

North Country Hospital

FY 2019 Actual Audited Financial Results Analysis

Report Date: 2/18/2020

FY 2019 Actual Audited Financial Results Analysis North Country Hospital

| INCOME STATEMENT | FY2018A | FY2019B | FY2019A | FY2020B | 2019B - | 2019B - 2019A | 2018A - 2019A | 2019B - 2020B | 2019A - 2020B |
|---|--------------------|--------------------|--------------------|--------------------|------------------|---------------|----------------|---------------|---------------|
| | | | | | 2020B \$ Chg | % Chg | % Chg | % Chg | % Chg |
| Revenues | | | | | | | | | |
| Gross Patient Care Revenue | 181,428,090 | 193,012,814 | 191,002,248 | 199,661,481 | 6,648,667 | -1.0% | 5.3% | 3.4% | 4.5% |
| Disproportionate Share Payments | 522,666 | 879,211 | 886,086 | 906,720 | 27,509 | 0.8% | 69.5% | 3.1% | 2.3% |
| Bad Debt | (2,855,661) | (2,071,021) | (3,582,373) | (4,491,912) | (2,420,891) | 73.0% | 25.4% | 116.9% | 25.4% |
| Free Care | (1,568,926) | (1,753,024) | (1,562,324) | (1,826,157) | (73,133) | -10.9% | -0.4% | 4.2% | 16.9% |
| Deductions from Revenue | (105,429,495) | (114,166,944) | (112,251,783) | (116,876,281) | (2,709,337) | -1.7% | 6.5% | 2.4% | 4.1% |
| Graduate Medical Education | 0 | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Net Patient Care Revenue | 72,096,674 | 75,901,036 | 74,491,854 | 77,373,851 | 1,472,815 | -1.9% | 3.3% | 1.9% | 3.9% |
| Fixed Prospective Payments | 3,959,572 | 5,297,314 | 6,143,063 | 5,290,017 | (7,297) | 16.0% | 55.1% | -0.1% | -13.9% |
| Reserves | 0 | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Other Reform Payments | 370,919 | 325,000 | 0 | 959,381 | | -100.0% | -100.0% | 195.2% | #DIV/0! |
| Fixed Prospective Payments and Reserves | 4,330,490 | 5,622,314 | 6,143,063 | 6,249,398 | | 9.3% | 41.9% | 11.2% | 1.7% |
| Net Patient Care Revenue & Fixed Payments & Reserves | 76,427,164 | 81,523,350 | 80,634,917 | 83,623,249 | 2,099,899 | -1.1% | 5.5% | 2.6% | 3.7% |
| Other Operating Revenue | 5,057,057 | 6,083,556 | 7,039,780 | 6,477,173 | 393,617 | 15.7% | 39.2% | 6.5% | -8.0% |
| Total Operating Revenue | 81,484,221 | 87,606,906 | 87,674,697 | 90,100,422 | 2,493,516 | 0.1% | 7.6% | 2.8% | 2.8% |
| Expenses | | | | | | | | | |
| Salaries Non MD | 26,781,174 | 27,664,659 | 26,964,541 | 28,515,655 | 850,996 | -2.5% | 0.7% | 3.1% | 5.8% |
| Fringe Benefits Non MD | 9,696,387 | 10,732,923 | 9,711,751 | 10,612,174 | (120,749) | -9.5% | 0.2% | -1.1% | 9.3% |
| Physician Fees, Salaries, Contracts | 12,371,122 | 14,792,632 | 13,426,839 | 11,985,045 | (2,807,587) | -9.2% | 8.5% | -19.0% | -10.7% |
| Fringe Benefits MD | 1,099,588 | 1,164,079 | 967,243 | 1,171,896 | 7,817 | -16.9% | -12.0% | 0.7% | 21.2% |
| Health Care Provider Tax | 4,550,596 | 4,533,348 | 4,555,652 | 4,692,876 | 159,528 | 0.5% | 0.1% | 3.5% | 3.0% |
| Depreciation & Amortization | 4,267,857 | 4,358,483 | 4,141,025 | 4,428,744 | 70,261 | -5.0% | -3.0% | 1.6% | 6.9% |
| Interest - Long Term & Short Term | 623,361 | 605,858 | 627,738 | 630,261 | 24,403 | 3.6% | 0.7% | 4.0% | 0.4% |
| Other Operating Expense | 23,977,712 | 22,796,328 | 25,602,961 | 26,591,830 | 3,795,502 | 12.3% | 6.8% | 16.6% | 3.9% |
| Total Operating Expense | 83,367,796 | 86,648,310 | 85,997,751 | 88,628,481 | 1,980,171 | -0.8% | 3.2% | 2.3% | 3.1% |
| Net Operating Income (Loss) | (1,883,575) | 958,597 | 1,676,946 | 1,471,941 | 513,345 | 74.9% | -189.0% | 53.6% | -12.2% |
| Non-Operating Revenue | 2,883,719 | 1,504,524 | 940,204 | 1,351,149 | (153,375) | -37.5% | -67.4% | -10.2% | 43.7% |
| Excess (Deficit) of Rev Over Exp | 1,000,144 | 2,463,121 | 2,617,150 | 2,823,090 | 359,970 | 6.3% | 161.7% | 14.6% | 7.9% |

