

Kalkaska Memorial Health Center

Balance Sheet

	August 31, 2022	June 30, 2022
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 29,644,176	\$ 26,571,541
Short-Term Investments	6,658,888	7,429,259
Accounts Receivable	11,003,304	9,912,908
Third Party Settlements	918,401	1,049,585
Due from Affiliates	19,211	10,232
Inventory	436,321	444,880
Other Current Assets	125,806	163,422
Total Current Assets	<u>48,806,107</u>	<u>45,581,827</u>
Investments	-	-
Capital Assets (net of Accumulated Depreciation)	35,498,983	35,872,717
Land	1,364,151	1,364,151
Construction In Progress	1,296,865	1,022,662
Other Assets		
Restricted Cash	17,575,824	4,565,175
Other Assets	105,412	105,412
Total Other Assets	<u>17,681,236</u>	<u>4,670,587</u>
Total Assets	<u>\$ 104,647,342</u>	<u>\$ 88,511,944</u>
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,213,192	\$ 1,067,359
Trade Accounts Payable	1,098,639	1,562,606
Accrued Compensation	4,056,208	3,662,623
Third Party Liabilities	3,796,710	3,435,719
Due to Affiliates	3,049,401	2,559,273
Other Current Liabilities	1,599,141	2,033,073
Total Current Liabilities	<u>15,813,291</u>	<u>14,320,653</u>
Long-Term Debt - Less Current Maturities	18,358,769	4,638,525
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	16,692	8,420
Total Liabilities	<u>34,208,752</u>	<u>18,987,598</u>
Net Assets		
Invested in Capital Assets, net of Related Debt	22,018,712	36,984,320
Unrestricted	48,419,878	32,540,026
Total Net Assets	<u>70,438,590</u>	<u>69,524,346</u>
Total Liabilities and Net Assets	<u>\$ 104,647,342</u>	<u>\$ 88,511,944</u>

Kalkaska Memorial Health Center

Statement of Operations

	Month of August 2022				Year to Date Ended August 31, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 102,405	\$ 132,371	\$ (29,966)	\$ 156,947	\$ 227,947	\$ 264,742	\$ (36,795)	\$ 207,454
Outpatient	8,470,785	6,594,130	1,876,655	6,708,382	15,118,624	13,188,260	1,930,364	12,291,116
Professional	1,349,938	1,239,924	110,014	1,261,650	2,454,038	2,479,848	(25,810)	2,288,924
Long Term Care	1,038,818	1,007,902	30,916	1,001,892	2,064,835	2,015,804	49,031	2,061,653
Dialysis Center	682,920	736,707	(53,787)	751,108	1,330,091	1,473,414	(143,323)	1,478,195
Ambulance	382,739	342,558	40,181	370,352	680,964	685,116	(4,152)	641,511
Retail Pharmacy	106,782	126,597	(19,815)	119,610	232,826	253,194	(20,368)	257,216
Assisted Living	95,639	95,893	(254)	91,157	191,953	191,786	167	185,282
	12,230,026	10,276,082	1,953,944	10,461,098	22,301,278	20,552,164	1,749,114	19,411,351
Revenue Deductions:								
Contractual Allowances	5,677,139	4,601,819	(1,075,320)	4,605,371	10,157,668	9,203,639	(954,029)	8,574,596
Provision Charity Care	39,425	26,479	(12,946)	21,651	69,120	52,958	(16,162)	64,609
Provision for Bad Debt	345,161	204,070	(141,091)	150,053	396,118	408,140	12,022	199,192
	6,061,725	4,832,368	(1,229,357)	4,777,075	10,622,906	9,664,737	(958,169)	8,838,397
Net Patient Revenues	6,168,301	5,443,714	724,587	5,684,023	11,678,372	10,887,427	790,945	10,572,954
Other Operating Revenues	222,344	300,069	(77,725)	356,816	1,025,051	600,137	424,914	738,188
Total Operating Revenue	6,390,645	5,743,783	646,862	6,040,839	12,703,423	11,487,564	1,215,859	11,311,142
Operating Expenses								
Salaries and Wages	2,570,148	2,930,848	360,700	2,483,197	5,991,035	5,618,076	(372,959)	5,039,090
Fringe Benefits	629,998	719,935	89,937	621,521	1,400,639	1,439,870	39,231	1,307,508
Contract Labor	41,616	34,275	(7,341)	32,176	68,903	68,550	(353)	62,975
Physician Fees	55,450	75,074	19,624	91,195	120,793	150,148	29,355	159,152
Purchased Services	615,552	576,201	(39,351)	539,261	1,200,409	1,159,413	(40,996)	1,078,651
Pharmaceuticals	761,249	536,322	(224,927)	432,881	1,441,300	1,072,644	(368,656)	868,970
Supplies	380,787	342,591	(38,196)	281,935	1,254,026	685,404	(568,622)	543,251
Occupancy	74,637	113,982	39,345	119,229	176,707	233,890	57,183	197,816
Equipment, Software & Maintenance	94,164	57,448	(36,716)	37,534	159,637	134,606	(25,031)	99,771
Depreciation	262,301	262,251	(50)	239,655	513,574	524,502	10,928	484,813
Insurance	54,022	63,291	9,269	48,839	106,880	126,581	19,701	94,181
Other	27,290	39,136	11,846	24,798	67,342	78,272	10,930	69,068
	5,567,214	5,751,354	184,140	4,952,221	12,501,245	11,291,956	(1,209,289)	10,005,246
Less Shared Services	-	280	(280)	285	-	560	(560)	428
Total Operating Expenses	5,567,214	5,751,074	183,860	4,951,936	12,501,245	11,291,396	(1,209,849)	10,004,818
Income from Operations before Grant Revenue from COVID-19	823,431	(7,291)	830,722	1,088,903	202,178	196,168	6,010	1,306,324
Grant Revenue COVID-19	-	-	-	-	588,734	-	588,734	-
Paycheck Protection Program Loan Forgiveness	-	-	-	6,164,700	-	-	-	6,164,700
Operating Income	823,431	(7,291)	830,722	7,253,603	790,912	196,168	594,744	7,471,024
Non-Operating Income (Expense)								
Reserved for Bond Debt	125,230	117,428	7,802	118,120	250,460	234,856	15,604	234,925
Interest on Debt Related to Capital Assets	(63,312)	(66,568)	3,256	(17,325)	(77,750)	(83,636)	5,886	(34,688)
Unrealized Gain/Loss on LT Investments	11,382	-	11,382	(1,442)	20,345	-	20,345	(3,823)
Tax Levy Revenue	337	734	(397)	730	1,120	1,468	(348)	1,460
Bond Issuance Cost	-	-	-	-	(75,500)	-	(75,500)	-
Contributions	-	100	(100)	-	-	200	(200)	-
Other Income (Loss)	2,876	3,200	(324)	3,957	4,657	6,400	(1,743)	8,674
Total Non-Operating Income (Expense)	76,513	54,894	21,619	104,040	123,332	159,288	(35,956)	206,548
Total Increase (Decrease) in Net Assets	\$ 899,944	\$ 47,603	\$ 852,341	\$ 7,357,643	\$ 914,244	\$ 355,456	\$ 558,788	\$ 7,677,572

