

Northeastern VT Regional Hospital

Fiscal Year 2017 Budget Analysis

Report Date: 8/15/2016

Northeastern VT Regional Hospital

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SUMMARY OF BUDGET

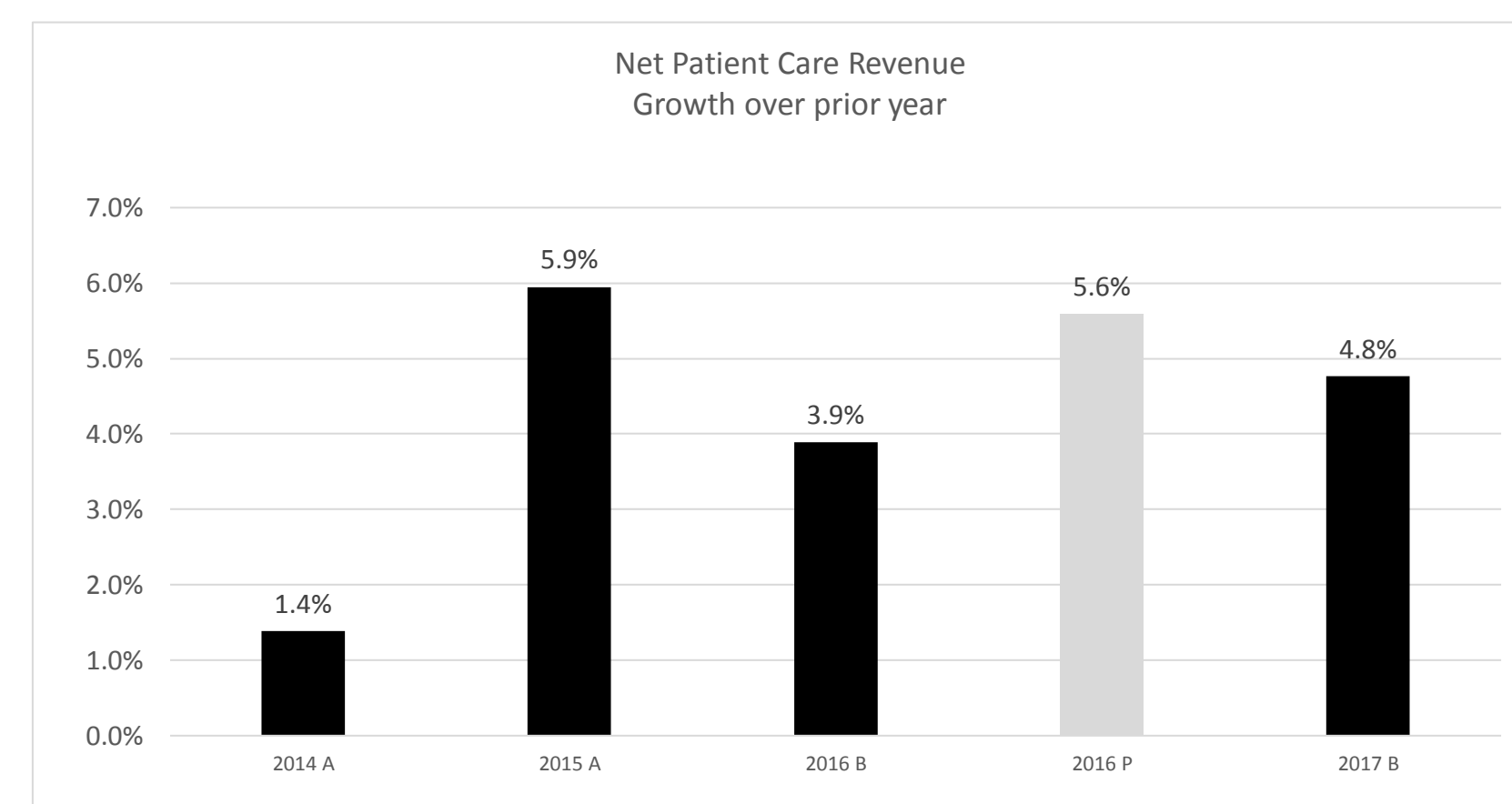
	2015 A	2016 B	2016 P	2017 B	B16-B17 Change \$	B16-B17 Change %	B16-B17 Change \$ All Hospitals	B16-B17 Change % All Hospitals
Gross Patient Care Revenue	\$ 131,890,992	\$ 141,089,000	\$ 145,173,600	\$ 152,171,500	\$ 11,082,500	7.9%	\$ 134,233,796	2.7%
Net Patient Care Revenue	\$ 65,548,594	\$ 68,095,300	\$ 69,210,200	\$ 71,339,400	3,244,100	4.8%	114,454,070	5.0%
Other Operating Revenue	\$ 1,292,542	\$ 1,648,676	\$ 1,554,200	\$ 1,585,100	(63,576)	-3.9%	6,477,684	4.7%
Total Operating Revenue	\$ 66,841,136	\$ 69,743,976	\$ 70,764,400	\$ 72,924,500	\$ 3,180,524	4.6%	\$ 120,931,754	4.9%
Operating Expense	\$ 65,373,391	\$ 68,696,400	\$ 69,357,800	\$ 71,509,500	\$ 2,813,100	4.1%	\$ 119,502,747	5.0%
Net Operating Income	\$ 1,467,745	\$ 1,047,576	\$ 1,406,600	\$ 1,415,000	\$ 367,424	35.1%	\$ 1,429,007	2.1%
Non Operating Revenue	\$ (1,099,487)	\$ -	\$ -	\$ -	\$ -		\$ 4,835,590	15.7%
Excess (Deficit) of Rev over Exp	\$ 368,258	\$ 1,047,576	\$ 1,406,600	\$ 1,415,000	\$ 367,424	35.1%	\$ 6,264,597	6.2%
Operating Margin %	2.2%	1.5%	2.0%	1.9%				
Total Margin %	0.6%	1.5%	2.0%	1.9%				

