

Kalkaska Memorial Health Center

Balance Sheet

Assets	June 30, 2022	June 30, 2021
Current Assets		
Cash and Cash Equivalents	\$ 26,571,541	\$ 8,941,754
Short-Term Investments	7,429,259	7,923,659
Accounts Receivable	9,912,908	6,905,864
Third Party Settlements	1,049,585	1,828,175
Due from Affiliates	10,232	1,786
Inventory	536,118	192,714
Other Current Assets	163,422	169,722
Total Current Assets	45,673,065	25,963,674
Investments	-	832,328
Capital Assets (net of Accumulated Depreciation)	35,872,717	36,502,459
Land	1,364,151	1,364,151
Construction In Progress	1,022,662	1,435,478
Other Assets		
Restricted Cash	4,565,175	14,568,991
Other Assets	105,412	102,496
Total Other Assets	4,670,587	14,671,487
Total Assets	\$ 88,603,182	\$ 80,769,577
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 1,067,359	\$ 1,219,456
Trade Accounts Payable	1,653,844	1,562,570
Accrued Compensation	3,662,623	5,011,549
Third Party Liabilities	3,435,719	3,011,634
Due to Affiliates	2,559,273	2,075,767
Other Current Liabilities	2,033,073	7,039,210
Total Current Liabilities	14,411,891	19,920,186
Long-Term Debt - Less Current Maturities	4,638,525	5,684,759
Other Long-Term Liabilities	20,000	550,000
Deferred Liabilities	8,420	8,420
Total Liabilities	19,078,836	26,163,365
Net Assets		
Invested in Capital Assets, net of Related Debt	38,182,651	38,026,878
Unrestricted	31,341,695	16,579,334
Total Net Assets	69,524,346	54,606,212
Total Liabilities and Net Assets	\$ 88,603,182	\$ 80,769,577

