

Kalkaska Memorial Health Center

Balance Sheet

Assets	March 31, 2023	June 30, 2022
Current Assets		
Cash and Cash Equivalents	\$ 21,205,264	\$ 26,571,541
Short-Term Investments	6,396,007	7,429,259
Accounts Receivable	11,125,448	9,912,908
Third Party Settlements	-	259,269
Due from Affiliates	18,268	10,232
Inventory	422,529	509,269
Other Current Assets	249,630	163,422
Total Current Assets	39,417,146	44,855,900
Investments	9,961,850	-
Capital Assets (net of Accumulated Depreciation)	35,043,529	35,872,717
Land	1,426,272	1,364,151
Construction In Progress	4,921,855	1,022,662
Other Assets		
Restricted Cash	14,951,758	4,565,175
Other Assets	111,059	105,412
Total Other Assets	15,062,817	4,670,587
Total Assets	\$ 105,833,469	\$ 87,786,017
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,213,192	\$ 1,067,359
Trade Accounts Payable	1,419,215	1,562,606
Accrued Compensation	3,986,801	4,251,357
Third Party Liabilities	4,366,412	3,435,719
Due to Affiliates	2,690,329	2,559,273
Other Current Liabilities	2,069,940	2,008,732
Total Current Liabilities	16,745,889	14,885,046
Long-Term Debt - Less Current Maturities	18,351,560	4,638,525
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	11,582	8,420
Total Liabilities	35,129,031	19,551,991
Net Assets		
Invested in Capital Assets, net of Related Debt	26,455,909	38,182,651
Unrestricted	44,248,529	30,051,375
Total Net Assets	70,704,438	68,234,026
Total Liabilities and Net Assets	\$ 105,833,469	\$ 87,786,017

Kalkaska Memorial Health Center

Statement of Operations

	Month of March 2023				Year to Date Ended March 31, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 162,006	\$ 132,371	\$ 29,635	\$ 109,917	\$ 1,103,444	\$ 1,167,275	\$ (63,831)	\$ 1,045,409
Outpatient	7,271,553	6,594,130	677,423	6,844,126	66,554,197	58,268,879	8,285,318	56,365,647
Professional	1,422,773	1,239,924	182,849	1,261,962	11,783,437	10,956,618	826,819	10,401,637
Long Term Care	915,509	1,007,902	(92,393)	964,462	8,691,675	8,908,959	(217,284)	8,570,292
Dialysis Center	519,840	736,707	(216,867)	597,349	5,219,629	6,509,576	(1,289,947)	6,106,566
Ambulance	249,864	342,558	(92,694)	323,909	2,865,504	3,026,411	(160,907)	2,869,822
Retail Pharmacy	167,752	126,597	41,155	120,841	1,254,561	1,119,005	135,556	1,085,205
Assisted Living	99,764	95,893	3,871	92,515	844,006	847,602	(3,596)	831,315
	10,809,061	10,276,082	532,979	10,315,081	98,316,453	90,804,325	7,512,128	87,275,893
Revenue Deductions:								
Contractual Allowances	5,109,811	4,601,812	(507,999)	4,719,399	44,537,007	40,666,966	(3,870,041)	38,475,640
Provision Charity Care	25,532	26,479	947	23,276	325,210	234,091	(91,119)	205,230
Provision for Bad Debt	146,323	204,070	57,747	158,692	1,540,524	1,803,448	262,924	1,333,300
	5,281,666	4,832,361	(449,305)	4,901,367	46,402,741	42,704,505	(3,698,236)	40,014,170
Net Patient Revenues	5,527,395	5,443,721	83,674	5,413,714	51,913,712	48,099,820	3,813,892	47,261,723
Other Operating Revenues	528,164	437,851	90,313	434,580	3,222,286	3,232,835	(10,549)	3,765,189
Total Operating Revenue	6,055,559	5,881,572	173,987	5,848,294	55,135,998	51,332,655	3,803,343	51,026,912
Operating Expenses								
Salaries and Wages	3,070,106	3,067,247	(2,859)	2,760,347	27,464,113	25,614,751	(1,849,362)	23,777,335
Fringe Benefits	738,378	719,935	(18,443)	706,450	6,395,848	6,479,415	83,567	5,915,390
Contract Labor	32,130	34,275	2,145	30,060	286,806	307,701	20,895	274,871
Physician Fees	64,096	75,074	10,978	72,767	508,357	663,523	155,166	627,648
Purchased Services	645,605	572,720	(72,885)	541,657	5,280,618	5,212,044	(68,574)	4,980,941
Pharmaceuticals	615,849	536,322	(79,527)	640,168	5,664,584	4,741,446	(923,138)	4,569,143
Supplies	358,165	342,598	(15,567)	329,440	3,744,838	3,031,737	(713,101)	2,922,280
Occupancy	89,974	113,307	23,333	112,838	1,023,394	1,026,553	3,159	984,388
Equipment, Software & Maintenance	135,536	66,948	(68,588)	144,974	724,063	585,489	(138,574)	607,915
Depreciation	276,815	262,251	(14,564)	267,540	2,356,187	2,359,935	3,748	2,191,562
Insurance	82,399	63,298	(19,101)	49,089	622,529	569,646	(52,883)	472,496
Other	61,942	39,136	(22,806)	21,930	337,305	354,319	17,014	338,595
	6,170,995	5,893,111	(277,884)	5,677,260	54,408,642	50,946,559	(3,462,083)	47,662,564
Less Shared Services	-	280	(280)	-	-	2,520	(2,520)	26,261
Total Operating Expenses	6,170,995	5,892,831	(278,164)	5,677,260	54,408,642	50,944,039	(3,464,603)	47,636,303
Income from Operations before Grant Revenue from COVID-19	(115,436)	(11,259)	(104,177)	171,034	727,356	388,616	338,740	3,390,609
Grant Revenue COVID-19	-	-	-	46,425	986,610	-	986,610	758,409
Paycheck Protection Program Loan Forgiveness	-	-	-	-	-	-	-	6,164,700
Operating Income	(115,436)	(11,259)	(104,177)	217,459	1,713,966	388,616	1,325,350	10,313,718
Non-Operating Income (Expense)								
Reserved for Bond Debt	125,230	117,428	7,802	116,805	1,133,000	1,056,852	76,148	1,052,479
Interest on Debt Related to Capital Assets	(60,937)	(61,532)	595	(17,068)	(511,434)	(526,839)	15,405	(154,886)
Unrealized Gain/Loss on LT Investments	34,359	-	34,359	(5,230)	58,358	-	58,358	(28,013)
Tax Levy Revenue	730	734	(4)	730	6,230	6,606	(376)	6,570
Bond Issuance Cost	-	-	-	-	(75,500)	-	(75,500)	-
Contributions	(373)	100	(473)	1,871	5,647	900	4,747	3,983
Other Income (Loss)	36,924	3,200	33,724	2,400	140,145	28,800	111,345	29,456
Total Non-Operating Income (Expense)	135,933	59,930	76,003	99,508	756,446	566,319	190,127	909,589
Total Increase (Decrease) in Net Assets	\$ 20,497	\$ 48,671	\$ (28,174)	\$ 316,967	\$ 2,470,412	\$ 954,935	\$ 1,515,477	\$ 11,223,307

Statement of Cash FlowsNine Months Ending
March 31, 2023**Cash flow from operating activities**

Received from patients and third-party payors	\$	51,883,098
Payments to employees		(34,124,517)
Payments to suppliers for services and goods		(18,139,927)
Other receipts from operations		4,208,847
Net cash provided by operating activities		<u>3,827,501</u>

Cash flow from capital and related financing activities

Acquisition and construction of capital assets		(5,494,034)
Proceeds from sale of capital assets		12,000
Proceeds from county bond tax levy		1,133,000
Interest paid on long-term debt		(511,434)
Issuance of long-term debt		15,000,000
Issuance costs paid on long-term debt		(75,500)
Principal payments on bonds and notes payable		(141,132)
Net cash provided by capital and related financing activity		<u>9,922,900</u>

Cash flow from investing activities

Investment income		198,503
Sale of short-term investments		1,033,252
Net activity of investments internally designated for capital acquisitions		(9,961,850)
Net cash used by investing activities		<u>(8,730,095)</u>

Net increase in cash and cash equivalents		5,020,306
Cash and cash equivalents at beginning of year		31,136,716
Cash and cash equivalents at end of period	\$	<u><u>36,157,022</u></u>

Reconciliation of operating income to net cash flows from operating activities

Operating income	\$	1,713,966
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		2,356,187
Provision for uncollectible accounts		1,540,524
Operating tax levy		6,230
Net gains and losses on sale of PPE		(6,279)
(Increase) decrease in assets:		
Patient accounts receivable		(2,761,100)
Third-party settlements		259,269
Inventory		86,740
Other current assets		(86,208)
Increase (decrease) in liabilities:		
Trade accounts payable		(12,335)
Accrued Compensation		(264,556)
Third Party Settlements		930,693
Other accrued liabilities		64,370
Net cash provided by operating activities	\$	<u><u>3,827,501</u></u>

Kalkaska Memorial Health Center

Statement of Changes in Net Assets Nine Months Ending March 31, 2023

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
Net Assets at June 30, 2021	\$ 32,397,873	\$ 22,208,339	\$ 54,606,212
Acquisition and construction of capital assets	1,987,421		1,987,421
Depreciation	(2,991,509)		(2,991,509)
Sale of Capital Assets	(38,470)		(38,470)
Net Change in Debt	1,198,331		1,198,331
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		13,472,041	14,762,361
Increase (Decrease) in Net Assets	155,773	13,472,041	14,918,134
Net Assets at June 30, 2022	32,553,646	35,680,380	68,234,026
Acquisition and construction of capital assets	5,482,034		5,482,034
Depreciation	(2,356,187)		(2,356,187)
Sale of Capital Assets	6,279		6,279
Capital Grants	-		-
Net Change in Debt	(14,858,868)		(14,858,868)
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		14,197,154	14,197,154
Increase (Decrease) in Net Assets	(11,726,742)	14,197,154	2,470,412
Net Assets at March 31, 2023	\$ 20,826,904	\$ 49,877,534	\$ 70,704,438

Kalkaska Memorial Health Center

Statistical Report

	Month of March 2023				Year to Date Ended March 31, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	16	16	0	13	136	140	(4)	132
Long Term Care	13	15	(2)	25	102	134	(32)	142
Extended Stays	7	22	(15)	32	94	191	(97)	243
PATIENT DAYS:								
Acute Care	59	59	0	51	474	521	(47)	486
Long Term Care-Skilled	159	283	(124)	238	1,217	2,501	(1,284)	2,041
Long Term Care-Basic	2,075	2,425	(350)	2,348	19,839	21,434	(1,595)	21,130
Extended Stays	7	8	(1)	17	94	69	25	125
AVERAGE LENGTH OF STAY:								
Acute Care	3.7	3.7	0.0	3.9	3.5	3.7	0.2	3.7
DAILY AVERAGE CENSUS:								
Acute Care	1.9	1.9	(0.1)	1.6	1.7	1.9	(0.2)	1.8
Long Term Care	72.1	87.4	(15.3)	83.4	76.8	87.4	(10.5)	84.6
PERCENT OF OCCUPANCY:								
Acute Care	23.8%	23.8%	0.0%	20.6%	21.6%	23.8%	-2.1%	22.2%
Long Term Care	69.3%	84.0%	-14.7%	80.2%	73.9%	84.0%	-10.1%	81.3%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,280	1,191	89	1,188	11,919	10,525	1,394	11,378
Urgent Care	0	0	0	(1)	1	0	1	419
Walk-in Clinic	477	406	71	391	3,990	3,589	401	3,746
Primary Care Physician RVU's	7,487	6,481	1,006	7,061	60,240	57,284	2,956	55,512
Primary Care Physician Encounters	4,713	3,962	751	3,818	34,824	35,018	(194)	32,882
Specialty Clinics	329	381	(52)	388	3,102	3,366	(264)	3,290
KMA Clinic RVU's	8,639	7,143	1,496	7,434	66,564	63,133	3,431	59,832
Total Outpatient Visits	7,402	7,398	4	7,085	65,695	65,390	305	63,467
Surgical Procedures	144	117	27	127	1,296	1,034	262	1,019
Radiology	2,734	2,494	240	2,600	24,443	22,040	2,403	22,161
Laboratory	19,391	19,633	(242)	19,551	170,377	173,532	(3,155)	173,590
Physical Therapy	4,274	3,396	878	3,298	33,638	30,016	3,622	29,470
Chemo Therapy	706	426	280	523	5,285	3,767	1,518	3,680
Dialysis Treatments	467	628	(161)	537	4,539	5,549	(1,010)	5,320
Ambulance Transports	159	236	(77)	221	1,843	2,085	(242)	2,037
Assisted Living Days	961	963	(2)	950	8,064	8,512	(448)	8,359
Cost per adjusted IP and LTC day:	243.56	215.95	27.62	203.72	232.21	212.27	20	201.83
TOTAL FTE'S:	456	467	11	441	453	452	(1)	438

