

Rutland Regional Medical Center

Fiscal Year 2020 Budget Analysis

Report Date: 7/31/2019

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. RRMCM'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 RRMCM 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 RRMCM's change in charge request? If there is a variance between RRMCM'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. Of the 15 FTEs eliminated (salary savings of \$1.8 million) were these primarily support/administrative staffing roles? Please explain.
8. Inconsistencies in narrative vs. Adaptive- please explain
Narrative Operating Margin 2.5% (Adaptive 2.3%) and Total Margin 4.9% (Adaptive 4.5%)
9. Inconsistencies in Appendix VI-Bridges Bad debt/free care increase of \$2.3 million is not what is recorded in the budget submission of \$3.2 million, please explain.
10. Actual operating margin consistency performs below budget. Please explain assumptions for continuing to budget operating margin above actual experience. For FY19 projections what departments are expenses exceeding revenues?
11. Rutland's narrative states that their commercial base is eroding, however the payer sheet indicates its growing as a percentage of NPR/FPP total. Please explain assumptions.
12. Please explain the differences between FPP FY19 Budget of \$25 million and FY20 budget of \$12.3 million. Please explain assumptions, including reserve amounts. It looks like reserves moved from the NPR section to FPP section?
13. RRMCM's narrative states that their strategy is to fund capital replacement at 1.2 times their depreciation, however the Capital Expenditures to Depreciation Rate is 0.77. Will the ratio increase when including the MRI Replacement?
14. The overall change in charge submitted through Adaptive was 2.7%, the table submitted in Appendix VIII-Change in Charge Request shows 2.6%. Please explain.
15. RRMCM's narrative indicates the hospital is not participating in any OneCare program regarding its self-insured population, yet the table in Appendix V has been completed for the self-insured population. Please clarify the lives and average budgeted amount of FPP RRMCM has indicated it has included in its

BOARD MEMBER QUESTIONS:

16. For FY19 projections what departments are expenses exceeding revenues?
17. 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?
15. What is the impact of the now known Medicaid reimbursement increases? Any update on inpatient Medicaid reimbursement changes?
16. If you assumed Medicare increases, what is the value and what would a reduction in commercial be to maintain your NPR? budget for CY20.
17. Please explain the significant free care program increase of over \$2 million. Do you have any ability to collect or programs to offset?
18. Please explain ACO Medicare withholds of \$721k from Appendix VI- Bridges. Also why is utilization projected to be down for Medicare and Medicaid and up significantly for Commercial?