Statement of Cash Flows

	Two Months Ending August 31, 2022
Cash flow from operating activities	
Received from patients and third-party payors	\$ 11,071,172
Payments to employees	(6,998,089)
Payments to suppliers for services and goods	(4,949,321)
Other receipts from operations	1,614,905
Net cash provided by operating activities	<u>738,667</u>
Cash flow from capital and related financing activities	
Acquisition and construction of capital assets	(414,043)
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	250,460
Interest paid on long-term debt	(77,750)
Issuance costs paid on long-term debt	(75,500)
Principal payments on bonds and notes payable	14,866,077
Net cash provided by capital and related financing activity	<u>14,549,244</u>
Cash flow from investing activities	
Investment income	25,002
Sale of short-term investments	770,371
Net activity of investments internally designated for capital acquisitions	-
Net cash provided by investing activities	<u>795,373</u>
Net increase in cash and cash equivalents	16,083,284
Cash and cash equivalents at beginning of year	31,136,716
Cash and cash equivalents at end of period	<u>\$ 47,220,000</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$ 790,912
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	513,574
Provision for uncollectible accounts	396,118
Operating tax levy	1,120
Net gains and losses on sale of PPE	-
(Increase) decrease in assets:	
Patient accounts receivable	(1,495,493)
Third-party settlements	131,184
Inventory	8,559
Other current assets	37,616
Increase (decrease) in liabilities:	
Trade accounts payable	26,161
Accrued Compensation	393,585
Third Party Settlements	360,991
Other accrued liabilities	(425,660)
Net cash provided by operating activities	<u>\$ 738,667</u>

Kalkaska Memorial Health Center

Statement of Changes in Net Assets Two Months Ending August 31, 2022

	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		14,762,361	14,762,361
Increase (Decrease) in Net Assets	155,773	14,762,361	14,918,134
Net Assets at June 30, 2022	32,553,646	36,970,700	69,524,346
Acquisition and construction of capital assets	414,043		414,043
Depreciation	(513,574)		(513,574)
Sale of Capital Assets			-
Net Change in Debt	(14,866,077)		(14,866,077)
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		15,879,852	15,879,852
Increase (Decrease) in Net Assets	(14,965,608)	15,879,852	914,244
Net Assets at August 31, 2022	\$ 17,588,038	\$ 52,850,552	\$ 70,438,590

