# Workday Adaptive Planning – User Guide

Budgeting Input Process and Documentation

Prepared by the:



**VERMONT**

**Green Mountain Care Board**

# Updated May2023

# Contents

## Introduction

### System Installation Instructions

Since Workday Adaptive Planning is a web-based tool, there is no required software to install locally. However, new for this year, we are rolling out an optional Excel Planning add-on. This will allow users to interact with Adaptive sheets through an Excel interface.

The latest version of the add-on is available at:

https://clickonce.adaptiveinsights.com/planning/latest/WorkdayAdaptivePlanningExcelSetup.exe

### WORKDAY ADAPTIVE PLANNING REPORTING

GMCB has deployed Workday Adaptive Planning as the system and Database to manage the submission and review of all budget data and for analysis of historical trends and financial results.

This document is split into two main sections, the first gives you an overview of all elements of the system and the second will walk you through the steps needed to enter your budgets.

# System Overview and Training

### Login Information

Workday Adaptive Planning is a cloud-based budgeting solution.  All interaction with the budget planning model canl be done online through the following path:

Navigation: https://login.adaptiveinsights.com/app

This will bring you to a login screen and prompt you for your username and password.  Enter this info and select submit. Your username and password will be provided to you directly by the Green Mountain Care Board staff. Note: Bookmark your login page.

## System Description – Sheets, Workflow and Model

# The Top Toolbar

Every screen in Adaptive Planning has the same toolbar across the very top of the screen, as shown in Figure 1.
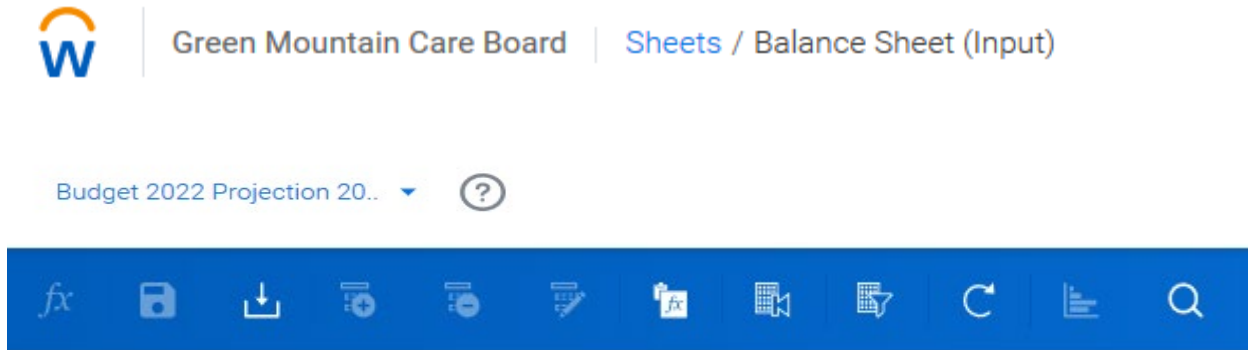
Green Mountain Care Board | Sheets / Balance Sheet (Input)

Budget 2022 Projection 20..



**Figure 1:** The top toolbar.

The sections of the top toolbar, from left to right, are:

- **: opens the navigation menu.
- **Breadcrumbs:** This shows you what section of Planning you are in. In Figure 2, the user is viewing the Balance Sheet, in the Sheets section.
- **Workday Adaptive Planning logo:** Click to return to your home page.
- **Company logo:** In this case, our sample company's logo. Varies by instance.
- **Version selector:** This drop-down menu lets you switch between versions to which you have access. For more on versions, see "Understanding Versions" on page 21.
- **User menu:** Click the silhouette to see what other users (if any) are currently in the database. Click the drop-down menu next to the silhouette to show the user menu. From the user menu, you can change your profile settings (click Settings) or log out (click Log out).
- **Online help** : Click to open Adaptive Planning online help.

The blue toolbar beneath the top toolbar in Figure 2 is the sheet toolbar.

## The Navicon

The central navigation for Adaptive Planning is the navicon . To use the navigation menu, click or mouse over the navicon. To see any of the secondary menus,

mouse over the arrow icon  in the menu item's line. For example, to see a list of sheets available to you, mouse over the arrow icon across from Sheets in the menu. The items on the dropdown that you see will vary based on your role and access you are granted in the system.
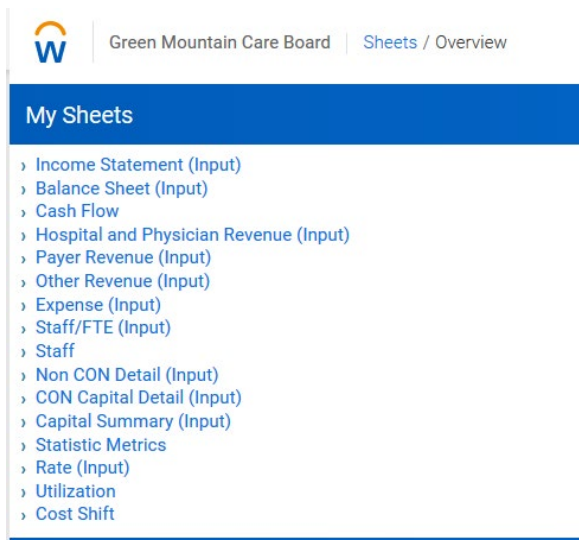


Most of your time will probably be spent in "SHEETS" and "REPORTS".  You will input your budget by selecting from the dropdown under the "SHEETS" option, and you will run reports to help you view the results of your input by selecting from the dropdown under the "REPORTS" option.  Once you are finished with input, you will select "OVERVIEW" from the dropdown to "**Submit**" your budget, but we will explain that to you later in this document.

## Versions, Levels and Sheets

The Sheets tab is where you will do the actual work to enter your budget. The example screenshot below is what you will see on the Sheets tab. All these sheets can be clicked on to bring up a part of the budget to be edited. Each sheet that requires data entry will be labeled with (INPUT) after the sheet name.

Definitions for the accounts in the individual sheets are provided in the Uniform Reporting Manual (URM) in the following directory located in Adaptive:  Shared Reports>FY YYYY Budget>HOSPITAL DIRECTORY>HOSPITAL BUDGET INSTRUCTIONS.

