

Agenda				
Estes Park Health Board of Directors' Finance Committee Meeting				
Monday, November 30, 2020				
4:00 - 6:00 p.m.				
Estes Park Health, 555 Prospect Avenue, Estes Park CO 80517				
Timberline Conference Room / Teams Online / 1-719-300-6108 Conference ID: 491 255 211#				
Regular Session		Mins.	Procedure	Presenter(s)
1	Call to Order/Welcome	1	Action	Dr. Steve Alper
2	Public Comments	2	Information	Public
3	Approval of the Agenda	1	Action	Dr. Steve Alper
4	Approval of Finance Meeting Minutes November 5, 2020	1	Action	Dr. Steve Alper
5	Month End Financials - October 2020	30	Discussion	Mr. Tim Cashman
6	Approval of 2021 EPH Budget	40	Discussion	Mr. Tim Cashman
7	Adjourn	1	Action	Dr. Steve Alper
Total Regular Session Mins.		76		
Next Regular Finance Committee Meeting: Thursday, January 21, 2021 8:00 - 10:00 a.m.				



ESTES PARK HEALTH BOARD OF DIRECTORS'

Finance Committee Meeting Minutes – November 5, 2020

Board Members in Attendance

Dr. David Batey
Ms. Diane Muno (via online)
Mr. William Pinkham
Dr. Steve Alper
Ms. Sandy Begley (via online)

Board Members Absent

None

Other Attendees

Mr. Vern Carda, CEO (via online)
Mr. Tim Cashman, CFO

Community Attendees

None

1. Call to Order

The Finance Committee meeting was called to order at 3:06 p.m. by Dr. Alper, Chair; there was a quorum present. Notice of the Finance Committee meeting was posted in accordance with the SUNSHINE Law Regulation.

2. Public Comments

No comments were submitted.

3. Approval of the Agenda

Dr. Batey motioned to approve the agenda as submitted. Mr. Pinkham seconded the motion, which carried unanimously.

4. Approval of the Meeting Minutes – September 24, 2020

Dr. Batey motioned to approve the minutes from the September 24 meeting as presented. Ms. Begley seconded the motion, which carried unanimously.

5. Month End Financials – September 2020

Get Tim's revised presentation from him.



2020 3rd Quarter Overview

- The month of September and the Quarter reflect positive results. Volumes and Revenues recovered better than expected. For the Quarter (July, August & September), Net revenues were 94% of Budget. YTD Net Revenues are \$5.8M under budget or 14%. (Expectations for the Quarter were 80% of Budget)
- Expenses are 6% under budget, for the month as mitigation efforts were initiated. For the Quarter, Expenses are under budget by 1%. And, YTD Expenses are 2% under budget.
- Net Earnings for the month were a positive \$255K. For the Quarter, Earnings are also positive at \$2.5M; and for the YTD the Net loss is (\$3.4M) compared to a Budgeted Net Gain of \$1.5M.



2020 1st Quarter Overview

The impact of the COVID-19 event has shown a profound impact on the Hospital.

- Before March 19, visits were tracking close to budget; Net Revenues were very close to Budget.
- After March 19, after the Governor's Executive Order to "Cease All Elective Surgeries and Procedures and Preserve Personal Protective Equipment and Ventilators due to the presence of COVID-19";
 - ❖ Most patient visits ceased. Including Clinic visits, Ancillary and, Surgical;
 - ❖ Emergency Department experienced a decline;
 - ❖ Overall Revenues declined by 60%. (This is still the case)
- Incident Command was established resulting the development of the "Operations Committee".
- Staffing remained generally intact, intending to evaluate the situation and sustain the employees thru April.



2020 2nd Quarter Overview

- The month of July continues to show slightly promising return to busy months. For the month, Operating Revenues are 10% down from Budget and 19% down from last year. Year to date shows 17% less than Budget. Year-to-date Operating Revenues are 17% under Budget and 9% under last year. Due to the Covid-19 pandemic the hospital had anticipated a 20% drop for the month. Year to date, expectations indicated an 80% recovery.
- Expenses for the year are 3% under budget. Currently, the only area above budgeted Expense is Supplies. The 10% rollback of wages for the highest earners was initiated June 1, resulting in a 13% drop in Salary expense. For the month, Expenses are 7% under budget.
- Earnings for the month are a net \$1.2M, under budget by 18%. However, Year-To-Date earnings are a loss of \$4.8M compared to a budgeted loss of \$214K, obviously due to the impact of COVID-19.
- Stimulus funds received to date are a total of \$14.5M. Expectations for retainage include \$10.1M, with the remainder of \$4.4M currently held as a "loan" and identified for repayment.
- Balance Sheet is holding up, principally due to the Stimulus funds.
 - AR Days are 46
 - Days Cash on Hand are 234



3rd Quarter Results

Key Areas of Variance

REVENUES

- Inpatient, Swing and Observation are under Budget by (\$988K)
- Birth Center is down by (\$339K)
- Surgery and Anesthesia down by (\$2.4M) and (\$336K), respectfully
- Emergency Dept down by (\$1.9M)
- Ambulance/EMS is down (\$453K)
- Lab, Radiology, Pharm & Rehab down by (\$K2.1M)
- Clinic Physicians down by (\$1.6M)
- Living Center is under Budget by (\$926K)

EXPENSES

- Employee Salaries are under Budget by \$860K or 5%
- Benefits are under Budget by \$85K or 2%
- Contract Labor under Budget by \$96K
- Supplies are over budget \$439K, principally due to COVID

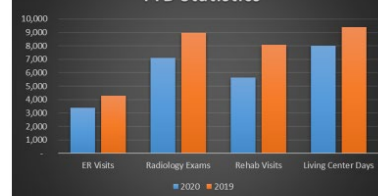


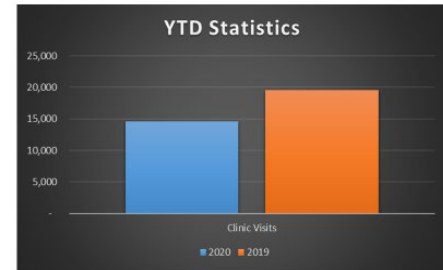
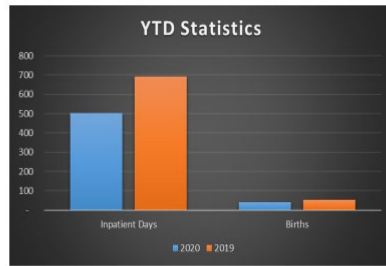
Key Statistics

	YTD	Budget	2019
Inpatient Days	504	691	691
Swing Bed	255	342	200
Births	40	63	54
ER Visits	3,997	4,308	4,795
Urgent Care Visits	1,113	2,540	0
Ambulance Trips	1,464	1,727	1,727
Clinic Visits	14,586	1,8219	19,591
Surgeries (not incl GI)	285	289	276
GI Procedures	302	325	316
Pain Procedures	193	375	287
Lab Tests	52,949	50,064	50,064
Radiology Exams	7,120	8,980	8,980
Rehab Visits	5,652	8,082	8,067
Home Health/Hospice	7,466	6,937	7,312
Living Center Days	7,998	10,374	9,385



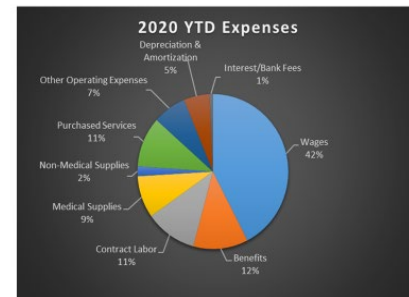
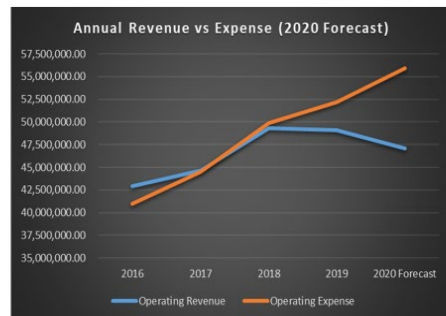
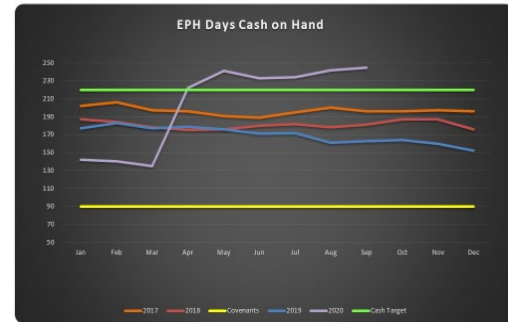
YTD Statistics