Benchmarks-Hospital

| | | | | |
|-----------------------------|-------|--------|-------|-------|
| Operating Margin% | -2.3% | 1.1% | 1.9% | 1.6% |
| Total Margin % | 1.2% | 2.8% | 3.0% | 3.1% |
| EBIDA % | 3.7% | 6.8% | 7.4% | 7.2% |
| Cost per Adjusted Admission | 7,726 | 10,813 | 7,425 | 9,248 |

OBSERVATIONS :

| Fiscal Year 2020 Budget Analysis | | North Country Hospital | | | | | | | |
|---|-------------------|------------------------|-------------------|-------------------|-------------------------|---------------|----------------|----------------|--|
| BALANCE SHEET | FY2018A | FY2019B | FY2019A | FY2020B | 2018A-2019A | 2019B-2019A | 2019A-2020B | 2018A-2020B | |
| Cash & Investments | 865,798 | 2,463,129 | 2,700,132 | 3,280,300 | 211.9% | 9.6% | 21.5% | 278.9% | |
| 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 | 10,735,333 | 14,156,117 | -11.6% | -34.1% | 31.9% | 16.6% | |
| Current Assets | 13,007,753 | 18,761,214 | 13,435,465 | 17,436,417 | 3.3% | -28.4% | 29.8% | 34.0% | |
| Board Designated Assets | 45,378,768 | 41,795,358 | 46,742,453 | 43,266,027 | 3.0% | 11.8% | -7.4% | -4.7% | |
| Net, Property, Plant And Equipment | 23,403,357 | 26,046,855 | 22,280,725 | 24,032,654 | -4.8% | -14.5% | 7.9% | 2.7% | |
| Other Long-Term Assets | 4,574,075 | 4,581,767 | 4,060,388 | 4,667,263 | -11.2% | -11.4% | 14.9% | 2.0% | |
| Assets | 86,363,953 | 91,185,194 | 86,519,032 | 89,402,361 | 0.2% | -5.1% | 3.3% | 3.5% | |
| Current Liabilities | 14,974,988 | 13,733,163 | 13,330,253 | 15,752,102 | -11.0% | -2.9% | 18.2% | 5.2% | |
| Long Term Liabilities | 17,536,476 | 16,541,890 | 17,582,747 | 15,893,196 | 0.3% | 6.3% | -9.6% | -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 | 55,404,693 | 57,757,063 | 2.9% | -9.0% | 4.2% | 7.3% | |
| Liabilities and Equities | 86,363,950 | 91,185,194 | 86,317,693 | 89,402,361 | -0.1% | -5.3% | 3.6% | 3.5% | |
| Benchmarks-Hospital | | | | | Change in Points | | | | |
| Days Cash on Hand | 213.39 | 196.31 | 220.47 | 201.78 | 7.07 | 24.15 | (18.69) | (11.62) | |
| Days Receivable | 41.77 | 40.48 | 32.53 | 37.95 | (9.24) | (7.94) | 5.42 | (3.82) | |
| Days Payable | 69.10 | 60.91 | 59.44 | 68.28 | (9.66) | (1.47) | 8.84 | (0.82) | |
| Long Term Debt to Capitalization | 0.25 | 0.22 | 0.24 | 0.22 | | | | | |
| Debt Service Coverage Ratio | 1.1 | 3.5 | 3.6 | 3.4 | 2.5 | 0.1 | (0.2) | 2.3 | |
| Benchmarks-Vermont System Averages | | | | | Change in Points | | | | |
| Days Cash on Hand | 176 | 172 | 158 | 164 | (18) | (14) | 6 | (12) | |
| Days Receivable | 43 | 44 | 46 | 47 | 3 | 2 | 1 | 4 | |
| Days Payable | 63 | 54 | 54 | 54 | (10) | (1) | 1 | (9) | |
| Long Term Debt to Capitalization | 0 | 0 | 0 | 0 | | | | | |
| Debt Service Coverage Ratio | 2.4 | 3.6 | 3.1 | 3.4 | 0.7 | (0.5) | 0.3 | 1.0 | |
| OBSERVATIONS: | | | | | | | | | |

