

Kalkaska Memorial Health Center

Balance Sheet

Assets	March 31, 2021	June 30, 2020
Current Assets		
Cash and Cash Equivalents	\$ 8,770,722	\$ 6,102,359
Short-Term Investments	7,917,320	7,883,327
Accounts Receivable	5,764,295	5,629,826
Third Party Settlements	487,560	1,366,565
Due from Affiliates	13,345	1,651
Inventory	134,176	164,981
Other Current Assets	137,800	150,538
Total Current Assets	23,225,218	21,299,247
Investments	1,248,180	2,495,701
Capital Assets (net of Accumulated Depreciation)	35,708,050	37,520,016
Land	1,364,151	1,364,151
Construction In Progress	1,894,246	937,193
Other Assets		
Restricted Cash	15,440,718	15,754,091
Other Assets	82,290	80,428
Total Other Assets	15,523,008	15,834,519
Total Assets	\$ 78,962,853	\$ 79,450,827
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 1,252,855	\$ 1,252,855
Trade Accounts Payable	1,077,309	1,212,240
Accrued Compensation	3,993,990	3,988,447
Third Party Liabilities	3,982,731	4,788,180
Due to Affiliates	2,454,446	2,380,460
Other Current Liabilities	8,103,000	9,246,817
Total Current Liabilities	20,864,331	22,868,999
Long-Term Debt - Less Current Maturities	6,707,707	6,904,674
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	10,437	8,083
Total Liabilities	27,602,475	29,801,756
Net Assets		
Invested in Capital Assets, net of Related Debt	37,888,204	38,546,150
Unrestricted	13,472,174	11,102,921
Total Net Assets	51,360,378	49,649,071
Total Liabilities and Net Assets	\$ 78,962,853	\$ 79,450,827

Kalkaska Memorial Health Center

Statement of Operations

	Month of March 2021				Year to Date Ended March 31, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 109,430	\$ 75,176	\$ 34,254	\$ 62,625	\$ 744,714	\$ 656,558	\$ 88,156	\$ 731,760
Outpatient	5,167,019	5,807,328	(640,309)	3,868,574	43,341,853	50,023,975	(6,682,122)	38,776,286
Professional	1,077,072	911,375	165,697	746,372	8,705,173	7,669,873	1,035,300	7,751,540
Long Term Care	960,071	989,582	(29,511)	951,099	8,147,174	8,694,789	(547,615)	8,561,876
Dialysis Center	711,794	713,183	(1,389)	664,005	6,659,208	6,302,822	356,386	6,162,741
Ambulance	322,997	251,830	71,167	236,291	2,676,542	2,227,121	449,421	2,341,932
Retail Pharmacy	129,211	121,380	7,831	127,298	1,035,344	1,072,632	(37,288)	1,095,713
Assisted Living	92,333	94,404	(2,071)	93,491	866,919	834,320	32,599	857,856
	<u>8,569,927</u>	<u>8,964,258</u>	<u>(394,331)</u>	<u>6,749,755</u>	<u>72,176,927</u>	<u>77,482,090</u>	<u>(5,305,163)</u>	<u>66,279,704</u>
Revenue Deductions:								
Contractual Allowances	4,085,676	3,932,246	(153,430)	2,978,303	32,519,198	34,068,319	1,549,121	29,428,754
Provision Charity Care	8,640	32,530	23,890	20,765	182,779	281,153	98,374	249,203
Provision for Bad Debt	117,093	181,656	64,563	(17,384)	990,234	1,555,988	565,754	1,180,844
	<u>4,211,409</u>	<u>4,146,432</u>	<u>(64,977)</u>	<u>2,981,684</u>	<u>33,692,211</u>	<u>35,905,460</u>	<u>2,213,249</u>	<u>30,858,801</u>
Net Patient Revenues	<u>4,358,518</u>	<u>4,817,826</u>	<u>(459,308)</u>	<u>3,768,071</u>	<u>38,484,716</u>	<u>41,576,630</u>	<u>(3,091,914)</u>	<u>35,420,903</u>
Other Operating Revenues	435,293	307,004	128,289	377,760	3,691,292	2,747,336	943,956	3,261,187
Total Operating Revenue	<u>4,793,811</u>	<u>5,124,830</u>	<u>(331,019)</u>	<u>4,145,831</u>	<u>42,176,008</u>	<u>44,323,966</u>	<u>(2,147,958)</u>	<u>38,682,090</u>
Operating Expenses								
Salaries and Wages	2,456,477	2,318,512	(137,965)	2,343,503	21,145,175	20,208,312	(936,863)	19,386,493
Fringe Benefits	605,531	587,735	(17,796)	573,507	5,605,997	5,154,760	(451,237)	4,944,305
Contract Labor	30,641	32,336	1,695	30,719	257,186	285,806	28,620	290,069
Physician Fees	80,178	99,856	19,678	94,694	577,748	831,550	253,802	839,673
Purchased Services	599,490	485,657	(113,833)	505,819	5,402,826	4,527,736	(875,090)	4,537,044
Pharmaceuticals	385,079	780,975	395,896	271,381	3,259,882	6,629,167	3,369,285	2,540,654
Supplies	307,845	253,586	(54,259)	267,003	2,543,918	2,235,584	(308,334)	2,312,499
Occupancy	92,585	108,601	16,016	65,235	799,163	880,751	81,588	792,980
Equipment, Software & Maintenance	64,833	51,563	(13,270)	56,863	553,877	548,668	(5,209)	498,660
Depreciation	228,011	231,624	3,613	193,005	2,019,790	2,034,092	14,302	1,759,955
Insurance	42,268	36,297	(5,971)	38,926	423,855	326,681	(97,174)	334,990
Other	34,818	41,292	6,474	40,168	292,565	335,587	43,022	246,866
	<u>4,927,756</u>	<u>5,028,034</u>	<u>100,278</u>	<u>4,480,823</u>	<u>42,881,982</u>	<u>43,998,694</u>	<u>1,116,712</u>	<u>38,484,188</u>
Less Shared Services	1,668	-	1,668	-	3,410	-	3,410	4,133
Total Operating Expenses	<u>4,926,088</u>	<u>5,028,034</u>	<u>101,946</u>	<u>4,480,823</u>	<u>42,878,572</u>	<u>43,998,694</u>	<u>1,120,122</u>	<u>38,480,055</u>
Income from Operations before Grant Revenue from COVID-19	<u>(132,277)</u>	<u>96,796</u>	<u>(229,073)</u>	<u>(334,992)</u>	<u>(702,564)</u>	<u>325,272</u>	<u>(1,027,836)</u>	<u>202,035</u>
Grant Revenue COVID-19	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>1,537,598</u>	<u>-</u>	<u>1,537,598</u>	<u>-</u>
Operating Income	<u>117,723</u>	<u>96,796</u>	<u>20,927</u>	<u>(334,992)</u>	<u>835,034</u>	<u>325,272</u>	<u>509,762</u>	<u>202,035</u>
Non-Operating Income (Expense)								
Reserved for Bond Debt	112,276	112,276	-	107,767	1,008,966	1,010,484	(1,518)	969,138
Interest on Debt Related to Capital Assets	(20,059)	(20,059)	-	(22,980)	(181,909)	(181,907)	(2)	(141,945)
Unrealized Gain/Loss on LT Investments	(3,105)	-	(3,105)	24,461	(38,417)	-	(38,417)	49,896
Tax Levy Revenue	674	674	-	653	6,066	6,066	-	5,878
Contributions	767	311	456	1,353	1,862	2,799	(937)	3,217
Other Income (Loss)	7,328	9,791	(2,463)	42,528	79,705	88,119	(8,414)	196,880
Total Non-Operating Income (Expense)	<u>97,881</u>	<u>102,993</u>	<u>(5,112)</u>	<u>153,782</u>	<u>876,273</u>	<u>925,561</u>	<u>(49,288)</u>	<u>1,083,064</u>
Total Increase (Decrease) in Net Assets	<u>\$ 215,604</u>	<u>\$ 199,789</u>	<u>\$ 15,815</u>	<u>\$ (181,210)</u>	<u>\$ 1,711,307</u>	<u>\$ 1,250,833</u>	<u>\$ 460,474</u>	<u>\$ 1,285,099</u>

Statement of Cash Flows

	Nine Months Ending March 31, 2021
Cash flow from operating activities	
Received from patients and third-party payors	\$ 38,412,109
Payments to employees	(26,745,629)
Payments to suppliers for services and goods	(15,266,475)
Other receipts from operations	5,223,803
Net cash provided by operating activities	<u>1,623,808</u>
Cash flow from capital and related financing activities	
Acquisition and construction of capital assets	(1,164,877)
Proceeds from sale of capital assets	11,153
Proceeds from county bond tax levy	1,008,966
Interest paid on long-term debt	(181,909)
Principal payments on bonds and notes payable	(196,967)
Net cash used in capital and related financing activities	<u>(523,634)</u>
Cash flow from investing activities	
Investment income	41,288
Purchase of short-term investments	(33,993)
Net activity of investments internally designated for capital acquisitions	1,247,521
Net cash provided by investing activities	<u>1,254,816</u>
Net increase in cash and cash equivalents	2,354,990
Cash and cash equivalents at beginning of year	21,856,450
Cash and cash equivalents at end of period	<u>\$ 24,211,440</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$ 835,034
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,019,790
Provision for uncollectible accounts	990,234
Operating tax levy	6,066
Net gains and losses on sale of PPE	(11,153)
(Increase) decrease in assets:	
Patient accounts receivable	(1,136,397)
Third-party settlements	879,005
Inventory	30,805
Other current assets	12,738
Increase (decrease) in liabilities:	
Trade accounts payable	(60,945)
Accrued Compensation	5,543
Third Party Settlements	(805,449)
Other accrued liabilities	(1,141,463)
Net cash provided by operating activities	<u>\$ 1,623,808</u>

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

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
Net Assets at June 30, 2019	\$ 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
Net Assets at June 30, 2020	31,663,831	17,985,240	49,649,071
Acquisition and construction of capital assets	1,153,724		1,153,724
Depreciation	(2,019,790)		(2,019,790)
Sale of Capital Assets	11,153		11,153
Net Change in Debt	196,967		196,967
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		2,369,253	2,369,253
Increase (Decrease) in Net Assets	(657,946)	2,369,253	1,711,307
Net Assets at March 31, 2021	\$ 31,005,885	\$ 20,354,493	\$ 51,360,378

Kalkaska Memorial Health Center

Statistical Report

	Month of March 2021				Year to Date Ended March 31, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	19	14	5	12	118	122	(4)	145
Respite Care	0	0	0	0	0	0	0	0
Long Term Care	16	14	2	18	140	125	15	167
Extended Stays	11	5	6	6	97	45	52	61
PATIENT DAYS:								
Acute Care	53	35	18	32	301	309	(8)	345
Respite Care	0	0	0	0	0	0	0	0
Long Term Care-Skilled	159	194	(35)	199	1,447	1,715	(268)	1,993
Long Term Care-Basic	2,575	2,751	(176)	2,516	22,227	24,315	(2,088)	22,752
Extended Stays	10	13	(3)	10	70	116	(46)	134
AVERAGE LENGTH OF STAY:								
Acute Care	2.8	2.5	0.3	2.7	2.6	2.5	0.0	2.4
DAILY AVERAGE CENSUS:								
Acute Care	1.7	1.1	0.5	1.0	1.1	1.1	(0.0)	1.3
Long Term Care	88.2	95.0	(6.8)	87.6	86.4	95.0	(8.6)	90.0
PERCENT OF OCCUPANCY:								
Acute Care	21.4%	14.1%	7.3%	12.9%	13.7%	14.1%	-0.4%	15.7%
Long Term Care	84.8%	91.3%	-6.5%	84.2%	83.1%	91.3%	-8.3%	86.5%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	766	705	61	842	6,538	6,231	307	7,190
Urgent Care	237	345	(108)	452	2,028	3,050	(1,022)	3,680
Specialty Clinics	485	371	114	282	3,361	3,083	278	3,072
KMA Clinic RVU's	6,572	4,935	1,637	3,714	45,276	40,980	4,296	41,007
Total Outpatient Visits	7,368	5,213	2,155	5,375	61,778	46,077	15,701	56,740
Surgical Procedures	107	94	13	77	859	782	77	903
Radiology	2,343	2,008	335	1,524	18,668	17,744	924	18,087
Laboratory	18,650	14,649	4,001	13,791	153,905	129,475	24,430	142,966
Physical Therapy	3,366	3,401	(35)	2,652	27,333	28,240	(907)	29,632
Sleep Studies	6	13	(7)	2	37	109	(72)	97
Dialysis Treatments	670	665	5	623	6,075	5,877	198	5,754
Ambulance Transports	220	192	28	175	1,842	1,698	144	1,790
Assisted Living Days	992	1,017	(25)	992	8,891	8,988	(97)	9,556
Cost per adjusted IP and LTC day:	199.49	184.04	15.44	200.46	199.16	184.89	14.27	170.57
TOTAL FTE'S:	435	412	(22)	414	419	412	(7)	404

Kalkaska Memorial Health Center

Additional Financial Information

	March 31, 2021
MTD % increase in net revenue vs. prior year	15.67%
MTD % increase in expense vs. prior year	<u>9.94%</u>
	5.73%
YTD % increase in net revenue vs. prior year	8.65%
YTD % increase in expense vs. prior year	<u>11.43%</u>
	-2.78%
LTC Expense per Critical Unit - MTD	\$ 208.62
LTC Expense per Critical Unit - YTD	\$ 208.97
Ambulance Days in AR YTD	53.86
Dialysis number of patients - MTD	53
Dialysis net income - MTD	\$ 7,256
Dialysis net income - YTD	\$ 57,354
Assisted Living net income - MTD	\$ (13,435)
Assisted Living net income - YTD	(105,955)
Average Age of Plant (as of 3/31/21)	12.05
Debt to Capitalization Ratio	0.13

Net Revenue Analysis

	Month of March 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.3%	0.8%	0.4%
Outpatient	60.3%	64.8%	-4.5%
Professional	12.6%	10.2%	2.4%
Long-Term Care	11.2%	11.0%	0.2%
Dialysis Center	8.3%	8.0%	0.3%
Ambulance	3.8%	2.8%	1.0%
Retail Pharmacy	1.5%	1.4%	0.2%
Assisted Living	1.1%	1.1%	0.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	47.7%	43.9%	-3.8%
Charity Care	0.1%	0.4%	0.3%
Bad Debt	1.4%	2.0%	0.7%
Total Revenue Deductions	<u>49.1%</u>	<u>46.3%</u>	<u>-2.9%</u>
	Year to Date Ended March 31, 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.0%	0.8%	0.2%
Outpatient	60.0%	64.6%	-4.5%
Professional	12.1%	9.9%	2.2%
Long-Term Care	11.3%	11.2%	0.1%
Dialysis Center	9.2%	8.1%	1.1%
Ambulance	3.7%	2.9%	0.8%
Retail Pharmacy	1.4%	1.4%	0.1%
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	45.1%	44.0%	-1.1%
Charity Care	0.3%	0.4%	0.1%
Bad Debt	1.4%	2.0%	0.6%
Total Revenue Deductions	<u>46.7%</u>	<u>46.3%</u>	<u>-0.3%</u>

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2021
Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	30.38%	21.73%	0.33%	16.53%	13.24%	6.40%	8.08%	3.31%	100.00%
LTC	11.48%	9.78%	59.20%	0.00%	0.00%	4.45%	0.00%	15.09%	100.00%
ER	20.67%	15.71%	0.00%	29.47%	14.74%	7.17%	8.00%	4.23%	100.00%
OR	24.47%	20.43%	0.00%	20.08%	15.81%	7.02%	11.87%	0.33%	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%