

The Big Picture

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President &
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2020 What a year! As we enter 2021, it should come as no surprise that we continue in uncharted waters. If you recall, we ended 2020 with a loss from operations of (\$7.5) million despite federal aid opportunities. I am sorry to share, the first quarter of fiscal year 2021 has been equally as painful.

2021 In December alone, we posted an operating loss of (\$2.4) million bringing our first quarter losses to (\$4.1) million. Despite earning \$9.7 million in inpatient net revenue, we were behind budget by (\$1.7) million. In our outpatient arena, we saw less patient visits in nearly all areas. Our earned \$15.5 million in net outpatient revenue fell (\$2.4) million below what was budgeted and professional services was no exception to this trend with a variance from budget of (\$1.1) million.

Our operating expenses of \$30.2 million was \$1.7 million less than budgeted. Thank you for all of your work around managing these expenses. It has been a tremendous support to our unstable financial picture.

Non-salary expenses of \$ 9.8 million were favorable to budget by \$1.9 million. Compensation and benefits in December, however, were (\$133,000) more than the budgeted \$20.2 million, premium pay and contract/traveler pay contributing to the difference. COVID-19

prompted the need to access travelers as more of our team was out of work due to exposure, illness and family leave.

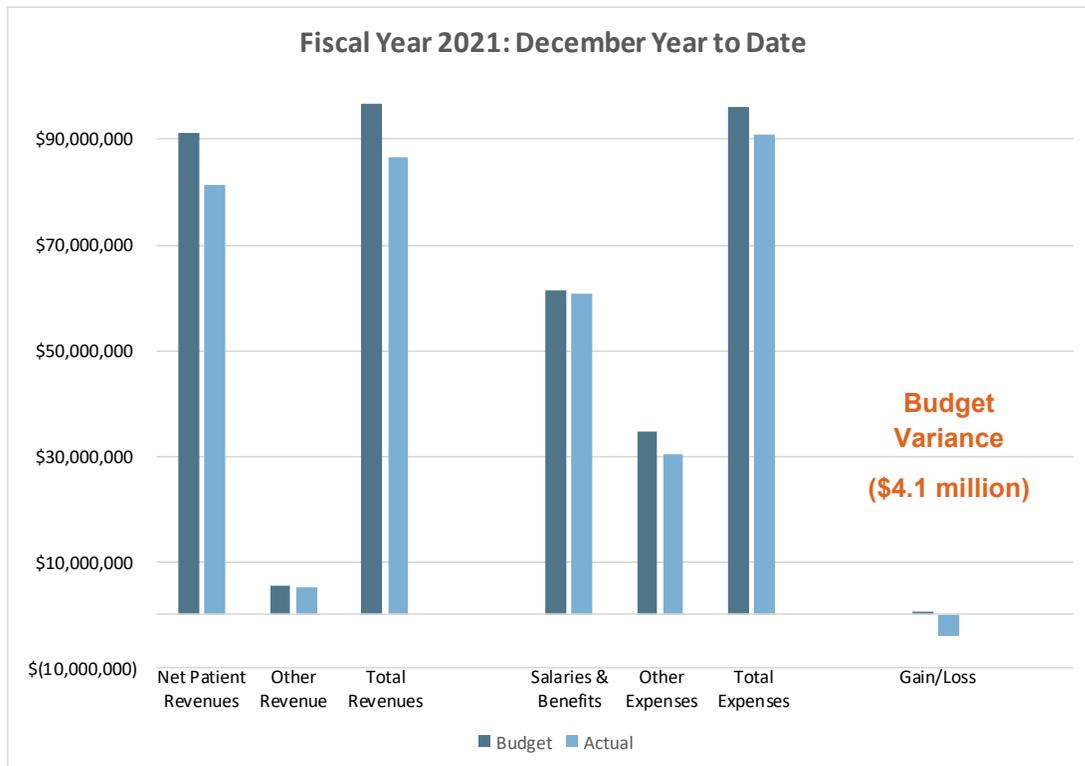
COVID-19 continues to impact our staffing and patient visits. After leveling off throughout the summer, the number of COVID positive cases in our region began to tick up in the fall and patients stayed away causing a decline in our number of visits, encounters and procedures. But COVID-19 was not the only crisis we faced during that time – after all it was still 2020. The Network-wide cyberattack, in late October, wreaked havoc here, particularly in our outpatient areas and medical offices. Our folks were amazing yet, despite the great work of our clinic teams, this outage impacted our ability to provide care.

The unknown in front of us is whether or not patients will return to us in the ways we were accustomed to before COVID. This lack of clarity points us toward a new way – one that requires us to assess the reality we are now facing. Who are we becoming and what will we be? During this interim state, we must better align our resources with our customer’s needs while continuing our tradition of providing great care to those we serve.

Our opportunity lies in the question, “Where do we go from here?” Helping to answer that question and move our organization into the future is the forward thinking of our colleagues on the organization’s transformation teams. Each focused on identifying and implementing operational and financial improvements, the groups have made headway on a number of fronts to include steps to improve our patients journey through the system or throughput, centralize scheduling, EPIC optimization, revenue capture, payer contracting and leadership accountability.

All of these efforts seek to create great patient and staff experiences while assuring that behind the scenes, we are capitalizing on every opportunity to enhance reimbursement and manage expenses. These initiatives and others in development, along with the alignment of our resources, offer us a clear pathway to sustainability.

I know we are tired. I know our families are tired. I know we need answers. I know we want normal. I know we wish we could provide all of that for each other and our patients. The challenges of the past eleven months are proof positive that we can remain true to our mission even in the toughest times. Making these changes to better position CVPH to meet the future head-on will require that same commitment to our patients and each other. I believe a bright, solid future is ours to create and I’m confident we can do it together.



As always, feel free to reach out to me any time at (518) 562-7055.
Be well. Be safe. Be kind.

