

# North Country Hospital

Fiscal Year 2020 Budget Analysis

Report Date: 8/1/2019

**North Country Hospital  
Fiscal Year 2020 Budget Analysis**

**QUESTIONS**

**QUESTIONS:**

1. Have the hospital's projections for FY2019 changed?
2. What is the total ACO reserve on the balance sheet for Projected FY19 and Budget FY20? If you have a pending settlement, please report the estimated amount of the settlement and which fiscal year it will effect. Are Other Reform Payments recorded in deduction from NPR, if not, where are they recorded?
3. NCH's FY19 Budget Order states the "Hospital shall consult with Vermont Information Technology Leaders (VITL) to facilitate patients' ability to electronically consent to adding their clinical data to the Vermont Health Information Exchange (VHIE)." What kind of headway has NCH made to facilitate this?
4. What is the value of 1 day of Days Cash on Hand?
5. What is the value of 1% of NCH's change in charge request? If there is a variance between NCH's calculation and the calculation provided by GMCB staff above, please include the steps to your calculation.
6. Are Medicaid and Medicare reimbursement assumptions still valid including Disproportionate Share Payments?
7. Please confirm the NPR/FPP growth between FY19B and FY20B, as there is a discrepancy between the narrative and bridges documents and the GMCB data submission.
8. The improperly classified item mentioned in the bridges document wouldn't it have affected NPR in the same way for FY19 as allowances and bad debt as these are deductions from revenue? Please clarify.
9. What is the hospitals assumptions between FY19P and FY20B for gross revenues and revenue from deductions?
10. Does the hospital want to adjust the change in charge (rate) to 4.25% from 4.20% to match your documents? How much of your increase in NPR is due to the increase in your change in charge? Please show the changes in charge for the relevant categories of service. If this is not possible, please explain. See Appendix VIII Change in Charge.
11. Explain what is happening to expenses as they related to physicians as there is no change in the FTEs.
12. Balance Sheet: Days receivable remain stable and under their comparable, but days payable has grown since FYE16 by nearly 20 days and is currently projected to be 20 days over its comparable in FY19. Please explain.
13. Related to question 2Bi of the narrative regarding the ACO and financial risk, how will North Country manage financial risk while maintaining access to high quality care and appropriate levels of utilization?
14. What amount of Other Reform Payments does the hospital expect to receive from OneCare Vermont by the end of calendar year 2020 (e.g., payments from OneCare's Value-Based Incentive Program based on quality performance)?
15. In Appendix VI-Bridges, Table 1, North Country listed funds under "Other (please label)". Please describe what these funds are.
16. Please complete Appendix VI-Bridges, Table 2.

**BOARD MEMBER QUESTIONS:**

17. For FY19 projections what departments are expenses exceeding revenues? If you are not able to answer the question, please explain.
18. Please suggest a statistic the GMCB can monitor to better understand the trends in the total number of staffed beds in the hospital versus the number of beds available for use, and how full or empty those beds are from month to month?
19. What is the impact of the now known Medicaid reimbursement increases? Any update on inpatient Medicaid reimbursement changes?
20. If you assumed Medicare increases, what is the value and what would a reduction in commercial be to maintain your NPR?

**Fiscal Year 2020 Budget Analysis** **North Country Hospital**

INCOME STATEMENT						2018B -2018A	2019B - 2019P	2018A - 2019P	2019B - 2020B	2019P - 2020B
	FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	% Chg	% Chg	% Chg	% Chg	% Chg
<b>Revenues</b>										
<b>Gross Patient Care Revenue</b>	<b>186,181,775</b>	<b>181,428,090</b>	<b>193,012,814</b>	<b>191,525,132</b>	<b>199,661,481</b>	<b>-2.6%</b>	<b>-0.8%</b>	<b>5.6%</b>	<b>3.4%</b>	<b>4.2%</b>
Disproportionate Share Payments	403,818	522,666	879,211	906,720	906,720	29.4%	3.1%	73.5%	3.1%	0.0%
Bad Debt	(1,105,660)	(2,855,661)	(2,071,021)	(4,182,785)	(4,491,912)	158.3%	102.0%	46.5%	116.9%	7.4%
Free Care	(1,261,784)	(1,568,926)	(1,753,024)	(1,739,654)	(1,826,157)	24.3%	-0.8%	10.9%	4.2%	5.0%
Deductions from Revenue	(105,143,570)	(105,429,495)	(114,166,944)	(110,783,203)	(116,876,281)	0.3%	-3.0%	5.1%	2.4%	5.5%
Graduate Medical Education	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Net Patient Care Revenue</b>	<b>79,074,579</b>	<b>72,096,674</b>	<b>75,901,036</b>	<b>75,726,210</b>	<b>77,373,851</b>	<b>-8.8%</b>	<b>-0.2%</b>	<b>5.0%</b>	<b>1.9%</b>	<b>2.2%</b>
Fixed Prospective Payments	0	3,959,572	5,297,314	5,290,017	5,290,017	#DIV/0!	-0.1%	33.6%	-0.1%	0.0%
Reserves	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	0	370,919	325,000	315,181	315,181	#DIV/0!	-3.0%	-15.0%	-3.0%	0.0%
<b>Fixed Prospective Payments and Reserves</b>	<b>0</b>	<b>4,330,490</b>	<b>5,622,314</b>	<b>5,605,198</b>	<b>5,605,198</b>	<b>#DIV/0!</b>	<b>-0.3%</b>	<b>29.4%</b>	<b>-0.3%</b>	<b>0.0%</b>
<b>Net Patient Care Revenue &amp; Fixed Payments &amp; Reserves</b>	<b>79,074,579</b>	<b>76,427,164</b>	<b>81,523,350</b>	<b>81,331,408</b>	<b>82,979,049</b>	<b>-3.3%</b>	<b>-0.2%</b>	<b>6.4%</b>	<b>1.8%</b>	<b>2.0%</b>
Other Operating Revenue	5,885,122	5,057,057	6,083,556	7,121,373	7,121,373	-14.1%	17.1%	40.8%	17.1%	0.0%
<b>Total Operating Revenue</b>	<b>84,959,701</b>	<b>81,484,221</b>	<b>87,606,906</b>	<b>88,452,781</b>	<b>90,100,422</b>	<b>-4.1%</b>	<b>1.0%</b>	<b>8.6%</b>	<b>2.8%</b>	<b>1.9%</b>
<b>Expenses</b>										
Salaries Non MD	27,485,621	26,781,174	27,664,659	28,003,658	28,515,655	-2.6%	1.2%	4.6%	3.1%	1.8%
Fringe Benefits Non MD	10,481,826	9,696,387	10,732,923	9,291,362	10,612,174	-7.5%	-13.4%	-4.2%	-1.1%	14.2%
Physician Fees, Salaries, Contracts	14,196,022	12,371,122	14,792,632	11,855,633	11,985,045	-12.9%	-19.9%	-4.2%	-19.0%	1.1%
Fringe Benefits MD	1,154,352	1,099,588	1,164,079	1,809,703	1,171,896	-4.7%	55.5%	64.6%	0.7%	-35.2%
Health Care Provider Tax	4,533,348	4,550,596	4,533,348	4,692,876	4,692,876	0.4%	3.5%	3.1%	3.5%	0.0%
Depreciation & Amortization	4,458,804	4,267,857	4,358,483	4,428,744	4,428,744	-4.3%	1.6%	3.8%	1.6%	0.0%
Interest - Long Term & Short Term	689,347	623,361	605,858	640,265	640,265	-9.6%	5.7%	2.7%	5.7%	0.0%
Other Operating Expense	21,266,142	23,977,712	22,796,328	26,335,312	26,591,830	12.8%	15.5%	9.8%	16.6%	1.0%
<b>Total Operating Expense</b>	<b>84,265,462</b>	<b>83,367,796</b>	<b>86,648,310</b>	<b>87,057,553</b>	<b>88,638,485</b>	<b>-1.1%</b>	<b>0.5%</b>	<b>4.4%</b>	<b>2.3%</b>	<b>1.8%</b>
<b>Net Operating Income (Loss)</b>	<b>694,239</b>	<b>(1,883,575)</b>	<b>958,597</b>	<b>1,395,228</b>	<b>1,461,937</b>	<b>-371.3%</b>	<b>45.5%</b>	<b>-174.1%</b>	<b>52.5%</b>	<b>4.8%</b>
Non-Operating Revenue	1,253,190	2,883,719	1,504,524	1,145,210	1,361,102	130.1%	-23.9%	-60.3%	-9.5%	18.9%
<b>Excess (Deficit) of Rev Over Exp</b>	<b>1,947,429</b>	<b>1,000,144</b>	<b>2,463,121</b>	<b>2,540,438</b>	<b>2,823,039</b>	<b>-48.6%</b>	<b>3.1%</b>	<b>154.0%</b>	<b>14.6%</b>	<b>11.1%</b>

Benchmarks-Hospital					
Operating Margin%	0.8%	-2.3%	1.1%	1.6%	1.6%
Total Margin %	2.3%	1.2%	2.8%	2.8%	3.1%
EBIDA %	6.9%	3.7%	6.8%	7.3%	7.2%
Cost per Adjusted Admission	9,688	7,726	10,813	9,422	9,249

**OBSERVATIONS:** North Country's narrative states the growth in NPR/FPP from FY19B and FY20B is 3.2%, the bridges document and data submitted in the GMCB budget software show an increase in NPR/FPP of \$1.5 million is 1.8% over the FY19 budget, and \$1.6 million or 2% over FY19 projections. North Country's FY18B to FY18A and FY19B to FY19P variances are both within the budget guidance limits. The hospital's operating margins and total margins are improving from FY18. The hospital has a current contract to participate in OneCare for Medicaid only. The bridges appendix reports an accounting reclass: Improperly Classified Items in FY19--should have been in bad debt not self pay allowances of \$1.6 million. Bad debt has increased by \$2.4 million and deductions in revenue have increased \$2.7 million from budget to budget. The hospital is budgeting gross revenues to be \$8.1 million, 4.2% higher than their FY19P and deductions from revenues to be \$6.1 million, 5.5% higher.

Fiscal Year 2020 Budget Analysis										
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NET PAYER REVENUE CHANGES - PAYERS						2018A - 2019P	2019B - 2019P	2019B - 2020B	2019P - 2020B	
	FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	% Chg	% Chg	% Chg	% Chg	
<b>All Payers</b>	<b>Gross Patient Care Revenue</b>	181,824,233	181,428,093	193,012,814	191,525,132	199,661,482	5.6%	-0.8%	3.4%	4.2%
	Contractual Allowances	-105,405,668	-105,429,495	-114,166,944	-110,783,203	-116,876,281	5.1%	-3.0%	2.4%	5.5%
	Bad Debt	-2,709,827	-2,855,661	-2,071,021	-4,182,785	-4,491,912	46.5%	102.0%	116.9%	7.4%
	Free Care	-1,543,331	-1,568,926	-1,753,024	-1,739,654	-1,826,157	10.9%	-0.8%	4.2%	5.0%
	Graduate Medical Education Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Disproportionate Share Payments	512,762	522,666	879,211	906,720	906,720	73.5%	3.1%	3.1%	0.0%
	<b>Net Payer Revenue</b>	<b>72,678,168</b>	<b>72,096,677</b>	<b>75,901,036</b>	<b>75,726,210</b>	<b>77,373,852</b>	<b>5.0%</b>	<b>-0.2%</b>	<b>1.9%</b>	<b>2.2%</b>
	Fixed Prospective Payments	3,676,275	3,959,572	5,297,314	5,290,017	5,290,017	33.6%	-0.1%	-0.1%	0.0%
	Reserves - Risk Portion	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	198,400	370,919	325,000	315,181	315,181	-15.0%	-3.0%	-3.0%	0.0%
	<b>Fixed Prospective Payment &amp; Reserves</b>	<b>3,874,675</b>	<b>4,330,490</b>	<b>5,622,314</b>	<b>5,605,198</b>	<b>5,605,198</b>	<b>29.4%</b>	<b>-0.3%</b>	<b>-0.3%</b>	<b>0.0%</b>
	<b>Net Payer Revenue &amp; Fixed Prospective Payments</b>	<b>76,552,843</b>	<b>76,427,167</b>	<b>81,523,350</b>	<b>81,331,408</b>	<b>82,979,050</b>	<b>6.4%</b>	<b>-0.2%</b>	<b>1.8%</b>	<b>2.0%</b>
<b>Commercial</b>	<b>Gross Patient Care Revenue</b>	55,108,582	54,525,250	64,384,857	68,309,017	71,179,024	25.3%	6.1%	10.6%	4.2%
	Contractual Allowances	-17,434,971	-17,530,404	-21,209,465	-23,843,441	-25,041,067	36.0%	12.4%	18.1%	5.0%
	Bad Debt	-2,709,827	-2,855,661	-2,071,021	-4,182,785	-4,491,912	46.5%	102.0%	116.9%	7.4%
	Free Care	-1,543,331	-1,568,926	-1,753,024	-1,739,654	-1,826,157	10.9%	-0.8%	4.2%	5.0%
	Graduate Medical Education Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Net Payer Revenue</b>	<b>33,420,453</b>	<b>32,570,259</b>	<b>39,351,347</b>	<b>38,543,137</b>	<b>39,819,888</b>	<b>18.3%</b>	<b>-2.1%</b>	<b>1.2%</b>	<b>3.3%</b>
