

Kalkaska Memorial Health Center

Balance Sheet

Assets	October 31, 2023	June 30, 2023
Current Assets		
Cash and Cash Equivalents	\$ 21,536,076	\$ 20,105,803
Short-Term Investments	7,821,689	6,631,348
Accounts Receivable	11,709,392	12,464,426
Third Party Settlements	-	157,318
Due from Affiliates	91,397	29,312
Inventory	369,382	276,948
Other Current Assets	382,586	310,992
Total Current Assets	41,910,522	39,976,147
Investments	8,897,080	9,891,710
Capital Assets (net of Accumulated Depreciation)	34,261,513	35,216,480
Land	1,426,272	1,426,272
Construction In Progress	12,454,365	10,052,749
Other Assets		
Restricted Cash	6,882,703	11,496,448
Other Assets	185,625	109,914
Total Other Assets	7,068,328	11,606,362
Total Assets	\$ 106,018,080	\$ 108,169,720
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,317,359	\$ 2,317,359
Trade Accounts Payable	1,211,769	4,177,864
Accrued Compensation	4,987,710	3,871,492
Third Party Liabilities	4,372,391	4,620,950
Due to Affiliates	3,787,523	3,864,305
Other Current Liabilities	1,370,063	1,728,862
Total Current Liabilities	18,046,815	20,580,832
Long-Term Debt - Less Current Maturities	15,754,547	16,175,333
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	15,878	9,392
Total Liabilities	33,837,240	36,785,557
Net Assets		
Invested in Capital Assets, net of Related Debt	35,699,249	33,831,814
Unrestricted	36,481,591	37,552,349
Total Net Assets	72,180,840	71,384,163
Total Liabilities and Net Assets	\$ 106,018,080	\$ 108,169,720

Kalkaska Memorial Health Center

Statement of Operations

	Month of October 2023				Year to Date Ended October 31, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 176,026	\$ 147,999	\$ 28,027	\$ 123,856	\$ 491,862	\$ 588,232	\$ (96,370)	\$ 462,461
Outpatient	8,716,327	7,896,559	819,768	7,226,740	32,701,365	31,308,967	1,392,398	29,638,813
Professional	1,620,126	1,479,749	140,377	1,269,136	6,042,635	5,872,158	170,477	5,059,604
Long Term Care	1,042,989	1,015,471	27,518	1,002,252	4,084,990	4,028,323	56,667	4,055,064
Dialysis Center	527,756	613,049	(85,293)	590,855	2,207,714	2,432,570	(224,856)	2,542,319
Ambulance	355,808	356,187	(379)	319,574	1,652,327	1,413,363	238,964	1,307,585
Retail Pharmacy	192,937	142,620	50,317	135,311	773,027	565,971	207,056	506,044
Assisted Living	90,735	96,691	(5,956)	90,079	379,018	383,622	(4,604)	377,434
	<u>12,722,704</u>	<u>11,748,325</u>	<u>974,379</u>	<u>10,757,803</u>	<u>48,332,938</u>	<u>46,593,206</u>	<u>1,739,732</u>	<u>43,949,324</u>
Revenue Deductions:								
Contractual Allowances	6,034,911	5,342,176	(692,735)	4,544,907	22,895,848	21,197,160	(1,698,688)	19,676,465
Provision Charity Care	12,770	42,665	29,895	32,458	130,015	169,295	39,280	150,223
Provision for Bad Debt	154,343	223,895	69,552	217,447	714,698	888,423	173,725	778,478
	<u>6,202,024</u>	<u>5,608,736</u>	<u>(593,288)</u>	<u>4,794,812</u>	<u>23,740,561</u>	<u>22,254,878</u>	<u>(1,485,683)</u>	<u>20,605,166</u>
Net Patient Revenues	6,520,680	6,139,589	381,091	5,962,991	24,592,377	24,338,328	254,049	23,344,158
Other Operating Revenues	371,890	242,484	129,406	252,433	1,318,561	838,832	479,729	1,542,503
Total Operating Revenue	<u>6,892,570</u>	<u>6,382,073</u>	<u>510,497</u>	<u>6,215,424</u>	<u>25,910,938</u>	<u>25,177,160</u>	<u>733,778</u>	<u>24,886,661</u>
Operating Expenses								
Salaries and Wages	3,343,667	3,109,340	(234,327)	2,831,324	13,560,934	12,283,355	(1,277,579)	11,013,821
Fringe Benefits	933,220	751,601	(181,619)	675,141	3,297,079	3,006,404	(290,675)	2,750,202
Contract Labor	28,738	35,766	7,028	27,836	103,081	142,914	39,833	121,379
Physician Fees	40,761	58,392	17,631	60,509	290,916	231,719	(59,197)	267,480
Purchased Services	647,968	649,179	1,211	683,292	2,498,999	2,591,662	92,663	2,235,562
Pharmaceuticals	819,186	669,534	(149,652)	686,324	2,872,878	2,663,684	(209,194)	2,860,203
Supplies	370,053	378,095	8,042	386,313	1,294,751	1,498,435	203,684	1,954,360
Occupancy	94,329	128,854	34,525	91,445	415,954	522,775	106,821	490,377
Equipment, Software & Maintenance	138,173	88,292	(49,881)	70,918	383,900	364,519	(19,381)	292,246
Depreciation	270,355	262,984	(7,371)	255,999	1,068,745	1,051,857	(16,888)	1,025,855
Insurance	71,049	73,796	2,747	83,135	333,940	295,184	(38,756)	248,007
Other	36,824	36,635	(189)	21,988	231,763	147,019	(84,744)	133,924
	<u>6,794,323</u>	<u>6,242,468</u>	<u>(551,855)</u>	<u>5,874,224</u>	<u>26,352,940</u>	<u>24,799,527</u>	<u>(1,553,413)</u>	<u>23,393,416</u>
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	<u>6,794,323</u>	<u>6,242,468</u>	<u>(551,855)</u>	<u>5,874,224</u>	<u>26,352,940</u>	<u>24,799,527</u>	<u>(1,553,413)</u>	<u>23,393,416</u>
Income from Operations before Grant Revenue from COVID-19	98,247	139,605	(41,358)	341,200	(442,002)	377,633	(819,635)	1,493,245
Grant Revenue COVID-19	-	-	-	-	750,000	-	750,000	-
Operating Income	98,247	139,605	(41,358)	341,200	307,998	377,633	(69,635)	1,493,245
Non-Operating Income (Expense)								
Reserved for Bond Debt	128,111	125,001	3,110	125,230	512,262	500,004	12,258	506,877
Interest on Debt Related to Capital Assets	(55,853)	(55,853)	-	(62,634)	(225,448)	(225,450)	2	(203,357)
Unrealized Gain/Loss on LT Investments	12,456	-	12,456	3,852	54,744	-	54,744	19,613
Tax Levy Revenue	783	747	36	730	3,131	2,988	143	2,580
Bond Issuance Cost	-	-	-	-	-	-	-	(75,500)
Contributions	-	100	(100)	-	711	400	311	(182)
Other Income (Loss)	35,116	7,500	27,616	6,856	143,279	30,000	113,279	21,712
Total Non-Operating Income (Expense)	<u>120,613</u>	<u>77,495</u>	<u>43,118</u>	<u>74,034</u>	<u>488,679</u>	<u>307,942</u>	<u>180,737</u>	<u>271,743</u>
Total Increase (Decrease) in Net Assets	<u>\$ 218,860</u>	<u>\$ 217,100</u>	<u>\$ 1,760</u>	<u>\$ 415,234</u>	<u>\$ 796,677</u>	<u>\$ 685,575</u>	<u>\$ 111,102</u>	<u>\$ 1,764,988</u>

Statement of Cash FlowsFour Months Ending
October 31, 2023**Cash flow from operating activities**

Received from patients and third-party payors	\$	25,194,085
Payments to employees		(15,741,795)
Payments to suppliers for services and goods		(11,985,400)
Other receipts from operations		2,071,692
Net cash used by operating activities		(461,418)

Cash flow from capital and related financing activities

Acquisition and construction of capital assets		(2,515,394)
Proceeds from sale of capital assets		-
Proceeds from county bond tax levy		512,262
Interest paid on long-term debt		(225,448)
Retirement of long-term debt		-
Issuance costs paid on long-term debt		-
Principal payments on bonds and notes payable		(420,786)
Net cash used in capital and related financing activities		(2,649,366)

Cash flow from investing activities

Investment income		198,023
Purchase of short-term investments		(1,190,341)
Net activity of investments internally designated for capital acquisitions		994,630
Purchase of Intangibles		(75,000)
Net cash used by investing activities		(72,688)

Net decrease in cash and cash equivalents		(3,183,472)
Cash and cash equivalents at beginning of year		31,602,251
Cash and cash equivalents at end of period	\$	28,418,779

Reconciliation of operating income to net cash flows from operating activities

Operating income	\$	307,998
Adjustments to reconcile operating income to net cash used by operating activities:		
Depreciation		1,068,745
Provision for uncollectible accounts		714,698
Operating tax levy		3,131
Net gains and losses on sale of PPE		-
(Increase) decrease in assets:		
Patient accounts receivable		(21,749)
Third-party settlements		157,318
Inventory		(92,434)
Other current assets		(71,594)
Increase (decrease) in liabilities:		
Trade accounts payable		(3,042,877)
Accrued Compensation		1,116,218
Third Party Settlements		(248,559)
Other accrued liabilities		(352,313)
Net cash used by operating activities	\$	(461,418)

Kalkaska Memorial Health Center

**Statement of Changes in Net Assets
Four Months Ending October 31, 2023**

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
Net Assets at June 30, 2022	\$ 32,553,646	\$ 35,680,380	\$ 54,606,212
Acquisition and construction of capital assets	11,635,628		1,987,421
Depreciation	(3,205,936)		(2,991,509)
Sale of Capital Assets	6,279		(38,470)
Net Change in Debt	(12,786,808)		1,198,331
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		7,500,974	14,762,361
Increase (Decrease) in Net Assets	<u>(4,350,837)</u>	<u>7,500,974</u>	<u>14,918,134</u>
Net Assets at June 30, 2023	28,202,809	43,181,354	71,384,163
Acquisition and construction of capital assets	2,515,394		2,515,394
Depreciation	(1,068,745)		(1,068,745)
Sale of Capital Assets	-		-
Capital Grants	-		-
Net Change in Debt	420,786		420,786
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		(1,070,758)	(1,070,758)
Increase (Decrease) in Net Assets	<u>1,867,435</u>	<u>(1,070,758)</u>	<u>796,677</u>
Net Assets at October 31, 2023	\$ 30,070,244	\$ 42,110,596	\$ 72,180,840

Kalkaska Memorial Health Center

Statistical Report

	Month of October 2023				Year to Date Ended October 31, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	17	22	(5)	15	54	88	(34)	63
Long Term Care	22	12	10	7	75	47	28	42
Observation	9	16	(7)	9	66	64	2	51
PATIENT DAYS:								
Acute Care	61	77	(16)	62	199	306	(107)	218
Long Term Care-Skilled	208	163	45	55	835	647	188	500
Long Term Care-Basic	2,235	2,309	(74)	2,316	8,706	9,160	(454)	9,179
Observation	41	16	25	13	195	64	131	88
AVERAGE LENGTH OF STAY:								
Acute Care	3.9	2.4	1.5	3.1	3.3	2.4	0.8	2.7
DAILY AVERAGE CENSUS:								
Acute Care	3.3	3.0	0.3	2.4	3.2	3.0	0.2	2.5
Long Term Care	78.8	79.7	(0.9)	76.5	77.6	79.7	(2.2)	78.7
PERCENT OF OCCUPANCY:								
Acute Care	41.1%	37.5%	3.6%	30.2%	40.0%	37.6%	2.4%	31.1%
Long Term Care	75.8%	76.7%	-0.9%	73.5%	74.6%	76.7%	-2.1%	75.7%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,304	1,383	(79)	1,341	5,916	5,487	429	5,707
Urgent Care	0	0	0	0	0	0	0	1
Walk-in Clinic	442	439	3	354	1,459	1,742	(283)	1,680
Primary Care Physician RVU's	8,527	7,057	1,470	6,954	27,872	28,000	(128)	26,234
Primary Care Physician Encounters	5,012	4,028	984	3,862	16,374	15,982	392	14,606
Specialty Clinics	414	365	49	340	1,723	1,449	274	1,475
KMA Clinic RVU's	8,632	7,749	883	7,328	32,333	30,746	1,587	28,595
Total Outpatient Visits	7,656	7,575	81	7,458	30,139	30,056	83	29,935
Surgical Procedures	189	151	38	143	631	599	32	575
Radiology	3,366	2,849	517	2,725	13,391	11,304	2,087	10,964
Laboratory	20,224	19,235	989	19,137	82,161	76,320	5,841	78,952
Physical Therapy	4,737	3,916	821	3,491	17,945	15,537	2,408	14,355
Chemo Therapy	533	582	(49)	470	1,921	2,309	(388)	2,354
Dialysis Treatments	450	524	(74)	507	1,967	2,079	(112)	2,207
Ambulance Transports	228	219	9	213	1,016	869	147	875
Assisted Living Days	885	923	(38)	879	3,656	3,662	(6)	3,669
Cost per adjusted IP and LTC day:	238.64	226.20	12.44	234.92	234.59	227.12	7.48	222.45
TOTAL FTE'S:	490	464	(26)	449	487	463	(25)	456

Kalkaska Memorial Health Center

Additional Financial Information

	October 31, 2023
MTD % increase in net revenue vs. prior year	9.35%
MTD % increase in expense vs. prior year	15.66%
	-6.31%
YTD % increase in net revenue vs. prior year	5.35%
YTD % increase in expense vs. prior year	12.65%
	-7.30%
LTC Expense per Critical Unit - MTD	\$ 282.68
LTC Expense per Critical Unit - YTD	\$ 305.85
Ambulance Days in AR YTD	63.79
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ 27,267
Dialysis net income - YTD	\$ (38,661)
Assisted Living net income - MTD	\$ (49,060)
Assisted Living net income - YTD	(240,547)
Average Age of Plant (as of 10/31/23)	11.95
Debt to Capitalization Ratio	0.20

Net Revenue Analysis

	Month of October 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.4%	1.3%	0.1%
Outpatient	68.5%	67.2%	1.3%
Professional	12.7%	12.6%	0.1%
Long-Term Care	8.2%	8.6%	-0.4%
Dialysis Center	4.1%	5.2%	-1.1%
Ambulance	2.8%	3.0%	-0.2%
Retail Pharmacy	1.5%	1.2%	0.3%
Assisted Living	0.7%	0.8%	-0.1%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	47.4%	45.5%	-2.0%
Charity Care	0.1%	0.4%	0.3%
Bad Debt	1.2%	1.9%	0.7%
Total Revenue Deductions	48.7%	47.7%	-1.0%
	Year to Date Ended October 31, 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.0%	1.3%	-0.2%
Outpatient	67.7%	67.2%	0.5%
Professional	12.5%	12.6%	-0.1%
Long-Term Care	8.5%	8.6%	-0.2%
Dialysis Center	4.6%	5.2%	-0.7%
Ambulance	3.4%	3.0%	0.4%
Retail Pharmacy	1.6%	1.2%	0.4%
Assisted Living	0.8%	0.8%	0.0%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	47.4%	45.5%	-1.9%
Charity Care	0.3%	0.4%	0.1%
Bad Debt	1.5%	1.9%	0.4%
Total Revenue Deductions	49.1%	47.8%	-1.4%

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2024

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	23.63%	25.76%	0.10%	20.93%	14.25%	7.31%	6.21%	1.82%	100.00%
LTC	11.41%	9.24%	54.55%	0.00%	0.00%	9.84%	0.00%	14.96%	100.00%
ER	15.75%	18.03%	0.00%	33.72%	15.05%	7.15%	6.51%	3.78%	100.00%
OR	21.79%	31.39%	0.00%	18.52%	15.77%	4.83%	7.24%	0.45%	100.00%

YTD 2023

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	25.25%	24.14%	0.04%	19.91%	14.01%	6.06%	8.92%	1.68%	100.00%
LTC	7.28%	11.20%	58.48%	0.00%	0.07%	9.15%	0.00%	13.82%	100.00%
ER	17.14%	17.03%	0.00%	34.33%	14.75%	6.07%	7.65%	3.03%	100.00%
OR	21.33%	23.12%	0.00%	16.23%	21.26%	5.71%	11.70%	0.64%	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%