

# Gifford Medical Center

FY 2019 Actual Audited Financial Results Analysis

Report Date: 2/18/2020

**FY 2019 Actual Audited Financial Results Analysis Gifford Medical Center**

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>107,638,514</b>	<b>121,288,780</b>	<b>109,174,581</b>	<b>113,821,436</b>	<b>(7,467,343)</b>	<b>-10.0%</b>	<b>1.4%</b>	<b>-6.2%</b>	<b>4.3%</b>
Disproportionate Share Payments	645,999	554,798	554,798	540,121	(14,677)	0.0%	-14.1%	-2.6%	-2.6%
Bad Debt	(2,317,389)	(2,915,932)	(2,361,692)	(2,577,315)	338,617	-19.0%	1.9%	-11.6%	9.1%
Free Care	(522,609)	(480,167)	(391,900)	(448,767)	31,399	-18.4%	-25.0%	-6.5%	14.5%
Deductions from Revenue	(56,600,344)	(62,552,825)	(58,866,771)	(61,754,971)	797,854	-5.9%	4.0%	-1.3%	4.9%
Graduate Medical Education	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Net Patient Care Revenue</b>	<b>48,844,171</b>	<b>55,894,654</b>	<b>48,109,016</b>	<b>49,580,504</b>	<b>(6,314,150)</b>	<b>-13.9%</b>	<b>-1.5%</b>	<b>-11.3%</b>	<b>3.1%</b>
Fixed Prospective Payments	0	0	1,943,080	2,802,480	2,802,480	#DIV/0!	#DIV/0!	#DIV/0!	44.2%
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>1,943,080</b>	<b>2,802,480</b>		<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>44.2%</b>
<b>Net Patient Care Revenue &amp; Fixed Payments &amp; Reserves</b>	<b>48,844,171</b>	<b>55,894,654</b>	<b>50,052,096</b>	<b>52,382,984</b>	<b>(3,511,670)</b>	<b>-10.5%</b>	<b>2.5%</b>	<b>-6.3%</b>	<b>4.7%</b>
Other Operating Revenue	1,107,945	866,476	1,473,098	820,818	(45,658)	70.0%	33.0%	-5.3%	-44.3%
<b>Total Operating Revenue</b>	<b>49,952,116</b>	<b>56,761,130</b>	<b>51,525,194</b>	<b>53,203,802</b>	<b>(3,557,328)</b>	<b>-9.2%</b>	<b>3.1%</b>	<b>-6.3%</b>	<b>3.3%</b>
<b>Expenses</b>									
Salaries Non MD	17,309,504	17,824,017	16,983,788	17,124,440	(699,577)	-4.7%	-1.9%	-3.9%	0.8%
Fringe Benefits Non MD	5,722,649	5,444,194	5,236,286	5,233,604	(210,590)	-3.8%	-8.5%	-3.9%	-0.1%
Physician Fees, Salaries, Contracts	8,464,598	7,737,667	7,897,394	8,261,384	523,717	2.1%	-6.7%	6.8%	4.6%
Fringe Benefits MD	1,436,154	1,601,433	1,323,585	1,442,488	(158,945)	-17.3%	-7.8%	-9.9%	9.0%
Health Care Provider Tax	3,153,371	3,186,753	2,813,815	2,872,296	(314,457)	-11.7%	-10.8%	-9.9%	2.1%
Depreciation & Amortization	2,733,813	2,816,700	2,674,236	2,622,778	(193,922)	-5.1%	-2.2%	-6.9%	-1.9%
Interest - Long Term & Short Term	751,428	777,455	799,689	738,547	(38,908)	2.9%	6.4%	-5.0%	-7.6%
Other Operating Expense	15,750,045	15,957,897	14,210,107	13,367,499	(2,590,398)	-11.0%	-9.8%	-16.2%	-5.9%
<b>Total Operating Expense</b>	<b>55,321,562</b>	<b>55,346,116</b>	<b>51,938,902</b>	<b>51,663,036</b>	<b>(3,683,080)</b>	<b>-6.2%</b>	<b>-6.1%</b>	<b>-6.7%</b>	<b>-0.5%</b>
<b>Net Operating Income (Loss)</b>	<b>(5,369,446)</b>	<b>1,415,014</b>	<b>(413,707)</b>	<b>1,540,766</b>	<b>125,752</b>	<b>-129.2%</b>	<b>-92.3%</b>	<b>8.9%</b>	<b>-472.4%</b>
Non-Operating Revenue	2,155,792	849,996	3,057,478	849,458	(538)	259.7%	41.8%	-0.1%	-72.2%
<b>Excess (Deficit) of Rev Over Exp</b>	<b>(3,213,655)</b>	<b>2,265,010</b>	<b>2,643,771</b>	<b>2,390,224</b>	<b>125,214</b>	<b>16.7%</b>	<b>-182.3%</b>	<b>5.5%</b>	<b>-9.6%</b>

<b>Benchmarks-Hospital</b>									
Operating Margin%	-10.7%	2.5%	-0.8%	2.9%					
Total Margin %	-6.2%	3.9%	4.8%	4.4%					
EBIDA %	-3.8%	8.8%	5.9%	9.2%					
Cost per Adjusted Admission	10,776	10,762	9,629	9,707					

**OBSERVATIONS :**

Fiscal Year 2020 Budget Analysis		Gifford Medical Center							
BALANCE SHEET	FY2018A	FY2019B	FY2019A	FY2020B	2018A-2019A	2019B-2019A	2019A-2020B	2018A-2020B	
<b>Cash &amp; Investments</b>	<b>2,988,183</b>	<b>2,706,318</b>	<b>4,606,131</b>	<b>3,593,292</b>	<b>54.1%</b>	<b>70.2%</b>	<b>-22.0%</b>	<b>20.3%</b>	
Risk Reserve for Fixed Reform Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Other Current Assets	9,927,970	9,866,348	9,329,902	8,978,706	-6.0%	-5.4%	-3.8%	-9.6%	
<b>Current Assets</b>	<b>12,916,153</b>	<b>12,572,666</b>	<b>13,936,032</b>	<b>12,571,998</b>	<b>7.9%</b>	<b>10.8%</b>	<b>-9.8%</b>	<b>-2.7%</b>	
Board Designated Assets	29,274,324	24,217,233	27,355,770	28,835,674	-6.6%	13.0%	5.4%	-1.5%	
Net, Property, Plant And Equipment	37,146,674	39,066,281	35,520,148	36,042,222	-4.4%	-9.1%	1.5%	-3.0%	
Other Long-Term Assets	7,651,661	7,786,926	7,234,055	7,044,634	-5.5%	-7.1%	-2.6%	-7.9%	
<b>Assets</b>	<b>86,988,812</b>	<b>83,643,106</b>	<b>84,046,006</b>	<b>84,494,528</b>	<b>-3.4%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>-2.9%</b>	
<b>Current Liabilities</b>	<b>7,905,740</b>	<b>7,610,450</b>	<b>6,953,745</b>	<b>8,601,708</b>	<b>-12.0%</b>	<b>-8.6%</b>	<b>23.7%</b>	<b>8.8%</b>	
Long Term Liabilities	18,476,603	17,677,568	17,742,777	16,815,255	-4.0%	0.4%	-5.2%	-9.0%	
Other Noncurrent Liabilities	465,387	108,772	(458,286)	168,696	-198.5%	-521.3%	-136.8%	-63.8%	
Fund Balance	60,141,082	58,246,316	59,807,770	58,908,869	-0.6%	2.7%	-1.5%	-2.0%	
<b>Liabilities and Equities</b>	<b>86,988,812</b>	<b>83,643,106</b>	<b>84,046,006</b>	<b>84,494,528</b>	<b>-3.4%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>-2.9%</b>	
<b>Benchmarks-Hospital</b>					<b>Change in Points</b>				
<b>Days Cash on Hand</b>	<b>223.93</b>	<b>187.08</b>	<b>236.80</b>	<b>241.36</b>	<b>12.88</b>	<b>49.73</b>	<b>4.56</b>	<b>17.44</b>	
Days Receivable	33.25	48.60	42.81	41.25	9.56	(5.79)	(1.56)	8.00	
Days Payable	54.87	52.88	51.52	64.02	(3.35)	(1.36)	12.50	9.15	
Long Term Debt to Capitalization	0.24	0.23	0.23	0.22					
Debt Service Coverage Ratio	(1.3)	3.3	2.1	2.7	3.4	(1.2)	0.7	4.1	
<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** **Gifford Medical Center**

