

# Kalkaska Memorial Health Center

## Balance Sheet

Assets	January 31, 2021	June 30, 2020
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 7,244,255	\$ 6,102,359
Short-Term Investments	8,048,235	7,883,327
Accounts Receivable	6,729,445	5,629,826
Third Party Settlements	1	1,366,565
Due from Affiliates	315	1,651
Inventory	62,982	164,981
Other Current Assets	151,873	150,538
Total Current Assets	22,237,106	21,299,247
<b>Investments</b>	1,525,374	2,495,701
<b>Capital Assets (net of Accumulated Depreciation)</b>	36,100,234	37,520,016
<b>Land</b>	1,364,151	1,364,151
<b>Construction In Progress</b>	1,461,996	937,193
<b>Other Assets</b>		
Restricted Cash	15,053,612	15,754,091
Other Assets	81,523	80,428
Total Other Assets	15,135,135	15,834,519
Total Assets	<b>\$ 77,823,996</b>	<b>\$ 79,450,827</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current Maturities - Long-Term Debt	\$ 1,252,855	\$ 1,252,855
Trade Accounts Payable	1,214,677	1,212,240
Accrued Compensation	3,753,900	3,988,447
Third Party Liabilities	3,733,523	4,788,180
Due to Affiliates	1,644,833	2,380,460
Other Current Liabilities	8,255,772	9,246,817
Total Current Liabilities	19,855,560	22,868,999
<b>Long-Term Debt - Less Current Maturities</b>	6,751,745	6,904,674
<b>Other Long-Term Liabilities</b>	20,000	20,000
<b>Deferred Liabilities</b>	11,785	8,083
Total Liabilities	26,639,090	29,801,756
<b>Net Assets</b>		
Invested in Capital Assets, net of Related Debt	37,804,100	38,546,150
Unrestricted	13,380,806	11,102,921
Total Net Assets	51,184,906	49,649,071
Total Liabilities and Net Assets	<b>\$ 77,823,996</b>	<b>\$ 79,450,827</b>

**Kalkaska Memorial Health Center**

**Statement of Operations**

	Month of January 2021				Year to Date Ended January 31, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>Operating Revenue</b>								
Inpatient	\$ 73,045	\$ 73,617	\$ (572)	\$ 141,193	\$ 581,939	\$ 515,223	\$ 66,716	\$ 559,375
Outpatient	4,577,332	5,493,383	(916,051)	4,387,976	33,952,558	39,067,165	(5,114,607)	30,623,603
Professional	1,042,667	816,754	225,913	910,302	6,764,898	5,959,593	805,305	6,099,029
Long Term Care	919,055	976,902	(57,847)	1,029,400	6,352,725	6,814,594	(461,869)	6,673,572
Dialysis Center	701,358	713,183	(11,825)	657,560	5,308,699	4,945,093	363,606	4,889,472
Ambulance	282,970	251,830	31,140	284,782	2,099,705	1,747,070	352,635	1,807,784
Retail Pharmacy	130,449	121,380	9,069	138,084	795,294	841,712	(46,418)	850,368
Assisted Living	90,796	94,404	(3,608)	98,345	685,654	654,702	30,952	666,067
	<u>7,817,672</u>	<u>8,541,453</u>	<u>(723,781)</u>	<u>7,647,642</u>	<u>56,541,472</u>	<u>60,545,152</u>	<u>(4,003,680)</u>	<u>52,169,270</u>
Revenue Deductions:								
Contractual Allowances	3,560,691	3,766,609	205,918	3,238,585	25,221,246	26,634,322	1,413,076	23,069,769
Provision Charity Care	11,451	30,996	19,545	48,516	150,561	219,706	69,145	198,519
Provision for Bad Debt	25,941	169,641	143,700	189,241	792,074	1,213,692	421,618	1,118,264
	<u>3,598,083</u>	<u>3,967,246</u>	<u>369,163</u>	<u>3,476,342</u>	<u>26,163,881</u>	<u>28,067,720</u>	<u>1,903,839</u>	<u>24,386,552</u>
Net Patient Revenues	<u>4,219,589</u>	<u>4,574,207</u>	<u>(354,618)</u>	<u>4,171,300</u>	<u>30,377,591</u>	<u>32,477,432</u>	<u>(2,099,841)</u>	<u>27,782,718</u>
Other Operating Revenues	319,812	307,004	12,808	410,703	2,831,750	2,138,588	693,162	2,556,792
Total Operating Revenue	<u>4,539,401</u>	<u>4,881,211</u>	<u>(341,810)</u>	<u>4,582,003</u>	<u>33,209,341</u>	<u>34,616,020</u>	<u>(1,406,679)</u>	<u>30,339,510</u>
<b>Operating Expenses</b>								
Salaries and Wages	2,611,775	2,393,740	(218,035)	2,305,465	16,424,864	15,769,429	(655,435)	14,807,053
Fringe Benefits	712,989	613,046	(99,943)	662,102	4,472,615	3,952,249	(520,366)	3,833,214
Contract Labor	18,131	32,336	14,205	35,832	199,033	224,264	25,231	232,098
Physician Fees	58,459	86,992	28,533	87,960	441,878	644,908	203,030	671,122
Purchased Services	546,963	488,399	(58,564)	502,269	4,316,897	3,566,967	(749,930)	3,524,266
Pharmaceuticals	308,471	714,237	405,766	316,953	2,662,795	5,160,022	2,497,227	2,010,177
Supplies	256,731	247,438	(9,293)	287,276	1,988,521	1,742,953	(245,568)	1,799,463
Occupancy	66,005	96,353	30,348	103,326	592,816	666,913	74,097	662,198
Equipment, Software & Maintenance	84,839	68,691	(16,148)	49,108	431,934	437,856	5,922	392,403
Depreciation	222,104	233,221	11,117	196,156	1,561,571	1,569,342	7,771	1,365,196
Insurance	40,744	36,298	(4,446)	34,425	334,413	254,086	(80,327)	261,501
Other	29,683	35,106	5,423	26,653	217,619	260,284	42,665	184,925
	<u>4,956,894</u>	<u>5,045,857</u>	<u>88,963</u>	<u>4,607,525</u>	<u>33,644,956</u>	<u>34,249,273</u>	<u>604,317</u>	<u>29,743,616</u>
Less Shared Services	-	-	-	-	-	-	-	4,133
Total Operating Expenses	<u>4,956,894</u>	<u>5,045,857</u>	<u>88,963</u>	<u>4,607,525</u>	<u>33,644,956</u>	<u>34,249,273</u>	<u>604,317</u>	<u>29,739,483</u>
<b>Income from Operations before Grant Revenue from COVID-19</b>	<u>(417,493)</u>	<u>(164,646)</u>	<u>(252,847)</u>	<u>(25,522)</u>	<u>(435,615)</u>	<u>366,747</u>	<u>(802,362)</u>	<u>600,027</u>
<b>Grant Revenue COVID-19</b>	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>1,287,598</u>	<u>-</u>	<u>1,287,598</u>	<u>-</u>
<b>Operating Income</b>	<u>(217,493)</u>	<u>(164,646)</u>	<u>(52,847)</u>	<u>(25,522)</u>	<u>851,983</u>	<u>366,747</u>	<u>485,236</u>	<u>600,027</u>
<b>Non-Operating Income (Expense)</b>								
Reserved for Bond Debt	112,276	112,276	-	107,767	784,439	785,932	(1,493)	754,370
Interest on Debt Related to Capital Assets	(20,136)	(20,135)	(1)	(23,055)	(141,752)	(141,750)	(2)	(95,948)
Unrealized Gain/Loss on LT Investments	(3,118)	-	(3,118)	3,253	(31,612)	-	(31,612)	13,060
Tax Levy Revenue	674	674	-	653	4,718	4,718	-	4,572
Contributions	-	311	(311)	-	1,095	2,177	(1,082)	1,864
Other Income (Loss)	4,382	9,791	(5,409)	17,573	66,964	68,537	(1,573)	141,996
Total Non-Operating Income (Expense)	<u>94,078</u>	<u>102,917</u>	<u>(8,839)</u>	<u>106,191</u>	<u>683,852</u>	<u>719,614</u>	<u>(35,762)</u>	<u>819,914</u>
<b>Total Increase (Decrease) in Net Assets</b>	<u>\$ (123,415)</u>	<u>\$ (61,729)</u>	<u>\$ (61,686)</u>	<u>\$ 80,669</u>	<u>\$ 1,535,835</u>	<u>\$ 1,086,361</u>	<u>\$ 449,474</u>	<u>\$ 1,419,941</u>

