

Brattleboro Memorial Hospital

Fiscal Year 2017 Budget Analysis

Report Date: 8/16/2016

Brattleboro Memorial Hospital

CEO: Steven Gordon CFO: Mike Rogers

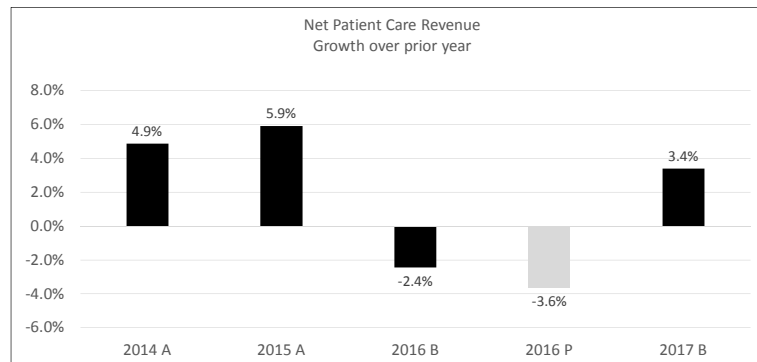
SUMMARY OF BUDGET

	2015 A	2016 B	2016 P	2017 B	B16-B17 Change \$	B16-B17 Change %	B16-B17 Change \$ All Hospitals	B16-B17 Change % All Hospitals
Gross Patient Care Revenue	\$ 153,068,995	\$ 154,417,865	\$ 148,909,539	\$ 157,473,555	\$ 3,055,690	2.0%	\$ 134,233,796	2.7%
Net Patient Care Revenue	\$ 75,742,920	\$ 73,896,151	\$ 72,991,815	\$ 76,408,612	\$ 2,512,461	3.4%	\$ 114,454,070	5.0%
Other Operating Revenue	\$ 2,926,101	\$ 2,355,778	\$ 2,356,259	\$ 3,873,096	\$ 1,517,318	64.4%	\$ 6,477,684	4.7%
Total Operating Revenue	\$ 78,669,021	\$ 76,251,929	\$ 75,348,073	\$ 80,281,708	\$ 4,029,779	5.3%	\$ 120,931,754	4.9%
Operating Expense	\$ 76,473,143	\$ 76,268,125	\$ 76,948,723	\$ 80,123,835	\$ 3,855,710	5.1%	\$ 119,502,747	5.0%
Net Operating Income	\$ 2,195,878	\$ (16,196)	\$ (1,600,649)	\$ 157,873	\$ 174,069	-1074.8%	\$ 1,429,007	2.1%
Non Operating Revenue	\$ 1,020,455	\$ 733,978	\$ 1,496,368	\$ 582,602	\$ (151,376)	-20.6%	\$ 4,835,590	15.7%
Excess (Deficit) of Rev over Exp	\$ 3,216,333	\$ 717,782	\$ (104,281)	\$ 740,475	\$ 22,693	3.2%	\$ 6,264,597	6.2%
Operating Margin %	2.8%	-0.02%	-2.1%	0.2%				
Total Margin %	4.0%	0.9%	-0.1%	0.9%				

The hospital has prepared a budget with a \$2.5 million increase in net patient revenues (NPR) (3.4%). Most of the increase is related to the the rate increase and increased utilization. Favorable bad debt and free care and disproportionate share explain a small portion of the increase.

The hospital has a rate increase of 3.5%, which will also raise about \$1.3 million. The increase in NPR will support an operating margin % of 0.2%.

Page 3 and 4 explain the hospital NPR increase by operations (utilization, rates, etc) and the change for each payer.



Note: The 2016 Budget and Projected increase is measured from Actual 2015.

Brattleboro Memorial Hospital

RATE AND NET PATIENT REVENUE INCREASE

Rate is the average change in price for services provided.

