Grace Cottage Hospital

Fiscal Year 2022 Submitted Budget

Grace Cottage Hospital

Questions:

1. Is your Projection still valid? If not, please explain.
2. Does the hospital's budget request include support or a need to support any other entities outside of the physical hospital? An example includes a higher operating margin to transfer surplus to a subsidiary.
3. If the answer to question #2 is yes, what portion of your FY22 operating margin is scheduled/planned to be allocated to those entities?

Grace Cottage Hospital

Douglas DiVello **Stephen Brown**

Fiscal Year 2022 Submitted Budget

INCOME STATEMENT	2019 A	2020 A	2021 B	2021 PROJ	Impact of COVID-19 vaccination clinics and testing	Adjusted 2021 PROJ
Revenues						
Gross Patient Care Revenue	**$29,704,502**	**$29,994,908**	**$33,460,947**	**$33,187,843**	**$266,858**	**$32,920,985**
Disproportionate Share Payments	$0	$0	$0	$0		$0
Graduate Medical Education (UVMMC	$0	$0	$0	$0		$0
Bad Debt	-$565,755	-$644,102	-$746,784	-$630,395		-$630,395
Free Care	-$220,184	-$291,194	-$283,775	-$310,775		-$310,775
Deductions from Revenue	-$10,183,861	-$9,634,511	-$11,763,693	-$10,915,782		-$10,915,782
Net Patient Care Revenue	**$18,734,702**	**$19,425,101**	**$20,666,695**	**$21,330,891**	**$266,858**	**$21,064,033**
Fixed Prospective Payments	$0	$0	$0	$0		$0
Reserves	$0	$0	$0	$0		$0
Other Reform Payments	$0	$0	$0	$0		$0
Fixed Prospective Payments and Reser	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Net Patient Care Rev & Fixed Payment	**$18,734,702**	**$19,425,101**	**$20,666,695**	**$21,330,891**	**$266,858**	**$21,064,033**
340B Retail Pharmacy Programs	$675,150	$715,973	$671,960	$1,044,018		$1,044,018
COVID-19 Stimulus and Other Grant	$0	$2,196,059	$0	$4,118,320		$4,118,320
Specialty Pharmacy	$0	$0	$0	$0		$0
Outpatient Pharmacy Revenue	-$321,697	-$480,545	$0	-$129,297		-$129,297
Cafeteria & Parking	$75,551	$73,970	$76,511	$77,182		$77,182
Grant Income	$36,770	$19,235	$882,396	$1,250		$1,250
Reference Lab Revenue	$0	$0	$0	$0		$0
Meaningful Use	$0	$0	$0	$0		$0
Other	$241,070	$248,876	$91,169	$255,363		$255,363
Other Operating Revenue	**$706,844**	**$2,773,568**	**$1,722,036**	**$5,366,836**	**$0**	**$5,366,836**
Total Operating Revenue	**$19,441,546**	**$22,198,669**	**$22,388,731**	**$26,697,727**	**$266,858**	**$26,430,869**
Operating Expenses						
Salaries Non MD, Fringe Benefits Non MD, Physician Fees & Salaries, Fringe	$15,441,889	$16,623,998	$17,027,200	$17,533,693		$17,533,693
Health Care Provider Tax	$631,409	$664,049	$635,355	$624,168		$624,168
Depreciation Amortization	$612,182	$646,582	$794,296	$786,476		$786,476
Interest - Short Term, Interest - Long Term	$155,800	$127,206	$77,508	$103,039		$103,039
ACO Dues	$0	$0	$0	$0		$0
Medical/Surgical Drugs and Supplies	$0	$0	$0	$0		$0
Pharmaceuticals	$0	$0	$0	$0		$0
Other Purchased Services - Consulting	$0	$0	$0	$0		$0
Other Purchased Services -Travelers	$0	$0	$0	$0		$0
Other Operating Expenses	$3,902,064	$3,899,289	$3,854,300	$4,361,887	$165,429	$4,196,458
Total Operating Expenses	**$20,743,344**	**$21,961,124**	**$22,388,659**	**$23,409,263**	**$165,429**	**$23,243,834**
Net Operating Income	**-$1,301,798**	**$237,545**	**$72**	**$3,288,464**	**$101,429**	**$3,187,035**
Non Operating Revenue	**$1,232,480**	**$1,215,070**	**$899,728**	**$926,192**		**$926,192**
Excess (Deficit) of Rev over Exp	**-$69,318**	**$1,452,615**	**$899,800**	**$4,214,656**	**$101,429**	**$4,113,227**
Income Statement Metrics						
Operating Margin %	-6.7%	1.1%	0.0%	12.3%	38.0%	12.1%
Total Margin %	-0.3%	6.2%	3.9%	15.3%	38.0%	15.0%

Grace Cottage Hospital
Douglas DiVello
Fiscal Year 2022 Submitted Budget

INCOME STATEMENT	2022 B	Impact of COVID-19 vaccination clinics and testing	Adjusted 2022 B	2021 B - 2021 P adjusted	2021 B - 2022 B	2021 B - 2022 B adjusted	2021 P - 2022 B adjusted
Revenues							
Gross Patient Care Revenue	**$34,389,561**		**$34,389,561**	**-1.6%**	**2.8%**	**2.8%**	**4.5%**
Disproportionate Share Payments	$0		$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Graduate Medical Education (UVMMC	$0		$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Bad Debt	-$650,664		-$650,664	-15.6%	-12.9%	-12.9%	3.2%
Free Care	-$318,693		-$318,693	9.5%	12.3%	12.3%	2.5%
Deductions from Revenue	-$11,066,674		-$11,066,674	-7.2%	-5.9%	-5.9%	1.4%
Net Patient Care Revenue	**$22,353,530**		**$22,353,530**	**1.9%**	**8.2%**	**8.2%**	**6.1%**
Fixed Prospective Payments	$0		$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Reserves	$0		$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	$0		$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Fixed Prospective Payments and Reser	**$0**		**$0**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**
Net Patient Care Rev & Fixed Payment	**$22,353,530**		**$22,353,530**	**1.9%**	**8.2%**	**8.2%**	**6.1%**
340B Retail Pharmacy Programs	$1,121,422		$1,121,422	55.4%	66.9%	66.9%	$0
COVID-19 Stimulus and Other Grant	$0		$0	#DIV/0!	#DIV/0!	#DIV/0!	-$1
Specialty Pharmacy	$0		$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Outpatient Pharmacy Revenue	-$178,084		-$178,084	#DIV/0!	#DIV/0!	#DIV/0!	$0
Cafeteria & Parking	$77,182		$77,182	0.9%	0.9%	0.9%	$0
Grant Income	$0		$0	-99.9%	-100.0%	-100.0%	-$1
Reference Lab Revenue	$0		$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Meaningful Use	$0		$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other	$254,811		$254,811	180.1%	179.5%	179.5%	$0
Other Operating Revenue	**$1,275,331**		**$1,275,331**	**211.7%**	**-25.9%**	**-25.9%**	**-76.2%**
Total Operating Revenue	**$23,628,861**		**$23,628,861**	**18.1%**	**5.5%**	**5.5%**	**-10.6%**
Operating Expenses							
Salaries Non MD, Fringe Benefits Non MD, Physician Fees & Salaries, Fringe	$18,376,136		$18,376,136	3.0%	7.9%	7.9%	4.8%
Health Care Provider Tax	$733,091		$733,091	-1.8%	15.4%	15.4%	17.5%
Depreciation Amortization	$895,131		$895,131	-1.0%	12.7%	12.7%	13.8%
Interest - Short Term, Interest - Long Term	$113,559		$113,559	32.9%	46.5%	46.5%	10.2%
ACO Dues	$0		$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Medical/Surgical Drugs and Supplies	$0		$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Pharmaceuticals	$0		$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Purchased Services - Consulting	$0		$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Purchased Services -Travelers	$0		$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Operating Expenses	$4,400,968		$4,400,968	8.9%	14.2%	14.2%	4.9%
Total Operating Expenses	**$24,518,885**		**$24,518,885**	**3.8%**	**9.5%**	**9.5%**	**5.5%**
Net Operating Income	**-$890,024**		**-$890,024**	**4426337.5%**	**-1236244.4%**	**-1236244.4%**	**-127.9%**
Non Operating Revenue	**$937,423**		**$937,423**	**2.9%**	**4.2%**	**4.2%**	**1.2%**
Excess (Deficit) of Rev over Exp	**$47,399**		**$47,399**	**357.1%**	**-94.7%**	**-94.7%**	**-98.8%**
Income Statement Metrics							
Operating Margin %	-3.8%		-3.8%				
Total Margin %	0.2%		0.2%				

Grace Cottage Hospital

Douglas DiVello **Stephen Brown**

Fiscal Year 2022 Submitted Budget

BALANCE SHEET	2019 A	2020 A	2021 B	2021 Projection	2022 B	2021 B - 2021 P	2021 B - 2022 B	2021 P - 2022 B
Cash & Investments	$252,109	$8,910,369	$4,101,892	$7,410,984	$3,199,936	80.7%	-22.0%	-56.8%
Net Patient Accounts Receivable	$1,797,881	$1,863,373	$2,156,354	$2,177,434	$2,286,306	1.0%	6.0%	5.0%
Due From Third Parties	$17,000	$2,220,348	$0	$388,151	$407,559	#DIV/0!	#DIV/0!	5.0%
Risk Reserve Receivable	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Other Current Assets	$2,567,086	$1,286,297	$1,949,861	$1,112,776	$1,168,415	-42.9%	-40.1%	5.0%
Current Assets	$4,634,076	$14,280,387	$8,208,107	$11,089,345	$7,062,216	35.1%	-14.0%	-36.3%
Board Designated Assets	$4,910,926	$5,212,327	$5,597,383	$6,240,672	$6,491,438	11.5%	16.0%	4.0%
Net, Property, Plant And Equipment	$3,182,908	$3,064,119	$3,548,578	$4,095,652	$4,045,313	15.4%	14.0%	-1.2%
Other Long-Term Assets	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Assets	$12,727,910	$22,556,833	$17,354,068	$21,425,669	$17,598,967	23.5%	1.4%	-17.9%
Accounts Payable	$1,304,746	$445,913	$480,516	$454,218	$476,930	-5.5%	-0.7%	5.0%
Current Liabilities COVID-19	$0	$2,749,841	$3,436,648	$1,753,657	$471,340	-49.0%	-86.3%	-73.1%
Salaries, Wages And Payroll Taxes Payable	$1,135,387	$856,185	$1,247,849	$944,118	$1,010,206	-24.3%	-19.0%	7.0%
Other Third Party Settlements	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
ACO Risk Reserve	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Other Current Liabilities	$2,968,607	$1,020,977	$2,719,743	$1,291,852	$1,156,153	-52.5%	-57.5%	-10.5%
Current Liabilities	$5,408,740	$5,072,916	$7,884,756	$4,443,845	$3,114,629	-43.6%	-60.5%	-29.9%
Long Term Liabilities COVID-19	$0	$8,338,635	$0	$3,528,240	$1,385,652	#DIV/0!	#DIV/0!	-60.7%
Long Term Liabilities	$830,044	$1,287,239	$1,204,407	$1,380,885	$978,588	14.7%	-18.7%	-29.1%
Other Noncurrent Liabilities	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Long Term Liabilities	$830,044	$9,625,874	$1,204,407	$4,909,125	$2,364,240	307.6%	96.3%	-51.8%
Total Liabilities	$6,238,784	$14,698,790	$9,089,163	$9,352,970	$5,478,869	2.9%	-39.7%	-41.4%
Net Assets	$6,558,444	$6,405,428	$7,365,105	$7,858,043	$12,072,699	6.7%	63.9%	53.6%
YTD Change In Net Assets	-$69,318	$1,452,615	$899,800	$4,214,656	$47,399	368.4%	-94.7%	-98.9%
Fund Balance	$6,489,126	$7,858,043	$8,264,905	$12,072,699	$12,120,098	46.1%	46.6%	0.4%
Liabilities and Equities	$12,727,910	$22,556,833	$17,354,068	$21,425,669	$17,598,967	23.5%	1.4%	-17.9%
Balance Sheet Metrics							Change in Points	
Days Cash on Hand	92.5	240.8	163.0	219.3	149.7	56.4	-13.2	-69.6
Debt Service Coverage Ratio to 1	(1.1)	1.9	1.4	6.2	0.2	4.8	-1.2	-6.0
Long Term Debt to Capitalization	0.1	0.6	0.2	0.3	0.2	0.1	0.0	-0.1
Days Payable	98.1	86.9	133.3	71.7	48.1	-61.6	-85.1	-23.6
Days Receivable	35.0	35.0	38.1	37.3	37.3	-0.8	-0.8	0.1

Grace Cottage Hospital					
Douglas DiVello			Stephen Brown		
Fiscal Year 2022 Submitted Budget					
Utilization Monthly	**2019 A**	**2020 A**	**2021 P**	**2022 B**	**2021 P - 2022 B**
Total Average Daily Census	11	10	10	10	0%
Total Admissions	336	320	273	273	0%
Total Patient Days	3,925	3,663	3,605	3,605	0%
Magnetic Resonance Image Procedures, Exams	-	-	-	-	#DIV/0!
Cat Scan Procedures	1,251	1,301	1,493	1,493	0%
Radiology - Diagnostic Procedures	3,137	2,945	2,957	2,957	0%
Emergency Room Visits	2,965	2,705	2,350	2,350	0%
Operating Room Procedure	-	-	-	-	#DIV/0!
Operating Room Cases	-	-	-	-	#DIV/0!
Physician Office Visits	19,068	20,246	21,435	20,872	-3%
Staffing Year to Date	**2019 A**	**2020 A**	**2021 P**	**2022 B**	**2021 P - 2022 B**
Non MD FTEs	133.1	129.8	137.2	140.2	3.1
MLPs	7.5	10.3	11.0	11.6	0.6
Residents & Fellows	-	-	-	-	-
Physician FTEs	8.5	6.6	6.6	5.4	(1.2)
Travelers, Travelers MD	1.6	1.6	2.0	-	(2.0)

Douglas DiVello Stephen Brown

Fiscal Year 2022 Submitted Budget

Payer Mix	2019 A	2020 A	2021 B	2021 PROJ	2022 B	2021 B - 2021 P	2021 B - 2022 B	2021 P - 2022 B
Gross Revenue	**$29,704,502**	**$29,994,908**	**$33,460,947**	**$33,187,843**	**$34,389,561**	**99%**	**103%**	**104%**
Contractual Allowances (includes Bad Debt & Free Care)	-$10,969,800	-$10,569,807	-$12,794,252	-$11,856,952	-$12,036,031	93%	94%	102%
Disproportionate Share Payments	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Graduate Medical Education Payments	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Net Payer Revenue	**$18,734,702**	**$19,425,101**	**$20,666,695**	**$21,330,891**	**$22,353,530**	**103%**	**108%**	**105%**
Fixed Prospective Payments	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Reserves - Risk Portion	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Total Net Payer Revenue & Fixed Prospective Payment	**$18,734,702**	**$19,425,101**	**$20,666,695**	**$21,330,891**	**$22,353,530**	**103%**	**108%**	**105%**
Above From the Income Statement								
Medicare								
Gross Revenue	**$16,648,184**	**$15,502,928**	**$17,688,180**	**$16,250,630**	**$16,897,480**	**92%**	**96%**	**104%**
Contractual Allowances (includes Bad Debt & Free Care)	-$4,420,867	-$3,090,176	-$5,429,225	-$3,469,310	-$3,507,305	64%	65%	101%
Disproportionate Share Payments	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Graduate Medical Education Payments	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Net Payer Revenue	**$12,227,317**	**$12,412,752**	**$12,258,955**	**$12,781,320**	**$13,390,175**	**104%**	**109%**	**105%**
Fixed Prospective Payments	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Reserves - Risk Portion	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Total Net Payer Revenue & Fixed Prospective Payment	**$12,227,317**	**$12,412,752**	**$12,258,955**	**$12,781,320**	**$13,390,175**	**104%**	**109%**	**105%**

Douglas DiVello Stephen Brown

Fiscal Year 2022 Submitted Budget

Payer Mix	2019 A	2020 A	2021 B	2021 PROJ	2022 B	2021 B - 2021 P	2021 B - 2022 B	2021 P - 2022 B
Medicaid								
Gross Revenue	**$4,018,568**	**$3,999,121**	**$4,282,127**	**$4,766,748**	**$4,915,481**	**111%**	**115%**	**103%**
Contractual Allowances (includes Bad Debt & Free Care)	-$2,649,384	-$2,687,194	-$2,831,296	-$3,078,469	-$3,117,820	109%	110%	101%
Disproportionate Share Payments	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Graduate Medical Education Payments	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Net Payer Revenue	**$1,369,184**	**$1,311,927**	**$1,450,831**	**$1,688,279**	**$1,797,661**	**116%**	**124%**	**106%**
Fixed Prospective Payments	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Reserves - Risk Portion	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Total Net Payer Revenue & Fixed Prospective Payment	**$1,369,184**	**$1,311,927**	**$1,450,831**	**$1,688,279**	**$1,797,661**	**116%**	**124%**	**106%**
Commercial								
Gross Revenue	**$9,037,750**	**$10,492,859**	**$11,490,640**	**$12,170,465**	**$12,576,600**	**106%**	**109%**	**103%**
Contractual Allowances (includes Bad Debt & Free Care)	-$3,899,549	-$4,792,437	-$4,533,731	-$5,309,173	-$5,410,906	117%	119%	102%
Disproportionate Share Payments	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Graduate Medical Education Payments	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Net Payer Revenue	**$5,138,201**	**$5,700,422**	**$6,956,909**	**$6,861,292**	**$7,165,694**	**99%**	**103%**	**104%**
Fixed Prospective Payments	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Reserves - Risk Portion	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!
Total Net Payer Revenue & Fixed Prospective Payment	**$5,138,201**	**$5,700,422**	**$6,956,909**	**$6,861,292**	**$7,165,694**	**99%**	**103%**	**104%**
Disproportionate Share Payments	$0	$0	$0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!

Payer Mix	2019 A	2020 A	2021 B	2021 PROJ	2022 B
Gross Revenue Payer Mix%					
Medicare	56%	52%	53%	49%	49%
Medicaid	14%	13%	13%	14%	14%
Commercial	30%	35%	34%	37%	37%
NPR/FPP Payer Mix%					
Medicare	65%	64%	59%	60%	60%
Medicaid	7%	7%	7%	8%	8%
Commercial	27%	29%	34%	32%	32%
DSH	0%	0%	0%	0%	0%

Grace Cottage Hospital	Grace Cottage Hospital						Grace Cottage Hospital							
							MEDIAN BENCHMARKS							
							Vermont CAH		Vermont PPS		Northeast CAH	U.S. CAH	Fitch** Northern NE	Fitch** Northeasst
	Actuals FY2018	Actuals FY2019	Actuals FY2020	Budget 2021 FY2021	Projection 2021 FY2021	Budget 2022 FY2022	FY2021	FY2022	FY2021	FY2022	FY2019	FY2019	FY2019	FY2019
Net Patient Care Rev & Fixed Payments & Reserves	18,193,737	18,734,702	19,425,101	20,666,695	21,330,891	22,353,530								
NPR/FPP % change					3.2%	8.2%								
Operating Expense	19,947,999	20,743,344	21,961,124	22,388,659	23,409,263	24,518,885								
Operating Expense % change					4.6%	9.5%								
Operating Margin %	-2.87%	-6.70%	1.07%	0.00%	12.32%	-3.77%	1.99%	2.00%	1.88%	1.48%	1.8%	0.7%	1.2%	0.8%
Total Margin %	3.68%	-0.34%	6.20%	3.86%	15.26%	0.19%	12.18%	2.50%	5.10%	2.71%	3.4%	2.4%	2.0%	3.5%
Days Cash on Hand	92.0	92.5	240.8	163.0	219.3	149.7	200.6	153.7	192.6	171.2	87.84	71.23	162.2	164.33
Days Payable	90.6	98.1	86.9	133.3	71.7	48.1	85.9	60.1	76.8	59.5	0	0	62.14	63.18
Days Receivable	41.4	35.0	35.0	38.1	37.3	37.3	41.3	38.2	48.2	39.2	41.15	50.54	41.06	43.07
Debt Service Coverage Ratio to 1	0.33	-1.06	1.87	1.42	6.23	0.23	5.38	4.64	3.68	3.32	6.76	3.95	2.74	2.81
Long Term Debt to Capitalization	14%	13%	55%	16%	31%	19%	24%	19%	16%	16%	27.8%	30.0%	35.6%	34.8%
Age of Plant	23.3	20.5	20.4	0.0	17.8	16.6	16.2	15.6	15.1	15.6	14.61	12.28	12.47	12.59

Benchmarks
*Flex Monitoring 2019 CAH
**Fitch Ratings Research-Not for Profit-Select Northeast and Northern NE (MA, ME, NH)