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**Statement of Cash Flows**Seven Months Ending  
January 31, 2021

<b>Cash flow from operating activities</b>	
Received from patients and third-party payors	\$ 29,591,215
Payments to employees	(21,132,026)
Payments to suppliers for services and goods	(12,805,775)
Other receipts from operations	4,112,913
Net cash used by operating activities	(233,673)
<b>Cash flow from capital and related financing activities</b>	
Acquisition and construction of capital assets	(666,592)
Proceeds from sale of capital assets	11,153
Proceeds from county bond tax levy	784,439
Interest paid on long-term debt	(141,752)
Principal payments on bonds and notes payable	(152,929)
Net cash used in capital and related financing activities	(165,681)
<b>Cash flow from investing activities</b>	
Investment income	35,352
Purchase of short-term investments	(164,908)
Net activity of investments internally designated for capital acquisitions	970,327
Net cash provided by investing activities	840,771
Net increase in cash and cash equivalents	441,417
Cash and cash equivalents at beginning of year	21,856,450
Cash and cash equivalents at end of period	<u>\$ 22,297,867</u>
<b>Reconciliation of operating income to net cash flows from operating activities</b>	
Operating income	\$ 851,983
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	1,561,571
Provision for uncollectible accounts	792,074
Operating tax levy	4,718
Net gains and losses on sale of PPE	(11,153)
(Increase) decrease in assets:	
Patient accounts receivable	(1,890,357)
Third-party settlements	1,366,564
Inventory	101,999
Other current assets	(1,335)
Increase (decrease) in liabilities:	
Trade accounts payable	(733,190)
Accrued Compensation	(234,547)
Third Party Settlements	(1,054,657)
Other accrued liabilities	(987,343)
Net cash used by operating activities	<u>\$ (233,673)</u>

**Kalkaska Memorial Health Center****Statement of Changes in Net Assets  
Seven Months Ending January 31, 2021**

	<b>Invested in Capital Assets, net of Related Debt</b>	<b>Unrestricted</b>	<b>Total Net Assets</b>
<b>Net Assets at June 30, 2019</b>	\$ 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
<b>Net Assets at June 30, 2020</b>	<b>31,663,831</b>	<b>17,985,240</b>	<b>49,649,071</b>
Acquisition and construction of capital assets	655,439		655,439
Depreciation	(1,561,571)		(1,561,571)
Sale of Capital Assets	11,153		11,153
Net Change in Debt	152,929		152,929
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		2,277,885	2,277,885
Increase (Decrease) in Net Assets	(742,050)	2,277,885	1,535,835
<b>Net Assets at January 31, 2021</b>	<b>\$ 30,921,781</b>	<b>\$ 20,263,125</b>	<b>\$ 51,184,906</b>

# Kalkaska Memorial Health Center

## Statistical Report

	Month of January 2021				Year to Date Ended January 31, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>ADMISSIONS:</b>								
Acute Care	11	14	(3)	25	92	96	(4)	115
Respite Care	0	0	0	0	0	0	0	0
Long Term Care	14	14	0	23	112	98	14	123
Extended Stays	11	5	6	5	77	35	42	48
<b>PATIENT DAYS:</b>								
Acute Care	29	35	(6)	61	229	243	(14)	260
Respite Care	0	0	0	0	0	0	0	0
Long Term Care-Skilled	199	194	5	219	1,167	1,346	(179)	1,599
Long Term Care-Basic	2,468	2,751	(283)	2,548	17,383	19,079	(1,696)	17,896
Extended Stays	8	13	(5)	17	51	91	(40)	111
<b>AVERAGE LENGTH OF STAY:</b>								
Acute Care	2.6	2.5	0.1	2.4	2.5	2.5	(0.0)	2.3
<b>DAILY AVERAGE CENSUS:</b>								
Acute Care	0.9	1.1	(0.3)	2.0	1.1	1.1	(0.1)	1.2
Long Term Care	86.0	95.0	(9.0)	89.3	86.3	95.0	(8.7)	90.7
<b>PERCENT OF OCCUPANCY:</b>								
Acute Care	11.7%	14.1%	-2.4%	24.6%	13.3%	14.1%	-0.8%	15.1%
Long Term Care	82.7%	91.3%	-8.6%	85.8%	83.0%	91.3%	-8.4%	87.2%
<b>ANCILLARY DEPARTMENT VOLUME:</b>								
Emergency Room	743	705	38	756	5,155	4,889	266	5,639
Urgent Care	189	345	(156)	434	1,603	2,393	(790)	2,817
Specialty Clinics	489	323	166	308	2,411	2,389	22	2,464
KMA Clinic RVU's	5,660	4,291	1,369	5,137	33,309	31,754	1,555	32,660
Total Outpatient Visits	6,580	5,213	1,367	6,586	48,261	36,155	12,106	45,060
Surgical Procedures	101	82	19	80	672	606	66	733
Radiology	2,014	2,008	6	2,110	14,384	13,924	460	14,527
Laboratory	16,722	14,649	2,073	21,969	120,304	101,595	18,709	113,330
Physical Therapy	2,612	2,957	(345)	3,192	21,327	21,882	(555)	23,761
Sleep Studies	3	11	(8)	7	31	85	(54)	84
Dialysis Treatments	662	665	(3)	622	4,798	4,611	187	4,568
Ambulance Transports	193	192	1	207	1,448	1,332	116	1,403
Assisted Living Days	948	1,017	(69)	961	7,051	7,053	(2)	7,077
<b>Cost per adjusted IP and LTC day:</b>	213.48	190.90	22.58	225.24	199.01	184.08	14.92	188.77
<b>TOTAL FTE'S:</b>	426	412	(13)	408	415	412	(3)	401

## Kalkaska Memorial Health Center

### Additional Financial Information

	January 31, 2021
MTD % increase in net revenue vs. prior year	1.16%
MTD % increase in expense vs. prior year	7.58%
	<u>-6.42%</u>
YTD % increase in net revenue vs. prior year	9.34%
YTD % increase in expense vs. prior year	13.13%
	<u>-3.79%</u>
LTC Expense per Critical Unit - MTD	\$ 3,191.28
LTC Expense per Critical Unit - YTD	\$ 3,292.60
Ambulance Days in AR YTD	53.44
Dialysis number of patients - MTD	54
Dialysis net income - MTD	\$ (17,068)
Dialysis net income - YTD	\$ 6,300
Assisted Living net income - MTD	\$ (10,058)
Assisted Living net income - YTD	(72,674)
Average Age of Plant (as of 1/31/21)	12.20
Debt to Capitalization Ratio	0.14

### Net Revenue Analysis

	Month of January 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	0.9%	0.9%	0.1%
Outpatient	58.6%	64.3%	-5.8%
Professional	13.3%	9.6%	3.8%
Long-Term Care	11.8%	11.4%	0.3%
Dialysis Center	9.0%	8.3%	0.6%
Ambulance	3.6%	2.9%	0.7%
Retail Pharmacy	1.7%	1.4%	0.2%
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	45.5%	44.1%	-1.4%
Charity Care	0.1%	0.4%	0.2%
Bad Debt	0.3%	2.0%	1.7%
Total Revenue Deductions	<u>46.0%</u>	<u>46.4%</u>	<u>0.4%</u>
	Year to Date Ended January 31, 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.0%	0.9%	0.2%
Outpatient	60.0%	64.5%	-4.5%
Professional	12.0%	9.8%	2.1%
Long-Term Care	11.2%	11.3%	0.0%
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	44.6%	44.0%	-0.6%
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>0.1%</u>

# Kalkaska Memorial Health Center

## Payor Mix Schedule

YTD 2021  
Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	31.36%	21.81%	0.28%	15.94%	12.85%	6.29%	8.01%	3.46%	100.00%
LTC	12.26%	8.72%	58.69%	0.00%	0.00%	4.26%	0.00%	16.07%	100.00%
ER	21.24%	16.14%	0.00%	28.65%	14.76%	7.15%	7.64%	4.42%	100.00%
OR	26.22%	19.03%	0.00%	20.24%	14.75%	7.73%	12.02%	0.00%	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%