

# Brattleboro Memorial Hospital

Fiscal Year 2018 Budget Analysis

Report Date: 8/8/2017

1. Income Statement--The hospital is \$3.8 million, 5.0% over the 2017 budget. Much of the increase is due to the newly recruited physicians and FTE increases. Describe these increases and how the BMH determined staffing and physician levels? How is this affecting patient care?
2. NPR Payer--Medicare and Medicaid shows unfavorable reimbursement/utilization than was budgeted in 2017. Commercial shows more favorable reimbursement/utilization. Describe the reimbursement assumptions around the Medicare Dependent Hospital and Low Volume Provider provisions that are set to expire in September 2017. Describe the assumptions around the changes in Medicaid.
3. Rate & NPR--BMH has an overall rate/price request of 8.9%. This is a high rate compared to other hospitals and much higher than BMH's recent history. Please explain. Also, was pricing for services a consideration in establishing this level?
4. Income Statement & NPR--The hospital has estimated reserves for their risk associated with One Care of \$1.3 million. Explain how the hospital determined this level of reserve. Provide how the reserve is recorded and impacts to the budget.
5. Income Statement--Retail pharmacy (340B) of \$1.5 million is recorded in operating revenue. Describe this program and the risks involved operating the program.
6. Dashboard--Bad debt and free care are showing a significantly favorable change for FY 2018 over 2017 levels. Describe why you have budgeted this.
7. Util. & Staff--The hospital has increased FTEs and physicians but the productivity measures and cost per unit are moving unfavorably. Discuss this change.
8. Discuss the \$1.2 million listed as physician transfers/acquisitions mentioned in your narrative.
9. Salary & Fringe per FTE are budgeted lower than 2017B. What explains why salaries and fringe will be lower?
10. Income Statement--Are the 2017 projections still valid? If not, please describe material changes?

QUESTIONS

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.
12. 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:
  - Support for Accountable Care Organization (ACO) infrastructure or ACO programs;
  - Support of community infrastructure related to ACO programs;
  - 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;
  - Support for programs designed to achieve the population health measures outlined in the All-payer Model Agreement.
13. 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** **Brattleboro Memorial Hospital**

INCOME STATEMENT	FY2015A	FY2016A	FY2017B	FY2017P	FY2018B	2017B - 2018B	2017B - 2018B	3YR CAGR
						\$ Chg	% Chg	(FY2015A-FY2018B)
<b>Revenues</b>								
<b>Gross Patient Care Revenue</b>	<b>153,068,995</b>	<b>148,991,981</b>	<b>157,473,555</b>	<b>150,344,453</b>	<b>174,768,050</b>	<b>17,294,495</b>	<b>11.0%</b>	
Disproportionate Share Payments	1,050,746	918,389	976,889	981,120	517,313	(459,576)	-47.0%	
Bad Debt	(4,437,076)	(3,778,102)	(4,842,195)	(2,861,966)	(3,203,297)	1,638,898	-33.8%	
Free Care	(3,520,013)	(880,452)	(3,157,876)	(1,379,559)	(1,509,792)	1,648,084	-52.2%	
Deductions from Revenue	(70,419,732)	(72,087,006)	(74,041,761)	(72,079,123)	(90,369,647)	(16,327,886)	22.1%	
Graduate Medical Education	0	0	0	0	0	0	#DIV/0!	
<b>Net Patient Care Revenue</b>	<b>75,742,920</b>	<b>73,164,810</b>	<b>76,408,612</b>	<b>75,004,925</b>	<b>80,202,627</b>	<b>3,794,015</b>	<b>5.0%</b>	<b>1.9%</b>
Other Operating Revenue	2,926,101	2,435,186	3,873,096	3,822,921	3,555,853	(317,243)	-8.2%	
<b>Total Operating Revenue</b>	<b>78,669,021</b>	<b>75,599,996</b>	<b>80,281,708</b>	<b>78,827,845</b>	<b>83,758,480</b>	<b>3,476,772</b>	<b>4.3%</b>	
<b>Expenses</b>								
Salaries Non MD	23,623,798	24,114,635	25,089,274	24,497,121	26,810,405	1,721,131	6.9%	
Fringe Benefits Non MD	7,268,954	6,692,579	6,982,929	6,654,600	7,343,526	360,597	5.2%	
Physician Fees Salaries Contracts & Fringes	14,258,726	14,695,165	16,057,446	15,828,859	17,436,707	1,379,261	8.6%	
Health Care Provider Tax	4,312,811	4,568,419	4,379,509	4,387,813	4,500,295	120,786	2.8%	
Depreciation Amortization	4,266,138	4,348,154	4,411,523	4,140,634	3,933,151	(478,372)	-10.8%	
Interest - Long Term	232,157	191,396	165,520	165,887	234,071	68,551	41.4%	
Other Operating Expense	22,510,558	21,427,020	23,037,634	23,623,407	23,140,261	102,627	0.4%	
<b>Total Operating Expense</b>	<b>76,473,143</b>	<b>76,037,368</b>	<b>80,123,835</b>	<b>79,298,320</b>	<b>83,398,416</b>	<b>3,274,581</b>	<b>4.1%</b>	<b>2.9%</b>
<b>Net Operating Income (Loss)</b>	<b>2,195,878</b>	<b>(437,372)</b>	<b>157,873</b>	<b>(470,474)</b>	<b>360,064</b>	<b>202,191</b>	<b>128.1%</b>	
Non-Operating Revenue	1,020,455	2,232,750	582,602	2,527,083	740,000	157,398	27.0%	
Excess (Deficit) of Rev Over Exp	3,216,333	1,795,377	740,475	2,056,608	1,100,064	359,589	48.6%	
Operating Margin%	2.8%	-0.6%	0.2%	-0.6%	0.4%			
Total Margin %	4.0%	2.3%	0.9%	2.5%	1.3%			
Cost per Adjusted Admission	9,021	9,285	9,626	9,591	10,601	975	10.1%	

