AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: GVH Board of Trustees Update

Action Requested:

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:

Please see the attached.

Fiscal Impact: N/A

Submitted by: Katherine Haase **Submitter's Email Address:** khaase@gunnisoncounty.org

Finance Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ○ Required ◉ Not Required

Comments:

Reveiwed by: Discharge Date: Certificate of Insurance Required

Yes ○ No ○

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 12/11/2020

○ Consent Agenda ◉ Regular Agenda ○ Worksession Time Allotted: 90

Agenda Date: 12/15/2020

Revised April 2015

GUNNISON VALLEY HEALTH

GVH and BOCC Work Session
Tuesday, December 15, 2020
BOCC Boardroom – Courthouse

AGENDA

For Gunnison Valley Health:

- Don Haver, Chair
- Rob Santilli, CEO
- Mark VanderVeer, CFO

Conversation Outline

I. Opening Comments & Introductions — Don Haver

II. Board Strategic Plan 2020 – 2025 — Don Haver

III. Operational Items — Rob Santilli

- COVID-19
  - Testing
  - Vaccination
- Nursing SCC – COVID Response Testing
- Visitation
- GVH Primary Care / Pediatrics
- Urgent Care
- Colorado CURE Opioid Program

III. Finance — Mark VanderVeer

- October 2020 Financials
- 2021 Budget

IV. Strategic — Rob Santilli

- SCC Repurposing – Child Daycare / Seasons
- Lazy K Property
- Orthopedics Service Line
- Urologist
- CT Scanner

V. Commissioner Questions and Observations

GUNNISON VALLEY HEALTH

Operation review

Period Ending October 31, 2020

COMBINED OVERVIEW:

The combined financials for the month show that the hospital system earned $327k, on a budget of $440k, a decrease in net income of $112k from budget; as compared to same month last year, where the system earned $302k, this year's earnings are above last year, same month by $26k. YTD, the system earned $5.5M, on a budget of $6.9M, a decrease of $1.5M; compared to last year's $8.3M net revenue, this year is down $2.8M. The revenue from Covid-19 recovery from the Federal Government is $27k for October and $4.04M YTD.

October-20							
	MONTH TO DATE						
	Net Income	Budget	Var	% Var	P/Y	Var	% Var
GVH	$ 621,566	$ 712,523	$ (90,957)	-12.8%	$ 413,798	$ 207,768	50.2%
SCC	$ (291,322)	$ (259,485)	$ (31,837)	-12.3%	$ (203,069)	$ (88,253)	-43.5%
Hospice	$ 3,318	$ 3,366	$ (48)	-1.4%	$ 2,626	$ 692	26.4%
Home Health	$ (4,924)	$ (19,606)	$ 14,682	74.9%	$ (12,155)	$ 7,231	59.5%
Assisted Living	$ (8,478)	$ (8,702)	$ 224	2.6%	$ 646	$ (9,124)	-1411.9%
Foundation	$ 7,118	$ 11,666	$ (4,548)	-39.0%	$ 99,840	$ (92,722)	-92.9%
Grand Total	$ 327,278	$ 439,762	$ (112,484)	-25.6%	$ 301,686	$ 25,592	8.5%
	YEAR TO DATE						
	Net Income	Budget	Var	% Var	P/Y	Var	% Var
GVH	$ 8,125,992	$ 8,402,402	$ (276,410)	-3.3%	$ 9,349,834	$ (1,223,842)	-13.1%
SCC	$ (2,432,000)	$ (1,313,352)	$ (1,118,648)	-85.2%	$ (1,145,828)	$ (1,286,172)	-112.2%
Hospice	$ 14,578	$ 29,861	$ (15,283)	-51.2%	$ 49,524	$ (34,946)	-70.6%
Home Health	$ (222,457)	$ (230,896)	$ 8,439	3.7%	$ (183,264)	$ (39,193)	-21.4%
Assisted Living	$ (138,745)	$ (82,780)	$ (55,965)	-67.6%	$ 47,208	$ (185,953)	-393.9%
Foundation	$ 121,881	$ 116,660	$ 5,221	100.0%	$ 198,854	$ (76,973)	-38.7%
Grand Total	$ 5,469,248	$ 6,921,895	$ (1,452,647)	-21.0%	$ 8,316,326	$ (2,847,078)	-34.2%

DEBT SERVICE COVERAGE RATIO - The Debt Service Coverage Ratio for CoBiz was 5.27. The bond covenant requires GVH to keep a debt service ratio of 1.25.

DAYS CASH ON HAND - The cash on hand, was 395 days (Sep'20 385 days & Oct'19 327 days) as compared to the bond covenant requirement of 90 days. This excludes the CMS Advance payments.

INPATIENT VOLUMES – Admissions were unfavorable to budget for the month by 5 and unfavorable to prior year's same month by 1. YTD, admissions were 154 below budget and 103 below PY. IP days were 80 versus a budget of 112.

Gross Inpatient revenue was $639k below budget for October and $120k below prior year. YTD, Inpatient revenue was $4M below budget and was $3.4M below PY.

OUTPATIENT VOLUMES – Outpatient visits were 613 above budget and 969 above prior year. YTD, visits were down 4,433 versus budget and down 762 versus PY. Emergency room visits were up 103 versus budget and up 115 versus PY; YTD, visits were down 877 versus budget and down 501 versus PY.

Gross Outpatient revenue was up $689k from budget and up $379k from prior year. YTD, outpatient revenue was down $3.9M and up $243k from PY.

10/31/2020	CY	Bgt	Var.	% Var.	PY	Var.	% Var.
Outpatient Visits	5,462	4,849	613	12.6%	4,493	969	21.6%
Radiology	536	461	75	16.3%	451	85	18.8%
Laboratory	8,966	7,451	1,515	20.3%	6,949	2,017	29.0%
YTD	CY	Bgt	Var.	% Var.	PY	Var.	% Var.
Outpatient Visits	46,558	50,991	(4,433)	-8.7%	47,320	(762)	-1.6%
Radiology	4,677	5,735	(1,058)	-18.4%	5,606	(929)	-16.6%
Laboratory	75,061	79,638	(4,577)	-5.7%	74,269	792	1.1%

58 orthopedic surgeries were performed during the month on a budget of 58, in line with budget and a decrease of 2 from PY; YTD, 533 surgeries have been performed on a budget of 594, a decrease of 61 and a decrease from PY of 77.

2020	Griggs	Beim	Elfenbein	Clifton	Total
Surgeries %	36%	9%	19%	36%	100%
Surgeries	21	5	11	21	58
2019	Griggs	Beim	Elfenbein	Clifton	Total
Surgeries %	42%	8%	10%	40%	100%
Surgeries	25	5	6	24	60

Other Topics:

CARES Act Funds received:

As of October 31st GVH has received approx. $12.5M in CARES Act and other COVID-19 Relief Funds. The various Grants all have guidelines as to approved uses. As of October 31st GVH has recognized a total of ~$4.0M as Other Operating Revenue.

The Health System's Net Income YTD (without the recognized COVID Relief funds) is $1,443k which would have been ($5.5M) unfavorable to budget.

As of October 31st GVH has approx. $8.4M of Deferred CARES Act Relief funds on the balance sheet:

- CARES Act Grants of $3.6M.
    - Funds to be recognized as specific COVID-19 expenses are identified.
    - Currently the CARES Act has allowed the funds to be used for Lost Revenue in March and April 2020 only – this is still not clearly defined. Waiting for final HHS reporting requirements.

Paycheck Protection Program ("PPP") Loan of $4.8M. We will be submitting for loan forgiveness before the end of the year (BBVA is not yet accepting foregiveness applications). Forgivable expenses are payroll, employee benefits, rent & utilities incurred and paid expenses for the 8 week period from April 14th through June 8th. Any forgivable expenses related to April 2020 may result in a reclass of deferred revenue from the PPP to the CARES Act Grants to avoid double dipping.

OTHER OPERATING REPORTS:

SENIOR CARE CENTER

Oct-20

	MONTH TO DATE								
	Unit	C/M	Bgt	Var	% Var		PY	Var	% Var
SCC	Days	1,304	1,543	(239)	-15.5%		1,511	(207)	-13.7%
H/H	Census	50	46	4	8.7%		42	8	19.0%
A. Living	Days	390	435	(45)	-10.3%		465	(75)	-16.1%
Hospice	Days	168	138	30	21.7%		150	18	12.0%
Palliative	Days	62	146	(84)	-57.5%		155	(93)	-60.0%

	YEAR TO DATE								
	Unit	C/M	Bgt	Var	% Var		PY	Var	% Var
SCC	Days	13,329	14,376	(1,047)	-7.3%		14,080	(751)	-5.3%
H/H	Census	420	501	(81)	-16.2%		460	(40)	-8.7%
A. Living	Days	4,358	4,259	99	2.3%		4,553	(195)	-4.3%
Hospice	Days	1,348	1,346	2	0.1%		1,461	(113)	-7.7%
Palliative	Days	1,092	1,583	(491)	-31.0%		1,678	(586)	-34.9%

SENIOR CARE CENTER

Patient days of 1,304 for the Senior Care Center were 239 under budget (lower census due to COVID-19) and were 207 days under prior year. Net operating revenue of $412k shows an increase from budget of $5k and a decrease of $117k from PY. Current expenses show an increase of $38k from budget and an increase of $5k from prior year.

HOME MEDICAL SERVICES

Census of 50 for home health shows an increase of 4 from budget and an increase of 8 from prior year. The current month net operating revenue for Home Medical Services is favorable $30k from budget $19k from and PY. Total current month operating expense is unfavorable $16k from budget and is unfavorable $12k from PY.

GUNNISON VALLEY HOSPITAL
OPERATING/INCOME STATEMENT 11/12/20 07:30 AM
FOR THE 10 MONTHS ENDING 10/31/20

	SINGLE MONTH				YEAR TO DATE			
	ACTUAL	BUDGET	$ VARIANCE	% VAR	ACTUAL	BUDGET	$ VARIANCE	% VAR
PATIENT REVENUE								
INPATIENT	629,781	1,234,343	(604,561)	(48)	7,492,267	11,681,446	(4,189,178)	(35)
OUTPATIENT	4,630,281	3,773,725	856,556	22	39,689,979	40,841,018	(1,151,038)	(2)
EMERGENCY ROOM	1,324,836	1,450,560	(125,723)	(8)	14,266,344	15,399,722	(1,133,377)	(7)
OBSERVATION	281,443	227,696	53,747	23	2,554,992	2,637,959	(82,966)	(3)
SWING	214,876	249,296	(34,419)	(13)	2,029,724	1,825,998	203,726	11
PROFESSIONAL FEE	910,592	998,523	(87,930)	(8)	8,994,534	9,849,788	(855,253)	(8)
CB MTN CLINIC	27,496	34,112	(6,615)	(19)	1,142,174	1,612,975	(470,800)	(29)
GVHFM	262,348	263,023	(674)	(0)	2,303,436	2,477,222	(173,785)	(7)
TOTAL PATIENT	8,281,657	8,231,278	50,379	0	78,473,453	86,326,128	(7,852,674)	(9)
REVENUE DEDUCTIONS								
MEDICARE	(1,293,244)	(1,611,723)	318,478	19	(15,004,251)	(16,807,345)	1,803,093	10
MEDICAID	(1,193,242)	(816,045)	(377,197)	(46)	(7,458,334)	(8,430,984)	972,649	11
COMMERCIAL	(927,836)	(789,996)	(137,840)	(17)	(9,437,046)	(8,357,744)	(1,079,302)	(12)
CHARITY	(231,768)	(72,614)	(159,154)	(219)	(1,316,446)	(770,221)	(546,225)	(70)
OTHER	(57,735)	(39,984)	(17,751)	(44)	(784,204)	(424,103)	(360,101)	(84)
BAD DEBT	37,907	(381,600)	419,507	109	(790,468)	(3,916,817)	3,126,348	79
TOTAL REVENUE	(3,665,919)	(3,711,962)	46,042	1	(34,790,752)	(38,707,214)	3,916,461	10
OTHER OPERATING	46,129	14,430	31,699	219	4,004,186	141,298	3,862,888	2733
NET OPERATING	4,661,867	4,533,746	128,121	2	47,686,887	47,760,212	(73,324)	(0)
OPERATING EXPENSES								
SALARIES	1,743,462	1,805,252	61,789	3	18,220,140	18,651,685	431,544	2
CONTRACT LABOR	56,409	26,432	(29,977)	(113)	668,404	270,880	(397,524)	(146)
BENEFITS	532,164	538,216	6,051	1	5,214,551	5,455,556	241,004	4
PROFESSIONAL FEE	181,131	182,854	1,722	0	1,919,096	2,112,862	193,765	9
TRAVEL AND EDUCA	12,699	41,063	28,363	69	116,735	411,263	294,527	71
PURCHASED SERVIC	362,267	369,636	7,368	1	3,667,908	3,799,817	131,908	3
SUPPLIES	718,944	577,582	(141,362)	(24)	6,558,499	5,943,941	(614,558)	(10)
INSURANCE	56,737	42,889	(13,848)	(32)	410,797	428,890	18,092	4
DEPRECIATION/AMO	162,008	170,995	8,986	5	1,556,221	1,580,206	23,984	1
INTEREST	13,836	14,045	208	1	142,339	140,450	(1,889)	(1)
OTHER	169,328	130,090	(39,238)	(30)	1,674,885	1,370,309	(304,576)	(22)
TOTAL OPERATIN	4,008,992	3,899,054	(109,938)	(2)	40,149,581	40,165,859	16,277	0
NON OPERATING REV (EXP)								
INVESTMENT INCOM	(32,654)	74,109	(106,763)	(144)	461,230	741,090	(279,859)	(37)
DONATIONS	2,000	6,250	(4,250)	(68)	128,333	62,500	65,833	105
OTHER NON OPERAT	(654)	(2,528)	1,873	74	(876)	4,462	(5,338)	(119)
TOTAL NON OPER	(31,308)	77,831	(109,139)	(140)	588,686	808,052	(219,365)	(27)
TOTAL EXPENSE	4,040,300	3,821,223	(219,077)	(5)	39,560,894	39,357,807	(203,087)	(0)
NET INCOME	621,566	712,523	(90,956)	(12)	8,125,992	8,402,405	(276,412)	(3)

Gunnison Valley Hospital Variances

Revenue:

Favorable to budget ~$50k

- Inpatient Unfavorable (~$605k), I/P Days were 80 vs a Budget of 112 (down 29%)
  - OR/Recovery $331k unfavorable
  - Anesthesia $99k unfavorable
  - Med Surg $45k unfavorable
  - Pharmacy $42k unfavorable
  - Recovery $21k unfavorable
  - Physical Therapy $15k unfavorable
  - Various other departments made up the remaining un-favorability
- Outpatient Favorable ~$857k, OP Visits 5,462 vs Budget 4,842 (up 13%)
  - OR $494k favorable
  - Lab $159k favorable
  - Occupational Therapy $94k favorable
  - Urgent Care $68k favorable
  - Pharmacy $53k favorable
- Emergency Room Unfavorable ~126k
- Pro Fess Unfavorable ~88k

Other Operating Revenue:

A portion of the COVID 19 Stimulus Grant in the amount of $27k was brought to the income statement to cover specific COVID expenses.

Labor & Benefits:

Overall Labor & Benefits were $38K favorable to budget. Contract labor was $30k unfavorable to budget in the following areas: RT $12k, OB $19k. Salaries were $62k favorable to budget. Benefits were $6k favorable to budget.

Supplies:

Supplies were unfavorable to budget by $141k due to OR Med Billable and Pharmacy expense, both offset by higher revenue.

Other Expenses:

Collection fees were unfavorable to budget by $7k. COVID 19 specific expenses of $27k were unfavorable to budget.

Non-Operating Expenses:

The investment account suffered a loss due to the modest increase in interest rates, causing a mark-to-market loss. No impairment of principal occurred. The Wells Fargo Investment account had unrealized losses of ($55k) offset by $16k of interest income resulting in a net investment loss of ($39k). This was further offset by Interest income of $6k with ColoTrust.

Capital:

Capital in the month of October total increase $249,054 (monthly expense is included in Depreciation, based on the useful life of the asset)

- T2 Fiber line $29,654
- Dell 7070i5-9500T (25) $27,784
- Invivo Breast Coil $146,233 (TETWP Donation)
- Stryker Stretcher $7,201
- GE Aspire Anesthesia Machine $38,182

GUNNISON LIVING COMMUNITY
OPERATING / INCOME STATEMENT 11/12/20 07:03 AM
FOR THE 10 MONTHS ENDING 10/31/20

	SINGLE MONTH				YEAR TO DATE			
	ACTUAL	BUDGET	$ VARIANCE	% VAR	ACTUAL	BUDGET	$ VARIANCE	% VAR
PATIENT REVENUE								
HEALTH CARE CENT	481,648	516,274	(34,625)	(6)	4,889,149	5,161,140	(271,990)	(5)
HOSPICE/HM HEALT	83,679	67,585	16,094	23	682,532	717,129	(34,596)	(4)
ASSISTED LIVING	46,559	51,222	(4,662)	(9)	517,776	501,437	16,339	3
TOTAL PATIENT	611,887	635,081	(23,193)	(3)	6,089,458	6,379,706	(290,247)	(4)
REVENUE DEDUCTIONS								
C/A	(92,359)	(88,016)	(4,343)	(4)	(856,161)	(820,041)	(36,120)	(4)
C/A - HOSPICE	2,711	(4,836)	7,547	156	(2,920)	(49,871)	46,950	94
C/A - HOME HEALT	936	(3,657)	4,593	125	(16,865)	(39,827)	22,961	57
BAD DEBT	0	(690)	690	100	0	(6,431)	6,431	100
TOTAL REVENUE	(88,711)	(97,199)	8,487	8	(875,947)	(916,170)	40,222	4
OTHER OPERATING	23,048	(20,986)	44,034	209	565,284	192,718	372,566	193
NET OPERATING	546,224	516,896	29,328	5	5,778,796	5,656,254	122,542	2
OPERATING EXPENSES								
SALARIES	341,752	364,255	22,502	6	3,621,784	3,572,057	(49,727)	(1)
CONTRACT LABOR	78,253	41,015	(37,238)	(90)	1,049,768	382,133	(667,635)	(174)
BENEFITS	98,063	96,101	(1,962)	(2)	1,489,916	954,531	(535,385)	(56)
TRAVEL AND EDUCA	1,104	3,498	2,393	68	14,121	35,382	21,260	60
PURCHASED SERVIC	52,144	43,586	(8,558)	(19)	480,462	511,224	30,761	6
SUPPLIES	55,582	47,990	(7,592)	(15)	513,971	473,091	(40,880)	(8)
RENT/LEASE	4,249	3,872	(377)	(9)	47,568	38,543	(9,025)	(23)
INSURANCE	23,915	9,761	(14,154)	(145)	172,259	97,610	(74,649)	(76)
DEPRECIATION	155,067	154,760	(307)	(0)	1,564,630	1,547,600	(17,030)	(1)
INTEREST	38,698	38,187	(511)	(1)	387,920	381,870	(6,050)	(1)
OTHER	1,629	3,451	1,821	52	34,790	50,575	15,784	31
TOTAL OPERATIN	850,463	806,476	(43,987)	(5)	9,377,195	8,044,616	(1,332,579)	(16)
NON OPERATING REV (EXP)								
PROPERTY TAX REV	2,272	3,745	(1,472)	(39)	796,100	789,787	6,313	0
INVESTMENT INCOM	260	0	260	0	23,681	0	23,681	0
OTHER NON OPERAT	0	506	(506)	(100)	0	498	(498)	(100)
TOTAL NON OPER	2,532	4,251	(1,718)	(40)	819,781	790,285	29,496	3
TOTAL EXPENSE	(847,930)	(802,225)	(45,705)	(5)	(8,557,413)	(7,254,331)	(1,303,082)	(17)
NET INCOME	(301,705)	(285,329)	(16,376)	(5)	(2,778,617)	(1,598,077)	(1,180,540)	(73)

Senior Care Center Variances

Revenue:

Senior Care Center revenue was ($23k) unfavorable or -3% vs budget in October due to patient days which were 15% below budget as a result of COVID-19.

Hospice revenue was ($9k) unfavorable or -31% vs budget and Home Health revenue was $25k favorable to budget. Home Health census was 9% above budget and Hospice visits were 22% above budget.

Other Operating Income:

Medicaid Provider fee budget was spread incorrectly based on history, this has been corrected for the 2021 budget.

Labor & Benefits:

Overall Labor & Benefits were unfavorable to budget by $17k. Contract labor was unfavorable to budget by $37k and Salaries were favorable by $23k. Benefits were $2k unfavorable to budget due to employee healthcare costs.

Insurance:

Worker's Comp deductible $5,579 and updated annual premium, monthly payment increased from $6k to $13k.

KEY STATISTICS

	Month-to-Date							Year-to-Date						
	Oct-20	Bgt	Var	% Var	Oct-19	Var	% Var	Oct-20	Bgt	Var	% Var	Oct-19	Var	% Var
Inpatient Days	80	112	(32)	-28.6%	109	(29)	-26.6%	855	1,105	(250)	-22.6%	1,138	(283)	-24.9%
Average Daily Census	2.6	3.6	(1.0)	-28.6%	4	(1.1)	-29.0%	3.1	3.6	(0.5)	-13.8%	3.7	(0.6)	-16.1%
Admissions	37	42	(5)	-11.9%	38	(1)	-2.6%	361	515	(154)	-29.9%	464	(103)	-22.2%
Avg. Length of Stay	2.16	2.67	-0.50	-18.9%	3	(0.71)	-24.6%	2.37	2.15	0.22	10.4%	2.45	(0.08)	-3.4%
Percent Occupancy	10.8%	15.1%	-4.3%	-28.6%	0	-4.4%	-29.0%	13.0%	15.1%	(0)	-13.8%	15.5%	-2.5%	-16.1%
Births	8	8	-	0.0%	8	-	0.0%	82	104	(22)	-21.2%	99	(17)	-17.2%
Swing Bed Days	65	75	(10)	-13.3%	86	(21)	-24.4%	572	497	75	15.1%	571	1	0.2%
Observation Patients	39	25	14	56.0%	22	17	77.3%	322	434	(112)	-25.8%	379	(57)	-15.0%
Lab Exams	9,750	8,561	1,189	13.9%	7,994	1,756	22.0%	83,107	89,768	(6,661)	-7.4%	83,807	(700)	-0.8%
EMS Patients	79	74	5	6.8%	71	8	11.3%	835	878	(43)	-4.9%	839	(4)	-0.5%
ER Visits	652	549	103	18.8%	537	115	21.4%	5,211	6,088	(877)	-14.4%	5,712	(501)	-8.8%
Cardiopulmonary Exams	533	605	(72)	-11.9%	602	(69)	-11.5%	5,178	6,591	(1,413)	-21.4%	6,500	(1,322)	-20.3%
X-Ray Exams	562	503	59	11.7%	494	68	13.8%	5,044	6,245	(1,201)	-19.2%	6,129	(1,085)	-17.7%
Ultrasound Exams	145	208	(63)	-30.3%	198	(53)	-26.8%	1,465	1,942	(477)	-24.6%	1,847	(382)	-20.7%
Mammo Exams	97	254	(157)	-61.8%	219	(122)	-55.7%	1,444	1,893	(449)	-23.7%	1,629	(185)	-11.4%
CT Scan Exams	309	295	14	4.7%	293	16	5.5%	2,837	2,892	(55)	-1.9%	2,873	(36)	-1.3%
MRI Exams	127	126	1	0.8%	118	9	7.6%	1,106	1,414	(308)	-21.8%	1,321	(215)	-16.3%
Physical Therapy Patients	633	868	(235)	-27.1%	789	(156)	-19.8%	5,178	8,059	(2,881)	-35.7%	7,670	(2,492)	-32.5%
Physical Therapy Modalities	1,693	2,393	(700)	-29.3%	2,077	(384)	-18.5%	13,652	22,470	(8,818)	-39.2%	19,506	(5,854)	-30.0%
CB Clinic Patients	218	178	40	22.5%	169	49	29.0%	1,589	2,397	(808)	-33.7%	2,271	(682)	-30.0%
CB Clinic Modalities	609	516	93	18.0%	464	145	31.3%	4,401	6,951	(2,550)	-36.7%	6,252	(1,851)	-29.6%
Occup Therapy Patients	380	163	217	133.1%	153	227	148.4%	2,325	994	1,331	133.9%	917	1,408	153.5%
Occup Therapy Modalities	968	375	593	158.1%	351	617	175.8%	5,801	2,574	3,227	125.4%	2,328	3,473	149.2%
Surgery - Inpatient	11	20	(9)	-45.0%	23	(12)	-52.2%	144	175	(31)	-17.7%	212	(68)	-32.1%
Surgery - Outpatient	71	71	-	0.0%	71	-	0.0%	621	714	(93)	-13.0%	683	(62)	-9.1%
Scopes	41	26	15	57.7%	27	14	51.9%	277	344	(67)	-19.5%	359	(82)	-22.8%
Surgeries - Total	123	117	6	5.1%	121	2	1.7%	1,042	1,233	(191)	-15.5%	1,254	(212)	-16.9%
Outpatient visits	5,462	4,849	613	12.6%	4,493	969	21.6%	46,558	50,991	(4,433)	-8.7%	47,320	(762)	-1.6%
GVHFM Clinic	871	1006	(135)	-13.4%	977	(106)	-10.8%	8104	9411	(1,307)	-13.9%	9140	(1,036)	-11.3%
CB Mtn Clinic	0	0	0	#DIV/0!	0	0	#DIV/0!	1278	1935	(657)	-34.0%	1681	(403)	-24.0%
Imaging	536	461	75	16.3%	451	85	18.8%	4,677	5,735	(1,058)	-18.4%	5,606	(929)	-16.6%
Laboratory	8,966	7,451	1,515	20.3%	6,949	2,017	29.0%	75,061	79,638	(4,577)	-5.7%	74,269	792	1.1%

Gunnison Valley Health System – 2021 Budget Overview and variance to 2020 Projected Income Statement

Gross Patient Revenue

Gross Patient Revenue is budgeted to increase in 2021 by $16.6M to a total of $118.0M. The majority of the increase generated by the hospital (+$16.1M). The majority of the increase (approx. $11.6M) based on the assumption hospital services in 2021 will not be shut down due to the COVID 19 pandemic and we will see volumes returning to 2019 levels. We are budgeting volume growth vs 2019 in the following areas: Lab, Oncology, Physical Therapy, Occupational Therapy and EMS trips. All other areas are budgeted to be flat or slightly down compared to 2019. The remaining $4.5M increase in Hospital Gross Patient Revenue is due to an average rate increase of 4.3%. The Senior Care Center's 2021 revenue is increasing by $495k. $382k based on the assumption the average daily census of the Senior Care Center ("SCC") will return to 47 (Pre-COVID-19 levels) and $113k is based on a rate increase of 4.0% for self-pay SCC and Assisted Living residence and 3% for Home Health and Hospice.

Contractual Allowances

Contractual allowances are expected to increase by $8.8M due to the increase in Gross Patient Revenue. The Contractual allowance percentage for FY 2021 has been budgeted at 43.6% compared to the FY 2020 projected contractual allowance percentage of 42.1%. Since 2020 was not a normal year with the impact of the COVID-19 Pandemic and recovery of some self-pay bad debt with the changes in Patient Financial Services we are budgeting the contract allowances for 2021 more in line with the 2019 actual contractual allowance percentage of 43.8%. We are not anticipating any significant change in payer mix for FY 2021. A significant increase in Medicare or Medicaid volumes would result in a higher average contractual allowance %.

Other Operating Income

Other Operating Income is budgeted to increase by $26k in 2021 to $730k vs projected 2020's Other Operating Income of $704k (excluding the approx. $4.1M in COVID Relief Funds projected to be recognized in 2020).

Operating Expenses

Total Operating expenses are expected to increase $4.7M in FY2021 to $64.3M.

Salaries, Wages and Benefits (Including Contractors) are expected to increase $3.1M in FY 2021. The increase in salary, wages and benefits is made up of the following:

- Full Year salaries and benefits for FTE increases in FY 2020 and open positions as of Sept. 2020 totaling $0.8M
- 15.1 new FTE positions in FY 2021 totaling $1.4M;

- 3% Merit increase totaling $0.9M.

Note: Existing Contract FTEs were budgeted as expected hires in FY2021 and we included only the expected premium we pay locums under the Contract Labor cost in FY2021. We currently have approx. 10-contract labor FTEs.

Physician Pro-Fees are expected to be flat in 2021 at $2.3M.

Travel & Education is expected to increase $0.4M in FY 2021. 2020 Travel and education expense was lower due to the travel restrictions and GVH's effort to reduce expenses due to COVID-19. The FY 2021 budget is about $41k more than the FY2020 budget.

Purchased Services are expected to increase $0.3M in FY 2021 primarily due to Radiology Services (+$0.2M).

Supplies are expected to increase $0.9M (11.2%) in FY 2021. This is primarily due to increased volume over the volume lost in 2020 due to COVID-19 (approx. $0.7M) and a general inflation increase of approx. $0.2M.

Other Operating Expenses (Insurance, Interest Expense, Depreciation, Collection Fees, Etc.) are expected to have a net $0.0M change in FY 2021.

Non-Operating Income/ (Expenses)

Over-all Non-Operating Income / (Expenses) are expected to decrease $143k in FY2021. Investment income is expected to decrease $277k (due to lower interest rates) offset by a $84k increase in donations from the foundation to support behavioral health, Other Operating Income increase of $30k (mostly the health fair + $28k) and a $20k increased in property tax revenue.

Note: The Investment Income for FY 2020 only includes expected Interest income and does not include any potential market gains and losses that might temporarily affect investment income.

Total Income

Total Income is expected to decrease $1.1M in FY2021 to $4.4M (Profit Margin of 6.5%) compared to the FY 2020 projected Total Income of $5.5M (Profit Margin of 8.7%). The decrease in Net Income is due to Operating expenses increasing $1.0M more than Net Operating Revenue. Net Operating revenue was negatively impacted by the expectation that due to COVID-19 hospital in Colorado would see 2021 volumes more in line with 2019 volumes.

Budgeted Income Statement
Gunnison Valley Health System (Excl. Foundation)

	Act 2018	Act 2019	2020 Projected	Var (2020 Proj - 2019 Act)	Var %	Budget 2021	Var (Budget 2021 - 2020 Projected)	Var %
Revenue								
Hospital	85,271,932	97,201,237	94,099,315	(3,101,922)	-3.2%	110,168,569	16,069,254	17.1%
Senior Living Community	5,930,782	7,637,805	7,287,613	(350,192)	-4.6%	7,782,512	494,899	6.8%
Gross Revenue from Patient Services	91,202,714	104,839,042	101,386,928	(3,452,114)	-3.3%	117,951,081	16,564,153	16.3%
Contractual Allowances								
Hospital	37,558,686	44,872,615	41,683,889	(3,188,726)	-7.1%	50,355,150	8,671,262	20.8%
Senior Living Community	58,274	1,067,979	1,048,300	(19,679)	-1.8%	1,128,846	80,546	7.7%
Total Contractual Allowances	37,616,960	45,940,594	42,732,189	(3,208,405)	-7.0%	51,483,997	8,751,808	20.5%
	41.2%	*43.8%*	42.1%			43.6%		
Other Operating Income	269,623	393,741	4,805,751	4,412,010	1120.5%	730,385	(4,075,366)	-84.8%
Net Operating Revenue	53,855,377	59,292,189	63,460,490	4,168,301	7.0%	67,197,469	3,736,979	5.9%
	59.1%	*56.6%*	62.6%			57.0%		
Expenses								
Salaries, Wages & Benefits	26,664,202	31,623,832	36,364,473	4,740,641	15.0%	39,418,104	3,053,631	8.4%
Wages	20,020,307	23,366,647	26,341,934	2,975,287	12.7%	29,894,113	3,552,180	13.5%
Contract Labor	788,476	2,131,290	2,087,506	(43,784)	-2.1%	665,582	(1,421,924)	-68.1%
Employee Benefits	5,855,419	6,125,895	7,935,033	1,809,138	29.5%	8,858,409	923,376	11.6%
Physician Pro Fees	2,987,959	2,109,840	2,317,285	207,445	9.8%	2,318,240	955	0.0%
Travel and Education	307,625	310,224	162,196	(148,028)	-47.7%	577,983	415,787	256.3%
Purchase Services	4,343,894	5,507,403	5,039,841	(467,562)	-8.5%	5,341,202	301,361	6.0%
Supplies	7,009,759	7,568,401	8,385,457	817,056	10.8%	9,326,744	941,286	11.2%
Insurance	550,584	612,667	649,705	37,038	6.0%	653,066	3,361	0.5%
Depreciation/Amortization	2,041,306	3,683,958	3,732,793	48,835	1.3%	4,000,714	267,921	7.2%
Interest	224,651	656,652	635,115	(21,537)	-3.3%	606,729	(28,386)	-4.5%
Other	2,565,536	1,559,270	2,289,579	730,309	46.8%	2,072,247	(217,332)	-9.5%
Total Operating Expenses	46,695,516	53,632,247	59,576,446	5,944,199	11.1%	64,315,029	4,738,583	8.0%
Non-Operating Income/(Expense)								
Investment Income	653,084	923,112	577,305	(345,807)	-37.5%	300,000	(277,305)	-48.0%
Property Tax Income	748,904	858,157	803,420	(54,737)	-6.4%	823,706	20,286	2.5%
Donations	57,978	255,936	276,333	20,397	8.0%	360,000	83,667	30.3%
Other	18,830	10,682	(222)	(10,904)	-102.1%	30,000	30,222	-13613.5%
Total Non-Operating	1,478,796	2,047,887	1,656,836	(391,051)	-19.1%	1,513,706	(143,130)	-8.6%
Total Income	8,638,657	7,707,829	5,540,880	(2,166,949)	-28.1%	4,396,146	(1,144,734)	-20.7%
Total Profit Margin	16.0%	13.0%	8.7%			6.5%		