### 1.  Versions

On the right side of the screen, you will notice two drop-down menus:  One for Version and one for Level. The Versions in Workday Adaptive Planning are synonymous with a file submission in the past.

The drop-down menu may show multiple versions (for prior submissions, etc.)  However, only the current version will allow for editing.  This version will be the default option in the drop-down menu. **Additional Version Definitions:** The Actuals version shows all historical actual data for 2001 – most recent.  Budget YYYY Mid-Year or Budget YYYY Approved is where the last approved budget is stored and can be reviewed.   The Historical Budgets version shows all historical approved budget data for 2001 – 2016.  New versions will be created when working on Budgets and added to this drop-down.

**Example Version drop-down menu:**

| | Name |
|---|---|
| ⬡ | Actuals |
| 🔒 | Budget 2020 Submitted |
| 🔒 | Budget 2020 Approved |
| 🔒 | Budget 2021 Submitted July 31 2020 |
| 🔒 | Budget 2021 Approved |
| 🔒 | Budget 2022 Projection 2021 |
| 🔒 | Budget 2022 Approved Projection 2021 |
| 🔒 | Budget 2022 Mid Year Approved |
| 🔒 | Budget 2023 Submitted 2022 Proj. |
| 🔳 | Budget 2023 Approved |
| 🔳 | **Budget 2024 Submitted 2023 Proj.** |

The **BOLDED default** version is where you will input your budget data (Budget 2024 Submitted 2023 Proj.).  The sheets include Actuals for the last few years**, Prior Budget year which is to be** overwritten **with your most recent projections and cells to input your current Budget data.**

Levels

Currently you only have access to one hospital; it will appear as a static name in place of the drop down as shown below:

LEVELS    **XYZ Medical Center**    ▼

## 2. Sheet Structure

The Workday Adaptive Planning budget tool maintains data monthly in the database.  You will be required to allocate monthly data when inputting.  As a rule of thumb, you will be prompted if you need to allocate the data monthly.  How you do that is explained later in this document.  Exceptions to that requirement are also explained later in the document (beds, FTEs).

**The detailed monthly data will be used by the GMCB staff for monthly budget analysis later in the year.   The hospital has the option of reporting <u>seasonality</u> or using the breakback rollup value option, contact the GMCB staff for help.**

When you are viewing a sheet, you will notice there are 2 colors of data in the cells. Green data indicates "Actual" data (historical numbers), while Black data shows Budget or "Plan" data.  The actuals version will show all green numbers, the Historical Budgets version will show all black numbers, and other Budget version will show green and black numbers as well. In most cases, accounts, departments, and service areas have been alphabetized.

Note:  Throughout the tool, you will see that amounts are not formatted for currency.  Formatting will occur as necessary at the reporting level.

When you want to input data onto a sheet in Adaptive, most of the time you will need to select your hospital specific Level.   After selecting a Level, you will notice some cells are white (monthly data), some are blue, and some are grey. Any white or blue cell in Adaptive can be edited, while a grey cell cannot be edited.

| ACCOUNTS | FY2018 | FY2019 | OCT-2019 | NOV-2019 |
|---|---|---|---|---|
| ▼  Assets | | | | |
| ▼  Current Assets | | | | |
| Cash & Investments | 17,711,057 | 24,475,433 | 0 | 0 |
| Patient Accounts Receivable, Gross | 19,016,854 | 25,853,072 | 0 | 0 |
| Less: Allowance For Uncollectible Accts | -9,920,594 | -14,413,213 | 0 | 0 |
| Due From Third Parties | 0 | 0 | 0 | 0 |
| Risk Reserve Receivable | | | | |
| Other Current Assets | 5,445,871 | 4,872,829 | 0 | 0 |
| Total | **32,253,188** | **40,788,122** | **0** | **0** |

Some cells you will notice a small triangle in the bottom right corner. This indicates there is a formula in place, pulling data from another section of the model. Most cells with formulas are locked (grayed out) and cannot be edited. You will not see the formula mark if you are at a rollup level, however; you will need to be at a lower level (**month**). You can drill into data at the rollup level though, by clicking the magnifying glass to explore a cell. From there you can drill down to the lowest level to see where the data is coming from.

| -68,770 | -83,096 | -74,756 |
|---|---|---|

To see where data is driven from on a sheet, you can select a cell and click the magnifying glass icon to **explore the cell**:



| ACCOUNTS | FY2018 | FY2019 | FY2020 |
|---|---|---|---|
| Assets | | | |
| ▼ Current Assets | | | |
| Cash & Investments | 17,711,057 | 24,475,433 | 23,399,355 |
| Patient Accounts Receivable, Gross | 19,016,854 | 25,853,072 | 24,117,074 |
| Less: Allowance For Uncollectible Accts | -9,920,594 | -14,413,213 | -12,776,604 |
| Due From Third Parties | 0 | 0 | 0 |
| Risk Reserve Receivable | | | |
| Other Current Assets | 5,445,871 | 4,872,829 | 3,832,515 |
| Total | 32,253,188 | 40,788,122 | 38,572,341 |

If you are exploring a cell with a formula in it, you will see the formula in the pop-up window, and you will have the ability to click on the specific formula links to drive down further into where the calculation is coming from:

## Explore Cell

Account: Current Assets
    Code:     Current_Assets
    Type:     Current Asset
    Rollup type:Last
    Rolls up to: Assets

Level:   Porter Medical Center
    Rolls up to: All Vermont Community Hospitals

Year:   FY2020

Value:
**38,572,341  USD**       View Audit Trail

Visible on the following sheets:

Balance Sheet (Input)

### Time Rollup: FY2020

| CONTRIBUTING TIME | VALUE |
|---|---|
| Q1-FY20 | 0 |
| Q2-FY20 | 0 |
| Q3-FY20 | 0 |
| Q4-FY20 | 38,572,341 |

Depending on which Version and Level you are in, you will see data spanning from FY 2001 to FY 2026 or FY2027.  If you would like to change the view of the data, you can only show specific time periods by

clicking the **Display Options** icon on the toolbar.



###### a. Standard Sheets

Check or uncheck the Months, Quarters, and Years you would like to see on the sheet. This function can be used on all Standard Sheets.



