

## Agenda

### Estes Park Health Board of Directors' Finance Subcommittee Meeting

Friday, May 15, 2020

3:00 - 4:00 p.m.

Estes Park Health, 555 Prospect Avenue, Estes Park CO 80517

Timberline Conference Room / 1-888-895-6448 Code 7144869430#

Regular Session		Mins.	Procedure	Presenter(s)
1	Call to Order/Welcome	1	Action	Dr. Monty Miller
2	Approval of the Agenda	1	Action	Dr. Monty Miller
3	Public Comments		Information	Public
4	April 2020 Month End Financials and Mitigation Plan	57	Discussion	Mr. Tim Cashman
5	Adjourn	1	Action	Dr. Monty Miller
<i>Total Regular Session Mins.</i>		60		

**Next Regular Finance Subcommittee Meeting: Friday, June 26, 2020 3:00 - 4:00 p.m.**



# Finance Committee Meeting

May 15, 2020



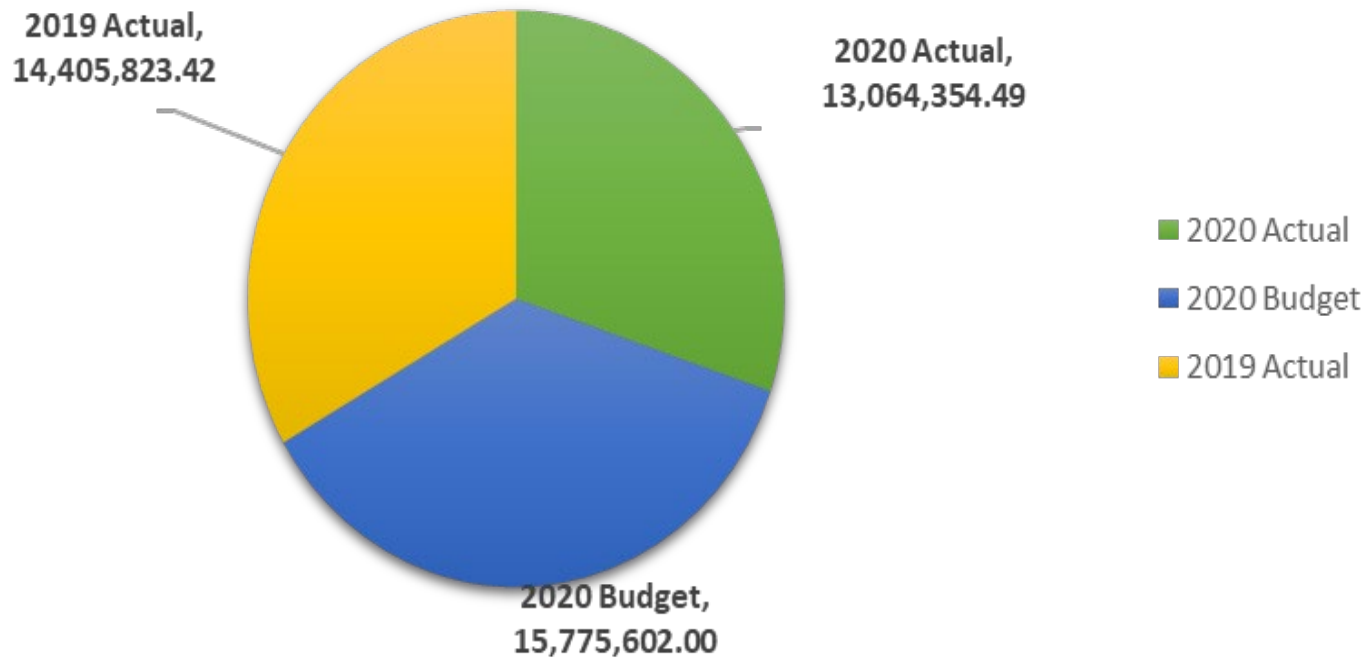
# April 2020 Financials

	APRIL		YEAR TO DATE		
	FY 2020		2020		
REVENUE	Actual	Budget	Actual	Budget	Var
TOTAL OPERATING REVENUE	2,367,063	4,172,023	13,231,126	16,046,311	-18%
TOTAL OPERATING EXPENSE	4,530,767	4,787,744	19,335,368	19,200,776	-1%
<b>OPERATING INCOME (LOSS)</b>	<b>(2,163,704)</b>	<b>(615,721)</b>	<b>(6,104,242)</b>	<b>(3,154,465)</b>	<b>-94%</b>
<i>Operating Margin</i>	<i>-91.4%</i>	<i>-14.8%</i>	<i>-46.1%</i>	<i>-19.7%</i>	
Non-Operating Revenue	255,218	290,059	1,061,201	1,152,736	-8%
Non-Operating Expense	(4,195)	(4,400)	(16,780)	(17,600)	5%
NON-OPERATING	251,023	285,659	1,044,421	1,135,136	
EXCESS REVENUES (EXPENSES)	(1,912,681)	(330,062)	(5,059,821)	(2,019,329)	-151%
Gift to Purchase Capital Assets	-	0	-	100,000	
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(1,912,681)</b>	<b>(330,062)</b>	<b>(5,059,821)</b>	<b>(1,919,329)</b>	<b>-164%</b>
<i>Total Margin</i>	<i>-80.8%</i>	<i>-7.9%</i>	<i>-38.2%</i>	<i>-12.0%</i>	
<b>EBIDA</b>	<b>(1,552,179)</b>	<b>(41,943)</b>	<b>(3,918,632)</b>	<b>(766,853)</b>	

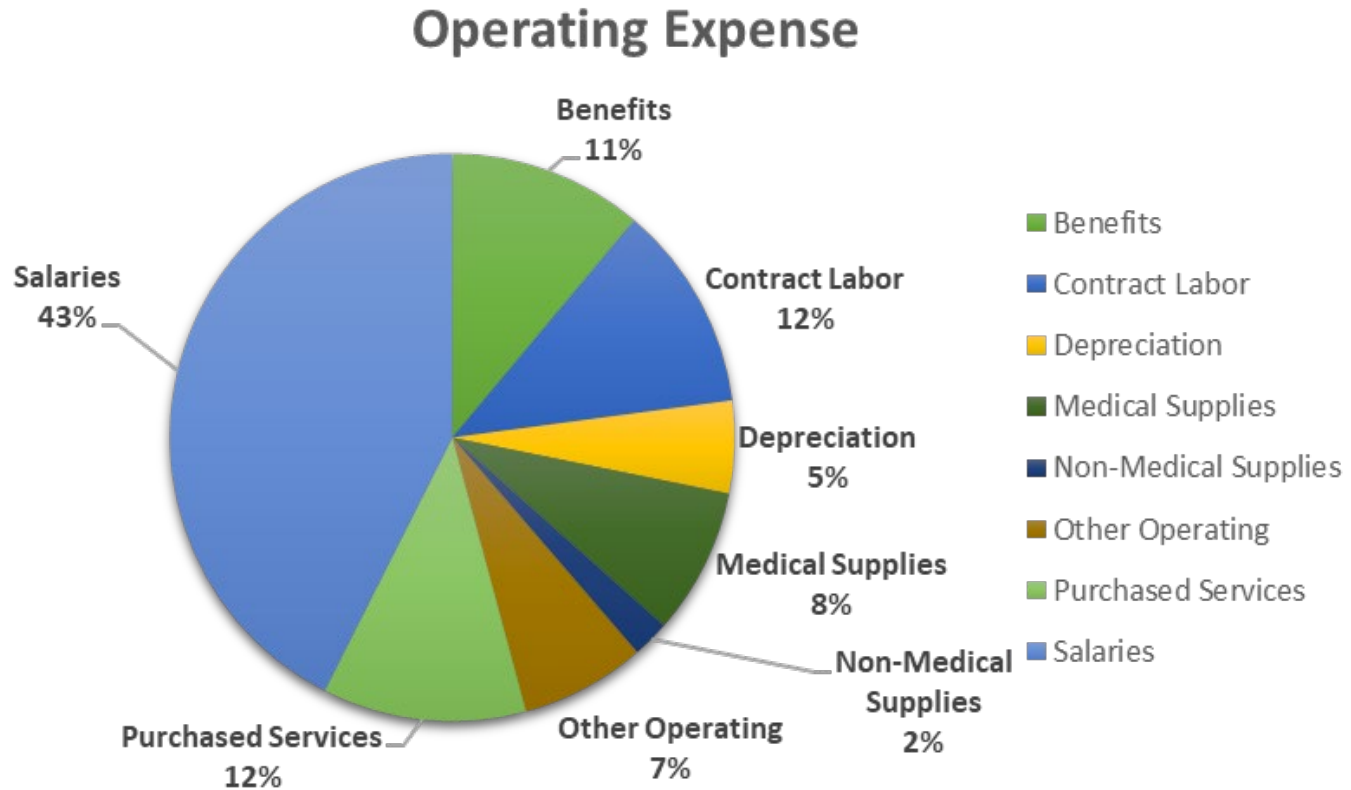


# 2020 Net Revenue Comparison

## Patient Revenue



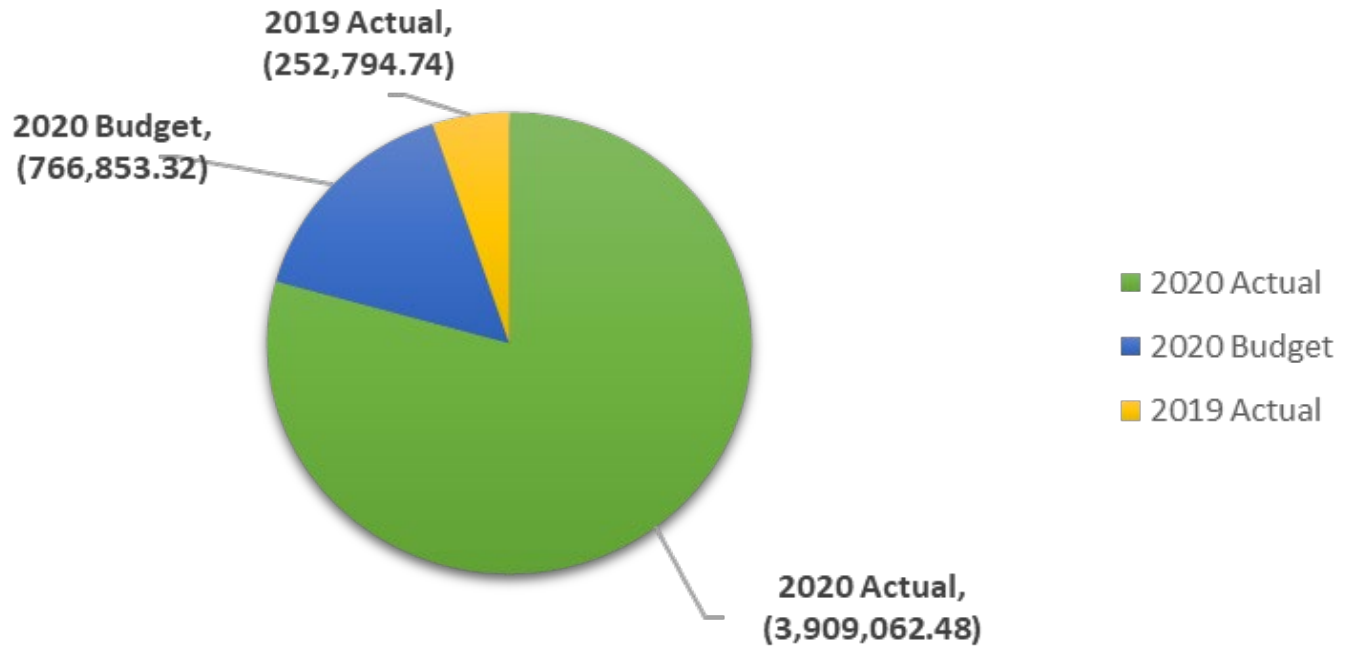
# 2020 YTD Operating Expenses





## 2020 YTD EBIDA Comparison

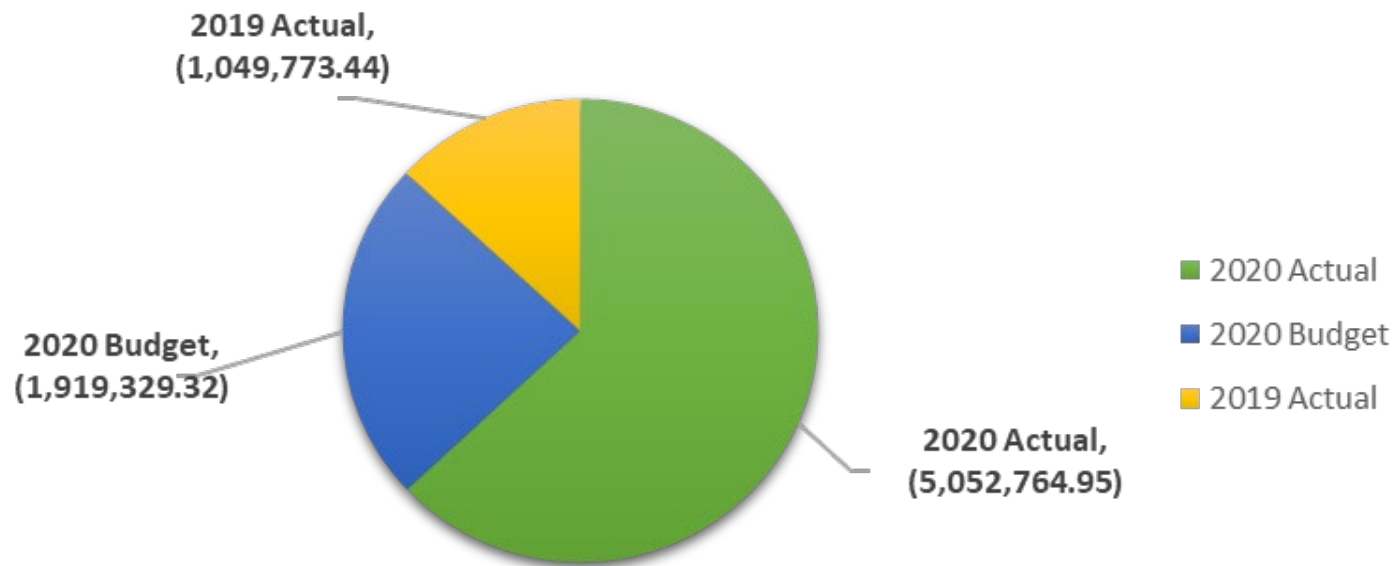
### EBIDA Loss





## 2020 Net Loss Comparison

### Net Loss





<b>Statement of Cash Flows (Unaudited)</b>	
<b>1/1/20 through 4/30/20</b>	
<b>Cash Flows From Operating Activities</b>	
Net cash provided by (used in) operating activities	2,860,118
<b>Cash Flows From Financing Activities</b>	
Net cash provided by (used in) financing activities	6,596,459
<b>Cash Flows From Investing Activities</b>	
Net cash provided by (used in) investing activities	45,270
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	9,501,847
<b>Cash and Cash Equivalents, 01/01/2020</b>	20,744,349
<b>Cash and Cash Equivalents, 4/30/20</b>	<b>\$ 30,246,196</b>
.	
Restricted Cash and Cash Equivalents, 4/30/20	\$ 3,914,266
Unrestricted Cash and Cash Equivalents, 4/30/20	26,331,930
	<b>\$ 30,246,196</b>





# Forecast 2020

	FORECAST						
	FY 2020						
REVENUE	2nd Quarter	3rd Quarter	4th Quarter	FY 2020 Forecast	Budget 2020	Variance	% Variance
TOTAL OPERATING REVENUE	8,397,397	11,933,959	10,084,092	41,395,123	53,750,778	(12,355,655)	-23.0%
TOTAL OPERATING EXPENSE	13,344,859	13,924,859	13,924,859	55,999,191	57,079,435	(1,080,244)	-1.9%
<b>OPERATING INCOME (LOSS)</b>	<b>(4,947,462)</b>	<b>(1,990,900)</b>	<b>(3,840,767)</b>	<b>(14,604,068)</b>	<b>(3,328,657)</b>	<b>(11,275,411)</b>	<b>-338.7%</b>
<i>Operating Margin</i>	<i>-58.9%</i>	<i>-16.7%</i>	<i>-38.1%</i>	<i>-35.3%</i>			
Non-Operating Revenue	871,128	871,128	871,128	3,419,367	3,484,512	(65,145)	-1.9%
Non-Operating Expense	(16,780)	(16,780)	(16,780)	(62,925)	(72,840)	9,915	-13.6%
NON-OPERATING	854,348	854,348	854,348	3,356,442	3,411,672	(55,230)	
EXCESS REVENUES (EXPENSES)	(4,093,114)	(1,136,552)	(2,986,419)	(11,247,626)	83,015	(11,330,641)	
Gift to Purchase Capital Assets	400,000	-	-	400,000	300,000	100,000	33.3%
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(3,693,114)</b>	<b>(1,136,552)</b>	<b>(2,986,419)</b>	<b>(10,847,626)</b>	<b>383,015</b>	<b>(11,230,641)</b>	
<i>Total Margin</i>	<i>-44.0%</i>	<i>-9.5%</i>	<i>-29.6%</i>		<i>0.7%</i>		
<b>EBIDA</b>	<b>(2,797,760)</b>	<b>(241,198)</b>	<b>(2,091,065)</b>	<b>(7,380,863)</b>	<b>3,964,431</b>		



# Assumptions

	May/June	3rd Qtr	FY 2020
<b>Revenues</b>	March '20 saw a 31% decline in Revenues, across the board. Accordingly 3rd Qtr results showed an 11% loss of Revenues. Notably in Medsurg, Emergency Dept, Surgery, Radiology, Lab and Rehab.	As time progresses thru the summer, and if luck holds up, expectations could yield a <b>potential recovery of 70%</b> by end of September.	By end of year, expectation (and hope) could allow for a <b>continued 80%</b> of average by end of the year.
	Expectations for April are approx 45% decline in Revenues		
	With the potential of a change in "Stay at Home" restrictions, EPH could potentially see a gradual increase in patient visits, currently estimated about 5% per week. Resulting in potentially up to <b>50% of average</b> (defined as budget) by end of June.		
<b>Expenses</b>	Through May, expenses are expected to remain normal, as was the promise to the staff. Funds are received from the PPP to cover payroll for an 8 week period. Other spending is closely monitored.	For July thru September, with Revenues anticipated at 70% of normal, the hospital will try to keep expenses at 80%. However forecasting budgeted expense.	The same for year end, if Revenues are 80% recovery, so should Expenses.
	For May and June, expectations are to reduce Salary costs by up to 10%, including several initiatives.		
	Contract Labor, other than Pediatric Call, is expected to be eliminated.		
<b>Earnings</b>	The second quarter is reporting a net loss of \$3.8M.	Third Quarter forecasts a Net Loss of \$1.5M	Fourth Quarter forecasts a net loss of \$3.6M and a FY 2020 Loss of \$12M
<b>Earnings w/ Stimulus applied</b>	As Stimulus funds		Year end expectations for net loss are between \$5M and 7M.
<b>Cash Flow</b>	Loss of Cash thru March is \$2M	Thru September Cash is expected to decrease by \$5M. This does not include any Stimulus, APP or PPP funds.	End of year is expecting Days Cash on Hand to be around 125.
<b>Impact of Stimulus Funds</b>	Thru May 12, total funds received from Medicare and other Stimulus programs is \$9.5M. However, as of this report, \$4.4M must be repaid over 5 months beginning in August. There are efforts underway to request these funds be forgivable. Pending.	With an added infusion of \$14M in cash, availability should not be a problem. However, much depends on the possibility of having to repay \$4.4M.	Assuming a repayment of the \$4.4M, and the Revenue and Expense projections are close, cash as end of the year will likely show a net loss of \$4M, thus reducing Days Cash on Hand to somewhere near 120 days.
	The hospital was successful in obtaining a forgivable loan from the CARES Act and the Payroll Protection Program of \$4.8M. This is specifically for covering Payroll costs for 8 weeks.		



## Proposed Staffing Changes

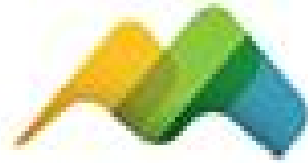
1. Implement a 10% roll-back of wages for higher wage earners
  - a. 154 employees will not be affected, those earning less than \$50K/year
  - b. 25 employees will not be affected between 0.7% and 9.99%
  - c. 218 employees will see a temporary (90 days) rollback
  - d. Includes Physicians and Senior Leadership
  - e. Re-evaluation of hospital visits at 90 days
  - f. Anticipated savings of **\$450K**
  - g. Anticipated Pension and Medicare savings of \$35K
  - h. Beginning June 1, 2020
  
2. Implement a PTO Accrual Freeze (90 days)
  - a. Anticipated savings of **\$360K**
  - b. All employees affected



## Department Adjustments

Each Department has reviewed and provided opportunities for Cost Savings including:

	Annual Savings
Emergency Dept	\$153K
Surgery Dept	\$ 43K
Physicians Clinic	\$ 60K
MedSurg Inpatient	\$ 10K
Wound Care	\$ 50K
Birth Center	\$100K
Patient Financial Svcs	\$ 40K
Facilities	\$100K
Dietary	\$ 5K
Diagnostic Imaging	\$103K
Living Center	\$ 60K
Estimated Total Annual Savings	\$724K



**ESTES PARK**  
HEALTH

Questions?