

Kalkaska Memorial Health Center

Balance Sheet

Assets	September 30, 2022	June 30, 2022
Current Assets		
Cash and Cash Equivalents	\$ 31,580,761	\$ 26,571,541
Short-Term Investments	6,664,286	7,429,259
Accounts Receivable	11,762,685	9,912,908
Third Party Settlements	790,840	1,049,585
Due from Affiliates	27,588	10,232
Inventory	374,164	444,880
Other Current Assets	142,133	163,422
Total Current Assets	51,342,457	45,581,827
Investments	-	-
Capital Assets (net of Accumulated Depreciation)	35,564,149	35,872,717
Land	1,364,151	1,364,151
Construction In Progress	1,921,224	1,022,662
Other Assets		
Restricted Cash	16,444,078	4,565,175
Other Assets	105,230	105,412
Total Other Assets	16,549,308	4,670,587
Total Assets	\$ 106,741,289	\$ 88,511,944
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,213,192	\$ 1,067,359
Trade Accounts Payable	892,845	1,562,606
Accrued Compensation	4,105,723	3,662,623
Third Party Liabilities	4,387,703	3,435,719
Due to Affiliates	4,194,680	2,559,273
Other Current Liabilities	1,679,345	2,033,073
Total Current Liabilities	17,473,488	14,320,653
Long-Term Debt - Less Current Maturities	18,357,739	4,638,525
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	15,962	8,420
Total Liabilities	35,867,189	18,987,598
Net Assets		
Invested in Capital Assets, net of Related Debt	22,709,267	36,984,320
Unrestricted	48,164,833	32,540,026
Total Net Assets	70,874,100	69,524,346
Total Liabilities and Net Assets	\$ 106,741,289	\$ 88,511,944

Kalkaska Memorial Health Center

Statement of Operations

	Month of September 2022				Year to Date Ended September 30, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 110,659	\$ 127,208	\$ (16,549)	\$ 112,360	\$ 338,605	\$ 391,950	\$ (53,345)	\$ 319,814
Outpatient	7,293,450	6,374,658	918,792	6,403,400	22,412,073	19,562,918	2,849,155	18,694,515
Professional	1,336,430	1,198,859	137,571	1,250,358	3,790,468	3,678,707	111,761	3,539,282
Long Term Care	987,977	975,727	12,250	908,046	3,052,812	2,991,531	61,281	2,969,699
Dialysis Center	621,373	712,090	(90,717)	691,527	1,951,464	2,185,504	(234,040)	2,169,722
Ambulance	307,047	330,945	(23,898)	337,176	988,011	1,016,061	(28,050)	978,687
Retail Pharmacy	137,907	122,540	15,367	122,122	370,733	375,734	(5,001)	379,338
Assisted Living	95,402	92,806	2,596	91,823	287,355	284,592	2,763	277,105
	10,890,245	9,934,833	955,412	9,916,812	33,191,521	30,486,997	2,704,524	29,328,162
Revenue Deductions:								
Contractual Allowances	4,973,891	4,450,988	(522,903)	4,570,074	15,131,559	13,654,627	(1,476,932)	13,144,670
Provision Charity Care	48,645	25,634	(23,011)	33,843	117,765	78,592	(39,173)	98,453
Provision for Bad Debt	164,913	197,375	32,462	88,139	561,031	605,515	44,484	287,331
	5,187,449	4,673,997	(513,452)	4,692,056	15,810,355	14,338,734	(1,471,621)	13,530,454
Net Patient Revenues	5,702,796	5,260,836	441,960	5,224,756	17,381,166	16,148,263	1,232,903	15,797,708
Other Operating Revenues	265,019	363,318	(98,299)	492,130	1,290,070	963,455	326,615	1,230,318
Total Operating Revenue	5,967,815	5,624,154	343,661	5,716,886	18,671,236	17,111,718	1,559,518	17,028,026
Operating Expenses								
Salaries and Wages	2,780,196	2,809,087	28,891	2,573,805	8,771,231	8,427,163	(344,068)	7,612,896
Fringe Benefits	674,423	719,935	45,512	637,176	2,075,061	2,159,805	84,744	1,944,685
Contract Labor	24,640	34,117	9,477	26,561	93,543	102,667	9,124	89,536
Physician Fees	86,177	72,593	(13,584)	70,980	206,971	222,741	15,770	230,132
Purchased Services	351,861	586,330	234,469	648,873	1,552,270	1,745,743	193,473	1,727,523
Pharmaceuticals	732,579	519,428	(213,151)	467,378	2,173,879	1,592,072	(581,807)	1,336,348
Supplies	314,021	331,852	17,831	279,710	1,568,047	1,017,256	(550,791)	822,961
Occupancy	222,225	112,728	(109,497)	145,954	398,932	346,618	(52,314)	343,770
Equipment, Software & Maintenance	61,692	78,767	17,075	51,554	221,328	213,373	(7,955)	151,325
Depreciation	256,281	262,186	5,905	222,808	769,855	786,688	16,833	707,621
Insurance	57,992	63,292	5,300	49,596	164,872	189,873	25,001	143,777
Other	44,595	39,556	(5,039)	30,617	111,937	117,828	5,891	99,685
	5,606,682	5,629,871	23,189	5,205,012	18,107,926	16,921,827	(1,186,099)	15,210,259
Less Shared Services	-	280	(280)	7,266	-	840	(840)	7,694
Total Operating Expenses	5,606,682	5,629,591	22,909	5,197,746	18,107,926	16,920,987	(1,186,939)	15,202,565
Income from Operations before Grant Revenue from COVID-19	361,133	(5,437)	366,570	519,140	563,310	190,731	372,579	1,825,461
Grant Revenue COVID-19	-	-	-	-	588,734	-	588,734	-
Paycheck Protection Program Loan Forgiveness	-	-	-	-	-	-	-	6,164,700
Operating Income	361,133	(5,437)	366,570	519,140	1,152,044	190,731	961,313	7,990,161
Non-Operating Income (Expense)								
Reserved for Bond Debt	131,187	117,428	13,759	116,805	381,647	352,284	29,363	351,730
Interest on Debt Related to Capital Assets	(62,973)	(66,225)	3,252	(17,286)	(140,723)	(149,861)	9,138	(51,974)
Unrealized Gain/Loss on LT Investments	(4,584)	-	(4,584)	(1,414)	15,761	-	15,761	(5,237)
Tax Levy Revenue	730	734	(4)	730	1,850	2,202	(352)	2,190
Bond Issuance Cost	-	-	-	-	(75,500)	-	(75,500)	-
Contributions	(182)	100	(282)	2,113	(182)	300	(482)	2,113
Other Income (Loss)	10,199	3,200	6,999	4,412	14,857	9,600	5,257	13,085
Total Non-Operating Income (Expense)	74,377	55,237	19,140	105,360	197,710	214,525	(16,815)	311,907
Total Increase (Decrease) in Net Assets	\$ 435,510	\$ 49,800	\$ 385,710	\$ 624,500	\$ 1,349,754	\$ 405,256	\$ 944,498	\$ 8,302,068

