

# Copley Hospital

FY 2019 Actual Audited Financial Results Analysis

Report Date: 2/18/2020

**FY 2019 Actual Audited Financial Results Analysis Copley 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>107,028,308</b>	<b>114,694,934</b>	<b>113,757,897</b>	<b>124,871,420</b>	<b>10,176,486</b>	<b>-0.8%</b>	<b>6.3%</b>	<b>8.9%</b>	<b>9.8%</b>
Disproportionate Share Payments	758,102	458,368	458,368	454,323	(4,045)	0.0%	-39.5%	-0.9%	-0.9%
Bad Debt	(1,877,838)	(1,720,426)	(1,809,559)	(1,997,944)	(277,518)	5.2%	-3.6%	16.1%	10.4%
Free Care	(619,710)	(573,475)	(841,523)	(749,229)	(175,754)	46.7%	35.8%	30.6%	-11.0%
Deductions from Revenue	(39,062,414)	(42,658,085)	(44,571,367)	(49,920,208)	(7,262,123)	4.5%	14.1%	17.0%	12.0%
Graduate Medical Education	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Net Patient Care Revenue</b>	<b>66,226,448</b>	<b>70,201,316</b>	<b>66,993,816</b>	<b>72,658,362</b>	<b>2,457,046</b>	<b>-4.6%</b>	<b>1.2%</b>	<b>3.5%</b>	<b>8.5%</b>
Fixed Prospective Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Reserves	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!
<b>Fixed Prospective Payments and Reserves</b>	<b>0</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 Patient Care Revenue &amp; Fixed Payments &amp; Reserves</b>	<b>66,226,448</b>	<b>70,201,316</b>	<b>66,993,816</b>	<b>72,658,362</b>	<b>2,457,046</b>	<b>-4.6%</b>	<b>1.2%</b>	<b>3.5%</b>	<b>8.5%</b>
Other Operating Revenue	1,234,776	1,188,760	1,144,276	813,681	(375,079)	-3.7%	-7.3%	-31.6%	-28.9%
<b>Total Operating Revenue</b>	<b>67,461,224</b>	<b>71,390,076</b>	<b>68,138,092</b>	<b>73,472,043</b>	<b>2,081,967</b>	<b>-4.6%</b>	<b>1.0%</b>	<b>2.9%</b>	<b>7.8%</b>
<b>Expenses</b>									
Salaries Non MD	23,673,062	24,019,847	24,082,325	25,149,537	1,129,690	0.3%	1.7%	4.7%	4.4%
Fringe Benefits Non MD	5,357,066	5,688,256	5,816,319	6,280,364	592,108	2.3%	8.6%	10.4%	8.0%
Physician Fees, Salaries, Contracts	9,378,369	9,410,931	8,614,897	9,159,999	(250,932)	-8.5%	-8.1%	-2.7%	6.3%
Fringe Benefits MD	469,878	656,441	723,216	745,761	89,320	10.2%	53.9%	13.6%	3.1%
Health Care Provider Tax	3,852,435	3,882,632	3,899,906	3,954,800	72,168	0.4%	1.2%	1.9%	1.4%
Depreciation & Amortization	2,911,048	2,867,023	2,711,503	2,894,873	27,850	-5.4%	-6.9%	1.0%	6.8%
Interest - Long Term & Short Term	117,927	111,325	111,344	105,448	(5,877)	0.0%	-5.6%	-5.3%	-5.3%
Other Operating Expense	23,923,872	24,521,080	24,339,824	24,176,642	(344,438)	-0.7%	1.7%	-1.4%	-0.7%
<b>Total Operating Expense</b>	<b>69,683,657</b>	<b>71,157,535</b>	<b>70,299,334</b>	<b>72,467,424</b>	<b>1,309,889</b>	<b>-1.2%</b>	<b>0.9%</b>	<b>1.8%</b>	<b>3.1%</b>
<b>Net Operating Income (Loss)</b>	<b>(2,222,433)</b>	<b>232,541</b>	<b>(2,161,242)</b>	<b>1,004,619</b>	<b>772,078</b>	<b>-1029.4%</b>	<b>-2.8%</b>	<b>332.0%</b>	<b>-146.5%</b>
Non-Operating Revenue	570,103	376,900	395,736	317,200	(59,700)	5.0%	-30.6%	-15.8%	-19.8%
<b>Excess (Deficit) of Rev Over Exp</b>	<b>(1,652,330)</b>	<b>609,441</b>	<b>(1,765,506)</b>	<b>1,321,819</b>	<b>712,378</b>	<b>-389.7%</b>	<b>6.8%</b>	<b>116.9%</b>	<b>-174.9%</b>

