

Kalkaska Memorial Health Center

Balance Sheet

Assets	March 31, 2022	June 30, 2021
Current Assets		
Cash and Cash Equivalents	\$ 25,160,204	\$ 8,941,754
Short-Term Investments	7,507,084	7,923,659
Accounts Receivable	8,200,184	6,905,864
Third Party Settlements	1,395,144	1,828,175
Due from Affiliates	1,121	1,786
Inventory	445,790	192,714
Other Current Assets	97,662	169,722
Total Current Assets	42,807,189	25,963,674
Investments	-	832,328
Capital Assets (net of Accumulated Depreciation)	35,153,201	36,502,459
Land	1,364,151	1,364,151
Construction In Progress	1,760,845	1,435,478
Other Assets		
Restricted Cash	5,215,319	14,568,991
Other Assets	106,479	102,496
Total Other Assets	5,321,798	14,671,487
Total Assets	\$ 86,407,184	\$ 80,769,577
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 1,219,456	\$ 1,219,456
Trade Accounts Payable	1,418,461	1,562,570
Accrued Compensation	3,995,399	5,011,549
Third Party Liabilities	2,832,406	3,011,634
Due to Affiliates	2,475,869	2,075,767
Other Current Liabilities	3,090,947	7,039,210
Total Current Liabilities	15,032,538	19,920,186
Long-Term Debt - Less Current Maturities	5,514,517	5,684,759
Other Long-Term Liabilities	20,000	550,000
Deferred Liabilities	10,610	8,420
Total Liabilities	20,577,665	26,163,365
Net Assets		
Invested in Capital Assets, net of Related Debt	37,173,229	38,026,878
Unrestricted	28,656,290	16,579,334
Total Net Assets	65,829,519	54,606,212
Total Liabilities and Net Assets	\$ 86,407,184	\$ 80,769,577