| Fiscal Year 2020 Budget Analysis | | | | | | | | | |
|------------------------------------|---|-------------------|-------------------|-------------------|-------------------|------------------------|------------------------|------------------------|------------------------|
| North Country Hospital | | | | | | | | | |
| NET PAYER REVENUE CHANGES - PAYERS | | FY2018A | FY2019B | FY2019A | FY2020B | 2018A - 2019A % Chg | 2019B - 2019A % Chg | 2019B - 2020B % Chg | 2019A - 2020B % Chg |
| All Payers | Gross Patient Care Revenue | 181,428,090 | 193,012,814 | 191,002,248 | 199,661,481 | 5.3% | -1.0% | 3.4% | 4.5% |
| | Contractual Allowances | -105,429,495 | -114,166,944 | -112,251,783 | -116,876,281 | 6.5% | -1.7% | 2.4% | 4.1% |
| | Bad Debt | -2,855,661 | -2,071,021 | -3,582,373 | -4,491,912 | 25.4% | 73.0% | 116.9% | 25.4% |
| | Free Care | -1,568,926 | -1,753,024 | -1,562,324 | -1,826,157 | -0.4% | -10.9% | 4.2% | 16.9% |
| | Graduate Medical Education Payments | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Disproportionate Share Payments | 522,666 | 879,211 | 886,086 | 906,720 | 69.5% | 0.8% | 3.1% | 2.3% |
| | Net Payer Revenue | 72,096,674 | 75,901,036 | 74,491,854 | 77,373,851 | 3.3% | -1.9% | 1.9% | 3.9% |
| | Fixed Prospective Payments | 3,959,572 | 5,297,314 | 6,143,063 | 5,290,017 | 55.1% | 16.0% | -0.1% | -13.9% |
| | Reserves - Risk Portion | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Other Reform Payments | 370,919 | 325,000 | 0 | 959,381 | -100.0% | -100.0% | 195.2% | #DIV/0! |
| | Fixed Prospective Payment & Reserves | 4,330,490 | 5,622,314 | 6,143,063 | 6,249,398 | 41.9% | 9.3% | 11.2% | 1.7% |
| | Net Payer Revenue & Fixed Prospective Payments | 76,427,164 | 81,523,350 | 80,634,917 | 83,623,249 | 5.5% | -1.1% | 2.6% | 3.7% |
| Commercial | Gross Patient Care Revenue | 54,525,250 | 64,384,857 | 60,277,472 | 71,179,024 | 10.5% | -6.4% | 10.6% | 18.1% |
| | Contractual Allowances | -17,530,404 | -21,209,465 | -17,395,952 | -25,041,067 | -0.8% | -18.0% | 18.1% | 43.9% |
| | Bad Debt | -2,855,661 | -2,071,021 | -3,582,373 | -4,491,912 | 25.4% | 73.0% | 116.9% | 25.4% |
| | Free Care | -1,568,926 | -1,753,024 | -1,562,324 | -1,826,157 | -0.4% | -10.9% | 4.2% | 16.9% |
| | Graduate Medical Education Payments | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Net Payer Revenue | 32,570,259 | 39,351,347 | 37,736,823 | 39,819,888 | 15.9% | -4.1% | 1.2% | 5.5% |
| | Fixed Prospective Payments | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Reserves - Risk Portion | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Other Reform Payments | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Fixed Prospective Payment & Reserves | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Net Payer Revenue & Fixed Prospective Payments | 32,570,259 | 39,351,347 | 37,736,823 | 39,819,888 | 15.9% | -4.1% | 1.2% | 5.5% |