**TIP**: **If a sheet looks like it has several accounts without data, you can check "Suppress rows if all zeroes or blank" to help eliminate unwanted rows. On the contrary, if you are having trouble finding an account, look here first to see if this option is checked, and then uncheck it. Also, if you want to select (or deselect) all the months/qtrs./years in a column, just click the box at the top of the appropriate column.**

To **copy, cut, and paste** you can now toggle between the two forms of copying, and use the following keyboard shortcuts, for Windows (if you are using another platform, use its copy, cut, and paste shortcuts):

| | |
|---|---|
| **Ctrl + Alt + F** | Search/Filter |
| **Ctrl + Alt + S** | Save Sheet Changes |
| **Ctrl + Alt + R** | Refresh Sheet |
| **Ctrl + Alt + P** | Download |
| **Ctrl + Alt + E** | Cell Explorer |
| **Ctrl + Alt + D** | Display Options |
| **Ctrl + Alt + =** | Formula Assistant |
| **Alt + F1** | After selecting a range, opens charts panel |
| **Ctrl + Alt + M** | Toggle Copy Mode |
| **Ctrl + Alt + I** | Change Dimensions |
| **Ctrl + Alt + W** | Swap Axes |
| **Ctrl + Alt + N** | Add new row |
| **ESC** | Cancels current input and selection |
| **Backspace/DEL** | Clears selected cell values |
| **Enter/Return** | Apply edit and/or move down one cell |
| **Ctrl + X** | Cut selection |
| **Ctrl + C** | Copy selection |
| **Ctrl + V** | Paste into selection |

For a quick, in-app reminder of the keyboard shortcuts, click the keyboard legend icon in the lower right corner of the screen.



**Monthly data will be used by the GMCB staff for budget analysis later in the year.**

You can manually input your monthly data or if you want to copy across the row, you can right click on the cell with the data and select Copy Forward.

You can either Copy the Data to the End, which will bring the data across the row all the way to the end of available years, or you can select Advanced to Copy the data until the end of the year or the end of the Quarter. Just click the Copy until drop-down and select either Year or Quarter.
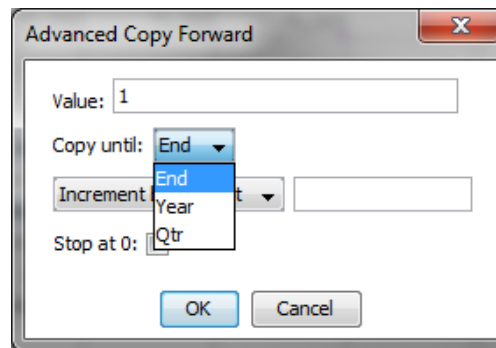


**Whenever data is input onto a sheet, you will always need to remember to <u>SAVE</u> the changes on the sheet. This can be done by clicking the disk icon in the toolba**r:



There are other ways to spread data throughout cells on a sheet, such as breaking back a yearly amount to its months or adjusting numbers to change proportionally or evenly.

If you have a yearly amount and want to break it back over the course of the year, you first need to enter the total amount in the FY column.



When you hit enter, a pop-up window will appear with several options:

## Apply Breakback Method        ✕

Distribute the rollup value 20 to contributing cells

- ⦿ Proportionally
- ○ Proportionally using prior Year's values
- ○ Evenly
- ○ Weighted 4-4-5
- ○ Weighted 4-5-4
- ○ Weighted 5-4-4

<div align="center">

**OK**    Cancel

</div>

Breaking back proportionally will break back the number you entered based on numbers already entered in the months. Breaking back proportionally using prior year will break back the number you entered based on numbers entered in the months for the prior year. Break back evenly populates numbers evenly across all months. If you base your numbers on a weekly schedule, you can choose from 4-4-5, 4-5-4 or 5-4-4.

You can adjust a number by right clicking on it and selecting "adjust".



This brings up the pop-up window:



<div align="center">12</div>

Here you can enter amounts to change the number proportionally, evenly, or increase by a percent. You can choose multiple cells to make them all change by the options you select.

### b. Modeled Sheets

While Standard sheets are the most basic type of sheet in Adaptive, there are two other types of sheets you will work with. Modeled sheets show a list of columns where data will need to be input. An example is the **CON Capital Detail** sheet shown below, where data will be entered under each column. This sheet provides the ability for different hospitals to input different data/information that is unique to their circumstances.



Like standard sheets, only white cells can be edited, while grey cells (if any) show numbers being calculated depending on the input data. **Each column will have a different option for entering data; some are drop down menus with a list of choices, some are dates that you choose from a calendar, and some are free text where you enter the specific data yourself.**



To add a new row on a modeled sheet, click the Plus (+) button on the toolbar. To delete a row, click the Minus (-) button. **Use this option ONLY for the CON sheets.**

### c. Cube Sheets

The third kind of sheet you encounter in the model is a Cube sheet. These sheets are like standard sheets in the way they portray data, except they can be viewed for a variety of dimensions available in a series of drop-down menus on the sheet. **For FY24 we are not using any cube sheets.**

# 1. Entering the Budget or Actuals

## (step by step instructions)



Navigate to the **Budget 2024 Submitted 2023 Proj.** version. You will not have access to change any other years in the Budget version.  If you believe the Budget 2023 Approved is incorrect or any other prior years' information, contact the GMCB staff.

Once you have confirmed you are on the current version, you can then navigate to Sheets for all budget data entry.  Use either way to access your sheets.

There are six sheets requiring data entry:

**Income Statement**

**Balance Sheet**

**Other Operating Revenue**

**CON Capital Detail Summary**

**Non-CON Detail**

**Capital Summary**

The following section will now walk you through the recommended steps and sheet configurations to complete your budget.