The hospital has prepared a budget with a \$3.2 million increase in net patient revenues (NPR) (4.8%). Over \$2.1 million of the NPR increase is related to hospital utilization and physician practice increases experienced during 2016. This higher increase is a request to rebase their budget for this new utilization that the hospital has recaptured from New Hampshire. (see attached letter at the end of this report)

The hospital has a rate increase of 3.8%, which will also raise about \$1.3 million. The increase in NPR will support an operating margin % increase from 1.5% to 1.9%.

Page 3 and 4 explain the hospital NPR increase by operations (utilization, rates, etc) and the change for each payer.

Note: The 2016 Budget and Projected increase is measured from Actual 2015.



Northeastern Vt Regional Hospital

RATE AND NET PATIENT REVENUE INCREASE

Rate is the average change in price for services provided.

	2013 Approved	2014 Approved	2015 Approved	2016 Approved	2017 Submitted
Weighted Average rate for all hospitals	7.9%	5.2%	6.8%	4.4%	2.2%
Northeastern Vt Regional Hospital Rate Request	6.5%	5.6%	5.0%	5.2%	3.8%
Hospital Inpatient					4.0%
Hospital Outpatient					4.3%
Outpatient Physician					0.5%
Chronic/SNF					0.0%
Swing					4.0%
Other					0.0%

The 3.8% rate increase is achieved by raising prices 4% for inpatient services, 4.3% for outpatient services, .5% increase for physician services, and 4% for swing services.

The rate increase will generate \$1,281,100, of the total \$3,244,100 NPR increase. The balance will be primarily earned from higher utilization as the result of the hiring of a 3rd orthopedic surgeon. Various changes to reimbursement such as Medicaid reductions, disproportionate share, and Medicare improvement are also occurring but tend to offset one another.

