

Kalkaska Memorial Health Center

Balance Sheet

Assets	October 31, 2021	June 30, 2021
Current Assets		
Cash and Cash Equivalents	\$ 16,469,644	\$ 8,941,754
Short-Term Investments	7,932,746	7,923,659
Accounts Receivable	8,641,142	6,905,864
Third Party Settlements	1,393,259	1,575,675
Due from Affiliates	259	1,786
Inventory	415,391	192,714
Other Current Assets	235,982	169,722
Total Current Assets	35,088,423	25,711,174
Investments	275,911	832,328
Capital Assets (net of Accumulated Depreciation)	35,952,217	36,502,459
Land	1,364,151	1,364,151
Construction In Progress	1,216,036	1,435,478
Other Assets		
Restricted Cash	7,302,242	14,568,991
Other Assets	104,609	102,496
Total Other Assets	7,406,851	14,671,487
Total Assets	\$ 81,303,589	\$ 80,517,077
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 1,219,456	\$ 1,219,456
Trade Accounts Payable	843,999	1,562,570
Accrued Compensation	3,347,613	5,011,549
Third Party Liabilities	2,770,932	3,011,634
Due to Affiliates	2,309,566	2,075,767
Other Current Liabilities	1,073,174	7,039,210
Total Current Liabilities	11,564,740	19,920,186
Long-Term Debt - Less Current Maturities	5,595,755	5,684,759
Other Long-Term Liabilities	550,000	550,000
Deferred Liabilities	14,260	8,420
Total Liabilities	17,724,755	26,163,365
Net Assets		
Invested in Capital Assets, net of Related Debt	37,346,198	38,026,878
Unrestricted	26,232,636	16,326,834
Total Net Assets	63,578,834	54,353,712
Total Liabilities and Net Assets	\$ 81,303,589	\$ 80,517,077