<b>Benchmarks-Hospital</b>									
Operating Margin%	-3.3%	0.3%	-3.2%	1.4%					
Total Margin %	-2.4%	0.8%	-2.6%	1.8%					
EBIDA %	1.2%	4.5%	1.0%	5.5%					
Cost per Adjusted Admission	13,561	13,647	14,951	14,221					

**OBSERVATIONS :**

Fiscal Year 2020 Budget Analysis		Copley Hospital							
BALANCE SHEET	FY2018A	FY2019B	FY2019A	FY2020B	2018A-2019A	2019B-2019A	2019A-2020B	2018A-2020B	
<b>Cash &amp; Investments</b>	<b>8,788,404</b>	<b>9,426,582</b>	<b>7,140,224</b>	<b>8,969,488</b>	<b>-18.8%</b>	<b>-24.3%</b>	<b>25.6%</b>	<b>2.1%</b>	
Risk Reserve for Fixed Reform Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Other Current Assets	10,559,441	10,577,000	9,983,071	10,773,000	-5.5%	-5.6%	7.9%	2.0%	
<b>Current Assets</b>	<b>19,347,845</b>	<b>20,003,582</b>	<b>17,123,295</b>	<b>19,742,488</b>	<b>-11.5%</b>	<b>-14.4%</b>	<b>15.3%</b>	<b>2.0%</b>	
Board Designated Assets	2,911,343	2,709,564	4,360,430	4,771,447	49.8%	60.9%	9.4%	63.9%	
Net, Property, Plant And Equipment	27,109,456	27,524,543	25,814,323	25,734,353	-4.8%	-6.2%	-0.3%	-5.1%	
Other Long-Term Assets	2,543,461	2,750,000	2,378,374	2,600,000	-6.5%	-13.5%	9.3%	2.2%	
<b>Assets</b>	<b>51,912,105</b>	<b>52,987,689</b>	<b>49,676,422</b>	<b>52,848,288</b>	<b>-4.3%</b>	<b>-6.2%</b>	<b>6.4%</b>	<b>1.8%</b>	
<b>Current Liabilities</b>	<b>6,606,803</b>	<b>7,673,114</b>	<b>6,796,251</b>	<b>8,115,655</b>	<b>2.9%</b>	<b>-11.4%</b>	<b>19.4%</b>	<b>22.8%</b>	
Long Term Liabilities	10,546,943	10,123,074	9,887,318	9,513,516	-6.3%	-2.3%	-3.8%	-9.8%	
Other Noncurrent Liabilities	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Fund Balance	34,758,359	35,191,501	32,992,853	35,219,117	-5.1%	-6.2%	6.7%	1.3%	
<b>Liabilities and Equities</b>	<b>51,912,105</b>	<b>52,987,689</b>	<b>49,676,422</b>	<b>52,848,288</b>	<b>-4.3%</b>	<b>-6.2%</b>	<b>6.4%</b>	<b>1.8%</b>	
<b>Benchmarks-Hospital</b>					<b>Change in Points</b>				
Days Cash on Hand	63.95	64.87	62.11	72.09	(1.85)	(2.76)	9.98	8.13	
Days Receivable	29.18	29.00	29.17	29.00	(0.01)	0.17	(0.17)	(0.18)	
Days Payable	36.11	41.01	36.70	42.58	0.59	(4.31)	5.87	6.46	
Long Term Debt to Capitalization	0.23	0.22	0.23	0.21					
Debt Service Coverage Ratio	1.6	5.3	1.3	6.6	(0.3)	(4.0)	5.3	5.0	
<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									
Copley Hospital									
NET PAYER REVENUE CHANGES - PAYERS		FY2018A	FY2019B	FY2019A	FY2020B	2018A - 2019A % Chg	2019B - 2019A % Chg	2019B - 2020B % Chg	2019A - 2020B % Chg
All Payers	Gross Patient Care Revenue	107,028,308	114,694,934	113,757,897	124,871,420	6.3%	-0.8%	8.9%	9.8%
	Contractual Allowances	-39,062,414	-42,658,085	-44,571,367	-49,920,208	14.1%	4.5%	17.0%	12.0%
	Bad Debt	-1,877,838	-1,720,426	-1,809,559	-1,997,944	-3.6%	5.2%	16.1%	10.4%
	Free Care	-619,710	-573,475	-841,523	-749,229	35.8%	46.7%	30.6%	-11.0%
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Disproportionate Share Payments	758,102	458,368	458,368	454,323	-39.5%	0.0%	-0.9%	-0.9%
