

Grace Cottage Hospital

Fiscal Year 2023 Submitted Budget

Grace Cottage Hospital

Questions:

1. Is your Projection still valid? If not, please explain.

Grace Cottage Hospital
 Douglas DiVello Stephen Brown
 Fiscal Year 2023 Submitted Budget

INCOME STATEMENT	2020 A	2021 A	2022 B	2022 P	2023 B	2022 B - 2022 P	2022 B - 2023 B
Revenues							
Gross Patient Care Revenue	\$29,994,908	\$34,398,070	\$34,389,561	\$37,962,596	\$40,020,838	10.4%	16.4%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Graduate Medical Education (UVMCM only)	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Bad Debt	-\$644,102	-\$748,699	-\$650,664	-\$608,437	-\$634,733	-6.5%	-2.4%
Free Care	-\$291,194	-\$270,373	-\$318,693	-\$203,768	-\$219,882	-36.1%	-31.0%
Deductions from Revenue	-\$9,634,511	-\$12,792,803	-\$11,348,174	-\$13,233,152	-\$13,790,968	16.6%	21.5%
Net Patient Care Revenue	\$19,425,101	\$20,586,195	\$22,072,030	\$23,917,239	\$25,375,255	8.4%	15.0%
Fixed Prospective Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Reserves	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other Reform Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Fixed Prospective Payments and Reserves	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Net Patient Care Rev & Fixed Payments & Reserves	\$19,425,101	\$20,586,195	\$22,072,030	\$23,917,239	\$25,375,255	8.4%	15.0%
340B Retail Pharmacy Programs	\$715,973	\$922,416	\$1,121,422	\$735,517	\$790,773	-34.4%	-29.5%
COVID-19 Stimulus and Other Grant Funding	\$2,196,059	\$3,659,311	\$0	\$30,740	\$0	#DIV/0!	#DIV/0!
Specialty Pharmacy	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Outpatient Pharmacy Revenue	-\$480,545	-\$297,949	-\$178,084	-\$203,314	-\$128,466	14.2%	-27.9%
Cafeteria & Parking	\$73,970	\$78,013	\$77,182	\$87,454	\$87,454	13.3%	13.3%
Grant Income	\$19,235	\$5,250	\$0	\$7,257	\$11,855	#DIV/0!	#DIV/0!
Reference Lab Revenue	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Meaningful Use	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other	\$248,876	\$265,939	\$254,811	\$317,621	\$321,050	24.6%	26.0%
Other Operating Revenue	\$2,773,568	\$4,632,980	\$1,275,331	\$975,275	\$1,082,666	-23.5%	-15.1%
Total Operating Revenue	\$22,198,669	\$25,219,175	\$23,347,361	\$24,892,514	\$26,457,921	6.6%	13.3%
Operating Expenses							
Salaries Non MD, Fringe Benefits Non MD, Physician							
Fees & Salaries, Fringe Benefits MD	\$16,623,998	\$17,013,499	\$18,376,136	\$18,040,820	\$20,485,700	-1.8%	11.5%
Health Care Provider Tax	\$664,049	\$607,935	\$733,091	\$892,623	\$951,124	21.8%	29.7%
Depreciation Amortization	\$646,582	\$768,519	\$895,131	\$914,688	\$1,010,356	2.2%	12.9%
Interest - Short Term, Interest - Long Term	\$127,206	\$86,528	\$113,559	\$74,286	\$68,741	-34.6%	-39.5%
ACO Dues	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Medical/Surgical Drugs and Supplies	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Pharmaceuticals	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other Purchased Services - Consulting	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other Purchased Services -Travelers	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Other Operating Expenses	\$3,899,289	\$4,719,183	\$4,400,968	\$5,730,835	\$4,928,326	30.2%	12.0%
Total Operating Expenses	\$21,961,124	\$23,195,664	\$24,518,885	\$25,653,252	\$27,444,247	4.6%	11.9%
Net Operating Income	\$237,545	\$2,023,511	-\$1,171,524	-\$760,738	-\$986,326	-35.1%	-15.8%
Non Operating Revenue	\$1,215,070	\$2,736,107	\$937,423	\$836,143	\$1,192,676	-10.8%	27.2%
Excess (Deficit) of Rev over Exp	\$1,452,615	\$4,759,618	-\$234,101	\$75,405	\$206,350	-132.2%	-188.1%
Income Statement Metrics							
Operating Margin %	1.1%	8.0%	-5.0%	-3.1%	-3.7%		
Total Margin %	6.2%	17.0%	-1.0%	0.3%	0.7%		

Grace Cottage Hospital									
Douglas DiVello Stephen Brown									
Fiscal Year 2023 Submitted Budget									
BALANCE SHEET	2020 A	2021 A	2022 B	2022 Projection	2023 B	2022 B - 2022 P	2022 B - 2023 B	2022 P - 2023 B	
Cash & Investments	\$8,910,369	\$8,857,628	\$2,918,436	\$2,260,389	\$1,508,469	-22.5%	-48.3%	-33.3%	
Net Patient Accounts Receivable	\$1,863,373	\$2,397,443	\$2,286,306	\$2,334,535	\$2,451,261	2.1%	7.2%	5.0%	
Due From Third Parties	\$2,220,348	\$0	\$407,559	\$604,924	\$635,170	48.4%	55.8%	5.0%	
Risk Reserve Receivable	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Other Current Assets	\$1,286,297	\$695,177	\$1,168,415	\$881,332	\$925,399	-24.6%	-20.8%	5.0%	
Current Assets	\$14,280,387	\$11,950,248	\$6,780,716	\$6,081,180	\$5,520,299	-10.3%	-18.6%	-9.2%	
Board Designated Assets	\$5,212,327	\$6,499,744	\$6,491,438	\$6,074,585	\$6,378,314	-6.4%	-1.7%	5.0%	
Net, Property, Plant And Equipment	\$3,064,119	\$4,021,102	\$4,045,313	\$4,518,932	\$4,357,085	11.7%	7.7%	-3.6%	
Other Long-Term Assets	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Assets	\$22,556,833	\$22,471,094	\$17,317,467	\$16,674,697	\$16,255,698	-3.7%	-6.1%	-2.5%	
Accounts Payable	\$445,913	\$349,398	\$476,930	\$475,643	\$499,426	-0.3%	4.7%	5.0%	
Current Liabilities COVID-19	\$2,749,841	\$2,331,306	\$471,340	\$368,023	\$0	-21.9%	-100.0%	-100.0%	
Salaries, Wages And Payroll Taxes Payable	\$856,185	\$1,140,068	\$1,010,206	\$1,108,347	\$1,196,595	9.7%	18.5%	8.0%	
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	\$1,020,977	\$1,192,588	\$1,156,153	\$1,051,952	\$1,073,979	-9.0%	-7.1%	2.1%	
Current Liabilities	\$5,072,916	\$5,013,360	\$3,114,629	\$3,003,965	\$2,770,000	-3.6%	-11.1%	-7.8%	
Long Term Liabilities COVID-19	\$8,338,635	\$3,487,192	\$1,385,652	\$0	\$0	-100.0%	-100.0%	#DIV/0!	
Long Term Liabilities	\$1,287,239	\$1,352,881	\$978,588	\$977,666	\$586,282	-0.1%	-40.1%	-40.0%	
Other Noncurrent Liabilities	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Long Term Liabilities	\$9,625,874	\$4,840,073	\$2,364,240	\$977,666	\$586,282	-58.6%	-75.2%	-40.0%	
Total Liabilities	\$14,698,790	\$9,853,433	\$5,478,869	\$3,981,631	\$3,356,282	-27.3%	-38.7%	-15.7%	
Net Assets	\$6,405,428	\$7,858,043	\$12,072,699	\$12,617,661	\$12,693,066	4.5%	5.1%	0.6%	
YTD Change In Net Assets	\$1,452,615	\$4,759,618	-\$234,101	\$75,405	\$206,350	-132.2%	-188.1%	173.7%	
Fund Balance	\$7,858,043	\$12,617,661	\$11,838,598	\$12,693,066	\$12,899,416	7.2%	9.0%	1.6%	
Liabilities and Equities	\$22,556,833	\$22,471,094	\$17,317,467	\$16,674,697	\$16,255,698	-3.7%	-6.1%	-2.5%	
Balance Sheet Metrics									Change in Points
Days Cash on Hand	240.8	249.0	145.4	123.0	108.9	-22.4	-36.5	-14.1	
Debt Service Coverage Ratio to 1	1.9	4.5	(0.3)	0.5	0.2	0.8	0.5	-0.3	
Long Term Debt to Capitalization	0.6	0.3	0.2	0.1	0.1	-0.1	-0.1	-0.0	
Days Payable	86.9	81.6	48.1	44.3	38.2	-3.8	-9.9	-6.1	
Days Receivable	35.0	42.5	37.8	35.6	35.3	-2.2	-2.5	-0.4	

Grace Cottage Hospital					
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Fiscal Year 2023 Submitted Budget					
Utilization Monthly	2020 A	2021 A	2022 P	2023 B	2022 P - 2023 B
Total Average Daily Census	10	10	10	10	0%
Total Admissions	320	292	323	323	0%
Total Patient Days	3,663	3,497	3,682	3,682	0%
Magnetic Resonance Image Procedures, Exams	-	-	-	-	#DIV/0!
Cat Scan Procedures	1,301	1,514	1,529	1,529	0%
Radiology - Diagnostic Procedures	2,945	3,143	3,353	3,353	0%
Emergency Room Visits	2,705	2,769	3,146	3,146	0%
Operating Room Procedure	-	-	-	-	#DIV/0!
Operating Room Cases	-	-	-	-	#DIV/0!
Physician Office Visits	20,246	21,699	21,806	24,602	13%
Staffing Year to Date	2020 A	2021 A	2022 P	2023 B	2022 P - 2023 B
Non MD FTEs	129.8	135.6	138.7	146.9	8.2
MLPs	10.3	10.3	11.7	12.6	0.9
Residents & Fellows	-	-	-	-	-
Physician FTEs	6.6	6.5	6.2	7.1	0.9
Travelers, Travelers MD	1.6	3.0	4.5	-	(4.5)

Douglas DiVello Stephen Brown								
Fiscal Year 2023 Submitted Budget								
Payer Mix	2020 A	2021 A	2022 B	2022 P	2023 B	2022 B - 2022 P	2022 B - 2023 B	2022 P - 2023 B
Gross Revenue	\$29,994,908	\$34,398,070	\$34,389,561	\$37,962,596	\$40,020,838	10%	16%	5%
Contractual Allowances (includes Bad Debt & Free Care)	-\$10,569,807	-\$13,811,875	-\$12,317,531	-\$14,045,357	-\$14,645,583	14%	19%	4%
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	\$19,425,101	\$20,586,195	\$22,072,030	\$23,917,239	\$25,375,255	8%	15%	6%
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	\$19,425,101	\$20,586,195	\$22,072,030	\$23,917,239	\$25,375,255	8%	15%	6%

Above From the Income Statement

Medicare								
Gross Revenue	2020 A	2021 A	2022 B	2022 P	2023 B	2022 B - 2022 P	2022 B - 2023 B	2022 P - 2023 B
Gross Revenue	\$15,502,928	\$16,491,892	\$16,897,480	\$16,908,288	\$17,780,286	0%	5%	5%
Contractual Allowances (includes Bad Debt & Free Care)	-\$3,090,176	-\$4,761,502	-\$3,507,305	-\$3,514,743	-\$3,565,060	0%	2%	1%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0			
Net Payer Revenue	\$12,412,752	\$11,730,390	\$13,390,175	\$13,393,545	\$14,215,226	0%	6%	6%
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	\$12,412,752	\$11,730,390	\$13,390,175	\$13,393,545	\$14,215,226	0%	6%	6%

Medicaid								
Gross Revenue	2020 A	2021 A	2022 B	2022 P	2023 B	2022 B - 2022 P	2022 B - 2023 B	2022 P - 2023 B
Gross Revenue	\$3,999,121	\$5,154,159	\$4,915,481	\$6,418,773	\$6,818,614	31%	39%	6%
Contractual Allowances (includes Bad Debt & Free Care)	-\$2,687,194	-\$3,512,693	-\$3,399,320	-\$4,672,020	-\$4,941,944	37%	45%	6%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Net Payer Revenue	\$1,311,927	\$1,641,466	\$1,516,161	\$1,746,753	\$1,876,670	15%	24%	7%
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	\$1,311,927	\$1,641,466	\$1,516,161	\$1,746,753	\$1,876,670	15%	24%	7%

Commercial								
Gross Revenue	2020 A	2021 A	2022 B	2022 P	2023 B	2022 B - 2022 P	2022 B - 2023 B	2022 P - 2023 B
Gross Revenue	\$10,492,859	\$12,752,019	\$12,576,600	\$14,635,535	\$15,421,938	16%	23%	5%
Contractual Allowances (includes Bad Debt & Free Care)	-\$4,792,437	-\$5,537,680	-\$5,410,906	-\$5,858,594	-\$6,138,579	8%	13%	5%
Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0			
Graduate Medical Education Payments	\$0	\$0	\$0	\$0	\$0			
Net Payer Revenue	\$5,700,422	\$7,214,339	\$7,165,694	\$8,776,941	\$9,283,359	22%	30%	6%
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	\$5,700,422	\$7,214,339	\$7,165,694	\$8,776,941	\$9,283,359	22%	30%	6%

Disproportionate Share Payments	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
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Payer Mix	2020 A	2021 A	2022 B	2022 P	2023 B
Gross Revenue					
Payer Mix%					
Medicare	52%	48%	49%	45%	44%
Medicaid	13%	15%	14%	17%	17%
Commercial	35%	37%	37%	39%	39%
NPR/FPP Payer Mix%					
Medicare	64%	57%	61%	56%	56%
Medicaid	7%	8%	7%	7%	7%
Commercial	29%	35%	32%	37%	37%
DSH	0%	0%	0%	0%	0%

Grace Cottage Hospital							Grace Cottage Hospital							
							MEDIAN BENCHMARKS							
	Actuals FY2019	Actuals FY2020	Actuals FY2021	Budget FY2022	Projection FY2022	Budget FY2023	Vermont CAH FY2022	Vermont PPS FY2023	Vermont PPS FY2022	Vermont PPS FY2023	Northeast CAH FY2020	U.S. CAH FY2020	Northern NE FY2020	Fitch** Northeast FY2020
Net Patient Care Rev & Fixed Payments & Reserves	18,734,702	19,425,101	20,586,195	22,072,030	23,917,239	25,375,255								
NPR/FPP % change					8.4%	15.0%								
Operating Expense	20,743,344	21,961,124	23,195,664	24,518,885	25,653,252	27,444,247								
Operating Expense % change					4.6%	11.9%								
Operating Margin %	-6.70%	1.07%	8.02%	-5.02%	-3.06%	-3.73%	-0.31%	1.84%	-1.72%	1.00%	4.3%		3.6%	1.1%
Total Margin %	-0.34%	6.20%	17.03%	-0.96%	0.29%	0.75%	0.36%	2.41%	-4.77%	2.42%	6.7%		5.4%	6.2%
Days Cash on Hand	92.5	240.8	249.0	145.4	123.0	108.9	138.1	139.4	146.1	128.7	174.81		192.28	240.8460114
Days Payable	98.1	86.9	81.6	48.1	44.3	38.2	67.9	69.0	52.9	58.6	0		0	86.87094191
Days Receivable	35.0	35.0	42.5	37.8	35.6	35.3	41.4	41.4	45.0	43.6	40.23		47.25	35.01300431
Debt Service Coverage Ratio to 1	-1.06	1.87	4.48	-0.32	0.50	0.20	1.89	4.14	1.09	3.32	9.53		4.16	1.871379906
Long Term Debt to Capitalization	13%	55%	30%	19%	10%	6%	19%	17%	17%	16%	33.1%		31.2%	55.3%
Age of Plant	20.5	20.4	16.9	16.6	15.2	14.8	15.0	14.8	15.8	16.6	14.06		12.32	20.44601922

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