

# Central Vermont Medical Center

FY 2019 Actual Audited Financial Results Analysis

Report Date: 2/18/2020

**FY 2019 Actual Audited Financial Results Analysis Central Vermont Medical Center**

INCOME STATEMENT	FY2018A	FY2019B	FY2019A	FY2020B	2019B -	2019B - 2019A	2018A - 2019A	2019B - 2020B	2019A - 2020B
					2020B \$ Chg	% Chg	% Chg	% Chg	% Chg
<b>Revenues</b>									
<b>Gross Patient Care Revenue</b>	<b>389,142,484</b>	<b>412,507,360</b>	<b>418,151,359</b>	<b>430,983,508</b>	<b>18,476,148</b>	<b>1.4%</b>	<b>7.5%</b>	<b>4.5%</b>	<b>3.1%</b>
Disproportionate Share Payments	1,628,175	1,493,005	1,441,012	1,329,351	(163,654)	-3.5%	-11.5%	-11.0%	-7.7%
Bad Debt	(3,052,588)	(5,081,726)	(5,607,318)	(4,700,000)	381,727	10.3%	83.7%	-7.5%	-16.2%
Free Care	(4,383,140)	(4,112,828)	(4,517,178)	(4,750,000)	(637,172)	9.8%	3.1%	15.5%	5.2%
Deductions from Revenue	(217,439,742)	(244,252,888)	(242,710,762)	(254,112,523)	(9,859,635)	-0.6%	11.6%	4.0%	4.7%
Graduate Medical Education	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Net Patient Care Revenue</b>	<b>165,895,188</b>	<b>160,552,922</b>	<b>166,757,113</b>	<b>168,750,336</b>	<b>8,197,414</b>	<b>3.9%</b>	<b>0.5%</b>	<b>5.1%</b>	<b>1.2%</b>
Fixed Prospective Payments	28,690,947	48,962,113	39,881,136	47,600,000	(1,362,113)	-18.5%	39.0%	-2.8%	19.4%
Reserves	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	0	1,871,986	1,368,747	1,692,911		-26.9%	#DIV/0!	-9.6%	23.7%
<b>Fixed Prospective Payments and Reserves</b>	<b>28,690,947</b>	<b>50,834,099</b>	<b>41,249,882</b>	<b>49,292,911</b>		<b>-18.9%</b>	<b>43.8%</b>	<b>-3.0%</b>	<b>19.5%</b>
<b>Net Patient Care Revenue &amp; Fixed Payments &amp; Reserves</b>	<b>194,586,135</b>	<b>211,387,021</b>	<b>208,006,996</b>	<b>218,043,247</b>	<b>6,656,226</b>	<b>-1.6%</b>	<b>6.9%</b>	<b>3.1%</b>	<b>4.8%</b>
Other Operating Revenue	13,579,338	13,831,969	15,731,007	16,199,991	2,368,023	13.7%	15.8%	17.1%	3.0%
<b>Total Operating Revenue</b>	<b>208,165,473</b>	<b>225,218,990</b>	<b>223,738,002</b>	<b>234,243,239</b>	<b>9,024,249</b>	<b>-0.7%</b>	<b>7.5%</b>	<b>4.0%</b>	<b>4.7%</b>
<b>Expenses</b>									
Salaries Non MD	81,232,684	87,532,906	84,032,913	84,995,242	(2,537,664)	-4.0%	3.4%	-2.9%	1.1%
Fringe Benefits Non MD	21,458,524	21,816,604	25,734,521	26,463,356	4,646,752	18.0%	19.9%	21.3%	2.8%
Physician Fees, Salaries, Contracts	29,304,577	26,425,939	30,157,255	27,376,597	950,658	14.1%	2.9%	3.6%	-9.2%
Fringe Benefits MD	5,708,890	6,060,375	3,745,008	4,021,522	(2,038,853)	-38.2%	-34.4%	-33.6%	7.4%
Health Care Provider Tax	11,510,964	12,343,107	11,393,875	13,092,010	748,903	-7.7%	-1.0%	6.1%	14.9%
Depreciation & Amortization	9,828,730	9,825,661	9,170,032	9,718,767	(106,894)	-6.7%	-6.7%	-1.1%	6.0%
Interest - Long Term & Short Term	490,157	393,821	459,183	294,583	(99,239)	16.6%	-6.3%	-25.2%	-35.8%
Other Operating Expense	56,499,404	57,564,537	63,723,202	68,094,059	10,529,522	10.7%	12.8%	18.3%	6.9%
<b>Total Operating Expense</b>	<b>216,033,931</b>	<b>221,962,950</b>	<b>228,415,989</b>	<b>234,056,135</b>	<b>12,093,186</b>	<b>2.9%</b>	<b>5.7%</b>	<b>5.4%</b>	<b>2.5%</b>
<b>Net Operating Income (Loss)</b>	<b>(7,868,458)</b>	<b>3,256,040</b>	<b>(4,677,987)</b>	<b>187,103</b>	<b>(3,068,937)</b>	<b>-243.7%</b>	<b>-40.5%</b>	<b>-94.3%</b>	<b>-104.0%</b>
Non-Operating Revenue	9,757,603	4,246,649	(4,164,552)	3,972,546	(274,103)	-198.1%	-142.7%	-6.5%	-195.4%
<b>Excess (Deficit) of Rev Over Exp</b>	<b>1,889,145</b>	<b>7,502,689</b>	<b>(8,842,539)</b>	<b>4,159,649</b>	<b>(3,343,040)</b>	<b>-217.9%</b>	<b>-568.1%</b>	<b>-44.6%</b>	<b>-147.0%</b>

