Northwestern Medical Center

Fiscal Year 2019 Budget Analysis

Report Date: 7/30/2018

Northwestern Medical Center
Fiscal Year 2019 Budget Analysis
QUESTIONS

1. Have the hospital's projections for FY2018 changed?
2. Please provide more detail on the factors influencing the increase in Cost per Adjusted Admission.
3. Please provide more detail regarding the factors influencing FY2019 Budget increases in utilization for All Operating Room Procedures and Tests.
4. Please provide detail on the 16.44 positions that are being reduced as part of the cost savings plan.
5. Please explain factors in the changes in Bad Debt and Free Care in the FY2019 Budget (including policy changes if any).
6. Please complete the table that has been provided to clarify accounting of ACO-related revenue and expenses.
7. Please provide more specificity about what is included in Other Operating Expense for FY2017 Actuals, FY2018 Budget and Projections, and FY2019 Budget, and explain the variation from year to year.

Fiscal Year 2019 Budget Analysis — Northwestern Medical Center

INCOME STATEMENT	FY2015A	FY2016A	FY2017A	FY2018B	FY2018P	FY2019B	2019B - 2018B $ Chg	2018B - 2018P % Chg	2018B - 2019B % Chg	2018P - 2019B % Chg
Revenues										
Gross Patient Care Revenue	**189,773,212**	**183,899,105**	**185,859,626**	**203,187,845**	**197,023,419**	**210,649,546**	**7,461,701**	**-3.0%**	**3.7%**	**6.9%**
Disproportionate Share Payments	1,274,456	1,565,986	1,742,991	1,278,056	1,278,056	944,549	(333,507)	0.0%	-26.1%	-26.1%
Bad Debt	(4,119,971)	(3,031,340)	(4,642,652)	(5,554,532)	(7,587,654)	(5,769,549)	(215,017)	36.6%	3.9%	-24.0%
Free Care	(1,270,121)	(1,292,667)	(1,112,947)	(1,326,726)	(1,059,257)	(1,112,446)	214,280	-20.2%	-16.2%	5.0%
Deductions from Revenue	(87,858,813)	(81,245,324)	(80,736,594)	(114,224,902)	(106,321,526)	(123,235,251)	(9,010,349)	-6.9%	7.9%	15.9%
Net Patient Care Revenue	**97,798,763**	**99,895,760**	**101,110,424**	**83,359,741**	**83,333,038**	**81,476,849**	**(1,882,892)**	**0.0%**	**-2.3%**	**-2.2%**
Fixed Prospective Payments & Reserves	**0**	**0**	0	22,768,482	22,768,484	31,297,131	8,528,649	0.0%	37.5%	37.5%
Net Patient Care Revenue & Fixed Payments & Reserves	**97,798,763**	**99,895,760**	**101,110,424**	**106,128,223**	**106,101,522**	**112,773,980**	**6,645,757**	**0.0%**	**6.3%**	**6.3%**
Other Operating Revenue	5,765,170	6,079,088	5,313,543	5,841,987	6,383,934	6,166,078	324,091	9.3%	5.5%	-3.4%
Total Operating Revenue	**103,563,933**	**105,974,848**	**106,423,967**	**111,970,210**	**112,485,456**	**118,940,058**	**6,969,848**	**0.5%**	**6.2%**	**5.7%**
Expenses										
Salaries Non MD	32,085,846	38,214,236	38,663,374	39,116,212	40,153,282	41,985,554	2,869,342	2.7%	7.3%	4.6%
Fringe Benefits Non MD	8,990,276	9,690,855	11,070,787	10,684,073	10,684,073	10,817,875	133,802	0.0%	1.3%	1.3%
Fringe Benefits MD	1,430,794	1,357,663	1,683,576	1,372,541	1,372,541	1,404,109	31,568	0.0%	2.3%	2.3%
Physician Fees, Salaries, Contracts	11,991,814	11,837,699	15,581,139	16,009,275	16,593,278	17,654,647	1,645,372	3.6%	10.3%	6.4%
Health Care Provider Tax	5,626,996	5,882,637	5,976,583	6,116,156	6,116,156	6,419,916	303,760	0.0%	5.0%	5.0%
Depreciation & Amortization	4,370,670	4,608,288	4,703,776	6,042,151	6,030,151	6,100,000	57,849	-0.2%	1.0%	1.2%
Interest - Long Term & Short Term	508,602	510,720	586,527	1,157,186	661,544	800,000	(357,186)	-42.8%	-30.9%	20.9%
Other Operating Expense	28,494,520	30,217,608	29,418,029	30,660,282	30,389,066	31,061,246	400,964	-0.9%	1.3%	2.2%
Total Operating Expense	**93,499,518**	**102,319,706**	**107,683,791**	**111,157,876**	**112,000,091**	**116,243,347**	**5,085,471**	**0.8%**	**4.6%**	**3.8%**
Net Operating Income (Loss)	**10,064,415**	**3,655,142**	**(1,259,824)**	**812,334**	**485,365**	**2,696,711**	**1,884,377**	**-40.3%**	**232.0%**	**455.6%**
Non-Operating Revenue	(1,865,700)	3,076,611	9,149,976	752,188	2,850,704	1,151,419	399,231	279.0%	53.1%	-59.6%
Excess (Deficit) of Rev Over Exp	**8,198,715**	**6,731,753**	**7,890,152**	**1,564,522**	**3,336,069**	**3,848,130**	**2,283,608**	**113.2%**	**146.0%**	**15.3%**
Benchmarks-Hospital										
Operating Margin%	**9.7%**	**3.4%**	**-1.2%**	**0.7%**	**0.4%**	**2.3%**				
Total Margin %	**8.1%**	**6.2%**	**6.8%**	**1.4%**	**2.9%**	**3.2%**				
Cost per Adjusted Admission	**8,822**	**9,201**	**9,612**	**9,256**	**9,943**	**9,956**				

