

## Vermont Community Hospitals

### Financial Glossary

| <b>Budget and Financial Information</b>                       |  |
|---|--|
| Gross Patient Revenue   | Total of all patients' bills.  |
| Deductions  | Reductions from gross revenue such as discounts, contractual allowances, bad debt and free   |
| Net Patient Care Revenue                                      | Gross Patient Revenues less deductions. The amount the hospital will receive for services rendered.  |
| Total Operating Revenue                                       | Actual money collected for services.   |
| Total Operating Expense                                       | Wages and benefits for all hospital employees, non-wage costs such as supplies, utilities, insurance, and bad debt expense, and current costs of buildings, property, and equipment.   |
| Net Operating Income (Loss) (Net Operating Surplus or Margin) | Revenues remaining after expenses are paid.  |
| Non-Operating Revenue   | Revenue earned by a hospital that is not related to patient care   |
| Excess (Deficit) of Revenue Over Expense (Total Surplus or M  | The sum of Net Operating Income (Loss) and Non-Operating Revenue.  |
| Acute Admissions  | Number of hospital patients who stay overnight.  |
| Acute Beds (staffed)  | Number of inpatient beds   |
| Acute Avg. Length of Stay                                     | How long the average patient stays in the hospital (in days). Includes psychiatry patients. Statistic used as a surrogate for hospital utilization and are calculated to allow reasonable comparisons between hospitals. The calculation "adjusts" the inpatient data to account for the outpatient activity in the hospital |
| Adjusted Admissions   | Statistic used as a surrogate for hospital utilization and are calculated to allow reasonable comparisons between hospitals. The calculation "adjusts" the inpatient data to account for the outpatient activity in the hospital   |
| Physician Office Visits                                       | Patient visits to hospital-employed doctors. Does not include clinic visits.   |
| All Outpatient Visits   | All patients visits in one or more of the facilities of the hospital but who do not stay overnight at  |
| Non-MD Employees (FTE)  | Number of full-time employees who are not doctors.   |
| Physician Employees (FTE)                                     | Number of full-time hospital-employed doctors.   |

| <b>Cost Shift</b>    |  |
|----------------------|--|
| See Cost Shift page. |  |

| <b>Financial Health Benchmarks &amp; Indicators</b> |   |
|---|---|
| Days Cash on Hand                                   | The number of days of cash available to run the hospital. Some hospitals have other cash assets that are not included in the Days Cash on Hand calculation. If included, Days Cash on Hand would increase. Higher levels of cash are generally favorable. |
| Current Ratio                                       | Ability to pay short-term bills. The calculation of current ratio includes funded depreciation, which is not included in the national benchmarks shown.   |
| Outpatient Gross Revenue %                          | Percentage of billings for those receiving care in less than 24 hours.  |
| Physician Gross Revenue %                           | Percentage of billings for those receiving physician care.  |
| Total Margin as % of Net Revenues                   | Percent of revenue left over after expenses are paid.   |
| Return on Assets                                    | One measure of how a hospital is doing financially.   |
| FTEs per 100 Adjusted Discharges                    | A measure of employee efficiency.   |
| Overhead Expense, as % of Total Operating Expense   | Another measure of efficiency.  |
| Salary & Benefits per FTE, Non-MD                   | Total average cost for a full time employee who is not a doctor.  |
| Total Non-MD \$/FTE                                 | Total average salary for a full time employee who is not a doctor.  |
| Compensation Ratio (labor ratio)                    | Total labor costs divided by total revenues   |
| Cost per Adjusted Admission                         | The average hospital cost for a patient.  |

| <b>Hospital Capital Investments</b>                 |   |
|---|---|
| Age of Plant  | The average age (in years) of buildings and equipment.                              |
| Age of Plant - Building                             | The average age (in years) of buildings.  |
| Age of Plant - Equipment                            | The average age (in years) of equipment.  |
| Net Property, Plant & Equipment per Staffed Bed     | On average, the amount of buildings, property, and equipment for each hospital bed. |
| Long Term Debt to Total Assets                      | The hospital's borrowing compared to what it owns.                                  |
| Capital Acquisitions as % of Net Patient Revenue    | A measure of spending on buildings, property, and equipment.                        |
| Capital Cost % of Total Expense                     | A measure of capital expense to total operating expenses                            |
| Building, Property & Equipment Capital Expenditures | Money spent to buy hospital buildings, property, and equipment.                     |
| Possible Certificate of Need (CON) Projects         | Projects the hospital needs a permit from the state to build or acquire.            |