The NPR increase of \$3.8 million is 5.0% over the 2017 budget. This is about \$1.5 million over the 3% cap target. Most of the increase over the target is due to newly recruited physicians and FTE increases. The hospital's expenses are increasing at 4.1%. The cost per unit shows a 10% increase.

Other operating revenue and non-operating revenues show minor changes. The hospital does have \$1.5 million budgeted for 340B program - the hospital will be asked to discuss.

Fiscal Year 2018 Budget Analysis									Brattleboro Memorial Hospital								
NET PAYER REVENUE CHANGE - PAYERS				2017B - 2018B		2017B - 2018B		Change due to Rate		Change due to Non-Rate Items							
				Chg		% Chg											
				FY2017B		FY2017P		FY2018B									
<b>All Payers</b>	<b>Inpatient Care Revenue, Outpatient Care Revenue</b>	<b>\$157,473,554</b>	<b>\$150,344,453</b>	<b>\$174,768,050</b>	<b>\$17,294,496</b>	<b>11.0%</b>											
	Allowances, Discounts, Allowances, Discounts	(\$74,041,761)	(\$72,079,123)	(\$90,369,647)	(\$16,327,886)	22.1%											
	Bad Debt	(\$4,842,195)	(\$2,861,966)	(\$3,203,297)	\$1,638,898	-33.8%											
	Free Care	(\$3,157,876)	(\$1,379,559)	(\$1,509,792)	\$1,648,084	-52.2%											
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	#DIV/0!											
	Disproportionate Share Payments	\$976,889	\$981,120	\$517,313	(\$459,576)	-47.0%											
	<b>Net Payer Revenue</b>	<b>\$76,408,611</b>	<b>\$75,004,925</b>	<b>\$80,202,627</b>	<b>\$3,794,016</b>	<b>5.0%</b>			<b>\$3,680,135</b>	<b>\$113,881</b>							
<b>Commercial</b>	<b>Gross Revenue</b>	<b>\$57,531,857</b>	<b>\$56,346,939</b>	<b>\$63,271,601</b>	<b>\$5,739,744</b>	<b>10.0%</b>											
	Contractual Allowances	(\$12,101,715)	(\$12,685,805)	(\$15,225,304)	(\$3,123,589)	25.8%											
	Bad Debt	(\$4,842,195)	(\$2,861,966)	(\$3,203,297)	\$1,638,898	-33.8%											
	Free Care	(\$3,157,876)	(\$1,379,559)	(\$1,509,792)	\$1,648,084	-52.2%											
	Graduate Medical Education Payments	\$0	\$0	\$0	\$0	#DIV/0!											
	<b>Net Payer Revenue</b>	<b>\$37,430,071</b>	<b>\$39,419,609</b>	<b>\$43,333,208</b>	<b>\$5,903,137</b>	<b>15.8%</b>			<b>\$3,680,135</b>	<b>\$2,222,999</b>							
<b>Medicaid</b>	<b>Gross Revenue</b>	<b>\$33,034,041</b>	<b>\$29,066,514</b>	<b>\$34,964,847</b>	<b>\$1,930,806</b>	<b>5.8%</b>											
	Contractual Allowances	(\$21,700,040)	(\$20,518,849)	(\$25,103,293)	(\$3,403,253)	15.7%											
	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!											
	<b>Net Payer Revenue</b>	<b>\$11,334,001</b>	<b>\$8,547,665</b>	<b>\$9,861,554</b>	<b>(\$1,472,447)</b>	<b>-13.0%</b>			<b>\$0</b>	<b>(\$1,472,448)</b>							
<b>Medicare</b>	<b>Gross Revenue</b>	<b>\$66,907,656</b>	<b>\$64,931,000</b>	<b>\$76,531,602</b>	<b>\$9,623,946</b>	<b>14.4%</b>											
	Contractual Allowances	(\$40,240,006)	(\$38,874,469)	(\$50,041,050)	(\$9,801,044)	24.4%											
	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!											
	<b>Net Payer Revenue</b>	<b>\$26,667,650</b>	<b>\$26,056,531</b>	<b>\$26,490,552</b>	<b>(\$177,098)</b>	<b>-0.7%</b>			<b>\$0</b>	<b>(\$177,094)</b>							
<b>Disproportionate Share Payments</b>		<b>\$976,889</b>	<b>\$981,120</b>	<b>\$517,313</b>	<b>(\$459,576)</b>	<b>-47.0%</b>											
	<b>Net Payer Revenue</b>	<b>\$976,889</b>	<b>\$981,120</b>	<b>\$517,313</b>	<b>(\$459,576)</b>	<b>-47.0%</b>			<b>\$0</b>	<b>(\$459,576)</b>							
	<b>Net to Gross Commercial (no dsh)</b>	<b>65.1%</b>	<b>70.0%</b>	<b>68.5%</b>													
	<b>Net to Gross Medicaid (no dsh)</b>	<b>34.3%</b>	<b>29.4%</b>	<b>28.2%</b>													
	<b>Net to Gross Medicare (no dsh)</b>	<b>39.9%</b>	<b>40.1%</b>	<b>34.6%</b>													
	<b>Net to Gross All (no dsh)</b>	<b>47.9%</b>	<b>49.2%</b>	<b>45.6%</b>													

The rate/price request is filed at 8.9%.

The NPR increase is due to increased commercial revenues which is offsetting lower Medicare and especially Medicaid. These payers show unfavorable reimbursement/utilization than was budgeted in 2017. Commercial shows more favorable reimbursement/utilization, much of it related to favorable changes in bad debt and free care.

The hospital narrative explains that the Medicare Dependent Hospital and Low Volume Provider provisions that are set to expire in September 2017 and explain some of this change. A discussion of these assumptions as well as those related to the ACO risk model should be discussed.

Disproportionate share does show a reduction of \$460,000.

## Brattleboro Memorial Hospital

### 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
<b>Weighted Average Approved Rate (all hospitals)</b>	5.16%	6.82%	4.37%	1.75%	
<b>Weighted Average Submitted Rate (all hospitals)</b>	5.45%	6.82%	4.40%	2.17%	2.38%
<b>Brattleboro Memorial Hospital Approved Rate</b>	5.80%	2.70%	-1.40%	3.50%	
<b>Brattleboro Memorial Hospital Submitted Rate</b>	6.20%	2.70%	-1.20%	3.50%	8.90%
Hospital Inpatient Gross Revenue					10.5%
Hospital Outpatient Gross Revenue					10.2%
Physician Outpatient Gross Revenue					0.0%
Chronic/SNF Gross Revenue					0.0%
Swing Gross Revenue					0.0%

<b>Net Patient Revenue Change Due to Rate Request</b>		
	Commercial	\$ 3,680,135
	Medicaid	\$ -
	Medicare	\$ -
	Disproportionate Share	\$ 0
	<b>Total Change Due to Rate Request</b>	<b>\$ 3,680,135</b>

<b>Value of 1% Rate</b>	<b>\$ 413,498</b>
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BMH has a rate/price request of 8.9%.

The 8.9% will result in increased NPR of \$3.7 million. Some of the rate request is built to offset both the disproportionate share decrease and the loss of Medicare and Medicaid reimbursement. The budget also includes estimated reserves for their risk associated with One Care of \$1.3 million and will be discussed.

For BMH, every 1% increase in rate is worth about \$413,498 in net patient revenue.

Fiscal Year 2018 Budget A

Brattleboro Memorial Hospital

BUDGET TO BUDGET VARIANCES EXPLAINED

Income Statement	FY2018B	2017B - 2018B \$ Chg	2017B - 2018B Chg %	Rate	Rate Effect of Act 16 Decis	Utilization	Util/Reimb/ Payer Mix	Bad Debt/Free Care Changes	Physician Trans/Acq	DSH Changes	Health Reform Investments	Other	Explained Variance Total
<b>Revenues</b>													
<b>Gross Patient Care Revenue</b>	<b>174,768,050</b>	<b>17,294,495</b>	<b>11.0%</b>										
Disproportionate Share Payments	517,313	(459,576)											
Bad Debt	(3,203,297)	1,638,898											
Free Care	(1,509,792)	1,648,084											
Deductions from Revenue	(90,369,647)	(16,327,886)											
Graduate Medical Education	0	0											
<b>Net Patient Care Revenue - A</b>	<b>80,202,627</b>	<b>3,794,015</b>	<b>5.0%</b>	<b>\$ 3,680,135</b>		<b>\$ -</b>	<b>\$ (4,239,147)</b>	<b>\$ 3,286,982</b>	<b>\$ 1,176,100</b>	<b>\$ (459,576)</b>	<b>\$ 349,522</b>		<b>3,794,016</b>
Other Operating Revenue	3,555,853	(317,243)											
<b>Total Operating Revenue</b>	<b>83,758,480</b>	<b>3,476,772</b>											
<b>Operating Expenses</b>													
Salaries Non MD	26,810,405	1,721,131											
Fringe Benefits Non MD	7,343,526	360,597											
Fringe Benefits MD	0	0											
Physician Fees Salaries													
Contracts & Fringes	17,436,707	1,379,261											
Health Care Provider Tax	4,500,295	120,786											
Depreciation Amortization	3,933,151	(478,372)											
Interest - Long Term	234,071	68,551											
Other Operating Expense	23,140,261	102,627											
<b>Operating Expense</b>	<b>83,398,416</b>	<b>3,274,581</b>	<b>4.1%</b>										<b>-</b>
<b>Net Operating Income (Loss)</b>	<b>360,064</b>	<b>202,191</b>	<b>128.1%</b>										
Non-Operating Revenue	740,000	157,398											
Over Expense	1,100,064	359,589											

Utilization/reimbursement decreases explain a large portion of the need for higher NPR. Utilization shifts and specific reimbursement changes should be described - Medicaid shows an especially large change.

Expenses are increasing 4.1% and include both inflation and increased FTEs. It is not clear that the FTE increase is related to utilization.

Bad debt and free care show large favorable changes and should be discussed. The hospital has estimated reserves for their risk associated with One Care of \$1.3 million. A better understanding of how this is recorded in the budget needs to be discussed.

The \$349,522 in Health Care Reform investments is described in the narrative.