<b>Benchmarks-Hospital</b>									
Operating Margin%	-3.8%	1.4%	-2.1%	0.1%					
Total Margin %	0.9%	3.3%	-4.0%	1.7%					
EBIDA %	1.2%	6.0%	2.2%	4.4%					
Cost per Adjusted Admission	11,892	12,144	12,957	13,391					

**OBSERVATIONS :**

Fiscal Year 2020 Budget Analysis		Central Vermont Medical Center						
BALANCE SHEET	FY2018A	FY2019B	FY2019A	FY2020B	2018A-2019A	2019B-2019A	2019A-2020B	2018A-2020B
<b>Cash &amp; Investments</b>	<b>8,886,320</b>	<b>14,202,229</b>	<b>6,088,055</b>	<b>5,277,795</b>	<b>-31.5%</b>	<b>-57.1%</b>	<b>-13.3%</b>	<b>-40.6%</b>
Risk Reserve for Fixed Reform Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Current Assets	29,582,363	28,663,224	30,213,858	31,874,404	2.1%	5.4%	5.5%	7.7%
<b>Current Assets</b>	<b>38,468,683</b>	<b>42,865,453</b>	<b>36,301,913</b>	<b>37,152,200</b>	<b>-5.6%</b>	<b>-15.3%</b>	<b>2.3%</b>	<b>-3.4%</b>
Board Designated Assets	62,493,097	60,865,808	59,583,176	49,792,274	-4.7%	-2.1%	-16.4%	-20.3%
Net, Property, Plant And Equipment	68,582,663	71,549,716	67,370,691	75,785,919	-1.8%	-5.8%	12.5%	10.5%
Other Long-Term Assets	3,271,190	5,423,898	488,861	969,734	-85.1%	-91.0%	98.4%	-70.4%
<b>Assets</b>	<b>172,815,633</b>	<b>180,704,875</b>	<b>163,744,641</b>	<b>163,700,127</b>	<b>-5.2%</b>	<b>-9.4%</b>	<b>0.0%</b>	<b>-5.3%</b>
<b>Current Liabilities</b>	<b>43,623,891</b>	<b>28,080,952</b>	<b>42,297,454</b>	<b>38,457,960</b>	<b>-3.0%</b>	<b>50.6%</b>	<b>-9.1%</b>	<b>-11.8%</b>
Long Term Liabilities	12,855,717	12,682,885	9,508,872	6,088,325	-26.0%	-25.0%	-36.0%	-52.6%
Other Noncurrent Liabilities	24,286,665	45,037,437	29,939,024	18,000,000	23.3%	-33.5%	-39.9%	-25.9%
Fund Balance	92,049,360	94,903,601	81,999,291	101,153,842	-10.9%	-13.6%	23.4%	9.9%
<b>Liabilities and Equities</b>	<b>172,815,633</b>	<b>180,704,875</b>	<b>163,744,641</b>	<b>163,700,127</b>	<b>-5.2%</b>	<b>-9.4%</b>	<b>0.0%</b>	<b>-5.3%</b>
<b>Benchmarks-Hospital</b>					<b>Change in Points</b>			
<b>Days Cash on Hand</b>	<b>109.83</b>	<b>112.65</b>	<b>95.54</b>	<b>74.96</b>	<b>(14.29)</b>	<b>(17.11)</b>	<b>(20.59)</b>	<b>(34.88)</b>
Days Receivable	45.26	47.51	48.94	49.71	3.67	1.43	0.78	4.45
Days Payable	77.22	48.32	70.42	62.57	(6.80)	22.10	(7.85)	(14.65)
Long Term Debt to Capitalization	0.12	0.12	0.10	0.06				
Debt Service Coverage Ratio	0.4	3.8	1.3	2.8	0.9	(2.5)	1.5	2.4
<b>Benchmarks-Vermont System Averages</b>					<b>Change in Points</b>			
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
<b>OBSERVATIONS:</b>								