OBSERVATIONS: NMC's NPR increase of $6.6 million for FY2019 Budget is 6.3% over the FY2018 budget. When approximately $3.5 million in physician transfers (occupational health, hospital-employed general surgeon to replace retiring independent surgeon, pulmonologist, ENT, rotating neurology) and the 0.4% allowance for health care reform investments are considered, the increase is within the guidance. When comparing budget to budget, the hospital's expenses are increasing at 4.6%. This is primarily due to compensation-related increases. Part of the increase in the compensation lines is related to a higher than expected grant reimbursement related to the Community Health Team, and increased use of Locum Tenens (traveling physicians, especially orthopedics). Cost per Adjusted Admission shows a 7.6% increase from FY2018 Budget to FY209 Budget. The operating margin for FY2019 is budgeted at 2.3%. NMC 's narrative indicates that with their NPR and rate increases, they will obtain a healthy operating margin. The increase in bad debt recorded in FY2018 Projections is due to a one-time write-off resulting from a change in collection agencies. Normal levels are expected going forward; see narrative.

QUESTIONS: Please provide more detail on the factors influencing the increase in Cost per Adjusted Admission.

Fiscal Year 2019 Budget Analysis	Northwestern Medical Center								
NET PAYER REVENUE CHANGE - PAYERS		**FY2018B**	**FY2018P**	**FY2019B**	**2018B - 2018P % Chg**	**2018B - 2019B % Chg**	**2018P - 2019B % Chg**	**Change due to Rate**	**Change due to Non-Rate Items**
All Payers	**Gross Patient Care Revenue**	**$203,187,845**	**$197,023,419**	**$210,649,546**	**-3.0%**	**3.7%**	**6.9%**		
	Contractual Allowances	($114,224,902)	($106,321,526)	($123,235,251)	-6.9%	7.9%	15.9%		
	Bad Debt	($5,554,532)	($7,587,654)	($5,769,549)	36.6%	3.9%	-24.0%		
	Free Care	($1,326,726)	($1,059,257)	($1,112,446)	-20.2%	-16.2%	5.0%		
	Graduate Medical Education Payments	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!		
	Disproportionate Share Payments	$1,278,056	$1,278,056	$944,549	0.0%	-26.1%	-26.1%		
	Net Payer Revenue	**$83,359,741**	**$83,333,038**	**$81,476,849**	**0.0%**	**-2.3%**	**-2.2%**		
	Fixed Prospective Payments & Reserves	$22,768,482	$22,768,484	$31,297,131	0.0%	37.5%	37.5%		
	Net Patient Care Rev & Fixed Payments & Reserves	**$106,128,223**	**$106,101,522**	**$112,773,980**	**0.0%**	**6.3%**	**6.3%**	**$1,059,115**	**$5,586,642**
Commercial	**Gross Patient Care Revenue**	$84,660,653	$82,691,892	$91,262,312	-2.3%	7.8%	10.4%		
	Contractual Allowances	($29,061,566)	($28,480,654)	($33,424,839)	-2.0%	15.0%	17.4%		
	Bad Debt	($5,554,532)	($7,587,654)	($5,769,549)	36.6%	3.9%	-24.0%		
	Free Care	($1,326,726)	($1,059,257)	($1,112,446)	-20.2%	-16.2%	5.0%		
	NPR	**$48,717,829**	**$45,564,327**	**$50,955,478**	**-6.5%**	**4.6%**	**11.8%**		
	Fixed Prospective Payment & Reserves	$6,330,798	$2,684,712	$3,622,038	-57.6%	-42.8%	34.9%		
	Total Net Payer Revenue & Fixed Prospective Payment	**$55,048,627**	**$48,249,039**	**$54,577,516**	**-12.4%**	**-0.9%**	**13.1%**	**$1,059,115**	**($1,530,290)**
Medicaid	**Gross Patient Care Revenue**	$45,558,106	$43,791,003	$45,902,110	-3.9%	0.8%	4.8%		
	Contractual Allowances	($34,004,214)	($28,245,258)	($35,158,594)	-16.9%	3.4%	24.5%		
	Bad Debt	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!		
	Free Care	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!		
	Graduate Medical Education Payments	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!		
	NPR	**$11,553,892**	**$15,545,745**	**$10,743,516**	**34.5%**	**-7.0%**	**-30.9%**		
	Fixed Prospective Payment & Reserves	$6,247,405	$5,599,752	$9,150,864	-10.4%	46.5%	63.4%		
	Total Net Payer Revenue & Fixed Prospective Payment	**$17,801,297**	**$21,145,497**	**$19,894,380**	**18.8%**	**11.8%**	**-5.9%**	**$0**	**$2,093,084**
Medicare	**Gross Patient Care Revenue**	$72,969,086	$70,540,524	$73,485,124	-3.3%	0.7%	4.2%		
	Contractual Allowances	($51,159,122)	($49,595,614)	($54,651,818)	-3.1%	6.8%	10.2%		
	Bad Debt	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!		
	Free Care	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!		
	NPR	**$21,809,964**	**$20,944,910**	**$18,833,306**	**-4.0%**	**-13.6%**	**-10.1%**		
	Fixed Prospective Payment & Reserves	$10,190,279	$14,484,020	$18,524,229	42.1%	81.8%	27.9%		
	Total Net Payer Revenue & Fixed Prospective Payment	**$32,000,243**	**$35,428,930**	**$37,357,535**	**10.7%**	**16.7%**	**5.4%**	**$0**	**$5,357,355**
	Disproportionate Share Payments	**$1,278,056**	**$1,278,056**	**$944,549**	**0.0%**	**-26.1%**	**-26.1%**		**($333,507)**
	NPR to Gross Commercial (no dsh)	**65.0%**	**58.3%**	**59.8%**					
	NPR to Gross Medicaid (no dsh)	**39.1%**	**48.3%**	**43.3%**					
	NPR to Gross Medicare (no dsh)	**43.9%**	**50.2%**	**50.8%**					
	NPR to Gross All (no dsh)	**51.6%**	**53.2%**	**53.1%**					

OBSERVATIONS: The 6.3% increase in NPR from FY2018 Budget to FY2019 Budget is primarily due to increases in Medicare and Medicaid and offset by reductions in Commercial. Commercial shows a decrease in reimbursement and an increase in utilization
Medicaid shows increased reimbursement and a slight decrease in utilization. Medicare shows an increase in reimbursement and a slight decrease in utilization. The balance of the changes are rate differences due to actual experience, redistribution of the FPP payments and Medicare's reestablishment of Low Volume Payments.

Northwestern Medical Center

RATE AND NET PATIENT REVENUE INCREASE

Rate is the average change in price for services provided.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Weighted Average Approved Rate (all hospitals)	6.82%	4.37%	1.67%	2.04%	
Weighted Average Submitted Rate (all hospitals)	6.82%	4.40%	2.21%	2.34%	3.12%
Northwestern Medical Center Approved Rate	6.40%	-8.00%	0.00%	3.50%	
Northwestern Medical Center Submitted Rate	6.40%	-8.00%	2.90%	6.00%	2.00%

Hospital Inpatient Gross Revenue	2.6%
Hospital Outpatient Gross Revenue	2.7%
Physician Outpatient Gross Revenue	0.0%
Chronic/SNF Gross Revenue	2.7%
Swing Gross Revenue	2.7%

Net Patient Revenue Change Due to Rate Request		
Commercial	$	1,059,115
Medicaid	$	-
Medicare	$	-
Disproportionate Share	$	-
Total Change Due to Rate Request	$	1,059,115

Value of 1% Rate - Calculated by GMCB	$	529,558
Value of 1% Rate - Calculated by NMC	$	529,558
Variance	$	(1)

NMC has a rate/price request of 2.00%. Rate/price increases are the same for all payers, and vary by service type, with no increase for physician services.
The 2.00% will result in increased NPR of $1.1 million.

For NMC, every 1% increase in rate is worth approximately $529,558 in net patient revenue. This estimate calculated by GMCB staff matches the estimated value of a 1% increase calculated by the hospital.

Fiscal Year 2019 Budget Analysis	Northwestern Medical Center					
DASHBOARD	**FY2015A**	**FY2016A**	**FY2017A**	**FY2018B**	**FY2018P**	**FY2019B**
Net Patient Care Revenue	**97,798,763**	**99,895,760**	**101,110,424**	**83,359,741**	**83,333,038**	**81,476,849**
Net Patient Care Rev & Fixed Payments & Reserves	**97,798,763**	**99,895,760**	**101,110,424**	**106,128,223**	**106,101,522**	**112,773,980**
NPR & FPP % Variance		**2.1%**	**1.2%**	**5.0%**	**0.0%**	**6.3%**
Three Year NPR & FPP CAGR* (FY16A - FY19B)						**4.1%**
Operating Expense	**93,499,518**	**102,319,706**	**107,683,791**	**111,157,876**	**112,000,091**	**116,243,347**
Oper Exp % Variance		**9.4%**	**5.2%**	**3.2%**	**0.8%**	**4.6%**
Three Year Oper. Exp. CAGR* (FY16A - FY19B)						**4.3%**
Revenue						
Operating Margin %	9.7%	3.4%	-1.2%	0.7%	0.4%	**2.3%**
Total Margin %	8.1%	6.2%	6.8%	1.4%	2.9%	**3.2%**
Bad Debt %	2.2%	1.6%	2.5%	2.7%	3.9%	**2.7%**
Free Care %	0.7%	0.7%	0.6%	0.7%	0.5%	**0.5%**
Cost						
Cost per Adjusted Admission	8,822	9,201	9,612	9,256	9,943	**9,956**
Overhead Exp. as a % of Total Operating Exp.	26.3%	25.9%	25.5%	23.6%	24.6%	**23.5%**
Productivity & Utilization						
Acute Admissions	2,468	2,581	2,557	2,603	2,518	**2,522**
Adjusted Admissions	10,599	11,708	11,786	12,605	11,816	**12,192**
Average Length of Stay	3	3	3	3	3	**3**
FTEs Per Adjusted Occupied Bed	6	6	6	6	6	**6**
FTEs per 100 Adj Discharges	5	5	6	5	6	**6**
Cash						
Days Cash on Hand	374.5	351.0	331.4	256.6	315.5	**306.5**
Current Ratio	7.8	9.8	8.9	6.9	8.4	**8.6**
Capital						
Age of Plant	9.9	10.6	11.1	9.6	9.3	**10.1**
Long Term Debt to Capitalization				20.8%	19.9%	**18.9%**
Debt Service Coverage Ratio	11.67	6.46	2.52	3.03	4.28	**5.47**
*CAGR = Compounded Annual Growth Rate						

Fiscal Year 2019 Budget Analysis — Northwestern Medical Center

UTILIZATION & STAFFING	FY2015A	FY2016A	FY2017A	FY2018B	FY2018P	FY2019B	2018B-2018P	2018B-2019B	2018P-2019B
UTILIZATION									
Adjusted Admissions	10,599	11,121	11,203	12,010	11,264	11,676	-6.2%	-2.8%	3.7%
Acute Admissions	2,468	2,581	2,557	2,603	2,518	2,522	-3.3%	-3.1%	0.2%
Acute Average Length Of Stay	3.1	2.9	3.0	3.1	3.2	3.2	2.7%	3.2%	0.5%
All Operating Room Procedure	3,112	3,061	2,880	2,836	2,932	2,978	3.4%	5.0%	1.6%
Tests	346,240	361,312	369,741	315,444	365,243	370,786	15.8%	17.5%	1.5%
Emergency Room Visits	25,937	27,245	24,772	26,903	25,175	26,920	-6.4%	0.1%	6.9%
CT Scan, Radiology - Diagnostic	32,945	38,699	38,780	39,128	39,280	39,342	0.4%	0.5%	0.2%
Exams	2,655	2,571	2,604	2,572	2,759	2,599	7.3%	1.0%	-5.8%
Provider Work RVU	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!
Physician Office Visits	71,570	93,823	106,222	136,082	111,897	121,911	-17.8%	-10.4%	8.9%
Clinic Visits	6,300	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!
STAFFING									
FT Equivalents (Heads)	544	548	627	626	641	647	14	20	6
Travelers, Travelers MD	5	3	1	1	2	1	1	(0)	(1)
Residents & Fellows	0	22	0	0	0	0	0	0	0
MLPs	0	22	0	0	0	0	0	0	0
Physician FTEs	28	32	35	40	36	41	(4)	2	5
Total FTEs	577	626	663	667	678	689	11	22	11
Benchmarks-Hospital									
Salary per FTE - Non-MD	$ 58,984	$ 64,534	$ 61,654	$ 62,447	$ 62,687	$ 64,922	0.4%	4.0%	3.6%
Salary & Benefits per FTE - Non-MD	$ 75,510	$ 80,900	$ 79,308	$ 79,504	$ 79,366	$ 81,649	-0.2%	2.7%	2.9%
FTEs Per Adjusted Occupied Bed	6	6	6	6	6	6	6.2%	3.4%	-2.6%
FTEs per 100 Adj Discharges	5	5	6	5	6	6	9.0%	6.2%	-2.6%
Benchmarks-Vermont System Averages									
Salary per FTE - Non-MD	$ 61,326	$ 63,250	$ 65,422	$ 65,917	$ 67,055	$ 67,424	1.7%	2.3%	0.5%
Salary & Benefits per FTE - Non-MD	$ 80,704	$ 81,921	$ 85,211	$ 84,856	$ 86,361	$ 86,812	1.8%	2.3%	0.5%
FTEs Per Adjusted Occupied Bed	6	6	6	6	6	6	-0.7%	2.8%	3.6%
FTEs per 100 Adj Discharges	7	7	7	8	8	8	-1.1%	1.3%	2.4%

OBSERVATIONS: Overall FY2018 Budget to FY2019 Budget utilization measured by adjusted admissions shows a decrease of 2.8%. With the exception of an expected decline in physician office visits, the remaining mix of utilization is increasing, with the largest increase being in Tests. NMC has budgeted for a budget to budget increase of 20 FTEs and two physician FTEs. Compared to projections, this is an increase of six FTEs and five physician FTEs. The narrative explains this is the net of existing positions transferring to the hospital through physician transfers and a reduction in positions related to cost savings initiatives. The hospital's productivity measures remain steady.

QUESTIONS: Please provide more detail regarding the factors influencing FY2019 Budget increases in utilization for All Operating Room Procedures and Tests. Please provide detail on the 16.44 positions that are being reduced as part of the cost savings plan.

Fiscal Year 2019 Budget Analysis	Northwestern Medical Center					
BALANCE SHEET	**FY2015A**	**FY2016A**	**FY2017A**	**FY2018B**	**FY2018P**	**FY2019B**
Cash & Investments	**$ 65,660,931**	**$ 67,086,851**	**$ 63,385,539**	**$ 54,214,537**	**$ 68,669,449**	**$ 69,000,000**
Risk Reserve for Fixed Reform Payments	**-**	**-**	**-**	**-**	**-**	**-**
Other Current Assets	**14,146,603**	**14,858,929**	**15,829,069**	**17,250,000**	**16,718,729**	**16,000,000**
Current Assets	**79,807,534**	**81,945,780**	**79,214,608**	**71,464,537**	**85,388,178**	**85,000,000**
Board Designated Assets	**26,163,167**	**44,300,588**	**30,116,056**	**19,450,000**	**22,938,818**	**23,500,000**
Net, Property, Plant And Equipment	**33,213,573**	**37,488,236**	**60,856,203**	**71,320,115**	**65,594,499**	**68,000,000**
Other Long-Term Assets	**1,257,368**	**453,154**	**880,014**	**1,300,000**	**467,911**	**1,300,000**
Assets	**$ 140,441,642**	**$ 164,187,758**	**$ 171,066,881**	**$ 163,534,652**	**$ 174,389,406**	**$ 177,800,000**
Current Liabilities	**$ 13,168,120**	**$ 10,577,523**	**$ 11,582,262**	**$ 12,538,276**	**$ 12,379,633**	**$ 12,086,726**
Long Term Liabilities	**17,075,841**	**33,708,946**	**32,708,054**	**31,440,939**	**32,137,986**	**31,000,000**
Other Noncurrent Liabilities	**1,332,071**	**2,193,713**	**433,263**	**400,000**	**356,641**	**1,350,000**
Fund Balance	**108,865,610**	**117,707,576**	**126,343,302**	**119,155,437**	**129,515,146**	**133,363,274**
Liabilities and Equities	**$ 140,441,642**	**$ 164,187,758**	**$ 171,066,881**	**$ 163,534,652**	**$ 174,389,406**	**$ 177,800,000**
Benchmarks-Hospital						
Days Cash on Hand	374.5	351.0	331.4	260.4	315.5	306.5
Long Term Debt to Capitalization	13.6%	22.3%	20.6%	20.9%	19.9%	18.9%
Debt Service Coverage Ratio	11.7	6.5	2.5	3.1	4.3	5.5
Benchmarks-Vermont System Averages						
Days Cash on Hand	178.5	183.3	193.6	167.3	178.2	173.4
Long Term Debt to Capitalization	27.6%	30.5%	29.0%	29.6%	26.7%	25.4%
Debt Service Coverage Ratio	3.7	5.0	3.9	3.7	3.7	3.7

OBSERVATIONS: NMC's Days Cash on Hand appears fairly steady and remains significantly higher than the Vermont System Average. Board Designated Assets have declined from FY2017. The Fund Balance has also shown steady increases from FY2017. The balance sheet appears healthy based on current metrics.

Fiscal Year 2019 Budget Analysis				Northwestern Medical Center					
CAPITAL BUDGET	**2015A**	**FY2016A**	**FY2017A**	**FY2018B**	**FY2018P**	**FY2019B**	**2020 Plan**	**2021 Plan**	**2022 Plan**
Non-Certificate of Need Capital Plans Total				$ 10,245,952	$ 9,362,833	$ 9,067,355	$ -	$ -	$ -
Certificate of Need Capital Plans				$ 4,164,000	$ 4,164,000	$ 1,333,000	$ 2,667,000	$ -	$ -
Total Capital Purchases				$ 14,409,952	$ 13,526,833	$ 10,400,355	$ 2,667,000	$ -	$ -
Northwestern Medical Center									
Age of Plant	9.9	10.6	11.1	9.6	9.3	10.1			
Capital Expenditures to Depreciation	147.0%	203.0%	115.9%	169.6%	155.3%	148.6%			
Capital Cost % of Total Expense	5.2%	5.0%	4.9%	6.5%	6.0%	5.9%			
Benchmarks-Vermont System Averages									
Age of Plant	11.4	11.8	12.5	13.0	13.2	13.5	-	-	-
Capital Expenditures to Depreciation				116.6%	116.5%	145.7%	-	-	-
Capital Cost % of Total Expense				5.3%	5.3%	5.0%	-	-	-

OBSERVATIONS: NMC's Non-CON capital budget appears steady, as does its Age of Plant, which remains lower than the Vermont System Average Age of Plant. An emergency department renovation CON is planned for 2019.