



FY2021 Budget

Introduction

Douglas DiVello, CEO

Stephen Brown, CFO

Overview



Hospital

- 19 bed Critical Access Acute & Swing, ED, DI, Lab, IP & OP Rehabilitation.

Rural Health Clinic

- Primary Care MD & APP, Pediatrics, Psychiatric NP, LCSW & Community Health Team.

On-Campus Retail Pharmacy

- Messenger Valley Pharmacy

Overview

2020 Best of Awards



Hospital Mission

To serve the health care needs of our community; to promote wellness, relieve suffering, and restore health.

Hospital Vision



We will provide personalized, competent and accessible primary care, rehabilitation, wellness, prevention, inpatient care, and emergency services.

We will focus on preventive care that serves to preserve and prolong the well-being of our community.

We will collaborate with other agencies that share our goal of optimum wellness for our community to enable us to meet the needs of the entire person.

Our community will embrace Grace Cottage as a welcoming resource for health and wellness, and the diversity and culture of our region will be reflected in all we do.

Net Patient Revenue & Summary of Budget Request

FY21 Net Patient Revenue budget is based on volumes experienced in the first five months of FY20 fiscal year (prior to the pandemic), with no additional growth.

Income Statement

Fiscal Year 2021 Budget Analysis	GMCB Data Entry				Hospital Data Entry							
INCOME STATEMENT	2019 A	2020 B	1st Qtr FY20	2nd Qtr FY20	3rd Qtr FY20	4th Qtr FY20 Projected	2020 PROJ	2021 B	2019A-2020P	2020B-2020P	2020B-2021B	2020P-2021B
Revenues												
Gross Patient Care Revenue	\$29,704,502	\$31,015,070	\$7,833,092	\$7,659,963	\$6,531,382	\$7,324,689	\$29,349,126	\$33,460,947	-1.2%	-5.4%	7.9%	14.0%
Disproportionate Share Payments	\$0	\$0	\$0	\$0			\$0		0.0%	0.0%	0.0%	0.0%
Graduate Medical Education (UVMC only)	\$0	\$0	\$0	\$0			\$0		0.0%	0.0%	0.0%	0.0%
Bad Debt	-\$565,755	-\$395,940	-\$146,263	-\$185,149	-\$261,076	-\$120,851	-\$713,339	-\$746,784	26.1%	80.2%	88.6%	4.7%
Free Care	-\$220,184	-\$211,982	-\$77,567	-\$128,166	-\$52,590	-\$62,813	-\$321,136	-\$283,775	45.8%	51.5%	33.9%	-11.6%
Deductions from Revenue	-\$10,183,861	-\$10,439,327	-\$3,063,829	-\$3,075,183	-\$2,506,587	-\$1,544,306	-\$10,189,905	-\$11,400,847	0.1%	-2.4%	9.2%	11.9%
Net Patient Care Revenue	\$18,734,702	\$19,967,821	\$4,545,433	\$4,271,465	\$3,711,129	\$5,596,719	\$18,124,746	\$21,029,541	-3.3%	-9.2%	5.3%	16.0%
Fixed Prospective Payments, Reserves & Other												
Fixed Prospective Payments							\$0		0.0%	0.0%	0.0%	0.0%
Reserves							\$0		0.0%	0.0%	0.0%	0.0%
Other Reform Payments							\$0		0.0%	0.0%	0.0%	0.0%
Fixed Prospective Payments, Reserves & Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%	0.0%	0.0%
Total NPR & FPP	\$18,734,702	\$19,967,821	\$4,545,433	\$4,271,465	\$3,711,129	\$5,596,719	\$18,124,746	\$21,029,541	-3.3%	-9.2%	5.3%	16.0%
COVID-19 Stimulus and Other Grant Funding												
Other	\$706,844	\$935,160	\$204,844	\$208,150	\$263,661	\$105,206	\$2,476,766	\$882,396	0.0%	0.0%	0.0%	15.4%
Other Operating Revenue	\$706,844	\$935,160	\$204,844	\$208,150	\$2,635,221	\$156,172	\$3,204,387	\$1,722,036	353.3%	242.7%	84.1%	-46.3%
Total Operating Revenue	\$19,441,546	\$20,902,981	\$4,750,277	\$4,479,615	\$6,346,350	\$5,752,891	\$21,329,133	\$22,751,577	9.7%	2.0%	8.8%	6.7%
Expenses												
Salaries, Fringe Benefits, Physician Fees, Contracts	\$15,441,889	\$16,804,912	\$3,995,695	\$3,870,988	\$4,120,366	\$4,129,164	\$16,116,213	\$17,027,200	4.4%	-4.1%	1.3%	5.7%
Medical/Surgical Drugs and Supplies	\$0	\$0	\$0	\$0			\$0		0.0%	0.0%	0.0%	0.0%
Health Care Provider Tax	\$631,409	\$693,363	\$157,524	\$157,524	\$194,114	\$154,888	\$664,050	\$669,246	5.2%	-4.2%	-3.5%	0.8%
Depreciation/Amortization	\$612,182	\$704,859	\$176,934	\$176,934	\$176,934	\$110,984	\$641,786	\$794,296	4.8%	-8.9%	12.7%	23.8%
Interest - Short and Long Term	\$155,800	\$131,338	\$42,002	\$37,623	\$27,917	\$31,482	\$139,024	\$134,776	-10.8%	5.9%	2.6%	-3.1%
Other Operating Expenses (includes ACO Participation Fees)	\$3,902,064	\$3,832,339	\$1,006,732	\$984,915	\$885,376	\$890,964	\$3,767,987	\$4,125,987	-3.4%	-1.7%	7.7%	9.5%
Operating Expense	\$20,743,344	\$22,166,811	\$5,378,887	\$5,227,984	\$5,404,707	\$5,317,482	\$21,329,060	\$22,751,505	2.8%	-3.8%	2.6%	6.7%
Net Operating Income	-\$1,301,798	-\$1,263,830	-\$628,610	-\$748,369	\$941,643	\$435,409	\$73	\$72	-100.0%	-100.0%	-100.0%	-1.4%
Non Operating Revenue	\$1,232,480	\$742,624	\$678,104	-\$611,395	\$760,890	\$132,005	\$959,604	\$899,728	-22.1%	29.2%	21.2%	-6.2%
Excess (Deficit) of Rev over Exp	-\$69,318	-\$521,206	\$49,494	-\$1,359,764	\$1,702,533	\$567,414	\$959,677	\$899,800	-1484.5%	-284.1%	-272.6%	-6.2%
Income Statement Metrics												
Operating Margin %	2.2%	3.1%	-13.2%	-16.7%	14.8%	7.6%	0.0%	0.0%				
Total Margin %	4.5%	4.3%	0.9%	-35.2%	24.0%	9.6%	4.3%	3.8%				

Balance Sheet

Fiscal Year 2021 Budget Analysis	GMCB Data Entry		Hospital Data Entry					
BALANCE SHEET	2019 A	2020 B	2020 PROJ	2021 B	2019A-2020P	2020B-2020P	2020B-2021B	2020P-2021B
Cash & Investments	\$252,109	\$214,081	\$8,725,833	\$4,101,892	3361.1%	3975.9%	1816.0%	-53.0%
Net Patient Accounts Receivable	\$1,797,881	\$2,040,282	\$2,089,490	\$2,156,354	16.2%	2.4%	5.7%	3.2%
ACO Risk Reserve/Settlement Receivable	\$0	\$0			0.0%	0.0%	0.0%	0.0%
Other Current Assets	\$2,584,086	\$2,309,185	\$1,857,011	\$1,949,861	-28.1%	-19.6%	-15.6%	5.0%
Current Assets	\$4,634,076	\$4,563,548	\$12,672,334	\$8,208,107	173.5%	177.7%	79.9%	-35.2%
Board Designated Assets	\$4,910,926	\$5,007,865	\$5,274,973	\$5,538,722	0.0%	0.0%	0.0%	0.0%
Net, Property, Plant And Equipment	\$3,182,908	\$3,464,274	\$3,198,788	\$3,548,578	7.4%	5.3%	10.6%	5.0%
Other Long-Term Assets	\$0	\$0	\$62,681	\$58,661	0.5%	-7.7%	2.4%	10.9%
Assets	\$12,727,910	\$13,035,687	\$21,208,776	\$17,354,068	66.6%	62.7%	33.1%	-18.2%
Accounts Payable	\$1,304,746	\$1,098,332	\$457,635	\$480,516	0.0%	0.0%	0.0%	0.0%
Salaries, Wages And Payroll Taxes Payable	\$1,135,387	\$1,306,657	\$1,161,616	\$1,247,849	-64.9%	-58.3%	-56.3%	5.0%
ACO Risk Reserve/Settlement Payable	\$0	\$0			2.3%	-11.1%	-4.5%	7.4%
COVID-19 Funding Short-Term Liabilities			\$7,515,805	\$3,436,648	0.0%	0.0%	0.0%	-54.3%
Other Current Liabilities	\$2,968,607	\$2,371,688	\$2,692,461	\$2,719,743	0.0%	0.0%	0.0%	0.0%
Current Liabilities	\$5,408,740	\$4,776,677	\$11,827,517	\$7,884,756	118.7%	147.6%	65.1%	-33.3%
Long Term Liabilities	\$830,044	\$2,461,535	\$1,752,579	\$1,204,407	0.0%	0.0%	0.0%	0.0%
Other Noncurrent Liabilities	\$0	\$0			111.1%	-28.8%	-51.1%	-31.3%
COVID-19 Funding Long-Term Liabilities			\$263,575		0.0%	0.0%	0.0%	-100.0%
Fund Balance	\$6,489,126	\$5,797,475	\$7,365,105	\$8,264,905	0.0%	0.0%	0.0%	0.0%
Liabilities and Equities	\$12,727,910	\$13,035,687	\$21,208,776	\$17,354,068	66.6%	62.7%	33.1%	-18.2%
Balance Sheet Metrics						Change in Points		
Days Cash on Hand	92.5	87.7	247.0	160.3	154.5	159.3	72.6	-86.7
Days Cash on Hand-COVID-19			109.8	103.1	109.8	109.8	103.1	-6.7
Debt Service Coverage Ratio	(1.1)	(0.9)	1.2	1.4	2.1	2.2	2.3	0.2
Long Term Debt to Capitalization	0.1	0.3	0.2	0.1	-0.1	0.1	-0.2	-0.1
Days Payable	98.1	81.2	208.7	131.1	127.5	110.6	49.9	-77.6
Days Receivable	35.0	37.3	42.1	37.4	4.8	7.1	0.1	-4.7

Cash Flow Statement

Fiscal Year 2021 Budget Analysis						
CASH FLOW STATEMENT	2019 A		2020 B	2020 PROJ		2021 B
Cash From Operations						
Excess Revenue over Expenses	\$ (69,318)		\$ (521,206)	\$ 959,677		\$ 899,800
Depreciation/Amortization	\$ 612,182		\$ 704,859	\$ 641,786		\$ 794,296
Patient A/R	\$ 263,528		\$ (242,401)	\$ (291,609)		\$ (66,864)
Other Changes	\$ 6,965		\$ (357,162)	\$ 7,145,852		\$ (4,035,611)
Sub-Total	\$ 813,357		\$ (415,910)	\$ 8,455,706		\$ (2,408,379)
Cash From Investing Activity						
Capital Spending	\$ (430,665)		\$ (986,225)	\$ (657,666)		\$ (1,144,086)
Other LT Assets/Bond Funds	\$ (243,278)		\$ (96,939)	\$ (426,728)		\$ (259,729)
Sub-Total	\$ (673,943)		\$ (1,083,164)	\$ (1,084,394)		\$ (1,403,815)
Financing Activity						
Long Term Debt/Bonds	\$ (198,322)		\$ 1,631,491	\$ 1,186,110		\$ (811,747)
Other Changes						
Change Fund Balance Less Net Income	\$ 20,012		\$ (170,445)	\$ (83,698)		\$ -
Beginning Cash	\$ 291,005		\$ 252,109	\$ 252,109		\$ 8,725,833
Net Increase/(Decrease) in Cash	\$ (38,896)		\$ (38,028)	\$ 8,473,724		\$ (4,623,941)
Ending Cash	\$252,109		\$214,081	\$8,725,833		\$4,101,892

Change-in-Charge Request

FY21 budget includes a 3.2% Change-in-Charge Request.

Service Line Adjustments

- Grace Cottage has no plans to have any service line adjustments.

Risks and Opportunities

Risk

- COVID-19
- Medicaid Expansion

Opportunities

- Expand Access to Primary Care
- Pediatric Care

Capital Budget Plans FY21

❑ Large Projects Include:

- Replacement/upgrade of our Pyxis MedStations.
- IT project of a complete upgrade/refresh of our Wireless and Physical Network for connectivity.

❑ Grace Cottage has no approved or planned CON projects.