Fiscal Year 2018 Budget Analysis	Brattleboro Memorial Hospital					Vermont Peers			2017 Almanac of Hospital Financial and Operating Indicators (Optum) FY2015				
	DASHBOARD	FY2015A	FY2016A	FY2017B	FY2017P	FY2018B	Vermont 25th Percentile	FY2018B Vermont 50th Percentile	Vermont 75th Percentile	Northeast Region	Northeast CAH	25-99 beds	100-199 beds
<b>Net Patient Care Revenue</b>	75,742,920	73,164,810	76,408,612	75,004,925	80,202,627								
<b>Budget to Budget NPR Growth Rate</b>					5.0%	1.8%	3.5%	4.5%					
Three Year NPR CAGR (FY14A - FY17B)					2.2%	2.2%	3.5%	4.1%					
<b>Operating Expense</b>	76,473,143	76,037,368	80,123,835	79,298,320	83,398,416								
<b>Budget to Budget Oper Exp Growth Rate</b>					4%	1.8%	4.2%	4.6%					
Three Year OE CAGR (FY14A - FY17B)					3.3%	3.0%	3.8%	5.2%					
<b>Revenue</b>													
Operating Margin %	2.8%	-0.6%	0.2%	-0.6%	0.4%	0.7%	1.7%	2.2%	1.4%		1.4%	3.9%	3.3%
Total Margin %	4.0%	2.3%	0.9%	2.5%	1.3%	1.8%	2.8%	3.7%	1.7%	-0.6%	1.7%	6.2%	4.2%
Bad Debt %	2.9%	2.5%	3.1%	1.9%	1.8%	1.0%	1.6%	2.5%	1.6%	5.0%	1.6%	6.2%	3.7%
Free Care %	2.3%	0.6%	2.0%	0.9%	0.9%	0.6%	0.8%	1.1%	0.4%		0.4%		
<b>Cost</b>													
Cost per Adjusted Admission	9,021	9,285	9,626	9,591	10,601	8,988	10,994	12,687	5,272		5,272	7,604	7,822
Overhead Expense w/ fringe, as a % of Total Operating Exp	20.8%	21.5%	22.8%	21.7%	22.1%	22.2%	26.8%	32.0%					
<b>Productivity &amp; Utilization</b>													
Acute Admissions	1,569	1,611	1,575	1,634	1,687	1,363	1,764	3,199					
Adjusted Admissions	8,477	8,189	8,324	8,268	7,867	6,360	8,282	15,598					
FTEs Per Adjusted Occupied Bed	5.4	5.7	6.2	5.7	6.7	5.4	5.9	6.7	2.9		2.9	3.2	3.2
FTEs per 100 Adj Discharges	4.9	5.1	5.3	5.1	6.0	5.0	5.9	6.9	2.5		2.5		
<b>Cash</b>													
Days Cash on Hand	195.7	228.5	194.9	229.9	222.2	90.4	136.6	192.3	24.2	114.9	24.2		116.3
<b>Capital</b>													
Age of Plant	8.6	9.4	10.4	10.9	12.5	12.1	12.7	14.5	2.4	12.4	2.4	12.4	11.2
Long Term Debt to Capitalization	13.5%	15.4%	13.1%	12.4%	11.0%	20%	24%	29%	5.5%	22.8%	5.5%		35.3%
Capital Expenditures to Depreciation	83.3%	101.6%	61.3%	94.5%	79.6%	104%	123%	160%	41%		41%		
<b>Rates Approved</b>													
Approved Rate per Latest Order	2.7%	-1.4%	3.5%	3.5%	0.0%								
CAGR = Compounded Annual Growth Rate													

UTILIZATION & STAFFING	2014 A	FY2015A	2016 B	FY2016A	FY2017B	FY2017P	FY2018B	2017B-2018B
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**UTILIZATION**

Adjusted Admissions	8,001	8,477	8,016	8,189	8,324	8,268	7,867	-5.5%
Acute Admissions	1,555	1,569	1,527	1,611	1,575	1,634	1,687	7.1%
Acute Average Length Of Stay	3.5	3.3	3.5	3.3	3.1	3.3	3.3	5.1%
All Operating Room Procedure Tests	2,463	2,327	2,537	2,366	2,374	2,368	2,420	1.9%
Emergency Room Visits	218,085	216,947	215,270	220,825	218,084	218,588	219,535	0.7%
Cat Scan, Radiology - Diagnostic Exams	13,259	13,557	14,465	13,399	13,164	14,027	14,027	6.6%
Physician Office Visits	34,031	34,748	34,453	33,053	34,044	32,327	32,379	-4.9%
	2,028	2,169	2,060	2,266	2,264	2,259	2,249	-0.7%
	229,637	244,105	250,454	242,651	254,193	242,630	316,619	24.6%

Non-MD FTEs	400	412	422	420	438	424	471	33
Travelers, Travelers MD	3	3	0	7	0	0	0	0
Residents & Fellows	0	0	0	0	0	0	0	0
MLPs	0	0	0	0	0	0	0	0
Physician FTEs	38	44	54	43	50	53	57	6
	441	459	476	471	489	477	528	39

Salary per FTE Non-MD	\$ 56,995	\$ 57,355	\$ 57,355	\$ 57,360	\$ 57,261	\$ 57,779	\$ 56,914	-0.6%
Salary & Benefits per FTE - Non-MD	\$ 74,481	\$ 75,002	\$ 75,528	\$ 73,279	\$ 73,197	\$ 73,475	\$ 72,503	-0.9%
FTEs Per Adjusted Occupied Bed	5.2	5.4	5.5	5.7	6.2	5.7	6.7	8.2%
FTEs per 100 Adj Discharges	5.0	4.9	5.3	5.1	5.3	5.1	6.0	13.8%

**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 shows an decrease over budget 2017 and current year projections. However, acute admissions, operating room procedures and physician visits are increasing, presumably related to physician transfers for primary care (see narrative). More discussion and understanding is needed about the patient utilization change.

