

Kalkaska Memorial Health Center

Balance Sheet

Assets	November 30, 2023	June 30, 2023
Current Assets		
Cash and Cash Equivalents	\$ 21,517,818	\$ 20,105,803
Short-Term Investments	7,713,034	6,631,348
Accounts Receivable	11,278,409	12,464,426
Third Party Settlements	-	157,318
Due from Affiliates	43,962	29,312
Inventory	342,147	276,948
Other Current Assets	302,707	310,992
Total Current Assets	41,198,077	39,976,147
Investments	9,233,901	9,891,710
Capital Assets (net of Accumulated Depreciation)	33,992,913	35,216,480
Land	1,426,272	1,426,272
Construction In Progress	14,668,784	10,052,749
Other Assets		
Restricted Cash	6,883,228	11,496,448
Other Assets	185,625	109,914
Total Other Assets	7,068,853	11,606,362
Total Assets	\$ 107,588,800	\$ 108,169,720
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,317,359	\$ 2,317,359
Trade Accounts Payable	2,289,249	4,177,864
Accrued Compensation	3,433,869	3,871,492
Third Party Liabilities	4,424,508	4,620,950
Due to Affiliates	5,142,474	3,864,305
Other Current Liabilities	1,489,170	1,728,862
Total Current Liabilities	19,096,629	20,580,832
Long-Term Debt - Less Current Maturities	15,649,350	16,175,333
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	15,095	9,392
Total Liabilities	34,781,074	36,785,557
Net Assets		
Invested in Capital Assets, net of Related Debt	37,750,265	33,831,814
Unrestricted	35,057,461	37,552,349
Total Net Assets	72,807,726	71,384,163
Total Liabilities and Net Assets	\$ 107,588,800	\$ 108,169,720

Kalkaska Memorial Health Center

Statement of Operations

	Month of November 2023				Year to Date Ended November 30, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 121,055	\$ 144,235	\$ (23,180)	\$ 67,986	\$ 612,917	\$ 732,467	\$ (119,550)	\$ 530,447
Outpatient	7,927,666	7,693,975	233,691	7,722,104	40,629,031	39,002,942	1,626,089	37,360,917
Professional	1,604,352	1,432,911	171,441	1,454,559	7,646,987	7,305,069	341,918	6,514,163
Long Term Care	1,023,293	981,910	41,383	807,148	5,108,283	5,010,233	98,050	4,862,212
Dialysis Center	470,011	593,423	(123,412)	568,965	2,677,725	3,025,993	(348,268)	3,111,284
Ambulance	341,199	344,802	(3,603)	264,104	1,993,526	1,758,165	235,361	1,571,689
Retail Pharmacy	229,066	138,111	90,955	122,653	1,002,093	704,082	298,011	628,697
Assisted Living	85,532	93,549	(8,017)	89,064	464,550	477,171	(12,621)	466,498
	11,802,174	11,422,916	379,258	11,096,583	60,135,112	58,016,122	2,118,990	55,045,907
Revenue Deductions:								
Contractual Allowances	5,592,682	5,170,632	(422,050)	5,041,196	28,488,530	26,367,792	(2,120,738)	24,717,661
Provision Charity Care	44,825	41,300	(3,525)	23,750	174,840	210,595	35,755	173,972
Provision for Bad Debt	130,965	216,738	85,773	227,419	845,663	1,105,161	259,498	1,005,897
	5,768,472	5,428,670	(339,802)	5,292,365	29,509,033	27,683,548	(1,825,485)	25,897,530
Net Patient Revenues	6,033,702	5,994,246	39,456	5,804,218	30,626,079	30,332,574	293,505	29,148,377
Other Operating Revenues	431,907	240,597	191,310	258,435	1,750,467	1,079,429	671,038	1,800,938
Total Operating Revenue	6,465,609	6,234,843	230,766	6,062,653	32,376,546	31,412,003	964,543	30,949,315
Operating Expenses								
Salaries and Wages	3,059,985	3,099,344	39,359	2,996,254	16,620,919	15,382,699	(1,238,220)	14,010,075
Fringe Benefits	847,707	751,601	(96,106)	676,165	4,144,787	3,758,005	(386,782)	3,426,367
Contract Labor	30,183	35,616	5,433	26,487	133,264	178,530	45,266	147,866
Physician Fees	74,358	56,543	(17,815)	44,997	365,273	288,262	(77,011)	312,476
Purchased Services	555,363	649,276	93,913	636,407	3,054,362	3,240,938	186,576	2,871,969
Pharmaceuticals	695,685	660,930	(34,755)	549,876	3,568,563	3,324,614	(243,949)	3,410,079
Supplies	348,418	366,187	17,769	330,254	1,643,169	1,864,622	221,453	2,284,614
Occupancy	98,348	128,427	30,079	131,137	514,302	651,202	136,900	621,515
Equipment, Software & Maintenance	54,558	77,741	23,183	65,423	438,458	442,260	3,802	357,669
Depreciation	268,601	262,905	(5,696)	268,063	1,337,346	1,314,762	(22,584)	1,293,918
Insurance	63,940	73,796	9,856	72,329	397,880	368,980	(28,900)	320,336
Other	43,759	37,114	(6,645)	31,843	275,521	184,133	(91,388)	165,767
	6,140,905	6,199,480	58,575	5,829,235	32,493,844	30,999,007	(1,494,837)	29,222,651
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	6,140,905	6,199,480	58,575	5,829,235	32,493,844	30,999,007	(1,494,837)	29,222,651
Income from Operations before Grant Revenue from COVID-19	324,704	35,363	289,341	233,418	(117,298)	412,996	(530,294)	1,726,664
Grant Revenue COVID-19	-	-	-	-	750,000	-	750,000	-
Operating Income	324,704	35,363	289,341	233,418	632,702	412,996	219,706	1,726,664
Non-Operating Income (Expense)								
Reserved for Bond Debt	128,223	125,001	3,222	125,230	640,485	625,005	15,480	632,107
Interest on Debt Related to Capital Assets	(55,514)	(55,514)	-	(62,294)	(280,962)	(280,964)	2	(265,651)
Unrealized Gain/Loss on LT Investments	55,120	-	55,120	(22,888)	109,864	-	109,864	(3,275)
Tax Levy Revenue	783	747	36	730	3,913	3,735	178	3,310
Bond Issuance Cost	-	-	-	-	-	-	-	(75,500)
Contributions	-	100	(100)	-	711	500	211	(182)
Other Income (Loss)	173,571	7,500	166,071	12,130	316,850	37,500	279,350	33,842
Total Non-Operating Income (Expense)	302,183	77,834	224,349	52,908	790,861	385,776	405,085	324,651
Total Increase (Decrease) in Net Assets	\$ 626,887	\$ 113,197	\$ 513,690	\$ 286,326	\$ 1,423,563	\$ 798,772	\$ 624,791	\$ 2,051,315

Statement of Cash FlowsFive Months Ending
November 30, 2023**Cash flow from operating activities**

Received from patients and third-party payors	\$	31,758,322
Payments to employees		(21,203,329)
Payments to suppliers for services and goods		(11,292,141)
Other receipts from operations		2,504,380
Net cash provided by operating activities		<u>1,767,232</u>

Cash flow from capital and related financing activities

Acquisition and construction of capital assets		(4,729,814)
Proceeds from sale of capital assets		-
Proceeds from county bond tax levy		640,485
Interest paid on long-term debt		(280,962)
Retirement of long-term debt		-
Issuance costs paid on long-term debt		-
Principal payments on bonds and notes payable		(525,983)
Net cash used in capital and related financing activities		<u>(4,896,274)</u>

Cash flow from investing activities

Investment income		426,714
Purchase of short-term investments		(1,081,686)
Net activity of investments internally designated for capital acquisitions		657,809
Purchase of Intangibles		(75,000)
Net cash used by investing activities		<u>(72,163)</u>

Net decrease in cash and cash equivalents		(3,201,205)
Cash and cash equivalents at beginning of year		31,602,251
Cash and cash equivalents at end of period	\$	<u><u>28,401,046</u></u>

Reconciliation of operating income to net cash flows from operating activities

Operating income	\$	632,702
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		1,337,346
Provision for uncollectible accounts		845,663
Operating tax levy		3,913
Net gains and losses on sale of PPE		-
(Increase) decrease in assets:		
Patient accounts receivable		325,704
Third-party settlements		157,318
Inventory		(65,199)
Other current assets		8,285
Increase (decrease) in liabilities:		
Trade accounts payable		(610,446)
Accrued Compensation		(437,623)
Third Party Settlements		(196,442)
Other accrued liabilities		(233,989)
Net cash provided by operating activities	\$	<u><u>1,767,232</u></u>

Kalkaska Memorial Health Center

**Statement of Changes in Net Assets
Five Months Ending November 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	4,729,814		4,729,814
Depreciation	(1,337,346)		(1,337,346)
Sale of Capital Assets	-		-
Capital Grants	-		-
Net Change in Debt	525,983		525,983
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		(2,494,888)	(2,494,888)
Increase (Decrease) in Net Assets	<u>3,918,451</u>	<u>(2,494,888)</u>	<u>1,423,563</u>
Net Assets at November 30, 2023	\$ 32,121,260	\$ 40,686,466	\$ 72,807,726

