

Kalkaska Memorial Health Center

Balance Sheet

Assets	October 31, 2022	June 30, 2022
Current Assets		
Cash and Cash Equivalents	\$ 32,675,464	\$ 26,571,541
Short-Term Investments	6,674,342	7,429,259
Accounts Receivable	11,025,616	9,912,908
Third Party Settlements	-	259,269
Due from Affiliates	17,357	10,232
Inventory	372,100	509,269
Other Current Assets	358,181	163,422
Total Current Assets	51,123,060	44,855,900
Investments	-	-
Capital Assets (net of Accumulated Depreciation)	35,308,150	35,872,717
Land	1,364,151	1,364,151
Construction In Progress	2,133,461	1,022,662
Other Assets		
Restricted Cash	16,358,103	4,565,175
Other Assets	105,230	105,412
Total Other Assets	16,463,333	4,670,587
Total Assets	\$ 106,392,155	\$ 87,786,017
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,213,192	\$ 1,067,359
Trade Accounts Payable	930,254	1,562,606
Accrued Compensation	4,533,331	4,251,357
Third Party Liabilities	5,512,009	3,435,719
Due to Affiliates	2,582,014	2,559,273
Other Current Liabilities	2,230,400	2,008,732
Total Current Liabilities	18,001,200	14,885,046
Long-Term Debt - Less Current Maturities	18,356,709	4,638,525
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	15,232	8,420
Total Liabilities	36,393,141	19,551,991
Net Assets		
Invested in Capital Assets, net of Related Debt	23,864,866	38,182,651
Unrestricted	46,134,148	30,051,375
Total Net Assets	69,999,014	68,234,026
Total Liabilities and Net Assets	\$ 106,392,155	\$ 87,786,017

Kalkaska Memorial Health Center

Statement of Operations

	Month of October 2022				Year to Date Ended October 31, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 123,856	\$ 132,371	\$ (8,515)	\$ 169,805	\$ 462,461	\$ 524,321	\$ (61,860)	\$ 489,619
Outpatient	7,226,740	6,594,130	632,610	6,659,665	29,638,813	26,157,048	3,481,765	25,354,181
Professional	1,269,136	1,239,924	29,212	1,173,506	5,059,604	4,918,631	140,973	4,712,788
Long Term Care	1,002,252	1,007,902	(5,650)	853,356	4,055,064	3,999,433	55,631	3,823,054
Dialysis Center	590,855	736,707	(145,852)	692,521	2,542,319	2,922,211	(379,892)	2,862,243
Ambulance	319,574	342,558	(22,984)	253,030	1,307,585	1,358,619	(51,034)	1,231,717
Retail Pharmacy	135,311	126,597	8,714	114,163	506,044	502,331	3,713	493,502
Assisted Living	90,079	95,893	(5,814)	88,157	377,434	380,485	(3,051)	365,262
	10,757,803	10,276,082	481,721	10,004,203	43,949,324	40,763,079	3,186,245	39,332,366
Revenue Deductions:								
Contractual Allowances	4,544,907	4,601,817	56,910	4,407,410	19,676,465	18,256,444	(1,420,021)	17,552,080
Provision Charity Care	32,458	26,479	(5,979)	16,224	150,223	105,071	(45,152)	114,677
Provision for Bad Debt	217,447	204,070	(13,377)	152,304	778,478	809,585	31,107	439,635
	4,794,812	4,832,366	37,554	4,575,938	20,605,166	19,171,100	(1,434,066)	18,106,392
Net Patient Revenues	5,962,991	5,443,716	519,275	5,428,265	23,344,158	21,591,979	1,752,179	21,225,974
Other Operating Revenues	252,433	367,846	(115,413)	345,960	1,542,503	1,331,301	211,202	1,576,278
Total Operating Revenue	6,215,424	5,811,562	403,862	5,774,225	24,886,661	22,923,280	1,963,381	22,802,252
Operating Expenses								
Salaries and Wages	2,831,324	2,687,195	(144,129)	2,287,136	11,013,821	11,114,358	100,537	9,900,032
Fringe Benefits	675,141	719,935	44,794	607,848	2,750,202	2,879,740	129,538	2,552,533
Contract Labor	27,836	34,275	6,439	31,230	121,379	136,942	15,563	120,766
Physician Fees	60,509	75,074	14,565	37,567	267,480	297,815	30,335	267,699
Purchased Services	683,292	614,462	(68,830)	577,971	2,235,562	2,360,205	124,643	2,305,494
Pharmaceuticals	686,324	536,322	(150,002)	530,449	2,860,203	2,128,394	(731,809)	1,866,797
Supplies	386,313	342,816	(43,497)	357,834	1,954,360	1,360,072	(594,288)	1,180,794
Occupancy	91,445	113,107	21,662	109,194	490,377	459,725	(30,652)	452,964
Equipment, Software & Maintenance	70,918	67,079	(3,839)	68,152	292,246	280,452	(11,794)	219,477
Depreciation	255,999	262,251	6,252	238,830	1,025,855	1,048,939	23,084	946,451
Insurance	83,135	63,293	(19,842)	45,175	248,007	253,166	5,159	188,952
Other	21,988	39,136	17,148	63,961	133,924	156,964	23,040	163,646
	5,874,224	5,554,945	(319,279)	4,955,347	23,393,416	22,476,772	(916,644)	20,165,605
Less Shared Services	-	280	(280)	2,611	-	1,120	(1,120)	10,305
Total Operating Expenses	5,874,224	5,554,665	(319,559)	4,952,736	23,393,416	22,475,652	(917,764)	20,155,300
Income from Operations before Grant Revenue from COVID-19	341,200	256,897	84,303	821,489	1,493,245	447,628	1,045,617	2,646,952
Grant Revenue COVID-19	-	-	-	-	-	-	-	-
Paycheck Protection Program Loan Forgiveness	-	-	-	-	-	-	-	6,164,700
Operating Income	341,200	256,897	84,303	821,489	1,493,245	447,628	1,045,617	8,811,652
Non-Operating Income (Expense)								
Reserved for Bond Debt	125,230	117,428	7,802	116,805	506,877	469,712	37,165	468,535
Interest on Debt Related to Capital Assets	(62,634)	(65,881)	3,247	(17,247)	(203,357)	(215,742)	12,385	(69,221)
Unrealized Gain/Loss on LT Investments	3,852	-	3,852	(1,465)	19,613	-	19,613	(6,702)
Tax Levy Revenue	730	734	(4)	730	2,580	2,936	(356)	2,920
Bond Issuance Cost	-	-	-	-	(75,500)	-	(75,500)	-
Contributions	-	100	(100)	-	(182)	400	(582)	2,113
Other Income (Loss)	6,856	3,200	3,656	2,738	21,712	12,800	8,912	15,824
Total Non-Operating Income (Expense)	74,034	55,581	18,453	101,561	271,743	270,106	1,637	413,469
Total Increase (Decrease) in Net Assets	\$ 415,234	\$ 312,478	\$ 102,756	\$ 923,050	\$ 1,764,988	\$ 717,734	\$ 1,047,254	\$ 9,225,121

Statement of Cash FlowsFour Months Ending
October 31, 2022**Cash flow from operating activities**

Received from patients and third-party payors	\$	24,559,884
Payments to employees		(13,482,049)
Payments to suppliers for services and goods		(9,042,259)
Other receipts from operations		1,545,083
Net cash provided by operating activities		<u>3,580,659</u>

Cash flow from capital and related financing activities

Acquisition and construction of capital assets		(1,572,087)
Proceeds from sale of capital assets		-
Proceeds from county bond tax levy		506,877
Interest paid on long-term debt		(203,357)
Issuance of long-term debt		15,000,000
Issuance costs paid on long-term debt		(75,500)
Principal payments on bonds and notes payable		(135,983)
Net cash provided by capital and related financing activity		<u>13,519,950</u>

Cash flow from investing activities

Investment income		41,325
Sale of short-term investments		754,917
Net activity of investments internally designated for capital acquisitions		-
Net cash provided by investing activities		<u>796,242</u>

Net increase in cash and cash equivalents		17,896,851
Cash and cash equivalents at beginning of year		31,136,716
Cash and cash equivalents at end of period	\$	<u><u>49,033,567</u></u>

Reconciliation of operating income to net cash flows from operating activities

Operating income	\$	1,493,245
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		1,025,855
Provision for uncollectible accounts		778,478
Operating tax levy		2,580
Net gains and losses on sale of PPE		-
(Increase) decrease in assets:		
Patient accounts receivable		(1,898,311)
Third-party settlements		259,269
Inventory		137,169
Other current assets		(194,759)
Increase (decrease) in liabilities:		
Trade accounts payable		(609,611)
Accrued Compensation		281,974
Third Party Settlements		2,076,290
Other accrued liabilities		228,480
Net cash provided by operating activities	\$	<u><u>3,580,659</u></u>

Kalkaska Memorial Health Center

**Statement of Changes in Net Assets
Four Months Ending October 31, 2022**

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
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		13,472,041	14,762,361
Increase (Decrease) in Net Assets	155,773	13,472,041	14,918,134
Net Assets at June 30, 2022	32,553,646	35,680,380	68,234,026
Acquisition and construction of capital assets	1,572,087		1,572,087
Depreciation	(1,025,855)		(1,025,855)
Capital Grants	-		-
Net Change in Debt	(14,864,017)		(14,864,017)
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		16,082,773	16,082,773
Increase (Decrease) in Net Assets	(14,317,785)	16,082,773	1,764,988
Net Assets at October 31, 2022	\$ 18,235,861	\$ 51,763,153	\$ 69,999,014

Kalkaska Memorial Health Center

Statistical Report

	Month of October 2022				Year to Date Ended October 31, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	15	16	(1)	17	63	63	0	58
Long Term Care	7	15	(8)	9	42	60	(18)	40
Extended Stays	9	8	1	9	51	31	20	92
PATIENT DAYS:								
Acute Care	62	59	3	67	218	234	(16)	220
Long Term Care-Skilled	55	283	(228)	126	500	1,123	(623)	745
Long Term Care-Basic	2,316	2,425	(109)	2,333	9,179	9,622	(443)	9,992
Extended Stays	9	22	(13)	9	51	86	(35)	47
AVERAGE LENGTH OF STAY:								
Acute Care	4.1	3.7	(0.4)	3.9	3.5	3.7	0.3	3.8
DAILY AVERAGE CENSUS:								
Acute Care	2.0	1.9	(0.0)	2.2	1.8	1.9	(0.1)	1.8
Long Term Care	76.5	87.4	(10.9)	79.3	78.7	87.4	(8.7)	87.3
PERCENT OF OCCUPANCY:								
Acute Care	25.0%	23.8%	1.2%	27.0%	22.2%	23.8%	-1.6%	22.4%
Long Term Care	73.5%	84.0%	-10.5%	76.3%	75.7%	84.0%	-8.3%	83.9%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,329	1,191	138	1,443	5,659	4,725	934	5,357
Urgent Care	0	0	0	1	1	0	1	418
Walk-in Clinic	354	406	(52)	438	1,680	1,611	69	1,665
Primary Care Physician RVU's	6,954	6,481	473	5,976	26,234	25,715	519	24,184
Primary Care Physician Encounters	3,862	3,962	(100)	3,777	14,606	15,720	(1,114)	14,158
Specialty Clinics	340	381	(41)	405	1,475	1,511	(36)	1,728
KMA Clinic RVU's	7,328	7,143	185	6,729	28,595	28,341	254	26,705
Total Outpatient Visits	7,458	7,398	60	7,538	29,935	29,354	581	29,349
Surgical Procedures	143	117	26	118	575	464	111	448
Radiology	2,725	2,494	231	2,421	10,964	9,894	1,070	10,017
Laboratory	19,137	19,633	(496)	21,881	78,952	77,899	1,053	80,635
Physical Therapy	3,491	3,396	95	3,221	14,355	13,474	881	13,585
Chemo Therapy	470	426	44	440	2,354	1,691	663	1,707
Dialysis Treatments	507	628	(121)	607	2,207	2,491	(284)	2,484
Ambulance Transports	213	236	(23)	173	875	936	(61)	841
Assisted Living Days	879	963	(84)	899	3,669	3,821	(152)	3,717
Cost per adjusted IP and LTC day:	235.31	203.29	32.02	183.82	223.28	208.10	15	184.03
TOTAL FTE'S:	449	426	(23)	434	456	445	(11)	437

Kalkaska Memorial Health Center

Additional Financial Information

	October 31, 2022
MTD % increase in net revenue vs. prior year	9.85%
MTD % increase in expense vs. prior year	18.61%
	-8.75%
YTD % increase in net revenue vs. prior year	9.98%
YTD % increase in expense vs. prior year	16.07%
	-6.09%
LTC Expense per Critical Unit - MTD	\$ 233.10
LTC Expense per Critical Unit - YTD	\$ 318.41
Ambulance Days in AR YTD	111.55
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (24,192)
Dialysis net income - YTD	\$ (137,898)
Assisted Living net income - MTD	\$ (37,374)
Assisted Living net income - YTD	(172,004)
Average Age of Plant (as of 10/31/22)	12.18
Debt to Capitalization Ratio	0.23

Net Revenue Analysis

	Month of October 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.2%	1.3%	-0.1%
Outpatient	67.2%	64.2%	3.0%
Professional	11.8%	12.1%	-0.3%
Long-Term Care	9.3%	9.8%	-0.5%
Dialysis Center	5.5%	7.2%	-1.7%
Ambulance	3.0%	3.3%	-0.4%
Retail Pharmacy	1.3%	1.2%	0.0%
Assisted Living	0.8%	0.9%	-0.1%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	42.2%	44.8%	2.5%
Charity Care	0.3%	0.3%	0.0%
Bad Debt	2.0%	2.0%	0.0%
Total Revenue Deductions	44.6%	47.0%	2.5%
	Year to Date Ended October 31, 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.1%	1.3%	-0.2%
Outpatient	67.4%	64.2%	3.3%
Professional	11.5%	12.1%	-0.6%
Long-Term Care	9.2%	9.8%	-0.6%
Dialysis Center	5.8%	7.2%	-1.4%
Ambulance	3.0%	3.3%	-0.4%
Retail Pharmacy	1.2%	1.2%	-0.1%
Assisted Living	0.9%	0.9%	-0.1%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.8%	44.8%	0.0%
Charity Care	0.3%	0.3%	-0.1%
Bad Debt	1.8%	2.0%	0.2%
Total Revenue Deductions	46.9%	47.0%	0.1%

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2023

Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	24.64%	24.05%	0.39%	20.78%	13.41%	6.32%	8.24%	2.17%	100.00%
LTC	6.99%	8.53%	59.33%	0.00%	0.22%	9.89%	0.00%	15.03%	100.00%
ER	18.40%	17.25%	0.00%	31.09%	15.44%	6.95%	7.29%	3.57%	100.00%
OR	25.91%	21.89%	0.00%	11.06%	21.88%	6.24%	11.88%	1.14%	100.00%

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%