The productivity measures and cost per unit are moving unfavorably. This suggests that the staffing increases are not all related to utilization change alone. BMH should explain.

Salary and fringe costs are budgeted lower than projected 2017. Is this realistic?

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

<b>Fiscal Year 2018 Budget Analysis</b>	<b>Brattleboro Memorial Hospital</b>
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BALANCE SHEET	FY2015A	FY2016A	FY2017B	FY2017P	FY2018B
<b>Cash &amp; Investments</b>	\$ 2,647,794	\$ 4,193,240	\$ 1,985,621	\$ 3,229,527	\$ 3,320,662
<b>Other Current Assets</b>	12,723,396	11,631,251	10,610,747	10,877,039	10,581,264
<b>Current Assets</b>	15,371,190	15,824,491	12,596,368	14,106,566	13,901,926
<b>Board Designated Assets</b>	36,064,671	40,688,744	38,438,166	44,108,636	45,063,494
<b>Net, Property, Plant And Equipment</b>	27,389,285	27,068,802	27,211,671	23,730,859	23,053,288
<b>Other Long-Term Assets</b>	-	-	-	-	-
<b>Assets</b>	<b>\$ 78,825,146</b>	<b>\$ 83,582,038</b>	<b>\$ 78,246,205</b>	<b>\$ 81,946,061</b>	<b>\$ 82,018,708</b>
<b>Current Liabilities</b>	\$ 14,252,467	\$ 15,351,245	\$ 14,179,122	\$ 14,091,025	\$ 14,156,837
<b>Long Term Liabilities</b>	8,721,762	10,513,802	8,361,302	8,435,052	7,491,821
<b>Other Noncurrent Liabilities</b>	-	-	-	-	-
<b>Fund Balance</b>	55,850,917	57,716,990	55,705,780	59,419,984	60,370,049
<b>Liabilities and Equities</b>	<b>\$ 78,825,146</b>	<b>\$ 83,582,037</b>	<b>\$ 78,246,204</b>	<b>\$ 81,946,061</b>	<b>\$ 82,018,707</b>

Brattleboro Memorial Hospital						
Days Cash on Hand	195.7	228.5	194.9	229.9	222.2	
Long Term Debt to Capitalization	13.5%	15.4%	13.1%	12.4%	11.0%	
Debt Service Coverage Ratio	9.5	2.9	4.3	3.5	3.8	

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	9.5	2.9	4.3	3.5	3.8	

U.S. Benchmarks						
Northeast CAH						
Days Cash on Hand-Peers	114.90	0.00	0.00	0.00	0.00	
Long Term Debt to Capitalization-Peers	22.8%	0.00	0.00	0.00	0.00	
Debt Service Coverage Ratio-Peers	1.60	0.00	0.00	0.00	0.00	
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 higher than the state median.

Board designated assets have increased in recent years. Long term debt is trending favorably. The fund balance shows an increase over 2017 levels. This is a very good balance sheet.

CAPITAL BUDGET	FY2015A	FY2016A	FY2017B	FY2017P	FY2018B	2019 Plan	2020 Plan	2021 Plan
Non-Certificate of Need Capital Plans Total	\$ 3,551,724	\$ 1,920,360	\$ 2,704,898	\$ 3,913,122	\$ 3,131,420	\$ 3,677,885	\$ 2,263,744	\$ 1,556,690
Certificate of Need Capital Plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000,000	\$ -	\$ -
Total Capital Purchases	\$ 3,551,724	\$ 1,920,360	\$ 2,704,898	\$ 3,913,122	\$ 3,131,420	\$ 28,677,885	\$ 2,263,744	\$ 1,556,690

**Brattleboro Memorial Hospital**

Age of Plant	8.6	9.4	10.4	10.9	12.5
Capital Expenditures to Depreciation	83.3%	101.6%	61.3%	94.5%	79.6%
Capital Cost % of Total Expense	5.9%	6.0%	5.7%	5.4%	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%	-	-	-	-

The overall capital budget of \$3.1 million is comparable to that seen in recent years. The age of plant is increasing but is lower (favorable) than the Vermont median. Recent capital cost as % of the budget reflect peer comparison values close to the median.

There are no investments in excess of \$500,000.

A large CONs is planned for the period 2019-21 to replace their surgical suites and boiler plant and upgrade physician offices.