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>	107,638,514	121,288,780	109,174,581	113,821,436	1.4%	-10.0%	-6.2%	4.3%
	Contractual Allowances	-56,600,344	-62,552,825	-58,866,771	-61,754,971	4.0%	-5.9%	-1.3%	4.9%
	Bad Debt	-2,317,389	-2,915,932	-2,361,692	-2,577,315	1.9%	-19.0%	-11.6%	9.1%
	Free Care	-522,609	-480,167	-391,900	-448,767	-25.0%	-18.4%	-6.5%	14.5%
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Disproportionate Share Payments	645,999	554,798	554,798	540,121	-14.1%	0.0%	-2.6%	-2.6%
	<b>Net Payer Revenue</b>	<b>48,844,171</b>	<b>55,894,654</b>	<b>48,109,016</b>	<b>49,580,504</b>	<b>-1.5%</b>	<b>-13.9%</b>	<b>-11.3%</b>	<b>3.1%</b>
	Fixed Prospective Payments	0	0	1,943,080	2,802,480	#DIV/0!	#DIV/0!	#DIV/0!	44.2%
	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>1,943,080</b>	<b>2,802,480</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>44.2%</b>
	<b>Net Payer Revenue &amp; Fixed Prospective Payments</b>	<b>48,844,171</b>	<b>55,894,654</b>	<b>50,052,096</b>	<b>52,382,984</b>	<b>2.5%</b>	<b>-10.5%</b>	<b>-6.3%</b>	<b>4.7%</b>
<b>Commercial</b>	<b>Gross Patient Care Revenue</b>	41,456,492	48,523,717	42,028,940	42,677,206	1.4%	-13.4%	-12.0%	1.5%
	Contractual Allowances	-11,828,958	-13,580,860	-11,674,032	-11,817,059	-1.3%	-14.0%	-13.0%	1.2%
	Bad Debt	-2,317,389	-2,915,932	-2,361,692	-2,577,315	1.9%	-19.0%	-11.6%	9.1%
	Free Care	-522,609	-480,167	-391,900	-448,767	-25.0%	-18.4%	-6.5%	14.5%
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Net Payer Revenue</b>	<b>26,787,536</b>	<b>31,546,758</b>	<b>27,601,317</b>	<b>27,834,064</b>	<b>3.0%</b>	<b>-12.5%</b>	<b>-11.8%</b>	<b>0.8%</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>26,787,536</b>	<b>31,546,758</b>	<b>27,601,317</b>	<b>27,834,064</b>	<b>3.0%</b>	<b>-12.5%</b>	<b>-11.8%</b>	<b>0.8%</b>
<b>Percentage of total</b>		55%	56%	55%	53%				
<b>Medicaid</b>	<b>Gross Patient Care Revenue</b>	19,447,665	20,915,708	19,084,742	20,794,492	-1.9%	-8.8%	-0.6%	9.0%
	Contractual Allowances	-16,173,756	-16,807,882	-17,517,325	-18,488,810	8.3%	4.2%	10.0%	5.5%
	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>3,273,909</b>	<b>4,107,826</b>	<b>1,567,417</b>	<b>2,305,682</b>	<b>-52.1%</b>	<b>-61.8%</b>	<b>-43.9%</b>	<b>47.1%</b>
	Fixed Prospective Payments	0	0	1,943,080	2,802,480	#DIV/0!	#DIV/0!	#DIV/0!	44.2%
	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>1,943,080</b>	<b>2,802,480</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>44.2%</b>
	<b>Net Payer Revenue &amp; Fixed Prospective Payments</b>	<b>3,273,909</b>	<b>4,107,826</b>	<b>3,510,497</b>	<b>5,108,162</b>	<b>7.2%</b>	<b>-14.5%</b>	<b>24.4%</b>	<b>45.5%</b>
<b>Percentage of total</b>		7%	7%	7%	10%				
<b>Medicare</b>	<b>Gross Patient Care Revenue</b>	46,734,357	51,849,352	48,060,898	50,349,738	2.8%	-7.3%	-2.9%	4.8%
	Contractual Allowances	-28,597,630	-32,164,083	-29,675,413	-31,449,102	3.8%	-7.7%	-2.2%	6.0%
	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>18,136,727</b>	<b>19,685,269</b>	<b>18,385,485</b>	<b>18,900,636</b>	<b>1.4%</b>	<b>-6.6%</b>	<b>-4.0%</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>18,136,727</b>	<b>19,685,269</b>	<b>18,385,485</b>	<b>18,900,636</b>	<b>1.4%</b>	<b>-6.6%</b>	<b>-4.0%</b>	<b>2.8%</b>
<b>Percentage of total</b>		37%	35%	37%	36%				
	<b>Disproportionate Share Payments</b>	<b>645,999</b>	<b>554,798</b>	<b>554,798</b>	<b>540,121</b>	<b>-14.1%</b>	<b>0.0%</b>	<b>-2.6%</b>	<b>-2.6%</b>
<b>Percentage of total</b>									
	<b>NPR &amp; FPP to Gross Commercial (no dsh)</b>	<b>65%</b>	<b>65%</b>	<b>66%</b>	<b>65%</b>				
	<b>NPR &amp; FPP to Gross Medicaid (no dsh)</b>	<b>17%</b>	<b>20%</b>	<b>18%</b>	<b>25%</b>				
	<b>NPR &amp; FPP to Gross Medicare (no dsh)</b>	<b>39%</b>	<b>38%</b>	<b>38%</b>	<b>38%</b>				
	<b>NPR &amp; FPP to Gross All (no dsh)</b>	<b>45%</b>	<b>46%</b>	<b>45%</b>	<b>46%</b>				

