

Kalkaska Memorial Health Center

Balance Sheet

Assets	February 28, 2021	June 30, 2020
Current Assets		
Cash and Cash Equivalents	\$ 7,801,559	\$ 6,102,359
Short-Term Investments	8,049,873	7,883,327
Accounts Receivable	6,108,404	5,629,826
Third Party Settlements	345,034	1,366,565
Due from Affiliates	13,316	1,651
Inventory	102,928	164,981
Other Current Assets	170,035	150,538
Total Current Assets	22,591,149	21,299,247
Investments	1,386,193	2,495,701
Capital Assets (net of Accumulated Depreciation)	35,876,061	37,520,016
Land	1,364,151	1,364,151
Construction In Progress	1,843,607	937,193
Other Assets		
Restricted Cash	15,445,742	15,754,091
Other Assets	81,523	80,428
Total Other Assets	15,527,265	15,834,519
Total Assets	\$ 78,588,426	\$ 79,450,827
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 1,252,855	\$ 1,252,855
Trade Accounts Payable	1,794,180	1,212,240
Accrued Compensation	3,891,305	3,988,447
Third Party Liabilities	4,043,532	4,788,180
Due to Affiliates	1,387,051	2,380,460
Other Current Liabilities	8,313,871	9,246,817
Total Current Liabilities	20,682,794	22,868,999
Long-Term Debt - Less Current Maturities	6,729,745	6,904,674
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	11,111	8,083
Total Liabilities	27,443,650	29,801,756
Net Assets		
Invested in Capital Assets, net of Related Debt	37,983,538	38,546,150
Unrestricted	13,161,238	11,102,921
Total Net Assets	51,144,776	49,649,071
Total Liabilities and Net Assets	\$ 78,588,426	\$ 79,450,827

Kalkaska Memorial Health Center

Statement of Operations

	Month of February 2021				Year to Date Ended February 28, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 53,345	\$ 66,159	\$ (12,814)	\$ 109,760	\$ 635,284	\$ 581,382	\$ 53,902	\$ 669,135
Outpatient	4,222,277	5,149,482	(927,205)	4,284,110	38,174,835	44,216,647	(6,041,812)	34,907,712
Professional	863,203	798,905	64,298	906,139	7,628,101	6,758,498	869,603	7,005,168
Long Term Care	834,378	890,613	(56,235)	937,205	7,187,103	7,705,207	(518,104)	7,610,777
Dialysis Center	638,715	644,546	(5,831)	609,264	5,947,414	5,589,639	357,775	5,498,736
Ambulance	253,839	228,221	25,618	297,857	2,353,545	1,975,291	378,254	2,105,641
Retail Pharmacy	110,839	109,540	1,299	118,048	906,133	951,252	(45,119)	968,415
Assisted Living	88,932	85,214	3,718	98,298	774,586	739,916	34,670	764,365
	<u>7,065,528</u>	<u>7,972,680</u>	<u>(907,152)</u>	<u>7,360,681</u>	<u>63,607,001</u>	<u>68,517,832</u>	<u>(4,910,831)</u>	<u>59,529,949</u>
Revenue Deductions:								
Contractual Allowances	3,212,277	3,501,751	289,474	3,380,682	28,433,523	30,136,073	1,702,550	26,450,451
Provision Charity Care	23,578	28,917	5,339	29,919	174,139	248,623	74,484	228,438
Provision for Bad Debt	81,066	160,640	79,574	79,964	873,141	1,374,332	501,191	1,198,228
	<u>3,316,921</u>	<u>3,691,308</u>	<u>374,387</u>	<u>3,490,565</u>	<u>29,480,803</u>	<u>31,759,028</u>	<u>2,278,225</u>	<u>27,877,117</u>
Net Patient Revenues	<u>3,748,607</u>	<u>4,281,372</u>	<u>(532,765)</u>	<u>3,870,116</u>	<u>34,126,198</u>	<u>36,758,804</u>	<u>(2,632,606)</u>	<u>31,652,832</u>
Other Operating Revenues	424,249	301,744	122,505	326,635	3,255,999	2,440,332	815,667	2,883,424
Total Operating Revenue	<u>4,172,856</u>	<u>4,583,116</u>	<u>(410,260)</u>	<u>4,196,751</u>	<u>37,382,197</u>	<u>39,199,136</u>	<u>(1,816,939)</u>	<u>34,536,256</u>
Operating Expenses								
Salaries and Wages	2,263,834	2,120,371	(143,463)	2,235,938	18,688,698	17,889,800	(798,898)	17,042,991
Fringe Benefits	527,851	614,776	86,925	537,584	5,000,466	4,567,025	(433,441)	4,370,798
Contract Labor	27,513	29,206	1,693	27,252	226,545	253,470	26,925	259,350
Physician Fees	55,691	86,786	31,095	73,857	497,570	731,694	234,124	744,979
Purchased Services	486,439	475,112	(11,327)	506,959	4,803,336	4,042,079	(761,257)	4,031,225
Pharmaceuticals	212,008	688,170	476,162	259,095	2,874,803	5,848,192	2,973,389	2,269,273
Supplies	247,553	239,045	(8,508)	246,033	2,236,073	1,981,998	(254,075)	2,045,496
Occupancy	113,762	105,237	(8,525)	65,546	706,579	772,150	65,571	727,745
Equipment, Software & Maintenance	57,110	59,249	2,139	49,394	489,043	497,105	8,062	441,797
Depreciation	230,207	233,126	2,919	201,754	1,791,778	1,802,468	10,690	1,566,950
Insurance	47,175	36,298	(10,877)	34,563	381,587	290,384	(91,203)	296,064
Other	40,127	34,011	(6,116)	21,773	257,746	294,295	36,549	206,697
	<u>4,309,270</u>	<u>4,721,387</u>	<u>412,117</u>	<u>4,259,748</u>	<u>37,954,224</u>	<u>38,970,660</u>	<u>1,016,436</u>	<u>34,003,365</u>
Less Shared Services	1,742	-	1,742	-	1,742	-	1,742	4,133
Total Operating Expenses	<u>4,307,528</u>	<u>4,721,387</u>	<u>413,859</u>	<u>4,259,748</u>	<u>37,952,482</u>	<u>38,970,660</u>	<u>1,018,178</u>	<u>33,999,232</u>
Income from Operations before Grant Revenue from COVID-19	<u>(134,672)</u>	<u>(138,271)</u>	<u>3,599</u>	<u>(62,997)</u>	<u>(570,285)</u>	<u>228,476</u>	<u>(798,761)</u>	<u>537,024</u>
Grant Revenue COVID-19	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,287,598</u>	<u>-</u>	<u>1,287,598</u>	<u>-</u>
Operating Income	<u>(134,672)</u>	<u>(138,271)</u>	<u>3,599</u>	<u>(62,997)</u>	<u>717,313</u>	<u>228,476</u>	<u>488,837</u>	<u>537,024</u>
Non-Operating Income (Expense)								
Reserved for Bond Debt	112,251	112,276	(25)	107,001	896,690	898,208	(1,518)	861,371
Interest on Debt Related to Capital Assets	(20,097)	(20,098)	1	(23,017)	(161,850)	(161,848)	(2)	(118,966)
Unrealized Gain/Loss on LT Investments	(3,700)	-	(3,700)	12,375	(35,312)	-	(35,312)	25,435
Tax Levy Revenue	674	674	-	653	5,392	5,392	-	5,225
Contributions	-	311	(311)	-	1,095	2,488	(1,393)	1,864
Other Income (Loss)	5,413	9,791	(4,378)	12,357	72,377	78,328	(5,951)	154,352
Total Non-Operating Income (Expense)	<u>94,541</u>	<u>102,954</u>	<u>(8,413)</u>	<u>109,369</u>	<u>778,392</u>	<u>822,568</u>	<u>(44,176)</u>	<u>929,281</u>
Total Increase (Decrease) in Net Assets	<u>\$ (40,131)</u>	<u>\$ (35,317)</u>	<u>\$ (4,814)</u>	<u>\$ 46,372</u>	<u>\$ 1,495,705</u>	<u>\$ 1,051,044</u>	<u>\$ 444,661</u>	<u>\$ 1,466,305</u>

Statement of Cash FlowsEight Months Ending
February 28, 2021**Cash flow from operating activities**

Received from patients and third-party payors	\$	33,912,838
Payments to employees		(23,786,306)
Payments to suppliers for services and goods		(13,770,371)
Other receipts from operations		4,537,836
Net cash provided by operating activities		<u>893,997</u>

Cash flow from capital and related financing activities

Acquisition and construction of capital assets		(1,054,237)
Proceeds from sale of capital assets		11,153
Proceeds from county bond tax levy		896,690
Interest paid on long-term debt		(161,850)
Principal payments on bonds and notes payable		(174,929)
Net cash used in capital and related financing activities		<u>(483,173)</u>

Cash flow from investing activities

Investment income		37,065
Purchase of short-term investments		(166,546)
Net activity of investments internally designated for capital acquisitions		1,109,508
Net cash provided by investing activities		<u>980,027</u>

Net increase in cash and cash equivalents		1,390,851
Cash and cash equivalents at beginning of year		21,856,450
Cash and cash equivalents at end of period	\$	<u><u>23,247,301</u></u>

Reconciliation of operating income to net cash flows from operating activities

Operating income	\$	717,313
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		1,791,778
Provision for uncollectible accounts		873,141
Operating tax levy		5,392
Net gains and losses on sale of PPE		(11,153)
(Increase) decrease in assets:		
Patient accounts receivable		(1,363,384)
Third-party settlements		1,021,531
Inventory		62,053
Other current assets		(19,497)
Increase (decrease) in liabilities:		
Trade accounts payable		(411,469)
Accrued Compensation		(97,142)
Third Party Settlements		(744,648)
Other accrued liabilities		(929,918)
Net cash provided by operating activities	\$	<u><u>893,997</u></u>

Kalkaska Memorial Health Center**Statement of Changes in Net Assets
Eight Months Ending February 28, 2021**

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
Net Assets at June 30, 2019	\$ 29,332,964	\$ 18,435,360	\$ 47,768,324
Acquisition and construction of capital assets	3,665,276		3,665,276
Depreciation	(2,605,609)		(2,605,609)
Sale of Capital Assets	53,341		53,341
Net Change in Debt	1,217,859		1,217,859
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		(450,120)	(450,120)
Increase (Decrease) in Net Assets	2,330,867	(450,120)	1,880,747
Net Assets at June 30, 2020	31,663,831	17,985,240	49,649,071
Acquisition and construction of capital assets	1,043,084		1,043,084
Depreciation	(1,791,778)		(1,791,778)
Sale of Capital Assets	11,153		11,153
Net Change in Debt	174,929		174,929
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		2,058,317	2,058,317
Increase (Decrease) in Net Assets	(562,612)	2,058,317	1,495,705
Net Assets at February 28, 2021	\$ 31,101,219	\$ 20,043,557	\$ 51,144,776

Kalkaska Memorial Health Center

Statistical Report

	Month of February 2021				Year to Date Ended February 28, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	7	12	(5)	18	99	108	(9)	133
Respite Care	0	0	0	0	0	0	0	0
Long Term Care	12	13	(1)	26	124	111	13	149
Extended Stays	9	5	4	7	86	40	46	55
PATIENT DAYS:								
Acute Care	19	31	(12)	53	248	274	(26)	313
Respite Care	0	0	0	0	0	0	0	0
Long Term Care-Skilled	121	175	(54)	195	1,288	1,521	(233)	1,794
Long Term Care-Basic	2,269	2,485	(216)	2,340	19,652	21,564	(1,912)	20,236
Extended Stays	9	12	(3)	13	60	103	(43)	124
AVERAGE LENGTH OF STAY:								
Acute Care	2.7	2.6	0.1	2.9	2.5	2.5	(0.0)	2.4
DAILY AVERAGE CENSUS:								
Acute Care	0.7	1.1	(0.5)	1.8	1.0	1.1	(0.1)	1.3
Long Term Care	85.4	95.0	(9.6)	87.4	86.2	95.0	(8.8)	90.3
PERCENT OF OCCUPANCY:								
Acute Care	8.5%	13.8%	-5.4%	22.8%	12.8%	14.1%	-1.3%	16.0%
Long Term Care	82.1%	91.3%	-9.3%	84.1%	82.9%	91.3%	-8.5%	86.8%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	617	637	(20)	709	5,772	5,526	246	6,348
Urgent Care	188	312	(124)	411	1,791	2,705	(914)	3,228
Specialty Clinics	465	323	142	327	2,876	2,712	164	2,790
KMA Clinic RVU's	5,395	4,291	1,104	4,633	38,704	36,045	2,659	37,293
Total Outpatient Visits	6,149	4,709	1,440	6,305	54,410	40,864	13,546	51,365
Surgical Procedures	80	82	(2)	93	752	688	64	826
Radiology	1,941	1,812	129	2,036	16,325	15,736	589	16,563
Laboratory	14,951	13,231	1,720	15,845	135,255	114,826	20,429	129,175
Physical Therapy	2,640	2,957	(317)	3,219	23,967	24,839	(872)	26,980
Sleep Studies	0	11	(11)	11	31	96	(65)	95
Dialysis Treatments	607	601	6	563	5,405	5,212	193	5,131
Ambulance Transports	174	174	0	212	1,622	1,506	116	1,615
Assisted Living Days	848	918	(70)	1,487	7,899	7,971	(72)	8,564
Cost per adjusted IP and LTC day:	199.86	192.00	7.86	212.49	199.10	185.00	14.10	191.51
TOTAL FTE'S:	432	412	(20)	416	417	412	(5)	403

Kalkaska Memorial Health Center

Additional Financial Information

	February 28, 2021
MTD % increase in net revenue vs. prior year	-3.14%
MTD % increase in expense vs. prior year	1.12%
	<u>-4.26%</u>
YTD % increase in net revenue vs. prior year	7.81%
YTD % increase in expense vs. prior year	11.63%
	<u>-3.81%</u>
LTC Expense per Critical Unit - MTD	\$ 223.56
LTC Expense per Critical Unit - YTD	\$ 209.02
Ambulance Days in AR YTD	50.65
Dialysis number of patients - MTD	54
Dialysis net income - MTD	\$ 43,798
Dialysis net income - YTD	\$ 50,098
Assisted Living net income - MTD	\$ (19,846)
Assisted Living net income - YTD	(92,520)
Average Age of Plant (as of 2/28/21)	11.86
Debt to Capitalization Ratio	0.14

Net Revenue Analysis

	Month of February 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	0.8%	0.8%	-0.1%
Outpatient	59.8%	64.6%	-4.8%
Professional	12.2%	10.0%	2.2%
Long-Term Care	11.8%	11.2%	0.6%
Dialysis Center	9.0%	8.1%	1.0%
Ambulance	3.6%	2.9%	0.7%
Retail Pharmacy	1.6%	1.4%	0.2%
Assisted Living	1.3%	1.1%	0.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	45.5%	43.9%	-1.5%
Charity Care	0.3%	0.4%	0.0%
Bad Debt	1.1%	2.0%	0.9%
Total Revenue Deductions	<u>46.9%</u>	<u>46.3%</u>	<u>-0.6%</u>
	Year to Date Ended February 28, 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.0%	0.8%	0.2%
Outpatient	60.0%	64.5%	-4.5%
Professional	12.0%	9.9%	2.1%
Long-Term Care	11.3%	11.2%	0.1%
Dialysis Center	9.4%	8.2%	1.2%
Ambulance	3.7%	2.9%	0.8%
Retail Pharmacy	1.4%	1.4%	0.0%
Assisted Living	1.2%	1.1%	0.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.7%	44.0%	-0.7%
Charity Care	0.3%	0.4%	0.1%
Bad Debt	1.4%	2.0%	0.6%
Total Revenue Deductions	<u>46.3%</u>	<u>46.4%</u>	<u>0.0%</u>

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2021
Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	30.89%	21.71%	0.34%	16.40%	12.85%	6.36%	7.96%	3.49%	100.00%
LTC	11.94%	9.05%	59.56%	0.00%	0.00%	4.32%	0.00%	15.13%	100.00%
ER	20.96%	16.04%	0.00%	29.44%	14.49%	6.92%	7.75%	4.40%	100.00%
OR	25.19%	19.79%	0.00%	20.35%	14.45%	7.33%	12.62%	0.28%	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%

YTD 2017
Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	37.45%	10.90%	1.34%	19.37%	16.36%	5.63%	7.19%	1.76%	100.00%
LTC	16.22%	3.91%	66.72%	0.00%	0.43%	1.87%	0.00%	10.85%	100.00%
ER	26.95%	7.71%	0.00%	30.03%	15.62%	6.83%	6.96%	5.90%	100.00%
OR	21.56%	10.03%	0.00%	34.14%	20.10%	4.39%	9.36%	0.42%	100.00%
KMA (not updated for FY	32.44%	10.02%	2.72%	16.38%	21.95%	3.32%	9.18%	3.99%	100.00%