	Fixed Prospective Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Reserves - Risk Portion	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 Payment &amp; 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 Payer Revenue &amp; Fixed Prospective Payments</b>	<b>33,420,453</b>	<b>32,570,259</b>	<b>39,351,347</b>	<b>38,543,137</b>	<b>39,819,888</b>	<b>18.3%</b>	<b>-2.1%</b>	<b>1.2%</b>	<b>3.3%</b>
<b>Percentage of total</b>		44%	43%	48%	47%	48%				
<b>Medicaid</b>	<b>Gross Patient Care Revenue</b>	44,742,522	44,465,556	48,788,854	44,868,366	46,742,001	0.9%	-8.0%	-4.2%	4.2%
	Contractual Allowances	-36,782,059	-36,804,574	-41,339,854	-38,183,710	-40,256,294	3.7%	-7.6%	-2.6%	5.4%
	Bad Debt	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Free Care	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Graduate Medical Education Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Net Payer Revenue</b>	<b>7,960,464</b>	<b>7,660,982</b>	<b>7,449,000</b>	<b>6,684,656</b>	<b>6,485,707</b>	<b>-12.7%</b>	<b>-10.3%</b>	<b>-12.9%</b>	<b>-3.0%</b>
	Fixed Prospective Payments	3,676,275	3,959,572	5,297,314	5,290,017	5,290,017	33.6%	-0.1%	-0.1%	0.0%
	Reserves - Risk Portion	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	198,400	370,919	325,000	315,181	315,181	-15.0%	-3.0%	-3.0%	0.0%
	<b>Fixed Prospective Payment &amp; Reserves</b>	<b>3,874,675</b>	<b>4,330,490</b>	<b>5,622,314</b>	<b>5,605,198</b>	<b>5,605,198</b>	<b>29.4%</b>	<b>-0.3%</b>	<b>-0.3%</b>	<b>0.0%</b>
	<b>Net Payer Revenue &amp; Fixed Prospective Payments</b>	<b>11,835,138</b>	<b>11,991,472</b>	<b>13,071,314</b>	<b>12,289,854</b>	<b>12,090,905</b>	<b>2.5%</b>	<b>-6.0%</b>	<b>-7.5%</b>	<b>-1.6%</b>
<b>Percentage of total</b>		15%	16%	16%	15%	15%				
<b>Medicare</b>	<b>Gross Patient Care Revenue</b>	81,973,129	82,437,287	79,839,103	78,347,749	81,740,457	-5.0%	-1.9%	2.4%	4.3%
	Contractual Allowances	-51,188,639	-51,094,517	-51,617,625	-48,756,052	-51,578,920	-4.6%	-5.5%	-0.1%	5.8%
	Bad Debt	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Free Care	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Graduate Medical Education Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Net Payer Revenue</b>	<b>30,784,490</b>	<b>31,342,770</b>	<b>28,221,478</b>	<b>29,591,697</b>	<b>30,161,537</b>	<b>-5.6%</b>	<b>4.9%</b>	<b>6.9%</b>	<b>1.9%</b>
	Fixed Prospective Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Reserves - Risk Portion	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 Payment &amp; 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 Payer Revenue &amp; Fixed Prospective Payments</b>	<b>30,784,490</b>	<b>31,342,770</b>	<b>28,221,478</b>	<b>29,591,697</b>	<b>30,161,537</b>	<b>-5.6%</b>	<b>4.9%</b>	<b>6.9%</b>	<b>1.9%</b>
<b>Percentage of total</b>		40%	41%	35%	36%	36%				
	Disproportionate Share Payments	512,762	522,666	879,211	906,720	906,720	73.5%	3.1%	3.1%	0.0%
<b>Percentage of total</b>										
	NPR & FPP to Gross Commercial (no dsh)	61%	60%	61%	56%	56%				
	NPR & FPP to Gross Medicaid (no dsh)	26%	27%	27%	27%	26%				
	NPR & FPP to Gross Medicare (no dsh)	38%	38%	35%	38%	37%				
	NPR & FPP to Gross All (no dsh)	42%	42%	42%	42%	41%				
<b>Observations:</b> The hospital is budgeting an increase in utilization for Medicare and Commercial- workers comp and a reductions in reimbursement /payer mix for Medicaid and Commercial, per the bridges document. The reclass items mentioned in the bridges affect Commercial for \$1.6 million increase.										

**CHANGE IN CHARGE AND NET PATIENT REVENUE INCREASE**

Change in charge is the average change in price for services provided.

	FY2017	FY2018	FY2019	FY2020
<b>Weighted Average Approved Rate (all hospitals)</b>	1.8%	2.0%	2.9%	
<b>Weighted Average Submitted Rate (all hospitals)</b>	2.2%	2.3%	3.9%	3.2%
<b>Approved % Change in Charge</b>	3.5%	5.0%	3.6%	0.0%
<b>Commercial Approved % Change in Charge</b>	0.0%	0.0%	3.6%	0.0%
<b>Submitted % Change in Charge</b>	3.5%	5.0%	3.6%	4.20%
<b>Commercial Submitted % Change in Charge</b>	0.0%	0.0%	3.6%	4.20%

Hospital Inpatient Gross Revenue	0.00
Hospital Outpatient Gross Revenue	0.00
Physician Outpatient Gross Revenue	0.00
Chronic/SNF Gross Revenue	0.00
Swing Gross Revenue	0.00

<b>Net Patient Revenue Change Due to Rate Request</b>	
Commercial	0.00
Medicaid	0.00
Medicare	0.00
Disproportionate Share	0.00
<b>Total Change Due to Rate Request</b>	<b>0.00</b>

<b>Value of 1% Rate - Calculated by GMCB</b>	
<b>Value of 1% Rate - Calculated by hospital</b>	
Variance	

**OBSERVATIONS:** The change in charge chart as well as the narrative report the rate as 4.25% instead of 4.20%, There is no difference in change in charges (rates) across their payers. The hospital is not reporting an increase in NPR due to rate.

Fiscal Year 2020 Budget Analysis						North Country Hospital				
UTILIZATION & STAFFING	FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	2018B-2018A	2018A-2019P	2019B-2019P	2019B-2020B	2019P-2020B
<b>UTILIZATION</b>										
Adjusted Admissions	10,727	10,791	8,014	9,239	9,584	0.6%	-14.4%	15.3%	19.6%	3.7%
Acute Admissions	1,791	1,800	1,357	1,365	1,426	0.5%	-24.2%	0.6%	5.1%	4.5%
Acute Average Length Of Stay	2.7	2.7	3.2	3.6	3.7	-0.1%	36.2%	13.6%	14.0%	0.3%
All Operating Room Procedure	3,103	3,120	3,036	3,579	3,758	0.5%	14.7%	17.9%	23.8%	5.0%
Tests	531,710	525,879	515,672	510,369	535,888	-1.1%	-2.9%	-1.0%	3.9%	5.0%
Emergency Room Visits	15,892	15,723	15,456	15,602	16,382	-1.1%	-0.8%	0.9%	6.0%	5.0%
CT Scan, Radiology - Diagnostic	18,444	18,366	17,737	21,155	22,202	-0.4%	15.2%	19.3%	25.2%	4.9%
Exams	1,267	1,246	1,345	1,315	1,318	-1.6%	5.5%	-2.2%	-2.0%	0.2%
Provider Work RVU	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Physician Office Visits	89,352	88,202	95,918	79,199	79,236	-1.3%	-10.2%	-17.4%	-17.4%	0.0%
Clinic Visits	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>STAFFING</b>										
Non-MD FTEs	449	448	464	462	452	(1.0)	14.5	(2.1)	(12.0)	(9.9)
Travelers, Travelers MD	0	0	0	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	0.0	0.0
MLPs	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Physician FTEs	30	30	33	33	32	(0.1)	3.6	0.9	(0.4)	(1.3)
Total FTEs	479	477	497	495	484	(1.1)	18.1	(1.2)	(12.4)	(11.2)
<b>Benchmark-North Country Hospital</b>										
Salary per FTE - Non-MD	59,729	59,833	59,605	60,606	63,064	0.2%	1.3%	1.7%	5.8%	4.1%
Salary & Benefits per FTE - Non-MD	81,457	81,496	82,730	80,715	86,533	0.0%	-1.0%	-2.4%	4.6%	7.2%
FTEs Per Adjusted Occupied Bed	6	6	7	5	5	-0.8%	-11.9%	-23.9%	-28.5%	-6.1%
FTEs per 100 Adj Discharges	4	4	6	5	5	-0.8%	20.6%	-13.7%	-18.5%	-5.7%
<b>Benchmarks-Vermont System Averages</b>										
Salary per FTE - Non-MD	66,011	66,067	67,435	68,152	70,075	0.1%	3.2%	1.1%	3.9%	2.8%
Salary & Benefits per FTE - Non-MD	84,936	84,930	86,796	87,678	89,716	0.0%	3.2%	1.0%	3.4%	2.3%
FTEs Per Adjusted Occupied Bed	6	6	6	6	6	-0.1%	0.5%	-3.5%	1.5%	5.1%
FTEs per 100 Adj Discharges	7	7	8	8	8	-0.2%	2.9%	-1.1%	2.3%	3.4%

**OBSERVATIONS:** The hospitals utilization declines from FY18A to FY19P but is budgeted to increase in all areas except physician office visits for FY20. The Physician Fees, Salaries and Contracts on the Income Statement are decreasing 19% but there is no significant change in MD FTEs. The hospitals salaries & benefits are lower than the system average.