Fiscal Year 2020 Budget Analysis										
Rutland Regional Medical Center										
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	530,938,307	548,537,244	562,125,362	565,939,398	584,898,226	3.3%	0.7%	3.2%	4.1%	3.3%
Disproportionate Share Payments	3,995,289	3,756,859	3,090,930	3,041,569	3,169,990	-6.0%	-1.6%	-19.0%	2.6%	4.2%
Bad Debt	(5,309,383)	(4,702,339)	(8,769,156)	(9,010,742)	(9,511,258)	-11.4%	2.8%	91.6%	8.5%	5.6%
Free Care	(6,121,719)	(8,597,207)	(4,047,303)	(6,036,876)	(6,514,109)	40.4%	49.2%	-29.8%	60.9%	7.9%
Deductions from Revenue	(272,539,164)	(284,759,528)	(319,179,508)	(303,564,638)	(304,532,302)	4.5%	-4.9%	6.6%	-4.6%	0.3%
Graduate Medical Education	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net Patient Care Revenue	250,963,330	254,235,029	233,220,325	250,368,711	267,510,547	1.3%	7.4%	-1.5%	14.7%	6.8%
Fixed Prospective Payments	0	0	25,500,000	9,251,820	12,335,454	#DIV/0!	-63.7%	#DIV/0!	-51.6%	33.3%
Reserves	0	0	0	0	(11,336,378)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	0	0	0	(541,347)	(721,796)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Fixed Prospective Payments and Reserves	0	0	25,500,000	8,710,473	277,280	#DIV/0!	-65.8%	#DIV/0!	-98.9%	-96.8%
Net Patient Care Revenue & Fixed Payments & Reserves	250,963,330	254,235,029	258,720,325	259,079,184	267,787,827	1.3%	0.1%	1.9%	3.5%	3.4%
Other Operating Revenue	12,290,310	15,182,290	15,699,404	18,461,158	18,405,876	23.5%	17.6%	21.6%	17.2%	-0.3%
Total Operating Revenue	263,253,640	269,417,319	274,419,729	277,540,342	286,193,703	2.3%	1.1%	3.0%	4.3%	3.1%
Expenses										
Salaries Non MD	86,033,134	86,674,972	89,707,829	89,214,461	91,829,258	0.7%	-0.5%	2.9%	2.4%	2.9%
Fringe Benefits Non MD	26,970,680	26,318,594	29,001,380	26,160,798	28,495,673	-2.4%	-9.8%	-0.6%	-1.7%	8.9%
Physician Fees, Salaries, Contracts	31,552,125	34,225,122	31,716,662	33,819,249	34,035,570	8.5%	6.6%	-1.2%	7.3%	0.6%
Fringe Benefits MD	1,475,722	1,413,861	1,565,999	1,430,436	1,535,479	-4.2%	-8.7%	1.2%	-1.9%	7.3%
Health Care Provider Tax	14,810,108	14,701,522	15,396,699	15,307,680	15,821,854	-0.7%	-0.6%	4.1%	2.8%	3.4%
Depreciation & Amortization	12,728,164	11,901,430	12,904,769	12,451,260	13,227,845	-6.5%	-3.5%	4.6%	2.5%	6.2%
Interest - Long Term & Short Term	1,688,565	1,308,027	1,532,255	1,334,991	1,276,128	-22.5%	-12.9%	2.1%	-16.7%	-4.4%
Other Operating Expense	82,290,825	91,576,539	86,395,202	93,750,231	93,272,793	11.3%	8.5%	2.4%	8.0%	-0.5%
Total Operating Expense	257,549,323	268,120,067	268,220,795	273,469,106	279,494,600	4.1%	2.0%	2.0%	4.2%	2.2%
Net Operating Income (Loss)	5,704,317	1,297,252	6,198,934	4,071,236	6,699,103	-77.3%	-34.3%	213.8%	8.1%	64.5%
Non-Operating Revenue	8,794,172	10,592,381	5,939,237	6,146,261	6,545,053	20.4%	3.5%	-42.0%	10.2%	6.5%
Excess (Deficit) of Rev Over Exp	14,498,489	11,889,633	12,138,171	10,217,497	13,244,156	-18.0%	-15.8%	-14.1%	9.1%	29.6%
Benchmarks-Hospital										
Operating Margin%	2.2%	0.5%	2.3%	1.5%	2.3%					
Total Margin %	5.3%	4.2%	4.3%	3.6%	4.5%					
EBIDA %	7.6%	5.4%	7.5%	6.4%	7.4%					
Cost per Adjusted Admission	15,254	13,836	14,236	14,194	14,439					

OBSERVATIONS: RPMC's FY20 budget for NPR/FPP is an increase of \$11.7 million (3.5%) over the FY19 budget, and 3.4% over projection. Bad debt and free care are budgeted to increase \$3.2 million in FY20, free care growing by 60%. The 340B program is budgeted to increase in Other Operatng Revenue by \$3.3 million in FY20. Rutland budgeted additional funds to address RN staffing levels (including 25 travelers), recruitment efforts, and a 3% cost of living raise for non-unionized staff. Cost per adjusted admission is 1.4% higher than in FY19 budget. RPMC's FY20 budget for Operating Expenses is an increase of \$11.3 million (4.2%) over the FY2019 budget, and 2.2% over projection. RPMC's cost savings initiatives account for \$2.2 million.

Fiscal Year 2020 Budget Analysis										
Rutland Regional Medical Center										
NET PAYER REVENUE CHANGES - PAYERS		FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	2018A - 2019P % Chg	2019B - 2019P % Chg	2019B - 2020B % Chg	2019P - 2020B % Chg
All Payers	Gross Patient Care Revenue	547,070,666	548,537,244	562,125,362	565,939,398	584,898,226	3.2%	0.7%	4.1%	3.3%
	Contractual Allowances	-283,741,164	-284,759,528	-319,179,508	-303,564,638	-304,532,302	6.6%	-4.9%	-4.6%	0.3%
	Bad Debt	-4,752,926	-4,702,339	-8,769,156	-9,010,742	-9,511,258	91.6%	2.8%	8.5%	5.6%
	Free Care	-8,390,916	-8,597,207	-4,047,303	-6,036,876	-6,514,109	-29.8%	49.2%	60.9%	7.9%
	Graduate Medical Education Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Disproportionate Share Payments	3,776,728	3,756,859	3,090,930	3,041,569	3,169,990	-19.0%	-1.6%	2.6%	4.2%
	Net Payer Revenue	253,962,387	254,235,029	233,220,325	250,368,711	267,510,547	-1.5%	7.4%	14.7%	6.8%
	Fixed Prospective Payments	0	0	25,500,000	9,251,820	12,335,454	#DIV/0!	#DIV/0!	-63.7%	33.3%
	Reserves - Risk Portion	0	0	0	0	-11,336,378	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	0	0	0	-541,347	-721,796	#DIV/0!	#DIV/0!	#DIV/0!	33.3%
Fixed Prospective Payment & Reserves	0	0	25,500,000	8,710,473	277,280	#DIV/0!	#DIV/0!	-65.8%	-98.9%	
Net Payer Revenue & Fixed Prospective Payments	253,962,387	254,235,029	258,720,325	259,079,184	267,787,827	1.9%	0.1%	3.5%	3.4%	
Commercial	Gross Patient Care Revenue	166,244,382	166,358,342	171,432,482	180,652,494	187,129,310	8.6%	5.4%	9.2%	3.6%
	Contractual Allowances	-28,532,592	-29,007,501	-30,329,185	-30,849,732	-31,582,244	6.4%	1.7%	4.1%	2.4%
	Bad Debt	-4,752,926	-4,702,339	-8,769,156	-9,010,742	-9,511,258	91.6%	2.8%	8.5%	5.6%
	Free Care	-8,390,916	-8,597,207	-4,047,303	-6,036,876	-6,514,109	-29.8%	49.2%	60.9%	7.9%
	Graduate Medical Education Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Net Payer Revenue	124,567,948	124,051,295	128,286,838	134,755,144	139,521,699	8.6%	5.0%	8.8%	3.5%
	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	124,567,948	124,051,295	128,286,838	134,755,144	139,521,699	8.6%	5.0%	8.8%	3.5%	
Percentage of total	49%	49%	50%	52%	52%					
Medicaid	Gross Patient Care Revenue	90,539,068	90,723,808	94,815,648	91,971,015	95,079,158	1.4%	-3.0%	0.3%	3.4%
	Contractual Allowances	-69,018,072	-69,490,815	-93,957,266	-76,224,795	-70,749,618	9.7%	-18.9%	-24.7%	-7.2%
	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	21,520,995	21,232,993	858,382	15,746,220	24,329,540	-25.8%	1734.4%	2734.3%	54.5%
	Fixed Prospective Payments	0	0	25,500,000	9,251,820	12,335,454	#DIV/0!	#DIV/0!	-51.6%	33.3%
	Reserves - Risk Portion	0	0	0	0	-11,336,378	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	0	0	0	-541,347	-721,796	#DIV/0!	#DIV/0!	#DIV/0!	33.3%
	Fixed Prospective Payment & Reserves	0	0	25,500,000	8,710,473	277,280	#DIV/0!	#DIV/0!	-98.9%	-96.8%
Net Payer Revenue & Fixed Prospective Payments	21,520,995	21,232,993	26,358,382	24,456,693	24,606,820	15.2%	-7.2%	-6.6%	0.6%	
Percentage of total	8%	8%	10%	9%	9%					
Medicare	Gross Patient Care Revenue	290,287,216	291,455,094	295,877,232	293,315,889	302,689,758	0.6%	-0.9%	2.3%	3.2%
	Contractual Allowances	-186,190,500	-186,261,212	-194,893,057	-196,490,111	-202,200,440	5.5%	0.8%	3.7%	2.9%
	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	104,096,716	105,193,882	100,984,175	96,825,778	100,489,318	-8.0%	-4.1%	-0.5%	3.8%
	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	104,096,716	105,193,882	100,984,175	96,825,778	100,489,318	-8.0%	-4.1%	-0.5%	3.8%	
Percentage of total	41%	41%	39%	37%	38%					
Disproportionate Share Payments	3,776,728	3,756,859	3,090,930	3,041,569	3,169,990	-19.0%	-1.6%	2.6%	4.2%	
Percentage of total										
NPR & FPP to Gross Commercial (no dsh)	75%	75%	75%	75%	75%					
NPR & FPP to Gross Medicaid (no dsh)	24%	23%	28%	27%	26%					
NPR & FPP to Gross Medicare (no dsh)	36%	36%	34%	33%	33%					
NPR & FPP to Gross All (no dsh)	46%	46%	45%	45%	45%					
Observations: RRMCMC is participating in the Medicaid portion of the ACO APM and is budgeting \$12.3 million in FPP. RRMCMC attributes the increase in bad debt to the inability of patients who have insurance to afford deductibles and copays. The budget submissions shows the increases in Free Care instead of Bad Debt. NPR to Gross for Commercial is steady while Medicare and Medicaid have declined.										

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	-5.1%	4.9%	2.6%	0.0%
Commercial Approved % Change in Charge	-5.1%	4.9%	2.6%	0.0%
Submitted % Change in Charge	-5.1%	4.9%	3.0%	2.7%
Commercial Submitted % Change in Charge	-5.1%	4.9%	3.0%	2.7%

Hospital Inpatient Change in Gross Charges	1.11%
Hospital Outpatient Change in Gross Charges	1.42%
Professional Services Change in Gross Charges	0.11%
Primary Care Change in Gross Charges	
Specialty Care Change in Gross Charges	
Skilled Nursing Facility Change in Gross Charges	
Other (please specify)	
Other (please specify)	

Net Patient Revenue Change Due to Charge Request	
Commercial	\$ 2,757,935
Medicaid	\$ -
Medicare	\$ -
Disproportionate Share	\$ 79,060
Total Change Due to Charge Request	\$ 2,836,995
Value of 1% Charge - Calculated by GMCB	\$ 1,070,564

OBSERVATIONS: Rutland's change in charge request of 2.65% is attributed to the increase in free care. It appears that RRMC has not assumed any increased reimbursement rates for Medicare or Medicaid. RRMC calculates the value of 1% of charge at \$1,040,730 (RRMC's calculation excluded DSH).

Fiscal Year 2020 Budget Analysis Rutland Regional Medical Center								
BALANCE SHEET	FY2018A	FY2019B	FY2019P	FY2020B	2018A-2019P	2019B-2019P	2019P-2020B	2018A-2020B
Cash & Investments	7,330,570	7,770,719	9,140,488	6,703,502	24.7%	17.6%	-26.7%	-8.6%
Risk Reserve for Fixed Reform Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Current Assets	37,553,249	28,590,069	41,483,926	42,183,237	10.5%	45.1%	1.7%	12.3%
Current Assets	44,883,819	36,360,788	50,624,414	48,886,739	12.8%	39.2%	-3.4%	8.9%
Board Designated Assets	140,154,549	136,214,205	136,769,902	143,314,955	-2.4%	0.4%	4.8%	2.3%
Net, Property, Plant And Equipment	81,446,095	110,729,023	96,872,096	106,084,571	18.9%	-12.5%	9.5%	30.3%
Other Long-Term Assets	8,989,819	10,392,859	9,826,986	9,869,485	9.3%	-5.4%	0.4%	9.8%
Assets	275,474,282	293,696,875	294,093,398	308,155,750	6.8%	0.1%	4.8%	11.9%
Current Liabilities	34,286,876	28,805,833	28,567,838	25,941,152	-16.7%	-0.8%	-9.2%	-24.3%
Long Term Liabilities	34,462,038	47,926,995	32,136,618	30,526,094	-6.7%	-32.9%	-5.0%	-11.4%
Other Noncurrent Liabilities	5,697,136	10,449,585	21,176,238	26,321,643	271.7%	102.7%	24.3%	362.0%
Fund Balance	201,028,232	206,514,462	212,212,704	225,366,861	5.6%	2.8%	6.2%	12.1%
Liabilities and Equities	275,474,282	293,696,875	294,093,398	308,155,750	6.8%	0.1%	4.8%	11.9%
Benchmarks-Hospital					Change in Points			
Days Cash on Hand	209.49	205.71	202.94	204.58	(6.55)	(2.76)	1.63	(4.92)
Days Receivable	36.78	28.28	41.79	39.61	5.02	13.51	(2.19)	2.83
Long Term Debt to Capitalization	15%	19%	13%	12%	-1%	-6%	-1%	-3%
Days Payable	48.84	41.18	39.95	35.56	(8.90)	(1.23)	(4.39)	(13.28)
Debt Service Coverage Ratio	4.5	5.9	5.4	6.4	0.9	(0.5)	1.0	1.8
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: RRMC's days cash on hand continues to exceed the Vermont System median for several years.								

Fiscal Year 2020 Budget Analysis **Rutland Regional Medical Center**

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

UTILIZATION

Adjusted Admissions	19,170	19,379	18,841	19,266	19,357	1.1%	-0.6%	2.3%	2.7%	0.5%
Acute Admissions	7,079	7,152	6,908	6,927	6,887	1.0%	-3.1%	0.3%	-0.3%	-0.6%
Acute Average Length Of Stay	4.6	4.5	4.7	4.6	4.6	-0.9%	1.0%	-3.4%	-3.7%	-0.2%
All Operating Room Procedure	4,896	4,883	5,128	4,919	4,919	-0.3%	0.7%	-4.1%	-4.1%	0.0%
Tests	552,186	555,128	574,914	570,020	572,761	0.5%	2.7%	-0.9%	-0.4%	0.5%
Emergency Room Visits	33,229	33,321	32,722	31,134	31,134	0.3%	-6.6%	-4.9%	-4.9%	0.0%
CT Scan, Radiology - Diagnostic	55,487	55,650	57,449	58,985	59,307	0.3%	6.0%	2.7%	3.2%	0.5%
Exams	5,078	5,090	5,104	4,878	4,878	0.2%	-4.2%	-4.4%	-4.4%	0.0%
Provider Work RVU	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Physician Office Visits	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Clinic Visits	407,258	408,728	408,763	389,131	397,971	0.4%	-4.8%	-4.8%	-2.6%	2.3%

STAFFING

Non-MD FTEs	1,295	1,294	1,316	1,275	1,335	(0.6)	(19.0)	(41.1)	18.9	60.0
Travelers, Travelers MD	107	110	75	73	73	2.7	(37.0)	(2.3)	(1.8)	0.5
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	70	69	71	70	72	(0.3)	0.3	(1.4)	0.8	2.2
Total FTEs	1,472	1,473	1,462	1,418	1,480	1.8	(55.7)	(44.8)	17.9	62.7

Benchmark-Rutland Regional Medical Center

Salary per FTE - Non-MD	66,896	66,968	68,147	69,957	68,772	0.1%	4.5%	2.7%	0.9%	-1.7%
Salary & Benefits per FTE - Non-MD	87,263	87,302	90,178	90,471	90,113	0.0%	3.6%	0.3%	-0.1%	-0.4%
FTEs Per Adjusted Occupied Bed	5	5	5	5	6	-0.3%	-1.8%	-1.9%	2.5%	4.4%
FTEs per 100 Adj Discharges	7	7	7	7	7	-1.1%	-0.9%	-5.3%	-1.3%	4.2%

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 admissions is budgeted to increase 2.7% over FY19 budget and 0.5% over FY19 Projections. All utilization metrics are budgeted to be consistent with FY19 projections (decrease from FY19 budget). RRMRC expects to face challenges in staffing levels of RNs.

Fiscal Year 2020 Budget Analysis		Rutland Regional Medical Center					
CAPITAL BUDGET	FY2018A	FY2019B	FY2019P	FY2020B	2021 Plan	2022 Plan	2023 Plan
Non-Certificate of Need Capital Plans Total	8,424,245	16,707,852	14,874,327	9,303,448	14,812,055	6,568,532	4,956,233
Certificate of Need Capital Plans	3,862,227	13,026,998	19,423,627	7,127,238	2,634,357	0	0
Total Capital Purchases	12,286,472	29,734,850	34,297,954	16,430,686	17,446,412	6,568,532	4,956,233
Rutland Regional Medical Center							
Age of Plant	13.5	15.1	13.9	14.1	0.0	0.0	0.0
Capital Expenditures to Depreciation	71%	129%	119%	70%	0%	0%	0%
Capital Cost % of Total Expense	4.9%	5.4%	5.0%	5.2%	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: RRMRC plans to submit a CON for MRI Replacement (\$3.1 million, not reflected in FY20 budget). Non- CON capital plans include \$4.5 million in projects- chiller plant upgrade, AHU 3 Replacement and West St. Data Center Generator, UPS and Cooling. The hospital's age of plant is higher than the Vermont System Average.</p>							