	2013 Approved	2014 Approved	2015 Approved	2016 Approved	2017 Submitted
Weighted Average rate for all hospitals	7.9%	5.2%	6.8%	4.4%	2.2%
Brattleboro Memorial Hospital Rate Request	5.2%	5.8%	2.7%	-1.4%	3.5%
Hospital Inpatient					4.1%
Hospital Outpatient					3.9%
Outpatient Physician					0.0%
Chronic/SNF					0.0%
Swing					0.0%
Other					0.0%

The 3.5% rate increase is achieved by 4.1% increases budgeted for inpatient and 3.9% outpatient services and 0% increase for physician services.

The rate increase will generate \$1,300,605 of the \$2,512,461 NPR increase. The balance will be earned by higher utilization and more favorable reimbursement related to bad debt, free care, disproportionate share.

Net Patient Revenue change	2016 Approved	2017 Submitted	B16-B17 Change	B16-B17 Change	
NPR changes due to:	\$ 73,896,151	\$ 76,408,612	\$ 2,512,461	3.4%	
Commercial Ask Negotiations			\$ -		
Rate request			\$ 1,300,605	3.5%	Rate to be requested from commercial insurers
Utilization			\$ 984,154		Increased utilization expected for 2017.
Other major program change			\$ -		
Physician Acquisition or reduction			\$ -		
Free care			\$ (43,901)		A slight reduction in the relative share budgeted in 2016.
Bad debt			\$ 184,057		A slight reduction in the relative share budgeted in 2016.
Dispro share change			\$ 87,546		Change determined by DVHA
Other NPR changes			\$ -		
Total NPR changes			\$ 2,512,461		

Brattleboro Memorial Hospital

NET PAYER REVENUE CHANGE		FY2016	Projection FY2016	FY2017	B16-B17 \$Change	B16-B17 % change	NPR From Rate	NPR From All Other
All Payers	Gross Revenue	\$154,417,865	\$148,909,539	\$157,473,554	\$3,055,689	2.0%		
	Allowances	(\$73,270,830)	(\$66,983,711)	(\$74,041,761)	(\$770,931)	1.1%		
	Bad Debt	(\$5,026,252)	(\$4,619,305)	(\$4,842,195)	\$184,057	-3.7%		
	Free Care	(\$3,113,975)	(\$5,210,225)	(\$3,157,876)	(\$43,901)	1.4%		
	Disproportionate Share Payments	\$889,343	\$895,517	\$976,889	\$87,546	9.8%		
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	0.0%		
	Net Payer Revenue	\$73,896,151	\$72,991,814	\$76,408,611	\$2,512,460	3.4%	\$1,300,605	\$1,211,855
Commercial	Gross Revenue	\$57,278,431	\$55,459,507	\$57,531,857	\$253,426	0.4%		
	Allowances	(\$10,620,471)	(\$11,594,767)	(\$12,101,715)	(\$1,481,244)	13.9%		
	Bad Debt	\$0	\$0	\$0	\$0	0.0%		
	Free Care	\$0	\$0	\$0	\$0	0.0%		
	Disproportionate Share Payments	\$0	\$0	\$0	\$0	0.0%		
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	0.0%		
	Net Payer Revenue	\$46,657,960	\$43,864,740	\$45,430,142	(\$1,227,818)	-2.6%	\$1,300,605	-\$2,528,423
Medicaid	Gross Revenue	\$29,405,467	\$30,699,978	\$33,034,041	\$3,628,574	12.3%		
	Allowances	(\$20,513,006)	(\$19,785,982)	(\$21,700,040)	(\$1,187,034)	5.8%		
	Bad Debt	\$0	\$0	\$0	\$0	0.0%		
	Free Care	\$0	\$0	\$0	\$0	0.0%		
	Disproportionate Share Payments	\$889,343	\$895,517	\$976,889	\$87,546	9.8%		
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	0.0%		
	Net Payer Revenue	\$9,781,804	\$11,809,513	\$12,310,890	\$2,529,086	25.9%	\$0	\$2,529,086
Medicare	Gross Revenue	\$67,733,967	\$62,750,054	\$66,907,656	(\$826,311)	-1.2%		
	Allowances	(\$42,137,353)	(\$35,602,962)	(\$40,240,006)	\$1,897,347	-4.5%		
	Bad Debt	\$0	\$0	\$0	\$0	0.0%		
	Free Care	\$0	\$0	\$0	\$0	0.0%		
	Disproportionate Share Payments	\$0	\$0	\$0	\$0	0.0%		
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	0.0%		
	Net Payer Revenue	\$25,596,614	\$27,147,092	\$26,667,650	\$1,071,036	4.2%	\$0	\$1,071,036
Bad Debt/Free Care	Gross Revenue				\$0	0.0%		
	Allowances				\$0	0.0%		
	Bad Debt	(\$5,026,252)	(\$4,619,305)	(\$4,842,195)	\$184,057	-3.7%		
	Free Care	(\$3,113,975)	(\$5,210,225)	(\$3,157,876)	(\$43,901)	1.4%		
	Disproportionate Share Payments				\$0	0.0%		
	Graduate Medical Education Payments				\$0	0.0%		
	Net Payer Revenue	(\$8,140,227)	(\$9,829,531)	(\$8,000,071)	\$140,156	-1.7%	\$0	\$140,156

