

Grace Cottage Hospital FY 2023 Actual Narrative

FY 2023 was a busy year throughout the facility, particularly in several Outpatient service lines. However, the continued increased need for Agency Staff, as well as reimbursement rates from insurers that are not keeping pace with inflationary costs, prevented achieving the budgeted bottom line.

Revenues:

Gross Patient Revenue (GPR) surpassed budget considerably, primarily due to higher than budgeted demand in the following Outpatient departments: Emergency Room (31% above budget), Physical Therapy (17% above budget), and Diagnostic CT Imaging (20% above budget).

Bridges - FY 2023 Approved Budget to FY 2023 Actual Results

NPR/FPP	Total	% over/under
FY 23 Approved Budget	\$ 25,375,255	
Utilization	2,929,760	11.5%
Reimbursement/Payer Mix	(2,994,541)	-11.8%
Bad Debt/Free Care	(452,947)	-1.8%
Physician Acq/Trans		
Changes in Accounting		
Changes in DSH		
Other (please label)		
Other (please label)	0	
FY 23 Actual Results	\$ 24,857,527	

Grace Cottage's overall percentage change in charges was 5.0% per the GMCB-approved budget for FY2023.

Other Operating Revenue ended over budget due to 340B Retail Pharmacy Program and Grant Income.

Operating Expenses:

Bridges - FY 2023 Approved Budget to FY 2023 Actual Results

Expenses	Amount	% over/under
FY 23 Approved Budget	\$ 27,444,247	
Salaries	90,179	0.3%
Fringe Benefits	(532,948)	-1.9%
Physician Contracts	226,619	0.8%
Contract Staffing	1,424,041	5.2%
Supplies	89,186	0.3%
Drugs	137,789	0.5%
Facilities	(8,553)	0.0%
IT Related	(45,813)	-0.2%
Health Reform Programs		
Depreciation	(97,386)	-0.4%
Interest	(3,377)	0.0%
Health Care Provider Tax	10,646	0.0%
Other (please label)	(37,765)	-0.1%
Other (please label)		
Cost Savings		
FY 23 Actual Results	\$ 28,696,865	

Agency Staffing continues to be the driving factor in Expenses exceeding budget. Aside from that, most Expenses were near or under budget.

Capital:

The only significant Capital Expenditure was a badly needed expansion to our Emergency Department. While no additional treatment rooms were added, it improves efficiency, privacy, safety, and comfort for our patients and staff.

Non-Operating Revenues:

Grace Cottage is fortunate to have donors that continue to generously support their community hospital. This support helps supplement the inadequate reimbursement from insurers, particularly the State of Vermont Medicaid program.