



FY 2025 BUDGET



Introduction

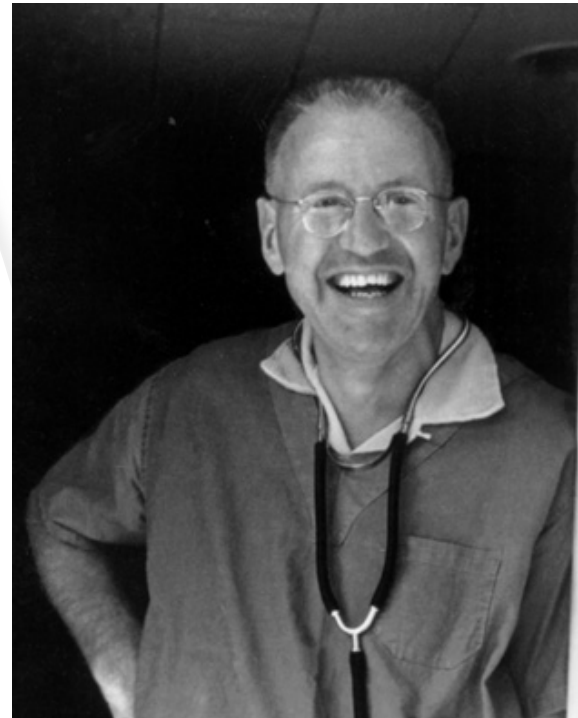
Olivia Sweetnam, CEO

Stephen Brown, CFO

Hospital Mission and Our Promise

To serve the health care needs of our community; to promote wellness, relieve suffering, and restore health.

We Go Beyond Patient Care.





Hospital Vision

We will provide personalized, competent and accessible primary care, rehabilitation, wellness, prevention, inpatient care, and emergency services.

We will focus on preventive care that serves to preserve and prolong the well-being of our community.

We will collaborate with other agencies that share our goal of optimum wellness for our community to enable us to meet the needs of the entire person.

Our community will embrace Grace Cottage as a welcoming resource for health and wellness, and the diversity and culture of our region will be reflected in all we do.



Overview

Hospital



- 19 bed Critical Access Acute & Swing
- 24/7 ED
- Diagnostic Imaging
- Lab
- Inpatient & Outpatient Rehabilitation

Rural Health Clinic



- Primary Care
- Pediatrics
- Behavioral Health
- Spoke
- Community Health Team

On-Campus Retail Pharmacy



- Messenger Valley Pharmacy

Defining Swing Beds

- Hospital beds used to provide both acute and long-term care for patients.
- Utilized predominantly in rural areas where it enables rural hospitals to utilize unoccupied beds interchangeably as either acute care or skilled nursing (long-term) care beds, depending on patient needs
- Swing beds are important in bridging the gap between short-term acute care and long-term skilled nursing care
- Rural hospitals with swing beds play a vital role in the provision of health services in rural areas.

[Quality Measures for Skilled Nursing Care in Rural Swing Beds: What Works and What Doesn't?: Rural Health Research Project](#)

Crossing Rivers Health

Swing Bed

When you're not quite ready to go home



Crossing Rivers Health Swing Bed Program ensures a successful transition between hospital care and home, allowing a patient to remain in a hospital setting closer to home to receive skilled nursing and rehabilitation, enhancing the recovery process.

How do you qualify?

- 1** Skilled nursing or skilled physical rehabilitative therapies are needed daily.
- 2** Three overnight stays in a hospital as an inpatient within the last 30 days.
- 3** The care needed relates to the reason for the acute care hospital stay.

Services Available

Based on the condition of the patient and the physician's orders, a patient may receive the following care:



- Skilled Nursing Care**
 - IV therapy • Wound care
 - Assessment and monitoring
- Therapy**
 - Physical • Occupational
 - Speech • Respiratory
- Case Management and Discharge Planning**
- Nutritional Support**
- Assistance with Personal Cares**

Crossing Rivers Health will work with you to create a treatment plan customized to your specific needs, in order to reach your recovery goals.

For more information, visit crossingrivers.org/swingbed or call 608.357.2012.

Crossing Rivers Health

Your bridge to wellness

> J Rural Health. 2017 Apr;33(2):117-126. doi: 10.1111/jrh.12176. Epub 2016 Feb 16.

Surgical Patient Safety Outcomes in Critical Access Hospitals: How Do They Compare?

Nabil Natafji ¹, Jure Baloh ¹, Paula Weigel ¹, Fred Ullrich ¹, Marcia M Ward ¹

Affiliations + expand

PMID: 26880145 DOI: 10.1111/jrh.12176

Abstract

Purpose: The aim of the study was to examine whether Critical Access Hospitals (CAHs), the predominant type of hospital in small and isolated rural areas, perform better than, the same as, or worse than Prospective Payment System (PPS) hospitals on measures of quality.

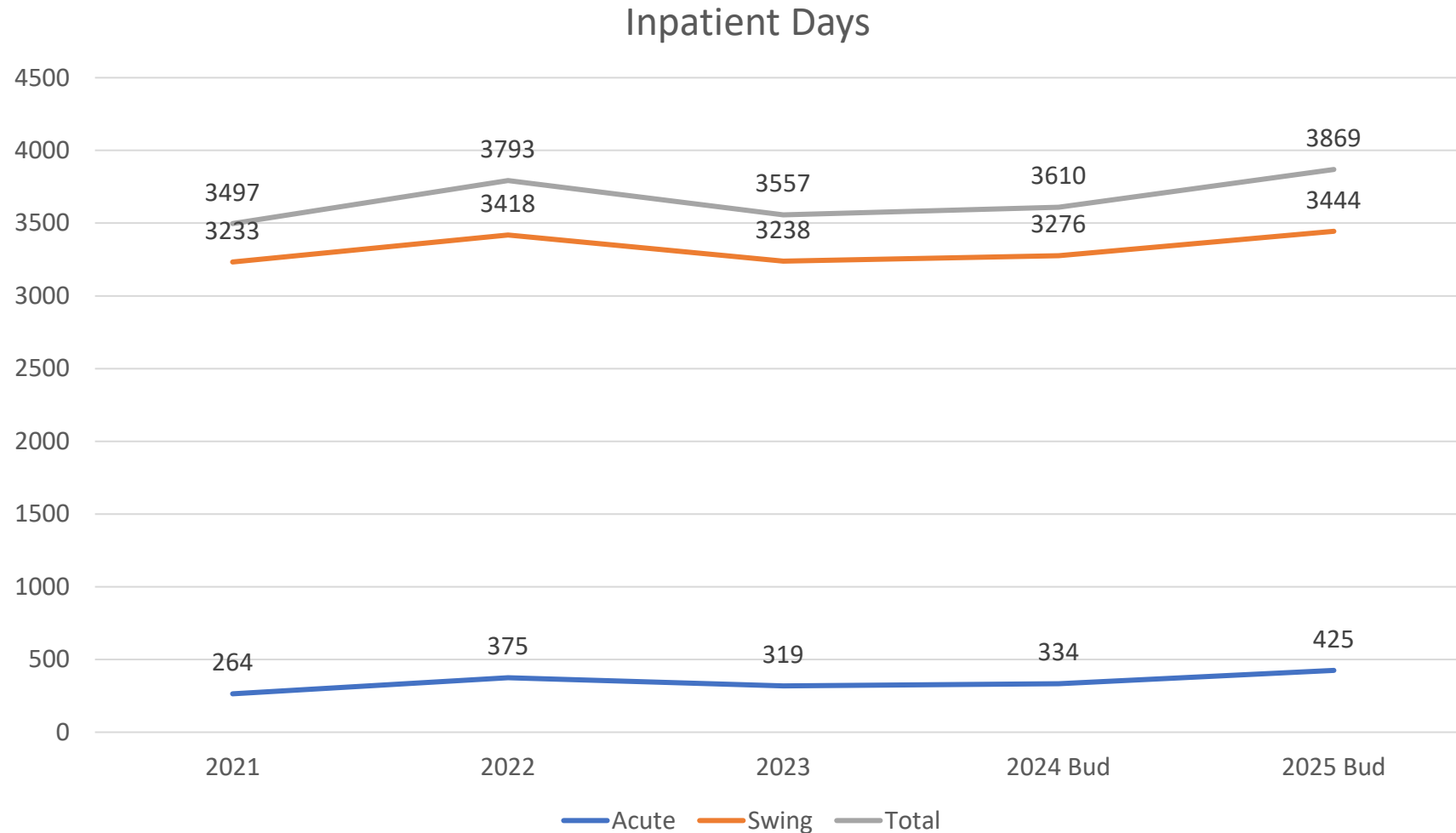
Methods: The Healthcare Cost and Utilization Project State Inpatient Databases and American Hospital Association annual survey data were used for analyses. A total of 35,674 discharges from 136 nonfederal general hospitals with fewer than 50 beds were included in the analyses: 14,296 from 100 CAHs and 21,378 from 36 PPS hospitals. Outcome measures included 6 bivariate indicators of adverse events (including complications) of surgical care developed from the Agency for Healthcare Research and Quality's Patient Safety Indicators. Multiple logistic regression models were developed to examine the relationship between hospital adverse events and CAH status.

Findings: Compared with PPS hospitals, CAHs are significantly less likely to have any observed (unadjusted) adverse event on 4 of the 6 indicators. After adjusting for patient mix and hospital characteristics, CAHs perform better on 3 of the 6 indicators. Accounting for the number of discharges eliminated the differences between CAHs and PPS hospitals in the likelihood of adverse events across all indicators except one.

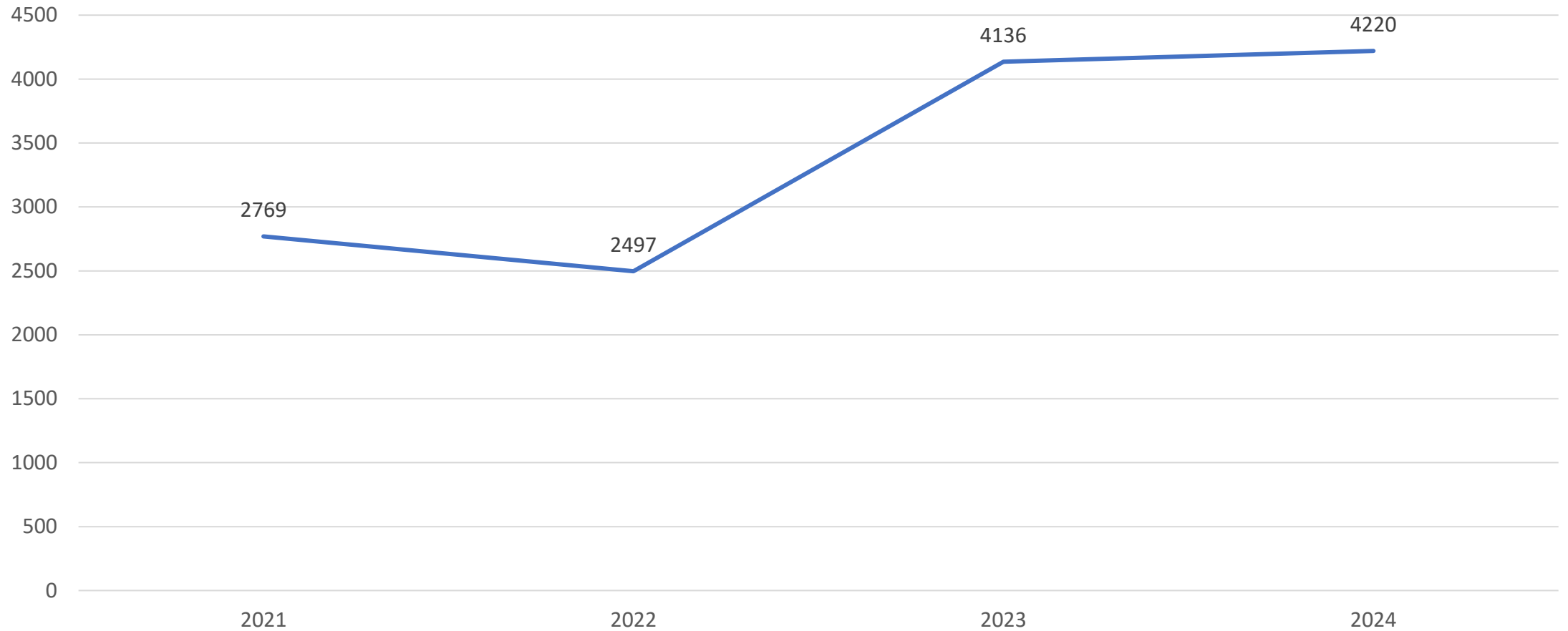
Conclusions: The study suggests there are no differences in surgical patient safety outcomes between CAHs and PPS hospitals of comparable size. This reinforces the central role of CAHs in providing quality surgical care to populations in rural and isolated areas, and underscores the importance of strategies to sustain rural surgery infrastructure.

Keywords: critical access hospitals; patient safety; quality of care; surgical care.

Patient Days Data for Acute and Swing



Emergency Room Volume in Visits



Summary of Budget Proposal

- GCH is meeting 1 out of 3 benchmarks
- Commercial rate growth is 2.50%
- NPR is 12% due to volume
- Operating margin at -2.3%

GMCB Benchmark Requirements

Net Revenue	≤3.50%
Commercial Rate Growth	≤ 3.40%
Operating Margin	> 0.00%

FY 2025 Budget Goals

- Financial stability with plans to appreciate positive operating margin
- Grow primary care
- Grow outpatient rehab
- Focus on cost saving initiatives and operational efficiency

Summary of Budget Request

- Grace Cottage FY25 budget submission is a carefully and thoroughly thought-out financial plan for the coming year
- This plan was developed with a minimal price increase of 4% and a continue eye on controlling expenditures wherever possible
- The charge is the minimum necessary to offset inflationary increases in operating expenses and shortfalls in reimbursement.

Summary of Budget Request cont.

- FY25 budget continues the same service lines as approved FY24 budget
- All patient volumes are budgeted at the level of service experience throughout the first seven months of FY24 with two exceptions
 1. Outpatient physical therapy includes one additional FTE
 2. Rural Health Clinic encounters are increased slightly based on projected growth and demand
- Pharmaceuticals were budgeted at costs currently being paid with 3.8% inflation factored in based on projections from group purchasing affiliation
- Supply costs budgeted with 2-3% inflation expected

Risks

- Reimbursement
- Shifting payer mix
- Staffing Costs
- Delays in ED Patient Transfer due to system stress
- Election year, change in tariffs, inflationary pressures

Opportunities

- Design/construction of New Clinic Building
- Outpatient OT/PT build to be completed in Nov 2024
- Addition of imaging services with existing equipment
- Growing referral pool
- Continued partnership with Dartmouth TelePsych, TeleNeuro and TeleEmergency

Operating Margin and Total Margin

- Charge increase requested is not adequate to produce an overall positive operating margin
- The overall positive total margin is attributed to contributions by our generous supports with larger amounts in FY25 as the beginning phase of the new Clinic Building Project. Fundraising continues for this project.
- The submitted budget reflects minimal operating loss, slightly better than the loss submitted for FY24.

Uncompensated Care

Uncompensated care, both bad debt
and free care is budgeted for FY25
at the levels experienced
in the first seven months of FY 24

Community Benefit



Grace Cottage wins Best Place to Work Award

April 13, 2024

TOWNSHEND, Vt. – For the second year in a row, Grace Cottage Family Health and Hospital has been named one of Vermont’s Best Places to Work by the Vermont Business Magazine.

The award, given each year by Vermont Business Magazine and the Vermont Chamber of Commerce, in partnership with the Society for Human Resource Management, the Vermont State Council, the Vermont Department of Commerce and Community Development, and Workforce Research Group, is designed to identify, recognize, and honor the best places of employment in Vermont, benefiting the state’s economy, workforce, and businesses.

Grace Cottage was ranked fourth out of 14 award recipients in the medium-size company category, and once again was the only hospital to win an award this year, out of a total of 65 awardees. The awards ceremony was held on March 26, in Burlington.

- Grace Cottage is essential to this community
- Overwhelming support and generosity from our community
- One of the largest employers in Windham County and employees support local businesses and the local economy
- Received several workplace awards including “Best Place to Work” from Vermont Biz



Partnership with Other Organizations

- Turning Point (BAA)
- Bayada Home Health and Hospice
- Area Agency on Aging (Senior Solutions)
- SASH
- Valley Village
- Care organizations
- Moover
- Meals on Wheels
- VT Ethics Network
- Rescue
- Groundworks Collaborative



Workforce Development

- Collaborate with nursing schools including Vermont Tech for student rotations
- Host UVM students, medical students, and high school students
- Employee Appreciation and 75th Birthday Celebration for our staff
- Offer several Pride Month events
- Celebrate various Healthcare Worker Appreciation days/weeks
- Received numerous awards including:
 - Vermont Best Place to Work in Windham County from Brattleboro Reformer, Governors Excellence in Worksite Wellness Award Gold Level and top 3 performers in VT on the HRC LGBTQ+ Healthcare Equality Index



Equity

- Created Equity Committee in 2019 made up of volunteer chair and members who actively engage and advocate for our local LGBTQ+ community.
- Revised policies and procedures to align with standards of the Human Rights Campaign Health Equality Index.



Lookback

- Agency staffing is over budget by \$1.2M at the end of the first 9 months of the current fiscal year. Need for travelers is declining heading into the end of FY24 primarily due to our work on culture
- Our goal is to have all employed staff by FY25. Throughout FY24 we have used contracted labor in Nursing, Diagnostic Imaging and Physical Therapy
- To recruit/retain staff and to reduce need for temporary staff, Grace Cottage pays a competitive rate
- Inflation across the board has also had significant impact on overall Operating Expenses

Budget Questions - TeleMedicine



TeleED

TeleNeuro

TelePsych

TelePharmacy

1. Patient experience

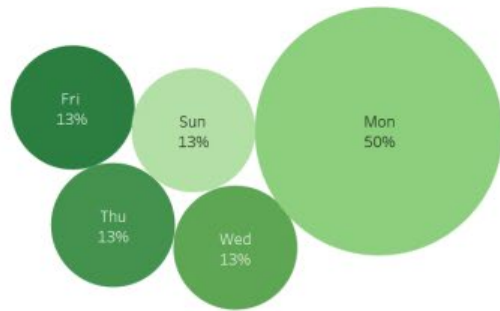
2. Fiscal impact



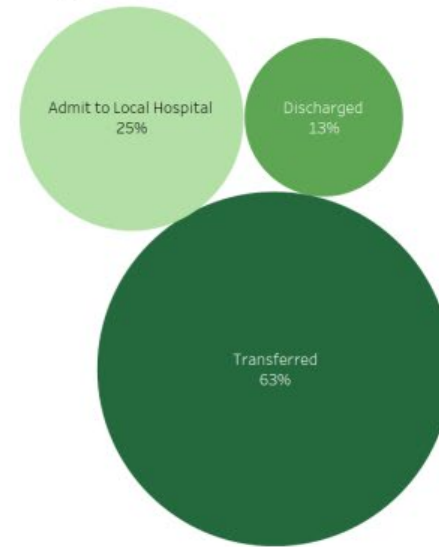
TeleED



Day of Week Encounters



Discharge Disposition



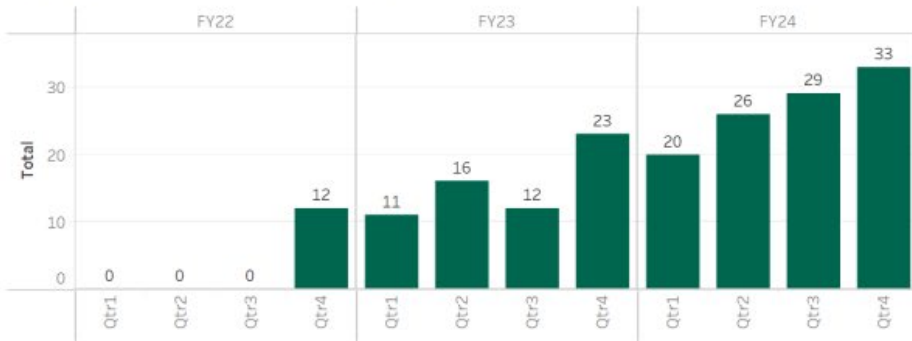
Time of Day Encounters



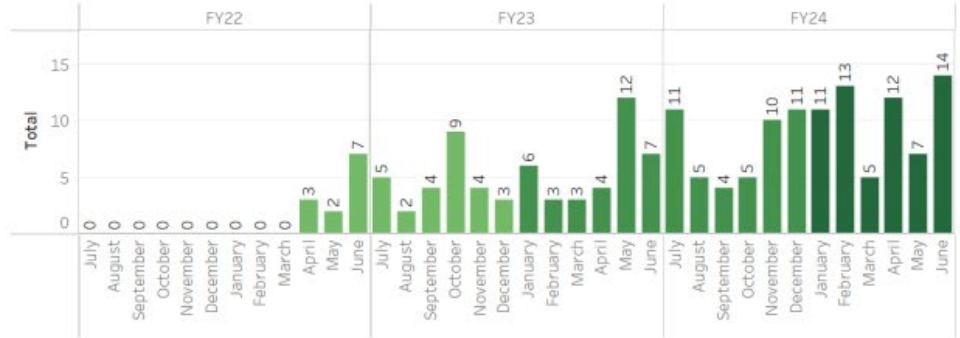
TeleNeuro



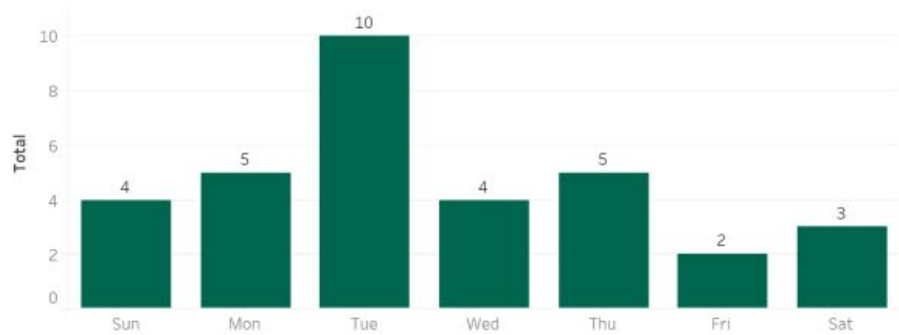
TeleNeurology Quarterly Consults



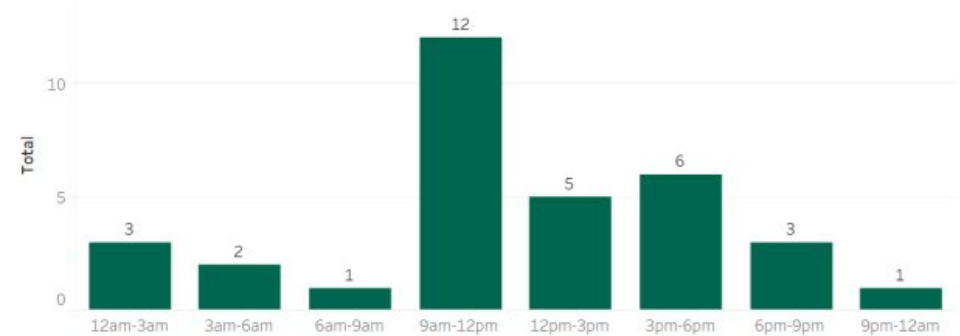
TeleNeurology Monthly Consults



TeleNeurology by Day of Week



TeleNeurology by Time of Day



Primary Care

- We continue to focus on expanding our primary care services
- We are piloting “team-based models” for care delivery and will optimize current workflows the best we can while in the outdated space
- Our new clinic will greatly enhance productivity with physical space (1 to 2 clinic room conversion for example)
- Our Rural Health Clinic has same day appointments for current patients

Home Health Services

- Has GCH planned any long-term solutions to support the types of home health services that were previously provided by VNH?
 - We do not have any plans currently to provide home health services
 - We are exploring Rescue’s partnership with BMH to understand if there are “forward deployed” models we could adopt
 - At present time, we do not have the physical space, nor the staff to expand into home health offerings
 - We do have a community health team, availability to the community regardless if they are a patient or not

Community Health Team

Whether or not you receive your primary healthcare at Grace Cottage Family Health, you are welcome and encouraged to use the services to the Grace Cottage Community Health Team (CHT). Skilled health care professionals are available to help you reach your personal health goals. Based on your individual needs, members of the CHT work with you to assess your situation, develop plans, establish attainable goals, and provide motivation to move you in the right direction, one step at a time.

Health concerns for which the Community Health Team provides help include:

- Chronic Disease Management
- **Diabetes and Pre-Diabetes Management & Education**
- Nutrition and Fitness Education
- Medication Management

Community Health Team services are free for anyone, regardless of income level. If you have health insurance, it will NOT be billed.

To schedule an appointment, contact the Grace Cottage Community Health Team at (802) 365-3763.



Claire Bemis, RN
RN Care Coordinator



Peg Canal MS, RDN
CDCES
Registered Dietitian
Nutritionist
Certified Diabetes Care &
Education Specialist

Fundraising Efforts

- During FY25 we plan to raise approximately \$1.1M to help cover operating expenses and to purchase equipment as we have done annually for the past few years
- \$4.3M fundraising budgeted for initial construction costs of new Rural Health Clinic Building.
- We plan to do this by meeting with individual donors who support the hospital annually as well as the following fundraising events
 - Cabin Fever Auction
 - Tee it Up for Health
 - Hospital Fair Day
 - Giving Tuesday
 - Local restaurant support days



Capital Expenditures

- IT Projects which are renewals/refreshes of existing capital leases to keep IT infrastructure both current and as safe as possible
- Start of construction of new Rural Health Clinic Building

Budget Questions - Medicare

- Is Medicare underfunded
 - As a Critical Access Hospital Grace Cottage is eligible for reimbursement of up to 101% of allowable Medicare costs and services.
 - However, due to the 2% Medicare Sequestration we are only paid 99% of costs

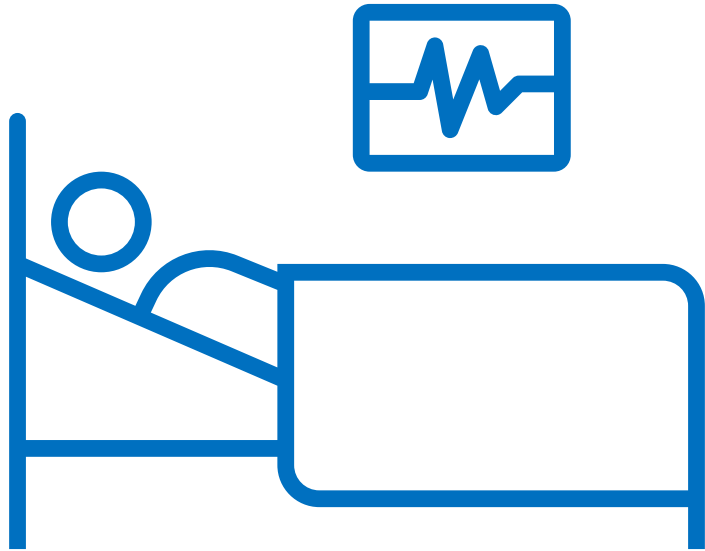
Medicaid

- Is Medicaid underfunded?
 - Yes, absolutely
 - Based on FY23 990 submission:
 - Shortfall of Medicaid payments vs actual cost to provide care (not charges, but actual cost) is \$2.4M
 - Medicaid Provider Tax of \$962

Total cost to Grace Cottage to provide care to Medicaid Patients=
\$3.4M



Budget Questions - Medicaid

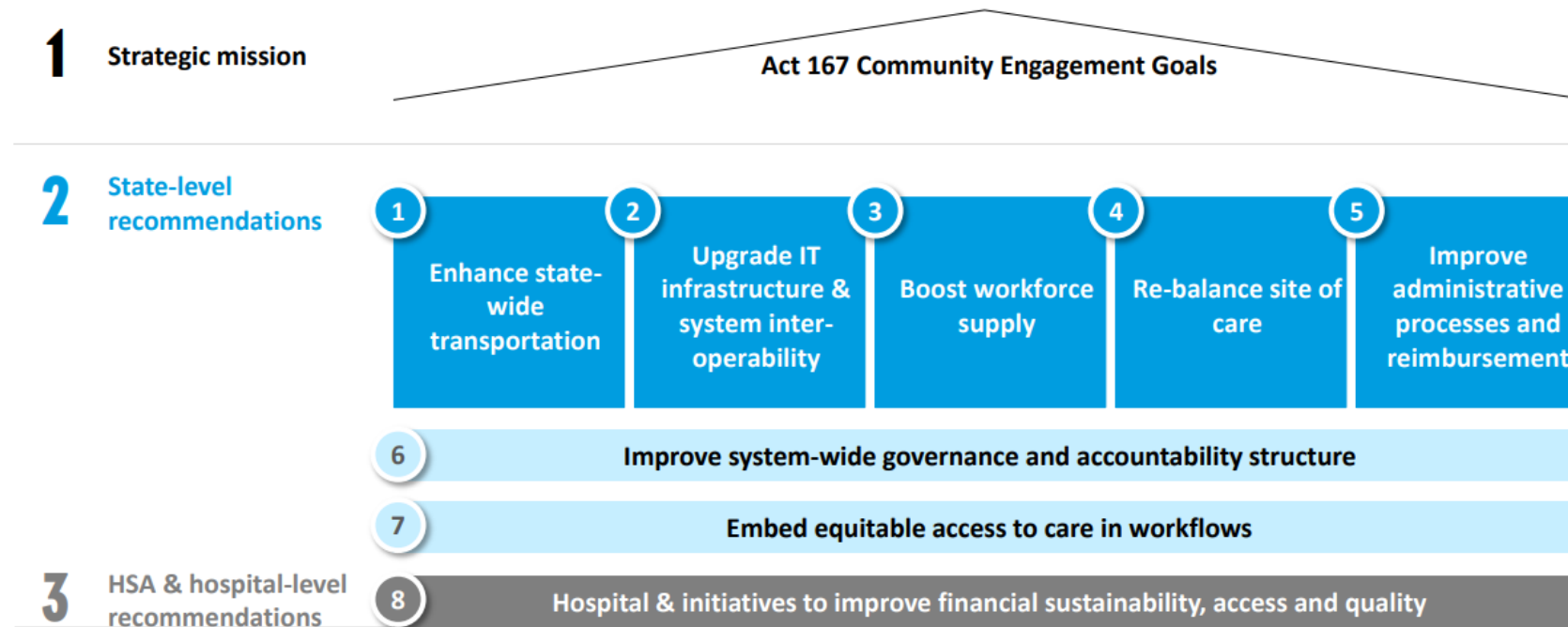


- Recent patient case study
- Patient was inpatient for just under a month with complicated medical picture requiring IV antibiotics for heart valve infection
- Total facility charges for stay were \$54,243.09
- Medicaid paid \$8,083.17
- **14% of billed charges**
- Average of \$278.73 per day

Act 167

PRELIMINARY DATA FOR HOSPITAL DISCUSSION ONLY – DO NOT DISTRIBUTE

WE IDENTIFIED 5 KEY AREAS FOR STATE-LEVEL ACTIONS AND 2 SYSTEM IMPROVEMENTS

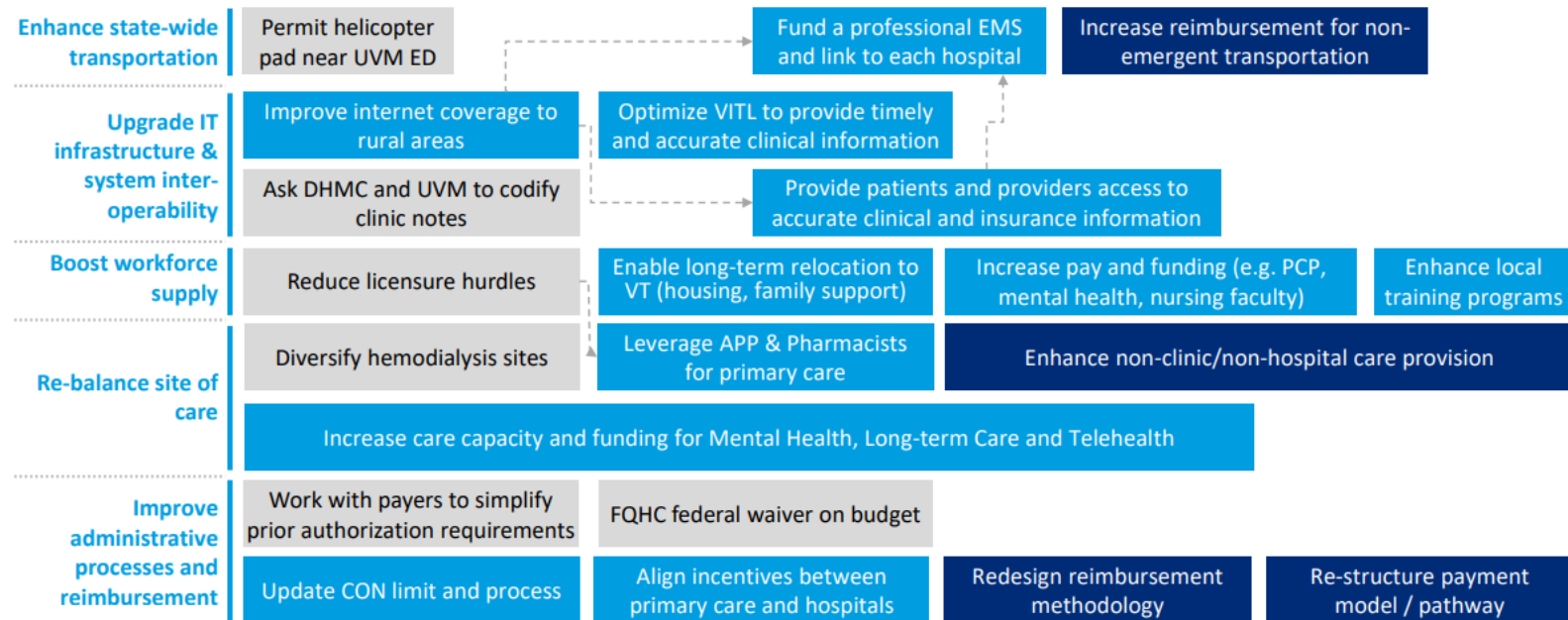


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PRELIMINARY DATA FOR HOSPITAL DISCUSSION ONLY – DO NOT DISTRIBUTE

RECOMMENDED PRIORITIZATION OF STATE-LEVEL SOLUTIONS

Key: Easy to do Must do Critical long-term efforts

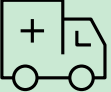








Act 167

- GCH recommendations
 - Focus on primary care



THERE ARE EXISTING EFFORTS UNDERWAY IN YOUR COMMUNITY AND AT GRACE COTTAGE HOSPITAL TO ADDRESS CURRENTLY IDENTIFIED NEEDS

 <p>Expanding imaging capabilities with existing machinery- such as low dose lung cancer screening</p>	 <p>High adopter of telehealth (Tele-pharmacy, Tele-ED, Tele Neurology, Telepsychiatry, Tele-ID for IP, vRad)</p>	 <p>Nearly 50% fundraising completed for new primary care clinic space with additional urgent care capabilities</p>	 <p>Outpatient rehabilitation center renovation ongoing for Oct 1, expansion to provide more space for outpatient rehab which is in very high demand</p>
 <p>Partnership with Turning Point to offer peer support for substance use recovery inpatient, in the ED and primary care clinic.</p>	 <p>Part of the New England Alliance for Health group purchasing program at Dartmouth</p>	 <p>Currently exploring partnership opportunity with Senior Life Solutions for intensive outpatient geriatric psychiatry to combat geriatric mental health and social isolation epidemic</p>	<p>Grace Cottage earned Human Rights Campaign (HRC) Foundation “LGBTQ+ Healthcare Equality Top Performer” designation, one of only two hospitals in 2022. Highest score in VT in 2024.</p>

Our Commitment

- We are committed to working together, being open to new and innovative models and being an inquisitive and invested partner to our local, state and federal colleagues
- We are committed to reducing waste
- We are committed to being good stewards of our resources

QUESTIONS?

THANK YOU!