This schedule shows the NPR increase by each major payer, including those receiving care as bad debt or free care. The schedule identifies the NPR increase related to rates separate from all other increases.

The Commercial revenues reflect the planned rate increase dollars for this year ('17) . The decrease is related to lower reimbursement compared to ('16) that the hospital will explain.

The hospital will NOT receive any new funds because of their rate increase. They expect to see lower reimbursement due to reductions related to provider based billing but an increase related to new utilization.

Utilization is also increasing and they expect to see improved reimbursement compared to 2016.

The hospital will explain the change in NPR for each payer as part of its budget presentation, including bad debt/free care changes.

Page 3 describes the 2017 NPR increase by major operational changes (rates, utilization, etc).

- 1) The hospital's net patient revenues (NPR) are increasing 3.4% over 2016 budget. This meets the GMCB's target if the GMCB accepts the health care reform spending.
 - a) Explain your NPR changes at the budget hearing using the payer schedule provided in the staff's analysis. The GMCB is interested in understanding the changes occurring from budget to budget by payer.
 - b) The budget shows some utilization changes primarily in Medicaid. Describe those expected changes. Describe the utilization shifts occurring in 2016 and 2017.
 - c) The hospital narrative describes \$340,725 in specific health care reform investments that are budgeted. Over \$119,000 is for increased use of scribes – why are scribes considered a health care reform investment?
- 2) The hospital is requesting a 3.5% overall rate increase that will be applied to inpatient hospital services at 4.1%, outpatient at 3.9%, and physician services at 0%. Is this the rate that is negotiated with commercial payers? Describe the strategy and basis for this increase.
- 3) The hospital has stated they plan to start a 340B retail pharmacy program and expects to generate a surplus to support the overall budget. How does the retail program differ from the current existing 340 B program? Are there any special requirements for establishing the program?
- 4) The hospital describes plans to combine the 20 bed Medical-Surgical unit with the 5 bed Special Care Unit. The new unit will be 18-22 beds and called a Progressive Care Unit. Is this change based upon a move towards Critical Access Hospital status? Does CMS weigh in on this change? Explain the plans and the rationale.
- 5) The hospital projection shows almost a 4% decrease in gross revenues for 2016. Are the FY 16 projections for net revenues, expenditures, and surplus as reported still valid? What explains the large loss in operations? Describe any material changes that may have occurred since you filed the budget.
- 6) Bad debt and free care are budgeted together at 5.3% of gross revenues in FY 2017, basing the estimate to be closer to 2016 budget than projected, which was 6.6%. This is much higher level than we see at most other hospitals. Have you had discussions with your peers about why your numbers might be different? Have you noticed a change in cases or patients?
- 7) The hospital budget shows a 3.1% decrease in salary per FTE. Is this correct – please explain.
- 8) The hospital has budgeted for Medicare “Low volume provider” and “Dependent hospital” status. What are the estimates that have been budgeted for 2017? How were the estimates arrived at?
- 9) What is the amount of Medicaid provider based billing that the hospital expects to lose in 2017? Also, what explains the lower reimbursement in Commercial payers?
- 10) The narrative describes some of the hospital's efforts with local mental health and other providers to strengthen community health services. Describe any successes and identify limitations of those efforts.

