

Rutland Regional Medical Center

FY 2019 Actual Audited Financial Results Analysis

Report Date: 2/18/2020

FY 2019 Actual Audited Financial Results Analysis Rutland Regional Medical Center

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	548,537,244	562,125,362	567,030,638	584,898,226	22,772,864	0.9%	3.4%	4.1%	3.2%
Disproportionate Share Payments	3,756,859	3,090,930	3,073,674	3,169,990	79,060	-0.6%	-18.2%	2.6%	3.1%
Bad Debt	(4,702,339)	(8,769,156)	(7,489,965)	(9,511,258)	(742,102)	-14.6%	59.3%	8.5%	27.0%
Free Care	(8,597,207)	(4,047,303)	(6,929,977)	(6,514,109)	(2,466,806)	71.2%	-19.4%	60.9%	-6.0%
Deductions from Revenue	(284,759,528)	(319,179,508)	(298,494,709)	(304,532,302)	14,647,206	-6.5%	4.8%	-4.6%	2.0%
Graduate Medical Education	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net Patient Care Revenue	254,235,029	233,220,325	257,189,661	267,510,547	34,290,222	10.3%	1.2%	14.7%	4.0%
Fixed Prospective Payments	0	25,500,000	0	12,335,454	(13,164,546)	-100.0%	#DIV/0!	-51.6%	#DIV/0!
Reserves	0	0	0	(11,336,378)		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	0	0	0	(721,796)		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Fixed Prospective Payments and Reserves	0	25,500,000	0	277,280		-100.0%	#DIV/0!	-98.9%	#DIV/0!
Net Patient Care Revenue & Fixed Payments & Reserves	254,235,029	258,720,325	257,189,661	267,787,827	9,067,502	-0.6%	1.2%	3.5%	4.1%
Other Operating Revenue	15,182,290	15,699,404	18,785,788	18,405,876	2,706,472	19.7%	23.7%	17.2%	-2.0%
Total Operating Revenue	269,417,319	274,419,729	275,975,449	286,193,703	11,773,974	0.6%	2.4%	4.3%	3.7%
Expenses									
Salaries Non MD	86,674,972	89,707,829	89,849,875	91,829,258	2,121,429	0.2%	3.7%	2.4%	2.2%
Fringe Benefits Non MD	26,318,594	29,001,380	26,201,914	28,495,673	(505,707)	-9.7%	-0.4%	-1.7%	8.8%
Physician Fees, Salaries, Contracts	34,225,122	31,716,662	33,996,740	34,035,570	2,318,908	7.2%	-0.7%	7.3%	0.1%
Fringe Benefits MD	1,413,861	1,565,999	1,407,395	1,535,479	(30,520)	-10.1%	-0.5%	-1.9%	9.1%
Health Care Provider Tax	14,701,522	15,396,699	15,286,305	15,821,854	425,155	-0.7%	4.0%	2.8%	3.5%
Depreciation & Amortization	11,901,430	12,904,769	12,203,784	13,227,845	323,076	-5.4%	2.5%	2.5%	8.4%
Interest - Long Term & Short Term	1,308,027	1,532,255	1,330,599	1,276,128	(256,127)	-13.2%	1.7%	-16.7%	-4.1%
Other Operating Expense	91,576,539	86,395,202	93,739,954	93,272,793	6,877,591	8.5%	2.4%	8.0%	-0.5%
Total Operating Expense	268,120,067	268,220,795	274,016,566	279,494,600	11,273,805	2.2%	2.2%	4.2%	2.0%
Net Operating Income (Loss)	1,297,252	6,198,934	1,958,883	6,699,103	500,169	-68.4%	51.0%	8.1%	242.0%
Non-Operating Revenue	10,592,381	5,939,237	4,782,258	6,545,053	605,816	-19.5%	-54.9%	10.2%	36.9%
Excess (Deficit) of Rev Over Exp	11,889,633	12,138,171	6,741,141	13,244,156	1,105,985	-44.5%	-43.3%	9.1%	96.5%

Benchmarks-Hospital									
Operating Margin%	0.5%	2.3%	0.7%	2.3%					
Total Margin %	4.2%	4.3%	2.4%	4.5%					
EBIDA %	5.4%	7.5%	5.6%	7.4%					
Cost per Adjusted Admission	13,836	14,236	14,211	14,439					

OBSERVATIONS :

Fiscal Year 2020 Budget Analysis		Rutland Regional Medical Center						
BALANCE SHEET	FY2018A	FY2019B	FY2019A	FY2020B	2018A-2019A	2019B-2019A	2019A-2020B	2018A-2020B
Cash & Investments	7,330,570	7,770,719	9,934,146	6,703,502	35.5%	27.8%	-32.5%	-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	40,908,645	42,183,237	8.9%	43.1%	3.1%	12.3%
Current Assets	44,883,819	36,360,788	50,842,791	48,886,739	13.3%	39.8%	-3.8%	8.9%
Board Designated Assets	140,154,549	136,214,205	135,944,898	143,314,955	-3.0%	-0.2%	5.4%	2.3%
Net, Property, Plant And Equipment	81,446,095	110,729,023	88,201,743	106,084,571	8.3%	-20.3%	20.3%	30.3%
Other Long-Term Assets	8,989,819	10,392,859	12,323,117	9,869,485	37.1%	18.6%	-19.9%	9.8%
Assets	275,474,282	293,696,875	287,312,549	308,155,750	4.3%	-2.2%	7.3%	11.9%
Current Liabilities	34,286,876	28,805,833	37,553,124	25,941,152	9.5%	30.4%	-30.9%	-24.3%
Long Term Liabilities	34,462,038	47,926,995	36,009,705	52,409,663	4.5%	-24.9%	45.5%	52.1%
Other Noncurrent Liabilities	5,697,136	10,449,585	5,476,222	4,438,074	-3.9%	-47.6%	-19.0%	-22.1%
Fund Balance	201,028,232	206,514,462	208,273,498	225,366,861	3.6%	0.9%	8.2%	12.1%
Liabilities and Equities	275,474,282	293,696,875	287,312,549	308,155,750	4.3%	-2.2%	7.3%	11.9%
Benchmarks-Hospital					Change in Points			
Days Cash on Hand	209.49	205.71	201.78	204.58	(7.71)	(3.93)	2.80	(4.92)
Days Receivable	36.78	28.28	40.52	39.61	3.75	12.24	(0.91)	2.83
Days Payable	48.84	41.18	52.35	35.56	3.51	11.17	(16.79)	(13.28)
Long Term Debt to Capitalization	0.15	0.19	0.15	0.19				
Debt Service Coverage Ratio	4.5	5.9	4.7	6.4	0.2	(1.2)	1.7	1.8
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									Rutland Regional Medical Center			
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	548,537,244	562,125,362	567,030,638	584,898,226	3.4%	0.9%	4.1%	3.2%			
	Contractual Allowances	-284,759,528	-319,179,508	-298,494,709	-304,532,302	4.8%	-6.5%	-4.6%	2.0%			
	Bad Debt	-4,702,339	-8,769,156	-7,489,965	-9,511,258	59.3%	-14.6%	8.5%	27.0%			
	Free Care	-8,597,207	-4,047,303	-6,929,977	-6,514,109	-19.4%	71.2%	60.9%	-6.0%			
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			
	Disproportionate Share Payments	3,756,859	3,090,930	3,073,674	3,169,990	-18.2%	-0.6%	2.6%	3.1%			
	Net Payer Revenue	254,235,029	233,220,325	257,189,661	267,510,547	1.2%	10.3%	14.7%	4.0%			
	Fixed Prospective Payments	0	25,500,000	0	12,335,454	#DIV/0!	-100.0%	-51.6%	#DIV/0!			
	Reserves - Risk Portion	0	0	0	-11,336,378	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			
	Other Reform Payments	0	0	0	-721,796	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			
Fixed Prospective Payment & Reserves	0	25,500,000	0	277,280	#DIV/0!	-100.0%	-98.9%	#DIV/0!				
Net Payer Revenue & Fixed Prospective Payments	254,235,029	258,720,325	257,189,661	267,787,827	1.2%	-0.6%	3.5%	4.1%				
Commercial	Gross Patient Care Revenue	166,358,342	171,432,482	173,840,903	187,129,310	4.5%	1.4%	9.2%	7.6%			
	Contractual Allowances	-29,007,501	-30,329,185	-29,997,006	-31,582,244	3.4%	-1.1%	4.1%	5.3%			
	Bad Debt	-4,702,339	-8,769,156	-7,489,965	-9,511,258	59.3%	-14.6%	8.5%	27.0%			
	Free Care	-8,597,207	-4,047,303	-6,929,977	-6,514,109	-19.4%	71.2%	60.9%	-6.0%			
	Graduate Medical Education Payments	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			
	Net Payer Revenue	124,051,295	128,286,838	129,423,955	139,521,699	4.3%	0.9%	8.8%	7.8%			
	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	124,051,295	128,286,838	129,423,955	139,521,699	4.3%	0.9%	8.8%	7.8%				
Percentage of total	49%	50%	50%	52%								
Medicaid	Gross Patient Care Revenue	90,723,808	94,815,648	89,254,609	95,079,158	-1.6%	-5.9%	0.3%	6.5%			
	Contractual Allowances	-69,490,815	-93,957,266	-68,798,820	-70,749,618	-1.0%	-26.8%	-24.7%	2.8%			
	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	21,232,993	858,382	20,455,789	24,329,540	-3.7%	2283.1%	2734.3%	18.9%			
	Fixed Prospective Payments	0	25,500,000	0	12,335,454	#DIV/0!	-100.0%	-51.6%	#DIV/0!			
	Reserves - Risk Portion	0	0	0	-11,336,378	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			
	Other Reform Payments	0	0	0	-721,796	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			
	Fixed Prospective Payment & Reserves	0	25,500,000	0	277,280	#DIV/0!	-100.0%	-98.9%	#DIV/0!			
Net Payer Revenue & Fixed Prospective Payments	21,232,993	26,358,382	20,455,789	24,606,820	-3.7%	-22.4%	-6.6%	20.3%				
Percentage of total	8%	10%	8%	9%								
Medicare	Gross Patient Care Revenue	291,455,094	295,877,232	303,935,126	302,689,758	4.3%	2.7%	2.3%	-0.4%			
	Contractual Allowances	-186,261,212	-194,893,057	-199,698,883	-202,200,440	7.2%	2.5%	3.7%	1.3%			
	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	105,193,882	100,984,175	104,236,243	100,489,318	-0.9%	3.2%	-0.5%	-3.6%			
	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	105,193,882	100,984,175	104,236,243	100,489,318	-0.9%	3.2%	-0.5%	-3.6%				
Percentage of total	41%	39%	41%	38%								
Disproportionate Share Payments	3,756,859	3,090,930	3,073,674	3,169,990	-18.2%	-0.6%	2.6%	3.1%				
Percentage of total												
NPR & FPP to Gross Commercial (no dsh)	75%	75%	74%	75%								
NPR & FPP to Gross Medicaid (no dsh)	23%	28%	23%	26%								
NPR & FPP to Gross Medicare (no dsh)	36%	34%	34%	33%								
NPR & FPP to Gross All (no dsh)	46%	45%	45%	45%								
Observations:												

FY 2019 Actual Audited Financial Results Analysis					Rutland Regional Medical Center				
UTILIZATION & STAFFING	FY2018A	FY2019B	FY2019A	FY2020B	2018A-2019A	2019B-2019A	2019B-2020B	2019A-2020B	
UTILIZATION									
Adjusted Admissions	19,379	18,841	19,282	19,357	-0.5%	2.3%	2.7%	0.4%	
Acute Admissions	7,152	6,908	6,905	6,887	-3.5%	0.0%	-0.3%	-0.3%	
Acute Average Length Of Stay	4.5	4.7	4.7	4.6	2.8%	-1.6%	-3.7%	-2.0%	
All Operating Room Procedure	3,168	3,331	3,317	3,294	4.7%	-0.4%	-1.1%	-0.7%	
Tests	555,128	574,914	566,410	572,761	2.0%	-1.5%	-0.4%	1.1%	
Emergency Room Visits	33,321	32,722	37,401	31,134	12.2%	14.3%	-4.9%	-16.8%	
CT Scan, Radiology - Diagnostic	55,650	57,449	58,368	59,307	4.9%	1.6%	3.2%	1.6%	
Exams	16,285	16,247	16,219	16,223	-0.4%	-0.2%	-0.1%	0.0%	
Provider Work RVU	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Physician Office Visits	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Clinic Visits	408,728	408,763	395,010	397,971	-3.4%	-3.4%	-2.6%	0.7%	
STAFFING									
Non-MD FTEs	1,294	1,316	1,295	1,335	0.7	(21.4)	18.9	40.3	
Travelers, Travelers MD	110	75	102	73	(7.7)	27.0	(1.8)	(28.8)	
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	69	71	70	72	0.1	(1.6)	0.8	2.4	
Total FTEs	1,473	1,462	1,466	1,480	(6.9)	4.0	17.9	13.9	
Benchmark-Central Vermont Medical Center									
Salary per FTE - Non-MD	66,968	68,147	69,381	68,772	3.6%	1.8%	0.9%	-0.9%	
Salary & Benefits per FTE - Non-MD	87,302	90,178	89,614	90,113	2.6%	-0.6%	-0.1%	0.6%	
FTEs Per Adjusted Occupied Bed	5	5	5	6	-2.2%	-2.3%	2.5%	4.8%	
FTEs per 100 Adj Discharges	7	7	7	7	0.6%	-3.9%	-1.3%	2.7%	
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: