

Kalkaska Memorial Health Center

Balance Sheet

Assets	September 30, 2023	June 30, 2023
Current Assets		
Cash and Cash Equivalents	\$ 20,713,934	\$ 20,105,803
Short-Term Investments	7,778,660	6,631,348
Accounts Receivable	11,964,781	12,464,426
Third Party Settlements	166,666	157,318
Due from Affiliates	75,017	29,312
Inventory	355,050	276,948
Other Current Assets	252,699	310,992
Total Current Assets	41,306,807	39,976,147
Investments	8,892,940	9,891,710
Capital Assets (net of Accumulated Depreciation)	34,506,498	35,216,480
Land	1,426,272	1,426,272
Construction In Progress	10,314,911	10,052,749
Other Assets		
Restricted Cash	7,731,143	11,496,448
Other Assets	110,625	109,914
Total Other Assets	7,841,768	11,606,362
Total Assets	\$ 104,289,196	\$ 108,169,720
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,317,359	\$ 2,317,359
Trade Accounts Payable	1,057,907	4,177,864
Accrued Compensation	4,550,462	3,871,492
Third Party Liabilities	4,181,888	4,620,950
Due to Affiliates	2,763,745	3,864,305
Other Current Liabilities	1,559,452	1,728,862
Total Current Liabilities	16,430,813	20,580,832
Long-Term Debt - Less Current Maturities	15,859,743	16,175,333
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	16,661	9,392
Total Liabilities	32,327,217	36,785,557
Net Assets		
Invested in Capital Assets, net of Related Debt	33,699,584	33,831,814
Unrestricted	38,262,395	37,552,349
Total Net Assets	71,961,979	71,384,163
Total Liabilities and Net Assets	\$ 104,289,196	\$ 108,169,720

Kalkaska Memorial Health Center

Statement of Operations

	Month of September 2023				Year to Date Ended September 30, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 133,257	\$ 144,235	\$ (10,978)	\$ 110,659	\$ 315,836	\$ 440,233	\$ (124,397)	\$ 338,605
Outpatient	7,740,466	7,621,957	118,509	7,293,450	23,985,038	23,412,408	572,630	22,412,073
Professional	1,438,113	1,432,911	5,202	1,336,430	4,422,510	4,392,409	30,101	3,790,468
Long Term Care	1,017,204	981,910	35,294	987,977	3,042,001	3,012,852	29,149	3,052,812
Dialysis Center	555,820	593,423	(37,603)	621,373	1,679,958	1,819,521	(139,563)	1,951,464
Ambulance	386,545	344,802	41,743	307,047	1,296,519	1,057,176	239,343	988,011
Retail Pharmacy	180,163	138,111	42,052	137,907	580,090	423,351	156,739	370,733
Assisted Living	94,590	93,549	1,041	95,402	288,283	286,931	1,352	287,355
	<u>11,546,158</u>	<u>11,350,898</u>	<u>195,260</u>	<u>10,890,245</u>	<u>35,610,235</u>	<u>34,844,881</u>	<u>765,354</u>	<u>33,191,521</u>
Revenue Deductions:								
Contractual Allowances	5,466,623	5,170,632	(295,991)	4,973,891	16,860,937	15,854,984	(1,005,953)	15,131,559
Provision Charity Care	18,274	41,300	23,026	48,645	117,245	126,630	9,385	117,765
Provision for Bad Debt	230,266	216,738	(13,528)	164,913	560,355	664,528	104,173	561,031
	<u>5,715,163</u>	<u>5,428,670</u>	<u>(286,493)</u>	<u>5,187,449</u>	<u>17,538,537</u>	<u>16,646,142</u>	<u>(892,395)</u>	<u>15,810,355</u>
Net Patient Revenues	5,830,995	5,922,228	(91,233)	5,702,796	18,071,698	18,198,739	(127,041)	17,381,166
Other Operating Revenues	335,745	240,595	95,150	265,019	946,670	596,348	350,322	1,290,070
Total Operating Revenue	<u>6,166,740</u>	<u>6,162,823</u>	<u>3,917</u>	<u>5,967,815</u>	<u>19,018,368</u>	<u>18,795,087</u>	<u>223,281</u>	<u>18,671,236</u>
Operating Expenses								
Salaries and Wages	3,819,209	2,964,568	(854,641)	2,780,196	10,217,267	9,174,015	(1,043,252)	8,182,497
Fringe Benefits	749,380	751,601	2,221	674,423	2,363,860	2,254,803	(109,057)	2,075,061
Contract Labor	7,360	35,616	28,256	24,640	74,343	107,148	32,805	93,543
Physician Fees	63,621	56,543	(7,078)	86,177	250,154	173,327	(76,827)	206,971
Purchased Services	623,815	653,678	29,863	351,861	1,851,031	1,942,483	91,452	1,552,270
Pharmaceuticals	665,920	655,756	(10,164)	732,579	2,053,693	1,994,150	(59,543)	2,173,879
Supplies	252,876	365,402	112,526	314,021	924,698	1,120,340	195,642	1,568,047
Occupancy	104,011	128,425	24,414	222,225	321,625	393,921	72,296	398,932
Equipment, Software & Maintenance	92,802	99,195	6,393	61,692	245,728	276,227	30,499	221,328
Depreciation	253,766	262,905	9,139	256,281	798,391	788,873	(9,518)	769,855
Insurance	119,422	73,796	(45,626)	57,992	262,891	221,388	(41,503)	164,872
Other	65,117	37,114	(28,003)	44,595	194,936	110,384	(84,552)	111,937
	<u>6,817,299</u>	<u>6,084,599</u>	<u>(732,700)</u>	<u>5,606,682</u>	<u>19,558,617</u>	<u>18,557,059</u>	<u>(1,001,558)</u>	<u>17,519,192</u>
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	<u>6,817,299</u>	<u>6,084,599</u>	<u>(732,700)</u>	<u>5,606,682</u>	<u>19,558,617</u>	<u>18,557,059</u>	<u>(1,001,558)</u>	<u>17,519,192</u>
Income from Operations before Grant Revenue from COVID-19	(650,559)	78,224	(728,783)	361,133	(540,249)	238,028	(778,277)	1,152,044
Grant Revenue COVID-19	750,000	-	750,000	-	750,000	-	750,000	-
Operating Income	99,441	78,224	21,217	361,133	209,751	238,028	(28,277)	1,152,044
Non-Operating Income (Expense)								
Reserved for Bond Debt	128,054	125,001	3,053	131,187	384,151	375,003	9,148	381,647
Interest on Debt Related to Capital Assets	(56,192)	(56,193)	1	(62,973)	(169,595)	(169,597)	2	(140,723)
Unrealized Gain/Loss on LT Investments	(4,423)	-	(4,423)	(4,584)	42,287	-	42,287	15,761
Tax Levy Revenue	783	747	36	730	2,348	2,241	107	1,850
Bond Issuance Cost	-	-	-	-	-	-	-	(75,500)
Contributions	711	100	611	(182)	711	300	411	(182)
Other Income (Loss)	58,592	7,500	51,092	10,199	108,163	22,500	85,663	14,857
Total Non-Operating Income (Expense)	<u>127,525</u>	<u>77,155</u>	<u>50,370</u>	<u>74,377</u>	<u>368,065</u>	<u>230,447</u>	<u>137,618</u>	<u>197,710</u>
Total Increase (Decrease) in Net Assets	<u>\$ 226,966</u>	<u>\$ 155,379</u>	<u>\$ 71,587</u>	<u>\$ 435,510</u>	<u>\$ 577,816</u>	<u>\$ 468,475</u>	<u>\$ 109,341</u>	<u>\$ 1,349,754</u>

Statement of Cash FlowsThree Months Ending
September 30, 2023**Cash flow from operating activities**

Received from patients and third-party payors	\$	18,077,228
Payments to employees		(11,902,157)
Payments to suppliers for services and goods		(10,581,566)
Other receipts from operations		1,699,018
Net cash used by operating activities		(2,707,477)

Cash flow from capital and related financing activities

Acquisition and construction of capital assets		(350,571)
Proceeds from sale of capital assets		-
Proceeds from county bond tax levy		384,151
Interest paid on long-term debt		(169,595)
Retirement of long-term debt		-
Issuance costs paid on long-term debt		-
Principal payments on bonds and notes payable		(315,590)
Net cash used in capital and related financing activities		(451,605)

Cash flow from investing activities

Investment income		150,450
Purchase of short-term investments		(1,147,312)
Net activity of investments internally designated for capital acquisitions		998,770
Net cash provided by investing activities		1,908

Net decrease in cash and cash equivalents		(3,157,174)
Cash and cash equivalents at beginning of year		31,602,251
Cash and cash equivalents at end of period	\$	28,445,077

Reconciliation of operating income to net cash flows from operating activities

Operating income	\$	209,751
Adjustments to reconcile operating income to net cash used by operating activities:		
Depreciation		798,391
Provision for uncollectible accounts		560,355
Operating tax levy		2,348
Net gains and losses on sale of PPE		-
(Increase) decrease in assets:		
Patient accounts receivable		(106,415)
Third-party settlements		(9,348)
Inventory		(78,102)
Other current assets		58,293
Increase (decrease) in liabilities:		
Trade accounts payable		(4,220,517)
Accrued Compensation		678,970
Third Party Settlements		(439,062)
Other accrued liabilities		(162,141)
Net cash used by operating activities	\$	(2,707,477)

Kalkaska Memorial Health Center

**Statement of Changes in Net Assets
Three Months Ending September 30, 2023**

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
Net Assets at June 30, 2022	\$ 32,553,646	\$ 35,680,380	\$ 54,606,212
Acquisition and construction of capital assets	11,635,628		1,987,421
Depreciation	(3,205,936)		(2,991,509)
Sale of Capital Assets	6,279		(38,470)
Net Change in Debt	(12,786,808)		1,198,331
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		7,500,974	14,762,361
Increase (Decrease) in Net Assets	<u>(4,350,837)</u>	<u>7,500,974</u>	<u>14,918,134</u>
Net Assets at June 30, 2023	28,202,809	43,181,354	71,384,163
Acquisition and construction of capital assets	350,571		350,571
Depreciation	(798,391)		(798,391)
Sale of Capital Assets	-		-
Capital Grants	-		-
Net Change in Debt	315,590		315,590
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		710,046	710,046
Increase (Decrease) in Net Assets	<u>(132,230)</u>	<u>710,046</u>	<u>577,816</u>
Net Assets at September 30, 2023	\$ 28,070,579	\$ 43,891,400	\$ 71,961,979

Kalkaska Memorial Health Center

Statistical Report

	Month of September 2023				Year to Date Ended September 30, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	10	22	(12)	14	37	66	(29)	48
Long Term Care	18	11	7	5	53	35	18	35
Extended Stays	20	16	4	12	57	48	9	42
PATIENT DAYS:								
Acute Care	44	75	(31)	48	138	229	(91)	156
Long Term Care-Skilled	222	158	64	75	627	484	143	445
Long Term Care-Basic	2,143	2,233	(90)	2,268	6,471	6,851	(380)	6,863
Extended Stays	20	16	4	12	57	48	9	42
AVERAGE LENGTH OF STAY:								
Acute Care	4.4	3.4	(1.0)	3.4	3.7	3.5	(0.3)	3.3
DAILY AVERAGE CENSUS:								
Acute Care	1.5	2.5	(1.1)	1.6	1.5	2.5	(1.0)	1.7
Long Term Care	78.8	79.7	(0.9)	78.1	77.2	79.7	(2.6)	79.4
PERCENT OF OCCUPANCY:								
Acute Care	18.3%	31.3%	-12.9%	20.0%	18.8%	31.1%	-12.4%	21.2%
Long Term Care	75.8%	76.6%	-0.8%	75.1%	74.2%	76.7%	-2.5%	76.4%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,413	1,338	75	1,380	4,612	4,104	508	4,366
Urgent Care	0	0	0	1	0	0	0	1
Walk-in Clinic	375	425	(50)	376	1,017	1,303	(286)	1,326
Primary Care Physician RVU's	5,838	6,829	(991)	6,455	19,345	20,943	(1,598)	19,280
Primary Care Physician Encounters	3,245	3,898	(653)	3,581	11,362	11,954	(592)	10,744
Specialty Clinics	340	354	(14)	345	1,309	1,084	225	1,135
KMA Clinic RVU's	7,890	7,499	391	7,257	23,701	22,997	704	21,267
Total Outpatient Visits	7,218	7,331	(113)	7,323	22,483	22,481	2	22,477
Surgical Procedures	120	146	(26)	145	442	448	(6)	432
Radiology	3,244	2,757	487	2,663	10,025	8,455	1,570	8,239
Laboratory	20,582	18,615	1,967	19,099	61,937	57,085	4,852	59,815
Physical Therapy	4,385	3,789	596	3,319	13,208	11,621	1,587	10,864
Chemo Therapy	470	563	(93)	580	1,388	1,727	(339)	1,884
Dialysis Treatments	488	507	(19)	535	1,517	1,555	(38)	1,700
Ambulance Transports	242	212	30	201	788	650	138	662
Assisted Living Days	902	893	9	896	2,771	2,739	32	2,790
Cost per adjusted IP and LTC day:	261.64	227.88	33.76	219.28	236.28	227.43	8.85	219.47
TOTAL FTE'S:	478	458	(20)	452	486	462	(25)	458