### 1) Income Statement Sheet (Input) Sheet

The **Income Statement now contains static data for all versions.** There are no formulas or linked accounts from other sheets, so all data is set on this sheet and not pulling from anywhere else in the model except the <u>Other Revenue sheet</u>. The Income Statement sheet shows all GL Accounts, including actual data and plan data. A**ccounts previously reported in "Other" line items: ACO Dues, Other Purchased Services Consulting, Other Purchased Services Travelers, Other Purchased Services Misc., Pharmaceuticals and Utilities. Some accounts were previously reporting within the Expense Sheet and Other Operating Revenue - COVID-19 Stimulus and Other Grant Funding.**

| ACCOUNTS |
| --- |
| **Income Statement** |
| Gross Patient Care Revenue |
| Net Revenue Deductions |
| Net Patient Care Revenue |
| Fixed Prospective Payments and Reserves |
| Net Patient Care Rev & Fixed Payments & Reserves |
| Other Operating Revenue |
| Total Operating Revenue |
| |
| Operating Expense |
| |
| Net Operating Income (Loss) |
| |
| Non-Operating Revenue |
| |
| Excess (Deficit) of Revenue Over Expense |

### 2) Balance Sheet (Input) Sheet

The Balance Sheet only contains static data for all versions. There are no formulas on this sheet, so all data is set on this sheet and not pulling from anywhere else in the model. There is a check at the bottom of the sheet which should show 0 if everything balances. **Note accounts: Current Assets – ACO Risk Reserve/Settlement Receivable, Restricted Funded Depreciation, Unrestricted Funded Depreciation, Restricted Other Board Designated Assets, Unrestricted Other Board Designated Assets, Current Liabilities - COVID-19, Current Liabilities – ACO Risk Reserve/Settlement Payable, and Long-Term Liabilities - COVID-19.**

## 3) Other Revenue (Input) Sheet

Other Revenue is a standard sheet displaying all other accounts related to **Other operating revenue** and **Non-operating revenue**. There are no additional dimensions on this sheet; you will just see the data associated with the accounts shown on the sheet for each Hospital. **This sheet is linked to the Income Statement.**

Here you should see a screen that looks like the one below.  Remember you can use the show/hide icon to change the view to annual or monthly depending on what level of detail you are providing.  Simply enter the values for each account into the sheet. Once you have entered all the revenue amounts for each payer, be sure to select the SAVE button to write this to the database.



## 4) Capital

The Capital Budget includes a Summary sheet, a non-CON detail sheet, and a CON capital detail sheet. They all require a little different input as follows.

### Non-CON and CON Capital Detail

Populating the Con Capital and Non-CON details follow the exact same process, but simply require input on two separate sheets as denoted in the system.  These are modeled sheets that allow you to add rows

as necessary by clicking the plus button as shown below. The screen shot is a table of the required input.

As in previous years, the Capital Budget shall separately report both *non*-CON capital expenditures as well as *proposed* CONs for future years.

Capital budget projects greater than $500,000 shall be itemized.

Projections should include the amount of capital related to new CON approvals that were approved during previous budget year.

Capital budget items reported in the budget review does not exempt that capital item from CON review should jurisdiction be asserted later.

There is a column with a drop-down menu for you to identify the type of capital expenditure, whether it is a replacement, upgrade, or new service.

Replacement - Capital items that are purchased to replace worn out items (Example: roof)

Upgrade - Capital items that replace and/or significantly enhance the services previously rendered by the "old" capital (Example: computer system)

New Service - Capital purchases intended to support or provide new capabilities or services (Example: MRI)

### a. Non-CON Detail (Input) Sheet

This is a modeled sheet (for Non-CON greater than $500K). Data is shown along the timespan. A list of the columns on the sheet and their entry requirements are below:



| Column Name | Input Needed |
|---|---|
| Level | Choose the Hospital from the drop-down menu |
| Asset Description | Enter a free text description of the Asset |
| Asset Categories | Choose from drop-down menu: Land & Land Improvements, Buildings & Building Improvements, Fixed Equipment, or Major Movable Equipment |

| Purchase Categories | Choose from drop-down menu: New, Replacement, or Upgrade |
|---|---|
| Timespan | Enter amounts along the timespan |

### b. CON Capital Detail (Input) Sheet

For unapproved CON plans, column entries are the same as the Non-CON Detail sheet.



Once you have entered all the Capital Expenditure amounts for each category, be sure to select the SAVE button to write this to the database.

### c. Capital Summary (Partial Input) Sheet

The only data entries needed on this sheet are the accounts under the Non-Certificate of Need Capital Purchases (Less than $500k) rollup. This is populated at the top of the Capital Summary page. All other capital detail provided on other pages is automatically linked here and totals at the bottom for your total capital budget.



## Viewing Edits and Reports for input validation

As shown below, select "reports" in your dropdown menu to find your edits and budget reports. The reports will help you validate your input. Run the edits report first to identify the accuracy of your input. Once the edit report is reviewed for accuracy, then run the additional reports to see if they compare accurately with your internal budget documents.
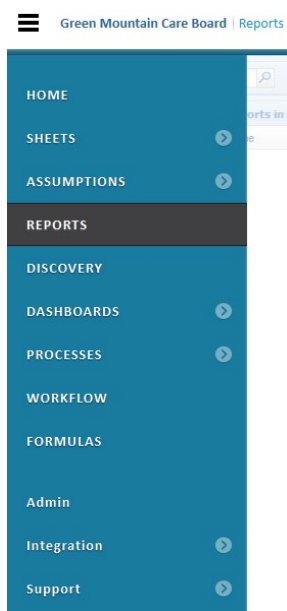
Click Shared Reports to expand the list of folders underneath.

You can click on each folder to see the reports inside.
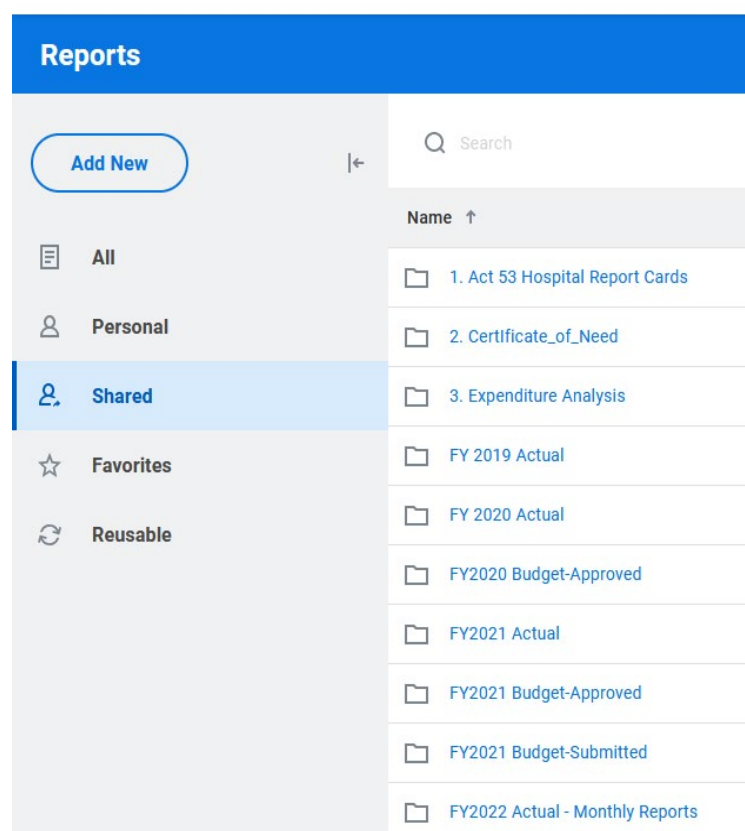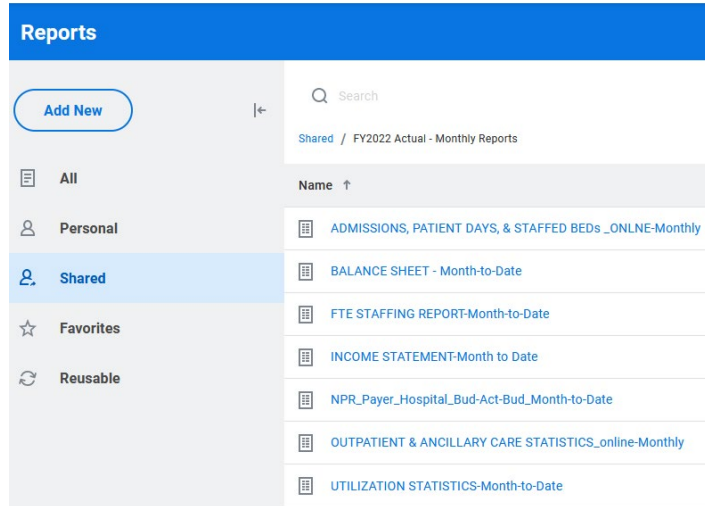
Most reports are already prepared and just require you to "run" them by:

- Clicking on the desired report, and
- Selecting "Run Report".

The reports for the **Green Mountain Care Board** are built with sufficient flexibility to allow for automatic updating of timeframes and budget version adjustment using parameters selected from prompts at the time of running the requisite report.

The following is a quick guide to the adjustment of these parameters to pull in the appropriate information into the reports. The guide uses the report labeled "**INCOME STATEMENT**" from the Hospital Reports folder of Adaptive to serve as a guide for generating the report and validating the information contained therein.

To run the report and receive the requisite reports from the **Home** area of Workday Adaptive Planning go to the **Reports** tab and select **Shared**, select the folder for the Actual or Budget year, select the **Hospital Reports** folder if applicable then select the "**INCOME STATEMENT**" or **1. SUMMARY STATEMENT OF REVENUE & EXPENSE**" report.

## Reports

**Add New** | ⊩

🔍 Search

Shared / FY2021 Actual / Hospital Reports

- 📄 **All**
- 👤 **Personal**
- 👥 **Shared**
- ☆ **Favorites**
- 🔄 **Reusable**

Name ↑

| Name |
|------|
| ADMISSIONS, PATIENT DAYS, & STAFFED BEDS_ONLNE |
| BALANCE SHEET |
| Edit 1 - Individual Hospital |
| FTE STAFFING REPORT |
| INCOME STATEMENT |
| KEY HOSPITAL STATISTICS & RATIOS |
| NPR_Payer_Hospital_Bud-Act-Bud |
| OTHER OPERATING & NONOPERATING REVENUE |
| OUTPATIENT & ANCILLARY CARE STATISTICS_online |
| UTILIZATION STATISTICS |

Upon selection of the report, you will receive the following prompt within Workday Adaptive Planning:

| | |
|---|---|
| **Level** | Brattleboro Memorial H ▾ |
| **Current Year Time** | FY2022 ▾ |
| **Past Yr Version** | Budget 2020 Approved ▾ |
| **Prior Yr Version** | Budget 2021 Approved ▾ |
| **Proj/Act Version** | Actuals ▾ |
| **Current Year Version** | Budget 2022 Approved ▾ |

**Run Report** | Cancel

This provides you other options to change the report, but as previously noted we have standardized the report for you to automatically display what you are most likely to want to see. The **Level** prompt allows you to select the Hospital you would like to which the correlating report pertains. The **Level** will only be an option if you have access to another hospital's information.

You will also notice a toolbar in the upper right corner of the report:



The functions of each button on the toolbar are as follows:

 - **SAVE** – This will SAVE any changes you made to the report

 - SAVE As – SAVE the report with a different name

 - SAVE As Snapshot – SAVE the report as a snapshot with the current values in place

 - Modify Report – Allows you to modify what you see on the report (See following section on Creating Reports)

 - Printable View – Exports the report into an Excel file

 - Export As – Allows you to choose whether you want to export the file to Excel or PDF

 - Show Information – Shows information on the report

When looking at the actual data in the reports, you can expand and compact rollups by using the + and – buttons. This allows you to see data with more detail if you wish, or at a more summary level if preferred.

Currently, we have set up most of the reports to export to EXCEL (there will be a green icon next to the report name).  However, some reports are viewed within the browser and are called "online" reports (these reports will have a blue icon next to the report name).

