

Grace Cottage Hospital

FY 2019 Actual Audited Financial Results Analysis

Report Date: 2/18/2020

FY 2019 Actual Audited Financial Results Analysis **Grace Cottage Hospital**

INCOME STATEMENT	FY2018A	FY2019B	FY2019A	FY2020B	2019B - 2019A		2018A - 2019A		2019B - 2020B		2019A - 2020B	
					2020B \$ Chg	% Chg	% Chg	% Chg	% Chg			
Revenues												
Gross Patient Care Revenue	28,394,054	29,980,632	29,704,502	31,015,070	1,034,438	-0.9%	4.6%	3.5%	4.4%			
Disproportionate Share Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			
Bad Debt	(548,943)	(516,506)	(565,755)	(395,940)	120,566	9.5%	3.1%	-23.3%	-30.0%			
Free Care	(158,312)	(181,583)	(220,184)	(211,982)	(30,399)	21.3%	39.1%	16.7%	-3.7%			
Deductions from Revenue	(9,493,062)	(9,989,962)	(10,183,861)	(10,439,327)	(449,365)	1.9%	7.3%	4.5%	2.5%			
Graduate Medical Education	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			
Net Patient Care Revenue	18,193,737	19,292,581	18,734,702	19,967,821	675,240	-2.9%	3.0%	3.5%	6.6%			
Fixed Prospective Payments	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			
Reserves	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 Payments and Reserves	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			
Net Patient Care Revenue & Fixed Payments & Reserves	18,193,737	19,292,581	18,734,702	19,967,821	675,240	-2.9%	3.0%	3.5%	6.6%			
Other Operating Revenue	1,197,732	1,188,862	706,844	935,160	(253,702)	-40.5%	-41.0%	-21.3%	32.3%			
Total Operating Revenue	19,391,469	20,481,443	19,441,546	20,902,981	421,538	-5.1%	0.3%	2.1%	7.5%			
Expenses												
Salaries Non MD	9,395,238	9,605,266	9,893,036	10,865,284	1,260,018	3.0%	5.3%	13.1%	9.8%			
Fringe Benefits Non MD	2,880,909	3,091,037	2,987,690	3,766,058	675,021	-3.3%	3.7%	21.8%	26.1%			
Physician Fees, Salaries, Contracts	2,095,450	2,056,963	2,157,322	1,779,047	(277,916)	4.9%	3.0%	-13.5%	-17.5%			
Fringe Benefits MD	363,700	387,960	403,841	394,523	6,563	4.1%	11.0%	1.7%	-2.3%			
Health Care Provider Tax	620,394	640,758	631,409	693,363	52,605	-1.5%	1.8%	8.2%	9.8%			
Depreciation & Amortization	580,783	675,299	612,182	704,859	29,560	-9.3%	5.4%	4.4%	15.1%			
Interest - Long Term & Short Term	135,590	124,063	155,800	131,338	7,275	25.6%	14.9%	5.9%	-15.7%			
Other Operating Expense	3,875,935	3,748,280	3,902,064	3,832,339	84,059	4.1%	0.7%	2.2%	-1.8%			
Total Operating Expense	19,947,999	20,329,626	20,743,344	22,166,811	1,837,185	2.0%	4.0%	9.0%	6.9%			
Net Operating Income (Loss)	(556,530)	151,817	(1,301,798)	(1,263,830)	(1,415,647)	-957.5%	133.9%	-932.5%	-2.9%			
Non-Operating Revenue	1,317,800	742,707	1,232,480	742,624	(83)	65.9%	-6.5%	0.0%	-39.7%			
Excess (Deficit) of Rev Over Exp	761,270	894,524	(69,318)	(521,206)	(1,415,730)	-107.7%	-109.1%	-158.3%	651.9%			

Benchmarks-Hospital												
Operating Margin%	-2.9%	0.7%	-6.7%	-6.0%								
Total Margin %	3.7%	4.2%	-0.3%	-2.4%								
EBIDA %	0.8%	4.6%	-2.7%	-2.0%								
Cost per Adjusted Admission	7,653	6,968	7,574	8,138								