	<b>Net Payer Revenue</b>	<b>66,226,448</b>	<b>70,201,316</b>	<b>66,993,816</b>	<b>72,658,362</b>	<b>1.2%</b>	<b>-4.6%</b>	<b>3.5%</b>	<b>8.5%</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>66,226,448</b>	<b>70,201,316</b>	<b>66,993,816</b>	<b>72,658,362</b>	<b>1.2%</b>	<b>-4.6%</b>	<b>3.5%</b>	<b>8.5%</b>	
Commercial	Gross Patient Care Revenue	51,669,164	57,322,863	53,198,713	57,920,724	3.0%	-7.2%	1.0%	8.9%
	Contractual Allowances	-11,429,322	-12,506,790	-11,449,957	-13,107,458	0.2%	-8.5%	4.8%	14.5%
	Bad Debt	-1,630,761	-1,500,055	-1,531,950	-1,738,212	-6.1%	2.1%	15.9%	13.5%
	Free Care	-353,605	-352,229	-464,752	-419,569	31.4%	31.9%	19.1%	-9.7%
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Net Payer Revenue</b>	<b>38,255,476</b>	<b>42,963,789</b>	<b>39,752,054</b>	<b>42,655,485</b>	<b>3.9%</b>	<b>-7.5%</b>	<b>-0.7%</b>	<b>7.3%</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>38,255,476</b>	<b>42,963,789</b>	<b>39,752,054</b>	<b>42,655,485</b>	<b>3.9%</b>	<b>-7.5%</b>	<b>-0.7%</b>	<b>7.3%</b>	
<b>Percentage of total</b>	58%	61%	59%	59%					
Medicaid	Gross Patient Care Revenue	15,204,478	15,953,325	15,192,172	17,049,944	-0.1%	-4.8%	6.9%	12.2%
	Contractual Allowances	-8,829,657	-10,201,926	-8,931,237	-10,701,074	1.2%	-12.5%	4.9%	19.8%
	Bad Debt	-72,595	-42,838	-88,141	-59,938	21.4%	105.8%	39.9%	-32.0%
	Free Care	-8,210	-3,526	-3,639	-7,492	-55.7%	3.2%	112.5%	105.9%
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Net Payer Revenue</b>	<b>6,294,016</b>	<b>5,705,035</b>	<b>6,169,155</b>	<b>6,281,440</b>	<b>-2.0%</b>	<b>8.1%</b>	<b>10.1%</b>	<b>1.8%</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>6,294,016</b>	<b>5,705,035</b>	<b>6,169,155</b>	<b>6,281,440</b>	<b>-2.0%</b>	<b>8.1%</b>	<b>10.1%</b>	<b>1.8%</b>	
<b>Percentage of total</b>	10%	8%	9%	9%					
Medicare	Gross Patient Care Revenue	40,154,666	41,418,746	45,367,012	49,900,752	13.0%	9.5%	20.5%	10.0%
	Contractual Allowances	-18,803,435	-19,949,369	-24,190,173	-26,111,676	28.6%	21.3%	30.9%	7.9%
	Bad Debt	-174,482	-177,533	-189,468	-199,794	8.6%	6.7%	12.5%	5.4%
	Free Care	-257,895	-217,720	-373,132	-322,168	44.7%	71.4%	48.0%	-13.7%
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Net Payer Revenue</b>	<b>20,918,854</b>	<b>21,074,124</b>	<b>20,614,239</b>	<b>23,267,114</b>	<b>-1.5%</b>	<b>-2.2%</b>	<b>10.4%</b>	<b>12.9%</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>20,918,854</b>	<b>21,074,124</b>	<b>20,614,239</b>	<b>23,267,114</b>	<b>-1.5%</b>	<b>-2.2%</b>	<b>10.4%</b>	<b>12.9%</b>	
<b>Percentage of total</b>	32%	30%	31%	32%					
<b>Disproportionate Share Payments</b>	<b>758,102</b>	<b>458,368</b>	<b>458,368</b>	<b>454,323</b>	<b>-39.5%</b>	<b>0.0%</b>	<b>-0.9%</b>	<b>-0.9%</b>	
<b>Percentage of total</b>									
NPR & FPP to Gross Commercial (no dsh)	74%	75%	75%	74%					
NPR & FPP to Gross Medicaid (no dsh)	41%	36%	41%	37%					
NPR & FPP to Gross Medicare (no dsh)	52%	51%	45%	47%					
NPR & FPP to Gross All (no dsh)	61%	61%	58%	58%					
<b>Observations:</b>									

FY 2019 Actual Audited Financial Results Analysis		Copley Hospital							
UTILIZATION & STAFFING	FY2018A	FY2019B	FY2019A	FY2020B	2018A-2019A	2019B-2019A	2019B-2020B	2019A-2020B	
<b>UTILIZATION</b>									
Adjusted Admissions	5,139	5,214	4,702	5,096	-8.5%	-9.8%	-2.3%	8.4%	
Acute Admissions	1,802	1,907	1,707	1,824	-5.3%	-10.5%	-4.4%	6.9%	
Acute Average Length Of Stay	2.6	2.6	2.5	2.4	-4.1%	-5.9%	-7.5%	-1.6%	
All Operating Room Procedure	1,432	1,409	1,357	1,332	-5.2%	-3.7%	-5.5%	-1.8%	
Tests	333,292	334,527	328,599	330,912	-1.4%	-1.8%	-1.1%	0.7%	
Emergency Room Visits	13,112	12,628	12,865	12,742	-1.9%	1.9%	0.9%	-1.0%	
CT Scan, Radiology - Diagnostic	27,201	28,674	27,550	27,493	1.3%	-3.9%	-4.1%	-0.2%	
Exams	4,380	4,656	4,457	4,328	1.8%	-4.3%	-7.0%	-2.9%	
Provider Work RVU	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Physician Office Visits	24,417	22,387	23,641	20,398	-3.2%	5.6%	-8.9%	-13.7%	
Clinic Visits	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
<b>STAFFING</b>									
Non-MD FTEs	348	353	345	363	(2.7)	(8.0)	9.4	17.4	
Travelers, Travelers MD	15	13	14	12	(1.1)	0.3	(1.4)	(1.7)	
Residents & Fellows	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	
Physician FTEs	15	16	15	15	(0.4)	(1.3)	(1.3)	0.0	
<b>Total FTEs</b>	<b>378</b>	<b>383</b>	<b>374</b>	<b>390</b>	<b>(4.2)</b>	<b>(9.0)</b>	<b>6.7</b>	<b>15.7</b>	
<b>Benchmark-Central Vermont Medical Center</b>									
Salary per FTE - Non-MD	68,006	67,968	69,723	69,321	2.5%	2.6%	2.0%	-0.6%	
Salary & Benefits per FTE - Non-MD	83,396	84,064	86,562	86,631	3.8%	3.0%	3.1%	0.1%	
FTEs Per Adjusted Occupied Bed	10	9	11	11	13.1%	15.2%	13.5%	-1.5%	
FTEs per 100 Adj Discharges	7	7	7	7	8.4%	8.4%	5.0%	-3.1%	
<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:**