## Submit (upload) your actual or budget reports
Upload any required reports into the appropriate folders such as your Narrative, Oath, Appendices Workbooks, and Responses to HCA. Most recent Community Health Needs Assessment (CHNA) and/or work plan and Schedule H of 990.
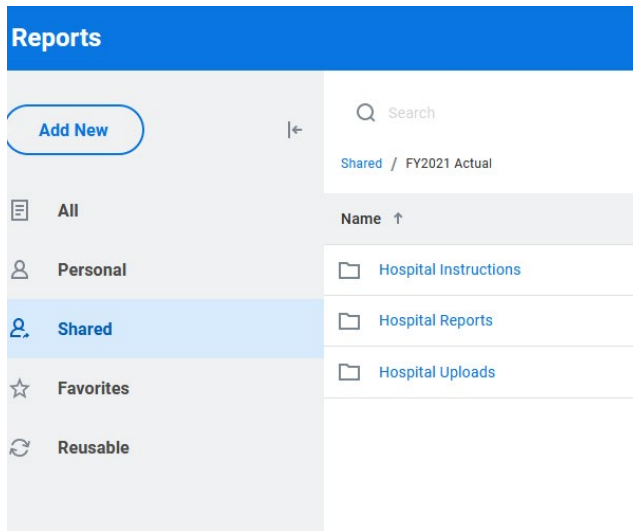
Go to Reports > Overview

**Click Add New** and select **Upload File**

**Browse** to locate the file you want to upload. Select the file and select **Open**. The path to the file you select populates in the **File** field and the name of the file populates in the **Name** field. Optional. Change the name to reflect how you want to identify the report in the Reports overview.

Optional. Add a description for the file you are uploading. The text that you enter here appears as hover text for the report. **Save in** the file as a personal or **Shared reports**, from the drop-down menu.

Find the directory/folder to save your report such as Hospital Uploads.
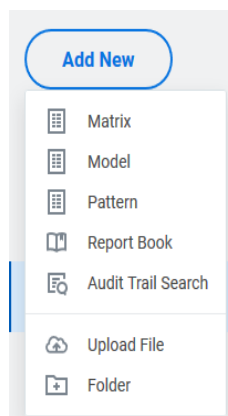


Upload & Share option becomes available

**Share Report**: **Share tab**: **Select user groups, users, or levels** with which to share. A Select by Category tab comes up from the contents drop-down



Select by Category

Users : All users.

## SUBMIT your Budget or Actuals

Once you are satisfied with the financial results of your data input, navigate to the **Overview** as shown below.



Populate notes as appropriate and click **Submit**. You are done!

# RATIOS, STATISTICS, AND INDICATORS

The budget file includes a calculation of ratios, statistics and indicators that are to be used for evaluating and comparing the hospital budget submissions. State peer group data is compiled from the budget submissions and compared to regional and national peer groupings as cited below. Each hospital statistic is compared against median values.

GMCB compares each hospital's ratios, statistics and indicators to the state, regional and national peer groupings. The statistics are grouped into categories that assess the hospital's cash, productivity, costs, debt and capital investment, payer mix and profitability, per unit values, and utilization. The formulas used to calculate each statistic are listed below following the peer group descriptions.

**PEER GROUPS**

The peer group for the State will be based upon the acute care bed size of the hospital for some reporting. The groupings will be beds from 25-99 beds, 100-249 beds and over 400 beds if applicable.

Critical access hospitals will be considered their own Vermont peer group.

The regional comparative groups will be select not-for-profit hospitals - PPS New England and Northeast hospitals, CAH Northeast.

The national comparative group will be select other not-for-profit hospitals and CAH hospitals.

The University of Vermont Medical Center maybe compared to academic medical centers and or tertiary hospitals as well as teaching hospitals were appropriate.

Comparative Data Source:

Flex Monitoring Team -  for Critical Access Hospitals
Fitch Ratings – Fitch Analytical Comparative Tool

**RATIOS, STATISTICS, AND INDICATORS - FORMULAS**

**The actual formulas are also in the Adaptive tool though they may reflect a more technical syntax.**

| UTILIZATION STATISTICS | CALCULATION |
| --- | --- |
| Average Daily Census | Total IP Routine Days/365 |
| Average Length of Stay | Total IP Routine Days/Total Admissions |
| Acute ALOS | Total Acute Care Days/Acute Care Admissions |
| Adjusted Admissions | Total Patient Care Revenue/ (Acute + Nursery + IP Ancillary Rev)* Acute Care Admissions |
| Adjusted Days | Substitute Days for Admissions in Formula Above |
| Acute Care Average Daily Census | Acute Care Days/365 |
| Acute Admissions | Total Acute Admissions |

**CAPITAL STATISTICS**

| | |
| --- | --- |
| Age of Plant – Total Facility | Accumulated Depreciation/Depreciation Expense |
| Age of Plant – Building/Fixed Equip | Accumulated Depreciation (build)/Depreciation Expense (build) |
| Age of Plant – Major Movable Equipment | Accumulated Depreciation (MME)/Depreciation Expense (MME) |
| Long Term Debt to Capitalization | Long Term Liabilities/ (Fund Balance + Long Term Liabilities) |
| Debt Per Staffed Bed | Total Liabilities/Staffed Beds |
| Net Prop, Plant & Equipment Per Staffed Bed | Property, Plant & Equipment – Accumulated Depreciation/ Staffed Beds |
| Long Term Debt to Total Assets | Long Term Liabilities/Total Assets |
| Debt Service Coverage Ratio | (Net Operating Income + Depreciation + Amortization + Interest) / (Current Portion of Long-Term Debt + Interest) |
| Depreciation Rate | Depreciation & Amortization Expense/Gross Prop, Plant & Equip *100 |

| Capital Expenditures to Depreciation | Capital Expenditures / (Depreciation + Amortization) |
| --- | --- |
| Capital expenditure growth rate | Capital Expenditures/Gross Prop, Plant & Equip * 100 |
| Capital Acquisitions as a Percent of Net Patient Revenue (NPR) | Total Capital Acquisitions/NPR |

## REVENUE & PAYER MIX STATISTICS

| Deduction % | Total Deductions/Gross Patient Revenue |
| --- | --- |
| Bad Debt % | Bad Debt/Gross Patient Revenue |
| Free Care % | Free Care/Gross Patient Revenue |
| Operating Margin % | Operating Surplus / (NPR+FPP + Other Operating Revenue) |
| EBIDA Margin % | Operating Surplus + Interest + Depreciation + Amortization/Total Operating Revenue |
| Total Margin % | (Operating Surplus & non-operating Revenues)/(NPR +FPP+ Other Operating Revenue + Non-Operating Revenue) |
| Outpatient Gross Revenue % | Gross Outpatient Revenue / Total Gross Patient Revenue |
| Inpatient Gross Revenue % | Gross Inpatient Revenue / Total Gross Revenue |
| SNF/Rehab/Swing Gross Revenue % | (Chronic/Rehab Gross Revenue + SNF/ECF Gross Revenue + Swing Bed Gross Revenue) / Total Gross Rev |
| All NPR/FPP % of Gross Hosp Rev. with DSH & GME | NPR+FPP / Gross Patient Revenue |
| All NPR/FPP % of Gross Hosp Rev. without DSH & GME | (NPR+FPP-DSH-GME Phys –GME Hosp.) / Gross Patient Revenue |
| Medicare NPR/FPP% of Gross Rev incl Phys | (Medicare NPR+FPP+ Physician Medicare NPR+FPP / Medicare Gross Patient Revenue |
| Medicaid NPR% of Gross Rev incl Phys | (Medicaid NPR+FPP+ Physician Medicaid NPR+FPP) / Medicaid Gross Patient Revenue |