OBSERVATIONS :

Fiscal Year 2020 Budget Analysis		Grace Cottage Hospital							
BALANCE SHEET	FY2018A	FY2019B	FY2019A	FY2020B	2018A-2019A	2019B-2019A	2019A-2020B	2018A-2020B	
Cash & Investments	291,005	277,212	252,109	214,081	-13.4%	-9.1%	-15.1%	-26.4%	
Risk Reserve for Fixed Reform Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Other Current Assets	4,048,662	3,921,007	4,381,967	4,349,467	8.2%	11.8%	-0.7%	7.4%	
Current Assets	4,339,667	4,198,219	4,634,076	4,563,548	6.8%	10.4%	-1.5%	5.2%	
Board Designated Assets	4,667,648	4,775,297	4,910,926	5,007,865	5.2%	2.8%	2.0%	7.3%	
Net, Property, Plant And Equipment	3,364,425	3,916,476	3,182,908	3,464,274	-5.4%	-18.7%	8.8%	3.0%	
Other Long-Term Assets	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Assets	12,371,740	12,889,992	12,727,910	13,035,687	2.9%	-1.3%	2.4%	5.4%	
Current Liabilities	4,804,942	4,514,281	5,408,740	4,776,677	12.6%	19.8%	-11.7%	-0.6%	
Long Term Liabilities	1,028,366	716,045	830,044	2,461,535	-19.3%	15.9%	196.6%	139.4%	
Other Noncurrent Liabilities	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Fund Balance	6,538,432	7,659,666	6,489,126	5,797,475	-0.8%	-15.3%	-10.7%	-11.3%	
Liabilities and Equities	12,371,740	12,889,992	12,727,910	13,035,687	2.9%	-1.3%	2.4%	5.4%	
Benchmarks-Hospital					Change in Points				
Days Cash on Hand	92.04	92.50	92.46	87.67	0.42	(0.04)	(4.79)	(4.37)	
Days Receivable	41.36	40.56	35.03	37.30	(6.33)	(5.53)	2.27	(4.06)	
Days Payable	90.56	83.83	98.07	81.24	7.51	14.23	(16.83)	(9.32)	
Long Term Debt to Capitalization	0.14	0.09	0.13	0.34					
Debt Service Coverage Ratio	0.3	0.5	(1.1)	(0.9)	(1.4)	(1.6)	0.2	(1.2)	
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									Grace Cottage 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	28,394,054	29,980,632	29,704,502	31,015,070	4.6%	-0.9%	3.5%	4.4%			
	Contractual Allowances	-9,493,062	-9,989,962	-10,183,861	-10,439,327	7.3%	1.9%	4.5%	2.5%			
	Bad Debt	-548,943	-516,506	-565,755	-395,940	3.1%	9.5%	-23.3%	-30.0%			
	Free Care	-158,312	-181,583	-220,184	-211,982	39.1%	21.3%	16.7%	-3.7%			
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			
	Disproportionate Share Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			
	Net Payer Revenue	18,193,737	19,292,581	18,734,702	19,967,821	3.0%	-2.9%	3.5%	6.6%			
	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	18,193,737	19,292,581	18,734,702	19,967,821	3.0%	-2.9%	3.5%	6.6%			
Commercial	Gross Patient Care Revenue	8,943,562	9,264,853	9,037,750	9,171,186	1.1%	-2.5%	-1.0%	1.5%			
	Contractual Allowances	-2,931,622	-2,993,540	-3,113,610	-3,010,049	6.2%	4.0%	0.6%	-3.3%			
	Bad Debt	-548,943	-516,506	-565,755	-395,940	3.1%	9.5%	-23.3%	-30.0%			
	Free Care	-158,312	-181,583	-220,184	-211,982	39.1%	21.3%	16.7%	-3.7%			
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			
	Net Payer Revenue	5,304,685	5,573,224	5,138,201	5,553,215	-3.1%	-7.8%	-0.4%	8.1%			
	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	5,304,685	5,573,224	5,138,201	5,553,215	-3.1%	-7.8%	-0.4%	8.1%			
Percentage of total		29%	29%	27%	28%							
Medicaid	Gross Patient Care Revenue	3,953,187	4,146,671	4,018,568	4,228,861	1.7%	-3.1%	2.0%	5.2%			
	Contractual Allowances	-2,587,316	-2,655,405	-2,649,384	-2,627,949	2.4%	-0.2%	-1.0%	-0.8%			
	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	1,365,871	1,491,266	1,369,184	1,600,912	0.2%	-8.2%	7.4%	16.9%			
	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	1,365,871	1,491,266	1,369,184	1,600,912	0.2%	-8.2%	7.4%	16.9%			
Percentage of total		8%	8%	7%	8%							
Medicare	Gross Patient Care Revenue	15,497,305	16,569,108	16,648,184	17,615,023	7.4%	0.5%	6.3%	5.8%			
	Contractual Allowances	-3,974,124	-4,341,017	-4,420,867	-4,801,329	11.2%	1.8%	10.6%	8.6%			
	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	11,523,181	12,228,091	12,227,317	12,813,694	6.1%	0.0%	4.8%	4.8%			
	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	11,523,181	12,228,091	12,227,317	12,813,694	6.1%	0.0%	4.8%	4.8%			
Percentage of total		63%	63%	65%	64%							
	Disproportionate Share Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			
Percentage of total												
	NPR & FPP to Gross Commercial (no dsh)	59%	60%	57%	61%							
	NPR & FPP to Gross Medicaid (no dsh)	35%	36%	34%	38%							
	NPR & FPP to Gross Medicare (no dsh)	74%	74%	73%	73%							
	NPR & FPP to Gross All (no dsh)	64%	64%	63%	64%							
Observations:												

