

Kalkaska Memorial Health Center

Balance Sheet

Assets	May 31, 2022	June 30, 2021
Current Assets		
Cash and Cash Equivalents	\$ 27,353,247	\$ 8,941,754
Short-Term Investments	7,515,843	7,923,659
Accounts Receivable	8,575,171	6,905,864
Third Party Settlements	936,316	1,828,175
Due from Affiliates	7,197	1,786
Inventory	452,671	192,714
Other Current Assets	220,873	169,722
Total Current Assets	45,061,318	25,963,674
Investments	-	832,328
Capital Assets (net of Accumulated Depreciation)	35,339,335	36,502,459
Land	1,364,151	1,364,151
Construction In Progress	1,378,247	1,435,478
Other Assets		
Restricted Cash	4,536,513	14,568,991
Other Assets	106,479	102,496
Total Other Assets	4,642,992	14,671,487
Total Assets	\$ 87,786,043	\$ 80,769,577
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 1,219,456	\$ 1,219,456
Trade Accounts Payable	1,431,845	1,562,570
Accrued Compensation	4,645,825	5,011,549
Third Party Liabilities	3,230,528	3,011,634
Due to Affiliates	3,517,458	2,075,767
Other Current Liabilities	3,176,943	7,039,210
Total Current Liabilities	17,222,055	19,920,186
Long-Term Debt - Less Current Maturities	4,487,457	5,684,759
Other Long-Term Liabilities	20,000	550,000
Deferred Liabilities	9,150	8,420
Total Liabilities	21,738,662	26,163,365
Net Assets		
Invested in Capital Assets, net of Related Debt	38,003,825	38,026,878
Unrestricted	28,043,556	16,579,334
Total Net Assets	66,047,381	54,606,212
Total Liabilities and Net Assets	\$ 87,786,043	\$ 80,769,577

