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2018 Budget

Park Hospital District

December 5, 2017

**ESTES PARK MEDICAL CENTER
OPERATING BUDGET 2018**

	<u>2017 BUDGET</u>	<u>2017 PROJECTED</u>	<u>2018 BUDGET</u>	<u>2018 BUDGET 2017 PROJ.</u>	<u>% CHANGE</u>
PATIENT REVENUE					
HOSPITAL	\$ 64,134,532	\$ 68,711,800	\$ 74,279,665	\$ 5,567,865	8.1%
PROSPECT PARK LIVING CENTER	4,227,407	4,205,565	4,091,650	(113,915)	-2.7%
PROVIDER BASED CLINIC	<u>8,233,380</u>	<u>8,565,596</u>	<u>8,694,877</u>	<u>129,281</u>	<u>1.5%</u>
TOTAL PATIENT REVENUE	<u>76,595,319</u>	<u>81,482,961</u>	<u>87,066,192</u>	<u>5,583,231</u>	<u>6.9%</u>
LESS REVENUE DEDUCTIONS	(27,804,101)	(30,822,073)	(35,635,940)	(4,813,867)	-15.6%
LESS BAD DEBT EXPENSE	<u>(6,127,625)</u>	<u>(7,337,091)</u>	<u>(5,223,972)</u>	<u>2,113,119</u>	<u>28.8%</u>
	(33,931,726)	(38,159,164)	(40,859,912)	(2,700,748)	7.1%
	-44.3%	-46.8%	-46.9%		
NET PATIENT REVENUE	42,663,593	43,323,797	46,206,280	2,882,483	6.7%
		53.2%	53.1%		
OTHER	<u>864,869</u>	<u>1,010,323</u>	<u>931,147</u>	<u>(79,176)</u>	<u>-7.8%</u>
TOTAL OPERATING REVENUE	<u>43,528,462</u>	<u>44,334,120</u>	<u>47,137,427</u>	<u>\$2,803,308</u>	<u>6.3%</u>
EXPENSES					
WAGES	\$18,086,657	\$18,445,536	18,876,997	(431,461)	-2.3%
HEALTH BENEFITS	3,584,597	3,496,112	4,200,000	(703,888)	-20.1%
OTHER EMPLOYEE BENEFITS	3,470,558	3,361,520	3,848,775	(487,255)	-14.5%
PROFESSIONAL FEES	1,084,381	1,117,035	1,119,069	(2,034)	-0.2%
PHYSICIAN PROFESSIONAL FEES	2,824,494	3,111,109	4,251,644	(1,140,535)	-36.7%
PURCHASED SERVICES	437,147	436,895	433,062	3,833	0.9%
EMPLOYEE CONTRACT LABOR	144,172	884,021	452,934	431,087	48.8%
MAINTENANCE CONTRACTS	1,933,348	1,860,943	2,018,221	(157,278)	-8.5%
OTHER CONTRACTED SERVICES/FEES	1,091,293	1,088,433	1,064,448	23,985	2.2%
RENT, LEASE, UTILITIES & INSURANCE	938,283	978,243	1,105,455	(127,212)	-13.0%
SUPPLIES	4,393,937	4,731,047	4,961,062	(230,015)	-4.9%
OTHER OPERATING EXPENSES	2,217,084	2,343,552	2,503,162	(159,610)	-6.8%
DEPRECIATION & AMORTIZATION	2,517,999	2,330,761	2,259,793	70,968	3.0%
TOTAL OPERATING EXPENSES	<u>\$42,723,950</u>	<u>\$44,185,207</u>	<u>\$47,094,622</u>	<u>-\$2,909,416</u>	<u>-6.6%</u>
OPERATING INCOME (LOSS)	804,512	148,913	42,805	(106,108)	71.3%
NON-OPERATING REVENUE	2,652,430	2,787,512	2,893,426	105,914	3.8%
NON-OPERATING EXPENSES	(68,138)	26,479	(62,140)	(88,619)	-334.7%
INTEREST	<u>(448,165)</u>	<u>(433,363)</u>	<u>(409,952)</u>	<u>23,411</u>	<u>-5.4%</u>
EXCESS REVENUE OVER EXPENSES	<u>2,940,639</u>	<u>2,529,541</u>	<u>2,464,139</u>	<u>(65,402)</u>	<u>2.6%</u>
GIFTS TO PURCHASE CAPITAL ASSETS	<u>60,000</u>	<u>108,196</u>	<u>-</u>	<u>(108,196)</u>	<u>0.0%</u>
INCREASE (DECREASE) IN NET ASSETS	<u>\$ 3,000,639</u>	<u>\$ 2,637,738</u>	<u>\$ 2,464,139</u>	<u>\$ (173,599)</u>	<u>-6.6%</u>
<i>Total Margin % INCREASE (DECREASE)</i>	6.89%	5.95%	5.23%		

BUDGET MESSAGE

(Pursuant to 29-1-103(1)(e), C.R.S.)

PARK HOSPITAL DISTRICT (d/b/a Estes Park Medical Center)

(INSTRUCTIONS: Pursuant to section 29-1-103(1)(e), C.R.S., the budget must include the Budget Message. Fill in blank spaces and check any items that are applicable.)

The attached 2018 Budget for PARK HOSPITAL DISTRICT includes *:

1. Anticipated Revenue increase of 6.9%, due to minor adjustments in few departments; increase in patient visits; other new programs including Pain Management, Infusion Therapy and Wound Care.
2. Salary and Benefits expense to increase by 6.4% for performance reviews, market adjustments and health insurance costs.
3. Increase operating expenses by 6.6% to reflect increases in professional fees, supplies costs, utilities and insurance costs and increase in drug costs.
4. Acquire new equipment including x-ray equipment, IV pumps, lab equipment, IT equipment, and various other smaller items
5. There are no costs budgeted for the Wellness Center, pending Strategic Plan results.
6. There are no costs budgeted for potential change in IT platform for Electronic Health Record, pending further study and analysis.
7. Capital Budget is set at \$1,324,000.

The budgetary basis of accounting timing measurement method used is:

- Cash basis
- Modified accrual basis
- Encumbrance basis
- Accrual

The services to be provided/delivered during the budget year are the following:

Inpatient, Emergency Services, Therapies, Surgery, Nursing Home, Home Health, Hospice, Ambulance, Family Medicine and Specialties Clinic, and other Outpatient services as provided in 2017.

* *important features* are not defined in statute; however, important features of the budget would include starting/ending a service; increases or decreases in levels of services, increases/decreases to revenues (taxes/rates) and/or expenditures; acquisition of new equipment; start or end of capital project; etc.