

Kalkaska Memorial Health Center

Balance Sheet

Assets	August 31, 2023	June 30, 2023
Current Assets		
Cash and Cash Equivalents	\$ 21,984,870	\$ 20,105,803
Short-Term Investments	7,715,918	6,631,348
Accounts Receivable	11,646,025	12,464,426
Third Party Settlements	-	157,318
Due from Affiliates	-	29,312
Inventory	418,652	276,948
Other Current Assets	293,956	310,992
Total Current Assets	42,059,421	39,976,147
Investments	8,902,130	9,891,710
Capital Assets (net of Accumulated Depreciation)	34,671,855	35,216,480
Land	1,426,272	1,426,272
Construction In Progress	9,678,026	10,052,749
Other Assets		
Restricted Cash	8,827,280	11,496,448
Other Assets	109,914	109,914
Total Other Assets	8,937,194	11,606,362
Total Assets	\$ 105,674,898	\$ 108,169,720
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,317,359	\$ 2,317,359
Trade Accounts Payable	1,090,328	4,177,864
Accrued Compensation	4,541,530	3,871,492
Third Party Liabilities	4,077,070	4,620,950
Due to Affiliates	3,755,756	3,864,305
Other Current Liabilities	2,155,461	1,728,862
Total Current Liabilities	17,937,504	20,580,832
Long-Term Debt - Less Current Maturities	15,964,940	16,175,333
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	17,443	9,392
Total Liabilities	33,939,887	36,785,557
Net Assets		
Invested in Capital Assets, net of Related Debt	33,122,859	33,831,814
Unrestricted	38,612,152	37,552,349
Total Net Assets	71,735,011	71,384,163
Total Liabilities and Net Assets	\$ 105,674,898	\$ 108,169,720

Kalkaska Memorial Health Center

Statement of Operations

	Month of August 2023				Year to Date Ended August 31, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 77,266	\$ 147,999	\$ (70,733)	\$ 102,405	\$ 182,579	\$ 295,998	\$ (113,419)	\$ 227,947
Outpatient	9,275,258	7,965,910	1,309,348	8,470,785	16,244,572	15,790,451	454,121	15,118,624
Professional	1,770,333	1,479,749	290,584	1,349,938	2,984,397	2,959,498	24,899	2,454,038
Long Term Care	1,003,922	1,015,471	(11,549)	1,038,818	2,024,798	2,030,942	(6,144)	2,064,835
Dialysis Center	564,587	613,049	(48,462)	682,920	1,124,138	1,226,098	(101,960)	1,330,091
Ambulance	409,252	356,187	53,065	382,739	909,974	712,374	197,600	680,964
Retail Pharmacy	233,376	142,620	90,756	106,782	399,927	285,240	114,687	232,826
Assisted Living	96,495	96,691	(196)	95,639	193,693	193,382	311	191,953
	<u>13,430,489</u>	<u>11,817,676</u>	<u>1,612,813</u>	<u>12,230,026</u>	<u>24,064,078</u>	<u>23,493,983</u>	<u>570,095</u>	<u>22,301,278</u>
Revenue Deductions:								
Contractual Allowances	6,482,635	5,342,176	(1,140,459)	5,677,139	11,394,314	10,684,352	(709,962)	10,157,668
Provision Charity Care	27,780	42,665	14,885	39,425	98,971	85,330	(13,641)	69,120
Provision for Bad Debt	159,311	223,895	64,584	345,161	330,090	447,790	117,700	396,118
	<u>6,669,726</u>	<u>5,608,736</u>	<u>(1,060,990)</u>	<u>6,061,725</u>	<u>11,823,375</u>	<u>11,217,472</u>	<u>(605,903)</u>	<u>10,622,906</u>
Net Patient Revenues	6,760,763	6,208,940	551,823	6,168,301	12,240,703	12,276,511	(35,808)	11,678,372
Other Operating Revenues	351,545	177,877	173,668	222,344	610,925	355,753	255,172	1,025,051
Total Operating Revenue	<u>7,112,308</u>	<u>6,386,817</u>	<u>725,491</u>	<u>6,390,645</u>	<u>12,851,628</u>	<u>12,632,264</u>	<u>219,364</u>	<u>12,703,423</u>
Operating Expenses								
Salaries and Wages	3,066,163	3,234,887	168,724	2,570,148	6,398,057	6,209,447	(188,610)	5,402,301
Fringe Benefits	824,577	751,601	(72,976)	629,998	1,614,480	1,503,202	(111,278)	1,400,639
Contract Labor	30,499	35,766	5,267	41,616	66,984	71,532	4,548	68,903
Physician Fees	51,695	58,392	6,697	55,450	186,533	116,784	(69,749)	120,793
Purchased Services	621,304	640,974	19,670	615,552	1,227,216	1,288,805	61,589	1,200,409
Pharmaceuticals	878,903	687,034	(191,869)	761,249	1,387,773	1,338,394	(49,379)	1,441,300
Supplies	379,355	377,628	(1,727)	380,787	671,822	754,938	83,116	1,254,026
Occupancy	91,970	129,727	37,757	74,637	217,614	265,496	47,882	176,707
Equipment, Software & Maintenance	85,735	77,911	(7,824)	94,164	152,925	177,032	24,107	159,637
Depreciation	272,283	262,984	(9,299)	262,301	544,625	525,968	(18,657)	513,574
Insurance	66,085	73,796	7,711	54,022	143,469	147,592	4,123	106,880
Other	77,525	36,635	(40,890)	27,290	129,822	73,270	(56,552)	67,342
	<u>6,446,094</u>	<u>6,367,335</u>	<u>(78,759)</u>	<u>5,567,214</u>	<u>12,741,320</u>	<u>12,472,460</u>	<u>(268,860)</u>	<u>11,912,511</u>
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	<u>6,446,094</u>	<u>6,367,335</u>	<u>(78,759)</u>	<u>5,567,214</u>	<u>12,741,320</u>	<u>12,472,460</u>	<u>(268,860)</u>	<u>11,912,511</u>
Income from Operations before Grant Revenue from COVID-19	666,214	19,482	646,732	823,431	110,308	159,804	(49,496)	790,912
Grant Revenue COVID-19	-	-	-	-	-	-	-	-
Operating Income	666,214	19,482	646,732	823,431	110,308	159,804	(49,496)	790,912
Non-Operating Income (Expense)								
Reserved for Bond Debt	128,223	125,001	3,222	125,230	256,097	250,002	6,095	250,460
Interest on Debt Related to Capital Assets	(56,532)	(56,532)	-	(63,312)	(113,403)	(113,404)	1	(77,750)
Unrealized Gain/Loss on LT Investments	4,973	-	4,973	11,382	46,710	-	46,710	20,345
Tax Levy Revenue	783	747	36	337	1,565	1,494	71	1,120
Bond Issuance Cost	-	-	-	-	-	-	-	(75,500)
Contributions	-	100	(100)	-	-	200	(200)	-
Other Income (Loss)	36,100	7,500	28,600	2,876	49,571	15,000	34,571	4,657
Total Non-Operating Income (Expense)	<u>113,547</u>	<u>76,816</u>	<u>36,731</u>	<u>76,513</u>	<u>240,540</u>	<u>153,292</u>	<u>87,248</u>	<u>123,332</u>
Total Increase (Decrease) in Net Assets	<u>\$ 779,761</u>	<u>\$ 96,298</u>	<u>\$ 683,463</u>	<u>\$ 899,944</u>	<u>\$ 350,848</u>	<u>\$ 313,096</u>	<u>\$ 37,752</u>	<u>\$ 914,244</u>

Statement of Cash Flows

	Two Months Ending August 31, 2023
Cash flow from operating activities	
Received from patients and third-party payors	\$ 12,701,854
Payments to employees	(7,342,499)
Payments to suppliers for services and goods	(7,070,261)
Other receipts from operations	612,490
Net cash used by operating activities	<u>(1,098,416)</u>
Cash flow from capital and related financing activities	
Acquisition and construction of capital assets	374,723
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	256,097
Interest paid on long-term debt	(113,403)
Retirement of long-term debt	-
Issuance costs paid on long-term debt	-
Principal payments on bonds and notes payable	(210,393)
Net cash provided by capital and related financing activity	<u>307,024</u>
Cash flow from investing activities	
Investment income	96,281
Purchase of short-term investments	(1,084,570)
Net activity of investments internally designated for capital acquisitions	989,580
Net cash provided by investing activities	<u>1,291</u>
Net decrease in cash and cash equivalents	(790,101)
Cash and cash equivalents at beginning of year	31,602,251
Cash and cash equivalents at end of period	<u>\$ 30,812,150</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$ 110,308
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	544,625
Provision for uncollectible accounts	330,090
Operating tax levy	1,565
Net gains and losses on sale of PPE	-
(Increase) decrease in assets:	
Patient accounts receivable	517,623
Third-party settlements	157,318
Inventory	(141,704)
Other current assets	17,036
Increase (decrease) in liabilities:	
Trade accounts payable	(3,196,085)
Accrued Compensation	670,038
Third Party Settlements	(543,880)
Other accrued liabilities	434,650
Net cash used by operating activities	<u>\$ (1,098,416)</u>

Kalkaska Memorial Health Center

**Statement of Changes in Net Assets
Two Months Ending August 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	(4,350,837)	7,500,974	14,918,134
Net Assets at June 30, 2023	28,202,809	43,181,354	71,384,163
Acquisition and construction of capital assets	(374,723)		(374,723)
Depreciation	(544,625)		(544,625)
Sale of Capital Assets	-		-
Capital Grants	-		-
Net Change in Debt	210,393		210,393
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		1,059,803	1,059,803
Increase (Decrease) in Net Assets	(708,955)	1,059,803	350,848
Net Assets at August 31, 2023	\$ 27,493,854	\$ 44,241,157	\$ 71,735,011

Kalkaska Memorial Health Center

Statistical Report

	Month of August 2023				Year to Date Ended August 31, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	14	22	(8)	14	27	44	(17)	34
Long Term Care	21	12	9	14	35	24	11	30
Extended Stays	20	16	4	18	37	32	5	30
PATIENT DAYS:								
Acute Care	45	77	(32)	53	94	154	(60)	108
Long Term Care-Skilled	224	163	61	195	405	326	79	370
Long Term Care-Basic	2,144	2,309	(165)	2,291	4,328	4,618	(290)	4,595
Extended Stays	20	16	4	18	37	32	5	30
AVERAGE LENGTH OF STAY:								
Acute Care	3.2	3.5	0.3	3.8	3.5	3.5	0.0	3.2
DAILY AVERAGE CENSUS:								
Acute Care	1.5	2.5	(1.1)	1.7	1.5	2.5	(1.0)	1.7
Long Term Care	82.2	79.7	2.4	80.2	79.2	79.7	(0.5)	80.1
PERCENT OF OCCUPANCY:								
Acute Care	18.1%	31.0%	-12.9%	21.4%	19.0%	31.0%	-12.1%	21.8%
Long Term Care	79.0%	76.7%	2.3%	77.1%	76.2%	76.7%	-0.5%	77.0%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,493	1,383	110	1,431	3,199	2,766	433	2,986
Urgent Care	0	0	0	0	0	0	0	0
Walk-in Clinic	273	439	(166)	475	642	878	(236)	950
Primary Care Physician RVU's	7,241	7,057	184	7,000	13,507	14,114	(607)	12,825
Primary Care Physician Encounters	4,375	4,028	347	3,912	8,117	8,056	61	7,163
Specialty Clinics	606	365	241	468	969	730	239	790
KMA Clinic RVU's	8,654	7,749	905	7,678	15,810	15,498	312	14,009
Total Outpatient Visits	7,791	7,575	216	7,900	15,265	15,150	115	15,154
Surgical Procedures	176	151	25	164	322	302	20	287
Radiology	3,793	2,849	944	2,857	6,781	5,698	1,083	5,576
Laboratory	21,364	19,235	2,129	20,696	41,355	38,470	2,885	40,716
Physical Therapy	5,060	3,916	1,144	4,126	8,823	7,832	991	7,545
Chemo Therapy	647	582	65	721	918	1,164	(246)	1,304
Dialysis Treatments	524	524	0	591	1,029	1,048	(19)	1,165
Ambulance Transports	243	219	24	258	546	438	108	461
Assisted Living Days	939	923	16	933	1,869	1,846	23	1,894
Cost per adjusted IP and LTC day:	199.07	230.83	(31.76)	190.14	224.32	227.21	(2.89)	219.56
TOTAL FTE'S:	501	485	(16)	465	490	464	(26)	461

Kalkaska Memorial Health Center

Additional Financial Information

	August 31, 2023
MTD % increase in net revenue vs. prior year	9.60%
MTD % increase in expense vs. prior year	15.79%
	-6.18%
YTD % increase in net revenue vs. prior year	4.82%
YTD % increase in expense vs. prior year	6.96%
	-2.14%
LTC Expense per Critical Unit - MTD	\$ 291.64
LTC Expense per Critical Unit - YTD	\$ 290.91
Ambulance Days in AR YTD	58.39
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ 27,267
Dialysis net income - YTD	\$ 33,396
Assisted Living net income - MTD	\$ (49,060)
Assisted Living net income - YTD	(88,874)
Average Age of Plant (as of 8/31/23)	11.70
Debt to Capitalization Ratio	0.20

Net Revenue Analysis

	Month of August 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	0.6%	1.3%	-0.7%
Outpatient	69.1%	67.4%	1.7%
Professional	13.2%	12.5%	0.7%
Long-Term Care	7.5%	8.6%	-1.1%
Dialysis Center	4.2%	5.2%	-1.0%
Ambulance	3.0%	3.0%	0.0%
Retail Pharmacy	1.7%	1.2%	0.5%
Assisted Living	0.7%	0.8%	-0.1%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	48.3%	45.2%	-3.1%
Charity Care	0.2%	0.4%	0.2%
Bad Debt	1.2%	1.9%	0.7%
Total Revenue Deductions	49.7%	47.5%	-2.2%
	Year to Date Ended August 31, 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	0.8%	1.3%	-0.5%
Outpatient	67.5%	67.2%	0.3%
Professional	12.4%	12.6%	-0.2%
Long-Term Care	8.4%	8.6%	-0.2%
Dialysis Center	4.7%	5.2%	-0.5%
Ambulance	3.8%	3.0%	0.7%
Retail Pharmacy	1.7%	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	47.3%	45.5%	-1.9%
Charity Care	0.4%	0.4%	0.0%
Bad Debt	1.4%	1.9%	0.5%
Total Revenue Deductions	49.1%	47.7%	-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	23.31%	24.81%	0.18%	20.76%	14.03%	7.67%	6.87%	2.39%	100.00%
LTC	10.30%	6.09%	56.24%	0.00%	0.00%	10.98%	0.00%	16.40%	100.00%
ER	15.16%	18.45%	0.00%	32.56%	15.11%	8.47%	6.31%	3.95%	100.00%
OR	24.82%	32.09%	0.00%	15.90%	16.74%	2.69%	6.83%	0.93%	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%