Statement of Cash FlowsThree Months Ending
September 30, 2022**Cash flow from operating activities**

Received from patients and third-party payors	\$	16,724,762
Payments to employees		(10,403,192)
Payments to suppliers for services and goods		(5,780,314)
Other receipts from operations		1,880,654
Net cash provided by operating activities		<u>2,421,910</u>

Cash flow from capital and related financing activities

Acquisition and construction of capital assets		(1,359,849)
Proceeds from sale of capital assets		-
Proceeds from county bond tax levy		381,647
Interest paid on long-term debt		(140,723)
Issuance costs paid on long-term debt		(75,500)
Principal payments on bonds and notes payable		14,865,047
Net cash provided by capital and related financing activity		<u>13,670,622</u>

Cash flow from investing activities

Investment income		30,618
Sale of short-term investments		764,973
Net activity of investments internally designated for capital acquisitions		-
Net cash provided by investing activities		<u>795,591</u>

Net increase in cash and cash equivalents		16,888,123
Cash and cash equivalents at beginning of year		31,136,716
Cash and cash equivalents at end of period	\$	<u><u>48,024,839</u></u>

Reconciliation of operating income to net cash flows from operating activities

Operating income	\$	1,152,044
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		769,855
Provision for uncollectible accounts		561,031
Operating tax levy		1,850
Net gains and losses on sale of PPE		-
(Increase) decrease in assets:		
Patient accounts receivable		(2,428,164)
Third-party settlements		258,745
Inventory		70,716
Other current assets		21,289
Increase (decrease) in liabilities:		
Trade accounts payable		965,646
Accrued Compensation		443,100
Third Party Settlements		951,984
Other accrued liabilities		(346,186)
Net cash provided by operating activities	\$	<u><u>2,421,910</u></u>

Kalkaska Memorial Health Center

**Statement of Changes in Net Assets
Three Months Ending September 30, 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	1,359,849		1,359,849
Depreciation	(769,855)		(769,855)
Sale of Capital Assets			-
Net Change in Debt	(14,865,047)		(14,865,047)
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		15,624,807	15,624,807
Increase (Decrease) in Net Assets	(14,275,053)	15,624,807	1,349,754
Net Assets at September 30, 2022	\$ 18,278,593	\$ 52,595,507	\$ 70,874,100