Brattleboro Memorial Hospital						Vt Median	Northeast CAH	Other Non- Profit	100 - 199 Beds	All Teaching
KEY INDICATORS	2014 A	2015 A	2016 B	2016 P	2017 B	2017 B	U.S. Benchmarks FY2014			
Net Patient Revenue Change	4.9%	5.9%	-2.4%		3.4%					
Overall Rates	6%	3%	-1%		3.5%					
Utilization										
Total Average Daily Census	17	16	17	16	16	23.2	-	80	72	192
Adjusted Admissions	8,001	8,477	8,016	8,639	8,324	8,261	-	-	-	-
Capital										
Age of Plant	8.8	8.6	10.3	9.4	10.4	12.0	11.3	11.3	11.2	11.2
Long Term Debt to Capitalization	14.9%	13.5%	13.4%	14.4%	13.1%	26.9%	27.1%	31.2%	23.5%	30.6%
Debt Service Coverage Ratio	10.0	9.5	6.4	2.7	4.3	4.2	4.4	2.8	3.0	5.0
Revenue										
Bad Debt %	3.0%	2.9%	3.3%	3.1%	3.1%	1.6%	5.6%	5.5%	6.7%	4.1%
Free Care %	1.8%	2.3%	2.0%	3.5%	2.0%	0.7%	-	-	-	-
Operating Margin %	3.6%	2.8%	0.0%	-2.1%	0.2%	1.9%	-2.4%	0.7%	2.8%	3.0%
Total Margin %	11.2%	4.0%	0.9%	-0.1%	0.9%	3.2%	3.2%	3.7%	5.7%	5.6%
Productivity & Staffing										
Overhead Expense w/ fringe, as a % of Total Operating Exp	21.2%	20.8%	20.9%	21.3%	22.8%	26.1%	-	-	-	-
Cost & Revenue Unit of Measure										
Cost per Adjusted Admission	9,075	9,021	9,514	8,907	9,626	10,264	-	7,557	7,453	7,645
Liquidity										
Current Ratio	3.4	3.5	3.6	3.5	3.6	2.9	1.4	2.3	1.7	1.8
Days Cash on Hand	169	196	187	193	195	129	99	74	75	110
Payer										
Medicare Gross as % of Tot Gross Re	43%	43%	44%	42%	42%	42%	-	-	-	-
Medicaid Gross as % of Tot Gross Re	18%	19%	19%	21%	21%	19%	-	-	-	-
Comm/self Gross as % of Tot Gross F	40%	38%	37%	37%	37%	37%	-	-	-	-
Medicare % of Net Rev (incl DSH)	33%	36%	35%	38%	35%	34%	-	-	-	-
Medicaid % of Net Rev (incl DSH)	11%	11%	12%	15%	15%	13%	-	-	-	-
Comm/self % of Net Rev (incl DSH)	57%	53%	53%	47%	50%	50%	-	-	-	-

Brattleboro Memorial Hospital							
PROFIT & LOSS STATEMENT	2014 A	2015 A	2016 B	2016 P	2017 B	B16-B17 Change	B16-B17 Change %
Revenues							
Gross Patient Care Revenue	\$ 142,612,465	\$ 153,068,995	\$ 154,417,865	\$ 148,909,539	\$ 157,473,555	\$ 3,055,690	2.0%
Disproportionate Share Payments	936,015	1,050,746	889,343	895,517	976,889	87,546	9.8%
Bad Debt	(4,333,162)	(4,437,076)	(5,026,252)	(4,619,305)	(4,842,195)	184,057	-3.7%
Free Care	(2,634,253)	(3,520,013)	(3,113,975)	(5,210,225)	(3,157,876)	(43,901)	1.4%
Graduate Medical Education	-	-	-	-	-	-	-
Deductions from Revenue	(65,068,293)	(70,419,732)	(73,270,830)	(66,983,711)	(74,041,761)	(770,931)	1.1%
Net Patient Care Revenue	\$ 71,512,773	\$ 75,742,920	\$ 73,896,151	\$ 72,991,815	\$ 76,408,612	\$ 2,512,461	3.4%
Year over Year Change	4.9%	5.9%	-2.4%	-3.6%	3.4%		
Other Operating Revenue	\$ 3,797,012	\$ 2,926,101	\$ 2,355,778	\$ 2,356,259	\$ 3,873,096	\$ 1,517,318	64.4%
Total Operating Revenue	\$ 75,309,785	\$ 78,669,021	\$ 76,251,929	\$ 75,348,073	\$ 80,281,708	\$ 4,029,779	5.3%
Operating Expense							
Salaries Non MD	22,803,623	23,623,798	24,466,788	24,014,775	25,089,274	622,486	2.5%
Fringe Benefits Non MD	6,996,140	7,268,954	7,432,385	7,484,476	6,982,929	(449,456)	-6.0%
Fringe Benefits MD	-	-	-	-	-	-	-
Physician Fees Salaries Contracts & Fringes	12,780,965	14,258,726	14,909,036	14,705,632	16,057,446	1,148,410	7.7%
Health Care Provider Tax	4,169,495	4,312,811	4,284,133	4,284,132	4,379,509	95,376	2.2%
Depreciation Amortization	4,047,524	4,266,138	4,371,699	4,394,127	4,411,523	39,824	0.9%
Interest - Short Term	2,662	2,535	-	-	-	-	-
Interest - Long Term	239,588	229,622	249,792	202,500	165,520	(84,272)	-33.7%
Other Operating Expense	21,572,209	22,510,558	20,554,292	21,863,081	23,037,634	2,483,342	12.1%
Total Operating Expense	\$ 72,612,206	\$ 76,473,143	\$ 76,268,125	\$ 76,948,723	\$ 80,123,835	\$ 3,855,710	5.1%
Year over Year Change	8.2%	5.3%	-0.3%	0.6%	5.1%		
Net Operating Income (Loss)	\$ 2,697,579	\$ 2,195,878	\$ (16,196)	\$ (1,600,649)	\$ 157,873	\$ 174,069	-1074.8%
Non-Operating Revenue	\$ 6,487,437	\$ 1,020,455	\$ 733,978	\$ 1,496,368	\$ 582,602	\$ (151,376)	-20.6%
Excess (Deficit) Of Revenue Over Expense	\$ 9,185,015	\$ 3,216,333	\$ 717,782	\$ (104,281)	\$ 740,475	\$ 22,693	3.2%

The hospital will receive an increase in disproportionate share (DSH). The hospital is budgeting bad debt and free care at levels experienced in 2016.

Over \$1.9 million of "other operating revenue" is made up of 340B retail pharmacy funds.

Salaries, MD Fringe and other operating costs make the largest increase in expenses.

The hospital has budgeted a smaller operating loss than recent experience. The margin % is in part to meet compliance with the NPR cap.