| Commercial/Self Pay NPR% of Gross Rev incl Phys | (Commercial/Self Pay NPR+FPP+ Physician Commercial/Self Pay NPR+FPP) / Commercial/Self Pay Gross Patient Revenue |
|---|---|

### PRODUCTIVITY STATISTICS

| | |
|---|---|
| Adjusted Admissions Per FTE | Adjusted Admissions/ Non-MD FTES |
| FTES Per 100 Adjusted Discharge | Non-MD FTE / Adjusted Admissions * 100 |
| FTES Per Adjusted Occupied Bed | Total Non-MD FTE/ (Adjusted Pat Days/365) |
| Return on Assets | Net Income/Total Assets |
| Overhead Expenses, with Fringe Benefits, as a % of Total expenses | General services expense plus fringe benefit expense/Total expense. |

### COST STATISTICS

| | |
|---|---|
| Cost Per Adjusted Admission | Total Expenses/Adjusted Admissions |
| Salary Per FTE (Non-MD) | Non-MD Salaries & Wages /Non-MD FTE |
| Salary & Benefits Per FTE (Non- MD) | Non-MD Salaries/Wages & Fringe Benefits/ Non-MD FTE |
| Salaries to NPR/FPP | Salaries Expense/NPR+FPP |
| Fringe Benefit %-Non-MD | Total Non-MD Fringe Benefits / Non-MD Salaries |
| Compensation Ratio | (Salaries + Fringe Benefits + Physician Fees/Salaries/Contracts/Fringe) / Total Operating Revenue |
| Capital Cost % of Total Expenses | (Depreciation + Amortization + Interest)/ Total Expense |
| Capital Cost Per Adjusted Admission | (Depreciation + Interest + Amortization) / Adjusted Admissions |
| Contractual Allowance % | Contractual Allowances/Total Gross Patient Revenue |

**CASH STATISTICS**

Current Ratio

(Current Assets + Unrestricted Funded Depreciation)/Current Liabilities

Days Payable

Current Liabilities / (Total Expenses – (Depreciation + Amortization + Interest)*365

Days Receivable

Net Patient Accounts Receivable / NPR* 365

Days Cash on Hand-COVID-19

(Cash + Investments – stimulus funds to be paid back+ Unrestricted Funded Depreciation (Board Designated Assets) + Unrestricted Other Board Designated Assets) * 365 / (Total expense – (Depreciation + Amortization)

Days Cash on Hand

(Cash + Investments + Unrestricted Funded Depreciation (Board Designated Assets) + Unrestricted Other Board Designated Assets) * 365 / (Total expense – (Depreciation + Amortization)

Cash Flow Margin

(Net income/loss + Current Depreciation Expense + Interest Expense +Amortization) /NPR+ Other Operating  Income)

Cash to Long Term Debt

(Cash + Funded Depreciation + Other Board Designated Assets)/Long term debt

Cash Flow to Total Debt

(Operating surplus & Non-operating Revenues + Depreciation +Bad debt + Amortization)/(Current liabilities and Long-Term Debt) * 100

Expenses per Day

Total Operating Expenses / 365

**REVENUE UNIT STATISTICS**

Gross Price per Discharge

Gross Inpatient Revenues/Total Admissions

Gross Price per Visit

Gross Outpatient Revenues/Outpatient Visits

Gross Revenue Per Adjusted Admission

Total Patient Care Rev/Adjusted Admissions

Net Revenue Per Adjusted Admission

(Total Patient Revenue – Total Deductions) / Adjusted Admissions

**PAYER STATISTICS**

| | |
|---|---|
| Physician % of NPR/FPP (less DSH) | Physician NPR+FPP/Total NPR+FPP (less DSH) |
| Medicare Gross Rev as % of Gross Rev | Medicare Gross Revenue/Total Gross Revenue |
| Medicaid Gross Rev as % of Gross Rev | Medicaid Gross Revenue/Total Gross Revenue |
| Commercial & Self Pay Gross Rev. as % of Gross Rev. | Commercial & Self Gross Revenue/Total Gross Revenue |
| Medicare % of NPR/FPP (less DSH) | Medicare NPR+FPP/Total NPR+FPP (less DSH) |
| Medicaid % of NPR/FPP (less DSH) | Medicaid NPR+FPP/Total NPR+FPP (less DSH) |
| Commercial % of NPR/FPP (less DSH) | Commercial NPR+FPP/Total NPR+FPP (less DSH) |
| DSH % Total NPR/FPP | Disproportionate Share/Total NPR+FPP |
| Medicare % Total NPR/FPP (incl DSH) | Medicare Net Rev/Total NPR+FPP (incl. DSH) |
| Medicaid % Total NPR/FPP (incl DSH) | Medicaid NPR+FPP /Total NPR+FPP (incl. DSH) |
| Commercial/Self % Total NPR/FPP (incl DSH) | Commercial NPR+FPP /Total NPR+FPP (incl. DSH) |

# GLOSSARY

Accumulated Depreciation:   A balance sheet account that records the decline in value of capital assets.

Acute Care:  Inpatient routine care for patients admitted for greater than 24 hours. (exception – see Observation care)

Acute Admissions:  The number of patients admitted to a hospital for care in a given time period.

Adjusted Admissions/Day:  Calculation "adjusts" inpatient data to account for outpatient activity in a hospital.  The statistic is an industry recognized measure to measure overall hospital utilization and is useful for comparisons among hospitals.

Ancillary Services:  Inpatient and/or outpatient tests, exams, procedures that diagnose, treat or support patient care.  These services include lab tests, radiology procedures, surgical procedures, etc.

Amortization: The process of retiring a debt, usually by equal payments at regular intervals over a specific period.

Available Bed Days:  Number of days hospital beds can be used in a year.  It is calculated by multiplying number of days in year by number of staffed beds.

Average Length of Stay:  The calculated number of days per inpatient hospitalization.

Acute Average Daily Census:  Measure of acute inpatient utilization.  This is calculated by dividing number of acute inpatient days by number of days in a year.

Bad Debt:  An expense billed and due but not received.  Assumption is that individual has the ability to pay but will not pay or has disputed the bill.  See free care definition that distinguishes bad debt from free care.

Charge master:  a comprehensive listing of items billable to a hospital patient or a patient's health insurance provider.

CON:  Acronym for Certificate of Need.  CON is a regulatory program designed to determine the need for certain capital projects.

Consumer Price Index:  Measure of inflation and changes in the cost of consumer goods.  (See the Bureau of Labor Statistics for more information)

Contractual Allowance:  Difference between hospital's full, established charge and amount due/received in payment from third party payers.

Co-payment:  Cost sharing mechanism.  A co-payment requires an individual to pay fixed amount at time of service, regardless of the cost of service.

Cost Shifting:     The practice of collecting revenue from one hospital payer to cover costs incurred by patients unable to pay (or whose costs are not fully reimbursed by other third-party payers).

Deductions from Revenue:  Accounting term used to describe reductions from gross revenues. Examples of deductions: contractual allowance, bad debt, free care.  Bad debt, free care is sometimes referred to as "uncompensated care".

Depreciation:     An expense.  Depreciation notes the decrease in value of an asset by allocating the asset costs over the useful life of the asset.

Free Care:  Term used to recognize loss of revenue billed/due but not received.  Considered "free" because individual has limited or no ability to pay, as established by the hospital or other provider. Charity care deductions are defined as the difference between gross charges and any subsequent reimbursement that may be received from, or on behalf of, those individuals determined eligible for "free care".  See bad debt definition that distinguishes bad debt from free care.

Fringe Benefits:  An expense.  Refers to benefits provided by employers as part of employee compensation.  Examples of common benefits:  health and dental insurance, FICA, pension plan.

Full Time Equivalent (FTE):  The number of hours worked that add up to a full-time employee - 2080 hours in one year.

> Nurses – The number of direct services nurses will be reported.  Nurses working in general services cost centers should not be counted as direct service staff.  Direct service nurses do not include traveling or agency nurses.

> Temps/Travelers – Temporary positions hired to meet staffing shortages should be separately identified.

> Physicians - The number of active practicing physician employed at the hospital shall be reported.

Fund Balance:  This is a balance sheet account.   What an organization will have "left over" once it pays out all it owes.  Assets less liabilities equal fund balance.

Global Budget:  Budget or expenditure target for health care.  Allocation of monies could be managed by a controlled entity, with broad policy direction provided from government.

Gross Charge Per Adjusted Admission or Day:  A unit measure. Amount charged to payer for services in an average stay/day.  Calculation factors amount of inpatient and outpatient care provided and is useful for comparisons among facilities.

Gross Patient Revenue:  A hospital's total billed revenue for providing goods and services to patients. This is the total revenue amount billed before contractual allowances, commercial discount agreements, bad debts and free care are deducted.

Inpatient:  Hospital stay.  Patient provided with room, board, and continuous nursing care.

Inpatient Day:  Each 24-hour day a patient stays in hospital.

Interest:  Cost incurred for borrowing funds and usually expressed as a percentage of the total loan.

Investments:    Balance sheet account.  This refers to financial instruments that may earn income such as stocks, mutual funds, bonds, etc.

Liabilities (current):  What an organization owes that will/should be paid within the year.

Long Term Liabilities:  Refers to debt that will be paid over period greater than one year.

Medicaid:  Federal and state funded program that provides health care benefits to persons meeting various eligibility requirements (low income, certain medical conditions).

Medicare:  Federally funded program providing hospitalization and medical care services for individuals 65 years or over OR for individuals meeting other eligibility requirements.  Income level is not a factor in eligibility.

Net Patient Revenue:  Monies hospital will receive for services rendered.  It is the amount resulting after contractual allowances, commercial discounts, and free care are deducted from gross charges.

> Note:  Hospitalist revenues should be recorded as "Other" under Inpatient Routine Services if it is not recorded in the other acute care cost centers.

Net Revenue:  Total patient charges and "other operating income" minus all deductions (contractual allowances, bad debts, uncompensated care).  The difference between this and **Net Patient Revenue** is the inclusion of "other operating income".

Non-MD Salaries & Wages:  All non-physician salaries and wages.  Contractual costs should be reported as non-salary costs.

Non-operating Revenue:  Revenue earned by hospital that is not related to patient care – income from investments, contributions, sales to other organizations, etc.

Observation Patients:  Patients who are hospitalized overnight and expected to be discharged within 48 hours.

Occupancy:  Percentage calculation of hospital beds in use.   Represents number of patient days of service divided by number of available bed days.

Operating Expenses:  All input costs required to provide goods and services to patients.  This includes salaries, fringes, insurance, professional fees, depreciation, interest, etc.

Operating Expense/Adjusted Admission or Operating Expense/Adjusted Patient Day:  Measurement of costs to provide services for average inpatient stay or day.  Calculation factors in outpatient care to allow for comparisons among facilities.

Operating Surplus:  (sometimes called Operating Margin or Profit) Net revenues less expenses resulting in profit.

Other Operating Revenue:  Revenue earned by hospital that is indirectly related to patient care.
Examples:  income from cafeteria, parking, physician office rentals, etc.

Outpatient:  Individuals who receive services in the hospital but do not stay overnight.

Payers: State program or federal program or insurance company that pays the bill for health care services.

Providers:  Hospitals, licensed health care professionals, or group of hospitals that provide health care services.

Rate: the amount of increase given to the charge master prices.

Revenue:  See *Gross Patient Revenue* and *Net Revenue*

Self-pay:  Individuals who pay for their own care without using an insurance plan.

Tertiary Care:  Services provided by highly specialized providers (e.g., neurologists, neurosurgeons, intensive care units).  Such services frequently require sophisticated equipment and support facilities.