

Brattleboro Memorial Hospital

FY 2019 Actual Audited Financial Results Analysis

Report Date: 2/18/2020

FY 2019 Actual Audited Financial Results Analysis Brattleboro Memorial Hospital

| INCOME STATEMENT | FY2018A | FY2019B | FY2019A | FY2020B | 2019B - | 2019B - 2019A | 2018A - 2019A | 2019B - 2020B | 2019A - 2020B |
|---|--------------------|--------------------|--------------------|--------------------|-------------------|----------------|----------------|----------------|---------------|
| | | | | | 2020B \$ Chg | % Chg | % Chg | % Chg | % Chg |
| Revenues | | | | | | | | | |
| Gross Patient Care Revenue | 158,812,614 | 173,560,346 | 182,085,238 | 188,074,028 | 14,513,682 | 4.9% | 14.7% | 8.4% | 3.3% |
| Disproportionate Share Payments | 539,206 | 604,168 | 585,323 | 530,861 | (73,307) | -3.1% | 8.6% | -12.1% | -9.3% |
| Bad Debt | (5,383,192) | (3,911,671) | (3,300,013) | (3,535,830) | 375,841 | -15.6% | -38.7% | -9.6% | 7.1% |
| Free Care | (1,091,093) | (1,496,690) | (2,164,512) | (2,883,927) | (1,387,237) | 44.6% | 98.4% | 92.7% | 33.2% |
| Deductions from Revenue | (82,781,526) | (94,839,665) | (104,062,599) | (105,041,779) | (10,202,114) | 9.7% | 25.7% | 10.8% | 0.9% |
| Graduate Medical Education | 0 | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Net Patient Care Revenue | 70,096,009 | 73,916,488 | 73,143,437 | 77,143,353 | 3,226,865 | -1.0% | 4.3% | 4.4% | 5.5% |
| Fixed Prospective Payments | 7,505,725 | 10,031,219 | 10,850,821 | 11,001,739 | 970,520 | 8.2% | 44.6% | 9.7% | 1.4% |
| 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! |
| Fixed Prospective Payments and Reserves | 7,505,725 | 10,031,219 | 10,850,821 | 11,001,739 | | 8.2% | 44.6% | 9.7% | 1.4% |
| Net Patient Care Revenue & Fixed Payments & Reserves | 77,601,735 | 83,947,707 | 83,994,258 | 88,145,092 | 4,197,385 | 0.1% | 8.2% | 5.0% | 4.9% |
| Other Operating Revenue | 4,179,089 | 3,221,145 | 3,771,588 | 3,710,633 | 489,488 | 17.1% | -9.8% | 15.2% | -1.6% |
| Total Operating Revenue | 81,780,823 | 87,168,852 | 87,765,846 | 91,855,725 | 4,686,873 | 0.7% | 7.3% | 5.4% | 4.7% |
| Expenses | | | | | | | | | |
| Salaries Non MD | 26,182,989 | 28,311,452 | 27,173,797 | 30,456,291 | 2,144,839 | -4.0% | 3.8% | 7.6% | 12.1% |
| Fringe Benefits Non MD | 7,525,508 | 7,520,256 | 7,256,838 | 7,846,897 | 326,641 | -3.5% | -3.6% | 4.3% | 8.1% |
| Physician Fees, Salaries, Contracts | 17,312,134 | 19,498,508 | 18,496,323 | 19,220,413 | (278,095) | -5.1% | 6.8% | -1.4% | 3.9% |
| Fringe Benefits MD | 0 | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Health Care Provider Tax | 4,541,687 | 5,105,872 | 4,742,584 | 5,038,058 | (67,814) | -7.1% | 4.4% | -1.3% | 6.2% |
| Depreciation & Amortization | 4,621,128 | 4,614,177 | 4,217,561 | 4,280,871 | (333,306) | -8.6% | -8.7% | -7.2% | 1.5% |
| Interest - Long Term & Short Term | 145,943 | 210,141 | 122,297 | 546,938 | 336,797 | -41.8% | -16.2% | 160.3% | 347.2% |
| Other Operating Expense | 23,376,394 | 21,894,329 | 25,085,867 | 23,990,691 | 2,096,362 | 14.6% | 7.3% | 9.6% | -4.4% |
| Total Operating Expense | 83,705,782 | 87,154,734 | 87,095,267 | 91,380,159 | 4,225,425 | -0.1% | 4.0% | 4.8% | 4.9% |
| Net Operating Income (Loss) | (1,924,959) | 14,118 | 670,580 | 475,566 | 461,448 | 4649.9% | -134.8% | 3268.6% | -29.1% |
| Non-Operating Revenue | 2,818,244 | 758,000 | 782,350 | 765,000 | 7,000 | 3.2% | -72.2% | 0.9% | -2.2% |
| Excess (Deficit) of Rev Over Exp | 893,285 | 772,118 | 1,452,930 | 1,240,566 | 468,448 | 88.2% | 62.7% | 60.7% | -14.6% |

| Benchmarks-Hospital | | | | | | | | | |
|-----------------------------|--------|--------|--------|--------|--|--|--|--|--|
| Operating Margin% | -2.4% | 0.0% | 0.8% | 0.5% | | | | | |
| Total Margin % | 1.1% | 0.9% | 1.6% | 1.3% | | | | | |
| EBIDA % | 3.5% | 5.6% | 5.7% | 5.8% | | | | | |
| Cost per Adjusted Admission | 11,192 | 12,728 | 10,582 | 11,171 | | | | | |

OBSERVATIONS :

| Fiscal Year 2020 Budget Analysis | | | | | | | | | Brattleboro Memorial 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 | 158,812,614 | 173,560,346 | 182,085,238 | 188,074,028 | 14.7% | 4.9% | 8.4% | 3.3% | | | |
| | Contractual Allowances | -82,781,526 | -94,839,665 | -104,062,599 | -105,041,779 | 25.7% | 9.7% | 10.8% | 0.9% | | | |
| | Bad Debt | -5,383,192 | -3,911,671 | -3,300,013 | -3,535,830 | -38.7% | -15.6% | -9.6% | 7.1% | | | |
| | Free Care | -1,091,093 | -1,496,690 | -2,164,512 | -2,883,927 | 98.4% | 44.6% | 92.7% | 33.2% | | | |
| | Graduate Medical Education Payments | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | | | |
| | Disproportionate Share Payments | 539,206 | 604,168 | 585,323 | 530,861 | 8.6% | -3.1% | -12.1% | -9.3% | | | |
| | Net Payer Revenue | 70,096,009 | 73,916,488 | 73,143,437 | 77,143,353 | 4.3% | -1.0% | 4.4% | 5.5% | | | |
| | Fixed Prospective Payments | 7,505,725 | 10,031,219 | 10,850,821 | 11,001,739 | 44.6% | 8.2% | 9.7% | 1.4% | | | |
| | 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! | | | |
| | Fixed Prospective Payment & Reserves | 7,505,725 | 10,031,219 | 10,850,821 | 11,001,739 | 44.6% | 8.2% | 9.7% | 1.4% | | | |
| | Net Payer Revenue & Fixed Prospective Payments | 77,601,735 | 83,947,707 | 83,994,258 | 88,145,092 | 8.2% | 0.1% | 5.0% | 4.9% | | | |
| Commercial | Gross Patient Care Revenue | 56,094,722 | 62,566,233 | 64,498,795 | 66,559,353 | 15.0% | 3.1% | 6.4% | 3.2% | | | |
| | Contractual Allowances | -17,446,498 | -15,929,436 | -13,719,436 | -11,921,634 | -21.4% | -13.9% | -25.2% | -13.1% | | | |
| | Bad Debt | -5,383,192 | -3,911,671 | -3,300,013 | -3,535,830 | -38.7% | -15.6% | -9.6% | 7.1% | | | |
| | Free Care | -1,091,093 | -1,496,690 | -2,164,512 | -2,883,927 | 98.4% | 44.6% | 92.7% | 33.2% | | | |
| | Graduate Medical Education Payments | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | | | |
| | | Net Payer Revenue | 32,173,939 | 41,228,436 | 45,314,834 | 48,217,962 | 40.8% | 9.9% | 17.0% | 6.4% | | |
| | Fixed Prospective Payments | 22,288 | 0 | 0 | 0 | -100.0% | #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! | | | |
| | Fixed Prospective Payment & Reserves | 22,288 | 0 | 0 | 0 | -100.0% | #DIV/0! | #DIV/0! | #DIV/0! | | | |
| | Net Payer Revenue & Fixed Prospective Payments | 32,196,227 | 41,228,436 | 45,314,834 | 48,217,962 | 40.7% | 9.9% | 17.0% | 6.4% | | | |
| Percentage of total | | 41% | 49% | 54% | 55% | | | | | | | |
| Medicaid | Gross Patient Care Revenue | 28,897,431 | 32,031,649 | 33,213,579 | 34,160,744 | 14.9% | 3.7% | 6.6% | 2.9% | | | |
| | Contractual Allowances | -21,030,068 | -24,192,570 | -26,578,508 | -27,303,957 | 26.4% | 9.9% | 12.9% | 2.7% | | | |
| | 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! | | | |
| | | Net Payer Revenue | 7,867,363 | 7,839,079 | 6,635,071 | 6,856,787 | -15.7% | -15.4% | -12.5% | 3.3% | | |
| | Fixed Prospective Payments | 2,116,678 | 2,868,445 | 3,102,812 | 2,591,823 | 46.6% | 8.2% | -9.6% | -16.5% | | | |
| | 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! | | | |
| | Fixed Prospective Payment & Reserves | 2,116,678 | 2,868,445 | 3,102,812 | 2,591,823 | 46.6% | 8.2% | -9.6% | -16.5% | | | |
| | Net Payer Revenue & Fixed Prospective Payments | 9,984,041 | 10,707,524 | 9,737,883 | 9,448,610 | -2.5% | -9.1% | -11.8% | -3.0% | | | |
| Percentage of total | | 13% | 13% | 12% | 11% | | | | | | | |
| Medicare | Gross Patient Care Revenue | 73,820,462 | 78,962,464 | 84,648,677 | 87,353,931 | 14.7% | 7.2% | 10.6% | 3.2% | | | |
| | Contractual Allowances | -44,304,960 | -54,717,659 | -63,764,655 | -65,816,188 | 43.9% | 16.5% | 20.3% | 3.2% | | | |
| | 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! | | | |
| | | Net Payer Revenue | 29,515,502 | 24,244,805 | 20,884,022 | 21,537,743 | -29.2% | -13.9% | -11.2% | 3.1% | | |
| | Fixed Prospective Payments | 5,366,759 | 7,162,774 | 7,748,009 | 8,409,916 | 44.4% | 8.2% | 17.4% | 8.5% | | | |
| | 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! | | | |
| | Fixed Prospective Payment & Reserves | 5,366,759 | 7,162,774 | 7,748,009 | 8,409,916 | 44.4% | 8.2% | 17.4% | 8.5% | | | |
| | Net Payer Revenue & Fixed Prospective Payments | 34,882,261 | 31,407,579 | 28,632,031 | 29,947,659 | -17.9% | -8.8% | -4.6% | 4.6% | | | |
| Percentage of total | | 45% | 37% | 34% | 34% | | | | | | | |
| | Disproportionate Share Payments | 539,206 | 604,168 | 585,323 | 530,861 | 8.6% | -3.1% | -12.1% | -9.3% | | | |
| Percentage of total | | | | | | | | | | | | |
| | NPR & FPP to Gross Commercial (no dsh) | 57% | 66% | 70% | 72% | | | | | | | |
| | NPR & FPP to Gross Medicaid (no dsh) | 35% | 33% | 29% | 28% | | | | | | | |
| | NPR & FPP to Gross Medicare (no dsh) | 47% | 40% | 34% | 34% | | | | | | | |
| | NPR & FPP to Gross All (no dsh) | 49% | 48% | 46% | 47% | | | | | | | |
| Observations: | | | | | | | | | | | | |

| FY 2019 Actual Audited Financial Results Analysis | | Brattleboro Memorial Hospital | | | | | | | |
|---|------------|-------------------------------|----------|------------|----------------|----------------|-------------|--------------|--|
| UTILIZATION & STAFFING | FY2018A | FY2019B | FY2019A | FY2020B | 2018A-2019A | 2019B-2019A | 2019B-2020B | 2019A-2020B | |
| UTILIZATION | | | | | | | | | |
| Adjusted Admissions | 7,479 | 6,847 | 8,231 | 8,180 | 10.1% | 20.2% | 19.5% | -0.6% | |
| Acute Admissions | 1,691 | 1,556 | 1,780 | 1,797 | 5.3% | 14.4% | 15.5% | 1.0% | |
| Acute Average Length Of Stay | 3.6 | 3.2 | 3.1 | 2.6 | -12.8% | -0.7% | -18.2% | -17.7% | |
| All Operating Room Procedure | 1,695 | 2,030 | 1,679 | 1,668 | -0.9% | -17.3% | -17.8% | -0.7% | |
| Tests | 218,434 | 214,150 | 230,393 | 230,507 | 5.5% | 7.6% | 7.6% | 0.0% | |
| Emergency Room Visits | 13,615 | 13,335 | 13,701 | 13,770 | 0.6% | 2.7% | 3.3% | 0.5% | |
| CT Scan, Radiology - Diagnostic | 32,223 | 30,150 | 34,036 | 34,128 | 5.6% | 12.9% | 13.2% | 0.3% | |
| Exams | 8,574 | 8,570 | 8,913 | 8,935 | 4.0% | 4.0% | 4.3% | 0.2% | |
| Provider Work RVU | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | |
| Physician Office Visits | 238,312 | 342,486 | 257,686 | 258,629 | 8.1% | -24.8% | -24.5% | 0.4% | |
| Clinic Visits | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | |
| STAFFING | | | | | | | | | |
| Non-MD FTEs | 441 | 474 | 0 | 492 | (441.2) | (474.0) | 18.4 | 492.4 | |
| Travelers, Travelers MD | 8 | 0 | 0 | 0 | (8.2) | 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 | 47 | 61 | 0 | 57 | (46.6) | (60.5) | (3.7) | 56.9 | |
| Total FTEs | 496 | 535 | 0 | 549 | (495.9) | (534.6) | 14.8 | 549.3 | |
| Benchmark-Central Vermont Medical Center | | | | | | | | | |
| Salary per FTE - Non-MD | 59,342 | 59,725 | 0 | 61,848 | -100.0% | -100.0% | 3.6% | #DIV/0! | |
| Salary & Benefits per FTE - Non-MD | 76,398 | 75,590 | 0 | 77,782 | -100.0% | -100.0% | 2.9% | #DIV/0! | |
| FTEs Per Adjusted Occupied Bed | 6 | 8 | 0 | 9 | -100.0% | -100.0% | 6.4% | #DIV/0! | |
| FTEs per 100 Adj Discharges | 6 | 7 | 0 | 6 | -100.0% | -100.0% | -13.0% | #DIV/0! | |
| Benchmarks-Vermont System Averages | | | | | | | | | |
| 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:

| Fiscal Year 2020 Budget Analysis | | Brattleboro Memorial Hospital | | | | | | | |
|---|-------------------|-------------------------------|-------------------|-------------------|-------------------------|---------------|---------------|--------------|--|
| BALANCE SHEET | FY2018A | FY2019B | FY2019A | FY2020B | 2018A-2019A | 2019B-2019A | 2019A-2020B | 2018A-2020B | |
| Cash & Investments | 3,827,859 | 4,611,076 | 1,786,357 | 3,600,000 | -53.3% | -61.3% | 101.5% | -6.0% | |
| Risk Reserve for Fixed Reform Payments | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | |
| Other Current Assets | 12,997,276 | 11,436,585 | 17,140,318 | 15,812,730 | 31.9% | 49.9% | -7.7% | 21.7% | |
| Current Assets | 16,825,134 | 16,047,661 | 18,926,675 | 19,412,730 | 12.5% | 17.9% | 2.6% | 15.4% | |
| Board Designated Assets | 38,703,559 | 39,768,177 | 33,846,415 | 25,409,477 | -12.5% | -14.9% | -24.9% | -34.3% | |
| Net, Property, Plant And Equipment | 27,174,131 | 32,746,200 | 26,612,219 | 48,253,862 | -2.1% | -18.7% | 81.3% | 77.6% | |
| Other Long-Term Assets | 0 | 300,000 | 0 | 0 | #DIV/0! | -100.0% | #DIV/0! | #DIV/0! | |
| Assets | 82,702,824 | 88,862,038 | 79,385,309 | 93,076,069 | -4.0% | -10.7% | 17.2% | 12.5% | |
| Current Liabilities | 15,496,411 | 14,483,198 | 11,996,225 | 14,120,485 | -22.6% | -17.2% | 17.7% | -8.9% | |
| Long Term Liabilities | 7,823,655 | 16,097,241 | 6,553,615 | 17,464,986 | -16.2% | -59.3% | 166.5% | 123.2% | |
| Other Noncurrent Liabilities | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | |
| Fund Balance | 59,382,758 | 58,281,599 | 60,835,688 | 61,490,598 | 2.4% | 4.4% | 1.1% | 3.5% | |
| Liabilities and Equities | 82,702,824 | 88,862,038 | 79,385,528 | 93,076,069 | -4.0% | -10.7% | 17.2% | 12.5% | |
| Benchmarks-Hospital | | | | | Change in Points | | | | |
| Days Cash on Hand | 196.30 | 196.25 | 156.93 | 121.57 | (39.37) | (39.32) | (35.36) | (74.73) | |
| Days Receivable | 35.12 | 37.57 | 57.58 | 60.66 | 22.45 | 20.00 | 3.08 | 25.53 | |
| Days Payable | 71.52 | 64.05 | 52.83 | 59.17 | (18.69) | (11.21) | 6.34 | (12.35) | |
| Long Term Debt to Capitalization | 0.12 | 0.22 | 0.10 | 0.22 | | | | | |
| Debt Service Coverage Ratio | 2.0 | 3.3 | 3.5 | 2.9 | 1.5 | 0.2 | (0.7) | 0.9 | |
| Benchmarks-Vermont System Averages | | | | | Change in Points | | | | |
| 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 | |
| OBSERVATIONS: | | | | | | | | | |