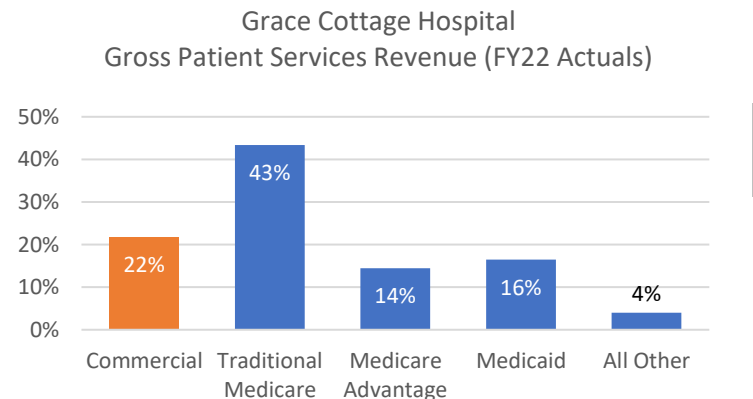


FY24 Hospital Budget Review – Grace Cottage Hospital
Summary for GMCB Deliberations

| Budgets | | | | | | | | |
|---------------------------|--|-------|-------|-------|-------|-------|-------|---------|
| Year | | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY22-24 |
| Net Patient Revenue (NPR) | Guidance | 3.0% | 2.8% | 3.5% | 3.5% | 3.5% | 8.6% | |
| | Submitted | -2.9% | 3.5% | 8.7% | 5.3% | 8.2% | 15.0% | 16.4% |
| | Δ Approved | 0.0% | 0.0% | -5.2% | -1.8% | -1.4% | 0.0% | |
| Commercial NPR | Submitted | -5.2% | 11.2% | 4.6% | 27.2% | 3.0% | 29.6% | 25.7% |
| | Δ Approved | 0.0% | 0.0% | -5.0% | -1.9% | 0.0% | 0.0% | |
| Operating Expenses | Submitted | -0.5% | -0.8% | 9.0% | 2.6% | 9.5% | 11.9% | 13.8% |
| | Δ Approved | 0.0% | 0.0% | 0.0% | -1.6% | 0.0% | 0.0% | |
| Change in Charge | Submitted | 5.0% | 3.2% | 3.2% | 3.2% | 5.0% | 5.0% | 4.0%* |
| | Δ Approved | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| | Commercial weight of approved increase | 1.5% | 1.0% | 1.0% | 1.1% | 1.9% | 2.0% | 1.7%* |

* As submitted

| Actuals | | | | | | | |
|--------------------|---------|-------|-------|-------|-------|-------|------|
| Year | | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 |
| NPR | % | 5.4% | 3.0% | 3.7% | 6.0% | 15.1% | 11.5 |
| | \$ in M | 0.9 | 0.5 | 0.7 | 1.2 | 3.1 | 2.7 |
| Commercial NPR | % | 20.6% | -3.1% | 10.9% | 26.6% | 24.6% | 18.2 |
| | \$ in M | 0.9 | -0.2 | 0.6 | 1.5 | 1.8 | 1.6 |
| Operating Expenses | % | 1.7% | 4.0% | 5.9% | 5.6% | 14.0% | 7.2% |
| | \$ in M | 0.3 | 0.8 | 1.2 | 1.2 | 3.2 | 1.9 |



Grace Cottage Hospital
Expense Growth Factors

| | Grace Cottage Hospital | | Vermont Hospitals | Benchmark Data | | |
|----------------|------------------------|------------------|-------------------|----------------|-----------|-------|
| | FY22-24 | VT Hospital Rank | Median | Lo | Benchmark | Hi |
| Labor | 5.6% | 10 | 4.0% | 0.8% | 5.2% | 9.7% |
| Utilization | 6.7% | 7 | 7.0% | -5.5% | -0.4% | 4.2% |
| Pharm Ex | missing | | 7.6% | 2.3% | 12% | 21.6% |
| Cost Inflation | 3.0% | 3 | 3.7% | 1.1% | 5.8% | 10.5% |

Financial Indicators

| | Grace Cottage Hospital | | | | Vermont Hospitals |
|---------------------------------|------------------------|---------------|----------|----------------|-------------------|
| | FY22 Actual | FY23 Approved | FY23 YTD | FY24 Submitted | FY24 Median |
| Op Margin | -6.8% | -3.7% | -2.3% | -3.4% | 1.2% |
| Op-EBIDA Margin | -3% | 0% | 1% | 0% | 5.6% |
| Total Margin | -7.6% | 0.7% | 6.2% | 12.9% | 3.8% |
| DCOH | 99.1 | 108.9 | 99.4 | 101.5 | 109.64 |
| Debt Service Coverage Ratio | -1.6 | 0.2 | 0.8 | 0.2 | 4.56 |
| LT Debt to Capitalization Ratio | 12.0% | 6.1% | 6.2% | 10.1% | 0.17 |
| Age of Plant | 14.4 | 14.8 | 14.2 | 14.7 | 16.02 |

Grace Cottage Hospital

Ratio of Administrative & General Salaries to Clinical Salaries (Critical Access Hospitals)

| Hospital | VT Hospital Rank | Hospital Percent Rank ¹ | Comparator 25 th Percentile | Comparator 75 th Percentile |
|----------|------------------|------------------------------------|--|--|
| 36% | 14 | 100 th | 11% | 22% |

CMI-Adjusted Average Cost per Medicare Discharge (Critical Access Hospitals)

| Hospital | VT Hospital Rank | Hospital Percent Rank ² | Comparator 25 th Percentile | Comparator 75 th Percentile |
|----------|------------------|------------------------------------|--|--|
| \$14,135 | 11 | 83 rd | \$9,745 | \$13,647 |

¹ Lower rank means more investment in clinical salaries (a lower ratio of administrative & general salaries to clinical salaries).

² Lower rank means lower costs per discharge (lower CMI-adjusted average cost per Medicare Discharge)

Grace Cottage Hospital

| Inpatient – Relative Cost and Price (Critical Access Hospital, not major teaching hospital) | | | | | | |
|---|-----------------------------|----------|----------|----------|----------|----------|
| Year | | FY18 | FY19 | FY20 | FY21 | FY22 |
| Commercial Cost per Discharge | Hospital | \$20,365 | \$28,454 | \$31,242 | \$27,692 | \$21,456 |
| | 25 th percentile | \$11,349 | \$11,030 | \$12,737 | \$11,914 | \$11,865 |
| | 75 th percentile | \$16,115 | \$19,154 | \$20,538 | \$17,412 | \$16,365 |
| Commercial Cost Coverage | Hospital | 84% | 62% | 57% | 58% | 80% |
| | 25 th percentile | 94% | 80% | 74% | 72% | 84% |
| | 75 th percentile | 111% | 100% | 92% | 97% | 112% |
| Standardized Price | Hospital | n/a | | | | |
| | 25 th percentile | \$13,391 | | | | |
| | 75 th percentile | \$22,644 | | | | |

| Outpatient – Relative Cost and Price (Critical Access Hospital, not major teaching hospital) | | | | | | |
|--|-----------------------------|-------|-------|-------|-------|-------|
| Year | | FY18 | FY19 | FY20 | FY21 | FY22 |
| Commercial Cost per Discharge | Hospital | \$442 | \$449 | \$386 | \$363 | \$369 |
| | 25 th percentile | \$426 | \$423 | \$470 | \$471 | \$498 |
| | 75 th percentile | \$495 | \$472 | \$601 | \$616 | \$628 |
| Commercial Cost Coverage | Hospital | 105% | 103% | 135% | 150% | 167% |
| | 25 th percentile | 200% | 171% | 150% | 163% | 170% |
| | 75 th percentile | 226% | 202% | 191% | 193% | 202% |
| Standardized Price | Hospital | \$366 | | | | |
| | 25 th percentile | \$259 | | | | |
| | 75 th percentile | \$420 | | | | |