Kalkaska Memorial Health Center

Statement of Operations

	Month of October 2021				Year to Date Ended October 31, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 169,805	\$ 102,044	\$ 67,761	\$ 106,470	\$ 489,619	\$ 394,133	\$ 95,486	\$ 344,076
Outpatient	6,659,665	5,118,244	1,541,421	5,260,663	25,354,181	20,714,148	4,640,033	20,404,947
Professional	1,173,506	1,020,910	152,596	983,675	4,712,788	4,211,652	501,136	3,853,852
Long Term Care	853,356	979,313	(125,957)	898,271	3,823,054	3,859,457	(36,403)	3,670,953
Dialysis Center	692,521	735,254	(42,733)	804,993	2,862,243	3,010,296	(148,053)	3,116,443
Ambulance	253,030	315,555	(62,525)	287,233	1,231,717	1,475,984	(244,267)	1,237,062
Retail Pharmacy	114,163	116,155	(1,992)	121,390	493,502	475,662	17,840	452,681
Assisted Living	88,157	98,114	(9,957)	100,145	365,262	389,332	(24,070)	394,153
	<u>10,004,203</u>	<u>8,485,589</u>	<u>1,518,614</u>	<u>8,562,840</u>	<u>39,332,366</u>	<u>34,530,664</u>	<u>4,801,702</u>	<u>33,474,167</u>
Revenue Deductions:								
Contractual Allowances	4,407,410	3,730,569	(676,841)	3,827,334	17,552,080	14,872,405	(2,679,675)	14,925,413
Provision Charity Care	16,224	26,813	10,589	11,589	114,677	106,450	(8,227)	94,498
Provision for Bad Debt	152,304	161,013	8,709	71,116	439,635	650,247	210,612	530,465
	<u>4,575,938</u>	<u>3,918,395</u>	<u>(657,543)</u>	<u>3,910,039</u>	<u>18,106,392</u>	<u>15,629,102</u>	<u>(2,477,290)</u>	<u>15,550,376</u>
Net Patient Revenues	5,428,265	4,567,194	861,071	4,652,801	21,225,974	18,901,562	2,324,412	17,923,791
Other Operating Revenues	345,960	275,362	70,598	493,990	1,576,278	1,097,582	478,696	2,353,865
Total Operating Revenue	<u>5,774,225</u>	<u>4,842,556</u>	<u>931,669</u>	<u>5,146,791</u>	<u>22,802,252</u>	<u>19,999,144</u>	<u>2,803,108</u>	<u>20,277,656</u>
Operating Expenses								
Salaries and Wages	2,287,136	2,302,506	15,370	2,356,385	9,900,032	9,422,933	(477,099)	9,075,363
Fringe Benefits	607,848	643,573	35,725	625,930	2,552,533	2,539,770	(12,763)	2,642,002
Contract Labor	31,230	32,731	1,501	29,451	120,766	130,024	9,258	119,189
Physician Fees	37,567	100,446	62,879	84,954	267,699	396,852	129,153	269,598
Purchased Services	577,971	571,955	(6,016)	684,497	2,305,494	2,210,499	(94,995)	2,604,898
Pharmaceuticals	530,449	334,610	(195,839)	423,392	1,866,797	1,362,523	(504,274)	1,694,552
Supplies	357,834	282,358	(75,476)	295,554	1,180,794	1,142,011	(38,783)	1,058,286
Occupancy	109,194	87,170	(22,024)	90,173	452,964	380,427	(72,537)	360,988
Equipment, Software & Maintenance	68,152	65,951	(2,201)	52,318	219,477	277,169	57,692	226,346
Depreciation	238,830	231,407	(7,423)	222,598	946,451	925,628	(20,823)	889,799
Insurance	45,175	50,679	5,504	57,898	188,952	202,716	13,764	202,997
Other	63,961	42,758	(21,203)	41,948	163,645	168,998	5,353	142,467
	<u>4,955,347</u>	<u>4,746,144</u>	<u>(209,203)</u>	<u>4,965,098</u>	<u>20,165,604</u>	<u>19,159,550</u>	<u>(1,006,054)</u>	<u>19,286,485</u>
Less Shared Services	2,611	-	2,611	-	10,305	2,400	7,905	-
Total Operating Expenses	<u>4,952,736</u>	<u>4,746,144</u>	<u>(206,592)</u>	<u>4,965,098</u>	<u>20,155,299</u>	<u>19,157,150</u>	<u>(998,149)</u>	<u>19,286,485</u>
Income from Operations before Grant Revenue from COVID-19	821,489	96,412	725,077	181,693	2,646,953	841,994	1,804,959	991,171
Grant Revenue COVID-19	-	-	-	-	-	-	-	-
Paycheck Protection Program Loan Forgiveness	-	-	-	-	6,164,700	-	6,164,700	-
Operating Income	821,489	96,412	725,077	181,693	8,811,653	841,994	7,969,659	991,171
Non-Operating Income (Expense)								
Reserved for Bond Debt	116,805	117,428	(623)	111,329	468,535	465,924	2,611	447,611
Interest on Debt Related to Capital Assets	(17,247)	(17,745)	498	(20,250)	(69,221)	(71,199)	1,978	(81,230)
Unrealized Gain/Loss on LT Investments	(1,465)	-	(1,465)	(4,379)	(6,702)	-	(6,702)	(20,713)
Tax Levy Revenue	730	684	46	674	2,920	2,736	184	2,696
Contributions	-	150	(150)	-	2,113	600	1,513	1,296
Other Income (Loss)	2,738	6,750	(4,012)	4,545	15,824	27,000	(11,176)	37,340
Total Non-Operating Income (Expense)	<u>101,561</u>	<u>107,267</u>	<u>(5,706)</u>	<u>91,919</u>	<u>413,469</u>	<u>425,061</u>	<u>(11,592)</u>	<u>387,000</u>
Total Increase (Decrease) in Net Assets	<u>\$ 923,050</u>	<u>\$ 203,679</u>	<u>\$ 719,371</u>	<u>\$ 273,612</u>	<u>\$ 9,225,122</u>	<u>\$ 1,267,055</u>	<u>\$ 7,958,067</u>	<u>\$ 1,378,171</u>