Fiscal Year 2020 Budget Analysis									
Central Vermont Medical Center									
NET PAYER REVENUE CHANGES - PAYERS		FY2018A	FY2019B	FY2019A	FY2020B	2018A - 2019A % Chg	2019B - 2019A % Chg	2019B - 2020B % Chg	2019A - 2020B % Chg
<b>All Payers</b>	<b>Gross Patient Care Revenue</b>	389,142,484	412,507,360	418,151,359	430,983,508	7.5%	1.4%	4.5%	3.1%
	Contractual Allowances	-217,439,742	-244,252,888	-242,710,762	-254,112,523	11.6%	-0.6%	4.0%	4.7%
	Bad Debt	-3,052,588	-5,081,726	-5,607,318	-4,700,000	83.7%	10.3%	-7.5%	-16.2%
	Free Care	-4,383,140	-4,112,828	-4,517,178	-4,750,000	3.1%	9.8%	15.5%	5.2%
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Disproportionate Share Payments	1,628,175	1,493,005	1,441,012	1,329,351	-11.5%	-3.5%	-11.0%	-7.7%
	<b>Net Payer Revenue</b>	<b>165,895,188</b>	<b>160,552,922</b>	<b>166,757,113</b>	<b>168,750,336</b>	<b>0.5%</b>	<b>3.9%</b>	<b>5.1%</b>	<b>1.2%</b>
	Fixed Prospective Payments	28,690,947	48,962,113	39,881,136	47,600,000	39.0%	-18.5%	-2.8%	19.4%
	Reserves - Risk Portion	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	0	1,871,986	1,368,747	1,692,911	#DIV/0!	-26.9%	-9.6%	23.7%
	<b>Fixed Prospective Payment &amp; Reserves</b>	<b>28,690,947</b>	<b>50,834,099</b>	<b>41,249,882</b>	<b>49,292,911</b>	<b>43.8%</b>	<b>-18.9%</b>	<b>-3.0%</b>	<b>19.5%</b>
	<b>Net Payer Revenue &amp; Fixed Prospective Payments</b>	<b>194,586,135</b>	<b>211,387,021</b>	<b>208,006,996</b>	<b>218,043,247</b>	<b>6.9%</b>	<b>-1.6%</b>	<b>3.1%</b>	<b>4.8%</b>
<b>Commercial</b>	<b>Gross Patient Care Revenue</b>	146,195,456	154,134,877	154,585,258	166,589,470	5.7%	0.3%	8.1%	7.8%
	Contractual Allowances	-42,785,457	-54,212,693	-45,007,810	-50,217,403	5.2%	-17.0%	-7.4%	11.6%
	Bad Debt	-3,052,588	-4,514,370	-4,831,415	-4,269,887	58.3%	7.0%	-5.4%	-11.6%
	Free Care	-4,383,140	-3,197,116	-3,343,722	-3,933,771	-23.7%	4.6%	23.0%	17.6%
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Net Payer Revenue</b>	<b>95,974,271</b>	<b>92,210,697</b>	<b>101,402,311</b>	<b>108,168,409</b>	<b>5.7%</b>	<b>10.0%</b>	<b>17.3%</b>	<b>6.7%</b>
	Fixed Prospective Payments	116,852	9,065,065	-475,111	4,980,083	-506.6%	-105.2%	-45.1%	-1148.2%
	Reserves - Risk Portion	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	0	234,856	119,442	166,479	#DIV/0!	-49.1%	-29.1%	39.4%
	<b>Fixed Prospective Payment &amp; Reserves</b>	<b>116,852</b>	<b>9,299,921</b>	<b>-355,669</b>	<b>5,146,561</b>	<b>-404.4%</b>	<b>-103.8%</b>	<b>-44.7%</b>	<b>-1547.0%</b>
	<b>Net Payer Revenue &amp; Fixed Prospective Payments</b>	<b>96,091,123</b>	<b>101,510,618</b>	<b>101,046,642</b>	<b>113,314,970</b>	<b>5.2%</b>	<b>-0.5%</b>	<b>11.6%</b>	<b>12.1%</b>
<b>Percentage of total</b>		49%	48%	49%	52%				
<b>Medicaid</b>	<b>Gross Patient Care Revenue</b>	69,712,360	73,800,686	72,528,585	73,592,900	4.0%	-1.7%	-0.3%	1.5%
	Contractual Allowances	-51,841,523	-54,693,966	-54,032,655	-56,807,652	4.2%	-1.2%	3.9%	5.1%
	Bad Debt	0	-15,249	-105,909	-11,560	#DIV/0!	594.5%	-24.2%	-89.1%
	Free Care	0	-282,991	-453,998	-252,247	#DIV/0!	60.4%	-10.9%	-44.4%
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Net Payer Revenue</b>	<b>17,870,837</b>	<b>18,808,481</b>	<b>17,936,023</b>	<b>16,521,441</b>	<b>0.4%</b>	<b>-4.6%</b>	<b>-12.2%</b>	<b>-7.9%</b>
	Fixed Prospective Payments	9,310,359	8,828,447	8,665,593	11,521,848	-6.9%	-1.8%	30.5%	33.0%
	Reserves - Risk Portion	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	0	577,316	405,440	756,464	#DIV/0!	-29.8%	31.0%	86.6%
	<b>Fixed Prospective Payment &amp; Reserves</b>	<b>9,310,359</b>	<b>9,405,763</b>	<b>9,071,034</b>	<b>12,278,313</b>	<b>-2.6%</b>	<b>-3.6%</b>	<b>30.5%</b>	<b>35.4%</b>
	<b>Net Payer Revenue &amp; Fixed Prospective Payments</b>	<b>27,181,196</b>	<b>28,214,244</b>	<b>27,007,056</b>	<b>28,799,754</b>	<b>-0.6%</b>	<b>-4.3%</b>	<b>2.1%</b>	<b>6.6%</b>
<b>Percentage of total</b>		14%	13%	13%	13%				
<b>Medicare</b>	<b>Gross Patient Care Revenue</b>	173,234,668	184,571,797	191,037,517	190,801,138	10.3%	3.5%	3.4%	-0.1%
	Contractual Allowances	-122,812,762	-135,346,229	-143,670,297	-147,087,468	17.0%	6.2%	8.7%	2.4%
	Bad Debt	0	-552,107	-669,994	-418,553	#DIV/0!	21.4%	-24.2%	-37.5%
	Free Care	0	-632,721	-719,458	-563,983	#DIV/0!	13.7%	-10.9%	-21.6%
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<b>Net Payer Revenue</b>	<b>50,421,906</b>	<b>48,040,739</b>	<b>45,977,767</b>	<b>42,731,135</b>	<b>-8.8%</b>	<b>-4.3%</b>	<b>-11.1%</b>	<b>-7.1%</b>
	Fixed Prospective Payments	19,263,736	31,068,601	31,690,654	31,098,070	64.5%	2.0%	0.1%	-1.9%
	Reserves - Risk Portion	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Other Reform Payments	0	1,059,815	843,864	769,968	#DIV/0!	-20.4%	-27.3%	-8.8%
	<b>Fixed Prospective Payment &amp; Reserves</b>	<b>19,263,736</b>	<b>32,128,416</b>	<b>32,534,518</b>	<b>31,868,038</b>	<b>68.9%</b>	<b>1.3%</b>	<b>-0.8%</b>	<b>-2.0%</b>
	<b>Net Payer Revenue &amp; Fixed Prospective Payments</b>	<b>69,685,641</b>	<b>80,169,155</b>	<b>78,512,286</b>	<b>74,599,172</b>	<b>12.7%</b>	<b>-2.1%</b>	<b>-6.9%</b>	<b>-5.0%</b>
<b>Percentage of total</b>		36%	38%	38%	34%				
	<b>Disproportionate Share Payments</b>	<b>1,628,175</b>	<b>1,493,005</b>	<b>1,441,012</b>	<b>1,329,351</b>	<b>-11.5%</b>	<b>-3.5%</b>	<b>-11.0%</b>	<b>-7.7%</b>
<b>Percentage of total</b>									
	<b>NPR &amp; FPP to Gross Commercial (no dsh)</b>	<b>66%</b>	<b>66%</b>	<b>65%</b>	<b>68%</b>				
	<b>NPR &amp; FPP to Gross Medicaid (no dsh)</b>	<b>39%</b>	<b>38%</b>	<b>37%</b>	<b>39%</b>				
	<b>NPR &amp; FPP to Gross Medicare (no dsh)</b>	<b>40%</b>	<b>43%</b>	<b>41%</b>	<b>39%</b>				
	<b>NPR &amp; FPP to Gross All (no dsh)</b>	<b>50%</b>	<b>51%</b>	<b>49%</b>	<b>50%</b>				
<b>Observations:</b>									