| Percentage of total | | 43% | 48% | 47% | 48% | | | | |
| Medicaid | Gross Patient Care Revenue | 44,465,556 | 48,788,854 | 39,098,582 | 46,742,001 | -12.1% | -19.9% | -4.2% | 19.5% |
| | Contractual Allowances | -36,804,574 | -41,339,854 | -39,087,977 | -40,256,294 | 6.2% | -5.4% | -2.6% | 3.0% |
| | Bad Debt | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Free Care | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Graduate Medical Education Payments | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Net Payer Revenue | 7,660,982 | 7,449,000 | 10,605 | 6,485,707 | -99.9% | -99.9% | -12.9% | 61055.7% |
| | Fixed Prospective Payments | 3,959,572 | 5,297,314 | 6,143,063 | 5,290,017 | 55.1% | 16.0% | -0.1% | -13.9% |
| | Reserves - Risk Portion | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Other Reform Payments | 370,919 | 325,000 | 0 | 959,381 | -100.0% | -100.0% | 195.2% | #DIV/0! |
| | Fixed Prospective Payment & Reserves | 4,330,490 | 5,622,314 | 6,143,063 | 6,249,398 | 41.9% | 9.3% | 11.2% | 1.7% |
| | Net Payer Revenue & Fixed Prospective Payments | 11,991,472 | 13,071,314 | 6,153,668 | 12,735,105 | -48.7% | -52.9% | -2.6% | 107.0% |
| Percentage of total | | 16% | 16% | 8% | 15% | | | | |
| Medicare | Gross Patient Care Revenue | 82,437,287 | 79,839,103 | 85,483,131 | 81,740,457 | 3.7% | 7.1% | 2.4% | -4.4% |
| | Contractual Allowances | -51,094,517 | -51,617,625 | -55,767,854 | -51,578,920 | 9.1% | 8.0% | -0.1% | -7.5% |
| | Bad Debt | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Free Care | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Graduate Medical Education Payments | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Net Payer Revenue | 31,342,770 | 28,221,478 | 29,715,277 | 30,161,537 | -5.2% | 5.3% | 6.9% | 1.5% |
| | Fixed Prospective Payments | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Reserves - Risk Portion | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Other Reform Payments | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Fixed Prospective Payment & Reserves | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| | Net Payer Revenue & Fixed Prospective Payments | 31,342,770 | 28,221,478 | 29,715,277 | 30,161,537 | -5.2% | 5.3% | 6.9% | 1.5% |
| Percentage of total | | 41% | 35% | 37% | 36% | | | | |
| | Disproportionate Share Payments | 522,666 | 879,211 | 886,086 | 906,720 | 69.5% | 0.8% | 3.1% | 2.3% |
| Percentage of total | | | | | | | | | |
| | NPR & FPP to Gross Commercial (no dsh) | 60% | 61% | 63% | 56% | | | | |
| | NPR & FPP to Gross Medicaid (no dsh) | 27% | 27% | 16% | 27% | | | | |
| | NPR & FPP to Gross Medicare (no dsh) | 38% | 35% | 35% | 37% | | | | |
| | NPR & FPP to Gross All (no dsh) | 42% | 42% | 42% | 41% | | | | |
| Observations: | | | | | | | | | |

