%	24.1%
Health Care Provider Tax	4,581,058	4,600,000	4,683,787	5,065,000	465,000	1.8%	2.2%	10.1%	8.1%
Depreciation & Amortization	3,149,404	3,450,000	3,307,697	3,965,000	515,000	-4.1%	5.0%	14.9%	19.9%
Interest - Long Term & Short Term	264,392	350,000	247,716	212,000	(138,000)	-29.2%	-6.3%	-39.4%	-14.4%
Other Operating Expense	24,571,662	23,842,612	28,927,360	24,449,941	607,329	21.3%	17.7%	2.5%	-15.5%
<b>Total Operating Expense</b>	<b>81,424,338</b>	<b>83,702,505</b>	<b>87,189,684</b>	<b>90,308,894</b>	<b>6,606,389</b>	<b>4.2%</b>	<b>7.1%</b>	<b>7.9%</b>	<b>3.6%</b>
<b>Net Operating Income (Loss)</b>	<b>1,430,264</b>	<b>1,558,900</b>	<b>1,627,193</b>	<b>1,613,350</b>	<b>54,450</b>	<b>4.4%</b>	<b>13.8%</b>	<b>3.5%</b>	<b>-0.9%</b>
Non-Operating Revenue	455,300	0	(37,567)	0	0	#DIV/0!	-108.3%	#DIV/0!	-100.0%
<b>Excess (Deficit) of Rev Over Exp</b>	<b>1,885,564</b>	<b>1,558,900</b>	<b>1,589,626</b>	<b>1,613,350</b>	<b>54,450</b>	<b>2.0%</b>	<b>-15.7%</b>	<b>3.5%</b>	<b>1.5%</b>
<b>Benchmarks-Hospital</b>									
Operating Margin%	1.7%	1.8%	1.8%	1.8%					
Total Margin %	2.3%	1.8%	1.8%	1.8%					
EBIDA %	5.8%	6.3%	5.8%	6.3%					
Cost per Adjusted Admission	12,502	12,843	15,071	14,907					
<b>OBSERVATIONS :</b>									

Fiscal Year 2020 Budget Analysis		Northeastern VT Regional Hospital							
BALANCE SHEET	FY2018A	FY2019B	FY2019A	FY2020B	2018A-2019A	2019B-2019A	2019A-2020B	2018A-2020B	
<b>Cash &amp; Investments</b>	<b>7,110,877</b>	<b>8,767,256</b>	<b>5,802,955</b>	<b>8,607,300</b>	<b>-18.4%</b>	<b>-33.8%</b>	<b>48.3%</b>	<b>21.0%</b>	
Risk Reserve for Fixed Reform Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Other Current Assets	11,448,624	12,810,974	13,347,981	10,550,000	16.6%	4.2%	-21.0%	-7.8%	
<b>Current Assets</b>	<b>18,559,501</b>	<b>21,578,230</b>	<b>19,150,936</b>	<b>19,157,300</b>	<b>3.2%</b>	<b>-11.2%</b>	<b>0.0%</b>	<b>3.2%</b>	
Board Designated Assets	18,616,311	17,950,000	18,880,553	18,424,000	1.4%	5.2%	-2.4%	-1.0%	
Net, Property, Plant And Equipment	23,141,657	26,300,000	23,016,182	26,252,600	-0.5%	-12.5%	14.1%	13.4%	
Other Long-Term Assets	5,500,557	5,424,425	7,622,392	7,426,600	38.6%	40.5%	-2.6%	35.0%	
<b>Assets</b>	<b>65,818,026</b>	<b>71,252,655</b>	<b>68,670,063</b>	<b>71,260,500</b>	<b>4.3%</b>	<b>-3.6%</b>	<b>3.8%</b>	<b>8.3%</b>	
<b>Current Liabilities</b>	<b>14,040,973</b>	<b>12,290,000</b>	<b>11,192,203</b>	<b>14,544,700</b>	<b>-20.3%</b>	<b>-8.9%</b>	<b>30.0%</b>	<b>3.6%</b>	
Long Term Liabilities	10,878,740	16,932,000	10,385,290	11,832,000	-4.5%	-38.7%	13.9%	8.8%	
Other Noncurrent Liabilities	0	0	4,737,451	0	#DIV/0!	#DIV/0!	-100.0%	#DIV/0!	
Fund Balance	40,898,313	42,150,355	42,355,119	44,883,800	3.6%	0.5%	6.0%	9.7%	
<b>Liabilities and Equities</b>	<b>65,818,026</b>	<b>71,372,355</b>	<b>68,670,063</b>	<b>71,260,500</b>	<b>4.3%</b>	<b>-3.8%</b>	<b>3.8%</b>	<b>8.3%</b>	
<b>Benchmarks-Hospital</b>					<b>Change in Points</b>				
<b>Days Cash on Hand</b>	<b>119.97</b>	<b>121.51</b>	<b>107.41</b>	<b>114.27</b>	<b>(12.56)</b>	<b>(14.11)</b>	<b>6.86</b>	<b>(5.70)</b>	
Days Receivable	38.10	41.80	39.88	39.95	1.78	(1.92)	0.07	1.85	
Days Payable	65.47	55.90	48.70	61.48	(16.77)	(7.20)	12.78	(3.99)	
Long Term Debt to Capitalization	0.21	0.29	0.20	0.21					
Debt Service Coverage Ratio	4.8	2.2	5.1	6.0	0.3	2.8	0.9	1.2	
<b>Benchmarks-Vermont System Averages</b>					<b>Change in Points</b>				
Days Cash on Hand	176	172	158	164	(18)	(14)	6	(12)	
Days Receivable	43	44	46	47	3	2	1	4	
Days Payable	63	54	54	54	(10)	(1)	1	(9)	
Long Term Debt to Capitalization	0	0	0	0					
Debt Service Coverage Ratio	2.4	3.6	3.1	3.4	0.7	(0.5)	0.3	1.0	
<b>OBSERVATIONS:</b>									

Fiscal Year 2020 Budget Analysis									
Northeastern VT Regional Hospital									
NET PAYER REVENUE CHANGES - PAYERS		FY2018A	FY2019B	FY2019A	FY2020B	2018A - 2019A % Chg	2019B - 2019A % Chg	2019B - 2020B % Chg	2019A - 2020B % Chg
<b>All Payers</b>	<b>Gross Patient Care Revenue</b>	161,098,014	170,991,978	177,779,611	182,848,500	10.4%	4.0%	6.9%	2.9%
	Contractual Allowances	-77,758,738	-84,111,473	-87,642,307	-94,232,751	12.7%	4.2%	12.0%	7.5%
	Bad Debt	-3,046,071	-3,192,800	-3,270,152	-3,544,000	7.4%	2.4%	11.0%	8.4%
	Free Care	-2,923,433	-3,072,000	-3,141,595	-3,365,750	7.5%	2.3%	9.6%	7.1%
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Disproportionate Share Payments	1,075,300	953,000	959,185	987,745	-10.8%	0.6%	3.6%	3.0%
	<b>Net Payer Revenue</b>	<b>78,445,072</b>	<b>81,568,705</b>	<b>84,684,742</b>	<b>82,693,744</b>	<b>8.0%</b>	<b>3.8%</b>	<b>1.4%</b>	<b>-2.4%</b>
	Fixed Prospective Payments	0	0	0	5,139,100	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Reserves - Risk Portion	0	0	0	-579,000	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	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>0</b>	<b>4,560,100</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>78,445,072</b>	<b>81,568,705</b>	<b>84,684,742</b>	<b>87,253,844</b>	<b>8.0%</b>	<b>3.8%</b>	<b>7.0%</b>	<b>3.0%</b>
<b>Commercial</b>	<b>Gross Patient Care Revenue</b>	59,041,768	63,460,260	63,555,270	64,990,700	7.6%	0.1%	2.4%	2.3%
	Contractual Allowances	-16,502,201	-20,324,399	-19,500,597	-19,393,800	18.2%	-4.1%	-4.6%	-0.5%
	Bad Debt	-3,046,071	-3,192,800	-3,270,152	-3,544,000	7.4%	2.4%	11.0%	8.4%
	Free Care	-2,923,433	-3,072,000	-3,141,595	-3,365,750	7.5%	2.3%	9.6%	7.1%
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Net Payer Revenue</b>	<b>36,570,063</b>	<b>36,871,061</b>	<b>37,642,926</b>	<b>38,687,150</b>	<b>2.9%</b>	<b>2.1%</b>	<b>4.9%</b>	<b>2.8%</b>
	Fixed Prospective Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Reserves - Risk Portion	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	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>0</b>	<b>0</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>36,570,063</b>	<b>36,871,061</b>	<b>37,642,926</b>	<b>38,687,150</b>	<b>2.9%</b>	<b>2.1%</b>	<b>4.9%</b>	<b>2.8%</b>
<b>Percentage of total</b>		47%	45%	44%	44%				
<b>Medicaid</b>	<b>Gross Patient Care Revenue</b>	33,464,448	35,502,906	36,470,274	37,584,400	9.0%	2.7%	5.9%	3.1%
	Contractual Allowances	-22,464,772	-23,514,514	-24,351,987	-30,116,041	8.4%	3.6%	28.1%	23.7%
	Bad Debt	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Free Care	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Net Payer Revenue</b>	<b>10,999,676</b>	<b>11,988,392</b>	<b>12,118,287</b>	<b>7,468,359</b>	<b>10.2%</b>	<b>1.1%</b>	<b>-37.7%</b>	<b>-38.4%</b>
	Fixed Prospective Payments	0	0	0	5,139,100	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Reserves - Risk Portion	0	0	0	-579,000	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	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>0</b>	<b>4,560,100</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>10,999,676</b>	<b>11,988,392</b>	<b>12,118,287</b>	<b>12,028,459</b>	<b>10.2%</b>	<b>1.1%</b>	<b>0.3%</b>	<b>-0.7%</b>
<b>Percentage of total</b>		14%	15%	14%	14%				
<b>Medicare</b>	<b>Gross Patient Care Revenue</b>	68,591,798	72,028,812	77,754,068	80,273,400	13.4%	7.9%	11.4%	3.2%
	Contractual Allowances	-38,791,765	-40,272,560	-43,789,723	-44,722,910	12.9%	8.7%	11.1%	2.1%
	Bad Debt	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Free Care	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Net Payer Revenue</b>	<b>29,800,033</b>	<b>31,756,252</b>	<b>33,964,345</b>	<b>35,550,490</b>	<b>14.0%</b>	<b>7.0%</b>	<b>11.9%</b>	<b>4.7%</b>
	Fixed Prospective Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Reserves - Risk Portion	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	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>0</b>	<b>0</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>29,800,033</b>	<b>31,756,252</b>	<b>33,964,345</b>	<b>35,550,490</b>	<b>14.0%</b>	<b>7.0%</b>	<b>11.9%</b>	<b>4.7%</b>
<b>Percentage of total</b>		38%	39%	40%	41%				
	<b>Disproportionate Share Payments</b>	<b>1,075,300</b>	<b>953,000</b>	<b>959,185</b>	<b>987,745</b>	<b>-10.8%</b>	<b>0.6%</b>	<b>3.6%</b>	<b>3.0%</b>
<b>Percentage of total</b>									
	<b>NPR &amp; FPP to Gross Commercial (no dsh)</b>	<b>62%</b>	<b>58%</b>	<b>59%</b>	<b>60%</b>				
	<b>NPR &amp; FPP to Gross Medicaid (no dsh)</b>	<b>33%</b>	<b>34%</b>	<b>33%</b>	<b>32%</b>				
	<b>NPR &amp; FPP to Gross Medicare (no dsh)</b>	<b>43%</b>	<b>44%</b>	<b>44%</b>	<b>44%</b>				
	<b>NPR &amp; FPP to Gross All (no dsh)</b>	<b>48%</b>	<b>47%</b>	<b>47%</b>	<b>47%</b>				
<b>Observations:</b>									

FY 2019 Actual Audited Financial Results Analysis					Northeastern VT Regional Hospital				
UTILIZATION & STAFFING	FY2018A	FY2019B	FY2019A	FY2020B	2018A-2019A	2019B-2019A	2019B-2020B	2019A-2020B	
<b>UTILIZATION</b>									
Adjusted Admissions	6,513	6,518	5,785	6,058	-11.2%	-11.2%	-7.0%	4.7%	
Acute Admissions	1,425	1,395	1,506	1,495	5.7%	8.0%	7.2%	-0.7%	
Acute Average Length Of Stay	3.2	3.2	3.7	3.3	16.5%	15.4%	2.2%	-11.4%	
All Operating Room Procedure	2,730	2,953	2,458	2,890	-10.0%	-16.8%	-2.1%	17.6%	
Tests	130,654	128,223	150,945	139,465	15.5%	17.7%	8.8%	-7.6%	
Emergency Room Visits	14,783	14,500	15,336	15,900	3.7%	5.8%	9.7%	3.7%	
CT Scan, Radiology - Diagnostic Exams	27,244	26,339	29,121	28,151	6.9%	10.6%	6.9%	-3.3%	
Provider Work RVU	1,252	1,400	1,283	1,410	2.5%	-8.4%	0.7%	9.9%	
Physician Office Visits	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Clinic Visits	68,779	71,850	66,778	78,100	-2.9%	-7.1%	8.7%	17.0%	
<b>STAFFING</b>									
Non-MD FTEs	438	417	402	431	(35.8)	(15.1)	13.2	28.3	
Travelers, Travelers MD	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	
MLPs	0	29	37	33	36.7	8.0	3.9	(4.1)	
Physician FTEs	33	34	31	33	(1.2)	(3.0)	(1.5)	1.5	
<b>Total FTEs</b>	<b>471</b>	<b>480</b>	<b>470</b>	<b>496</b>	<b>(0.3)</b>	<b>(10.1)</b>	<b>15.6</b>	<b>25.7</b>	
<b>Benchmark-Central Vermont Medical Center</b>									
Salary per FTE - Non-MD	64,222	66,469	65,355	69,356	1.8%	-1.7%	4.3%	6.1%	
Salary & Benefits per FTE - Non-MD	85,068	86,383	85,724	93,696	0.8%	-0.8%	8.5%	9.3%	
FTEs Per Adjusted Occupied Bed	7	8	7	8	-2.8%	-6.5%	9.3%	16.9%	
FTEs per 100 Adj Discharges	7	7	8	8	12.8%	10.9%	11.7%	0.8%	
<b>Benchmarks-Vermont System Averages</b>									
Salary per FTE - Non-MD	66,067	67,435	70,572	70,085	6.8%	4.7%	3.9%	-0.7%	
Salary & Benefits per FTE - Non-MD	84,930	86,796	90,767	89,722	6.9%	4.6%	3.4%	-1.2%	
FTEs Per Adjusted Occupied Bed	6	6	6	6	-2.7%	-6.5%	1.7%	8.8%	
FTEs per 100 Adj Discharges	7	8	7	8	-0.6%	-4.5%	2.1%	7.0%	

**OBSERVATIONS:**