Kalkaska Memorial Health Center

Statement of Operations

	Month of May 2022				Year to Date Ended May 31, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 88,564	\$ 94,151	\$ (5,587)	\$ 56,620	\$ 1,223,762	\$ 1,048,097	\$ 175,665	\$ 870,398
Outpatient	6,599,762	5,092,247	1,507,515	5,015,940	69,290,934	55,817,222	13,473,712	53,562,152
Professional	1,201,279	1,014,190	187,089	1,014,473	12,777,043	11,265,085	1,511,958	10,735,243
Long Term Care	962,777	966,760	(3,983)	917,989	10,466,101	10,522,720	(56,619)	10,029,856
Dialysis Center	706,326	769,894	(63,568)	711,371	7,469,223	8,332,508	(863,285)	8,045,587
Ambulance	384,299	315,555	68,744	342,630	3,548,866	3,548,178	688	3,398,426
Retail Pharmacy	107,799	121,676	(13,877)	115,985	1,309,433	1,316,546	(7,113)	1,291,572
Assisted Living	92,671	98,114	(5,443)	91,478	1,007,505	1,060,412	(52,907)	1,046,371
	<u>10,143,477</u>	<u>8,472,587</u>	<u>1,670,890</u>	<u>8,266,486</u>	<u>107,092,867</u>	<u>92,910,768</u>	<u>14,182,099</u>	<u>88,979,605</u>
Revenue Deductions:								
Contractual Allowances	4,799,833	3,756,913	(1,042,920)	3,302,245	47,595,908	40,607,292	(6,988,616)	39,872,869
Provision Charity Care	36,936	26,837	(10,099)	12,978	304,359	290,016	(14,343)	205,963
Provision for Bad Debt	98,352	161,430	63,078	108,642	1,468,293	1,750,995	282,702	1,030,799
	<u>4,935,121</u>	<u>3,945,180</u>	<u>(989,941)</u>	<u>3,423,865</u>	<u>49,368,560</u>	<u>42,648,303</u>	<u>(6,720,257)</u>	<u>41,109,631</u>
Net Patient Revenues	5,208,356	4,527,407	680,949	4,842,621	57,724,307	50,262,465	7,461,842	47,869,974
Other Operating Revenues	169,848	255,628	(85,780)	275,634	4,270,623	2,998,547	1,272,076	4,287,096
Total Operating Revenue	<u>5,378,204</u>	<u>4,783,035</u>	<u>595,169</u>	<u>5,118,255</u>	<u>61,994,930</u>	<u>53,261,012</u>	<u>8,733,918</u>	<u>52,157,070</u>
Operating Expenses								
Salaries and Wages	2,744,212	2,486,110	(258,102)	2,583,235	29,213,934	26,490,507	(2,723,427)	26,123,342
Fringe Benefits	677,415	639,425	(37,990)	431,993	7,381,067	6,918,319	(462,748)	6,681,271
Contract Labor	36,664	32,731	(3,933)	28,934	334,632	354,641	20,009	333,677
Physician Fees	69,475	95,595	26,120	57,557	764,565	1,082,632	318,067	679,683
Purchased Services	531,441	532,326	885	557,508	6,144,220	5,930,023	(214,197)	6,513,331
Pharmaceuticals	546,727	347,152	(199,575)	291,318	5,744,479	3,761,560	(1,982,919)	3,913,545
Supplies	261,923	285,354	23,431	281,721	3,453,281	3,109,230	(344,051)	3,079,895
Occupancy	91,860	99,028	7,168	96,468	1,172,401	1,071,261	(101,140)	994,161
Equipment, Software & Maintenance	15,735	55,700	39,965	56,412	725,098	687,363	(37,735)	676,114
Depreciation	255,280	231,357	(23,923)	232,881	2,703,407	2,545,427	(157,980)	2,503,765
Insurance	61,431	50,679	(10,752)	43,679	579,566	557,469	(22,097)	513,241
Other	21,047	41,931	20,884	27,518	407,814	475,493	67,679	347,367
	<u>5,313,210</u>	<u>4,897,388</u>	<u>(415,822)</u>	<u>4,689,224</u>	<u>58,624,464</u>	<u>52,983,925</u>	<u>(5,640,539)</u>	<u>52,359,392</u>
Less Shared Services	151	-	151	5,935	26,745	2,400	24,345	11,446
Total Operating Expenses	<u>5,313,059</u>	<u>4,897,388</u>	<u>(415,671)</u>	<u>4,683,289</u>	<u>58,597,719</u>	<u>52,981,525</u>	<u>(5,616,194)</u>	<u>52,347,946</u>
Income from Operations before Grant Revenue from COVID-19	65,145	(114,353)	179,498	434,966	3,397,211	279,487	3,117,724	(190,876)
Grant Revenue COVID-19	-	-	-	250,000	758,409	-	758,409	1,967,598
Paycheck Protection Program Loan Forgiveness	-	-	-	-	6,164,700	-	6,164,700	-
Operating Income	65,145	(114,353)	179,498	684,966	10,320,320	279,487	10,040,833	1,776,722
Non-Operating Income (Expense)								
Reserved for Bond Debt	115,692	117,428	(1,736)	112,276	1,284,976	1,268,980	15,996	1,230,014
Interest on Debt Related to Capital Assets	(14,438)	(14,897)	459	(17,441)	(186,391)	(191,689)	5,298	(219,370)
Unrealized Gain/Loss on LT Investments	5,450	-	5,450	(1,063)	(21,131)	-	(21,131)	(43,359)
Tax Levy Revenue	730	684	46	674	8,030	7,524	506	7,414
Contributions	-	150	(150)	-	3,983	1,650	2,333	1,862
Other Income (Loss)	1,891	6,750	(4,859)	2,126	31,382	74,250	(42,868)	87,494
Total Non-Operating Income (Expense)	<u>109,325</u>	<u>110,115</u>	<u>(790)</u>	<u>96,572</u>	<u>1,120,849</u>	<u>1,160,715</u>	<u>(39,866)</u>	<u>1,064,055</u>
Total Increase (Decrease) in Net Assets	<u>\$ 174,470</u>	<u>\$ (4,238)</u>	<u>\$ 178,708</u>	<u>\$ 781,538</u>	<u>\$ 11,441,169</u>	<u>\$ 1,440,202</u>	<u>\$ 10,000,967</u>	<u>\$ 2,840,777</u>

Statement of Cash FlowsEleven Months Ending
May 31, 2022**Cash flow from operating activities**

Received from patients and third-party payors	\$	57,160,342
Payments to employees		(36,960,725)
Payments to suppliers for services and goods		(22,690,990)
Other receipts from operations		11,245,732
Net cash provided by operating activities		<u>8,754,359</u>

Cash flow from capital and related financing activities

Acquisition and construction of capital assets		(1,541,213)
Proceeds from sale of capital assets		14,191
Proceeds from county bond tax levy		1,284,976
Interest paid on long-term debt		(186,391)
Principal payments on bonds and notes payable		(1,197,302)
Net cash used in capital and related financing activities		<u>(1,625,739)</u>

Cash flow from investing activities

Investment income		10,251
Sale of short-term investments		407,816
Net activity of investments internally designated for capital acquisitions		832,328
Net cash provided by investing activities		<u>1,250,395</u>

Net increase in cash and cash equivalents		8,379,015
Cash and cash equivalents at beginning of year		23,510,745
Cash and cash equivalents at end of period	\$	<u><u>31,889,760</u></u>

Reconciliation of operating income to net cash flows from operating activities

Operating income	\$	10,320,320
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		2,703,407
Provision for uncollectible accounts		1,468,293
Operating tax levy		8,030
Net gains and losses on sale of PPE		43,970
(Increase) decrease in assets:		
Patient accounts receivable		(3,143,011)
Third-party settlements		891,859
Inventory		(259,957)
Other current assets		(51,151)
Increase (decrease) in liabilities:		
Trade accounts payable		1,310,966
Accrued Compensation		(365,724)
Third Party Settlements		218,894
Other accrued liabilities		(4,391,537)
Net cash provided by operating activities	\$	<u><u>8,754,359</u></u>

Kalkaska Memorial Health Center

Statement of Changes in Net Assets Eleven Months Ending May 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	1,527,022		1,527,022
Depreciation	(2,703,407)		(2,703,407)
Sale of Capital Assets	(43,970)		(43,970)
Net Change in Debt	1,197,302		1,197,302
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		11,464,222	11,464,222
Increase (Decrease) in Net Assets	(23,053)	11,464,222	11,441,169
Net Assets at May 31, 2022	\$ 32,374,820	\$ 33,672,561	\$ 66,047,381

Kalkaska Memorial Health Center

Statistical Report

	Month of May 2022				Year to Date Ended May 31, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	18	18	0	10	168	193	(25)	136
Long Term Care	14	14	0	13	178	157	21	171
Extended Stays	0	13	(13)	8	128	142	(14)	114
PATIENT DAYS:								
Acute Care	48	43	5	30	594	465	129	361
Long Term Care-Skilled	255	254	1	176	2,568	2,741	(173)	1,812
Long Term Care-Basic	2,270	2,480	(210)	2,564	25,632	26,800	(1,168)	27,286
Extended Stays	7	5	2	8	79	55	24	84
AVERAGE LENGTH OF STAY:								
Acute Care	2.7	2.4	(0.3)	3.0	3.5	2.4	(1.1)	2.7
DAILY AVERAGE CENSUS:								
Acute Care	1.5	1.4	0.1	1.0	1.8	1.4	0.4	1.1
Long Term Care	81.5	88.2	(6.7)	88.4	84.2	88.2	(4.0)	86.9
PERCENT OF OCCUPANCY:								
Acute Care	19.4%	17.3%	2.0%	12.1%	22.2%	17.4%	4.8%	13.5%
Long Term Care	78.3%	84.8%	-6.5%	85.0%	80.9%	84.8%	-3.8%	83.5%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,137	848	289	626	12,967	10,476	2,491	7,920
Urgent Care	(4)	0	(4)	191	415	0	415	2,468
Walk-in Clinic	455	262	193	21	4,519	2,834	1,685	45
Primary Care Physician RVU's	6,877	5,088	1,789	5,808	68,423	55,044	13,379	53,496
Primary Care Physician Encounters	3,723	3,682	41	3,540	39,987	39,836	151	38,749
Specialty Clinics	322	385	(63)	405	3,893	4,165	(272)	4,214
KMA Clinic RVU's	7,338	6,050	1,288	6,296	73,882	65,450	8,432	58,215
Total Outpatient Visits	7,232	6,988	244	6,531	77,414	75,513	1,901	75,303
Surgical Procedures	133	108	25	106	1,307	1,168	139	1,077
Radiology	2,704	2,133	571	2,247	27,267	23,050	4,217	23,033
Laboratory	18,787	17,057	1,730	18,253	211,482	185,926	25,556	191,292
Physical Therapy	3,488	3,297	191	3,182	36,109	35,660	449	33,781
Chemo Therapy	514	321	193	337	4,690	3,476	1,214	3,298
Dialysis Treatments	588	689	(101)	655	6,455	7,457	(1,002)	7,353
Ambulance Transports	269	217	52	238	2,513	2,440	73	2,334
Assisted Living Days	948	1,005	(57)	955	10,117	10,862	(745)	10,737
Cost per adjusted IP and LTC day:	199.84	203.87	(4.02)	182.78	203.21	202.41	1	197.18
TOTAL FTE'S:	451	430	(22)	436	440	430	(11)	422

Kalkaska Memorial Health Center

Additional Financial Information

	May 31, 2022
MTD % increase in net revenue vs. prior year	7.55%
MTD % increase in expense vs. prior year	13.45%
	<u>-5.89%</u>
YTD % increase in net revenue vs. prior year	20.59%
YTD % increase in expense vs. prior year	11.94%
	<u>8.65%</u>
LTC Expense per Critical Unit - MTD	\$ 242.25
LTC Expense per Critical Unit - YTD	\$ 243.94
Ambulance Days in AR YTD	63.84
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (3,561)
Dialysis net income - YTD	\$ (94,382)
Assisted Living net income - MTD	\$ (7,977)
Assisted Living net income - YTD	(335,703)
Average Age of Plant (as of 5/31/22)	11.82
Debt to Capitalization Ratio	0.08

Net Revenue Analysis

	Month of May 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	0.9%	1.1%	-0.2%
Outpatient	65.1%	60.1%	5.0%
Professional	11.8%	12.0%	-0.1%
Long-Term Care	9.5%	11.4%	-1.9%
Dialysis Center	7.0%	9.1%	-2.1%
Ambulance	3.8%	3.7%	0.1%
Retail Pharmacy	1.1%	1.4%	-0.4%
Assisted Living	0.9%	1.2%	-0.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	47.3%	44.3%	-3.0%
Charity Care	0.4%	0.3%	0.0%
Bad Debt	1.0%	1.9%	0.9%
Total Revenue Deductions	<u>48.7%</u>	<u>46.6%</u>	<u>-2.1%</u>
	Year to Date Ended May 31, 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.1%	1.1%	0.0%
Outpatient	64.7%	60.1%	4.6%
Professional	11.9%	12.1%	-0.2%
Long-Term Care	9.8%	11.3%	-1.6%
Dialysis Center	7.0%	9.0%	-2.0%
Ambulance	3.3%	3.8%	-0.5%
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	44.4%	43.7%	-0.7%
Charity Care	0.3%	0.3%	0.0%
Bad Debt	1.4%	1.9%	0.5%
Total Revenue Deductions	<u>46.1%</u>	<u>45.9%</u>	<u>-0.2%</u>

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2022

Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	26.20%	22.51%	0.11%	20.08%	13.83%	6.43%	8.89%	1.96%	100.00%
LTC	13.37%	14.30%	55.27%	0.00%	0.00%	4.77%	0.00%	12.29%	100.00%
ER	18.84%	16.21%	0.00%	31.58%	14.92%	6.66%	8.32%	3.47%	100.00%
OR	21.10%	29.85%	0.00%	13.54%	17.73%	6.88%	10.20%	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%