

## Grace Cottage Hospital FY 2021 Actual Narrative

Despite COVID continuing throughout FY2021, Grace Cottage had an overall positive fiscal year.

### Revenues:

Gross Patient Care Revenue (GPCR) surpassed budget by 2.8% – however due to a shift in percentage of Medicaid patients, Net Patient Revenue (NPR) only surpassed budget by 1.7%.

### Bridges - FY 2021 Approved Budget to FY 2021 Actual Results

NPR/FPP	Total	% over/under
FY 21 Approved Budget	\$ 20,666,695	
Utilization		
Reimbursement/Payer Mix		
Bad Debt/Free Care	11,487	0.1%
Physician Acq/Trans		
Changes in Accounting		
Changes in DSH		
COVID Testing	342,414	1.7%
Other (please label)		
FY 21 Actual Results	\$ 21,020,596	

The lower reimbursement of shifting to a larger percentage of Medicaid patients was offset by the unexpected and unbudgeted continued need for COVID testing throughout the entire fiscal year.

Grace Cottage's overall percentage change in charges was 3.2% per the GMCB-approved budget for FY2021.

Other Operating Revenue variance is recognition of the forgiveness of our Paycheck Protection Program loan in the amount of \$2.97m.

### Operating Expenses:

## Bridges - FY 2021 Approved Budget to FY 2021 Actual Results

Expenses	Amount	% over/under
FY 21 Approved Budget	\$ 22,388,659	
Salaries	608,734	2.7%
Fringe Benefits	(27,567)	-0.1%
Physician Contracts	155,132	0.7%
Contract Staffing	484,119	2.2%
Supplies	30,210	0.1%
Drugs	59,998	0.3%
Facilities	11,582	0.1%
IT Related	9,510	0.0%
Health Reform Programs		
Depreciation	(25,777)	-0.1%
Interest	9,020	0.0%
Health Care Provider Tax	(27,420)	-0.1%
Other (please label)		
COVID Testing	269,464	1.2%
Cost Savings		
FY 21 Actual Results	\$ 23,945,664	

Grace Cottage experienced the same hardship regarding Contract Staffing as all hospitals in Vermont. Contract Staffing accounted for a very large budget to actual variance. Increased need beyond normal levels, combined with drastically increased market costs of Contract Staffing, resulted in almost a third of the total expense variance.

As filling necessary positions to keep the organization in operation became increasingly difficult, it was necessary to do market adjustments for many positions throughout the organization – both to retain existing personnel as well as recruit new personnel to fill vacant positions. This accounted for the majority of the remaining variance.

The remaining larger variance line was a result of COVID testing. As discussed above under Revenue, the costs for providing those tests resulted in an expense variance.

### Capital:

Two items account for the variance in Capital Expenditures.

- CT Scanner replacement was included in the approved FY2020 budget, however was delayed until FY2021.

- COVID related projects, including construction of a drive-thru COVID testing area on one of the buildings, renovation to one Emergency Department room to allow Isolation/Negative Pressure for treating COVID patients, revamping of Reception/Waiting room to allow COVID screener and social distancing, as well as several automatic door installations to provide isolated areas for treating COVID patients.

Non-Operating Revenues:

We continue to be extremely fortunate to have a wonderfully supportive community, and Non-Operating Revenue, primarily contributions, exceeded our budgeted expectations again this year.