FY 2019 Actual Audited Financial Results Analysis		Central Vermont Medical Center							
UTILIZATION & STAFFING	FY2018A	FY2019B	FY2019A	FY2020B	2018A-2019A	2019B-2019A	2019B-2020B	2019A-2020B	
<b>UTILIZATION</b>									
Adjusted Admissions	18,166	18,277	17,629	17,478	-3.0%	-3.5%	-4.4%	-0.9%	
Acute Admissions	3,949	4,124	3,891	3,851	-1.5%	-5.6%	-6.6%	-1.0%	
Acute Average Length Of Stay	4.6	4.5	5.1	5.2	11.4%	13.9%	15.3%	1.3%	
All Operating Room Procedure	2,907	3,117	3,125	3,241	7.5%	0.3%	4.0%	3.7%	
Tests	469,983	469,683	478,604	449,122	1.8%	1.9%	-4.4%	-6.2%	
Emergency Room Visits	24,329	24,444	25,822	24,272	6.1%	5.6%	-0.7%	-6.0%	
CT Scan, Radiology - Diagnostic	61,630	60,648	60,515	59,372	-1.8%	-0.2%	-2.1%	-1.9%	
Exams	12,015	12,273	12,353	12,032	2.8%	0.7%	-2.0%	-2.6%	
Provider Work RVU	326,789	350,129	323,437	330,142	-1.0%	-7.6%	-5.7%	2.1%	
Physician Office Visits	226,404	284,937	219,101	239,747	-3.2%	-23.1%	-15.9%	9.4%	
Clinic Visits	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
<b>STAFFING</b>									
Non-MD FTEs	1,197	1,237	1,192	1,178	(4.9)	(44.3)	(58.9)	(14.6)	
Travelers, Travelers MD	7	3	19	2	11.3	15.2	(1.7)	(16.8)	
Residents & Fellows	0	0	0	0	0.0	0.0	0.0	0.0	
MLPs	42	47	48	52	5.8	1.1	4.6	3.4	
Physician FTEs	90	95	91	90	1.1	(4.0)	(4.8)	(0.8)	
<b>Total FTEs</b>	<b>1,337</b>	<b>1,382</b>	<b>1,350</b>	<b>1,321</b>	<b>13.4</b>	<b>(32.1)</b>	<b>(60.8)</b>	<b>(28.8)</b>	
<b>Benchmark-Central Vermont Medical Center</b>									
Salary per FTE - Non-MD	65,538	68,192	67,745	69,142	3.4%	-0.7%	1.4%	2.1%	
Salary & Benefits per FTE - Non-MD	82,851	85,188	88,492	90,670	6.8%	3.9%	6.4%	2.5%	
FTEs Per Adjusted Occupied Bed	5	6	5	5	-7.7%	-12.2%	-13.3%	-1.2%	
FTEs per 100 Adj Discharges	7	7	7	7	3.1%	0.2%	0.1%	0.0%	
<b>Benchmarks-Vermont System Averages</b>									
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:**