Fiscal Year 2020 Budget Analysis		North Country Hospital						
BALANCE SHEET	FY2018A	FY2019B	FY2019P	FY2020B	2018A-2019P	2019B-2019P	2019P-2020B	2018A-2020B
<b>Cash &amp; Investments</b>	<b>865,798</b>	<b>2,463,129</b>	<b>1,674,782</b>	<b>3,280,300</b>	<b>93.4%</b>	<b>-32.0%</b>	<b>95.9%</b>	<b>278.9%</b>
Risk Reserve for Fixed Reform Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Current Assets	12,141,954	16,298,085	16,499,593	14,156,117	35.9%	1.2%	-14.2%	16.6%
<b>Current Assets</b>	<b>13,007,753</b>	<b>18,761,214</b>	<b>18,174,375</b>	<b>17,436,417</b>	<b>39.7%</b>	<b>-3.1%</b>	<b>-4.1%</b>	<b>34.0%</b>
Board Designated Assets	45,378,768	41,795,358	41,531,048	43,266,027	-8.5%	-0.6%	4.2%	-4.7%
Net, Property, Plant And Equipment	23,403,357	26,046,855	22,245,902	24,032,654	-4.9%	-14.6%	8.0%	2.7%
Other Long-Term Assets	4,574,075	4,581,767	4,485,347	4,667,263	-1.9%	-2.1%	4.1%	2.0%
<b>Assets</b>	<b>86,363,953</b>	<b>91,185,194</b>	<b>86,436,672</b>	<b>89,402,361</b>	<b>0.1%</b>	<b>-5.2%</b>	<b>3.4%</b>	<b>3.5%</b>
<b>Current Liabilities</b>	<b>14,974,988</b>	<b>13,733,163</b>	<b>16,952,101</b>	<b>15,752,102</b>	<b>13.2%</b>	<b>23.4%</b>	<b>-7.1%</b>	<b>5.2%</b>
Long Term Liabilities	17,536,476	16,541,890	16,808,741	15,893,247	-4.1%	1.6%	-5.4%	-9.4%
Other Noncurrent Liabilities	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Fund Balance	53,852,486	60,910,141	56,074,412	57,757,012	4.1%	-7.9%	3.0%	7.3%
<b>Liabilities and Equities</b>	<b>86,363,950</b>	<b>91,185,194</b>	<b>89,835,254</b>	<b>89,402,361</b>	<b>4.0%</b>	<b>-1.5%</b>	<b>-0.5%</b>	<b>3.5%</b>
<b>Benchmarks-Hospital</b>					<b>Change in Points</b>			
<b>Days Cash on Hand</b>	<b>213.39</b>	<b>196.31</b>	<b>190.86</b>	<b>201.75</b>	<b>(22.54)</b>	<b>(5.46)</b>	<b>10.90</b>	<b>(11.64)</b>
Days Receivable	41.77	40.48	37.82	37.95	(3.96)	(2.66)	0.14	(3.82)
Long Term Debt to Capitalization	25%	22%	23%	22%	-2%	1%	-1%	-3%
Days Payable	69.10	60.91	74.88	68.28	5.78	13.97	(6.61)	(0.82)
Debt Service Coverage Ratio	1.1	3.5	3.8	3.4	2.7	0.3	(0.5)	2.2
<b>Benchmarks-Vermont System Averages</b>					<b>Change in Points</b>			
Days Cash on Hand	176	172	167	166	(9)	(5)	(1)	(10)
Days Receivable	43	44	47	46	4	3	(0)	4
Long Term Debt to Capitalization	27%	25%	26%	24%	-1%	1%	-2%	-3%
Days Payable	63	54	54	55	(9)	(0)	1	(9)
Debt Service Coverage Ratio	2.4	3.6	3.0	3.5	0.6	(0.7)	0.6	1.1
<b>OBSERVATIONS:</b> Days Cash on Hand declined from FY18 to FY19 but is budgeted to improve. The Days Cash on Hand for North Country is higher than the system average but Days payable is also higher than the system average (unfavorable). The hospital is not expecting to make capital improvements/investments at the level of the FY19 budget allowing the board designated assets and cash & investments to improve.								

Fiscal Year 2020 Budget Analysis		North Country Hospital						
CAPITAL BUDGET	FY2018A	FY2019B	FY2019P	FY2020B	2021 Plan	2022 Plan	2023 Plan	
Non-Certificate of Need Capital Plans Total	0	6,251,686	6,251,686	5,833,993	0	0	0	
Certificate of Need Capital Plans	0	0	0	0	0	0	0	
Total Capital Purchases	0	6,251,686	6,251,686	5,833,993	0	0	0	
North Country Hospital								
Age of Plant	12.7	12.7	12.9	14.2	0.0	0.0	0.0	
Capital Expenditures to Depreciation	0%	143%	141%	132%	0%	0%	0%	
Capital Cost % of Total Expense	5.9%	5.7%	5.8%	5.7%	0.0%	0.0%	0.0%	
Benchmarks-Vermont System Averages								
Age of Plant	13.1	13.5	13.4	12.8	0.0	0.0	0.0	
Capital Expenditures to Depreciation	79%	111%	105%	77%	0%	0%	0%	
Capital Cost % of Total Expense	4.8%	5.0%	4.8%	5.3%	0.0%	0.0%	0.0%	
<p><b>OBSERVATIONS:</b> The hospital's age of plant is increasing (unfavorable). Capital expenditures to depreciation is also unfavorable compared to the system average.</p>								



Fiscal Year 2020 Budget Analysis	North Country Hospital							Flex Monitoring Team 2017 CAH Medians		2019 Flex Monitoring Team FY2017	2019 Almanac of Hospital Indicators (Optum)
	FY2016A	FY2017A	FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	Vermont--8 Hospitals	U.S.--1317 Hospitals	Northeast CAH	Teaching Hospitals
<b>DASHBOARD</b>											
<b>Net Patient Care Rev &amp; Fixed Payments &amp; Reserves</b>	77,791,582	76,686,887	79,074,579	76,427,164	81,523,350	81,331,408	82,979,049				
Budget to Budget % Change NPR & FPP					3.1%		1.8%				
Budget to Actual/Projection % Change NPR & FPP				-3.3%		-0.2%	2.0%				
Three Year NPR & FPP CAGR* (FY18A - FY20B)							4.2%				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							1.6%				
<b>Operating Expense</b>	83,824,785	84,179,016	84,265,462	83,367,796	86,648,310	87,057,553	88,638,485				
Budget to Budget % Change Oper Exp					2.8%		2.3%				
Budget to Actual/Projection % Change Oper Exp				-1.1%		0.5%	1.8%				
Three Year NPR & FPP CAGR* (FY18A - FY20B)							3.1%				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							1.4%				
<b>Profitability</b>											
<b>Operating Margin</b>	141,751	(1,871,960)	694,239	(1,883,575)	958,597	1,395,228	1,461,937				
Three Year NPR & FPP CAGR* (FY18A - FY20B)							#NUM!				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							79.2%				
EBIDA Margin%	-1.5%	4.2%	6.9%	3.7%	6.8%	7.3%	7.2%				
Operating Margin %	0.2%	-2.3%	0.8%	-2.3%	1.1%	1.6%	1.6%	-1.48%	0.93%	0.8%	0.8%
<b>Total Margin</b>	2,170,151	2,014,165	1,947,429	1,000,144	2,463,121	2,540,438	2,823,039				
Three Year NPR & FPP CAGR* (FY17A - FY20B)							0.68				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							6.8%				
Total Margin %	2.5%	2.3%	2.3%	1.2%	2.8%	2.8%	3.1%	2.47%	1.79%	3.5%	4.5%
Return On Assets	2.7%	2.4%	2.3%	1.2%	2.7%	2.9%	3.2%				
<b>Costs</b>											
Cost per Adjusted Admission	13,611	14,022	15,254	13,836	14,236	14,194	14,439				
Salary per FTE - Non-MD	59,587	58,602	59,854	59,833	59,605	60,606	63,064	77,782	57,928	65,605	66,657
Five Year Salary per FTE CAGR* (FY16A - FY20B)							1.4%				
Overhead Exp. as a % of Total Operating Exp.**	22.3%	21.5%	22.2%	25.0%	23.2%	24.3%	24.2%				
<b>Liquidity</b>											
<b>Cash &amp; Investments</b>	2,507,404	1,567,456	5,194,466	865,798	2,463,129	1,674,782	3,280,300				
Days Cash on Hand	169	185	196	213	196	191	202	133	78	114	137
Current Ratio	3.70	4.52	5.72	5.38	4.88	6.53	7.38	1.57	2.54	0	2
Expense Per Day**	229,657	230,627	230,864	228,405	237,393	238,514	242,845			0	0
Days Receivable**	33	33	33	42	40	38	38	43	51	42	49
Days Payable**	46	58	59	69	61	75	68				
<b>Capital</b>											
Age of Plant**	9	11	13	13	13	13	14	13	11	15	11
Long Term Debt to Capitalization**	29.6%	27.8%	27.4%	25.0%	21.8%	23.3%	21.8%	30.6%	31.3%	31%	31%
Debt Service Coverage Ratio	3.34	1.95	3.34	1.12	3.51	3.82	3.36	8.01	3.74	6.6	2.6
Cash to Long Term Debt	1.77	2.09	2.22	2.64	2.68	2.57	2.93				
*CAGR = Compounded Annual Growth Rate											
**Denotes metric is favorable if lower											