Brattleboro Memorial Hospital

UTILIZATION & STAFFING	2013 A	2014 A	2015 A	2016 B	2016 P	2017 B	B16-B17 Change
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UTILIZATION

Adjusted Admissions	7,773	8,001	8,477	8,016	8,639	8,324	3.8%
Acute Admissions	1,655	1,555	1,569	1,527	1,575	1,575	3.1%
Acute Average Length Of Stay	3.4	3.5	3.3	3.5	3.1	3.1	-10.3%
Operating Room Procedures	2,490	2,463	2,327	2,537	2,374	2,374	-6.4%
Laboratory Tests	238,283	218,085	216,947	215,270	218,084	218,084	1.3%
Emergency Room Visits	13,199	13,259	13,557	14,465	13,164	13,164	-9.0%
Cat Scan, Radiology - Diagnostic Procedures	34,877	34,031	34,748	34,453	34,044	34,044	-1.2%
Magnetic Resonance Image Exams	2,012	2,028	2,169	2,060	2,264	2,264	9.9%
Physician Office Visits	173,126	229,637	244,105	250,454	245,992	254,193	1.5%
Clinics Visits	0	0	0	0	0	0	0.0%

STAFFING

Non-MD FTEs	387	400	412	422	424	438	16
Travelers	2	3	3	0	0	0	0
Residents & Fellows	0	0	0	0	0	0	0
Mid Level Providers	0	0	0	0	0	0	0
Physician FTEs	33	38	44	54	44	50	-3
Total MD and Non MD FTEs	422	441	459	476	467	489	12

Salary & Benefits per FTE - Non-MD	\$ 75,744	\$ 74,481	\$ 75,002	\$ 75,528	\$ 74,329	\$ 73,197	-3.1%
FTEs Per Adjusted Occupied Bed	5.4	5.2	5.4	5.5	5.7	6.2	11.4%
FTEs per 100 Adj Discharges	5.0	5.0	4.9	5.3	4.9	5.3	-0.1%

Comparative Benchmarks

Vermont System Averages

Salary & Benefits per FTE - Non-MD	\$ 77,361	\$ 78,162	\$ 80,704	\$ 82,457	\$ 83,286	\$ 83,856	1.7%
FTEs Per Adjusted Occupied Bed	5.4	5.5	5.7	5.8	5.8	6.1	4.5%
FTEs per 100 Adj Discharges	6.7	7.0	7.2	7.5	7.2	7.5	-0.2%

U.S. Benchmarks

FTEs Per Adjusted Occupied Bed							
Northeast Critical Access Hospital	0.00	0.00	-	-	-	-	
Other Non-Profit	3.60	3.60	-	-	-	-	
100 - 199 Beds	3.45	3.45	-	-	-	-	
All Teaching	3.45	3.45	-	-	-	-	

The utilization change is mixed and budgeted to be very close to 2015 for acute admissions and physician office visits. FY 2017 is budgeted to be lower than projected 2016. The hospital will explain.

FTEs have increased, presumably to meet utilization increases - the hospital will explain.

Salary and fringe per FTE is lower than projected 2016. Under review.

The benchmark shows the hospital very close to their Vermont peers on an adjusted discharge basis.

Brattleboro Memorial Hospital

BALANCE SHEET	2014 A	2015 A	2016 B	2016 P	2017 B
Cash & Investments	\$ 2,400,992	\$ 2,647,794	\$ 2,351,237	\$ 2,712,850	\$ 1,985,621
Total Current Assets	\$ 17,313,341	\$ 15,371,190	\$ 11,700,595	\$ 13,700,577	\$ 12,596,368
Board Designated Assets	\$ 29,398,220	\$ 36,064,671	\$ 34,469,731	\$ 35,588,166	\$ 38,438,166
Net, Property, Plant And Equipment	\$ 28,337,966	\$ 27,389,285	\$ 28,377,294	\$ 29,019,136	\$ 27,211,671
Other Long-Term Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ 75,049,526	\$ 78,825,146	\$ 74,547,620	\$ 78,307,879	\$ 78,246,205
Current Liabilities	\$ 13,683,867	\$ 14,252,467	\$ 12,870,367	\$ 13,904,397	\$ 14,179,122
Long Term Liabilities	\$ 9,140,024	\$ 8,721,762	\$ 8,257,527	\$ 9,288,173	\$ 8,361,302
Other Noncurrent Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance	\$ 52,225,635	\$ 55,850,917	\$ 53,419,726	\$ 55,115,309	\$ 55,705,780
Total Liabilities and Equities	\$ 75,049,526	\$ 78,825,146	\$ 74,547,620	\$ 78,307,879	\$ 78,246,204