Kalkaska Memorial Health Center

Statement of Operations

	Month of March 2022				Year to Date Ended March 31, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 109,917	\$ 96,531	\$ 13,386	\$ 109,430	\$ 1,045,409	\$ 856,624	\$ 188,785	\$ 744,714
Outpatient	6,844,126	5,208,639	1,635,487	5,167,019	56,365,647	45,838,566	10,527,081	43,341,853
Professional	1,261,962	1,060,853	201,109	1,077,072	10,401,637	9,283,552	1,118,085	8,705,173
Long Term Care	964,462	975,712	(11,250)	960,071	8,570,292	8,622,916	(52,624)	8,147,174
Dialysis Center	597,349	805,651	(208,302)	711,794	6,106,566	6,827,360	(720,794)	6,659,208
Ambulance	323,909	270,476	53,433	322,997	2,869,822	2,927,247	(57,425)	2,676,542
Retail Pharmacy	120,841	127,295	(6,454)	129,211	1,085,205	1,078,715	6,490	1,035,344
Assisted Living	92,515	98,114	(5,599)	92,333	831,315	867,308	(35,993)	866,919
	<u>10,315,081</u>	<u>8,643,271</u>	<u>1,671,810</u>	<u>8,569,927</u>	<u>87,275,893</u>	<u>76,302,288</u>	<u>10,973,605</u>	<u>72,176,927</u>
Revenue Deductions:								
Contractual Allowances	4,719,399	3,784,158	(935,241)	4,085,676	38,475,640	33,222,368	(5,253,272)	32,519,198
Provision Charity Care	23,276	26,861	3,585	8,640	205,230	237,216	31,986	182,779
Provision for Bad Debt	158,692	159,779	1,087	117,093	1,333,300	1,433,448	100,148	990,234
	<u>4,901,367</u>	<u>3,970,798</u>	<u>(930,569)</u>	<u>4,211,409</u>	<u>40,014,170</u>	<u>34,893,032</u>	<u>(5,121,138)</u>	<u>33,692,211</u>
Net Patient Revenues	5,413,714	4,672,473	741,241	4,358,518	47,261,723	41,409,256	5,852,467	38,484,716
Other Operating Revenues	434,580	339,586	94,994	435,293	3,765,189	2,491,955	1,273,234	3,691,292
Total Operating Revenue	<u>5,848,294</u>	<u>5,012,059</u>	<u>836,235</u>	<u>4,793,811</u>	<u>51,026,912</u>	<u>43,901,211</u>	<u>7,125,701</u>	<u>42,176,008</u>
Operating Expenses								
Salaries and Wages	2,760,347	2,596,477	(163,870)	2,456,477	23,777,335	21,630,846	(2,146,489)	21,145,175
Fringe Benefits	706,450	638,388	(68,062)	605,531	5,915,390	5,658,436	(256,954)	5,605,997
Contract Labor	30,060	32,731	2,671	30,641	274,871	290,079	15,208	257,186
Physician Fees	72,767	102,877	30,110	80,178	627,648	886,651	259,003	577,748
Purchased Services	541,657	532,745	(8,912)	599,490	4,980,941	4,865,119	(115,822)	5,402,826
Pharmaceuticals	640,168	360,620	(279,548)	385,079	4,569,143	3,081,104	(1,488,039)	3,259,882
Supplies	329,440	291,259	(38,181)	307,845	2,922,280	2,548,730	(373,550)	2,543,918
Occupancy	112,838	104,810	(8,028)	92,585	984,388	875,461	(108,927)	799,164
Equipment, Software & Maintenance	144,974	55,233	(89,741)	64,833	607,915	570,208	(37,707)	553,877
Depreciation	267,540	231,407	(36,133)	228,011	2,191,562	2,082,663	(108,899)	2,019,790
Insurance	49,089	50,679	1,590	42,268	472,496	456,111	(16,385)	423,855
Other	21,930	49,120	27,190	34,818	338,595	389,112	50,517	292,565
	<u>5,677,260</u>	<u>5,046,346</u>	<u>(630,914)</u>	<u>4,927,756</u>	<u>47,662,564</u>	<u>43,334,520</u>	<u>(4,328,044)</u>	<u>42,881,983</u>
Less Shared Services	-	-	-	1,668	26,261	2,400	23,861	3,410
Total Operating Expenses	<u>5,677,260</u>	<u>5,046,346</u>	<u>(630,914)</u>	<u>4,926,088</u>	<u>47,636,303</u>	<u>43,332,120</u>	<u>(4,304,183)</u>	<u>42,878,573</u>
Income from Operations before Grant Revenue from COVID-19	171,034	(34,287)	205,321	(132,277)	3,390,609	569,091	2,821,518	(702,565)
Grant Revenue COVID-19	46,425	-	46,425	250,000	758,409	-	758,409	1,287,598
Paycheck Protection Program Loan Forgiveness	-	-	-	-	6,164,700	-	6,164,700	-
Operating Income	217,459	(34,287)	251,746	117,723	10,313,718	569,091	9,744,627	585,033
Non-Operating Income (Expense)								
Reserved for Bond Debt	116,805	117,428	(623)	112,276	1,052,479	1,037,912	14,567	1,008,966
Interest on Debt Related to Capital Assets	(17,068)	(17,550)	482	(20,059)	(154,886)	(159,279)	4,393	(181,909)
Unrealized Gain/Loss on LT Investments	(5,230)	-	(5,230)	(3,105)	(28,013)	-	(28,013)	(38,417)
Tax Levy Revenue	730	684	46	674	6,570	6,156	414	6,066
Contributions	1,871	150	1,721	767	3,983	1,350	2,633	1,862
Other Income (Loss)	2,400	6,750	(4,350)	7,328	29,456	60,750	(31,294)	79,706
Total Non-Operating Income (Expense)	<u>99,508</u>	<u>107,462</u>	<u>(7,954)</u>	<u>97,881</u>	<u>909,589</u>	<u>946,889</u>	<u>(37,300)</u>	<u>876,274</u>
Total Increase (Decrease) in Net Assets	<u>\$ 316,967</u>	<u>\$ 73,175</u>	<u>\$ 243,792</u>	<u>\$ 215,604</u>	<u>\$ 11,223,307</u>	<u>\$ 1,515,980</u>	<u>\$ 9,707,327</u>	<u>\$ 1,461,307</u>

Statement of Cash Flows

	Nine Months Ending March 31, 2022
Cash flow from operating activities	
Received from patients and third-party payors	\$ 46,221,871
Payments to employees	(30,708,875)
Payments to suppliers for services and goods	(20,153,112)
Other receipts from operations	10,694,868
Net cash provided by operating activities	<u>6,054,752</u>
Cash flow from capital and related financing activities	
Acquisition and construction of capital assets	(1,167,671)
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	1,052,479
Interest paid on long-term debt	(154,886)
Principal payments on bonds and notes payable	(170,242)
Net cash used in capital and related financing activities	<u>(440,320)</u>
Cash flow from investing activities	
Investment income	1,443
Sale of short-term investments	416,575
Net activity of investments internally designated for capital acquisitions	832,328
Net cash provided by investing activities	<u>1,250,346</u>
Net increase in cash and cash equivalents	6,864,778
Cash and cash equivalents at beginning of year	23,510,745
Cash and cash equivalents at end of period	<u>\$ 30,375,523</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$ 10,313,718
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,191,562
Provision for uncollectible accounts	1,333,300
Operating tax levy	6,570
Net gains and losses on sale of PPE	-
(Increase) decrease in assets:	
Patient accounts receivable	(2,626,955)
Third-party settlements	433,031
Inventory	(253,076)
Other current assets	72,060
Increase (decrease) in liabilities:	
Trade accounts payable	255,993
Accrued Compensation	(1,016,150)
Third Party Settlements	(179,228)
Other accrued liabilities	(4,476,073)
Net cash provided by operating activities	<u>\$ 6,054,752</u>

Kalkaska Memorial Health Center
**Statement of Changes in Net Assets
Nine Months Ending March 31, 2022**

	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		4,223,099	(450,120)
Increase (Decrease) in Net Assets	734,042	4,223,099	1,880,747
Net Assets at June 30, 2021	32,397,873	22,208,339	54,606,212
Acquisition and construction of capital assets	1,167,671		1,167,671
Depreciation	(2,191,562)		(2,191,562)
Net Change in Debt	170,242		170,242
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		12,076,956	12,076,956
Increase (Decrease) in Net Assets	(853,649)	12,076,956	11,223,307
Net Assets at March 31, 2022	\$ 31,544,224	\$ 34,285,295	\$ 65,829,519

Kalkaska Memorial Health Center

Statistical Report

	Month of March 2022				Year to Date Ended March 31, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	13	18	(5)	19	135	158	(23)	118
Long Term Care	25	14	11	16	142	128	14	140
Extended Stays	15	13	2	10	118	116	2	97
PATIENT DAYS:								
Acute Care	51	43	8	53	499	380	119	301
Long Term Care-Skilled	238	254	(16)	159	2,041	2,242	(201)	1,447
Long Term Care-Basic	2,348	2,480	(132)	2,575	21,130	21,920	(790)	22,227
Extended Stays	4	5	(1)	10	61	45	16	70
AVERAGE LENGTH OF STAY:								
Acute Care	3.9	2.4	(1.5)	2.8	3.7	2.4	(1.3)	2.6
DAILY AVERAGE CENSUS:								
Acute Care	1.6	1.4	0.2	1.7	1.8	1.4	0.4	1.1
Long Term Care	83.4	88.2	(4.8)	88.2	84.6	88.2	(3.6)	86.4
PERCENT OF OCCUPANCY:								
Acute Care	20.6%	17.3%	3.2%	21.4%	22.8%	17.3%	5.4%	13.7%
Long Term Care	80.2%	84.8%	-4.6%	84.8%	81.3%	84.8%	-3.5%	83.1%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,246	917	329	766	10,616	8,843	1,773	6,538
Urgent Care	(1)	0	(1)	237	419	0	419	2,028
Walk-in Clinic	391	274	117	0	3,746	2,322	1,424	0
Primary Care Physician RVU's	7,061	5,319	1,742	6,023	55,512	45,099	10,413	41,558
Primary Care Physician Encounters	3,818	3,850	(32)	4,416	32,882	32,639	243	30,628
Specialty Clinics	388	403	(15)	485	3,290	3,413	(123)	3,361
KMA Clinic RVU's	7,434	6,325	1,109	6,572	59,832	53,625	6,207	45,276
Total Outpatient Visits	7,085	6,988	97	7,368	63,467	61,763	1,704	61,778
Surgical Procedures	127	113	14	107	1,019	957	62	859
Radiology	2,600	2,133	467	2,343	22,161	18,853	3,308	18,668
Laboratory	19,551	17,137	2,414	18,650	173,590	152,295	21,295	153,905
Physical Therapy	3,298	3,445	(147)	3,366	29,470	29,217	253	27,333
Chemo Therapy	523	336	187	376	3,680	2,848	832	2,546
Dialysis Treatments	537	721	(184)	670	5,320	6,110	(790)	6,075
Ambulance Transports	221	186	35	220	2,037	2,013	24	1,842
Assisted Living Days	950	1,005	(55)	992	8,359	8,884	(525)	8,891
Cost per adjusted IP and LTC day:	204.72	206.59	(1.87)	199.86	202.26	201.84	0	199.10
TOTAL FTE'S:	441	449	8	435	438	431	(8)	419

Kalkaska Memorial Health Center

Additional Financial Information

	March 31, 2022
MTD % increase in net revenue vs. prior year	24.21%
MTD % increase in expense vs. prior year	15.25%
	8.96%
YTD % increase in net revenue vs. prior year	22.81%
YTD % increase in expense vs. prior year	11.10%
	11.71%
LTC Expense per Critical Unit - MTD	\$ 236.54
LTC Expense per Critical Unit - YTD	\$ 241.55
Ambulance Days in AR YTD	64.57
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (3,561)
Dialysis net income - YTD	\$ (113,946)
Assisted Living net income - MTD	\$ (7,977)
Assisted Living net income - YTD	(261,816)
Average Age of Plant (as of 3/31/22)	11.16
Debt to Capitalization Ratio	0.09

Net Revenue Analysis

	Month of March 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.1%	1.1%	-0.1%
Outpatient	66.4%	60.3%	6.1%
Professional	12.2%	12.3%	0.0%
Long-Term Care	9.4%	11.3%	-1.9%
Dialysis Center	5.8%	9.3%	-3.5%
Ambulance	3.1%	3.1%	0.0%
Retail Pharmacy	1.2%	1.5%	-0.3%
Assisted Living	0.9%	1.1%	-0.2%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	45.8%	43.8%	-2.0%
Charity Care	0.2%	0.3%	0.1%
Bad Debt	1.5%	1.8%	0.3%
Total Revenue Deductions	47.5%	45.9%	-1.6%
	Year to Date Ended March 31, 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.2%	1.1%	0.1%
Outpatient	64.6%	60.1%	4.5%
Professional	11.9%	12.2%	-0.2%
Long-Term Care	9.8%	11.3%	-1.5%
Dialysis Center	7.0%	8.9%	-2.0%
Ambulance	3.3%	3.8%	-0.5%
Retail Pharmacy	1.2%	1.4%	-0.2%
Assisted Living	1.0%	1.1%	-0.2%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.1%	43.5%	-0.5%
Charity Care	0.2%	0.3%	0.1%
Bad Debt	1.5%	1.9%	0.4%
Total Revenue Deductions	45.8%	45.7%	-0.1%

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2022

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	26.59%	22.36%	0.12%	19.10%	14.00%	6.77%	8.92%	2.13%	100.00%
LTC	12.91%	14.43%	56.87%	0.00%	0.00%	4.38%	0.00%	11.41%	100.00%
ER	18.86%	16.09%	0.00%	31.13%	15.13%	6.74%	8.37%	3.68%	100.00%
OR	22.50%	29.45%	0.00%	13.28%	17.48%	6.94%	9.50%	0.84%	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%