| FY 2019 Actual Audited Financial Results Analysis | | | | | North Country Hospital | | | | |
|---|------------|------------|------------|------------|------------------------|---------------|---------------|-------------|--|
| UTILIZATION & STAFFING | FY2018A | FY2019B | FY2019A | FY2020B | 2018A-2019A | 2019B-2019A | 2019B-2020B | 2019A-2020B | |
| UTILIZATION | | | | | | | | | |
| Adjusted Admissions | 10,791 | 8,014 | 11,582 | 9,584 | 7.3% | 44.5% | 19.6% | -17.3% | |
| Acute Admissions | 1,800 | 1,357 | 1,769 | 1,426 | -1.7% | 30.4% | 5.1% | -19.4% | |
| Acute Average Length Of Stay | 2.7 | 3.2 | 2.8 | 3.7 | 3.7% | -13.5% | 14.0% | 31.7% | |
| All Operating Room Procedure | 2,814 | 2,795 | 3,190 | 3,383 | 13.4% | 14.1% | 21.0% | 6.1% | |
| Tests | 525,879 | 515,672 | 529,307 | 535,888 | 0.7% | 2.6% | 3.9% | 1.2% | |
| Emergency Room Visits | 15,723 | 15,456 | 15,896 | 16,382 | 1.1% | 2.8% | 6.0% | 3.1% | |
| CT Scan, Radiology - Diagnostic | 18,366 | 17,737 | 18,111 | 22,202 | -1.4% | 2.1% | 25.2% | 22.6% | |
| Exams | 6,126 | 6,295 | 7,577 | 4,939 | 23.7% | 20.4% | -21.5% | -34.8% | |
| Provider Work RVU | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | |
| Physician Office Visits | 88,202 | 95,918 | 74,212 | 79,236 | -15.9% | -22.6% | -17.4% | 6.8% | |
| Clinic Visits | 0 | 0 | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | |
| STAFFING | | | | | | | | | |
| Non-MD FTEs | 448 | 464 | 442 | 452 | (5.8) | (22.4) | (12.0) | 10.4 | |
| Travelers, Travelers MD | 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 | |
| MLPs | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Physician FTEs | 30 | 33 | 32 | 32 | 2.5 | (0.3) | (0.4) | (0.2) | |
| Total FTEs | 477 | 497 | 474 | 484 | (3.3) | (22.6) | (12.4) | 10.2 | |
| Benchmark-Central Vermont Medical Center | | | | | | | | | |
| Salary per FTE - Non-MD | 59,833 | 59,605 | 61,036 | 63,064 | 2.0% | 2.4% | 5.8% | 3.3% | |
| Salary & Benefits per FTE - Non-MD | 81,496 | 82,730 | 83,019 | 86,533 | 1.9% | 0.3% | 4.6% | 4.2% | |
| FTEs Per Adjusted Occupied Bed | 6 | 7 | 5 | 5 | -11.1% | -23.2% | -28.5% | -7.0% | |
| FTEs per 100 Adj Discharges | 4 | 6 | 4 | 5 | -8.0% | -34.1% | -18.5% | 23.7% | |
| Benchmarks-Vermont System Averages | | | | | | | | | |
| Salary per FTE - Non-MD | 66,067 | 67,435 | 70,572 | 70,085 | 6.8% | 4.7% | 3.9% | -0.7% | |
| Salary & Benefits per FTE - Non-MD | 84,930 | 86,796 | 90,767 | 89,722 | 6.9% | 4.6% | 3.4% | -1.2% | |
| FTEs Per Adjusted Occupied Bed | 6 | 6 | 6 | 6 | -2.7% | -6.5% | 1.7% | 8.8% | |
| FTEs per 100 Adj Discharges | 7 | 8 | 7 | 8 | -0.6% | -4.5% | 2.1% | 7.0% | |

OBSERVATIONS: