

Central Vermont Medical Center

Fiscal Year 2018 Budget Analysis

Report Date: 8/14/2017

**Central Vermont Medical Center
Fiscal Year 2018 Budget Analysis**

QUESTIONS

1. INCOME STATEMENT - The NPR is budgeted to increase 3.6%, and includes health care reform investments of \$1.3 million. The investments are higher than the 0.4% cap and the total NPR increase is over the combined NPR target of 3.4%. The hospital needs to explain the major pieces for the 3.6% increase.
2. Gross revenue is up 3.2%, and includes increased utilization and a .72% Commercial rate/price increase. However, adjusted admissions utilization does not show an increase in utilization though many categories of utilization show increases. Explain what is happening in utilization. Why are adjusted admissions showing a reduction?
3. Discuss the rate increase described as 0.72% Commercial increase and 0.2% overall increase. Describe what this means and why the hospital characterizes the rates this way.
4. NPR PAYER – Specifically describe the utilization activity - more patients, types of services, complexity, etc. Also, why do you expect to see less or more reimbursement? Provide more explanation regarding these reimbursement estimates.
 - a. Medicare shows less favorable reimbursement and much higher utilization.
 - b. Commercial shows more favorable reimbursement and higher utilization.
 - c. Medicaid shows less favorable reimbursement and much less utilization.
5. DASHBOARD - Bad debt and free care as a % of gross revenue is increasing unfavorably from 2% to 2.2%. While bad debt is trending favorably, free care shows a large unfavorable increase. Discuss the changes occurring with free care.
6. INCOME STATEMENT - Other operating revenue increasing \$2.5 million:
 - a. 340B pharmacy program (\$1.6 million). Describe the risks associated with this program.
 - b. Premium Revenue and Payer Incentives (\$1.1 million). Please explain
7. INCOME STATEMENT – Operating expenses are increasing 4.6%:
 - a. Salary expenses are increasing 5.8%, even though there are FTE reductions, explain this level of increase.
 - b. “other operating expenses” are increase 9.1%, explain the major increases
8. DASHBOARD- Cost per Adjusted Admission is higher than the state median. Explain the drivers of this statistic.
9. BALANCE SHEET- Describe the large increase in "other non current liabilities".
10. INCOME STATEMENT - Are the 2017 projections still valid? If not, please describe material changes.
11. Refer to the Act 53 price and quality data schedules that were included in the presentation of FY 2018 Hospital Budget Submissions-Preliminary Review on July 27, 2017 and be prepared to address questions the Board may have concerning that information.

QUESTIONS

12. Please be prepared to address the following issues during your GMCB Budget Presentation. Given the uncertainty of the federal actions, what are the potential implications of actions that the federal government may take to include; a.) 340B pricing (if applicable) and its effect on your hospital, b.) Potential risks for your hospital to include economic viability, c.) Effects on bad debt/free care.
13. In the March 31 GMCB hospital guidance, the Board allowed up to 0.4% for **new** health care reform. The Board directed each hospital to provide a detailed description of each new health care reform activity, investment or initiative included within the designated 0.4%, provide any available data or evidence-based support for the activity's effectiveness or value, and identify the benchmark or measure by which the hospital can determine that the activity reduces costs, improves health, and/or increases Vermonters' access to health care. With this in mind, please describe how you are investing for new health care reform activities in the four approved areas:
 - a. Support for Accountable Care Organization (ACO) infrastructure or ACO programs;
 - b. Support of community infrastructure related to ACO programs;
 - c. Building capacity for, or implementation of, population health improvement activities identified in the Community Health Needs Assessment, with a preference for those activities connected with the population health measures outlined in the All-payer Model Agreement;
 - d. Support for programs designed to achieve the population health measures outlined in the All-payer Model Agreement.
14. Please identify which ACO(s) you will have a contractual relationship with in 2018. If your hospital plans (or already is) in a risk-bearing contract with OneCare, please explain the effect of the risk on your financial statements. Please explain specific strategies your hospital is developing to move toward population-based payment reform. Finally, what tools does your hospital employ to ensure appropriate, cost effective, quality care when working with providers outside the CHAC or OneCare network?

Fiscal Year 2018 Budget Analysis		Central Vermont Medical Center						3YR CAGR	
INCOME STATEMENT	FY2015A	FY2016A	FY2017B	FY2017P	FY2018B	2017B - 2018B	2017B - 2018B	(FY2015A- FY2018B)	
						\$ Chg	% Chg		
Revenues									
Gross Patient Care Revenue	332,365,981	376,366,499	369,484,662	372,928,631	381,366,133	11,881,471	3.2%		
Disproportionate Share Payments	3,113,509	2,680,286	2,029,504	1,783,000	1,177,826	(851,678)	-42.0%		
Bad Debt	(4,271,792)	(5,191,108)	(4,842,995)	(4,251,559)	(4,469,802)	373,193	-7.7%		
Free Care	(4,179,800)	(2,552,818)	(2,464,000)	(3,446,996)	(3,713,634)	(1,249,634)	50.7%		
Deductions from Revenue	(153,037,239)	(179,762,913)	(172,376,028)	(174,545,524)	(175,634,025)	(3,257,997)	1.9%		
Graduate Medical Education	0	0	0	0	0	0	#DIV/0!		
Net Patient Care Revenue	173,990,659	191,539,946	191,831,143	192,467,553	198,726,498	6,895,355	3.6%	4.5%	
Other Operating Revenue	12,210,941	12,479,881	11,363,838	12,646,266	13,844,099	2,480,261	21.8%		
Total Operating Revenue	186,201,600	204,019,827	203,194,981	205,113,818	212,570,597	9,375,616	4.6%		
Expenses									
Salaries Non MD	69,709,945	77,876,535	77,134,890	82,612,435	81,636,720	4,501,830	5.8%		
Fringe Benefits Non MD	21,520,428	24,803,597	24,266,850	23,479,014	24,005,624	(261,226)	-1.1%		
Physician Fees Salaries Contracts & Fringes	25,577,620	29,836,258	30,786,324	31,033,413	30,609,465	(176,859)	-0.6%		
Health Care Provider Tax	9,613,251	10,430,709	10,529,277	10,968,326	11,685,460	1,156,183	11.0%		
Depreciation Amortization	9,770,912	9,715,868	10,107,631	9,956,498	9,980,131	(127,500)	-1.3%		
Interest - Long Term	1,042,882	752,889	500,682	565,630	500,019	(663)	-0.1%		
Other Operating Expense	43,640,390	48,554,015	46,195,738	45,972,444	50,379,290	4,183,552	9.1%		
Total Operating Expense	180,875,428	201,969,871	199,521,392	204,587,760	208,796,709	9,275,317	4.6%	4.9%	
Net Operating Income (Loss)	5,326,172	2,049,956	3,673,589	526,058	3,773,888	100,299	2.7%		
Non-Operating Revenue	1,206,103	1,762,757	1,872,894	3,903,305	1,871,035	(1,859)	-0.1%		
Excess (Deficit) of Rev Over Exp	6,532,275	3,812,713	5,546,483	4,429,363	5,644,922	98,439	1.8%		
Operating Margin%	2.9%	1.0%	1.8%	0.3%	1.8%				
Total Margin %	3.5%	1.9%	2.7%	2.1%	2.6%				
Cost per Adjusted Admission	11,217	11,405	11,032	11,393	11,581	550	5.0%		

The NPR increase of \$6.9 million is 3.6% over the 2017 budget. This is about \$1.1 million over the 3% cap target. Much of the increase is due to utilization. Despite the large utilization increase, the rate/price request is filed at 0.72% for Commercial and 0.20% overall (See RATE Page). The hospital's expenses are increasing at 4.9%, primarily due to FTEs, provider tax, and "other operating exepnses. The cost per unit shows a 5% increase as well. The hospital should discuss these further.

The hospital records 340B pharmacy revenue and outpatient pharmacy revenue in "other operating revenue". Premium revenue/ payer incentives are also recorded in "other operating revenue - the hospital should discuss why it is recorded here.

The operating surplus is reasonable.

Fiscal Year 2018 Budget Analysis **Central Vermont Medical Center**

NET PAYER REVENUE CHANGE - PAYERS				2017B - 2018B	\$ 2017B - 2018B	%	Change due to Rate	Change due to Non-Rate Items
	FY2017B	FY2017P	FY2018B	Chg	Chg			
All Payers	Inpatient Care Revenue, Outpatient Care Revenue	\$369,484,662	\$372,928,631	\$381,366,133	\$11,881,471	3.2%		
	Allowances, Discounts, Allowances, Discounts	(\$172,376,028)	(\$174,545,524)	(\$175,634,025)	(\$3,257,997)	1.9%		
	Bad Debt, Bad Debt	(\$4,842,995)	(\$4,251,559)	(\$4,469,802)	\$373,193	-7.7%		
	Free Care, Free Care	(\$2,464,000)	(\$3,446,996)	(\$3,713,634)	(\$1,249,634)	50.7%		
	Graduate Medical Education Payments-Hosp, Gra	\$0	\$0	\$0	\$0	#DIV/0!		
	Disproportionate Share Payments	\$2,029,504	\$1,783,000	\$1,177,826	(\$851,678)	-42.0%		
	Net Payer Revenue	\$191,831,143	\$192,467,552	\$198,726,498	\$6,895,355	3.6%	\$1,581,049	\$5,314,306
Commercial	Gross Revenue	\$140,510,357	\$143,148,388	\$147,957,349	\$7,446,992	5.3%		
	Contractual Allowances	(\$44,305,620)	(\$44,801,633)	(\$42,529,964)	\$1,775,656	-4.0%		
	Bad Debt	(\$4,842,995)	(\$4,251,559)	(\$4,469,802)	\$373,193	-7.7%		
	Free Care	(\$2,464,000)	(\$3,446,996)	(\$3,713,634)	(\$1,249,634)	50.7%		
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	#DIV/0!		
	Net Payer Revenue	\$88,897,742	\$90,648,200	\$97,243,950	\$8,346,208	9.4%	\$528,770	\$7,817,438
Medicaid	Gross Revenue	\$76,402,605	\$72,018,749	\$70,667,268	(\$5,735,337)	-7.5%		
	Contractual Allowances	(\$44,504,700)	(\$42,452,094)	(\$41,983,800)	\$2,520,900	-5.7%		
	Bad Debt	\$0	\$0	\$0	\$0	#DIV/0!		
	Free Care	\$0	\$0	\$0	\$0	#DIV/0!		
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	#DIV/0!		
	Net Payer Revenue	\$31,897,905	\$29,566,654	\$28,683,468	(\$3,214,437)	-10.1%	\$364,243	(\$3,578,680)
Medicare	Gross Revenue	\$152,571,700	\$157,761,494	\$162,741,516	\$10,169,816	6.7%		
	Contractual Allowances	(\$83,565,708)	(\$87,291,796)	(\$91,120,261)	(\$7,554,553)	9.0%		
	Bad Debt	\$0	\$0	\$0	\$0	#DIV/0!		
	Free Care	\$0	\$0	\$0	\$0	#DIV/0!		
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	#DIV/0!		
	Net Payer Revenue	\$69,005,992	\$70,469,698	\$71,621,255	\$2,615,263	3.8%	\$688,036	\$1,927,226
Disproportionate Share Payments		\$2,029,504	\$1,783,000	\$1,177,826	(\$851,678)	-42.0%		
	Net Payer Revenue	\$2,029,504	\$1,783,000	\$1,177,826	(\$851,678)	-42.0%	\$0	(\$851,678)
	Net to Gross Commercial (no dsh)	63.3%	63.3%	65.7%				
	Net to Gross Medicaid (no dsh)	41.7%	41.1%	40.6%				
	Net to Gross Medicare (no dsh)	45.2%	44.7%	44.0%				
	Net to Gross All (no dsh)	51.4%	51.1%	51.8%				

The NPR increase is due to increased commercial and Medicare offset some by a reduction in Medicaid. The increase in utilization is in both Medicare and commercial payers, while Medicaid utilization is decreasing from 2017 budget. Medicare and Medicaid show unfavorable reimbursement compared to 2017, while Commercial shows more favorable reimbursement. The hospital needs to explain how these revenue estimates were determined.

Disproportionate share does show a reduction of \$852,000.

Central Vermont Medical Center

RATE AND NET PATIENT REVENUE INCREASE

Rate is the average change in price for services provided.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Weighted Average Approved Rate (all hospitals)	5.16%	6.82%	4.37%	1.75%	
Weighted Average Submitted Rate (all hospitals)	5.45%	6.82%	4.40%	2.17%	2.38%
Central Vermont Medical Center Approved Rate	6.90%	5.90%	4.70%	2.45%	
Central Vermont Medical Center Submitted Rate	7.91%	5.90%	4.70%	3.00%	0.72%
Hospital Inpatient Gross Revenue					0.0%
Hospital Outpatient Gross Revenue					0.0%
Physician Outpatient Gross Revenue					0.0%
Chronic/SNF Gross Revenue					2.9%
Swing Gross Revenue					0.0%

Net Patient Revenue Change Due to Rate Request		
	Commercial	\$ 528,770
	Medicaid	\$ 364,243
	Medicare	\$ 688,036
	Disproportionate Share	\$ -
	Total Change Due to Rate Request	\$ 1,581,049

Value of 1% Rate	\$ 2,195,901
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CVMC has a Commercial rate/price request of 0.72% and overall rate/price request of 0.20%. This is at the level the Board requested due to the Board's review of CVMC's 2016 actual performance. Hospital to explain the need for these rate/price increases and why the hospital characterizes the rates this way.

The 0.72% will result in increased NPR of \$1.6 million. Some of the rate request is built to offset both the disproportionate share decrease and the unfavorable change in free care.

For CVMC, every 1% increase in rate is worth about \$2,195,901 in net patient revenue. If the calculation is done using only Commercial (rate related) revenue, the 1% value would be \$734,403.

Fiscal Year 2018 Budget / Central Vermont Medical Center

BUDGET TO BUDGET VARIANCES EXPLAINED

Income Statement	FY2018B	2017B - 2018B \$ Chg	2017B - 2018B % Chg	Rate	Rate Difference: FY17 Actual to Budget Experience	Utilization	Reimb/ Payer Mix	Bad Debt/Free Care Changes	Physician Trans/Acq	DSH Changes	Health Reform Investments	Other	Explained Variance Total
Revenues													
Gross Patient Care Revenue	381,366,133	11,881,471	3.2%										
Disproportionate Share													
Payments	1,177,826	(851,678)											
Bad Debt	(4,469,802)	373,193											
Free Care	(3,713,634)	(1,249,634)											
Deductions from Revenue	(175,634,025)	(3,257,997)											
Graduate Medical Education	0	0											
Net Patient Care Revenue -	198,726,498	6,895,355	3.6%	\$ 1,581,049	\$ (996,820)	\$ 5,738,457	\$ 1,932,727	\$ (876,441)	\$ 368,061	\$ (851,678)			\$ 6,895,355
Other Operating Revenue	13,844,099	2,480,261											
Total Operating Revenue	212,570,597	9,375,616											
Operating Expense													
Salaries Non MD	81,636,720	4,501,830											
Fringe Benefits Non MD	24,005,624	(261,226)											
Fringe Benefits MD	3,907,892	(42,525)											
Physician Fees Salaries													
Contracts & Fringes	26,701,573	(134,333)											
Health Care Provider Tax	11,685,460	1,156,183											
Depreciation Amortization	9,980,131	(127,500)											
Interest - Long Term	500,019	33,891											
Other Operating Expense	50,379,290	4,183,552											
Operating Expense	208,796,709	9,275,317	4.6%										-
Net Operating Income (Loss)	3,773,888	100,299	2.7%										
Non-Operating Revenue	1,871,035	(1,859)											
Excess (Deficit) of Revenue	5,644,922	98,439											

Utilization increases and reimbursement changes explain a large portion of the need for higher NPR. Non MD salaries reflect the largest increase along with increased provider tax and \$4.2 million in "other operating expenses". The hospital should discuss these major increases as well as the inflation assumption and FTEs changes.

Unfavorable changes related to disproportionate share and bad debt and free care are reductions to NPR.

Fiscal Year 2018 Budget Analysis	Central Vermont Medical Center					Vermont Peers			2017 Almanac of Hospital Financial and Operating Indicators (Optum) FY2015				
	FY2015A	FY2016A	FY2017B	FY2017P	FY2018B	FY2018B Vermont 25th	FY2018B Vermont 50th	FY2018B Vermont 75th	Northeast Region	Northeast CAH	25-99 beds	100-199 beds	Teaching Hospitals
DASHBOARD													
Net Patient Care Revenue	173,990,659	191,539,946	191,831,143	192,467,553	198,726,498								
Budget to Budget NPR Growth Rate					3.6%	1.8%	3.5%	4.5%					
Three Year NPR CAGR (FY14A - FY17B)					5.9%	2.2%	3.5%	4.1%					
Operating Expense	180,875,428	201,969,871	199,521,392	204,587,760	208,796,709								
Budget to Budget Oper Exp Growth Rate					5%	1.8%	4.2%	4.6%					
Three Year OE CAGR (FY14A - FY17B)					6.0%	3.0%	3.8%	5.2%					
Revenue													
Operating Margin %	2.9%	1.0%	1.8%	0.3%	1.8%	0.7%	1.7%	2.2%	1.4%		1.4%	3.9%	3.3%
Total Margin %	3.5%	1.9%	2.7%	2.1%	2.6%	1.8%	2.8%	3.7%	1.7%	-0.6%	1.7%	6.2%	4.2%
Bad Debt %	1.3%	1.4%	1.3%	1.1%	1.2%	1.0%	1.6%	2.5%	1.6%	5.0%	1.6%	6.2%	3.7%
Free Care %	1.3%	0.7%	0.7%	0.9%	1.0%	0.6%	0.8%	1.1%	0.4%		0.4%		
Cost													
Cost per Adjusted Admission	11,217	11,405	11,032	11,393	11,581	8,988	10,994	12,687	5,272		5,272	7,604	7,822
Overhead Expense w/ fringe, as a % of Total Operating Exp	20.3%	20.0%	18.8%	33.2%	34.2%	22.2%	26.8%	32.0%					
Productivity & Utilization													
Acute Admissions	3,877	4,220	4,131	4,140	4,154	1,363	1,764	3,199					
Adjusted Admissions	16,125	17,709	18,086	17,957	18,027	6,360	8,282	15,598					
FTEs Per Adjusted Occupied Bed	5.4	5.6	5.5	5.5	5.3	5.4	5.9	6.7	2.9		2.9	3.2	3.2
FTEs per 100 Adj Discharges	7.0	6.9	6.9	7.0	6.8	5.0	5.9	6.9	2.5		2.5		
Cash													
Days Cash on Hand	109.7	98.6	124.3	142.0	138.8	90.4	136.6	192.3	24.2	114.9	24.2		116.3
Capital													
Age of Plant	9.0	9.7	10.6	10.4	11.4	12.1	12.7	14.5	2.4	12.4	2.4	12.4	11.2
Long Term Debt to Capitalization	18.1%	17.9%	16.2%	19.0%	18.1%	20%	24%	29%	5.5%	22.8%	5.5%		35.3%
Capital Expenditures to Depreciation	95.2%	133.1%	139.8%	142.0%	103.2%	104%	123%	160%	41%		41%		
Rates Approved													
Approved Rate per Latest Order	5.9%	4.7%	0.0%	0.0%	0.0%								
CAGR = Compounded Annual Growth Rate													

UTILIZATION & STAFFING	2014 A	FY2015A	2016 B	FY2016A	FY2017B	FY2017P	FY2018B	2017B-2018B
UTILIZATION								
Adjusted Admissions	15,092	16,125	16,553	17,709	18,086	17,957	18,029	-0.3%
Acute Admissions	3,495	3,877	3,680	4,220	4,131	4,140	4,154	0.6%
Acute Average Length Of Stay	4.9	4.7	4.8	4.5	4.6	4.6	4.7	2.1%
All Operating Room Procedure Tests	3,446	3,305	3,694	3,778	3,796	3,561	3,473	-8.5%
Emergency Room Visits	483,724	480,341	489,619	485,318	473,982	468,439	471,085	-0.6%
Cat Scan, Radiology - Diagnostic Exams	26,119	24,784	23,500	25,254	24,388	24,635	24,752	1.5%
Physician Office Visits	48,275	51,418	50,557	56,732	52,189	56,940	61,071	17.0%
	2,979	3,956	3,192	4,095	4,244	3,912	3,635	-14.3%
		192,997	219,587	216,786	244,829	322,727	328,769	34.3%
Staffing								
Non-MD FTEs	1,050	1,135	1,151	1,171	1,210	1,212	1,190	-21
Travelers, Travelers MD	8	12	0	19	4	11	2	-2
Residents & Fellows	0	0	0	0	0	0	0	0
MLPs	0	0	0	44	46	40	39	-7
Physician FTEs	76	81	86	83	85	87	87	2
	1,134	1,228	1,236	1,317	1,346	1,350	1,318	-27
Salary per FTE Non-MD	\$ 59,759	\$ 61,408	\$ 61,408	\$ 64,066	\$ 61,378	\$ 65,983	\$ 66,436	8.2%
Salary & Benefits per FTE - Non-MD	\$ 81,270	\$ 80,366	\$ 79,327	\$ 84,471	\$ 80,688	\$ 84,736	\$ 85,971	6.5%
FTEs Per Adjusted Occupied Bed	5.1	5.4	5.3	5.6	5.5	5.5	5.3	-4.0%
FTEs per 100 Adj Discharges	7.0	7.0	7.0	6.9	6.9	7.0	6.8	-1.9%
Comparative Benchmarks								
Vermont System Averages								
Salary & Benefits per FTE - Non-MD	\$ 78,162	\$ 80,704	\$ 82,457	\$ 81,921	\$ 83,669	\$ 85,414	\$ 85,010	1.6%
FTEs Per Adjusted Occupied Bed	5.5	5.7	5.8	5.7	6.1	5.9	6.0	-1.4%
FTEs per 100 Adj Discharges	7.0	7.2	7.5	7.0	7.5	7.5	7.7	2.3%

Overall utilization as measured by adjusted admissions are at budgeted 2017 levels.

Operating Room procedures and exams are decreasing, however, acute admissions, radiology and physician visits are increasing, presumably related to improved access to services (see narrative). More discussion and understanding is needed about the patients and their utilization, especially physician visits.

The productivity measures are moving favorably. The narrative explains staff reductions planned for 2018B are mainly through attrition and consolidating functions.

The system Salary per FTE is \$66,001 and is 3.3% higher than 2017B.

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BALANCE SHEET	FY2015A	FY2016A	FY2017B	FY2017P	FY2018B
Cash & Investments	\$ 8,392,378	\$ 6,742,732	\$ 19,500,000	\$ 12,256,601	\$ 13,560,268
Other Current Assets	23,484,210	29,312,794	25,950,000	34,389,105	35,734,784
Current Assets	31,876,588	36,055,526	45,450,000	46,645,706	49,295,052
Board Designated Assets	43,022,405	45,195,101	45,000,000	63,488,705	62,063,077
Net, Property, Plant And Equipment	68,114,385	74,623,674	75,011,446	69,248,989	69,568,858
Other Long-Term Assets	9,881,536	11,069,306	11,000,000	3,154,336	3,154,336
Assets	\$ 152,894,914	\$ 166,943,607	\$ 176,461,446	\$ 182,537,737	\$ 184,081,323
Current Liabilities	\$ 25,583,107	\$ 32,935,560	\$ 27,350,000	\$ 25,168,222	\$ 25,496,248
Long Term Liabilities	17,154,892	16,315,849	19,500,000	18,588,491	17,929,862
Other Noncurrent Liabilities	32,309,253	42,903,233	28,750,000	59,761,651	59,761,651
Fund Balance	77,847,662	74,788,965	100,861,446	79,019,373	80,893,562
Liabilities and Equities	\$ 152,894,914	\$ 166,943,607	\$ 176,461,446	\$ 182,537,737	\$ 184,081,323

Central Vermont Medical Center

Days Cash on Hand	109.7	98.6	124.3	142.0	138.8
Long Term Debt to Capitalization	18.1%	17.9%	16.2%	19.0%	18.1%
Debt Service Coverage Ratio	4.4	3.4	4.5	3.1	4.0

Comparative Benchmarks

Vermont System Averages

Days Cash on Hand	178.53	183.26	165.81	186.20	166.60
Long Term Debt to Capitalization	27.6%	30.5%	29.6%	31.1%	29.5%
Debt Service Coverage Ratio	4.4	3.4	4.5	3.1	4.0

U.S. Benchmarks

100-199 Beds					
Days Cash on Hand-Peers		0.00	0.00	0.00	0.00
Long Term Debt to Capitalization-Peers		0.00	0.00	0.00	0.00
Debt Service Coverage Ratio-Peers	4.80	0.00	0.00	0.00	0.00

Overall cash on hand is steady and is lower than state median.

Board designated assets have increased significantly in the last year. Long term debt is steady but other liabilities are increasing. This should be explained.

The fund balance is budgeted at 2017 projection levels.

CAPITAL BUDGET	FY2015A	FY2016A	FY2017B	FY2017P	FY2018B	2019 Plan	2020 Plan	2021 Plan
Non-Certificate of Need Capital Plans Total	\$ 9,306,066	\$ 12,930,732	\$ 14,134,000	\$ 14,134,000	\$ 10,300,000	\$ 10,300,000	\$ 10,300,000	\$ 10,300,000
Certificate of Need Capital Plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Purchases	\$ 9,306,066	\$ 12,930,732	\$ 14,134,000	\$ 14,134,000	\$ 10,300,000	\$ 10,300,000	\$ 10,300,000	\$ 10,300,000

Central Vermont Medical Center

Age of Plant	9.0	9.7	10.6	10.4	11.4
Capital Expenditures to Depreciation	95.2%	133.1%	139.8%	142.0%	103.2%
Capital Cost % of Total Expense	6.0%	5.2%	5.3%	5.1%	5.0%

Comparative Benchmarks

Vermont System Averages

Age of Plant	11.4	11.8	12.3	12.4	12.9
Capital Expenditures to Depreciation	97.1%	101.7%	128.2%	135.7%	115.3%
Capital Cost % of Total Expense	5.4%	5.2%	5.3%	5.1%	5.3%

U.S. Benchmarks

Northeast Critical Access Hospital

Age of Plant-Peers	12.4	-	-	-	-
Capital Expenditures to Depreciation-Peers	-	-	-	-	-
Capital Cost % of Total Expense-Peers	4.5%	-	-	-	-

100-199 Beds

Age of Plant-Peers	12.4	-	-	-	-
Capital Expenditures to Depreciation-Peers	-	-	-	-	-
Capital Cost % of Total Expense-Peers	5.8%	-	-	-	-

All Teaching

Age of Plant-Peers	11.2	-	-	-	-
Capital Expenditures to Depreciation-Peers	-	-	-	-	-
Capital Cost % of Total Expense-Peers	6.0%	-	-	-	-

The overall capital budget of \$10.3 million is less than the spending in recent years. The age of plant has been trending higher but is lower (favorable) than the Vermont median. Capital cost as % of the budget reflect favorable peer comparison values.

The major investments for 2018 include PHARM Pharmacy Compounding Project, MGP Montpelier Space renovation, 2 North, 2 West and Renal Design and nursing monitors.

CONs are planned at the UVMHN level for the period 2019-21.