Kalkaska Memorial Health Center

Additional Financial Information

	March 31, 2023
MTD % increase in net revenue vs. prior year	2.10%
MTD % increase in expense vs. prior year	8.70%
	<u>-6.60%</u>
YTD % increase in net revenue vs. prior year	9.84%
YTD % increase in expense vs. prior year	14.22%
	<u>-4.37%</u>
LTC Expense per Critical Unit - MTD	\$ 281.97
LTC Expense per Critical Unit - YTD	\$ 308.90
Ambulance Days in AR YTD	136.97
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (7,029)
Dialysis net income - YTD	\$ (304,464)
Assisted Living net income - MTD	\$ (28,277)
Assisted Living net income - YTD	(475,773)
Average Age of Plant (as of 3/31/23)	11.21
Debt to Capitalization Ratio	0.23

Net Revenue Analysis

	Month of March 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.5%	1.3%	0.2%
Outpatient	67.3%	64.2%	3.1%
Professional	13.2%	12.1%	1.1%
Long-Term Care	8.5%	9.8%	-1.3%
Dialysis Center	4.8%	7.2%	-2.4%
Ambulance	2.3%	3.3%	-1.0%
Retail Pharmacy	1.6%	1.2%	0.3%
Assisted Living	0.9%	0.9%	0.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	47.3%	44.8%	-2.5%
Charity Care	0.2%	0.3%	0.0%
Bad Debt	1.4%	2.0%	0.6%
Total Revenue Deductions	<u>48.9%</u>	<u>47.0%</u>	<u>-1.8%</u>
	Year to Date Ended March 31, 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.1%	1.3%	-0.2%
Outpatient	67.7%	64.2%	3.5%
Professional	12.0%	12.1%	-0.1%
Long-Term Care	8.8%	9.8%	-1.0%
Dialysis Center	5.3%	7.2%	-1.9%
Ambulance	2.9%	3.3%	-0.4%
Retail Pharmacy	1.3%	1.2%	0.0%
Assisted Living	0.9%	0.9%	-0.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	45.3%	44.8%	-0.5%
Charity Care	0.3%	0.3%	-0.1%
Bad Debt	1.6%	2.0%	0.4%
Total Revenue Deductions	<u>47.2%</u>	<u>47.0%</u>	<u>-0.2%</u>

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2023

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	24.92%	23.62%	0.14%	20.35%	13.89%	6.13%	9.15%	1.80%	100.00%
LTC	7.93%	9.23%	58.59%	0.00%	0.10%	9.42%	0.00%	14.72%	100.00%
ER	17.77%	16.87%	0.00%	33.67%	14.79%	5.89%	7.78%	3.24%	100.00%
OR	21.46%	22.80%	0.00%	15.59%	21.78%	6.13%	11.57%	0.67%	100.00%

YTD 2022

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	26.04%	22.85%	0.10%	20.11%	13.85%	6.29%	8.83%	1.93%	100.00%
LTC	13.03%	14.23%	55.03%	0.00%	0.00%	5.07%	0.00%	12.65%	100.00%
ER	18.60%	16.15%	0.00%	32.30%	14.86%	6.58%	8.22%	3.29%	100.00%
OR	20.68%	28.47%	0.00%	15.15%	17.74%	6.79%	10.48%	0.69%	100.00%

YTD 2021

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	29.64%	22.29%	0.34%	16.97%	13.17%	6.53%	8.10%	2.96%	100.00%
LTC	11.30%	10.50%	59.94%	0.00%	0.00%	4.48%	0.00%	13.78%	100.00%
ER	20.22%	15.93%	0.00%	30.26%	14.16%	7.54%	8.00%	3.90%	100.00%
OR	23.11%	22.39%	0.00%	18.84%	15.90%	7.80%	11.60%	0.36%	100.00%

YTD 2020

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	32.78%	18.49%	0.30%	17.39%	14.81%	5.76%	7.57%	2.89%	100.00%
LTC	14.75%	9.87%	55.12%	0.00%	0.07%	6.65%	0.00%	13.54%	100.00%
ER	23.86%	12.91%	0.00%	28.30%	15.13%	6.72%	7.64%	5.43%	100.00%
OR	21.94%	18.12%	0.00%	27.92%	15.98%	6.10%	9.61%	0.33%	100.00%

YTD 2019

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	35.31%	14.95%	0.51%	17.51%	17.15%	5.26%	7.23%	2.08%	100.00%
LTC	13.43%	5.66%	64.30%	0.00%	0.06%	4.94%	0.00%	11.62%	100.00%
ER	27.44%	10.47%	0.00%	27.59%	15.95%	6.08%	6.93%	5.54%	100.00%
OR	26.38%	12.35%	0.00%	28.65%	18.96%	4.56%	8.20%	0.90%	100.00%