Summary of Profit and Loss

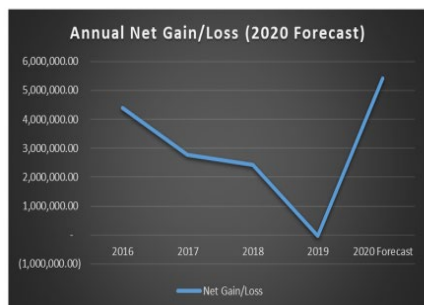
	Actual 2020 YTD	Budget 2020 YTD	Variance \$	Prior Year 2019	Prior Year % Var
Patient Revenue	63,961,364	75,904,344	(11,942,980)	69,632,912	-8%
Total Revenue Deductions	(28,515,474)	(34,916,003)	6,400,529	(32,812,759)	-13%
Total Operating Revenue	35,797,537	41,605,823	(5,808,286)	37,419,589	-4%
Total Operating Expenses	42,240,211	42,918,571	(678,360)	39,150,181	-8%
Operating Income (Loss)	(6,442,674)	(1,312,748)	(5,129,926)	(1,730,592)	-272%
Non-Operating Income	2,495,838	2,707,211	(211,373)	2,358,811	0%
Gift to Purchase Capital Assets	523,769	200,000	323,769	102,095	
Increase (Decrease) in Net Assets	(3,423,067)	1,594,463	(5,017,530)	730,214	-569%
EBIDA	(792,242)	4,237,529		2,548,900	



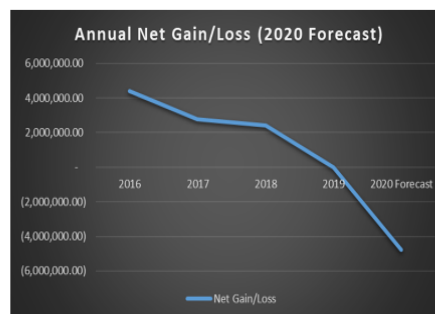
- Revenues are recovering better than expected. Expectations were a 65% recovery for the 2nd Quarter; and 80% for the 3rd and 4th Quarters. Results thru the 2nd Quarter were 80% of Budget (deemed as Normal)
- However, a significant rise in the COVID-19 Virus may impact 4th Quarter recovery and long-term business.
- Expenses, through the 3rd Quarter, are showing a decline due to actions by Management. Further action will be necessary as the year progresses and the Stimulus funds are used.
- Assuming an ongoing reduction of Net Revenues of 20% or \$10M, Expenses will need to decline by the same amount.
- Net Earnings, with the Stimulus funds, are positive. However those are anticipated to exhaust by end of the year. Going forward will require aggressive action in both Expense and Revenue management.

ESTES PARK HEALTH						
Statement of Revenues and Expenses (Unaudited)						
Forecast 2020						
	FORECAST				FY 2020 Forecast	Budget 2020
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		
TOTAL OPERATING REVENUE	10,864	9,805	15,328	11,283	47,061	53,751
TOTAL OPERATING EXPENSE	(14,805)	(13,355)	(14,081)	(13,720)	(55,960)	(57,079)
OPERATING INCOME (LOSS)	(3,941)	(3,550)	1,247	(2,437)	(8,899)	(3,329)
NON-OPERATING	793	879	823	1,125	3,619	3,412
Gift to Purchase Capital Assets		133	391	-	524	300
Stimulus Funds			-	10,171	10,171	-
Total Margin	-29.0%	-33.2%	16.1%	78.5%	6.8%	6.7%
NET GAIN (LOSS)	(3,147)	(2,737)	2,462	8,838	5,415	383
REVISED TBIDA	(2,366)	(1,784)	3,358	9,733	9,841	3,964

Annual Net Gain/Loss (With Stimulus)



Annual Net Gain/Loss (Without Stimulus)



6. Review 2021 EPH Draft Budget

The attached 2021 Budget for Park Hospital District includes these *important features**

1. Increase average charge for hospital services by approximately 0%
2. Decrease in volume for some departments
3. Continue service of a new Urgent Care Center, opened May 27, 2021
4. Contractual and Uncompensated care adjustments of 43% reflect the Medicare Cost Report considerations, Medicaid changes and market impact of self-pay receivables.
5. Maintain overall salary expense consistent with market value and maintaining compensation levels for merit by 0.0%.
6. Decrease operating and non-operating expenses.
7. Acquire, only when absolutely necessary, new capital equipment including x-ray equipment, lab equipment, IT equipment, and various other smaller items.
8. Mill levy of 7.505 yields budgeted tax revenues of \$3,118,849.

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

Inpatient, Observation, Swing Bed, Outpatient, Clinic, Urgent Care Center, Therapies, Surgery, Nursing Home, Home Health, Hospice, Ambulance, and other services as provided in 2021.

* “*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.

ESTES PARK HEALTH

DRAFT OPERATING BUDGET 2021

		2020 BUDGET	2020 PROJECTED	2021 BUDGET	DRAFT 2021 to PROJ 2020
PATIENT REVENUE					
	Inpatient Revenue	19,914,657	14,036,877	14,889,709	\$ 852,832
	Outpatient Revenue	77,940,794	69,680,474	69,240,613	(439,861)
TOTAL PATIENT REVENUE		97,855,451	83,717,351	\$ 84,130,321	412,970
	Less: Contractual Adjustments	(44,034,955)	(35,949,293)	(35,334,735)	614,558
	Less: Bad Debt	(978,557)	(1,258,813)	(1,261,955)	(3,142)
		(45,013,512)	(37,208,106)	(36,596,690)	611,416
		-46.0%	-44.4%	-43.5%	
NET PATIENT REVENUE		52,841,939	46,509,245	47,533,632	1,024,387
			55.6%	56.5%	
	Other	824,185	551,645	469,650	(81,995)
TOTAL OPERATING REVENUE		\$ 53,666,124	\$ 47,060,890	\$ 48,003,282	\$ 942,392
EXPENSES					
	Wages	25,117,554	23,435,040	23,744,093	309,053
	Benefits	6,796,957	6,497,809	6,858,479	360,670
	Contract Labor	6,356,716	6,632,936	5,280,980	(1,351,956)
	Medical Supplies	4,495,035	4,769,424	4,954,306	184,882
	Non-Medical Supplies	1,004,416	1,133,430	985,451	(147,979)
	Purchased Services	5,952,299	5,535,179	5,358,455	(176,724)
	Other Operating Expenses	3,898,755	4,430,073	5,210,035	779,962
	Depreciation/Amortication	3,126,228	3,110,565	3,147,933	37,368
	Interest/Bank Fees	411,192	415,614	375,381	(40,233)
TOTAL OPERATING EXPENSES		\$57,159,152	\$55,960,070	\$55,915,113	(44,957)
OPERATING INCOME (LOSS)		(3,493,028)	(8,899,180)	(7,911,832)	987,348
	Non-Operating Revenue	3,636,419	3,680,859	3,393,500	(287,359)
	Non-Operating Expenses	(60,150)	(61,745)	(74,900)	(13,155)
	Total Non-Operating	3,576,269	3,619,114	3,318,600	(300,514)
EXCESS REVENUES/EXPENSES		83,241	(5,280,066)	(4,593,232)	686,834
	Gifts to Purchase Capital Assets	300,000	523,770	300,000	(223,770)
INCREASE (DECREASE) IN NET ASSETS		\$ 383,241	\$ (4,756,295)	\$ (4,293,232)	\$ 463,063
EBITDA		\$ 3,920,661	\$ (1,230,116)	\$ (769,917)	
	<i>Total Margin % INCREASE (DECREASE)</i>	<i>0.71%</i>	<i>-10.11%</i>	<i>-8.94%</i>	