Statement of Cash Flows

	Four Months Ending October 31, 2021
Cash flow from operating activities	
Received from patients and third-party payors	\$ 19,433,937
Payments to employees	(14,116,501)
Payments to suppliers for services and goods	(13,490,188)
Other receipts from operations	7,743,898
Net cash used by operating activities	<u>(428,854)</u>
Cash flow from capital and related financing activities	
Acquisition and construction of capital assets	(176,767)
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	468,535
Interest paid on long-term debt	(69,221)
Principal payments on bonds and notes payable	(89,004)
Net cash provided by capital and related financing activity	<u>133,543</u>
Cash flow from investing activities	
Investment income	9,122
Purchase of short-term investments	(9,087)
Net activity of investments internally designated for capital acquisitions	556,417
Net cash provided by investing activities	<u>556,452</u>
Net increase in cash and cash equivalents	261,141
Cash and cash equivalents at beginning of year	23,510,745
Cash and cash equivalents at end of period	<u>\$ 23,771,886</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$ 8,811,653
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	946,451
Provision for uncollectible accounts	439,635
Operating tax levy	2,920
Net gains and losses on sale of PPE	-
(Increase) decrease in assets:	
Patient accounts receivable	(2,173,386)
Third-party settlements	182,416
Inventory	(222,677)
Other current assets	(66,260)
Increase (decrease) in liabilities:	
Trade accounts payable	(484,772)
Accrued Compensation	(1,663,936)
Third Party Settlements	(240,702)
Other accrued liabilities	(5,960,196)
Net cash used by operating activities	<u>\$ (428,854)</u>

Kalkaska Memorial Health Center

**Statement of Changes in Net Assets
Four Months Ending October 31, 2021**

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
Net Assets at June 30, 2020	\$ 31,663,831	\$ 17,985,240	\$ 49,649,071
Acquisition and construction of capital assets	2,263,093		3,665,276
Depreciation	(2,794,817)		(2,605,609)
Sale of Capital Assets	12,452		53,341
Net Change in Debt	1,253,314		1,217,859
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		3,970,599	(450,120)
Increase (Decrease) in Net Assets	734,042	3,970,599	1,880,747
Net Assets at June 30, 2021	32,397,873	21,955,839	54,353,712
Acquisition and construction of capital assets	176,767		176,767
Depreciation	(946,451)		(946,451)
Sale of Capital Assets	-		-
Net Change in Debt	89,004		89,004
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		9,905,802	9,905,802
Increase (Decrease) in Net Assets	(680,680)	9,905,802	9,225,122
Net Assets at October 31, 2021	\$ 31,717,193	\$ 31,861,641	\$ 63,578,834

Kalkaska Memorial Health Center

Statistical Report

	Month of October 2021				Year to Date Ended October 31, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	17	18	(1)	19	59	71	(12)	58
Long Term Care	9	15	(6)	13	40	58	(18)	66
Extended Stays	8	13	(5)	9	45	52	(7)	40
PATIENT DAYS:								
Acute Care	68	43	25	41	229	170	59	136
Long Term Care-Skilled	126	254	(128)	161	745	1,007	(262)	637
Long Term Care-Basic	2,333	2,480	(147)	2,480	9,992	9,840	152	10,096
Extended Stays	7	5	2	5	19	20	(1)	31
AVERAGE LENGTH OF STAY:								
Acute Care	4.0	2.4	1.6	2.2	3.9	2.4	1.5	2.3
DAILY AVERAGE CENSUS:								
Acute Care	2.2	1.4	0.8	1.3	1.9	1.4	0.5	1.1
Long Term Care	79.3	88.2	(8.9)	85.2	87.3	88.2	(0.9)	87.3
PERCENT OF OCCUPANCY:								
Acute Care	27.4%	17.3%	10.1%	16.5%	23.3%	17.3%	6.0%	13.8%
Long Term Care	76.3%	84.8%	-8.5%	81.9%	83.9%	84.8%	-0.9%	83.9%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,251	1,028	223	767	4,771	4,419	352	3,156
Urgent Care	1	0	1	254	418	0	418	1,023
Walk-in Clinic	438	250	188	0	1,665	1,024	641	0
Primary Care Physician RVU's	5,976	4,857	1,119	4,814	24,184	19,890	4,294	17,631
Primary Care Physician Encounters	3,777	3,515	262	3,358	14,158	14,394	(236)	12,081
Specialty Clinics	405	367	38	404	1,728	1,504	224	1,364
KMA Clinic RVU's	6,729	5,775	954	4,994	26,705	23,650	3,055	18,871
Total Outpatient Visits	7,538	6,988	550	7,378	29,349	27,726	1,623	28,982
Surgical Procedures	118	103	15	76	448	422	26	362
Radiology	2,421	2,133	288	2,176	10,017	8,463	1,554	8,604
Laboratory	21,315	17,458	3,857	19,217	78,362	68,473	9,889	71,270
Physical Therapy	3,221	3,148	73	3,501	13,585	12,888	697	13,172
Chemo Therapy	440	307	133	333	1,707	1,256	451	983
Dialysis Treatments	607	658	(51)	712	2,484	2,694	(210)	2,807
Ambulance Transports	173	217	(44)	194	841	1,015	(174)	856
Assisted Living Days	899	1,005	(106)	1,038	3,717	3,988	(271)	4,058
Cost per adjusted IP and LTC day:	183.90	200.31	(16.41)	195.80	184.35	197.21	(13)	191.98
TOTAL FTE'S:	432	410	(22)	418	445	423	22	412

Kalkaska Memorial Health Center

Additional Financial Information

	October 31, 2021
MTD % increase in net revenue vs. prior year	16.67%
MTD % increase in expense vs. prior year	-0.25%
	<u>16.92%</u>
YTD % increase in net revenue vs. prior year	18.42%
YTD % increase in expense vs. prior year	4.50%
	<u>13.92%</u>
LTC Expense per Critical Unit - MTD	\$ 248.75
LTC Expense per Critical Unit - YTD	\$ 215.51
Ambulance Days in AR YTD	41.95
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (3,561)
Dialysis net income - YTD	\$ 11,072
Assisted Living net income - MTD	\$ (7,977)
Assisted Living net income - YTD	(78,034)
Average Age of Plant (as of 10/31/21)	12.06
Debt to Capitalization Ratio	0.10

Net Revenue Analysis

	Month of October 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.7%	1.2%	0.5%
Outpatient	66.6%	60.3%	6.3%
Professional	11.7%	12.0%	-0.3%
Long-Term Care	8.5%	11.5%	-3.0%
Dialysis Center	6.9%	8.7%	-1.7%
Ambulance	2.5%	3.7%	-1.2%
Retail Pharmacy	1.1%	1.4%	-0.2%
Assisted Living	0.9%	1.2%	-0.3%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.1%	44.0%	-0.1%
Charity Care	0.2%	0.3%	0.2%
Bad Debt	1.5%	1.9%	0.4%
Total Revenue Deductions	<u>45.7%</u>	<u>46.2%</u>	<u>0.4%</u>

	Year to Date Ended October 31, 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.2%	1.1%	0.1%
Outpatient	64.5%	60.0%	4.5%
Professional	12.0%	12.2%	-0.2%
Long-Term Care	9.7%	11.2%	-1.5%
Dialysis Center	7.3%	8.7%	-1.4%
Ambulance	3.1%	4.3%	-1.1%
Retail Pharmacy	1.3%	1.4%	-0.1%
Assisted Living	0.9%	1.1%	-0.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.6%	43.1%	-1.6%
Charity Care	0.3%	0.3%	0.0%
Bad Debt	1.1%	1.9%	0.8%
Total Revenue Deductions	<u>46.0%</u>	<u>45.3%</u>	<u>-0.8%</u>

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2022
Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	27.69%	22.84%	0.24%	17.32%	13.91%	7.11%	8.46%	2.43%	100.00%
LTC	10.87%	12.70%	62.60%	0.00%	0.00%	2.99%	0.00%	10.84%	100.00%
ER	18.30%	16.57%	0.00%	30.25%	15.13%	7.64%	8.08%	4.02%	100.00%
OR	25.85%	28.82%	0.00%	12.19%	20.49%	5.87%	6.09%	0.68%	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%

YTD 2018
Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	37.43%	12.47%	0.87%	18.88%	14.78%	6.97%	6.62%	1.98%	100.00%
LTC	12.87%	4.54%	65.37%	0.00%	0.04%	4.33%	0.00%	12.85%	100.00%
ER	26.07%	8.58%	0.00%	30.48%	14.53%	8.06%	5.80%	6.48%	100.00%
OR	29.87%	8.13%	0.00%	32.16%	15.21%	3.47%	11.07%	0.08%	100.00%