**Observations:**

FY 2019 Actual Audited Financial Results Analysis					Gifford Medical Center				
UTILIZATION & STAFFING	FY2018A	FY2019B	FY2019A	FY2020B	2018A-2019A	2019B-2019A	2019B-2020B	2019A-2020B	
<b>UTILIZATION</b>									
Adjusted Admissions	5,134	5,143	5,394	5,322	5.1%	4.9%	3.5%	-1.3%	
Acute Admissions	1,175	1,172	1,198	1,186	2.0%	2.2%	1.2%	-1.0%	
Acute Average Length Of Stay	3.3	3.5	3.0	3.1	-8.5%	-13.7%	-12.0%	2.0%	
All Operating Room Procedure	1,948	1,700	1,795	1,705	-7.9%	5.6%	0.3%	-5.0%	
Tests	142,118	153,500	134,791	133,500	-5.2%	-12.2%	-13.0%	-1.0%	
Emergency Room Visits	6,958	6,866	6,723	6,500	-3.4%	-2.1%	-5.3%	-3.3%	
CT Scan, Radiology - Diagnostic	26,152	28,405	24,131	22,405	-7.7%	-15.0%	-21.1%	-7.2%	
Exams	4,109	4,271	4,188	3,888	1.9%	-1.9%	-9.0%	-7.2%	
Provider Work RVU	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Physician Office Visits	29,265	30,570	27,753	27,580	-5.2%	-9.2%	-9.8%	-0.6%	
Clinic Visits	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
<b>STAFFING</b>									
Non-MD FTEs	300	289	291	280	(9.0)	1.7	(9.0)	(10.7)	
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	0	0	0	0.0	0.0	0.0	0.0	
Physician FTEs	23	24	23	22	(0.4)	(1.0)	(1.3)	(0.3)	
<b>Total FTEs</b>	<b>323</b>	<b>313</b>	<b>313</b>	<b>302</b>	<b>(9.3)</b>	<b>0.8</b>	<b>(10.2)</b>	<b>(11.0)</b>	
<b>Benchmark-Central Vermont Medical Center</b>									
Salary per FTE - Non-MD	57,793	61,713	58,452	61,189	1.1%	-5.3%	-0.8%	4.7%	
Salary & Benefits per FTE - Non-MD	76,899	80,563	76,473	79,890	-0.6%	-5.1%	-0.8%	4.5%	
FTEs Per Adjusted Occupied Bed	6	6	7	6	0.9%	11.2%	6.4%	-4.3%	
FTEs per 100 Adj Discharges	6	6	5	5	-7.7%	-4.1%	-6.4%	-2.4%	
<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:**