Net Patient Revenue change	2016 Approved	2017 Submitted	B16-B17 Change	B16-B17 Change	
NPR changes due to:	\$ 68,095,300	\$ 71,339,400	\$ 3,244,100	4.8%	
Commercial Ask Negotiations			\$ -		
Rate request			\$ 1,281,100	3.8%	Amount to be realized from rate/price change.
Utilization			\$ 2,104,900		Utilization related to orthopedic surgeon and recaptured market share.
Other major program change			\$ -		
Physician Acquisition or reduction			\$ -		
Free care			\$ (145,300)		Budget amount estimated from 2016 projections.
Bad debt			\$ 52,600		Budget amount estimated from 2016 projections.
Dispro share change			\$ 269,700		The amount agrees with DVHA estimate.
Other NPR changes			\$ -		
Other NPR changes			\$ (1,061,400)		Changes in payer mix, service mix.
Other NPR changes			\$ 928,500		Estimate of medicare revenue increase related to increase costs.
Other NPR changes			\$ (186,000)		Medicaid reimbursement reduction.
Other NPR changes					
Total NPR changes			\$ 3,244,100		

Northeastern VT Regional Hospital

NET PAYER REVENUE CHANGE		Projection				B16-B17 % change	NPR From Rate	NPR From All Other
		FY2016	FY2016	FY2017	B16-B17 \$Change			
All Payers	Gross Revenue	\$141,089,000	\$145,173,600	\$152,171,500	\$11,082,500	7.9%		
	Allowances	(\$68,524,400)	(\$71,743,900)	(\$76,539,800)	(\$8,015,400)	11.7%		
	Bad Debt	(\$3,030,000)	(\$2,841,400)	(\$2,977,400)	\$52,600	-1.7%		
	Free Care	(\$2,900,000)	(\$2,906,200)	(\$3,045,300)	(\$145,300)	5.0%		
	Disproportionate Share Payments	\$1,460,700	\$1,528,100	\$1,730,400	\$269,700	18.5%		
	Graduate Medical Education Paymer	\$0	\$0	\$0	\$0	0.0%		
	Net Payer Revenue	\$68,095,300	\$69,210,200	\$71,339,400	\$3,244,100	4.8%	\$1,281,100	\$1,963,000
Commercial	Gross Revenue	\$51,658,400	\$52,071,600	\$54,616,400	\$2,958,000	5.7%		
	Allowances	(\$10,839,400)	(\$11,817,300)	(\$12,574,700)	(\$1,735,300)	16.0%		
	Bad Debt	\$0	\$0	\$0	\$0	0.0%		
	Free Care	\$0	\$0	\$0	\$0	0.0%		
	Disproportionate Share Payments	\$0	\$0	\$0	\$0	0.0%		
	Graduate Medical Education Paymer	\$0	\$0	\$0	\$0	0.0%		
	Net Payer Revenue	\$40,819,000	\$40,254,300	\$42,041,700	\$1,222,700	3.0%	\$1,281,100	-\$58,400
Medicaid	Gross Revenue	\$30,618,100	\$33,846,600	\$35,391,400	\$4,773,300	15.6%		
	Allowances	(\$21,249,400)	(\$23,373,600)	(\$25,102,200)	(\$3,852,800)	18.1%		
	Bad Debt	\$0	\$0	\$0	\$0	0.0%		
	Free Care	\$0	\$0	\$0	\$0	0.0%		
	Disproportionate Share Payments	\$1,460,700	\$1,528,100	\$1,730,400	\$269,700	18.5%		
	Graduate Medical Education Paymer	\$0	\$0	\$0	\$0	0.0%		
	Net Payer Revenue	\$10,829,400	\$12,001,100	\$12,019,600	\$1,190,200	11.0%	\$0	\$1,190,200
Medicare	Gross Revenue	\$58,812,500	\$59,255,400	\$62,163,700	\$3,351,200	5.7%		
	Allowances	(\$36,435,600)	(\$36,553,000)	(\$38,862,900)	(\$2,427,300)	6.7%		
	Bad Debt	\$0	\$0	\$0	\$0	0.0%		
	Free Care	\$0	\$0	\$0	\$0	0.0%		
	Disproportionate Share Payments	\$0	\$0	\$0	\$0	0.0%		
	Graduate Medical Education Paymer	\$0	\$0	\$0	\$0	0.0%		
	Net Payer Revenue	\$22,376,900	\$22,702,400	\$23,300,800	\$923,900	4.1%	\$0	\$923,900
Bad Debt/Free Care Gross Revenue				\$0	0.0%			
	Allowances			\$0	0.0%			
	Bad Debt	(\$3,030,000)	(\$2,841,400)	(\$2,977,400)	\$52,600	-1.7%		
	Free Care	(\$2,900,000)	(\$2,906,200)	(\$3,045,300)	(\$145,300)	5.0%		
	Disproportionate Share Payments				\$0	0.0%		
	Graduate Medical Education Payments				\$0	0.0%		
	Net Payer Revenue	(\$5,930,000)	(\$5,747,600)	(\$6,022,700)	(\$92,700)	1.6%	\$0	-\$92,700

This schedule shows the NPR increase by each major payer, including those receiving care as bad debt or free care. The schedule identifies the NPR increase related to rates separate from all other increases.

The Commercial revenues reflect the planned rate increase dollars for 2017. The negative \$58,400 is related to payer mix and service change.

The hospital will NOT receive any new funds from Medicaid because of their rate increase. The increase of \$1.2 million is increased utilization and service mix.

This is primarily an increase related to Critical Access Hospital cost based reimbursement.

The hospital will explain the change in NPR for each payer as part of its budget presentation, including bad debt/free care changes.

Page 3 describes the 2017 NPR increase by major operational changes (rates, utilization, etc).

ANALYSIS AND QUESTIONS

1) The hospital's net patient revenues (NPR) are increasing 4.8% over 2016 budget. The hospital identifies this increase as being primarily related to hospital utilization experienced in 2016.

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a) Acute admission utilization has increased. The hospital explains it's a recapture of market share from New Hampshire. Do you expect this to increase more? Are you marketing in New Hampshire?

b) Acute admissions are budgeted in 2016 to return to 2013 actual levels. Is the mix of admissions the same or are you budgeting to see changes based upon 2016 experience? Provide a schedule.

c) How does the hospital determine the right complement of physicians for the service area? What metrics and information are used?

d) If surgeries are increasing, why are you budgeting a decline in MRIs? Also, why do you think ER visits are decreasing?

d) Is the hospital seeing high increases in chemotherapies and other drug costs? What is occurring for those services?

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2) The GMCB is interested in understanding the changes occurring from budget to budget by payer.

Explain your NPR changes at the budget hearing using the payer schedule (page 4) provided in the staff's analysis.

3) The hospital is requesting a 3.8% overall rate increase that will be applied to inpatient hospital services at 4.0%, outpatient services at 4.3%, and physician services at 0.5%. Is this the rate that is negotiated with commercial payers? Describe the strategy and basis for this increase.

4) The hospital has budgeted an increase of 12 FTEs over the 2016 budget. Also, 4 mid-levels are being added and physicians are down by 3. Are you recruiting for more physicians? Are the mid-levels intending to replace the 3 physicians? The narrative explains that the staff is being added to improve wait times in four essential services. What are the metrics you use for comparing wait times and/or other patient experiences? Provide some context.

5) Bad debt and free care are budgeted in total at 4% of gross revenues in FY 2017. The estimate is based upon 2016 projections, down slightly from the 4.1% experienced in 2014-15 and budgeted in 2016. This is much less of a decline than what we have seen at most other hospitals. Have you had discussions with your peers about why your numbers might be different? Have you noticed a change in cases or patients?

6) The hospital narrative describes \$272,000 in specific health care reform investments that is budgeted. Explain why you believe the items listed are considered reform investments.

7) Salary & benefits per FTE shows only a 0.3% increase over 2016 budget. Is this correct - please explain.

8) Are the FY 16 projections for net revenues, expenditures, and surplus as reported still valid? If not, describe any material changes.

9)The hospital narrative (pages 1-3) does a nice job outlining the hospital's efforts with local mental health and other providers to strengthen community health services. You note that you are working to build an organization foundation that may be able to be replicated by others. Briefly highlight those successes and identify limitations of those efforts.

10)The hospital does not budget general contributions. Does the hospital manage those in a different organization?

Northeastern VT Regional Hospital						Vt Median	Northeast CAH	Other Non-Profit	100 - 199 Beds	All Teaching
KEY INDICATORS	2014 A	2015 A	2016 B	2016 P	2017 B	2017 B	U.S. Benchmarks FY2014			
Net Patient Revenue Change	1.4%	5.9%	3.9%		4.8%					
Overall Rates	6%	5%	5%		3.8%					
Utilization										
Total Average Daily Census	15	15	14	15	15	23.2	-	80	72	192
Adjusted Admissions	5,463	5,331	5,665	6,502	6,559	8,261	-	-	-	-
Capital										
Age of Plant	13.0	13.2	14.5	14.9	14.8	12.0	11.3	11.3	11.2	11.2
Long Term Debt to Capitalization	27.9%	27.0%	26.6%	24.5%	22.6%	26.9%	27.1%	31.2%	23.5%	30.6%
Debt Service Coverage Ratio	2.5	4.9	4.1	3.8	3.8	4.2	4.4	2.8	3.0	5.0
Revenue										
Bad Debt %	2.4%	2.4%	2.1%	2.0%	2.0%	1.6%	5.6%	5.5%	6.7%	4.1%
Free Care %	1.7%	1.7%	2.1%	2.0%	2.0%	0.7%	-	-	-	-
Operating Margin %	-0.9%	2.2%	1.5%	2.0%	1.9%	1.9%	-2.4%	0.7%	2.8%	3.0%
Total Margin %	1.0%	0.6%	1.5%	2.0%	1.9%	3.2%	3.2%	3.7%	5.7%	5.6%
Productivity & Staffing										
Total Operating Exp	21.9%	22.3%	21.4%	20.9%	21.6%	26.1%	-	-	-	-
Cost & Revenue Unit of Measure										
Cost per Adjusted Admission	11,900	12,263	12,126	10,667	10,903	10,264	-	7,557	7,453	7,645
Liquidity										
Current Ratio	3.2	2.9	1.3	2.8	2.8	2.9	1.4	2.3	1.7	1.8
Days Cash on Hand	97	131	96	127	128	129	99	74	75	110
Payer										
Medicare Gross as % of Tot Gross Rev	42%	42%	42%	41%	41%	42%	-	-	-	-
Medicaid Gross as % of Tot Gross Rev	21%	23%	22%	23%	23%	19%	-	-	-	-
Comm/self Gross as % of Tot Gross Rev	37%	34%	37%	36%	36%	37%	-	-	-	-
Medicare % of Net Rev (incl DSH)	35%	36%	34%	34%	33%	34%	-	-	-	-
Medicaid % of Net Rev (incl DSH)	13%	15%	14%	15%	15%	13%	-	-	-	-
Comm/self % of Net Rev (incl DSH)	52%	49%	52%	51%	52%	50%	-	-	-	-

Northeastern VT Regional Hospital

PROFIT & LOSS STATEMENT	2014 A	2015 A	2016 B	2016 P	2017 B	B16-B17 Change	B16-B17 Change %
Revenues							
Gross Patient Care Revenue	\$ 119,515,126	\$ 131,890,992	\$ 141,089,000	\$ 145,173,600	\$ 152,171,500	\$ 11,082,500	7.9%
Disproportionate Share Payments	1,743,411	1,636,300	1,460,700	1,528,100	1,730,400	269,700	18.5%
Bad Debt	(2,924,757)	(3,154,200)	(3,030,000)	(2,841,400)	(2,977,400)	52,600	-1.7%
Free Care	(2,000,119)	(2,214,500)	(2,900,000)	(2,906,200)	(3,045,300)	(145,300)	5.0%
Graduate Medical Education	-	-	-	-	-	-	-
Deductions from Revenue	(54,464,904)	(62,609,998)	(68,524,400)	(71,743,900)	(76,539,800)	(8,015,400)	11.7%
Net Patient Care Revenue	\$ 61,868,757	\$ 65,548,594	\$ 68,095,300	\$ 69,210,200	\$ 71,339,400	\$ 3,244,100	4.8%
	1.4%	5.9%	3.9%	5.6%	4.8%		
Other Operating Revenue	\$ 2,532,434	\$ 1,292,542	\$ 1,648,676	\$ 1,554,200	\$ 1,585,100	\$ (63,576)	-3.9%
Total Operating Revenue	\$ 64,401,191	\$ 66,841,136	\$ 69,743,976	\$ 70,764,400	\$ 72,924,500	\$ 3,180,524	4.6%
Operating Expense							
Salaries Non MD	22,055,717	22,292,961	22,978,900	23,397,700	24,290,000	1,311,100	5.7%
Fringe Benefits Non MD	8,366,157	8,356,620	7,799,600	7,605,800	7,813,400	13,800	0.2%
Fringe Benefits MD	1,600,000	1,646,055	2,375,100	2,191,900	2,337,200	(37,900)	-1.6%
Physician Fees Salaries Contracts & Fringes	9,405,682	6,021,231	8,504,500	7,977,800	8,506,800	2,300	0.0%
Health Care Provider Tax	3,617,327	3,610,431	3,800,000	3,950,000	4,100,000	300,000	7.9%
Depreciation Amortization	2,555,566	2,507,662	2,658,300	2,396,000	2,606,000	(52,300)	-2.0%
Interest - Short Term	-	-	-	-	-	-	-
Interest - Long Term	461,660	390,431	472,000	337,700	378,000	(94,000)	-19.9%
Other Operating Expense	16,944,924	20,548,000	20,108,000	21,500,900	21,478,100	1,370,100	6.8%
Total Operating Expense	\$ 65,007,033	\$ 65,373,391	\$ 68,696,400	\$ 69,357,800	\$ 71,509,500	\$ 2,813,100	4.1%
Year over Year Change	4.9%	0.6%	5.1%	-	4.1%		
Net Operating Income (Loss)	\$ (605,842)	\$ 1,467,745	\$ 1,047,576	\$ 1,406,600	\$ 1,415,000	\$ 367,424	35.1%
Non-Operating Revenue	\$ 1,237,641	\$ (1,099,487)	\$ -	\$ -	\$ -	\$ -	-
Excess (Deficit) Of Revenue Over Expense	\$ 631,799	\$ 368,258	\$ 1,047,576	\$ 1,406,600	\$ 1,415,000	\$ 367,424	35.1%

Bad debt and free care are budgeted based upon 2016 projections.

Other operating revenue includes \$1.5 million 340B pharmacy funds.

Labor, provider tax, and other operating expenses reflect the increases in this budget. The other operating expense line is related to increased orthopedic services.

The operating margin % is increasing slightly from 1.5% to 1.9%.

Typically, the hospital does not budget for gains or losses expected for their portfolio.

Northeastern VT Regional Hospital

UTILIZATION & STAFFING	2013 A	2014 A	2015 A	2016 B	2016 P	2017 B	B16-B17 Change
UTILIZATION							
Adjusted Admissions	5,772	5,463	5,331	5,665	6,502	6,559	15.8%
Acute Admissions	1,355	1,199	1,233	1,230	1,318	1,329	8.0%
Acute Average Length Of Stay	3.3	3.1	3.3	3.2	3.2	3.2	-0.1%
Operating Room Procedures	3,500	2,809	2,814	2,970	3,150	3,182	7.1%
Laboratory Tests	191,000	166,062	170,550	180,004	181,693	183,510	1.9%
Emergency Room Visits	17,542	13,858	14,051	15,052	14,185	14,330	-4.8%
Cat Scan, Radiology - Diagnostic Procedures	20,870	25,543	25,383	26,840	27,642	27,919	4.0%
Magnetic Resonance Image Exams	949	1,033	1,225	1,296	1,204	1,216	-6.2%
Physician Office Visits	60,054	65,154	66,909	70,924	73,249	73,981	4.3%
Clinics Visits	0	0	0	0	0	0	0.0%
STAFFING							
Non-MD FTEs	387	390	394	399	404	411	12
Travelers	0	0	0	0	0	0	0
Residents & Fellows	0	0	0	0	0	0	0
Mid Level Providers	0	0	0	0	0	4	4
Physician FTEs	27	25	25	33	30	31	-3
Total MD and Non MD FTEs	414	415	419	432	435	445	13
Salary & Benefits per FTE - Non-MD	\$ 76,053	\$ 77,953	\$ 77,811	\$ 77,158	\$ 76,665	\$ 77,414	0.3%
FTEs Per Adjusted Occupied Bed	7.5	8.4	8.1	8.0	7.0	7.2	-10.1%
FTEs per 100 Adj Discharges	6.7	7.1	7.4	7.0	6.2	6.3	-10.2%
Comparative Benchmarks							
Vermont System Averages							
Salary & Benefits per FTE - Non-MD	\$ 77,361	\$ 78,162	\$ 80,704	\$ 82,457	\$ 83,286	\$ 83,856	1.7%
FTEs Per Adjusted Occupied Bed	5.4	5.5	5.7	5.8	5.8	6.1	4.5%
FTEs per 100 Adj Discharges	6.7	7.0	7.2	7.5	7.2	7.5	-0.2%
U.S. Benchmarks							
FTEs Per Adjusted Occupied Bed							
Northeast Critical Access Hospital	0.00	0.00	-	-	-	-	
Other Non-Profit	3.60	3.60	-	-	-	-	
100 - 199 Beds	3.45	3.45	-	-	-	-	
All Teaching	3.45	3.45	-	-	-	-	

Areas showing significant change over budget are Acute Admissions which are budgeted to return to 2013 actual levels based upon what they are seeing in 2016 projected. Most other items are up as well except for ER visits and MRI exams.

The hospital has added four mid levels and non-MD staff to manage the increased utilization.

Salary and fringe per FTE is very low. Under review. Productivity is improving.

The benchmark shows the hospital higher in relation to their Vermont peers and nationally.

Northeastern VT Regional Hospital

BALANCE SHEET	2014 A	2015 A	2016 B	2016 P	2017 B
Cash & Investments	\$ 913,570	\$ 4,158,379	\$ 808,000	\$ 8,038,000	\$ 9,026,671
Total Current Assets	\$ 14,076,704	\$ 15,699,803	\$ 13,808,000	\$ 18,410,100	\$ 19,465,571
Board Designated Assets	\$ 17,325,948	\$ 18,557,194	\$ 16,600,000	\$ 15,176,800	\$ 15,176,800
Net, Property, Plant And Equipment	\$ 24,116,998	\$ 21,512,875	\$ 24,948,760	\$ 22,447,515	\$ 23,348,929
Other Long-Term Assets	\$ 2,919,713	\$ 5,070,773	\$ 2,500,000	\$ 5,327,285	\$ 4,338,000
Total Assets	\$ 58,439,363	\$ 60,840,645	\$ 57,856,760	\$ 61,361,700	\$ 62,329,300
Current Liabilities	\$ 9,361,130	\$ 11,717,548	\$ 10,335,000	\$ 11,970,700	\$ 12,292,900
Long Term Liabilities	\$ 13,715,039	\$ 13,239,879	\$ 12,645,000	\$ 12,096,300	\$ 11,326,400
Other Noncurrent Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance	\$ 35,363,194	\$ 35,883,218	\$ 34,876,760	\$ 37,294,700	\$ 38,710,000
Total Liabilities and Equities	\$ 58,439,363	\$ 60,840,645	\$ 57,856,760	\$ 61,361,700	\$ 62,329,300

Northeastern VT Regional Hospital					
Net Increase/(Decrease) in Cash	\$ (1,110,982)	\$ 3,244,809	\$ (3,350,379)	\$ 3,879,621	\$ 8,218,671
Days Cash on Hand	97.4	131.3	96.2	126.5	128.2
Long Term Debt to Capitalization	27.9%	27.0%	26.6%	24.5%	22.6%
Debt Service Coverage Ratio	2.5	4.9	4.1	3.8	3.8

Comparative Benchmarks					
Vermont System Averages					
Net Increase/(Decrease) in Cash	\$ 54,485,429	\$ (13,749,624)	\$ (778,512)	\$ (3,061,249)	\$ (680,856)
Days Cash on Hand	176.3	178.5	179.6	174.8	165.5
Long Term Debt to Capitalization	29.7%	27.6%	31.3%	32.0%	29.5%
Debt Service Coverage Ratio	3.3	3.7	2.7	2.8	3.1
U.S. Benchmarks					
Northeast Critical Access Hospital					
Days Cash on Hand-Peers	99.30	-	-	-	-
Long Term Debt to Capitalization-Peers	27%	-	-	-	-
Debt Service Coverage Ratio-Peers	4.4	-	-	-	-

The balance sheet net assets are continuing to increase and debt is steadily in decline. About \$3 million of Board designated funds have shifted into current assets as it will be used for capital investments.

Days cash on hand is budgeted to improve as is their debt position.

The hospital's debt position compares favorably with the Vermont hospitals and cash on hand is lower than the average.

The hospital does compare favorably with U.S. Critical Access peers in 2014.

Northeastern VT Regional Hospital

Capital Budget	2014 A	2015 A	2016 B	2016 P	2017 B	2018 Plan	2019 Plan	2020 Plan
Non-Certificate of Need Capital Plans Total	\$ 4,292,080	\$ 1,571,740	\$ 3,509,840	\$ 3,509,840	\$ 2,725,805	\$ 5,153,250	\$ 3,439,550	\$ 3,099,140
Certificate of Need Capital Plans	\$ -	\$ -	\$ -	\$ -	\$ 2,100,000	\$ -	\$ -	\$ -
Total Capital Purchases	\$ 4,292,080	\$ 1,571,740	\$ 3,509,840	\$ 3,509,840	\$ 4,825,805	\$ 5,153,250	\$ 3,439,550	\$ 3,099,140

Northeastern VT Regional Hospital

Age of Plant	13.0	13.2	14.5	14.9	14.8
Capital Expenditures to Depreciation	168.0%	62.7%	132.0%	146.5%	104.6%
Capital Cost % of Total Expense	4.6%	4.4%	4.6%	3.9%	4.2%

Comparative Benchmarks

Vermont System Averages

Age of Plant	10.2	11.4	11.9	11.9	12.3
Capital Expenditures to Depreciation	80.6%	97.1%	95.1%	96.0%	128.2%
Capital Cost % of Total Expense	5.9%	5.4%	5.8%	5.6%	5.3%

U.S. Benchmarks

Northeast Critical Access Hospital

Age of Plant-Peers	11.3	-	-	-	-
Capital Expenditures to Depreciation-Peers	0.0%	-	-	-	-
Capital Cost % of Total Expense-Peers	5.8%	-	-	-	-

The hospital's capital costs are low compared to Vermont peers. Age of plant is higher than Vermont peers and is trending higher. The hospital is planning to invest in additional capital the next couple of years. The narrative describes those plans including the planned investment to update the MRI space.

The capital metrics also compare well for costs but less favorably for age of plant when examined against 2014 northeast critical access hospitals.