Brattleboro Memorial Hospital					
Net Increase/(Decrease) in Cash	\$ 799,938	\$ 246,802	\$ (296,557)	\$ 65,056	\$ (365,617)
Days Cash on Hand	169.3	195.7	186.9	192.7	194.9
Long Term Debt to Capitalization	14.9%	13.5%	13.4%	14.4%	13.1%
Debt Service Coverage Ratio	10.0	9.5	6.4	2.7	4.3

Comparative Benchmarks					
Vermont System Averages					
Net Increase/(Decrease) in Cash	\$ 54,485,429	\$ (13,749,624)	\$ (778,512)	\$ (3,061,249)	\$ (680,856)
Days Cash on Hand	176.3	178.5	179.6	174.8	165.5
Long Term Debt to Capitalization	29.7%	27.6%	31.3%	32.0%	29.5%
Debt Service Coverage Ratio	3.3	3.7	2.7	2.8	3.1

U.S. Benchmarks					
100-199 Beds					
Days Cash on Hand-Peers	74.80	-	-	-	-
Long Term Debt to Capitalization-Peers	24%	-	-	-	-
Debt Service Coverage Ratio-Peers	3.0	-	-	-	-

The balance sheet shows no significant variances over the last several years. The balance sheet is consistent and in very good position.

The hospital's debt position and cash compares favorably with both the Vermont hospital median and national peers.

Brattleboro Memorial Hospital								
Capital Budget	2014 A	2015 A	2016 B	2016 P	2017 B	2018 Plan	2019 Plan	2020 Plan
Non-Certificate of Need Capital Plans Total	\$ 3,144,896	\$ 3,551,724	\$ 4,512,197	\$ 4,512,197	\$ 2,704,898	\$ 3,776,302	\$ 1,737,889	\$ 3,115,657
Certificate of Need Capital Plans	\$ 1,384,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000,000	\$ -
Total Capital Purchases	\$ 4,529,767	\$ 3,551,724	\$ 4,512,197	\$ 4,512,197	\$ 2,704,898	\$ 3,776,302	\$ 21,737,889	\$ 3,115,657

Brattleboro Memorial Hospital					
Age of Plant	8.8	8.6	10.3	9.4	10.4
Capital Expenditures to Depreciation	77.7%	83.3%	103.2%	102.7%	61.3%
Capital Cost % of Total Expense	5.9%	5.9%	6.1%	6.0%	5.7%

Comparative Benchmarks					
Vermont System Averages					
Age of Plant	10.2	11.4	11.9	11.9	12.3
Capital Expenditures to Depreciation	80.6%	97.1%	95.1%	96.0%	128.2%
Capital Cost % of Total Expense	5.9%	5.4%	5.8%	5.6%	5.3%

U.S. Benchmarks					
100-199 Beds					
Age of Plant-Peers	11.2	-	-	-	-
Capital Expenditures to Depreciation-Peers	0.0%	-	-	-	-
Capital Cost % of Total Expense-Peers	6.0%	-	-	-	-

The hospital's capital costs and age of plant are favorable compared to Vermont peers. The AOP is increasing some, but the metric compares favorably with peers. There are no CON projects planned for 2017-18, while 2019 has plans for replacing their surgical suites. See the narrative for more detailed information on their capital plans.

The capital metrics also compare favorably with national peers for hospitals with 100-199 beds.