

Springfield Hospital

Fiscal Year 2020 Budget Analysis

Report Date: 8/1/2019

Springfield 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. Springfield'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 Springfield made to facilitate this?
4. What is the value of 1 day of Days Cash on Hand, for the hospital and parent organization??
5. Are Medicaid and Medicare reimbursement assumptions still valid including Disproportionate Share Payments?
6. How does the new physician contract change for ED and Anesthesia impact NPR/FPP and Operating Expense?
7. Please explain further how Springfield plans to achieve an additional \$5.3 million in cost savings over FY19 projection.
8. What are the hospitals' assumptions for their budgeted FY20 NPR by payer considering their FY19 projections are so different from budget?
9. How many FTEs are associated with the ED and Anesthesia contracts, and are the loss of these positions reflected in the 40 FTE reductions budgeted in FY20? Please explain budgeting for ZERO Physician FTEs in FY20.
10. Please describe the major capital expenditures planned for FY20.
11. Springfield Hospital has indicated it is not participating with OneCare during CY2020, yet has filled in numbers in the Appendix V-Participation in Health Reform table. Please confirm the numbers budgeted are for CY2019, not CY2020.
12. Related to question 2Bi of the narrative regarding the ACO and financial risk, how has Springfield accounted for its financial risk in the FY19 Budget and FY19 Projection.
13. The overall change in charge submitted through Adaptive was 0.0%, this table shows -22.0%. Please explain.

BOARD MEMBER QUESTIONS:

14. For FY19 projections what departments are expenses exceeding revenues?
15. 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?
16. What is the impact of the now known Medicaid reimbursement increases? Any update on inpatient Medicaid reimbursement changes?
17. 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										
Springfield Hospital										
INCOME STATEMENT	FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	2018B -2018A	2019B - 2019P	2018A - 2019P	2019B - 2020B	2019P - 2020B
						% Chg	% Chg	% Chg	% Chg	% Chg
Revenues										
Gross Patient Care Revenue	129,887,486	125,832,116	137,063,487	110,500,604	106,879,864	-3.1%	-19.4%	-12.2%	-22.0%	-3.3%
Disproportionate Share Payments	881,186	925,000	1,058,694	1,058,694	900,130	5.0%	0.0%	14.5%	-15.0%	-15.0%
Bad Debt	(4,472,028)	(5,859,853)	(4,674,519)	(4,674,519)	(4,382,074)	31.0%	0.0%	-20.2%	-6.3%	-6.3%
Free Care	(2,737,480)	(1,968,856)	(2,395,236)	(2,395,236)	(1,068,799)	-28.1%	0.0%	21.7%	-55.4%	-55.4%
Deductions from Revenue	(64,183,966)	(65,949,597)	(70,566,548)	(55,913,771)	(53,439,932)	2.8%	-20.8%	-15.2%	-24.3%	-4.4%
Graduate Medical Education	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net Patient Care Revenue	59,375,198	52,978,810	60,485,878	48,575,772	48,889,189	-10.8%	-19.7%	-8.3%	-19.2%	0.6%
Fixed Prospective Payments	0	0	11,180,000	11,180,000	0	#DIV/0!	0.0%	#DIV/0!	-100.0%	-100.0%
Reserves	0	0	(11,180,000)	(11,180,000)	0	#DIV/0!	0.0%	#DIV/0!	-100.0%	-100.0%
Other Reform Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Fixed Prospective Payments and Reserves	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net Patient Care Revenue & Fixed	59,375,198	52,978,810	60,485,878	48,575,772	48,889,189	-10.8%	-19.7%	-8.3%	-19.2%	0.6%
Payments & Reserves	59,375,198	52,978,810	60,485,878	48,575,772	48,889,189	-10.8%	-19.7%	-8.3%	-19.2%	0.6%
Other Operating Revenue	1,458,000	1,885,141	1,455,000	1,683,521	1,543,674	29.3%	15.7%	-10.7%	6.1%	-8.3%
Total Operating Revenue	60,833,198	54,863,951	61,940,878	50,259,293	50,432,863	-9.8%	-18.9%	-8.4%	-18.6%	0.3%
Expenses										
Salaries Non MD	17,953,143	17,296,401	18,053,239	18,053,239	18,361,249	-3.7%	0.0%	4.4%	1.7%	1.7%
Fringe Benefits Non MD	5,360,128	5,719,433	5,510,668	5,510,668	6,433,420	6.7%	0.0%	-3.7%	16.7%	16.7%
Physician Fees, Salaries, Contracts	5,822,000	5,976,272	5,133,644	5,133,644	4,011,363	2.6%	0.0%	-14.1%	-21.9%	-21.9%
Fringe Benefits MD	600,000	501,028	600,000	600,000	0	-16.5%	0.0%	19.8%	-100.0%	-100.0%
Health Care Provider Tax	3,562,512	3,240,700	3,599,817	3,599,817	3,385,476	-9.0%	0.0%	11.1%	-6.0%	-6.0%
Depreciation & Amortization	1,863,315	1,581,699	1,676,635	1,676,635	1,509,309	-15.1%	0.0%	6.0%	-10.0%	-10.0%
Interest - Long Term & Short Term	529,100	634,651	615,100	615,100	500,000	19.9%	0.0%	-3.1%	-18.7%	-18.7%
Other Operating Expense	24,105,846	26,909,846	25,452,488	21,527,783	17,217,202	11.6%	-15.4%	-20.0%	-32.4%	-20.0%
Total Operating Expense	59,796,044	61,860,030	60,641,591	56,716,886	51,418,019	3.5%	-6.5%	-8.3%	-15.2%	-9.3%
Net Operating Income (Loss)	1,037,154	(6,996,078)	1,299,287	(6,457,593)	(985,156)	-774.5%	-597.0%	-7.7%	-175.8%	-84.7%
Non-Operating Revenue	1,290,000	367,504	860,000	(8,601,741)	0	-71.5%	-1100.2%	-2440.6%	-100.0%	-100.0%
Excess (Deficit) of Rev Over Exp	2,327,154	(6,628,574)	2,159,287	(15,059,334)	(985,156)	-384.8%	-797.4%	127.2%	-145.6%	-93.5%
Benchmarks-Hospital										
Operating Margin%	1.7%	-12.8%	2.1%	-12.8%	-2.0%					
Total Margin %	3.7%	-12.0%	3.4%	-36.2%	-2.0%					
EBIDA %	5.6%	-8.7%	5.8%	-8.3%	2.0%					
Cost per Adjusted Admission	6,861	7,077	6,440	4,839	6,119					
<p>OBSERVATIONS: Springfield's FY20 budget for NPR/FPP is a decrease of \$11.6 million (-19.2%) under the FY19 budget, and \$.3 million (0.6%) over projection. All revenue accounts are budgeted to decrease, mainly driven by decreased utilization. Revenue decreases also attributed to closure of the child birth unit (-\$750,000) and physician contract changes for ED and Anesthesia. The hospital plans to improve their margins with improved perioperative services. Springfield has not committed to continued participation in OCV's Medicaid and Medicare programs and includes \$0 for FPP in FY20. Springfield's FY20 budget for Operating Expenses is a decrease of \$9.2 million (-15.2%) under FY19 budget, and -\$5.3 million, (-9.3%) under projection. Decreases in operating expenses are attributed to reduction in FTEs and planned expense reductions with a financial improvement plan. Springfield budgeted low levels of inflation for FY20.</p>										

Fiscal Year 2020 Budget Analysis										
Springfield Hospital										
NET PAYER REVENUE CHANGES - PAYERS						2018A - 2019P	2019B - 2019P	2019B - 2020B	2019P - 2020B	
	FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	% Chg	% Chg	% Chg	% Chg	
All Payers	Gross Patient Care Revenue	126,170,064	125,832,117	137,063,487	110,500,604	106,879,865	-12.2%	-19.4%	-22.0%	-3.3%
	Contractual Allowances	-65,802,461	-65,949,597	-70,566,548	-55,913,771	-53,439,932	-15.2%	-20.8%	-24.3%	-4.4%
	Bad Debt	-5,744,201	-5,859,853	-4,674,519	-4,674,519	-4,382,074	-20.2%	0.0%	-6.3%	-6.3%
	Free Care	-2,032,908	-1,968,856	-2,395,236	-2,395,236	-1,068,799	21.7%	0.0%	-55.4%	-55.4%
	Graduate Medical Education Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Disproportionate Share Payments	921,349	925,000	1,058,694	1,058,694	900,130	14.5%	0.0%	-15.0%	-15.0%
	Net Payer Revenue	53,511,843	52,978,811	60,485,878	48,575,772	48,889,190	-8.3%	-19.7%	-19.2%	0.6%
	Fixed Prospective Payments	0	0	11,180,000	11,180,000	0	#DIV/0!	0.0%	-100.0%	-100.0%
	Reserves - Risk Portion	0	0	-11,180,000	-11,180,000	0	#DIV/0!	0.0%	-100.0%	-100.0%
	Other Reform Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Fixed Prospective Payment & Reserves	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Net Payer Revenue & Fixed Prospective Payments	53,511,843	52,978,811	60,485,878	48,575,772	48,889,190	-8.3%	-19.7%	-19.2%	0.6%
Commercial	Gross Patient Care Revenue	46,579,070	46,552,510	48,293,667	48,293,667	40,430,469	3.7%	0.0%	-16.3%	-16.3%
	Contractual Allowances	-10,513,135	-10,180,406	-15,529,201	-15,529,201	-13,025,489	52.5%	0.0%	-16.1%	-16.1%
	Bad Debt	-5,744,201	-5,859,853	-4,674,519	-4,674,519	-4,382,074	-20.2%	0.0%	-6.3%	-6.3%
	Free Care	-2,032,908	-1,968,856	-2,395,236	-2,395,236	-1,068,799	21.7%	0.0%	-55.4%	-55.4%
	Graduate Medical Education Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Net Payer Revenue	28,288,826	28,543,395	25,694,711	25,694,711	21,954,107	-10.0%	0.0%	-14.6%	-14.6%
	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!
	Fixed Prospective Payment & Reserves	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Net Payer Revenue & Fixed Prospective Payments	28,288,826	28,543,395	25,694,711	25,694,711	21,954,107	-10.0%	0.0%	-14.6%	-14.6%
	Percentage of total	53%	54%	42%	53%	45%				
Medicaid	Gross Patient Care Revenue	27,398,478	27,358,125	30,213,353	30,213,353	21,512,733	10.4%	0.0%	-28.8%	-28.8%
	Contractual Allowances	-19,547,150	-19,856,567	-18,847,752	-18,847,752	-12,711,027	-5.1%	0.0%	-32.6%	-32.6%
	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!
	Net Payer Revenue	7,851,328	7,501,558	11,365,601	11,365,601	8,801,706	51.5%	0.0%	-22.6%	-22.6%
	Fixed Prospective Payments	0	0	2,380,000	2,380,000	0	#DIV/0!	0.0%	-100.0%	-100.0%
	Reserves - Risk Portion	0	0	-2,380,000	-2,380,000	0	#DIV/0!	0.0%	-100.0%	-100.0%
	Other Reform Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Fixed Prospective Payment & Reserves	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Net Payer Revenue & Fixed Prospective Payments	7,851,328	7,501,558	11,365,601	11,365,601	8,801,706	51.5%	0.0%	-22.6%	-22.6%
	Percentage of total	15%	14%	19%	23%	18%				
Medicare	Gross Patient Care Revenue	52,192,516	51,921,482	58,556,467	31,993,584	44,936,663	-38.4%	-45.4%	-23.3%	40.5%
	Contractual Allowances	-35,742,176	-35,912,624	-36,189,595	-21,536,818	-27,703,416	-40.0%	-40.5%	-23.4%	28.6%
	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!
	Net Payer Revenue	16,450,340	16,008,858	22,366,872	10,456,766	17,233,247	-34.7%	-53.2%	-23.0%	64.8%
	Fixed Prospective Payments	0	0	8,800,000	8,800,000	0	#DIV/0!	0.0%	-100.0%	-100.0%
	Reserves - Risk Portion	0	0	-8,800,000	-8,800,000	0	#DIV/0!	0.0%	-100.0%	-100.0%
	Other Reform Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Fixed Prospective Payment & Reserves	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Net Payer Revenue & Fixed Prospective Payments	16,450,340	16,008,858	22,366,872	10,456,766	17,233,247	-34.7%	-53.2%	-23.0%	64.8%
	Percentage of total	31%	30%	37%	22%	35%				
	Disproportionate Share Payments	921,349	925,000	1,058,694	1,058,694	900,130	14.5%	0.0%	-15.0%	-15.0%
	Percentage of total									
	NPR & FPP to Gross Commercial (no dsh)	61%	61%	53%	53%	54%				
	NPR & FPP to Gross Medicaid (no dsh)	29%	27%	38%	38%	41%				
	NPR & FPP to Gross Medicare (no dsh)	32%	31%	38%	33%	38%				
	NPR & FPP to Gross All (no dsh)	42%	41%	43%	43%	45%				
OBSERVATIONS: Springfield's FY20 NPR by payer as measured by percentage of total NPR is budgeted to mirror their FY19 budget but this is a change from their projection, they project 53% of their revenue from Commercial, 23% from Medicaid and 22% from Medicare but their budget is 45% from Commercial, 18% from Medicaid and 35% from Medicare.										

Fiscal Year 2020 Budget Analysis Springfield Hospital

CHANGE IN CHARGE AND NET PATIENT REVENUE INCREASE

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

	FY2017	FY2018	FY2019	FY2020
Weighted Average Approved Rate (all hospitals)	1.8%	2.0%	2.9%	
Weighted Average Submitted Rate (all hospitals)	2.2%	2.3%	3.9%	3.2%
Approved % Change in Charge	0.0%	6.5%	10.0%	0.0%
Commercial Approved % Change in Charge	0.0%	0.0%	10.0%	0.0%
Submitted % Change in Charge	0.0%	6.5%	10.0%	0.0%
Commercial Submitted % Change in Charge	0.0%	6.5%	10.0%	0.0%

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

Net Patient Revenue Change Due to Rate Request	
Commercial	
Medicaid	
Medicare	
Disproportionate Share	
Total Change Due to Rate Request	

Value of 1% Rate - Calculated by GMCB	
Value of 1% Rate - Calculated by hospital	
Variance	

OBSERVATIONS: Springfield did not request a charge increase in FY2020. Springfield's FY19 budget order was amended to reflect GMCB's approval to increase charge by 5%.

Fiscal Year 2020 Budget Analysis **Springfield Hospital**

UTILIZATION & STAFFING	FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	2018B-2018A	2018A-2019P	2019B-2019P	2019B-2020B	2019P-2020B
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UTILIZATION

Adjusted Admissions	8,736	8,741	9,416	11,720	8,404	0.1%	34.1%	24.5%	-10.8%	-28.3%
Acute Admissions	1,773	1,755	2,015	2,015	1,437	-1.0%	14.8%	0.0%	-28.7%	-28.7%
Acute Average Length Of Stay	5.1	5.2	4.2	4.2	4.4	1.7%	-19.0%	0.0%	5.1%	5.1%
All Operating Room Procedure	1,446	1,442	1,740	1,740	1,386	-0.3%	20.7%	0.0%	-20.3%	-20.3%
Tests	451,581	449,441	478,000	478,000	408,300	-0.5%	6.4%	0.0%	-14.6%	-14.6%
Emergency Room Visits	11,524	11,262	14,790	14,790	14,700	-2.3%	31.3%	0.0%	-0.6%	-0.6%
CT Scan, Radiology - Diagnostic	21,577	21,834	20,730	20,730	16,327	1.2%	-5.1%	0.0%	-21.2%	-21.2%
Exams	1,424	1,407	1,390	1,390	1,210	-1.2%	-1.2%	0.0%	-12.9%	-12.9%
Provider Work RVU	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Physician Office Visits	2,063	0	21,146	21,146	12,585	-100.0%	#DIV/0!	0.0%	-40.5%	-40.5%
Clinic Visits	150	0	2,300	2,300	0	-100.0%	#DIV/0!	0.0%	-100.0%	-100.0%

STAFFING

Non-MD FTEs	330	332	312	312	297	1.6	(20.2)	0.0	(14.9)	(14.9)
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	20	20	25	25	0	0.1	4.8	0.0	(24.8)	(24.8)
Total FTEs	350	352	337	337	297	1.7	(15.4)	0.0	(39.7)	(39.7)

Benchmark-Springfield Hospital

Salary per FTE - Non-MD	52,510	52,098	57,900	57,900	61,841	-0.8%	11.1%	0.0%	6.8%	6.8%
Salary & Benefits per FTE - Non-MD	69,728	69,325	75,574	75,574	83,509	-0.6%	9.0%	0.0%	10.5%	10.5%
FTEs Per Adjusted Occupied Bed	3	3	3	2	3	-1.5%	-13.5%	-19.7%	1.5%	26.3%
FTEs per 100 Adj Discharges	4	4	3	3	4	0.4%	-30.0%	-19.7%	6.7%	32.8%

Benchmarks-Vermont System Averages

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%	-1.7%	-3.5%	1.5%	5.1%
FTEs per 100 Adj Discharges	8	8	8	8	8	0.1%	-0.9%	-1.1%	2.3%	3.4%

OBSERVATIONS: Overall utilization as measured by adjusted admission is budgeted to decrease by -10.8% over FY19 budget, and -28.3% under projection. Springfield continues to reduce FTEs and budgets a decrease of 40 positions from FY19 budget and projection. Salaries per FTE/Salary & Benefit per FTE continue to be below the Vermont System Average but are growing at a faster rate than State average. FTEs per adjusted occupied bed and per 100 adjusted discharges are below the Vermont System Average but are growing at a faster rate.

Fiscal Year 2020 Budget Analysis		Springfield Hospital						
BALANCE SHEET	FY2018A	FY2019B	FY2019P	FY2020B	2018A-2019P	2019B-2019P	2019P-2020B	2018A-2020B
Cash & Investments	19,413	15,900,000	100,000	155,386	415.1%	-99.4%	55.4%	700.4%
Risk Reserve for Fixed Reform Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Current Assets	10,631,090	12,433,474	10,046,793	9,913,657	-5.5%	-19.2%	-1.3%	-6.7%
Current Assets	10,650,503	28,333,474	10,146,793	10,069,043	-4.7%	-64.2%	-0.8%	-5.5%
Board Designated Assets	7,651,704	1,350,000	353,449	353,449	-95.4%	-73.8%	0.0%	-95.4%
Net, Property, Plant And Equipment	12,392,957	19,947,727	11,900,000	11,291,000	-4.0%	-40.3%	-5.1%	-8.9%
Other Long-Term Assets	5,065,089	0	0	0	-100.0%	#DIV/0!	#DIV/0!	-100.0%
Assets	35,760,253	49,631,201	22,400,242	21,713,492	-37.4%	-54.9%	-3.1%	-39.3%
Current Liabilities	23,361,503	10,539,275	25,109,270	25,537,676	7.5%	138.2%	1.7%	9.3%
Long Term Liabilities	2,947,096	9,603,000	2,792,051	2,662,051	-5.3%	-70.9%	-4.7%	-9.7%
Other Noncurrent Liabilities	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Fund Balance	2,823,080	29,488,926	(5,501,079)	(6,486,235)	-294.9%	-118.7%	17.9%	-329.8%
Liabilities and Equities	29,131,679	49,631,201	22,400,242	21,713,492	-23.1%	-54.9%	-3.1%	-25.5%
Benchmarks-Hospital					Change in Points			
Days Cash on Hand	46.45	106.78	3.01	3.72	(43.44)	(103.77)	0.71	(42.73)
Days Receivable	56.99	59.94	56.36	55.00	(0.63)	(3.59)	(1.36)	(1.99)
Long Term Debt to Capitalization	56%	26%	-154%	-96%	-210%	-179%	58%	-152%
Days Payable	141.46	65.24	166.51	186.77	25.05	101.27	20.25	45.31
Debt Service Coverage Ratio	(0.4)	2.6	(0.6)	0.1	(0.1)	(3.1)	0.7	0.6
Benchmarks-Vermont System Averages					Change in Points			
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
OBSERVATIONS: Springfield filed for bankruptcy in FY19. All financial indicators performed poorly in FY19 and are expected to continue in FY20. Springfield projects \$28 million in liabilities for FY19 and budget FY20, their projected days payable is far above the System Average and is budgeted to increase by 20 days in FY20.								

Fiscal Year 2020 Budget Analysis		Springfield Hospital						
CAPITAL BUDGET	FY2018A	FY2019B	FY2019P	FY2020B	2021 Plan	2022 Plan	2023 Plan	
Non-Certificate of Need Capital Plans Total	313,841	1,141,857	1,141,857	981,000	0	0	0	
Certificate of Need Capital Plans	0	0	0	0	0	0	0	
Total Capital Purchases	313,841	1,141,857	1,141,857	981,000	0	0	0	
Springfield Hospital								
Age of Plant	17.5	16.4	17.2	20.2	0.0	0.0	0.0	
Capital Expenditures to Depreciation	20%	68%	68%	65%	0%	0%	0%	
Capital Cost % of Total Expense	3.6%	3.8%	4.0%	3.9%	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>OBSERVATIONS: Age of plant has been higher than the system average for many years.</p>								

Fiscal Year 2020 Budget Analysis	Springfield 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
DASHBOARD											
Net Patient Care Rev & Fixed Payments & Reserves	53,638,120	51,999,349	59,375,198	52,978,810	60,485,878	48,575,772	48,889,189				
Budget to Budget % Change NPR & FPP					1.9%		-19.2%				
Budget to Actual/Projection % Change NPR & FPP				-10.8%		-19.7%	0.6%				
Three Year NPR & FPP CAGR* (FY18A - FY20B)							-3.9%				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							-2.3%				
Operating Expense	55,187,774	57,491,695	59,796,044	61,860,030	60,641,591	56,716,886	51,418,019				
Budget to Budget % Change Oper Exp					1.4%		-15.2%				
Budget to Actual/Projection % Change Oper Exp				3.5%		-6.5%	-9.3%				
Three Year NPR & FPP CAGR* (FY18A - FY20B)							-8.8%				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							-1.8%				
Profitability											
Operating Margin	181,122	(3,835,857)	1,037,154	(6,996,078)	1,299,287	(6,457,593)	(985,156)				
Three Year NPR & FPP CAGR* (FY18A - FY20B)							-62.5%				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							#NUM!				
EBIDA Margin%	31.3%	-3.1%	5.6%	-8.7%	5.8%	-8.3%	2.0%				
Operating Margin %	0.3%	-7.1%	1.7%	-12.8%	2.1%	-12.8%	-2.0%	-1.48%	0.93%	0.8%	0.8%
Total Margin	380,184	(1,778,238)	2,327,154	(6,628,574)	2,159,287	(15,059,334)	(985,156)				
Three Year NPR & FPP CAGR* (FY17A - FY20B)							(0.61)				
Five Year NPR & FPP CAGR* (FY16A - FY20B)							#NUM!				
Total Margin %	0.7%	-3.2%	3.7%	-12.0%	3.4%	-36.2%	-2.0%	2.47%	1.79%	3.5%	4.5%
Return On Assets	1.0%	-4.3%	4.1%	-18.5%	4.4%	-67.2%	-4.5%				
Costs											
Cost per Adjusted Admission	13,611	14,022	15,254	13,836	14,236	14,194	14,439				
Salary per FTE - Non-MD	54,963	56,539	57,322	52,098	57,900	57,900	61,841	77,782	57,928	65,605	66,657
Five Year Salary per FTE CAGR* (FY16A - FY20B)							3.0%				
Overhead Exp. as a % of Total Operating Exp.**	21.7%	21.7%	21.6%	22.8%	22.6%	24.2%	24.1%				
Liquidity											
Cash & Investments	14,693,512	14,950,445	16,500,000	19,413	15,900,000	100,000	155,386				
Days Cash on Hand	104	101	112	46	107	3	4	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**	151,199	157,511	163,825	169,480	166,141	155,389	140,871			0	0
Days Receivable**	68	69	61	57	60	56	55	43	51	42	49
Days Payable**	102	100	63	141	65	167	187				
Capital											
Age of Plant**	14	16	19	17	16	17	20	13	11	15	11
Long Term Debt to Capitalization**	29.9%	36.4%	23.9%	56.3%	25.6%	-153.6%	-95.7%	30.6%	31.3%	31%	31%
Debt Service Coverage Ratio	0.98	(1.43)	3.55	(0.43)	2.58	(0.57)	0.14	8.01	3.74	6.6	2.6
Cash to Long Term Debt	2.08	1.71	1.66	2.60	1.80	0.16	0.19				
*CAGR = Compounded Annual Growth Rate											
**Denotes metric is favorable if lower											