Kalkaska Memorial Health Center

Additional Financial Information

	September 30, 2023
MTD % increase in net revenue vs. prior year	2.25%
MTD % increase in expense vs. prior year	21.59%
	-19.34%
YTD % increase in net revenue vs. prior year	3.97%
YTD % increase in expense vs. prior year	11.64%
	-7.67%
LTC Expense per Critical Unit - MTD	\$ 292.01
LTC Expense per Critical Unit - YTD	\$ 307.11
Ambulance Days in AR YTD	60.81
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ 27,267
Dialysis net income - YTD	\$ (21,251)
Assisted Living net income - MTD	\$ (49,060)
Assisted Living net income - YTD	(183,516)
Average Age of Plant (as of 9/30/23)	12.64
Debt to Capitalization Ratio	0.20

Net Revenue Analysis

	Month of September 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.2%	1.3%	-0.1%
Outpatient	67.0%	67.1%	-0.1%
Professional	12.5%	12.6%	-0.2%
Long-Term Care	8.8%	8.7%	0.2%
Dialysis Center	4.8%	5.2%	-0.4%
Ambulance	3.3%	3.0%	0.3%
Retail Pharmacy	1.6%	1.2%	0.3%
Assisted Living	0.8%	0.8%	0.0%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	47.3%	45.6%	-1.8%
Charity Care	0.2%	0.4%	0.2%
Bad Debt	2.0%	1.9%	-0.1%
Total Revenue Deductions	49.5%	47.8%	-1.7%

	Year to Date Ended September 30, 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	0.9%	1.3%	-0.4%
Outpatient	67.4%	67.2%	0.2%
Professional	12.4%	12.6%	-0.2%
Long-Term Care	8.5%	8.6%	-0.1%
Dialysis Center	4.7%	5.2%	-0.5%
Ambulance	3.6%	3.0%	0.6%
Retail Pharmacy	1.6%	1.2%	0.4%
Assisted Living	0.8%	0.8%	0.0%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	47.3%	45.5%	-1.8%
Charity Care	0.3%	0.4%	0.0%
Bad Debt	1.6%	1.9%	0.3%
Total Revenue Deductions	49.3%	47.8%	-1.5%

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2024

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	23.13%	26.15%	0.09%	20.58%	14.17%	7.57%	6.49%	1.83%	100.00%
LTC	13.94%	9.38%	52.40%	0.00%	0.00%	10.28%	0.00%	14.00%	100.00%
ER	15.52%	18.11%	0.00%	33.34%	15.17%	7.94%	6.62%	3.31%	100.00%
OR	21.85%	32.58%	0.00%	16.89%	16.50%	3.30%	8.22%	0.65%	100.00%

YTD 2023

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	25.25%	24.14%	0.04%	19.91%	14.01%	6.06%	8.92%	1.68%	100.00%
LTC	7.28%	11.20%	58.48%	0.00%	0.07%	9.15%	0.00%	13.82%	100.00%
ER	17.14%	17.03%	0.00%	34.33%	14.75%	6.07%	7.65%	3.03%	100.00%
OR	21.33%	23.12%	0.00%	16.23%	21.26%	5.71%	11.70%	0.64%	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%