Kalkaska Memorial Health Center

Statistical Report

	Month of November 2023				Year to Date Ended November 30, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	16	22	(6)	9	70	110	(40)	72
Long Term Care	16	11	5	11	91	58	33	53
Observation	12	16	(4)	8	78	80	(2)	59
PATIENT DAYS:								
Acute Care	48	75	(27)	34	247	381	(134)	252
Long Term Care-Skilled	206	158	48	104	1,041	805	236	604
Long Term Care-Basic	2,100	2,233	(133)	2,195	10,806	11,393	(587)	11,374
Observation	26	16	10	11	221	80	141	99
AVERAGE LENGTH OF STAY:								
Acute Care	3.0	3.4	0.4	3.8	3.5	3.5	(0.1)	3.5
DAILY AVERAGE CENSUS:								
Acute Care	1.6	2.5	(1.0)	1.1	1.6	2.5	(0.9)	1.6
Long Term Care	76.9	79.7	(2.8)	76.6	77.4	79.7	(2.3)	78.3
PERCENT OF OCCUPANCY:								
Acute Care	20.0%	31.3%	-11.3%	14.2%	20.2%	31.1%	-10.9%	20.6%
Long Term Care	73.9%	76.6%	-2.7%	73.7%	74.5%	76.7%	-2.2%	75.3%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,192	1,338	(146)	1,311	7,108	6,825	283	7,018
Urgent Care	0	0	0	0	0	0	0	1
Walk-in Clinic	415	425	(10)	484	1,874	2,167	(293)	2,164
Primary Care Physician RVU's	7,127	6,829	298	6,725	34,999	34,829	170	32,959
Primary Care Physician Encounters	4,243	3,898	345	3,943	20,617	19,880	737	18,549
Specialty Clinics	372	354	18	319	2,094	1,803	291	1,793
KMA Clinic RVU's	8,283	7,499	784	7,418	40,616	38,245	2,371	36,012
Total Outpatient Visits	6,992	7,331	(339)	7,253	37,131	37,387	(256)	37,188
Surgical Procedures	119	146	(27)	137	750	745	5	712
Radiology	3,246	2,757	489	2,664	16,637	14,061	2,576	13,628
Laboratory	18,362	18,615	(253)	17,888	100,523	94,935	5,588	96,840
Physical Therapy	4,208	3,789	419	3,457	22,153	19,326	2,827	17,812
Chemo Therapy	385	563	(178)	635	2,306	2,872	(566)	2,989
Dialysis Treatments	423	507	(84)	489	2,390	2,586	(196)	2,696
Ambulance Transports	199	212	(13)	172	1,215	1,081	134	1,047
Assisted Living Days	810	893	(83)	840	4,466	4,555	(89)	4,509
Cost per adjusted IP and LTC day:	230.78	230.94	(0.16)	182.85	233.89	227.87	6.02	214.89
TOTAL FTE'S:	489	480	(9)	452	487	466	(22)	455

Kalkaska Memorial Health Center

Additional Financial Information

	November 30, 2023
MTD % increase in net revenue vs. prior year	3.95%
MTD % increase in expense vs. prior year	5.35%
	-1.39%
YTD % increase in net revenue vs. prior year	5.07%
YTD % increase in expense vs. prior year	11.19%
	-6.12%
LTC Expense per Critical Unit - MTD	\$ 299.48
LTC Expense per Critical Unit - YTD	\$ 295.34
Ambulance Days in AR YTD	65.77
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ 27,267
Dialysis net income - YTD	\$ (44,646)
Assisted Living net income - MTD	\$ (49,060)
Assisted Living net income - YTD	(290,287)
Average Age of Plant (as of 11/30/23)	12.11
Debt to Capitalization Ratio	0.20

Net Revenue Analysis

	Month of November 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.0%	1.3%	-0.2%
Outpatient	67.2%	67.4%	-0.2%
Professional	13.6%	12.5%	1.0%
Long-Term Care	8.7%	8.6%	0.1%
Dialysis Center	4.0%	5.2%	-1.2%
Ambulance	2.9%	3.0%	-0.1%
Retail Pharmacy	1.9%	1.2%	0.7%
Assisted Living	0.7%	0.8%	-0.1%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	47.4%	45.3%	-2.1%
Charity Care	0.4%	0.4%	0.0%
Bad Debt	1.1%	1.9%	0.8%
Total Revenue Deductions	48.9%	47.5%	-1.4%

	Year to Date Ended November 30, 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.0%	1.3%	-0.2%
Outpatient	67.6%	67.2%	0.3%
Professional	12.7%	12.6%	0.1%
Long-Term Care	8.5%	8.6%	-0.1%
Dialysis Center	4.5%	5.2%	-0.8%
Ambulance	3.3%	3.0%	0.3%
Retail Pharmacy	1.7%	1.2%	0.5%
Assisted Living	0.8%	0.8%	0.0%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	47.4%	45.4%	-1.9%
Charity Care	0.3%	0.4%	0.1%
Bad Debt	1.4%	1.9%	0.5%
Total Revenue Deductions	49.1%	47.7%	-1.4%

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2024

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	23.93%	25.70%	0.11%	20.31%	14.55%	7.64%	5.98%	1.78%	100.00%
LTC	11.24%	13.51%	52.56%	0.00%	0.00%	8.76%	0.00%	13.93%	100.00%
ER	16.08%	17.72%	0.00%	33.94%	14.81%	7.01%	6.46%	3.98%	100.00%
OR	20.68%	29.33%	0.00%	17.46%	19.27%	5.97%	6.34%	0.95%	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%