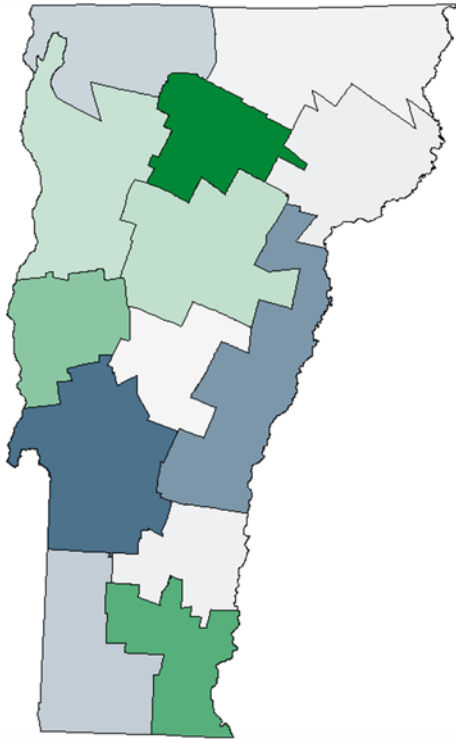


Fiscal Year 2018 Vermont Hospital Budgets

Year-End Actuals Reporting

Report Date: March 13, 2019



Overview

1. Fiscal Year 2018 Year-End Review
2. Actual-to-Actual Results
3. Budget-to-Actual Results
4. Key Financial Indicators
5. 5-Year Results

Fiscal Year 2018 Year-End Review

Vermont hospitals are required to report their Fiscal Year (FY) 2018 actual operating results as part of the Green Mountain Care Board's FY2018 budget orders. Additionally, hospitals are required to submit their FY2018 audited financial statements, as well as the hospital's parent organization's audited consolidated financial statements, if applicable. These documents, and other additional information, are available on the [Green Mountain Care Board website](#).

This report includes Net Patient Revenue and Fixed Prospective Payments (NPR/FPP), which are combined, as well as expenses and utilization. Results are displayed as:

- Actual-to-actual percentage changes from FY2017 to FY2018
- Budget-to-actual variances for FY2018
- 5-year results, including compound annual growth rates (CAGR)

This report also includes key financial indicators such as days cash on hand and total margin.

Note: North Country Hospital data is considered preliminary. Additionally, North Country was unable to submit utilization data. Brattleboro Memorial Hospital's Outpatient data is considered preliminary. GMCB staff members are working with both hospitals to finalize their submissions.

Fiscal Year 2018 Year-End Review

Summary of Results

NPR/FPP and Operating Expenses

In FY2018, hospitals experienced a 3.1% increase over FY2017 net patient revenue/fixed prospective payment (NPR/FPP) systemwide. Hospitals experienced a 5.0% increase over FY2017 operating expenses systemwide.

| | FY17 A to FY18A % change | FY18 B to FY18A % variance | 5-year CAGR |
|--------------------|-----------------------------|-------------------------------|-------------|
| NPR/FPP | 3.1% | 1.2%* | 3.8% |
| Operating Expenses | 5.0% | 2.9% | 4.0% |

Utilization

In FY2018, hospitals experienced a 1.1% increase in acute admissions and a 3.7% increase in outpatient admissions.

Operating Margin

FY2018 systemwide operating margin, a measure of NPR/FPP over Operating Expenses, decreased to 1.4%.

| Operating Margin | | | | |
|------------------|--------|--------|--------|--------|
| FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
| 3.7% | 4.6% | 3.9% | 2.7% | 1.4% |

*Considering rebased budgets, systemwide budget-to-actual variance is -0.6%.

Fiscal Year 2018 Year-End Review

| Medicare Designation | Contract with One Care VT* | Hospital | NPR/FPP Actual FY18 | % of Total |
|----------------------|----------------------------|---|---------------------|------------|
| PPS** | ✓ | Brattleboro Memorial Hospital | \$77,601,735 | 3.1% |
| PPS | ✓ | Central Vermont Medical Center | \$194,586,135 | 7.7% |
| CAH | | Copley Hospital | \$66,226,448 | 2.6% |
| CAH | | Gifford Medical Center | \$48,844,171 | 1.9% |
| CAH | | Grace Cottage Hospital | \$18,193,737 | 0.7% |
| CAH | ✓ | Mount Ascutney Hospital & Health Center | \$50,808,643 | 2.0% |
| CAH | ✓ | North Country Hospital | \$81,484,221 | 3.2% |
| CAH | | Northeastern VT Regional Hospital | \$78,445,072 | 3.1% |
| PPS | ✓ | Northwestern Medical Center | \$103,317,768 | 4.1% |
| CAH | ✓ | Porter Medical Center | \$80,346,401 | 3.2% |
| PPS | | Rutland Regional Medical Center | \$254,235,029 | 10.1% |
| PPS | ✓ | Southwestern VT Medical Center | \$161,115,765 | 6.4% |
| CAH | ✓ | Springfield Hospital | \$52,978,810 | 2.1% |
| PPS | ✓ | University of Vermont Medical Center | \$1,254,036,509 | 49.7% |
| SYSTEM | | | \$2,522,220,446 | 100% |

*Calendar Year 2018 Contract with OneCare VT.

**Brattleboro Memorial Hospital (BMH) is categorized as a PPS hospital for the purposes of this report; however, BMH is officially designated as a Medicare Dependent Hospital.

Actual-to-Actual FY17 to FY 18 % Change

NPR/FPP: Actual-to-Actual FY17 to FY18 % Change

| | Actual FY17 | Actual FY18 | Actual FY17 to Actual FY18 % Change |
|---|------------------------|------------------------|---|
| Brattleboro Memorial Hospital | \$75,062,532 | \$77,601,735 | 3.4% |
| Central Vermont Medical Center | \$195,237,530 | \$194,586,135 | -0.3% |
| Copley Hospital | \$64,983,966 | \$66,226,448 | 1.9% |
| Gifford Medical Center | \$54,307,372 | \$48,844,171 | -10.1% |
| Grace Cottage Hospital | \$17,261,208 | \$18,193,737 | 5.4% |
| Mount Ascutney Hospital and Health Center | \$48,253,025 | \$50,808,643 | 5.3% |
| North Country Hospital | \$76,686,887 | \$81,484,221 | 6.3% |
| Northeastern VT Regional Hospital | \$76,794,700 | \$78,445,072 | 2.1% |
| Northwestern Medical Center | \$101,110,424 | \$103,317,768 | 2.2% |
| Porter Medical Center | \$78,203,218 | \$80,346,401 | 2.7% |
| Rutland Regional Medical Center | \$242,193,431 | \$254,235,029 | 5.0% |
| Southwestern VT Medical Center | \$152,602,902 | \$161,115,765 | 5.6% |
| Springfield Hospital | \$51,999,349 | \$52,978,810 | 1.9% |
| University of Vermont Medical Center | \$1,211,118,975 | \$1,254,036,509 | 3.5% |
| SYSTEM | \$2,445,815,519 | \$2,522,220,444 | 3.1% |

Operating Expenses: Actual-to-Actual FY17 to FY18 % Change

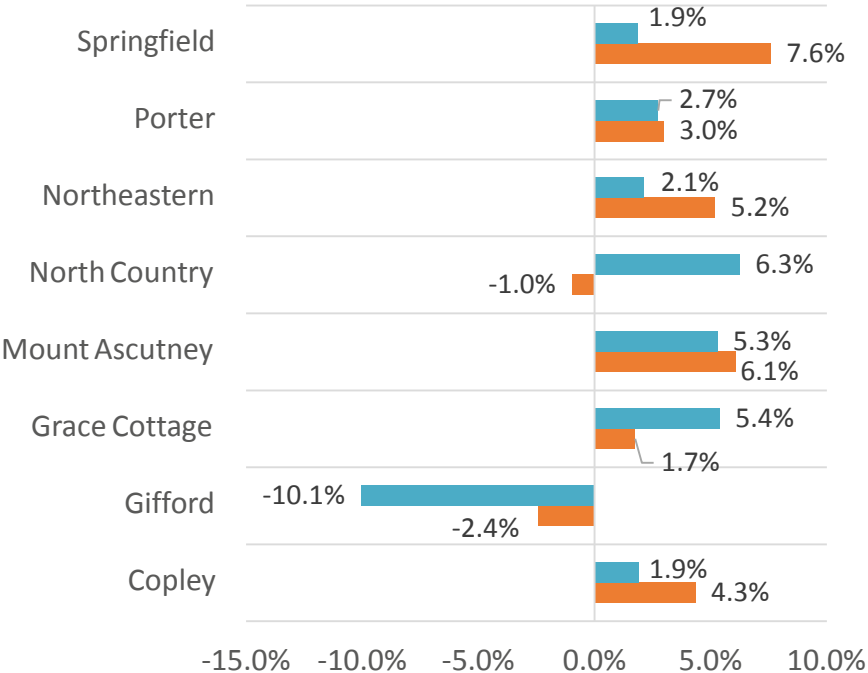
| | Actual FY17 | Actual FY18 | Actual FY17 to Actual FY18 % Change |
|---|------------------------|------------------------|---|
| Brattleboro Memorial Hospital | \$81,302,905 | \$83,705,782 | 3.0% |
| Central Vermont Medical Center | \$210,065,504 | \$216,033,931 | 2.8% |
| Copley Hospital | \$66,780,338 | \$69,683,657 | 4.3% |
| Gifford Medical Center | \$56,698,140 | \$55,321,562 | -2.4% |
| Grace Cottage Hospital | \$19,605,633 | \$19,947,999 | 1.7% |
| Mount Ascutney Hospital and Health Center | \$50,392,970 | \$53,451,291 | 6.1% |
| North Country Hospital | \$84,179,016 | \$83,367,796 | -1.0% |
| Northeastern VT Regional Hospital | \$77,395,413 | \$81,424,338 | 5.2% |
| Northwestern Medical Center | \$107,683,791 | \$113,575,304 | 5.5% |
| Porter Medical Center | \$78,874,889 | \$81,233,322 | 3.0% |
| Rutland Regional Medical Center | \$250,113,413 | \$268,120,067 | 7.2% |
| Southwestern VT Medical Center | \$151,391,369 | \$158,556,275 | 4.7% |
| Springfield Hospital | \$57,491,695 | \$61,860,030 | 7.6% |
| University of Vermont Medical Center | \$1,245,240,122 | \$1,317,389,315 | 5.8% |
| SYSTEM | \$2,537,215,198 | \$2,663,670,670 | 5.0% |

NPR/FPP and Operating Expenses: Actual-to-Actual FY17 to FY18 % Change

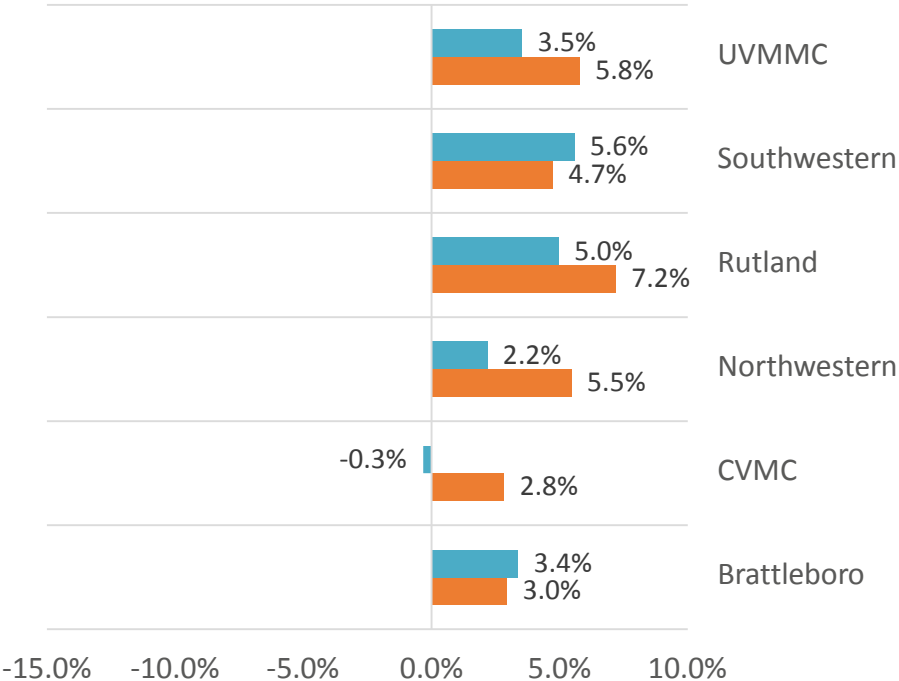
| | NPR/FPP | Operating Expenses |
|---|-------------|--------------------|
| Brattleboro Memorial Hospital | 3.4% | 3.0% |
| Central Vermont Medical Center | -0.3% | 2.8% |
| Copley Hospital | 1.9% | 4.3% |
| Gifford Medical Center | -10.1% | -2.4% |
| Grace Cottage Hospital | 5.4% | 1.7% |
| Mount Ascutney Hospital and Health Center | 5.3% | 6.1% |
| North Country Hospital | 6.3% | -1.0% |
| Northeastern VT Regional Hospital | 2.1% | 5.2% |
| Northwestern Medical Center | 2.2% | 5.5% |
| Porter Medical Center | 2.7% | 3.0% |
| Rutland Regional Medical Center | 5.0% | 7.2% |
| Southwestern VT Medical Center | 5.6% | 4.7% |
| Springfield Hospital | 1.9% | 7.6% |
| University of Vermont Medical Center | 3.5% | 5.8% |
| SYSTEM | 3.1% | 5.0% |

NPR/FPP and Operating Expenses: Actual-to-Actual FY17 to FY18 % Change

Critical Access Hospitals



Prospective Payment System Hospitals



■ NPR/FPP ■ Operating Expenses

Acute Admissions: Actual-to-Actual FY17 to FY18 % Change

| | Actual FY17 | Actual FY18 | Actual FY17 to Actual FY18 % Change |
|---|---------------|---------------|---|
| Brattleboro Memorial Hospital | 1,618 | 1,691 | 4.5% |
| Central Vermont Medical Center | 4,141 | 3,949 | -4.6% |
| Copley Hospital | 1,788 | 1,802 | 0.8% |
| Gifford Medical Center | 1,257 | 1,175 | -6.5% |
| Grace Cottage Hospital | 137 | 138 | 0.7% |
| Mount Ascutney Hospital and Health Center | 362 | 394 | 8.8% |
| North Country Hospital | - | - | - |
| Northeastern VT Regional Hospital | 1,259 | 1,425 | 13.2% |
| Northwestern Medical Center | 2,557 | 2,441 | -4.5% |
| Porter Medical Center | 1,438 | 1,433 | -0.3% |
| Rutland Regional Medical Center | 6,525 | 7,152 | 10% |
| Southwestern VT Medical Center | 3,383 | 3,419 | 1.1% |
| Springfield Hospital | 1,906 | 2,274 | 19.3% |
| University of Vermont Medical Center | 19,496 | 19,763 | 1.4% |
| SYSTEM | 45,867 | 47,056 | 2.6% |

*North Country did not submit utilization data.

Outpatient Visits: Actual-to-Actual FY17 to FY18 % Change

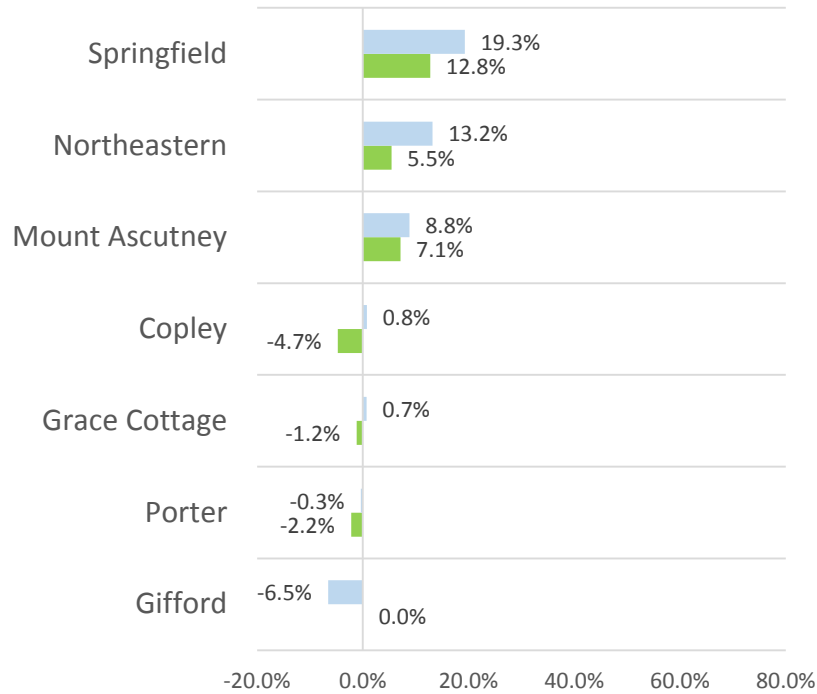
| | <u>Actual FY17</u> | <u>Actual FY18</u> | <u>Actual FY17 to Actual FY18 % Change</u> |
|---|--------------------|--------------------|--|
| Brattleboro Memorial Hospital* | 94,981 | 164,221 | 72.9% |
| Central Vermont Medical Center | 433,317 | 443,325 | 2.3% |
| Copley Hospital | 100,493 | 95,771 | -4.7% |
| Gifford Medical Center | 56,177 | 56,177 | 0.0% |
| Grace Cottage Hospital | 19,840 | 19,611 | -1.2% |
| Mount Ascutney Hospital and Health Center | 30,991 | 33,196 | 7.1% |
| North Country Hospital** | - | - | - |
| Northeastern VT Regional Hospital | 92,769 | 97,830 | 5.5% |
| Northwestern Medical Center | 209,431 | 239,105 | 14.2% |
| Porter Medical Center | 64,175 | 62,767 | -2.2% |
| Rutland Regional Medical Center | 247,908 | 253,659 | 2.3% |
| Southwestern VT Medical Center | 285,295 | 286,619 | 0.5% |
| Springfield Hospital | 76,537 | 86,315 | 12.8% |
| University of Vermont Medical Center | 1,687,789 | 1,688,216 | 0.0% |
| SYSTEM | 3,399,703 | 3,526,812 | 3.7% |

*Brattleboro Memorial Hospital FY2018 Outpatient Visits are considered preliminary.

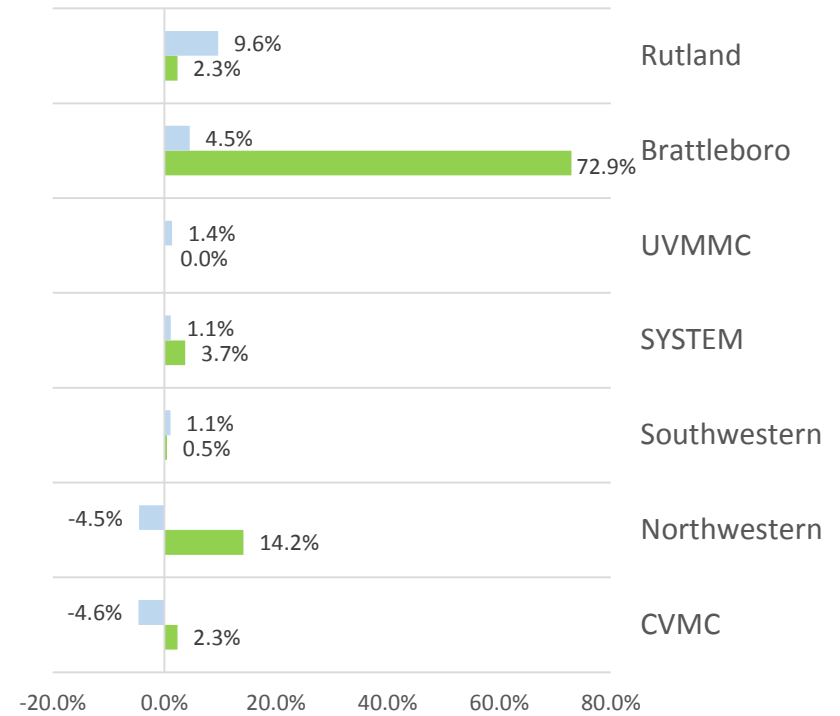
**North Country did not submit utilization data.

Acute Admissions and Outpatient Visits: Actual-to-Actual FY17 to FY18 % Change

Critical Access Hospitals



Prospective Payment Hospitals



■ Acute Admissions ■ Outpatient Visits

*Brattleboro Memorial Hospital FY2018 Outpatient Visits are considered preliminary.

**North Country did not submit utilization data.

Budget-to-Actual % Variance

Net Patient Revenue and Fixed Prospective Payments: Budget-to-Actual % Variance

Rebased Budgets

In March of 2018, the Green Mountain Care Board adjusted the FY2018 Budget NPR/FPP base for two hospitals – Porter Medical Center and the University of Vermont Medical Center (UVMCC). These “Rebased Budgets” are more closely aligned with the hospitals’ FY2017 Actual NPR/FPP results; they served as the base from which to calculate NPR/FPP growth in the two hospitals’ FY2019 budgets.

| | FY18 Approved NPR/FPP | FY18 Rebased NPR/FPP |
|--------|-----------------------|----------------------|
| Porter | \$78,348,499 | \$80,862,127 |
| UVMCC | \$1,209,654,762 | \$1,252,297,020 |

Budget-to-actual results are displayed by both original approval and rebased adjustment.

Net Patient Revenue and Fixed Prospective Payments: Budget-to-Actual % Variance

Approved Budget Results

| | Approved FY18 | Actual FY18 | Budget-to-Actual Variance FY18 |
|---|------------------------|------------------------|-----------------------------------|
| Brattleboro Memorial Hospital | \$78,879,433 | \$77,601,735 | -1.6% |
| Central Vermont Medical Center | \$198,452,560 | \$194,586,135 | -1.9% |
| Copley Hospital | \$68,024,531 | \$66,226,448 | -2.6% |
| Gifford Medical Center | \$59,514,010 | \$48,844,171 | -17.9% |
| Grace Cottage Hospital | \$18,649,074 | \$18,193,737 | -2.4% |
| Mount Ascutney Hospital and Health Center | \$48,682,309 | \$50,808,643 | 4.4% |
| North Country Hospital | \$79,074,579 | \$81,484,221 | 3.0% |
| Northeastern VT Regional Hospital | \$77,077,400 | \$78,445,072 | 1.8% |
| Northwestern Medical Center | \$106,128,223 | \$103,317,768 | -2.6% |
| Porter Medical Center* | \$78,348,499 | \$80,346,401 | 2.6% |
| Rutland Regional Medical Center | \$250,963,330 | \$254,235,029 | 1.3% |
| Southwestern VT Medical Center | \$159,497,504 | \$161,115,765 | 1.0% |
| Springfield Hospital | \$59,375,198 | \$52,978,812 | -10.8% |
| University of Vermont Medical Center* | \$1,209,654,762 | \$1,254,036,509 | 3.7% |
| SYSTEM | \$2,492,321,412 | \$2,522,220,446 | 1.2% |

*Rebased Budget Results

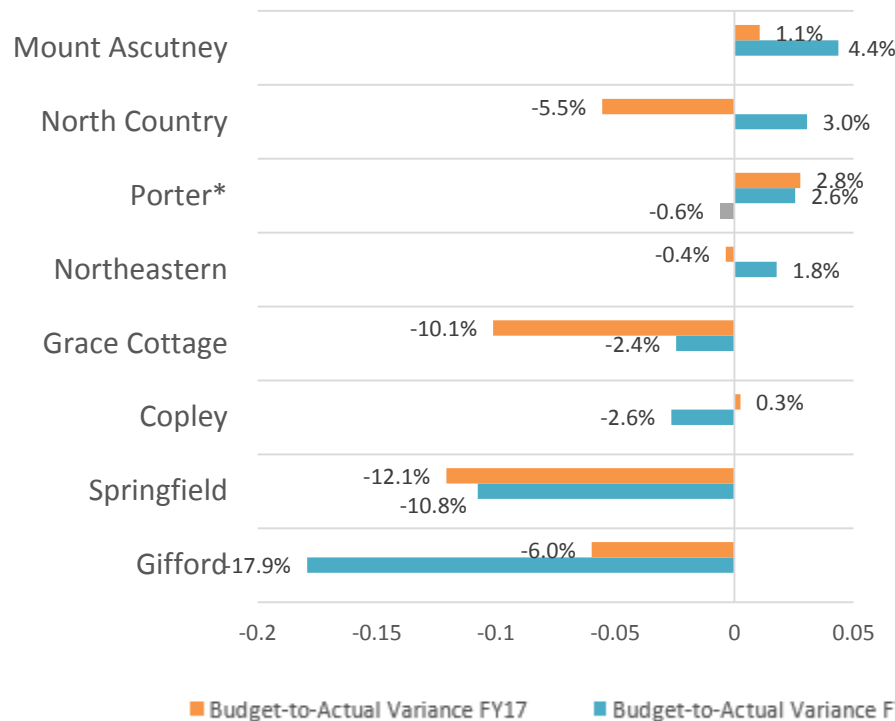
| | Rebased FY18 | Actual FY18 | Budget-to-Actual Variance FY18 |
|--------------------------------------|------------------------|------------------------|-----------------------------------|
| Porter Medical Center | \$80,862,127 | \$80,346,401 | -0.6% |
| University of Vermont Medical Center | \$1,252,297,020 | \$1,254,036,509 | 0.1% |
| SYSTEM | \$2,537,477,298 | \$2,522,220,446 | -0.6% |

System variance FY17 for NPR/FPP: 1.0%

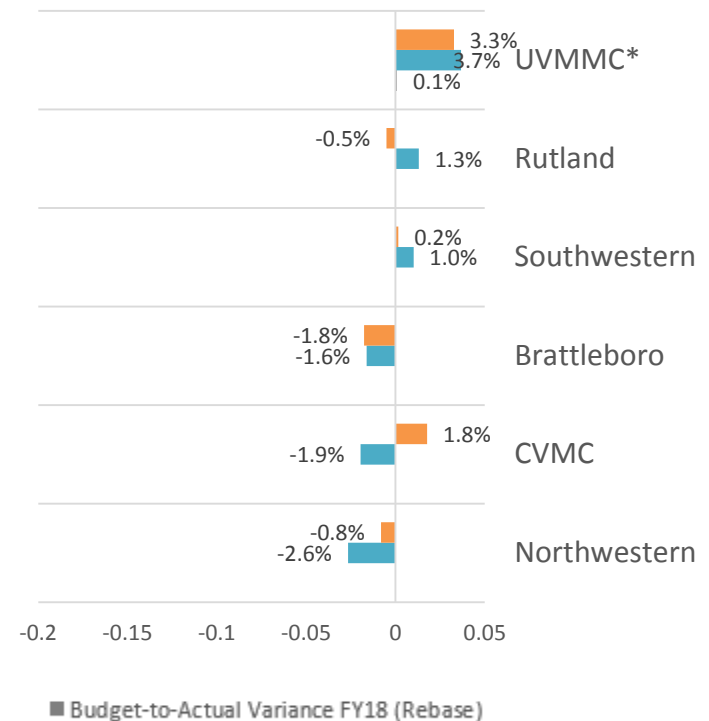
Net Patient Revenue and Fixed Prospective Payments: Budget-to-Actual % Variance

Multi-year look: FY2017 B:A variance and FY2018 B:A variance

Critical Access Hospitals



Prospective Payment Hospitals



*Porter and UVMHC variance displayed as original approval and rebase adjustment.

Operating Expenses: Budget-to-Actual % Variance

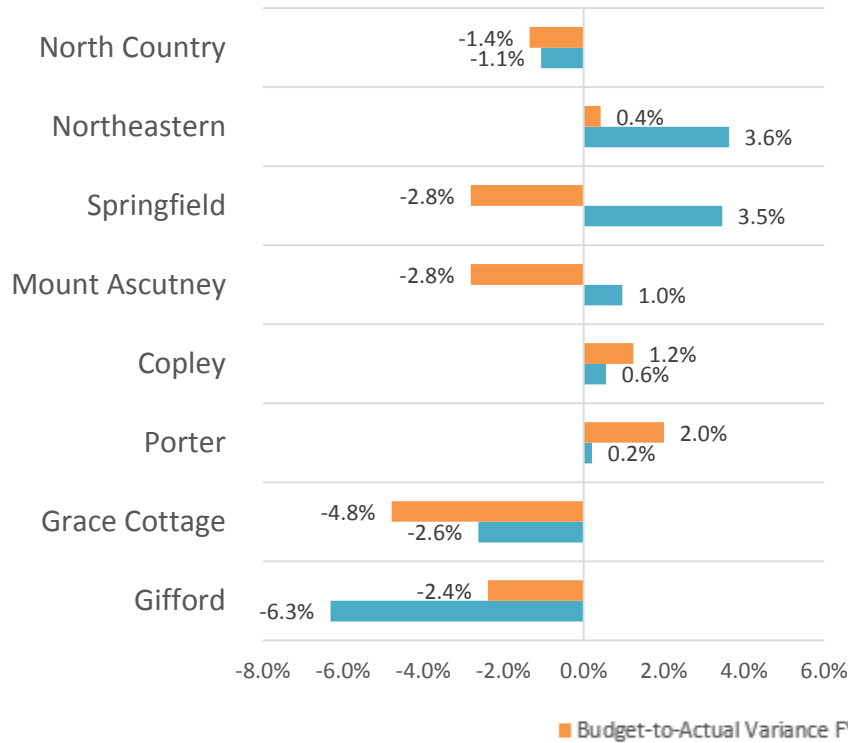
| | Budget FY18 | Actual FY18 | Budget-to-Actual Variance FY18 |
|---|------------------------|------------------------|-----------------------------------|
| Brattleboro Memorial Hospital | \$83,398,416 | \$83,705,782 | 0.4% |
| Central Vermont Medical Center | \$208,298,707 | \$216,033,931 | 3.7% |
| Copley Hospital | \$69,296,653 | \$69,683,657 | 0.6% |
| Gifford Medical Center | \$59,053,344 | \$55,321,562 | -6.3% |
| Grace Cottage Hospital | \$20,486,232 | \$19,947,999 | -2.6% |
| Mount Ascutney Hospital and Health Center | \$52,939,112 | \$53,451,291 | 1.0% |
| North Country Hospital | \$84,265,462 | \$83,367,796 | -1.1% |
| Northeastern VT Regional Hospital | \$78,579,100 | \$81,424,338 | 3.6% |
| Northwestern Medical Center | \$111,157,876 | \$113,575,304 | 2.2% |
| Porter Medical Center | \$81,062,878 | \$81,233,322 | 0.2% |
| Rutland Regional Medical Center | \$257,549,323 | \$268,120,067 | 4.1% |
| Southwestern VT Medical Center | \$157,132,913 | \$158,556,275 | 0.9% |
| Springfield Hospital | \$59,796,044 | \$61,860,030 | 3.5% |
| University of Vermont Medical Center | \$1,265,182,817 | \$1,317,389,315 | 4.1% |
| SYSTEM | \$2,588,198,877 | \$2,663,670,670 | 2.9% |

System variance FY17 for Operating Expenses: 1.7%

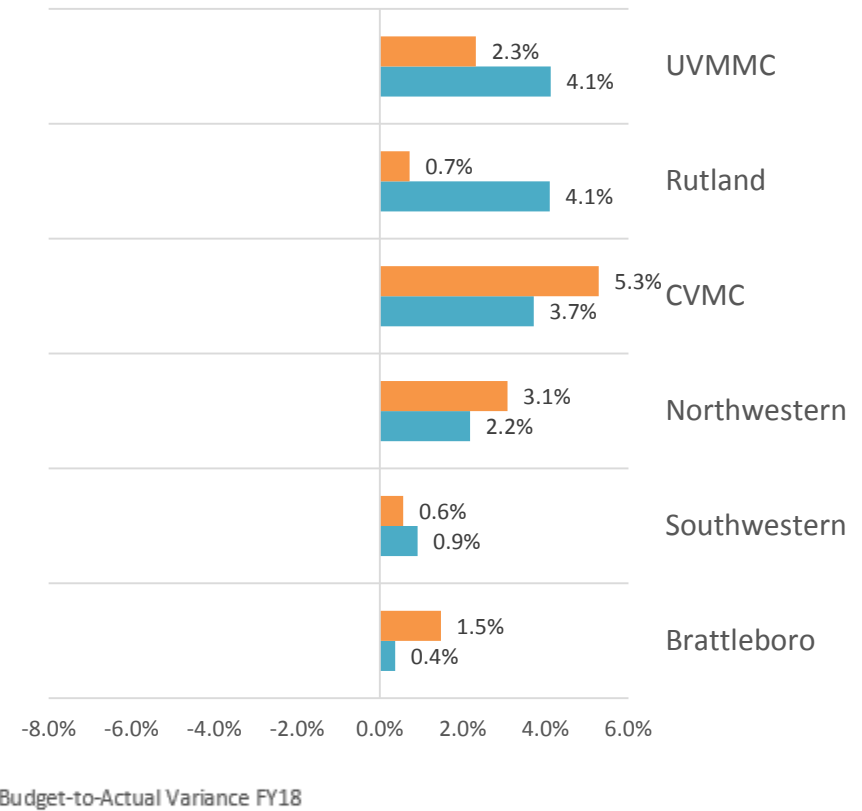
Operating Expenses: Budget-to-Actual % Variance

Multi-year look: FY2017 B:A variance and FY2018 B:A variance

Critical Access Hospitals



Prospective Payment Hospitals



NPR/FPP and Operating Expenses: Budget-to-Actual % Variance

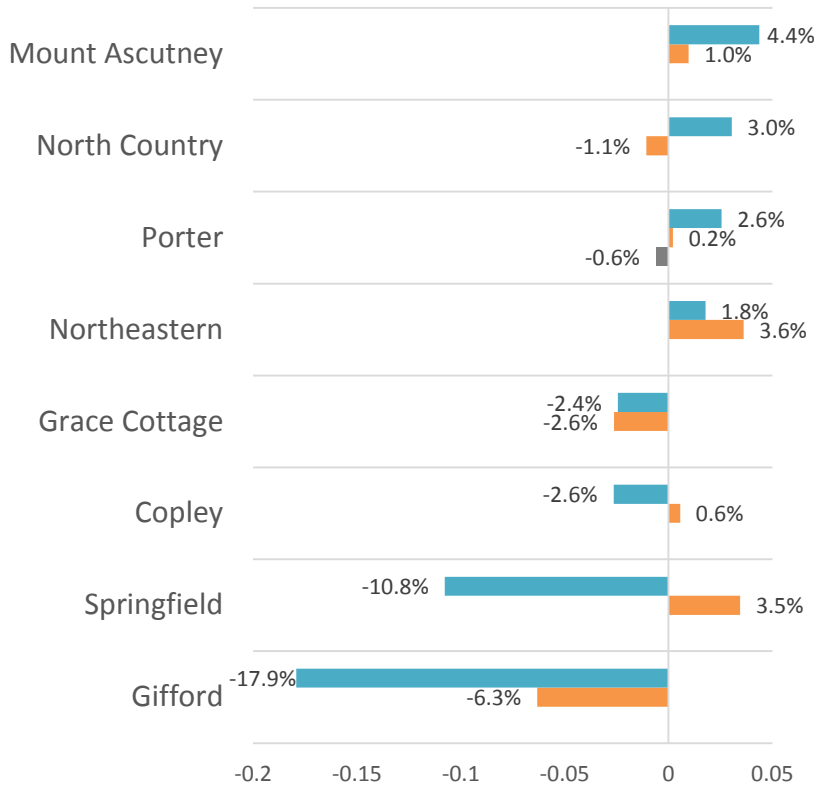
| | NPR/FPP | Operating Expenses |
|----------------|-------------|--------------------|
| Brattleboro | -1.6% | 0.4% |
| CVMC | -1.9% | 3.7% |
| Copley | -2.6% | 0.6% |
| Gifford | -17.9% | -6.3% |
| Grace Cottage | -2.4% | -2.6% |
| Mount Ascutney | 4.4% | 1.0% |
| North Country | 3.0% | -1.1% |
| Northeastern | 1.8% | 3.6% |
| Northwestern | -2.6% | 2.2% |
| Porter* | 2.6% | 0.2% |
| Rutland | 1.3% | 4.1% |
| Southwestern | 1.0% | 0.9% |
| Springfield | -10.8% | 3.5% |
| UVMC* | 3.7% | 4.1% |
| SYSTEM | 1.2% | 2.9% |

*Rebased Budget Results

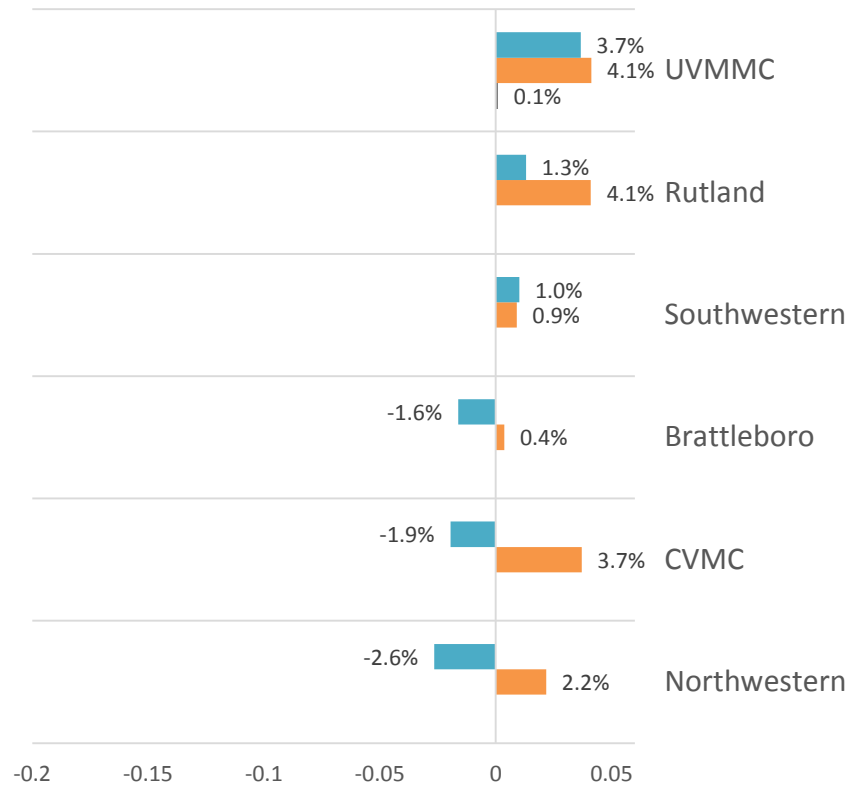
| | NPR/FPP | Operating Expenses |
|---------------|--------------|--------------------|
| Porter | -0.6% | NA |
| UVMC | 0.1% | NA |
| SYSTEM | -0.6% | NA |

NPR/FPP and Operating Expenses: Budget-to-Actual % Variance

Critical Access Hospitals



Prospective Payment Hospitals



■ NPR/FPP ■ Operating Expenses ■ NPR/FPP (Rebase)

Acute Admissions: Budget-to-Actual % Variance

| | Budget FY18 | Actual FY18 | Budget-to-Actual Variance FY18 |
|---|--------------------|--------------------|---|
| Brattleboro Memorial Hospital | 1,687 | 1,691 | 0.2% |
| Central Vermont Medical Center | 4,154 | 3,949 | -4.9% |
| Copley Hospital | 1,841 | 1,802 | -2.1% |
| Gifford Medical Center | 1,328 | 1,175 | -11.5% |
| Grace Cottage Hospital | 120 | 138 | 15.0% |
| Mount Ascutney Hospital and Health Center | 365 | 394 | 7.9% |
| North Country Hospital | - | - | - |
| Northeastern VT Regional Hospital | 1,340 | 1,425 | 6.3% |
| Northwestern Medical Center | 2,603 | 2,441 | -6.2% |
| Porter Medical Center | 1,529 | 1,433 | -6.3% |
| Rutland Regional Medical Center | 6,279 | 7,152 | 13.9% |
| Southwestern VT Medical Center | 3,398 | 3,419 | 0.6% |
| Springfield Hospital | 1,968 | 2,274 | 15.5% |
| University of Vermont Medical Center | 19,378 | 19,763 | 2.0% |
| SYSTEM | 45,990 | 47,056 | 2.3% |

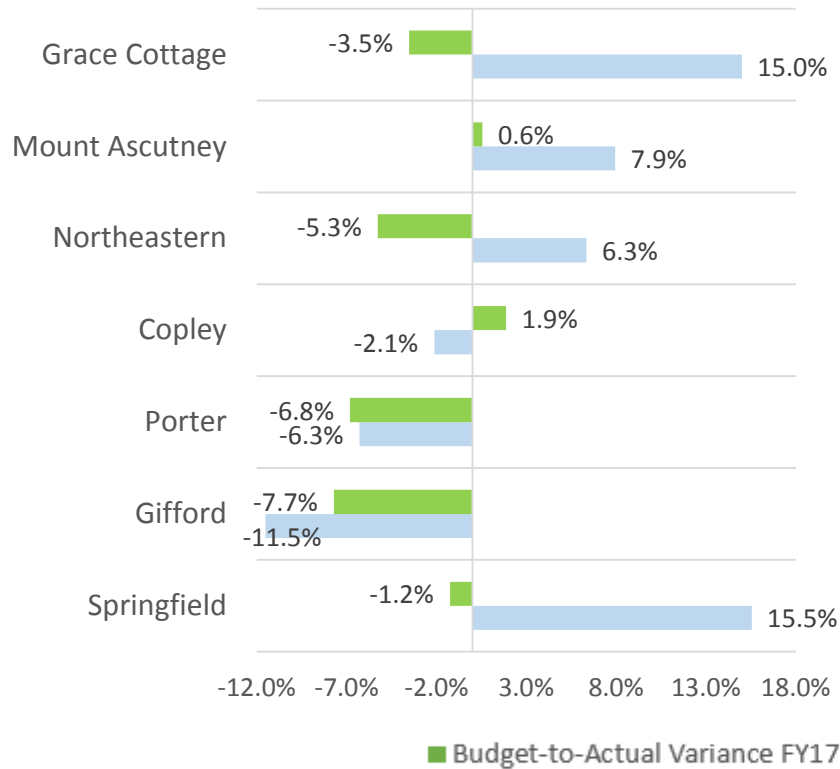
System variance FY17 for Acute Admissions: 1.7%

*North Country did not submit utilization data.

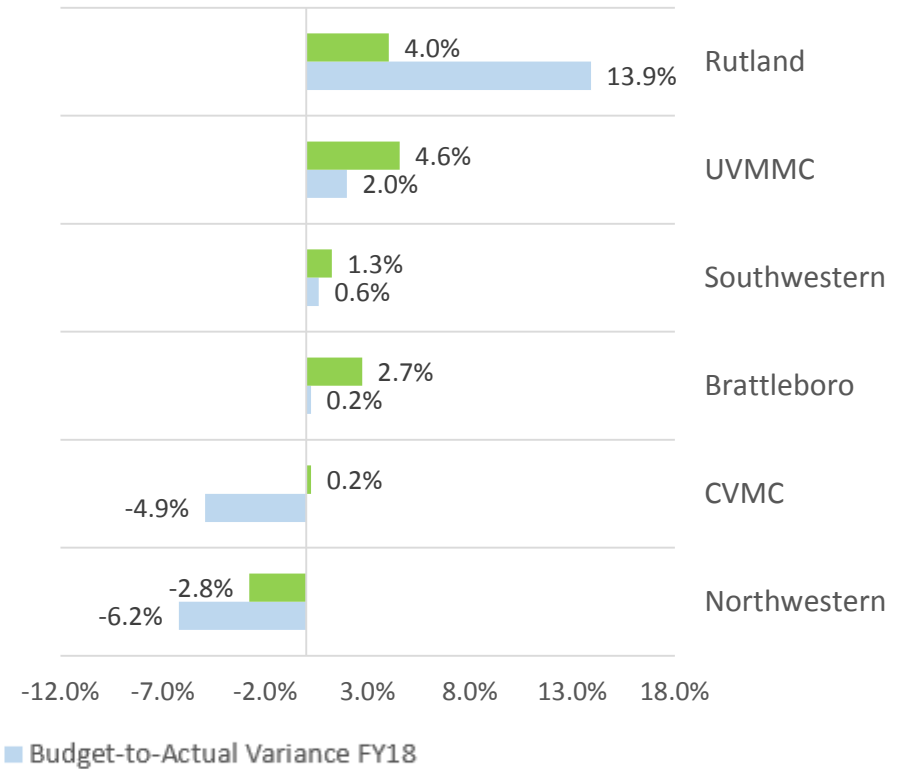
Acute Admissions: Budget-to-Actual % Variance

Multi-year look: FY2017 B:A variance and FY2018 B:A variance

Critical Access Hospitals



Prospective Payment Hospitals



*North Country did not submit utilization data.

Outpatient Visits: Budget-to-Actual % Variance

| | Budget FY18 | Actual FY18 | Budget-to-Actual Variance FY18 |
|---|--------------------|--------------------|---|
| Brattleboro Memorial Hospital* | 102,518 | 164,221 | 60.2% |
| Central Vermont Medical Center | 453,492 | 443,325 | -2.2% |
| Copley Hospital | 101,073 | 95,771 | -5.2% |
| Gifford Medical Center | 56,177 | 56,177 | 0.0% |
| Grace Cottage Hospital | 20,368 | 19,611 | -3.7% |
| Mount Ascutney Hospital and Health Center | 21,845 | 33,196 | 52.0% |
| North Country Hospital** | - | - | - |
| Northeastern VT Regional Hospital | 93,830 | 97,830 | 4.3% |
| Northwestern Medical Center | 220,447 | 239,105 | 8.5% |
| Porter Medical Center | 64,016 | 62,767 | -2.0% |
| Rutland Regional Medical Center | 241,389 | 253,659 | 5.1% |
| Southwestern VT Medical Center | 285,514 | 286,619 | 0.4% |
| Springfield Hospital | 84,000 | 86,315 | 2.8% |
| University of Vermont Medical Center | 1,749,462 | 1,688,216 | -3.5% |
| SYSTEM | 3,494,131 | 3,526,812 | 0.9% |

System variance FY17 for Outpatient Visits: -0.8%

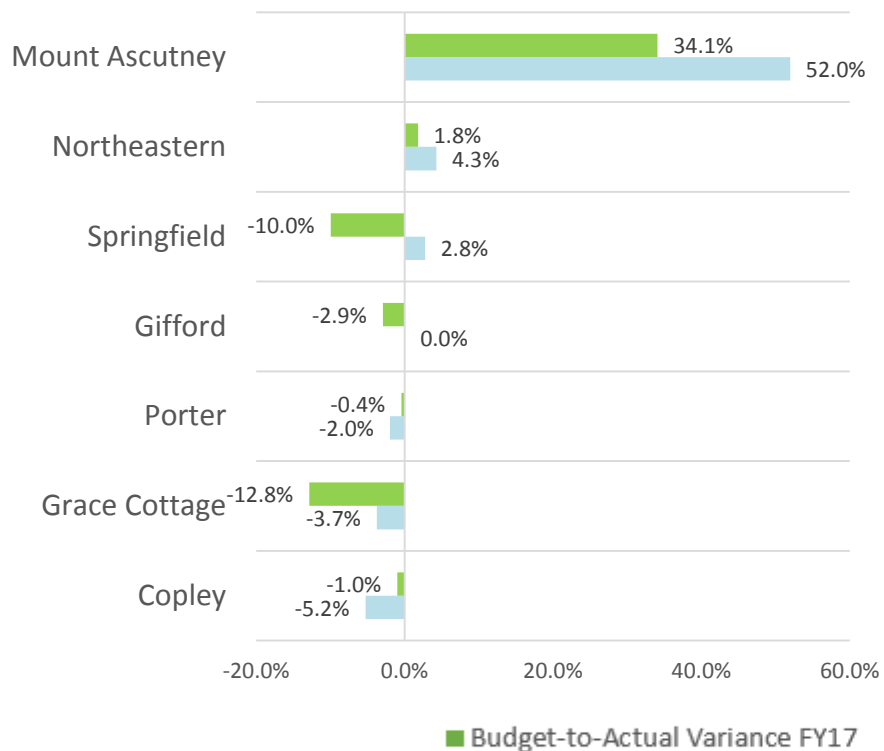
*Brattleboro Memorial Hospital's Outpatient Visits number is preliminary.

**North Country did not submit utilization data.

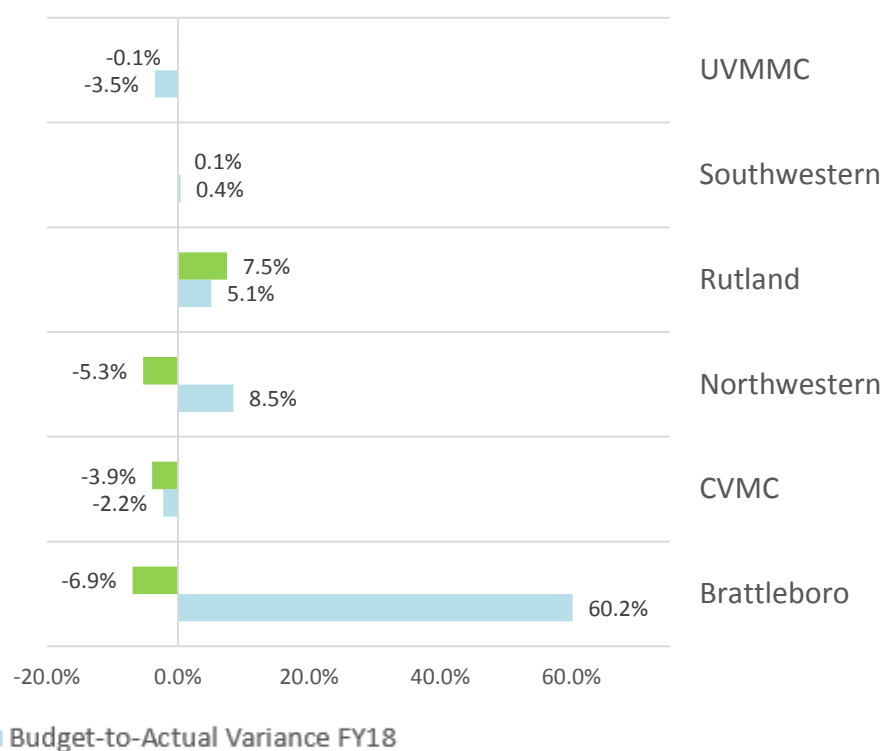
Outpatient Visits: Budget-to-Actual % Variance

Multi-year look: FY2017 B:A variance and FY2018 B:A variance

Critical Access Hospitals



Prospective Payment Hospitals



*North Country did not submit utilization data.

Key Financial Indicators Year-End

Key Financial Indicators: FY2018 Year-End (as of September 30, 2017 and 2018)

| | Days Cash on Hand | | | Operating Margin | | | Total Margin | | |
|----------------|-------------------|------|-----|------------------|--------|-------|--------------|--------|-------|
| | FY17 | FY18 | △ | FY17 | FY18 | △ | FY17 | FY18 | △ |
| Brattleboro | 195 | 196 | 1 | -3.1% | -2.4% | 0.7% | 0.9% | 1.1% | 0.1% |
| CVMC | 116 | 110 | -6 | -0.9% | -3.8% | -2.9% | 6.7% | 0.9% | -5.8% |
| Copley | 84 | 64 | -20 | -0.6% | -3.3% | -2.7% | 3.9% | -2.4% | -6.3% |
| Gifford | 209 | 224 | 15 | -1.6% | -10.7% | -9.2% | 0.3% | -6.2% | -6.4% |
| Grace Cottage | 86 | 92 | 6 | -6.9% | -2.9% | 4.1% | 1.3% | 3.7% | 2.4% |
| Mount Ascutney | 177 | 188 | 11 | 2.7% | 1.9% | -0.8% | 10.5% | 5.3% | -5.2% |
| North Country | 185 | 196 | 11 | -2.3% | -2.3% | 0.0% | 2.3% | 1.2% | -1.1% |
| Northeastern | 124 | 120 | -4 | 1.9% | 1.7% | -0.1% | 0.6% | 2.3% | 1.6% |
| Northwestern | 331 | 300 | -32 | -1.2% | -3.4% | -2.2% | 6.8% | 0.5% | -6.3% |
| Porter | 119 | 127 | 8 | 2.7% | 1.8% | -0.9% | 7.1% | 6.1% | -1.0% |
| Rutland | 216 | 209 | -7 | 1.6% | 0.5% | -1.2% | 7.5% | 4.2% | -3.3% |
| Southwestern* | 44 | 38 | -6 | 3.7% | 4.6% | 0.9% | 4.9% | 5.8% | 0.9% |
| Springfield | 101 | 47 | -55 | -7.1% | -12.8% | -5.7% | -3.2% | -12.0% | -8.8% |
| UVMC | 229 | 202 | -27 | 5.2% | 3.4% | -1.8% | 6.7% | 5.1% | -1.6% |

↑ increasing values are favorable; ↓ decreasing values are favorable

*Southwestern's Days Cash on Hand does not consider the hospital's parent company. As of September 30, 2018, Days Cash on Hand for the parent company was 165.2.

Key Financial Indicators (continued): FY2018 Year-End (as of September 30, 2017 and 2018)

| | Days Payable ↓ | | | Days Receivable ↓ | | | Debt Service Coverage Ratio ↑ | | |
|----------------|-------------------|------|----|----------------------|------|-----|----------------------------------|------|------|
| | FY17 | FY18 | △ | FY17 | FY18 | △ | FY17 | FY18 | △ |
| Brattleboro | 80 | 72 | -9 | 46 | 35 | -11 | 1.4 | 2.0 | 0.6 |
| CVMC | 69 | 77 | 8 | 49 | 45 | -4 | 2.2 | 0.4 | -1.8 |
| Copley | 46 | 36 | -9 | 28 | 29 | 1 | 7.3 | 1.6 | -5.7 |
| Gifford | 54 | 55 | 1 | 47 | 33 | -14 | 2.2 | -1.3 | -3.5 |
| Grace Cottage | 90 | 91 | 1 | 42 | 41 | -1 | -1.1 | 0.3 | 1.5 |
| Mount Ascutney | 59 | 72 | 14 | 43 | 42 | -1 | 9.1 | 8.0 | -1.2 |
| North Country | 58 | - | - | 33 | 53 | 20 | 2.0 | 3.4 | 1.4 |
| Northeastern | 64.8 | 65.5 | 1 | 37.7 | 38.1 | 0 | 4.6 | 4.8 | 0.1 |
| Northwestern | 41 | 45 | 4 | 38 | 37 | -1 | 2.5 | 0.9 | -1.6 |
| Porter | 58 | 64 | 6 | 50 | 62 | 12 | 4.8 | 5.2 | 0.4 |
| Rutland | 50 | 49 | -1 | 39 | 37 | -2 | 5.5 | 4.5 | -1.0 |
| Southwestern | 63 | 54 | -9 | 33 | 34 | 1 | 12.5 | 15.1 | 2.6 |
| Springfield | 100 | 142 | 41 | 69 | 57 | -12 | -1.4 | -0.4 | 1.0 |
| UVMC | 55 | 63 | 8 | 45 | 46 | 1 | 4.2 | 3.4 | -0.8 |

↑ increasing values are favorable; ↓ decreasing values are favorable

5-Year Results

Net Patient Revenue and Fixed Prospective Payments: 5-Year Results

| | Actuals FY2014 | Actuals FY2015 | Actuals FY2016 | Actuals FY2017 | Actuals FY2018 | 5-year CAGR |
|---------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|------------------------|
| Brattleboro | \$71,512,773 | \$75,742,920 | \$73,164,810 | \$75,062,532 | \$77,601,735 | 2.1% |
| CVMC | \$161,353,760 | \$173,990,659 | \$191,539,946 | \$195,237,530 | \$194,586,135 | 4.8% |
| Copley | \$59,947,666 | \$63,464,436 | \$62,804,324 | \$64,983,966 | \$66,226,448 | 2.5% |
| Gifford | \$58,282,092 | \$53,896,728 | \$54,787,886 | \$54,307,372 | \$48,844,171 | -4.3% |
| Grace Cottage | \$15,543,287 | \$16,038,766 | \$17,241,709 | \$17,261,208 | \$18,193,737 | 4.0% |
| Mount Ascutney | \$45,789,349 | \$45,514,515 | \$46,402,275 | \$48,253,025 | \$50,808,643 | 2.6% |
| North Country | \$71,631,396 | \$73,297,094 | \$77,791,582 | \$76,686,887 | \$81,484,221 | 3.3% |
| Northeastern | \$61,868,757 | \$65,548,594 | \$71,586,551 | \$76,794,700 | \$78,445,072 | 6.1% |
| Northwestern | \$91,165,412 | \$97,798,763 | \$99,895,760 | \$101,110,424 | \$103,317,768 | 3.2% |
| Porter | \$66,716,573 | \$70,596,270 | \$75,061,496 | \$78,203,218 | \$80,346,401 | 4.8% |
| Rutland | \$220,829,447 | \$228,328,637 | \$245,822,952 | \$242,193,431 | \$254,235,029 | 3.6% |
| Southwestern | \$139,410,223 | \$142,769,168 | \$151,922,754 | \$152,602,902 | \$161,115,765 | 3.7% |
| Springfield | \$49,727,116 | \$55,926,090 | \$53,638,120 | \$51,999,349 | \$52,978,812 | 1.6% |
| UVMC | \$1,055,675,894 | \$1,115,357,666 | \$1,156,546,653 | \$1,211,118,975 | \$1,254,036,509 | 4.4% |
| SYSTEM TOTAL | \$2,169,453,746 | \$2,278,270,306 | \$2,378,206,818 | \$2,445,815,519 | \$2,522,220,446 | 3.8% |

Net Patient Revenue and Fixed Prospective Payments: 5-Year Results

Results from previous slide expressed as year-to-year % change

| | Actuals FY2015 | Actuals FY2016 | Actuals FY2017 | Actuals FY2018 |
|---------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Brattleboro | 5.9% | -3.4% | 2.6% | 3.4% |
| CVMC | 7.8% | 10.1% | 1.9% | -0.3% |
| Copley | 5.9% | -1.0% | 3.5% | 1.9% |
| Gifford | -7.5% | 1.7% | -0.9% | -10.1% |
| Grace Cottage | 3.2% | 7.5% | 0.1% | 5.4% |
| Mount Ascutney | -0.6% | 2.0% | 4.0% | 5.3% |
| North Country | 2.3% | 6.1% | -1.4% | 6.3% |
| Northeastern | 5.9% | 9.2% | 7.3% | 2.1% |
| Northwestern | 7.3% | 2.1% | 1.2% | 2.2% |
| Porter | 5.8% | 6.3% | 4.2% | 2.7% |
| Rutland | 3.4% | 7.7% | -1.5% | 5.0% |
| Southwestern | 2.4% | 6.4% | 0.4% | 5.6% |
| Springfield | 12.5% | -4.1% | -3.1% | 1.9% |
| UVMCMC | 5.7% | 3.7% | 4.7% | 3.5% |
| SYSTEM TOTAL | 5.0% | 4.4% | 2.8% | 3.1% |

Operating Expenses: 5-Year Results

| | Actuals FY2014 | Actuals FY2015 | Actuals FY2016 | Actuals FY2017 | Actuals FY2018 | 5-year CAGR |
|---------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|------------------------|
| Brattleboro | \$72,612,206 | \$76,473,143 | \$76,037,368 | \$81,302,905 | \$83,705,782 | 3.6% |
| CVMC | \$167,297,972 | \$180,875,428 | \$201,969,871 | \$210,065,504 | \$216,033,931 | 6.6% |
| Copley | \$57,514,548 | \$60,870,560 | \$64,312,384 | \$66,780,338 | \$69,683,657 | 4.9% |
| Gifford | \$59,709,720 | \$55,368,184 | \$54,812,282 | \$56,698,140 | \$55,321,562 | -1.9% |
| Grace Cottage | \$17,479,354 | \$18,614,414 | \$19,560,402 | \$19,605,633 | \$19,947,999 | 3.4% |
| Mount Ascutney | \$49,184,582 | \$49,097,805 | \$49,577,507 | \$50,392,970 | \$53,451,291 | 2.1% |
| North Country | \$75,707,661 | \$77,634,509 | \$83,824,785 | \$84,179,016 | \$83,367,796 | 2.4% |
| Northeastern | \$65,007,033 | \$65,373,391 | \$71,826,326 | \$77,395,413 | \$81,424,338 | 5.8% |
| Northwestern | \$87,861,917 | \$93,499,518 | \$102,319,706 | \$107,683,791 | \$113,575,304 | 6.6% |
| Porter | \$71,703,894 | \$75,017,499 | \$75,577,275 | \$78,874,889 | \$81,233,322 | 3.2% |
| Rutland | \$219,326,202 | \$233,196,542 | \$243,642,860 | \$250,113,413 | \$268,120,067 | 5.2% |
| Southwestern | \$137,481,421 | \$140,305,386 | \$149,354,747 | \$151,391,369 | \$158,556,275 | 3.6% |
| Springfield | \$55,453,904 | \$55,629,486 | \$55,187,774 | \$57,491,695 | \$61,860,030 | 2.8% |
| UVMC | \$1,072,296,197 | \$1,127,327,647 | \$1,171,802,207 | \$1,245,240,122 | \$1,317,389,315 | 5.3% |
| SYSTEM TOTAL | \$2,208,636,610 | \$2,309,283,512 | \$2,419,805,495 | \$2,537,215,198 | \$2,580,302,873 | 4.0% |

Operating Expenses: 5-Year Results

Results from previous slide expressed as year-to-year % change

| | Actuals FY2015 | Actuals FY2016 | Actuals FY2017 | Actuals FY2018 |
|---------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Brattleboro | 5.3% | -0.6% | 6.9% | 3.0% |
| CVMC | 8.1% | 11.7% | 4.0% | 2.8% |
| Copley | 5.8% | 5.7% | 3.8% | 4.3% |
| Gifford | -7.3% | -1.0% | 3.4% | -2.4% |
| Grace Cottage | 6.5% | 5.1% | 0.2% | 1.7% |
| Mount Ascutney | -0.2% | 1.0% | 1.6% | 6.1% |
| North Country | 2.5% | 8.0% | 0.4% | -1.0% |
| Northeastern | 0.6% | 9.9% | 7.8% | 5.2% |
| Northwestern | 6.4% | 9.4% | 5.2% | 5.5% |
| Porter | 4.6% | 0.7% | 4.4% | 3.0% |
| Rutland | 6.3% | 4.5% | 2.7% | 7.2% |
| Southwestern | 2.1% | 6.4% | 1.4% | 4.7% |
| Springfield | 0.3% | -0.8% | 4.2% | 7.6% |
| UVMCC | 5.1% | 3.9% | 6.3% | 5.8% |
| SYSTEM TOTAL | 4.6% | 4.8% | 4.9% | 1.7% |

Operating Margin: 5-Year Results (\$)

| | Actuals FY2014 | Actuals FY2015 | Actuals FY2016 | Actuals FY2017 | Actuals FY2018 |
|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
| Brattleboro | \$2,697,579 | \$2,195,878 | -\$437,372 | -\$2,437,207 | -\$1,924,959 |
| CVMC | \$4,874,460 | \$5,326,172 | \$2,049,956 | -\$1,902,075 | -\$7,868,458 |
| Copley | \$4,237,981 | \$4,002,957 | -\$84,921 | -\$377,946 | -\$2,222,433 |
| Gifford | \$2,185,205 | \$1,565,435 | \$2,209,679 | -\$874,293 | -\$5,369,446 |
| Grace Cottage | -\$1,135,805 | -\$1,655,590 | -\$1,447,624 | -\$1,270,782 | -\$556,530 |
| Mount Ascutney | -\$463,805 | -\$1,173,573 | \$141,292 | \$1,390,379 | \$1,052,255 |
| North Country | \$2,283,020 | \$2,844,141 | \$141,751 | -\$1,871,960 | \$5,137,841 |
| Northeastern | -\$605,842 | \$1,467,745 | \$1,487,940 | \$1,477,373 | \$1,430,264 |
| Northwestern | \$7,570,123 | \$10,064,415 | \$3,655,142 | -\$1,259,824 | -\$3,729,620 |
| Porter | -\$2,155,096 | -\$1,748,578 | \$1,450,905 | \$2,196,330 | \$1,492,207 |
| Rutland | \$11,429,391 | \$4,408,033 | \$10,778,375 | \$4,163,384 | \$1,297,252 |
| Southwestern | \$6,106,207 | \$5,207,193 | \$5,298,810 | \$5,775,890 | \$7,618,119 |
| Springfield | -\$3,783,385 | \$2,264,152 | \$181,122 | -\$3,835,857 | -\$6,996,078 |
| UVMC | \$51,743,789 | \$75,599,510 | \$74,050,147 | \$68,580,794 | \$46,127,444 |
| SYSTEM TOTAL | \$84,983,822 | \$110,367,890 | \$99,475,201 | \$69,754,205 | \$35,487,857 |

Operating Margin: 5-Year Results (%)

| | Actuals FY2014 | Actuals FY2015 | Actuals FY2016 | Actuals FY2017 | Actuals FY2018 |
|---------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Brattleboro | 3.6% | 2.8% | -0.6% | -3.1% | -2.4% |
| CVMC | 2.8% | 2.9% | 1.0% | -0.9% | -3.8% |
| Copley | 6.9% | 6.2% | -0.1% | -0.6% | -3.3% |
| Gifford | 3.5% | 2.7% | 3.9% | -1.6% | -10.7% |
| Grace Cottage | -6.9% | -9.8% | -8.0% | -6.9% | -2.9% |
| Mount Ascutney | -1.0% | -2.4% | 0.3% | 2.7% | 1.9% |
| North Country | 2.9% | 3.5% | 0.2% | -2.3% | - |
| Northeastern | -0.9% | 2.2% | 2.0% | 1.9% | 1.7% |
| Northwestern | 7.9% | 9.7% | 3.4% | -1.2% | -3.4% |
| Porter | -3.1% | -2.4% | 1.9% | 2.7% | 1.8% |
| Rutland | 5.0% | 1.9% | 4.2% | 1.6% | 0.5% |
| Southwestern | 4.3% | 3.6% | 3.4% | 3.7% | 4.6% |
| Springfield | -7.3% | 3.9% | 0.3% | -7.1% | -12.8% |
| UVMC | 4.6% | 6.3% | 5.9% | 5.2% | 3.4% |
| SYSTEM TOTAL | 3.7% | 4.6% | 3.9% | 2.7% | 1.4% |

Acute Admissions: 5-Year Results

| | Actuals FY2014 | Actuals FY2015 | Actuals FY2016 | Actuals FY2017 | Actuals FY2018 | 5-year CAGR |
|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------|
| Brattleboro | 1,555 | 1,569 | 1,611 | 1,618 | 1,691 | 2.1% |
| CVMC | 3,495 | 3,877 | 4,220 | 4,141 | 3,949 | 3.1% |
| Copley | 1,523 | 1,724 | 1,738 | 1,788 | 1,802 | 4.3% |
| Gifford | 1,178 | 1,318 | 1,303 | 1,257 | 1,175 | -0.1% |
| Grace Cottage | 179 | 130 | 131 | 137 | 138 | -6.3% |
| Mount Ascutney | 350 | 398 | 358 | 362 | 394 | 3.0% |
| North Country* | 1,370 | 1,420 | 1,394 | 1,368 | - | - |
| Northeastern | 1,199 | 1,233 | 1,367 | 1,259 | 1,425 | 4.4% |
| Northwestern | 2,386 | 2,468 | 2,581 | 2,557 | 2,441 | 0.6% |
| Porter | 1,580 | 1,536 | 1,454 | 1,438 | 1,433 | -2.4% |
| Rutland | 5,897 | 5,941 | 6,495 | 6,525 | 7,152 | 4.9% |
| Southwestern | 3,544 | 3,411 | 3,387 | 3,383 | 3,419 | -0.9% |
| Springfield | 1,933 | 1,994 | 1,894 | 1,906 | 1,606 | -4.5% |
| UVMCC | 17,820 | 18,395 | 19,299 | 19,496 | 19,763 | 2.6% |
| SYSTEM TOTAL | 44,009 | 45,414 | 47,232 | 47,235 | 47,056 | 1.7% |

*North Country did not submit FY2018 utilization data.

Outpatient Visits: 5-Year Results***

| | Actuals FY2014 | Actuals FY2015 | Actuals FY2016 | Actuals FY2017 | Actuals FY2018 | 5-year CAGR |
|---------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|------------------------|
| Brattleboro* | 86,658 | 88,722 | - | 94,981 | 164,221 | - |
| CVMC | 379,040 | 395,021 | 424,134 | 433,317 | 443,325 | 4.0% |
| Copley | 101,521 | 99,183 | 104,785 | 100,493 | 95,771 | -1.4% |
| Gifford | 52,592 | 54,541 | 56,177 | 56,177 | 56,177 | 1.7% |
| Grace Cottage | 21,653 | 19,070 | 20,822 | 19,840 | 19,611 | -2.4% |
| Mount Ascutney | 80,503 | 29,864 | 29,262 | 30,991 | 33,196 | -19.9% |
| North Country** | 69,862 | 69,362 | 67,973 | 65,830 | - | - |
| Northeastern | 82,905 | 88,627 | 91,192 | 92,769 | 97,830 | 4.2% |
| Northwestern | 76,342 | 83,113 | 187,904 | 209,431 | 239,105 | 33.0% |
| Porter | 67,784 | 61,274 | 63,660 | 64,175 | 62,767 | -1.9% |
| Rutland | 225,383 | 233,187 | 244,330 | 247,908 | 253,659 | 3.0% |
| Southwestern | 238,802 | 268,563 | 287,393 | 285,295 | 286,619 | 4.7% |
| Springfield | 76,247 | 80,139 | 80,661 | 76,537 | 86,315 | 3.1% |
| UVMHC | 1,629,813 | 1,702,223 | 1,653,967 | 1,687,789 | 1,688,216 | 0.9% |
| SYSTEM TOTAL | 3,189,105 | 3,272,889 | 3,312,260 | 3,339,561 | 3,243,080 | 0.4% |

*Brattleboro Memorial Hospital's FY2016 unavailable, FY2018 is preliminary.

**North Country did not submit FY2018 utilization data.

***Outpatient results are skewed due to how hospitals have historically recorded outpatient visits.

Glossary

Critical Access Hospital: designation given to eligible rural hospitals by the Centers for Medicare and Medicaid Services. CAH designation aims to reduce the financial vulnerability of rural hospitals and improve access to healthcare by keeping essential services in rural areas. To accomplish this goal, CAHs receive certain benefits, such as cost-based reimbursement for Medicare services.

Prospective Payment System: A Prospective Payment System (PPS) is a method of reimbursement in which Medicare payment is made based on a predetermined, fixed amount. The payment amount for a particular service is derived based on the classification system of that service (for example, diagnosis-related groups for inpatient hospital services).

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

Fixed Prospective Payment (FPP): fixed payments from the ACO that cover the cost of medical care provided to lives attributed to the ACO, net of value-based incentive program deductions. Participation fees are recorded in Operating Expenses.

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

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

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

Glossary

Days Cash on Hand: $(\text{Cash} + \text{Investments} + \text{Unrestricted Funded Depreciation (Board Designated Assets)} + \text{Unrestricted Other Board Designated Assets}) * 365$
 $/ (\text{Total expense} - (\text{Depreciation} + \text{Amortization}))$

Operating Margin: $\text{Operating Surplus} / (\text{NPR} + \text{FPP} + \text{Other Operating Revenue})$

Total Margin: $(\text{Operating Surplus} \& \text{non-operating Revenues}) / (\text{NPR} + \text{FPP} + \text{Other Operating Revenue} + \text{Non-Operating Revenue})$

Days Payable: $\text{Current Liabilities} / (\text{Total Expenses} - (\text{Depreciation} + \text{Amortization} + \text{Interest}))$

Days Receivable: $\text{Net Patient Accounts Receivable} / \text{NPR} * 365$

Debt Service Coverage Ratio: $(\text{Net Operating Income} + \text{Depreciation} + \text{Amortization} + \text{Interest}) / (\text{Current Portion of Long Term Debt} + \text{Interest})$



GREEN MOUNTAIN CARE BOARD

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