Fiscal Year 2020 Budget Analysis	Rutland Regional Medical Center							Flex Monitoring Team 2017 CAH Medians		2019 Flex Monitoring Team FY2017	2019 Almanac of Hospital Indicators (Optum)	
	DASHBOARD	FY2016A	FY2017A	FY2018B	FY2018A	FY2019B	FY2019P	FY2020B	Vermont--8 Hospitals	U.S.--1317 Hospitals	Northeast CAH	Teaching Hospitals
Net Patient Care Rev & Fixed Payments & Reserves	245,822,952	242,193,431	250,963,330	254,235,029	258,720,325	259,079,184	267,787,827					
Budget to Budget % Change NPR & FPP					3.1%		3.5%					
Budget to Actual/Projection % Change NPR & FPP				1.3%		0.1%	3.4%					
Three Year NPR & FPP CAGR* (FY18A - FY20B)							2.6%					
Five Year NPR & FPP CAGR* (FY16A - FY20B)							2.2%					
Operating Expense	243,642,860	250,113,413	257,549,323	268,120,067	268,220,795	273,469,106	279,494,600					
Budget to Budget % Change Oper Exp					4.1%		4.2%					
Budget to Actual/Projection % Change Oper Exp				4.1%		2.0%	2.2%					
Three Year NPR & FPP CAGR* (FY18A - FY20B)							2.1%					
Five Year NPR & FPP CAGR* (FY16A - FY20B)							3.5%					
Profitability												
Operating Margin	10,778,375	4,163,384	5,704,317	1,297,252	6,198,934	4,071,236	6,699,103					
Three Year NPR & FPP CAGR* (FY18A - FY20B)							127.2%					
Five Year NPR & FPP CAGR* (FY16A - FY20B)							-11.2%					
EBIDA Margin%	-196.3%	7.3%	7.6%	5.4%	7.5%	6.4%	7.4%					
Operating Margin %	4.2%	1.6%	2.2%	0.5%	2.3%	1.5%	2.3%	-1.48%	0.93%	0.8%	0.8%	
Total Margin	22,159,169	20,317,404	14,498,489	11,889,633	12,138,171	10,217,497	13,244,156					
Three Year NPR & FPP CAGR* (FY17A - FY20B)							0.06					
Five Year NPR & FPP CAGR* (FY16A - FY20B)							-12.1%					
Total Margin %	8.3%	7.5%	5.3%	4.2%	4.3%	3.6%	4.5%	2.47%	1.79%	3.5%	4.5%	
Return On Assets	8.7%	7.5%	5.1%	4.3%	4.1%	3.5%	4.3%					
Costs												
Cost per Adjusted Admission	13,611	14,022	15,254	13,836	14,236	14,194	14,439					
Salary per FTE - Non-MD	63,124	64,519	66,110	66,968	68,147	69,957	68,772	77,782	57,928	65,605	66,657	
Five Year Salary per FTE CAGR* (FY16A - FY20B)							2.2%					
Overhead Exp. as a % of Total Operating Exp.**	26.6%	27.3%	28.3%	27.8%	29.4%	29.3%	29.0%					
Liquidity												
Cash & Investments	12,941,834	9,725,785	14,576,141	7,330,570	7,770,719	9,140,488	6,703,502					
Days Cash on Hand	205	216	224	209	206	203	205	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**	667,515	685,242	705,615	734,576	734,851	749,230	765,739					
Days Receivable**	33	39	33	37	28	42	40	43	51	42	49	
Days Payable**	51	50	48	49	41	40	36					
Capital												
Age of Plant**	12	13	15	14	15	14	14	13	11	15	11	
Long Term Debt to Capitalization**	20.0%	16.4%	15.7%	14.6%	18.8%	13.2%	11.9%	30.6%	31.3%	31%	31%	
Debt Service Coverage Ratio	7.11	5.53	5.66	4.53	5.95	5.40	6.38	8.01	3.74	6.6	2.6	
Cash to Long Term Debt	3.37	3.85	4.34	4.27	3.00	4.52	4.89					
*CAGR = Compounded Annual Growth Rate												
**Denotes metric is favorable if lower												