Kalkaska Memorial Health Center

Statement of Operations

	Month of June 2022				Year to Date Ended June 30, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 55,876	\$ 91,494	\$ (35,618)	\$ 60,331	\$ 1,279,638	\$ 1,139,591	\$ 140,047	\$ 930,729
Outpatient	8,515,076	5,016,191	3,498,885	6,424,734	77,806,010	60,833,413	16,972,597	59,986,887
Professional	1,483,174	1,017,200	465,974	1,299,981	14,260,217	12,282,285	1,977,932	12,035,224
Long Term Care	909,418	986,226	(76,808)	973,325	11,375,518	11,508,946	(133,428)	11,003,181
Dialysis Center	639,048	769,894	(130,846)	714,351	8,108,271	9,102,402	(994,131)	8,759,938
Ambulance	243,537	349,001	(105,464)	390,900	3,792,403	3,897,179	(104,776)	3,789,326
Retail Pharmacy	135,169	121,676	13,493	142,569	1,444,602	1,438,222	6,380	1,434,141
Assisted Living	94,179	94,990	(811)	90,991	1,101,684	1,155,402	(53,718)	1,137,362
	<u>12,075,477</u>	<u>8,446,672</u>	<u>3,628,805</u>	<u>10,097,182</u>	<u>119,168,343</u>	<u>101,357,440</u>	<u>17,810,903</u>	<u>99,076,788</u>
Revenue Deductions:								
Contractual Allowances	4,901,833	3,671,657	(1,230,176)	4,396,162	52,497,740	44,278,949	(8,218,791)	44,269,030
Provision Charity Care	38,242	25,987	(12,255)	(649)	342,601	316,003	(26,598)	205,314
Provision for Bad Debt	23,675	158,535	134,860	82,796	1,491,968	1,909,530	417,562	1,113,594
	<u>4,963,750</u>	<u>3,856,179</u>	<u>(1,107,571)</u>	<u>4,478,309</u>	<u>54,332,309</u>	<u>46,504,482</u>	<u>(7,827,827)</u>	<u>45,587,938</u>
Net Patient Revenues	<u>7,111,727</u>	<u>4,590,493</u>	<u>2,521,234</u>	<u>5,618,873</u>	<u>64,836,034</u>	<u>54,852,958</u>	<u>9,983,076</u>	<u>53,488,850</u>
Other Operating Revenues	228,783	251,231	(22,448)	386,592	4,499,406	3,249,778	1,249,628	4,673,688
Total Operating Revenue	<u>7,340,510</u>	<u>4,841,724</u>	<u>2,498,786</u>	<u>6,005,465</u>	<u>69,335,440</u>	<u>58,102,736</u>	<u>11,232,704</u>	<u>58,162,538</u>
Operating Expenses								
Salaries and Wages	2,597,022	2,484,757	(112,265)	2,639,788	31,810,956	28,975,264	(2,835,692)	28,763,130
Fringe Benefits	596,107	619,940	23,833	560,173	7,977,174	7,538,259	(438,915)	7,241,445
Contract Labor	25,320	31,829	6,509	31,141	359,952	386,470	26,518	364,818
Physician Fees	70,259	100,380	30,121	56,177	834,824	1,183,012	348,188	735,859
Purchased Services	548,666	528,982	(19,684)	560,108	6,692,887	6,459,005	(233,882)	7,073,439
Pharmaceuticals	678,412	346,125	(332,287)	287,320	6,422,891	4,107,685	(2,315,206)	4,200,865
Supplies	532,880	284,569	(248,311)	332,942	3,986,161	3,393,799	(592,362)	3,412,837
Occupancy	122,046	113,751	(8,295)	96,888	1,294,446	1,185,012	(109,434)	1,091,049
Equipment, Software & Maintenance	57,527	56,042	(1,485)	41,803	782,625	743,405	(39,220)	717,917
Depreciation	288,102	231,356	(56,746)	291,051	2,991,509	2,776,783	(214,726)	2,794,817
Insurance	52,943	50,679	(2,264)	51,710	632,509	608,148	(24,361)	564,952
Other	55,318	41,485	(13,833)	36,522	463,130	516,978	53,848	383,890
	<u>5,624,602</u>	<u>4,889,895</u>	<u>(734,707)</u>	<u>4,985,623</u>	<u>64,249,064</u>	<u>57,873,820</u>	<u>(6,375,244)</u>	<u>57,345,018</u>
Less Shared Services	-	-	-	3,179	26,745	2,400	24,345	14,625
Total Operating Expenses	<u>5,624,602</u>	<u>4,889,895</u>	<u>(734,707)</u>	<u>4,982,444</u>	<u>64,222,319</u>	<u>57,871,420</u>	<u>(6,350,899)</u>	<u>57,330,393</u>
Income from Operations before Grant Revenue from COVID-19	<u>1,715,908</u>	<u>(48,171)</u>	<u>1,764,079</u>	<u>1,023,021</u>	<u>5,113,121</u>	<u>231,316</u>	<u>4,881,805</u>	<u>832,145</u>
Grant Revenue COVID-19	<u>1,641,480</u>	<u>-</u>	<u>1,641,480</u>	<u>692,898</u>	<u>2,399,889</u>	<u>-</u>	<u>2,399,889</u>	<u>2,660,496</u>
Paycheck Protection Program Loan Forgiveness	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,164,700</u>	<u>-</u>	<u>6,164,700</u>	<u>-</u>
Operating Income	<u>3,357,388</u>	<u>(48,171)</u>	<u>3,405,559</u>	<u>1,715,919</u>	<u>13,677,710</u>	<u>231,316</u>	<u>13,446,394</u>	<u>3,492,641</u>
Non-Operating Income (Expense)								
Reserved for Bond Debt	133,298	113,640	19,658	140,619	1,418,274	1,382,620	35,654	1,370,633
Interest on Debt Related to Capital Assets	(14,438)	(14,882)	444	(17,402)	(200,829)	(206,571)	5,742	(236,772)
Unrealized Gain/Loss on LT Investments	393	-	393	(2,268)	(20,738)	-	(20,738)	(45,627)
Tax Levy Revenue	730	684	46	669	8,760	8,208	552	8,083
Contributions	(1,067)	150	(1,217)	20,206	2,916	1,800	1,116	22,068
Other Income (Loss)	658	6,750	(6,092)	6,120	32,041	81,000	(48,959)	93,614
Total Non-Operating Income (Expense)	<u>119,574</u>	<u>106,342</u>	<u>13,232</u>	<u>147,944</u>	<u>1,240,424</u>	<u>1,267,057</u>	<u>(26,633)</u>	<u>1,211,999</u>
Total Increase (Decrease) in Net Assets	<u>\$ 3,476,962</u>	<u>\$ 58,171</u>	<u>\$ 3,418,791</u>	<u>\$ 1,863,863</u>	<u>\$ 14,918,134</u>	<u>\$ 1,498,373</u>	<u>\$ 13,419,761</u>	<u>\$ 4,704,640</u>

Statement of Cash Flows

	Year Ended June 30, 2022
Cash flow from operating activities	
Received from patients and third-party payors	\$ 63,023,219
Payments to employees	(41,137,056)
Payments to suppliers for services and goods	(26,741,141)
Other receipts from operations	13,111,225
Net cash provided by operating activities	<u>8,256,247</u>
Cash flow from capital and related financing activities	
Acquisition and construction of capital assets	(2,007,112)
Proceeds from sale of capital assets	19,691
Proceeds from county bond tax levy	1,418,274
Interest paid on long-term debt	(200,829)
Principal payments on bonds and notes payable	(1,198,331)
Net cash used in capital and related financing activities	<u>(1,968,307)</u>
Cash flow from investing activities	
Investment income	11,303
Sale of short-term investments	494,400
Net activity of investments internally designated for capital acquisitions	832,328
Net cash provided by investing activities	<u>1,338,031</u>
Net increase in cash and cash equivalents	7,625,971
Cash and cash equivalents at beginning of year	23,510,745
Cash and cash equivalents at end of period	<u>\$ 31,136,716</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$ 13,677,710
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,991,509
Provision for uncollectible accounts	1,491,968
Operating tax levy	8,760
Net gains and losses on sale of PPE	38,470
(Increase) decrease in assets:	
Patient accounts receivable	(4,507,458)
Third-party settlements	778,590
Inventory	(343,404)
Other current assets	6,300
Increase (decrease) in liabilities:	
Trade accounts payable	574,780
Accrued Compensation	(1,348,926)
Third Party Settlements	424,085
Other accrued liabilities	(5,536,137)
Net cash provided by operating activities	<u>\$ 8,256,247</u>

Kalkaska Memorial Health Center

Statement of Changes in Net Assets Year Ended June 30, 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	1,987,421		1,987,421
Depreciation	(2,991,509)		(2,991,509)
Sale of Capital Assets	(38,470)		(38,470)
Net Change in Debt	1,198,331		1,198,331
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		14,762,361	14,762,361
Increase (Decrease) in Net Assets	155,773	14,762,361	14,918,134
Net Assets at June 30, 2022	\$ 32,553,646	\$ 36,970,700	\$ 69,524,346

Kalkaska Memorial Health Center

Statistical Report

	Month of June 2022				Year to Date Ended June 30, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	9	15	(6)	12	177	208	(31)	148
Long Term Care	16	15	1	21	194	172	22	192
Extended Stays	0	16	(16)	4	128	158	(30)	122
PATIENT DAYS:								
Acute Care	24	40	(16)	30	618	505	113	391
Long Term Care-Skilled	167	420	(253)	247	2,735	3,161	(426)	2,059
Long Term Care-Basic	2,445	2,400	45	2,426	28,077	29,200	(1,123)	29,712
Extended Stays	7	4	3	4	86	59	27	88
AVERAGE LENGTH OF STAY:								
Acute Care	2.7	2.7	0.0	2.5	3.5	2.4	(1.1)	2.6
DAILY AVERAGE CENSUS:								
Acute Care	0.8	1.3	(0.6)	1.0	1.7	1.4	0.3	1.1
Long Term Care	87.1	94.0	(6.9)	89.1	84.4	88.7	(4.2)	87.0
PERCENT OF OCCUPANCY:								
Acute Care	10.0%	16.7%	-6.7%	12.5%	21.2%	17.3%	3.9%	13.4%
Long Term Care	83.7%	90.4%	-6.7%	85.7%	81.2%	85.3%	-4.1%	83.7%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,793	869	924	1,227	14,760	11,345	3,415	9,147
Urgent Care	0	0	0	320	415	0	415	2,788
Walk-in Clinic	435	262	173	719	4,954	3,096	1,858	764
Primary Care Physician RVU's	6,673	5,088	1,585	6,216	75,096	60,132	14,964	59,712
Primary Care Physician Encounters	3,713	3,682	31	3,519	43,700	43,518	182	42,268
Specialty Clinics	256	385	(129)	408	4,149	4,550	(401)	4,623
KMA Clinic RVU's	7,425	6,050	1,375	6,872	81,307	71,500	9,807	65,088
Total Outpatient Visits	7,439	6,762	677	7,070	84,853	82,275	2,578	82,373
Surgical Procedures	153	108	45	102	1,440	1,276	164	1,179
Radiology	2,747	2,064	683	2,481	30,014	25,114	4,900	25,514
Laboratory	19,571	16,543	3,028	18,919	231,053	202,469	28,584	210,211
Physical Therapy	3,947	3,295	652	3,958	40,056	38,955	1,101	37,739
Chemo Therapy	640	321	319	383	5,330	3,797	1,533	3,681
Dialysis Treatments	567	689	(122)	644	7,022	8,146	(1,124)	7,997
Ambulance Transports	163	240	(77)	274	2,676	2,680	(4)	2,608
Assisted Living Days	909	973	(64)	922	11,026	11,835	(809)	11,659
Cost per adjusted IP and LTC day:	158.40	201.54	(43.14)	170.87	198.82	202.33	(4)	194.51
TOTAL FTE'S:	454	444	(10)	441	442	431	(11)	424

Kalkaska Memorial Health Center

Additional Financial Information

	June 30, 2022
MTD % increase in net revenue vs. prior year	26.57%
MTD % increase in expense vs. prior year	<u>12.89%</u>
	13.68%
YTD % increase in net revenue vs. prior year	21.21%
YTD % increase in expense vs. prior year	<u>12.02%</u>
	9.19%
LTC Expense per Critical Unit - MTD	\$ 234.18
LTC Expense per Critical Unit - YTD	\$ 245.14
Ambulance Days in AR YTD	65.09
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (3,561)
Dialysis net income - YTD	\$ (114,185)
Assisted Living net income - MTD	\$ (7,977)
Assisted Living net income - YTD	(379,199)
Average Age of Plant (as of 6/30/22)	10.54
Debt to Capitalization Ratio	0.08

Net Revenue Analysis

	Month of June 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	0.5%	1.1%	-0.6%
Outpatient	70.5%	59.4%	11.1%
Professional	12.3%	12.0%	0.2%
Long-Term Care	7.5%	11.7%	-4.1%
Dialysis Center	5.3%	9.1%	-3.8%
Ambulance	2.0%	4.1%	-2.1%
Retail Pharmacy	1.1%	1.4%	-0.3%
Assisted Living	0.8%	1.1%	-0.3%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	40.6%	43.5%	2.9%
Charity Care	0.3%	0.3%	0.0%
Bad Debt	0.2%	1.9%	1.7%
Total Revenue Deductions	<u>41.1%</u>	<u>45.7%</u>	<u>4.5%</u>
	Year to Date Ended June 30, 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.1%	1.1%	-0.1%
Outpatient	65.3%	60.0%	5.3%
Professional	12.0%	12.1%	-0.2%
Long-Term Care	9.5%	11.4%	-1.8%
Dialysis Center	6.8%	9.0%	-2.2%
Ambulance	3.2%	3.8%	-0.7%
Retail Pharmacy	1.2%	1.4%	-0.2%
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	44.1%	43.7%	-0.4%
Charity Care	0.3%	0.3%	0.0%
Bad Debt	1.3%	1.9%	0.6%
Total Revenue Deductions	<u>45.6%</u>	<u>45.9%</u>	<u>0.3%</u>

Kalkaska Memorial Health Center

Payor Mix Schedule

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%

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%