Kalkaska Memorial Health Center

Statistical Report

	Month of August 2022				Year to Date Ended August 31, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	14	16	(2)	16	34	32	2	24
Long Term Care	14	15	(1)	15	30	30	0	21
Extended Stays	18	8	10	9	30	16	14	48
PATIENT DAYS:								
Acute Care	53	59	(6)	74	108	118	(10)	98
Long Term Care-Skilled	195	283	(88)	192	370	566	(196)	424
Long Term Care-Basic	2,291	2,425	(134)	2,619	4,595	4,850	(255)	5,256
Extended Stays	18	22	(4)	9	30	44	(14)	24
AVERAGE LENGTH OF STAY:								
Acute Care	3.8	3.7	(0.1)	4.6	3.2	3.7	0.5	4.1
DAILY AVERAGE CENSUS:								
Acute Care	1.7	1.9	(0.3)	2.4	1.7	1.9	(0.2)	1.6
Long Term Care	80.2	87.4	(7.2)	90.7	80.1	87.4	(7.3)	91.6
PERCENT OF OCCUPANCY:								
Acute Care	21.4%	23.8%	-2.4%	29.8%	21.8%	23.8%	-2.0%	19.8%
Long Term Care	77.1%	84.0%	-6.9%	87.2%	77.0%	84.0%	-7.0%	88.1%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,416	1,191	225	1,396	2,958	2,382	576	2,490
Urgent Care	0	0	0	228	0	0	0	407
Walk-in Clinic	475	406	69	421	950	812	138	739
Primary Care Physician RVU's	7,000	6,481	519	5,886	12,825	12,962	(137)	11,951
Primary Care Physician Encounters	3,912	3,962	(50)	3,301	7,163	7,924	(761)	6,861
Specialty Clinics	468	381	87	549	790	762	28	917
KMA Clinic RVU's	7,678	7,143	535	6,351	14,009	14,286	(277)	13,041
Total Outpatient Visits	7,900	7,398	502	7,065	15,154	14,796	358	14,353
Surgical Procedures	164	117	47	111	287	234	53	212
Radiology	2,857	2,494	363	2,556	5,576	4,988	588	5,122
Laboratory	20,696	19,633	1,063	18,690	40,716	39,266	1,450	38,499
Physical Therapy	4,126	3,396	730	3,390	7,545	6,792	753	6,929
Chemo Therapy	721	426	295	460	1,304	852	452	809
Dialysis Treatments	591	628	(37)	637	1,165	1,256	(91)	1,278
Ambulance Transports	258	236	22	263	461	472	(11)	438
Assisted Living Days	933	963	(30)	961	1,894	1,926	(32)	1,918
Cost per adjusted IP and LTC day:	190.14	212.18	(22.05)	174.43	230.90	208.11	23	184.78
TOTAL FTE'S:	465	467	1	438	461	447	(15)	439

Kalkaska Memorial Health Center

Additional Financial Information

	August 31,
MTD % increase in net revenue vs. prior year	8.52%
MTD % increase in expense vs. prior year	12.42%
	<u>-3.91%</u>
YTD % increase in net revenue vs. prior year	10.46%
YTD % increase in expense vs. prior year	24.95%
	<u>-14.50%</u>
LTC Expense per Critical Unit - MTD	\$ 502.43
LTC Expense per Critical Unit - YTD	\$ 380.16
Ambulance Days in AR YTD	92.24
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (15,447)
Dialysis net income - YTD	\$ (82,623)
Assisted Living net income - MTD	\$ (24,639)
Assisted Living net income - YTD	(82,924)
Average Age of Plant (as of 8/31/22)	11.73
Debt to Capitalization Ratio	0.23

Net Revenue Analysis

	Month of August 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	0.8%	1.3%	-0.5%
Outpatient	69.3%	64.2%	5.1%
Professional	11.0%	12.1%	-1.0%
Long-Term Care	8.5%	9.8%	-1.3%
Dialysis Center	5.6%	7.2%	-1.6%
Ambulance	3.1%	3.3%	-0.2%
Retail Pharmacy	0.9%	1.2%	-0.4%
Assisted Living	0.8%	0.9%	-0.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	46.4%	44.8%	-1.6%
Charity Care	0.3%	0.3%	-0.1%
Bad Debt	2.8%	2.0%	-0.8%
Total Revenue Deductions	<u>49.6%</u>	<u>47.0%</u>	<u>-2.5%</u>

	Year to Date Ended August 31, 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.0%	1.3%	-0.3%
Outpatient	67.8%	64.2%	3.6%
Professional	11.0%	12.1%	-1.1%
Long-Term Care	9.3%	9.8%	-0.5%
Dialysis Center	6.0%	7.2%	-1.2%
Ambulance	3.1%	3.3%	-0.3%
Retail Pharmacy	1.0%	1.2%	-0.2%
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	45.5%	44.8%	-0.8%
Charity Care	0.3%	0.3%	-0.1%
Bad Debt	1.8%	2.0%	0.2%
Total Revenue Deductions	<u>47.6%</u>	<u>47.0%</u>	<u>-0.6%</u>

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2023

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	21.16%	23.48%	0.92%	20.51%	12.70%	7.75%	6.34%	7.14%	100.00%
LTC	10.05%	10.30%	55.72%	0.00%	0.00%	9.57%	0.00%	14.36%	100.00%
ER	19.07%	15.81%	0.00%	27.27%	18.86%	7.40%	7.05%	4.54%	100.00%
OR	21.76%	26.17%	0.00%	13.32%	14.36%	13.86%	10.52%	0.00%	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%