Kalkaska Memorial Health Center

Statistical Report

	Month of September 2022				Year to Date Ended September 30, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	14	15	(1)	17	48	47	1	41
Long Term Care	5	15	(10)	10	35	45	(10)	31
Extended Stays	12	7	5	14	42	23	19	75
PATIENT DAYS:								
Acute Care	48	57	(9)	55	156	175	(19)	153
Long Term Care-Skilled	75	274	(199)	195	445	840	(395)	619
Long Term Care-Basic	2,268	2,347	(79)	2,403	6,863	7,197	(334)	7,659
Extended Stays	12	20	(8)	14	42	64	(22)	38
AVERAGE LENGTH OF STAY:								
Acute Care	3.4	3.8	0.4	3.2	3.3	3.7	0.5	3.7
DAILY AVERAGE CENSUS:								
Acute Care	1.6	1.9	(0.4)	1.8	1.7	1.9	(0.2)	1.7
Long Term Care	78.1	87.4	(9.3)	86.6	79.4	87.4	(7.9)	90.0
PERCENT OF OCCUPANCY:								
Acute Care	20.0%	23.8%	-3.8%	22.9%	21.2%	23.8%	-2.6%	20.8%
Long Term Care	75.1%	84.0%	-8.9%	83.3%	76.4%	84.0%	-7.6%	86.5%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,372	1,152	220	1,424	4,330	3,534	796	3,914
Urgent Care	1	0	1	10	1	0	1	417
Walk-in Clinic	376	393	(17)	488	1,326	1,205	121	1,227
Primary Care Physician RVU's	6,455	6,272	183	6,257	19,280	19,234	46	18,208
Primary Care Physician Encounters	3,581	3,834	(253)	3,520	10,744	11,758	(1,014)	10,381
Specialty Clinics	345	368	(23)	406	1,135	1,130	5	1,323
KMA Clinic RVU's	7,257	6,912	345	6,935	21,267	21,198	69	19,976
Total Outpatient Visits	7,323	7,160	163	7,458	22,477	21,956	521	21,811
Surgical Procedures	145	113	32	118	432	347	85	330
Radiology	2,663	2,412	251	2,474	8,239	7,400	839	7,596
Laboratory	19,099	19,000	99	20,255	59,815	58,266	1,549	58,754
Physical Therapy	3,319	3,286	33	3,435	10,864	10,078	786	10,364
Chemo Therapy	580	413	167	458	1,884	1,265	619	1,267
Dialysis Treatments	535	607	(72)	599	1,700	1,863	(163)	1,877
Ambulance Transports	201	228	(27)	230	662	700	(38)	668
Assisted Living Days	896	932	(36)	900	2,790	2,858	(68)	2,818
Cost per adjusted IP and LTC day:	219.28	213.07	6.22	182.87	227.19	209.73	17	184.24
TOTAL FTE'S:	452	461	10	433	458	451	(7)	437

Kalkaska Memorial Health Center

Additional Financial Information

	September 30, 2022
MTD % increase in net revenue vs. prior year	9.15%
MTD % increase in expense vs. prior year	7.87%
	1.28%
YTD % increase in net revenue vs. prior year	10.02%
YTD % increase in expense vs. prior year	19.11%
	-9.09%
LTC Expense per Critical Unit - MTD	\$ 273.89
LTC Expense per Critical Unit - YTD	\$ 346.09
Ambulance Days in AR YTD	94.34
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (15,447)
Dialysis net income - YTD	\$ (113,706)
Assisted Living net income - MTD	\$ (51,706)
Assisted Living net income - YTD	(134,630)
Average Age of Plant (as of 9/30/22)	12.09
Debt to Capitalization Ratio	0.22

Net Revenue Analysis

	Month of September 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.0%	1.3%	-0.3%
Outpatient	67.0%	64.2%	2.8%
Professional	12.3%	12.1%	0.2%
Long-Term Care	9.1%	9.8%	-0.7%
Dialysis Center	5.7%	7.2%	-1.5%
Ambulance	2.8%	3.3%	-0.5%
Retail Pharmacy	1.3%	1.2%	0.0%
Assisted Living	0.9%	0.9%	-0.1%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	45.7%	44.8%	-0.9%
Charity Care	0.4%	0.3%	-0.2%
Bad Debt	1.5%	2.0%	0.5%
Total Revenue Deductions	47.6%	47.0%	-0.6%

	Year to Date Ended September 30, 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.0%	1.3%	-0.3%
Outpatient	67.5%	64.2%	3.4%
Professional	11.4%	12.1%	-0.6%
Long-Term Care	9.2%	9.8%	-0.6%
Dialysis Center	5.9%	7.2%	-1.3%
Ambulance	3.0%	3.3%	-0.4%
Retail Pharmacy	1.1%	1.2%	-0.1%
Assisted Living	0.9%	0.9%	-0.1%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	45.6%	44.8%	-0.8%
Charity Care	0.4%	0.3%	-0.1%
Bad Debt	1.7%	2.0%	0.3%
Total Revenue Deductions	47.6%	47.0%	-0.6%

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2023

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	23.89%	24.06%	0.38%	21.09%	13.84%	6.56%	7.77%	2.41%	100.00%
LTC	7.86%	9.49%	58.19%	0.00%	0.28%	10.19%	0.00%	13.99%	100.00%
ER	18.33%	17.11%	0.00%	29.86%	16.42%	7.24%	7.23%	3.82%	100.00%
OR	21.38%	21.40%	0.00%	12.56%	23.96%	5.57%	13.46%	1.68%	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%