ESTES PARK MEDICAL CENTER BUDGET 2021 ASSUMPTIONS		COMMENTS
Revenues		
<i>Inpatient Revenues</i>	0% Rate Iner. Volumes are assumed at 80% 2019 levels Swing Bed volumes budgeted higher than 2019 and 2020 Observation volumes budgeted at 10% less than 2019	
<i>Outpatient Revenues</i>	There is no anticipated rate increase	
<i>Surgery</i>	Anticipating recovery of lost procedures, due to 2019 loss of Sterilizer. Aggressive marketing and focus. General Surgery growth	
<i>Urgent Care Center</i>	Budgeted at an average of 10 visits/day. Volumes based on seasonality	
<i>Emergency Department</i>	Budgeting a 7% loss of volumes. Affects revenues of ED Physicians. Planning startup of Community Paramedic OnCall, in coordination with the Urgent Care Center.	
<i>EMS/Ambulance</i>		
<i>Birth Center</i>	Likely decrease in volumes	
<i>Clinic</i>	New providers in Clinic should yield increase in visits. Surgicalist program will have Clinic availability; yet not budgeting for any increase in visits. No rate increase	
Contractuals		
<i>Revenue Deductions</i>	Work continues with Medicare Cost Report with favorable results, helping to decrease the Contractual write-offs. Additional lengthy work with Admissions staff to educate patients upon registration/admission on pricing and financial responsibility. Results indicate favorable response and decreased bad debts. Budget continues to show decrease % Adjustments.	
Expenses		
<i>Salaries</i>	Merit increases are budgeted to re-start as of June 1, 2021. Thus, allowing for a full 12 months of no increases. Budgets at the departmental level are considering the ongoing recruitment challenges for Clinical staffing. Birth Center budget includes additional nursing coverage. Health Insurance is currently estimated at a slight decrease. No other changes in cost are anticipated.	
<i>Benefits</i>		
<i>Maintenance Contracts</i>	Ongoing active evaluation of every Contract. Continued	
<i>Other Contracts</i>		
<i>Contract Labor</i>	Contract Labor costs for RN and Aides.	
Non-Operating		
<i>Tax Subsidy</i>	Property Tax is scheduled for \$3.1M and the additional vehicle tax subsidy is \$250K	

Estes Park Medical Center																	
Budgeted Statistics																	
Fiscal Year 2020																	
	2019 Total	2020 Forecast	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	2021 Budget Total	% of 2019 Stats	
MED SURG INPATIENT DAYS	879	614	88	58	72	62	71	78	32	65	27	35	50	65	703	80%	
SWING BED DAYS	291	322	30	30	30	30	30	30	30	30	30	30	30	30	360	124%	
OBSERVATION DAYS	547	513	22	18	21	36	33	46	52	54	44	39	32	40	438	80%	
OBSTETRIC DAYS	135	109	17	10	7	6	10	2	9	12	2	14	12	8	108	80%	
NEWBORN DAYS	124	93	21	10	6	4	10	2	12	10	2	11	6	6	99	80%	
BIRTHS	85	49	10	6	4	2	6	2	9	8	2	11	5	4	68	80%	
Total Surgical Cases	1,252	1,091	125	94	91	75	83	109	111	123	109	107	109	101	1,237	99%	
ORTHO CASES	162	153	12	11	12	14	13	17	18	13	15	16	13	12	166	102%	
GEN SURGERY CASES	90	89	7	3	4	3	5	10	11	15	8	5	6	5	82	91%	
GYN CASES	52	38	4	5	7	2	4	3	5	7	3	3	3	1	47	90%	
EYES CASES	78	81	12	8	4	8	7	3	8	7	8	8	7	8	88	113%	
PAIN PROCEDURES	370	303	29	28	32	22	27	31	43	32	35	35	35	35	384	104%	
GI PROCEDURES	500	427	61	39	32	26	27	45	26	49	40	40	45	40	470	94%	
EMERGENCY DEPT VISITS	6,210	4,574	310	260	296	286	378	529	706	621	412	390	318	378	4,884	79%	
URGENT CARE		2,299	310	280	372	360	372	191	297	339	360	372	360	372	3,985	0%	
CLINIC	20,971	17,408	1,913	1,610	1,580	1,750	1,846	1,606	1,867	1,811	1,445	1,959	1,257	1,318	19,961	95%	
SPECIALTY CLINIC VISITS	4,598	2,795	239	343	346	350	378	186	335	362	334	298	245	262	3,678	80%	
PAIN CLINIC	474	365	38	24	21	27	38	27	41	38	30	47	23	26	379	80%	
CARDIAC CLINIC	1,128	697	46	66	69	96	93	88	103	83	83	83	48	44	902	80%	
DIAGNOSTIC IMAGING - IP	672	246	14	26	47	49	39	72	80	62	61	51	18	18	538	80%	
DIAGNOSTIC IMAGING - OP	6,753	5,371	403	393	426	381	396	478	598	540	498	469	378	443	5,402	80%	
ULTRASOUND - IP	59	26	2	3	3	6	3	2	10	7	6	4	1	-	47	80%	
ULTRASOUND - OP	920	863	71	47	50	68	57	61	74	62	68	57	51	70	736	80%	
CT SCAN - IP	356	108	6	16	23	23	22	35	44	44	36	22	9	5	285	80%	
CT SCAN - OP	1,802	1,660	99	76	85	97	131	120	202	170	124	106	106	126	1,442	80%	
MRI - IP	55	25	-	2	4	7	9	3	1	7	7	3	-	-	44	80%	
MRI - OP	976	840	63	59	50	70	67	46	87	70	74	76	58	59	781	80%	
LAB - IP	7,146	5,222	479	587	454	450	562	526	481	653	335	446	276	466	5,717	80%	
LAB - OP	66,925	58,517	4,851	4,357	4,233	5,194	5,279	5,075	5,915	6,092	5,257	5,049	2,946	3,976	58,225	87%	
PT - IP	758	702	71	57	61	67	51	30	44	38	57	42	24	65	606	80%	
PT - OP	6,689	5,020	374	416	450	527	520	438	521	569	456	430	354	347	5,402	81%	
PT- SNF	621	214	48	54	69	42	30	24	46	45	38	5	56	42	497	80%	
OT - IP	307	250	5	27	32	30	26	10	18	19	24	20	9	26	246	80%	
OT - OP	469	392	43	33	31	44	37	24	26	38	24	21	34	21	375	80%	
OT- SNF	182	62	15	14	23	8	4	2	15	18	14	3	17	13	146	80%	
ST - IP	53	31	-	9	6	3	3	-	6	6	6	3	1	-	42	80%	
ST - OP	224	224	14	14	14	12	4	6	20	21	19	20	15	19	179	80%	
ST- SNF	44	14	2	2	14	3	-	-	2	2	2	4	1	2	35	80%	
CARDIAC REHAB	572	406	53	41	24	44	32	36	48	49	40	28	24	39	458	80%	
TOTAL REHAB	9,919	7,315	624	667	724	780	707	571	745	802	680	576	535	574	7,986	81%	
AMBULANCE TRIPS	2,206	1,820	113	96	119	106	142	170	263	186	186	145	121	118	1,765	80%	
HOME HEALTH CLINICAL	4,434	4,407	400	400	400	400	400	400	400	400	400	400	400	400	4,800	108%	
HOME HEALTH NON-CLINICAL	3,048	2,563	232	232	232	232	232	232	232	232	232	232	232	232	2,779	91%	
HOSPICE DAYS	2,189	2,271	171	171	171	171	171	171	171	171	171	171	171	171	2,049	94%	
SLEEP LAB	152	119	14	7	10	9	14	12	14	14	10	10	4	2	122	80%	
CHEMOTHERAPY	1,806	1,959	29	106	90	123	177	159	244	170	137	156	130	130	1,650	91%	
OUT PT RESPIRATORY THER	643	627	82	34	34	42	38	40	41	39	49	52	28	34	514	80%	
INPT RESPIRATORY THERAPY	416	469	110	26	33	17	5	16	10	3	11	18	10	74	333	80%	
WOUND CARE CENTER	1,120	764	13	56	29	24	78	99	112	100	74	43	72	84	784	70%	
PHARMACY	111,820	85,651	7,058	5,794	5,786	6,543	6,404	7,955	10,418	11,083	6,483	6,522	6,591	7,888	88,524	79%	
PPLC TOTAL RESIDENT DAYS	12,418	10,482	837	756	837	810	837	810	837	837	810	837	810	837	9,855	79%	
PPLC TOTAL RESIDENT Censu	34	29	27	27	27	27	27	27	27	27	27	27	27	27			
TELEHEALTH		622	50	50	50	50	50	50	50	50	50	50	50	50	50		

7. Adjournment

Ms. Begley motioned to adjourn the Finance Committee meeting at 4:50 p.m. Mr. Pinkham seconded the motion, which carried unanimously.

Steve Alper
Estes Park Health Board Finance Committee Chair



October Financials 2020

Prepared For:

Board of Directors

Prepared By:

Tim Cashman, CFO



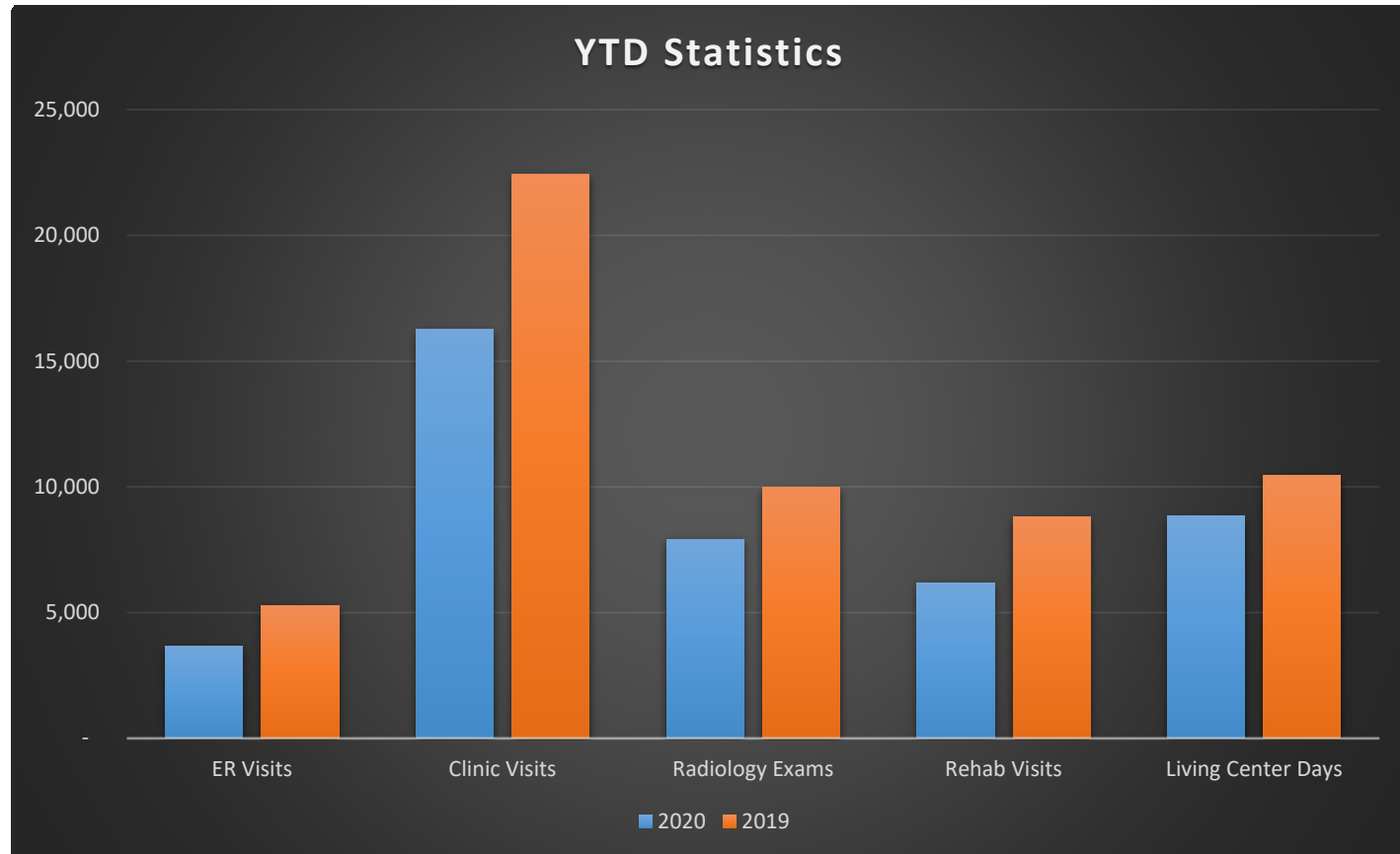
2020 October and YTD Overview

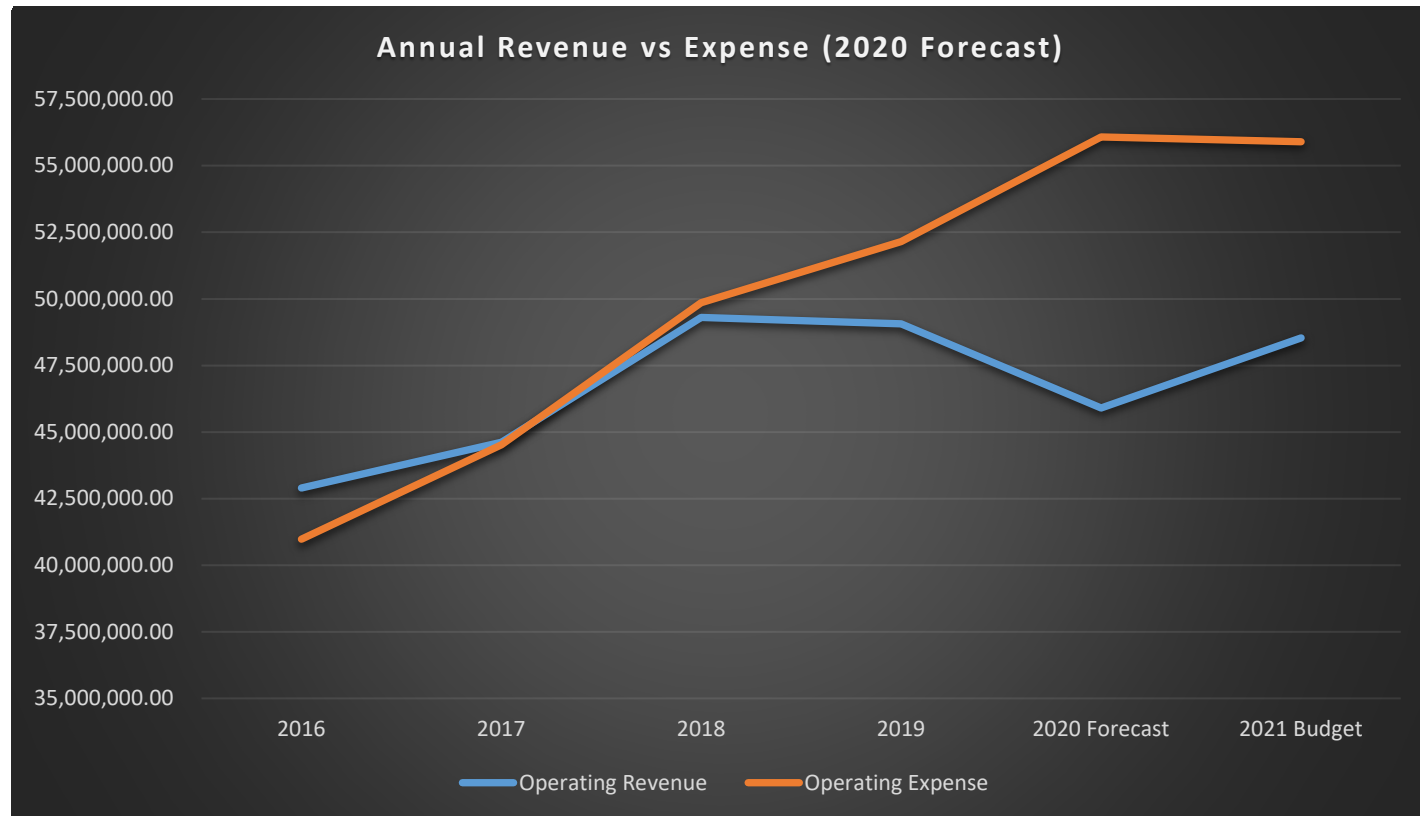
- The month of October was impacted by the evacuation from the Troublesome Fire, resulting in close to \$2M loss of Gross Revenues or 23%. YTD Gross Revenues are 16% under Budget or \$13.8M and 10% or \$7.5M from 2019.
- Contractual Adjustments also reflected changes in credit balances as well as Bad Debt and Charity write-offs.
- Net Operating Revenues are 27% for the month and 15% for the YTD under budget, respectfully.
- Expenses were 5% under budget for the month. YTD Expenses are 2% under budget, notably in Wages, Contract Labor. However, Supplies and Purchased Services continue to increase.
- Income from Operations is a loss of (\$1.4M) for the month and (\$7.9M) for the YTD, thru October.
- Net Earnings for the month is a loss of (\$1.1M) and (\$4.5M) for the YTD.

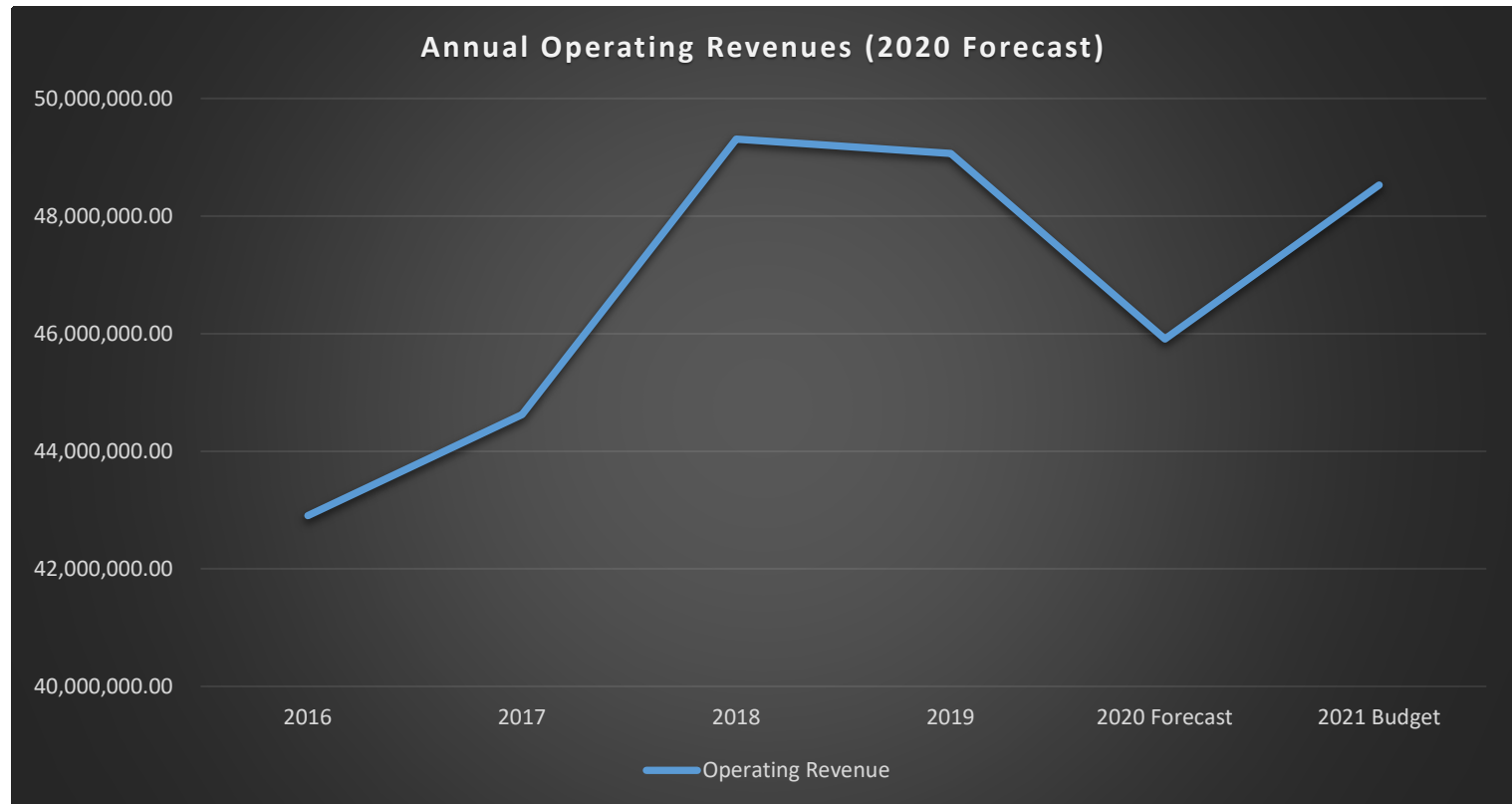


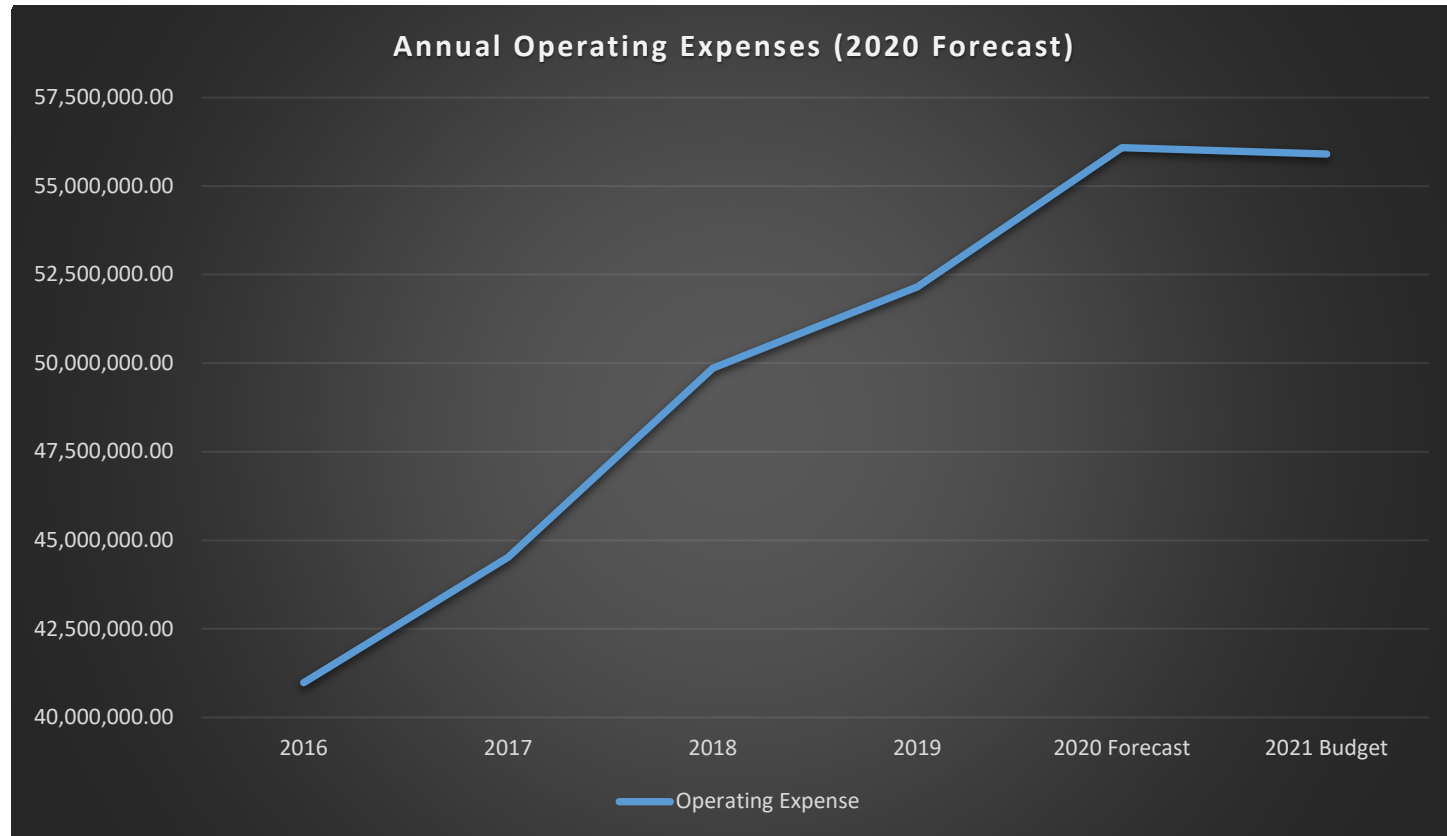
Summary of Profit and Loss

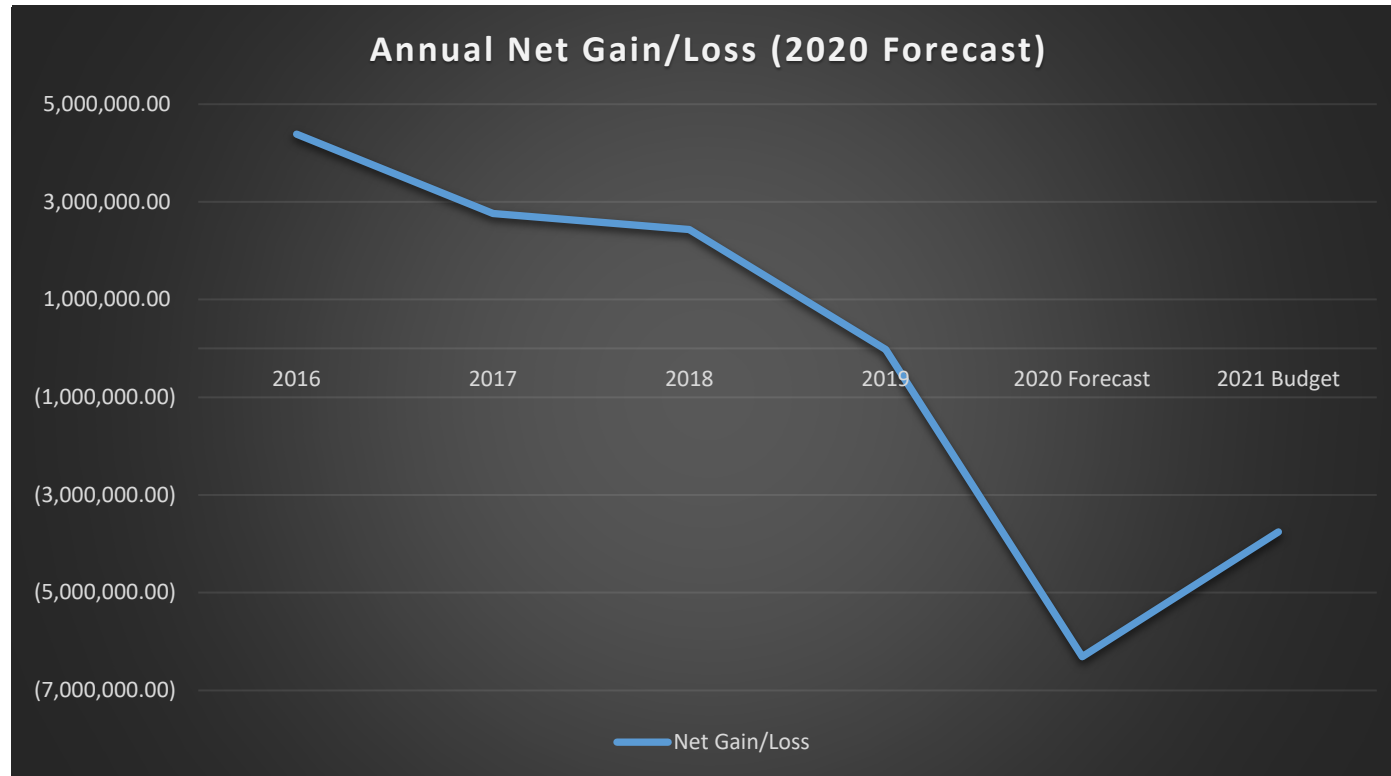
	Actual	Budget	Variance	Prior Year	Prior Year
	2020 YTD	2020 YTD	\$	2019	% Var
Patient Revenue	69,901	83,608	(13,707)	77,441	-10%
Total Revenue Deductions	(31,422)	(38,460)	7,037	(36,354)	-14%
Total Operating Revenue	38,879	45,828	(6,949)	41,715	-7%
Total Operating Expenses	46,731	47,650	(919)	43,958	-6%
Operating Income (Loss)	(7,852)	(1,822)	(6,030)	(2,243)	-250%
Non-Operating Income	2,787	3,000	(213)	2,648	5%
Gift to Purchase Capital Assets	524	200	324	102	0%
Increase (Decrease) in Net Assets	(4,541)	1,378	(5,919)	507	-996%



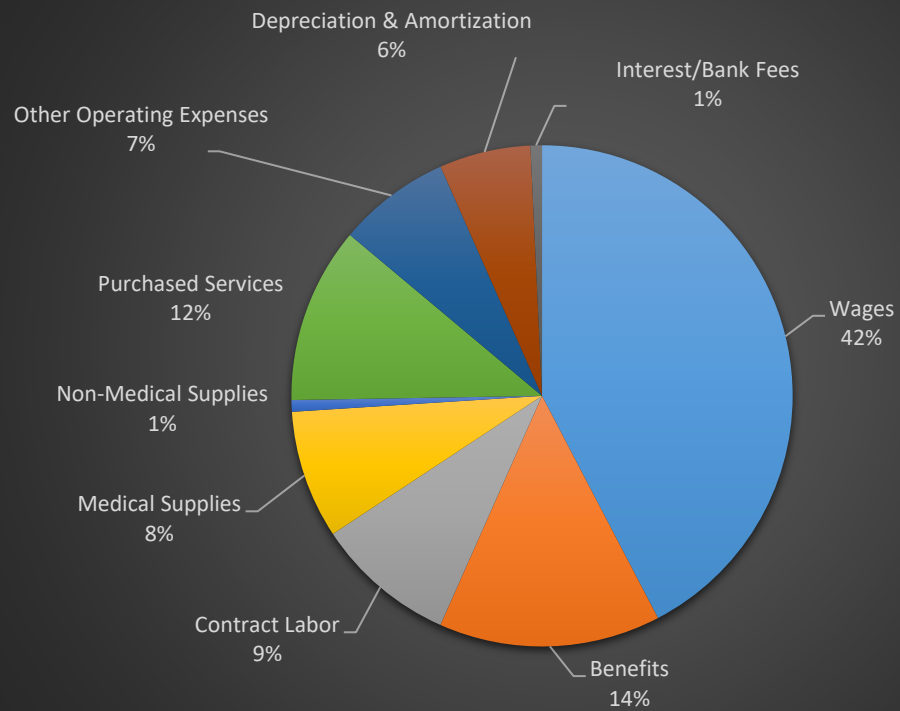




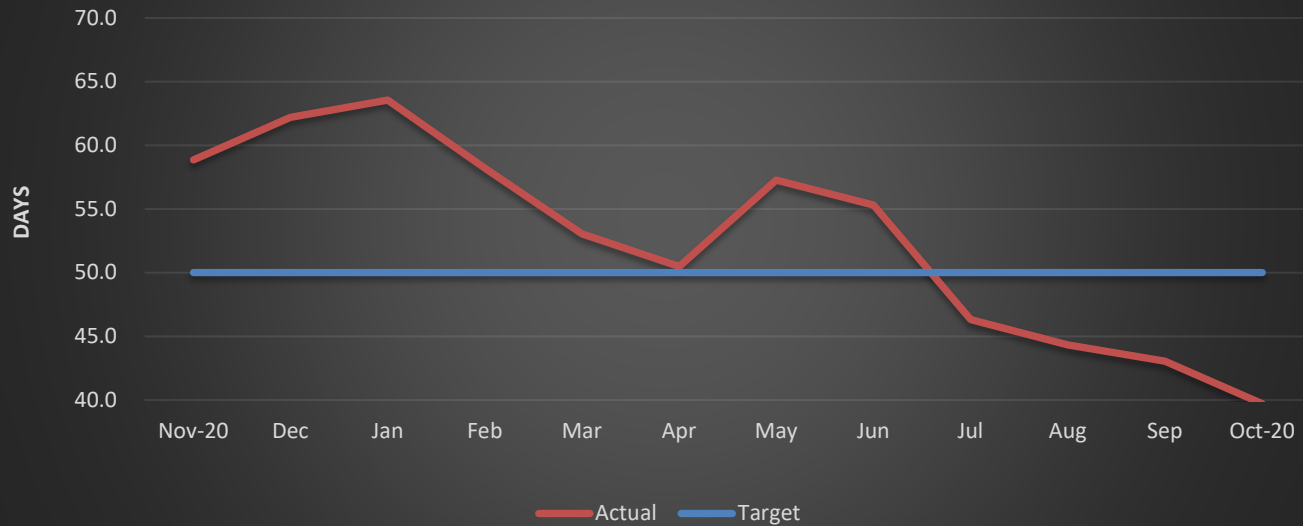




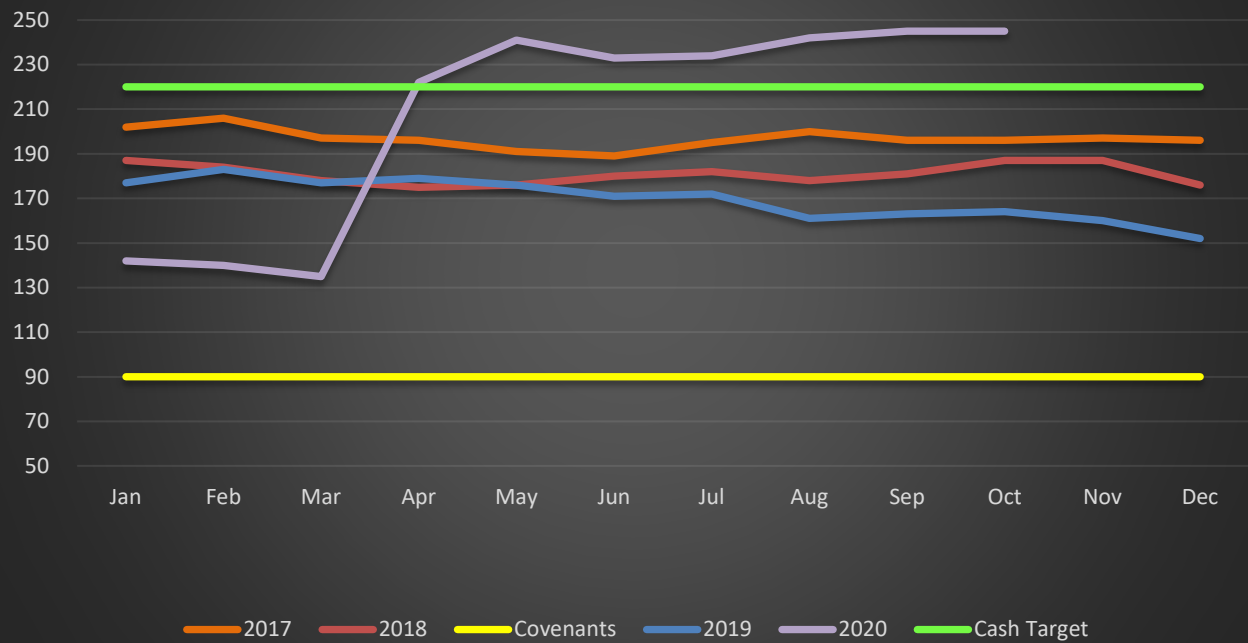
2020 YTD Expenses



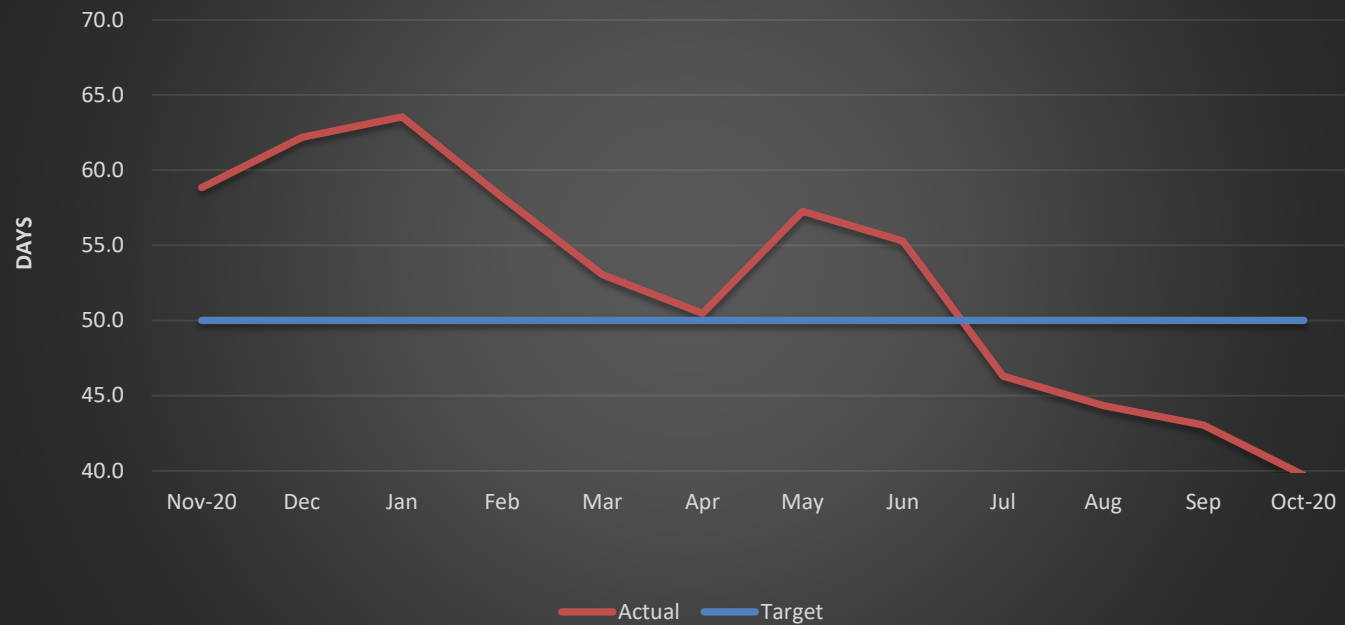
EPH Days in AR (Gross)



EPH Days Cash on Hand



EPH Days in AR (Gross)





2020 Forecast

- Due to the impact of the Evacuation and closure of the Hospital in late October, the Forecast has changed.
- Initially, Revenues recovered better than expected. Expectations were a 65% recovery for the 2nd Quarter; and 80% for the 3rd and 4th Quarters. As a result of the loss of one week of Revenues, the net change (gross minus contractuals) was a loss of \$1.4M
- A significant rise in the COVID-19 Virus may impact 4th Quarter recovery and long-term business.
- Expenses, through the 3rd Quarter, are showing a decline due to actions by Management. Further action will be necessary as the year progresses and the Stimulus funds are used.
- The Stimulus Funds are still held in reserve as there is still no definitive confirmation of any forgiveness. The PPP funds application for forgiveness is scheduled for submission by November 13, 2020. The Forecast reflects the recognition of those funds by End of Year.
- Forecasted Net Earnings, with the PPP Stimulus funds indicate a continued Net Loss.



ESTES PARK HEALTH			
Statement of Revenues and Expenses (Unaudited)			
TOTAL OPERATING REVENUE	45,910	48,529	2,620
TOTAL OPERATING EXPENSE	(56,085)	(55,903)	183
OPERATING INCOME (LOSS)	(10,175)	(7,373)	2,802
Non-Operating	3,342	3,319	(23)
Gift to Purchase Capital Assets	524	300	(224)
Stimulus Funds	-	-	-
<i>Total Margin</i>	<i>-13.7%</i>	<i>-7.7%</i>	0
REVISED CHANGE IN NET ASSETS	(6,310)	(3,755)	2,555



Questions?



555 Prospect Ave. | P.O. Box 2740 | Estes Park, CO 80517

Park Hospital District

2021 Budget

November 30, 2020

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BUDGET MESSAGE

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

PARK HOSPITAL DISTRICT (d/b/a Estes Park Health)

(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 2021 Budget for PARK HOSPITAL DISTRICT includes these *important features*.*

1. Increase average charge for hospital services by approximately 0%
2. Decrease in volume for some departments
3. Continue service of a new Urgent Care Center, opened May 27, 2020
4. Contractual and Uncompensated care adjustments of 43% reflect the Medicare Cost Report considerations, Medicaid changes and market impact of self-pay receivables.
5. Maintain overall salary expense consistent with market value and maintaining compensation levels for merit by 0.0%.
6. Decrease operating and non-operating expenses.
7. Acquire, only when absolutely necessary, new capital equipment including x-ray equipment, lab equipment, IT equipment, and various other smaller items.
8. Mill levy of 7.505 yields budgeted tax revenues of \$3,118,849.

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

Inpatient, Observation, Swing Bed, Outpatient, Clinic, Emergency Dept, Urgent Care Center, Therapies, Surgery, Nursing Home, Home Health, Hospice, Ambulance, and other services as provided in 2021.

* "*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.



555 Prospect Ave. | P.O. Box 2740 | Estes Park, CO 80517

Budget 2021

Executive Summary

The 2021 Budget is developed with consideration of ongoing national and local trends, specifically the COVID-19 Pandemic impact and the recent Fire Evacuation in late October. The dramatic impact to the 2019 Revenues during the months of March, April and May and ongoing decrease in volumes have greatly influenced the financials for Estes Park Health.

Assumptions

<i>Inpatient Revenues</i>	0% Rate Incr. Volumes are assumed at 80% 2019 levels. Hospital business is moving away from Inpatient services and more Outpatient.
<i>Outpatient Revenues</i>	There is no anticipated rate increase and volumes. Most service lines assumed at 80% of 2019 levels, due to industry trends, and the impact of the COVID-19 virus.
<i>Surgery</i>	Anticipating recovery of lost procedures, due to 2019 loss of Sterilizer. Aggressive marketing and focus. General Surgery and Orthopedics anticipated to return to 5-year average.
<i>Urgent Care Center</i>	Budgeted at an average of 10 visits/day. Volumes based on seasonality and expectations of decline in local tourist visits.
<i>Emergency Department</i>	Budgeting a 7% loss of volumes due to industry trend of reduced visits. The impact of the new Urgent Care Center is also considered.
<i>EMS/Ambulance</i>	Planning start-up of Community Paramedic On-Call, in coordination with the Urgent Care Center.
<i>Birth Center</i>	Expected decrease in volumes, as local trends have indicated.
<i>Clinic</i>	New providers in Clinic should recover visit volumes; more comfort using the new Epic program; and the General Surgeon program will have Clinic availability. There is no rate increase,
<i>Revenue Deductions</i>	Work continues with Medicare Cost Report with favorable results, helping to decrease the Contractual write-offs. Additional lengthy work with Admissions staff to educate patients upon registration/admission on pricing and financial responsibility. Results indicate favorable response and decreased bad debts. Budget continues to show decrease % Adjustments.

<i>Salaries</i>	Merit increases are budgeted to re-start as of June 1, 2021. Thus, allowing for a full 12 months of no increases, dating back to June 1, 2020.
	Budgets at the departmental level are considering the ongoing recruitment challenges for Clinical staffing.
<i>Benefits</i>	Health Insurance is currently estimated at a slight decrease. No other changes in cost are anticipated.
<i>Contract Labor</i>	Continued Contract Labor costs for RN and Aides in Surgery and the Living Center. This is expected to continue until Recruiting fills open positions.
<i>Supplies</i>	Anticipated to increase 1%, due to service line adjustments, lower volumes, better contracts
<i>Depreciation</i>	Includes capitalization of Assets; Property and Equipment, including the Epic/Lawson purchase in 2019 and the Urgent Care improvement.
<i>Tax Subsidy</i>	Property Tax is scheduled for \$3.1M and the additional vehicle tax subsidy is \$250K

FTE and Staffing

Staffing and FTE's are anticipated to decline by 2.0 FTE's compared to 2020 Actuals and by 20.3 for Budget 2020. Most Departments are making staffing adjustments as a result of reduced patient visits.

Capital Budget

Historically, the hospital has provided a comprehensive list of needed Capital Equipment, defined as having an asset life of greater than 1 year and a total cost of greater than 1 year. For 2021, Leadership has developed a small list of equipment, given the current fiscal situation.

Agreement with Department Directors provides for "only by necessity to provide critical service". Any request will be vigorously reviewed by Senior Leadership. Accordingly, the Capital list is limited to absolute necessity. The Board will be advised for any proposed purchase in 2021.

ESTES PARK HEALTH

OPERATING BUDGET 2021

	APPROVED 2020 BUDGET	2020 PROJECTED	2021 BUDGET	DRAFT 2021 to PROJ 2020
PATIENT REVENUE				
Inpatient Revenue	19,914,657	13,458,418	12,301,529	\$ (1,156,889)
Outpatient Revenue	77,940,794	68,958,827	64,115,375	(4,843,452)
Living Center Revenue		-	2,678,195	2,678,195
Clinic Revenue			5,966,044	5,966,044
TOTAL PATIENT REVENUE	97,855,451	82,417,245	\$ 85,061,144	2,643,899
Less: Contractual Adjustm	(44,034,955)	(35,809,956)	(35,725,680)	84,276
Less: Bad Debt	(978,557)	(1,182,752)	(1,275,917)	(93,165)
	(45,013,512)	(36,992,709)	(37,001,598)	(8,889)
	-46.0%	-44.9%	-43.5%	
NET PATIENT REVENUE	52,841,939	45,424,536	48,059,546	2,635,010
		55.1%	56.5%	
Other	824,185	485,252	469,650	(15,602)
TOTAL OPERATING REVENUE	\$ 53,666,124	\$ 45,909,788	\$ 48,529,196	\$ 2,619,408
EXPENSES				
Wages	25,117,554	23,328,878	24,622,941	1,294,063
Benefits	6,796,957	6,625,048	6,915,652	290,604
Contract Labor	6,356,716	6,336,564	5,320,980	(1,015,584)
Medical Supplies	4,495,035	4,962,244	4,774,306	(187,938)
Non-Medical Supplies	1,004,416	1,097,107	985,451	(111,656)
Purchased Services	5,952,299	6,148,016	5,431,655	(716,361)
Other Operating Expenses	3,898,755	4,059,819	4,307,455	247,636
Depreciation/Amortication	3,126,228	3,111,958	3,147,933	35,975
Interest/Bank Fees	411,192	415,563	396,235	(19,328)
TOTAL OPERATING EXPENSES	\$57,159,152	\$56,085,196	\$55,902,609	(182,587)
OPERATING INCOME (LOSS)	(3,493,028)	(10,175,408)	(7,373,413)	2,801,995
Non-Operating Revenue	3,636,419	3,401,339	3,393,500	(7,839)
Non-Operating Expenses	(60,150)	(59,739)	(74,900)	(15,161)
Total Non-Operating	3,576,269	3,341,600	3,318,600	(23,000)
EXCESS REVENUES/EXPENSES	83,241	(6,833,808)	(4,054,813)	2,778,996
GIFTS FOR ED REMODEL	-	-	-	-
Gifts to Purchase Capital Asset	300,000	523,770	300,000	(223,770)
INCREASE (DECREASE) IN	\$ 383,241	\$ (6,310,037)	\$ (3,754,813)	\$ 2,555,225
			-7.74%	