FY 2019 Actual Audited Financial Results Analysis		Grace Cottage Hospital							
UTILIZATION & STAFFING	FY2018A	FY2019B	FY2019A	FY2020B	2018A-2019A	2019B-2019A	2019B-2020B	2019A-2020B	
UTILIZATION									
Adjusted Admissions	2,607	2,918	2,739	2,724	5.1%	-6.1%	-6.6%	-0.5%	
Acute Admissions	138	149	123	123	-10.9%	-17.4%	-17.4%	0.0%	
Acute Average Length Of Stay	2.8	2.5	2.9	2.8	2.9%	12.8%	11.9%	-0.8%	
All Operating Room Procedure	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Tests	51,401	52,810	52,317	54,012	1.8%	-0.9%	2.3%	3.2%	
Emergency Room Visits	3,120	3,080	2,965	2,649	-5.0%	-3.7%	-14.0%	-10.7%	
CT Scan, Radiology - Diagnostic	4,340	4,548	4,388	4,602	1.1%	-3.5%	1.2%	4.9%	
Exams	428	529	520	557	21.5%	-1.7%	5.3%	7.1%	
Provider Work RVU	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Physician Office Visits	18,865	19,831	19,068	20,977	1.1%	-3.8%	5.8%	10.0%	
Clinic Visits	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
STAFFING									
Non-MD FTEs	138	139	133	136	(5.0)	(6.3)	(3.6)	2.7	
Travelers, Travelers MD	3	0	2	0	(1.2)	1.6	0.0	(1.6)	
Residents & Fellows	0	0	0	0	0.0	0.0	0.0	0.0	
MLPs	0	0	8	10	7.4	7.5	10.0	2.5	
Physician FTEs	8	8	8	7	0.3	0.2	(1.3)	(1.6)	
Total FTEs	149	148	151	153	1.5	3.0	5.1	2.1	
Benchmark-Central Vermont Medical Center									
Salary per FTE - Non-MD	67,973	68,919	70,363	74,507	3.5%	2.1%	8.1%	5.9%	
Salary & Benefits per FTE - Non-MD	88,816	91,098	91,613	100,331	3.1%	0.6%	10.1%	9.5%	
FTEs Per Adjusted Occupied Bed	7	7	7	7	-5.9%	-4.7%	0.2%	5.2%	
FTEs per 100 Adj Discharges	5	5	5	5	-3.2%	7.5%	12.1%	4.3%	
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: