



A community partner of YaleNewHavenHealth

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Day Kimball Healthcare Reports Fiscal Year 2020 Earnings, Accomplishments and Challenges

PUTNAM, CONN. (May 26, 2021) – In lieu of the Day Kimball Healthcare (DKH) Annual Corporators Meeting due to the ongoing public health concerns relating to the COVID-19 pandemic, a prerecorded state of affairs video update from members of the DKH executive leadership team was produced to share highlights, recognitions, and accomplishments from the past fiscal year.

“Despite the challenges 2020 brought, Day Kimball came together as an organization in extraordinary ways to weather the COVID-19 pandemic,” said Janice Thurlow, chairman, Day Kimball Healthcare Board of Directors. “We look back at a year unlike any other and we see the obvious – financial volatility, leadership changes, and COVID-19. We also see successes that can be overshadowed in such a tumultuous year. We’ve seen tremendous achievement with provider recruitment and engagement; increased focus on quality and patient safety; expanded access to clinical services; and much more.”

In his remarks, DKH Chief Executive Officer, Kyle Kramer, summarized highlights from the healthcare system’s fiscal year, including the ability to quickly adapt and creatively innovate to meet the challenges and solve the problems presented by the COVID-19 pandemic. “COVID-19 has proven that challenging times drive innovation and that unforeseen problems inspire previously unimaginable solutions,” said Kramer. “As COVID-19 reached our community in early March of 2020, we adapted quickly to the rapidly evolving situation, implementing critical changes to our operations and plans for a strong recovery, while delivering safe and efficient care to all those who count on us.”

“As cases began to rise across the state, Day Kimball’s administration activated our hospital incident command structure to communicate, coordinate, and collaborate with one voice across our organization,” added John Graham, M.D., chief medical officer and vice president of quality and medical affairs, and incident commander, Day Kimball Healthcare. “We had to make major changes. We closed clinics, delayed non-emergency surgeries and treatments, and quickly scaled up telehealth services across our system. The overall response of our staff to COVID-19 clearly showed their commitment to our community and to each other. In an incredible display of teamwork, they took on new roles and responsibilities as the situation rapidly emerged and changed.”

Financial Review

Day Kimball Healthcare has experienced positive operating margins in recent fiscal years, reflecting the community need for critical healthcare services and patients’ desire to stay local for high-quality, personalized care. The healthcare system’s fiscal year 2020 budget called for an operating gain of just over \$400,000 which would have marked the third consecutive year of generating positive operating margins.

However, due to the COVID-19 pandemic, patient volume declined as expenses increased, negatively impacting the organization’s fiscal year 2020 operations and overall financial performance. To help address the financial hardships hospitals were facing across the country, the federal government issued Provider Relief Funds. Day Kimball received \$2.6 million of federal stimulus funds which only covered a small portion of incurred losses.

“Despite the challenges we faced in 2020, we are working hard to return to profitability in fiscal year 2021,” said Paul Beaudoin, chief financial officer, Day Kimball Healthcare. “Patient activity began to improve during the last four months of the 2020 fiscal year as we began to resume select procedures and services that were delayed due to executive orders related to the pandemic.”

Beaudoin added that DKH’s engagement with Denver-based Pinnacle Health Consulting has identified ways to improve organizational efficiency and opportunities to develop service lines in areas where market share could be stronger.

Quality of Care

In his remarks, Kramer highlighted a number of distinctions and designations for quality care earned during the last fiscal year, including:

- Day Kimball Hospital achieved the 5th lowest hospital-wide, 30-day readmission rate in Connecticut according to a report from the Centers for Medicare & Medicaid Services (CMS).
- Day Kimball Hospital was one of only 3 hospitals in the state to receive a net incentive payment for 2020 in CMS’ Pay for Performance programs, which seek to improve patient safety and experience by basing Medicare payments on the quality of care provided, rather than on the quantity of services performed.
- According to Day Kimball’s results measured by Press Ganey, the health care industry’s most widely used approach to collecting stakeholder perspectives, the Maternal Child Health department has ranked in the 99th percentile overall every year for the past five years.
- In another result measured by Press Ganey, Day Kimball ranked in the 99th percentile for providing an estimate of costs to patients receiving outpatient services.

Looking Ahead

Kramer also underscored the unique challenges facing small, independent community healthcare systems like Day Kimball. “The health care industry is changing quickly, and we need to look at how we can shape tomorrow’s health system through clinical and technological innovation in order to make Day Kimball stronger for our community. It is evident that health care will continue to be capital intensive as our community grows and the trend of delivering care closer to home accelerates,” he said.

The Day Kimball Healthcare Board of Directors remain committed to finding a strategic partner to help provide the best care possible to Northeast Connecticut residents and to weather changes in the health care industry. A strategic partnership would bring a combination of key technologies and best practices to drive financial improvement.

“We are pleased to share that we are one step closer to formalizing a relationship with a larger health system that will keep Day Kimball at the forefront of health care innovation, and we look forward to the day we can announce where we are headed. Our future is bright and we are confident that the strategic direction we pursue will lead our organization and the communities we serve to a better tomorrow.

To view Day Kimball Healthcare’s 2021 state of affairs video update, produced in partnership with Woodstock Academy, and the Loos Center for the Arts, and for other highlights and achievements from DKH’s 2020 fiscal year annual report, visit www.daykimball.org/annualreport.

About Day Kimball Healthcare

Day Kimball Healthcare is a nonprofit community healthcare system composed of Day Kimball Hospital, Day Kimball Medical Group, Day Kimball Healthcare at Home, and healthcare centers in Danielson, Dayville, Plainfield, and Putnam. Its service area includes Northeast Connecticut as well as nearby Massachusetts and Rhode Island communities. Day Kimball Healthcare’s comprehensive network

employs more than 1,000 staff including nearly 300 associated, highly skilled physicians, surgeons and specialists. Its website is www.daykimball.org.