



GraceCottage

FAMILY HEALTH & HOSPITAL



FY2019 Budget

Introduction/Overview

- Douglas DiVello, CEO
- Stephen Brown, CFO
- Dr. Christopher Schmidt, CMO
- Crystal Mansfield, Director of Rehabilitation

What is GraceCottage?

FAMILY HEALTH & HOSPITAL

- ✓ A 19-bed Critical Access Hospital
- ✓ A Rural Health Clinic
- ✓ On-campus retail pharmacy
- ✓ Second year awarded the National Rural Health Association's Top 20 Critical Access Hospital "Best Practices – Patient Satisfaction" Award
- ✓ Awarded Best Place to Work in Windham County
- ✓ Awarded Best Physical Therapy in Windham County
- ✓ Dr. Maurice Geurts awarded Best Doctor in Windham County



Areas of Opportunities/Risk

➤ Opportunities

- Continue expanding access to Primary Care.
- Reduce the cost of care to the local community.

➤ Risk

- Medicaid Reimbursement.
- Demonstrated that our CHT brings incredible value to our community, but there is a potential reduction in funding in 2019.

➤ Staffing Issues

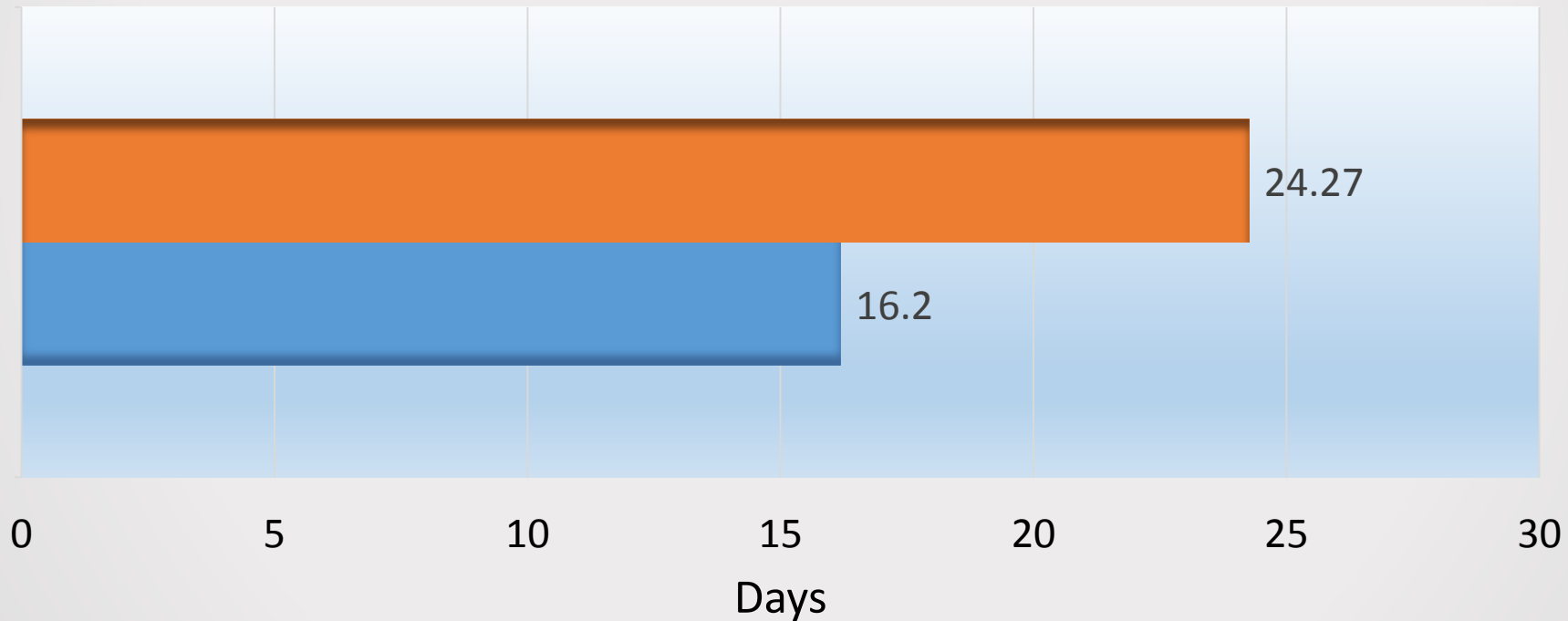
- Primary Care recruitment.
- Nursing Staff hiring EMT/Paramedics for ED.



Access – Wait Times for 3rd Next Available Appointment

9/20/17 - 10/18/17

■ 40 minute appointment ■ 20 minute appointment



This information is calculated on an annual basis.

Reaction to All-Payer Model Quality Measure Results

Table 1a: Blueprint Profiles – Blueprint-Attributed VT Residents (2016)

Measure	Statewide Rate	Brattleboro Hospital Service Area	Grace Cottage Family Health (2016)
	(All-Payer Model Target) ²		
Percentage of Medicaid adolescents with well-care visits	50%	41%	47%
Initiation of alcohol and other drug dependence treatment	36%	43%	
Engagement of alcohol and other drug dependence treatment	17%	20%	
30-day follow-up after discharge for mental health	68% 60%	75%	
30-day follow-up after discharge for alcohol or other drug dependence	27% 40%		
Diabetes HbA1c poor control (part of Medicare composite measure) ³	10%	10%	8%
Controlling high blood pressure (part of Medicare composite measure)	67%	69%	74%
Appropriate asthma medication management (75% compliance)	52%	49%	

- Dedicated outreach to make appointments for adolescent well-care visits.
- Medication Assistance Treatment program through HUB & SPOKE system with 2 providers and 2 substance abuse counselors. In Collaboration with the Brattleboro Retreat.
- Behavioral Health services embedded in Grace Cottage Family Health primary care.
- Our family practice clinic follows-up with patients after mental health discharges.
- Dedicated outreach for elevated A1c scores, diabetic patients, and hypertensive patients.
- Diabetic education and home blood pressure monitoring performed by Community Health Team.
- Asthma action plans are utilized.

²measures with no target listed are those measures that have targets based on national percentiles rather than rates.

³Lower scores indicate better performance.

Reaction to All-Payer Model Quality Measure Results

Table 1b: Behavioral Risk Factor Surveillance System Survey – Respondents to Survey of Random Sample of Vermont Residents (2016)

Measure	Statewide Rate	Brattleboro Hospital Service Area	Grace Cottage Family Health
	<i>(All-Payer Model Target)</i>		
Percentage of adults reporting that they have a usual primary care provider	88% <i>89%</i>	88%	
Prevalence of chronic disease: COPD	6% <i>(≤7%)</i>	6%	5%
Prevalence of chronic disease: Hypertension	25% <i>(≤26%)</i>	25%	14%
Prevalence of chronic disease: Diabetes	8% <i>(≤9%)</i>	8%	10%

- ❖ Family medicine new patients – open access clinic always accepting.
- ❖ Family medicine providers care for COPD, hypertension and diabetes.
- ❖ Care plans for COPD are utilized for patients with COPD.
- ❖ Diabetic education and home blood pressure monitoring performed by Community Health Team.
- ❖ Dedicated outreach for elevated A1c scores, diabetic patients, and hypertensive patients.

Reaction to All-Payer Model Quality Measure Results

Table 2a: Blueprint for Health Hub and Spoke Profiles
 - All Vermont Residents Utilizing Services (2016)

Measure	Statewide	Windham County	Grace Cottage Family Health
	(Rate/10,000) <i>(All-Payer Model Target)</i>		
# per 10,000 population ages 18-64 receiving Medication Assisted Treatment for opioid dependence ⁴	6,110	422	89
	155.4 <i>150</i>	160.9	269

- Grace Cottage offers a Medication Assistance Treatment (MAT) program through the Hub & Spoke System in collaboration with the Brattleboro Retreat.
- Grace Cottage recently increased MAT access to promote community-based substance abuse treatment.
- Grace Cottage is currently in discussions with the Brattleboro Retreat to increase support staff with the Hub & Spoke Program.



⁴The State reports these rates for Hubs & Spokes per 100,000. For consistency with the APM, counts and rates have been calculated per 10,000 using 2016 population estimates (ages 18-64).

Reaction to All-Payer Model Quality Measure Results

- **Table 2b:** Vermont Department of Health Vital Statistics Data - Vermont deaths by county of residence (2017 – released 3/16/18)

Measure	Statewide (Rate/10,000) <i>(All-Payer Model Target)</i>	Windham
Deaths related to drug overdose ⁵	122 (2.2) <i>(115)</i>	17 (4.4)

- **Table 3:** Vermont Uniform Hospital Discharge Data Set (VUHDDS) - Vermont Residents and Non-Residents Utilizing Services

Measure	Statewide Rate <i>(All-Payer Model Target)</i>	GCH
Rate of Growth in number of mental health and substance use-related ED visits ⁶	6% <i>(3%)</i>	-4%

Decrease most likely due to our complete behavioral medicine and MAT programs with tight patient follow-up.

⁵Rates calculated using 2016 population estimates (ages 14+).

⁶Shown as percent change from 2015-2016.

Fiscal Year 2019 Budget Analysis						
Grace Cottage Hospital						
INCOME STATEMENT						
	FY2015A	FY2016A	FY2017A	FY2018B	FY2018P	FY2019B
Revenues						
Gross Patient Care Revenue	22,650,537	25,833,339	26,113,855	27,607,149	28,264,307	29,980,632
Disproportionate Share Payments	0	0	0	0	0	0
Bad Debt	(525,606)	(406,558)	(842,397)	(748,260)	(427,511)	(516,506)
Free Care	(196,472)	(126,612)	(110,259)	(101,466)	(184,712)	(181,583)
Deductions from Revenue	(5,889,693)	(8,058,460)	(7,899,991)	(8,108,349)	(9,388,387)	(9,989,962)
Net Patient Care Revenue	16,038,766	17,241,709	17,261,208	18,649,074	18,263,697	19,292,581
Fixed Prospective Payments & Reserves	0	0	0	0	0	0
Net Patient Care Revenue & Fixed Payments & Reserves	16,038,766	17,241,709	17,261,208	18,649,074	18,263,697	19,292,581
Other Operating Revenue	920,058	871,069	1,073,643	1,247,133	1,088,776	1,188,862
Total Operating Revenue	16,958,824	18,112,778	18,334,851	19,896,207	19,352,473	20,481,443
Expenses						
Salaries Non MD	7,907,721	8,455,100	8,838,636	9,377,560	9,210,017	9,605,266
Fringe Benefits Non MD	2,326,337	2,644,288	2,558,790	3,084,330	2,713,266	3,091,037
Fringe Benefits MD	345,204	427,177	427,267	477,745	364,103	387,960
Physician Fees, Salaries, Contracts	2,040,342	2,276,960	2,235,272	2,145,185	1,922,036	2,056,963
Health Care Provider Tax	536,205	621,491	648,299	659,052	620,394	640,758
Depreciation & Amortization	1,134,712	705,748	599,378	644,540	584,568	675,299
Interest - Long Term & Short Term	139,854	150,863	131,905	125,817	129,080	124,063
Other Operating Expense	4,184,039	4,278,775	4,166,086	3,972,003	3,866,530	3,748,280
Total Operating Expense	18,614,414	19,560,402	19,605,633	20,486,232	19,409,994	20,329,626
Net Operating Income (Loss)	(1,655,590)	(1,447,624)	(1,270,782)	(590,025)	(57,521)	151,817
Non-Operating Revenue	943,756	1,052,582	1,533,287	737,258	1,045,502	742,707
Excess (Deficit) of Rev Over Exp	(711,834)	(395,042)	262,505	147,233	987,981	894,524

FINANCIALS

Fiscal Year 2019 Budget Analysis		Grace Cottage Hospital					
BALANCE SHEET	FY2015A	FY2016A	FY2017A	FY2018B	FY2018P	FY2019B	
Cash & Investments	\$ 195,899	\$ 237,043	\$ 155,417	\$ 359,871	\$ 269,138	\$ 277,212	
Risk Reserve for Fixed Reform Payments	-	-	-	-	-	-	
Other Current Assets	4,165,169	4,054,996	3,902,263	3,541,382	3,802,769	3,921,007	
Current Assets	4,361,068	4,292,039	4,057,680	3,901,253	4,071,907	4,198,219	
Board Designated Assets	3,537,806	3,887,683	4,392,760	3,833,245	4,598,406	4,775,297	
Net, Property, Plant And Equipment	3,658,528	3,453,925	3,395,151	3,569,593	3,476,783	3,916,476	
Other Long-Term Assets	-	-	-	-	-	-	
Assets	\$ 11,557,402	\$ 11,633,647	\$ 11,845,591	\$ 11,304,091	\$ 12,147,096	\$ 12,889,992	
Current Liabilities	\$ 3,352,552	\$ 4,397,878	\$ 4,688,146	\$ 3,661,354	\$ 4,349,657	\$ 4,514,281	
Long Term Liabilities	2,282,126	1,719,623	1,380,284	2,232,297	1,032,297	716,045	
Other Noncurrent Liabilities	-	-	-	-	-	-	
Fund Balance	5,922,724	5,516,146	5,777,161	5,410,440	6,765,142	7,659,666	
Liabilities and Equities	\$ 11,557,402	\$ 11,633,647	\$ 11,845,591	\$ 11,304,091	\$ 12,147,096	\$ 12,889,992	

FINANCIALS



❖ Salaries

- ❖ Salaries are by far Grace Cottage’s largest expense driver – approximately 57% of total expense.
- ❖ We continually work to assure we are able to adequately provide the quality patient care experience we’ve come to be known for with the least number of FTEs possible.
- ❖ Despite patient volumes increasing, we still managed to achieve slight decreases in FTEs
 - ❖ FY2017 Actual 151.0 FTEs
 - ❖ FY2018 Proj 148.3 FTEs
 - ❖ FY2019 Bud 147.6 FTEs

❖ Benefits

- ❖ Benefits are the second largest expense driver -- approximately 17% of total expense.
- ❖ All benefits are reviewed on at least an annual basis to assure we are providing competitive benefits adequate to recruit/retain staff at the most cost efficient means possible.

❖ Agency Staff

- ❖ Agency Staff, primarily in Nursing, is the one large expense that has the potential to vary greatly from year-to-year.
- ❖ Grace Cottage has worked hard to recruit and retain staff to fill positions that have been being filled by Agency Staff over the past few years. If all goes as planned, we will be free of Agency Staff by the beginning of FY2019
 - ❖ FY2017 Actual 3.80 FTEs
 - ❖ FY2018 Proj 2.70 FTEs
 - ❖ FY2019 Bud -0- FTEs

Community Health Needs Assessment (CHNA) Update

Aging

- Patients are referred from primary care to our “Falls Prevention Clinic” on an individual, outpatient basis.
- We have various community wellness programs addressing strength, flexibility, and falls prevention for elders.
- We have implemented support groups in collaboration with SASH that address elder issues: examples include Living Alone Support Group, and Caregiver Support Groups.

Colorectal Cancer

- A non-invasive colon cancer screening test (Cologuard) is offered to patients who are 50 years or older.

Community Health Needs Assessment (CHNA) Update

Diabetes

- We are currently doing outreach to patients with an A1c greater than 9 and/or have not been seen for primary care follow up in 1 year.
- The CHT is targeting “pre-diabetics” for early, consistent lifestyle and diet coaching/education.
- The CHT is participating in the statewide Diabetes Prevention and Management Collaborative, supported by the VT Blueprint for Health.

Community Health Needs Assessment (CHNA) Update

Heart Health – High Blood Pressure/Heart Disease

- Grace Cottage continues to provide outreach to patients who have not seen their primary care provider in a year.
- Certain high-risk hypertensive patients are being attended to by our Community Health Team with home visits and home blood pressure monitoring.
- Wireless ZIO patches are used to diagnosis heart arrhythmias. Comprehensive data collection helps ensure detection of infrequent or asymptomatic arrhythmias.

Community Health Needs Assessment (CHNA) Update

Mental Health

- Grace Cottage has a Licensed Independent Clinical Social Worker (LICSW) on staff in the clinic. She collaborates with our staff Psychiatric Mental Health Nurse Practitioner, and the Community Health Team Behavioral Health Specialist to provide mental health care and services to our patients 7 years and older.
- Grace Cottage providers participate in the Hub and Spoke Program in collaboration with the Brattleboro Retreat. A Registered Nurse and Social Worker from the Hub and Spoke program provide services to patients who are in the program for substance abuse treatment.
- We are continuing to provide ongoing support groups, individual counseling, screenings and outreach.

Capital Budget Plans

- ❖ Grace Cottage has no approved or planned CON projects.

- ❖ FY2019 Capital Plans include:
 - ❖ Replacement/Upgrade of:
 - ❖ Ultrasound Unit
 - ❖ Nurse Call System
 - ❖ IV Smart Pumps
 - ❖ HVAC equipment in Hospital
 - ❖ IT Equipment: Server/Storage/Processor

Long Range Financial Outlook

- Grace Cottage Family Health & Hospital is evaluating the decision to join the ACO.

Review of Historical Compliance with Budget Orders

- ❖ Grace Cottage Family Health & Hospital has historically been in compliance with budget orders.