

Agenda

Estes Park Health Finance Subcommittee Meeting Agenda via Microsoft Teams

Tuesday, August 23, 2022

12:00 PM - 1:00 PM - TEAMS ONLY

Dial (audio only) 970-822-7850; enter Phone Conference ID: 666 655 99# when prompted

Regular Session		Mins.	Procedure	Presenter(s)
1	Call to Order and Welcome	2	Action	Dr Steve Alper
2	Approval of the Agenda	2	Action	Dr Steve Alper
3	Public Comments on Items Not on the Agenda		Information	Public
4	May 2022 Financial Statements	25	Information	Mr David Timpe
5	Morgan Stanley/ANB Bank Discussion	30	Information	Mr David Timpe
6	Adjourn	1	Action	Finance Committee
Estimated Total Regular Session Mins.		60		

ESTES PARK HEALTH MAY, 2022 HIGHLIGHTS

Net patient revenue for the month of May is under budget by \$206,543 and under budget for the first five months by \$629,059.

Year to date contractals are running over budget even with gross charges being under budget. I expect this to lessen somewhat as we should get a lump sum payment along with an increase in current payment rates from Medicare.

Operating expenses are over budget by \$345,381 for the month of May and under budget by \$700,834 for the first five months.

Contract labor continues to be a challenge. It's \$442,604 over budget for May and \$1,007,546 over budget for the first five months. In addition, the May, 2022 amount is \$561,702 (almost double) more than May, 2021 and the May, 2022 year to date is \$1,862,973 higher than the May, 2021 year to date.

Salaries, wages and benefits are under budget for the month of May and the five months ended May 31, 2022. However, the required staff is being backfilled with contract labor (see prior item).

Supplies cost is under budget for the month of May and the five months then ended. The primary driver is lower drug costs since chemo hasn't started through May.

This all results in a net operating loss for the month of May of \$1,632,932 or \$563,163 negative to budget. Therefore, a terrible month from a financial perspective. The five month year to date net operating loss is \$7,050,527 or \$645,874 over budget.

The \$331,020-other, under nonoperating revenues (expenses), is related to the insurance business interruption claim from the fire a couple years ago. However, since we incurred the loss in prior years, the auditors are requiring this to be recognized in 2021.

On the balance sheet, the decrease in cash over the first five months of 2022 is attributable to two primary reasons:

- MRI purchase of approximately \$1,500,000

- Fund net loss, minus depreciation, of approximately \$4,000,000

PARK HOSPITAL DISTRICT
Estes Park Health

Statistical information

	May, 2022 actual	May, 2022 budget	Five months ended May, 2022 actual	Five months ended May, 2022 budget	Five months ended May, 2021 actual
Medical/surgical patient days	67	83	335	374	365
Swing bed patient days	0	25	163	100	81
Observation days	48	50	230	190	186
Obstetric days	8	8	26	38	42
New born days	6	8	22	38	39
Total patient days	129	174	776	740	713
Number of births	4	4	14	19	21
Total surgeries	27	47	118	200	193
Emergency room visits	481	408	1,871	1,607	1,645
Urgent Care visits	507	200	1,342	632	497
Clinic visits	1,786	1,750	8,024	9,060	8,629
Diagnostic imaging tests	954	1,008	4,344	4,310	4,210
Lab tests	6,180	5,799	30,125	29,965	29,384
Rehab visits	713	703	3,602	3,444	3,391
Ambulance trips	158	168	699	713	713
Home Health visits	510	742	2,754	3,361	3,361
Hospice days	146	175	563	720	706
Pharmacy requisitions	4,041	4,636	24,242	22,834	28,595

ESTES PARK HEALTH
Statement of Revenues, Expenses, and Changes in Net Position (Unaudited)
Five Months Ending May 31, 2022

Row															
	MONTH				2022 YEAR TO DATE				2021 YEAR TO DATE			2020 YEAR TO DATE			
	May 2022				Jan through May				Jan through May			Jan through May			
	Actual (A)	Budget (B)	Actual - Budget	Percent (A-B)÷ABS(B)	Actual (A)	Budget (B)	Actual - Budget	Percent (A-B)÷ABS(B)	2021 Actual	2022 Actual - 2021 Actual	Percent (21-20)÷ABS(20)	2022 Actual	2022 Actual - 2020 Actual	Percent (21-19)÷ABS(19)	
8	OPERATING INCOME														
9	OPERATING REVENUES														
10	Charges for Patient Services														
11	Inpatient	659,330	979,211	(319,881)	-32.7%	3,621,499	4,750,042	(1,128,543)	-23.8%	4,245,040	(623,541)	-14.7%	4,688,872	(1,067,373)	-22.8%
12	Outpatient	6,636,564	6,193,457	443,107	7.2%	30,843,799	30,335,336	508,463	1.7%	29,155,541	1,688,258	5.8%	24,024,177	6,819,622	28.4%
13	Total Charges for Patient Services	7,295,894	7,172,668	123,226	1.7%	34,465,298	35,085,378	(620,080)	-1.8%	33,400,581	1,064,717	3.2%	28,713,049	5,752,249	20.0%
14	Deductions from Charges for Patient Services														
15	Contracts (Medicare, Medicaid, Commercial)	(3,348,971)	(3,120,111)	(228,860)	-7.3%	(15,727,577)	(15,262,137)	(465,440)	-3.0%	(14,932,094)	(795,483)	-5.3%	(12,346,563)	(3,381,014)	-27.4%
16	Charity, Bad Debt, Uncompensated	(226,431)	(125,522)	(100,909)	-80.4%	(777,614)	(613,995)	(163,619)	-26.6%	(597,620)	(179,994)	-30.1%	(425,061)	(352,553)	-82.9%
17	Total Deductions from Charges for Patient Services	(3,575,402)	(3,245,633)	(329,769)	-10.2%	(16,505,191)	(15,876,132)	(629,059)	-4.0%	(15,529,714)	(975,477)	-6.3%	(12,771,624)	(3,733,567)	-29.2%
18	Net Patient and Resident Service Revenues, Net of Provision for Bad Debts of Approximately \$226,000 in 2022 and \$603,000 in 2021	3,720,492	3,927,035	(206,543)	-5.3%	17,960,107	19,209,246	(1,249,139)	-6.5%	17,870,867	89,240	0.5%	15,941,425	2,018,682	12.7%
19	<i>Net Patient Income / Total Charges for Patient Services as a Percent</i>	51.0%	54.7%			52.1%	54.8%								
20	Other Operating Revenues	31,211	42,450	(11,239)	-26.5%	176,181	273,750	(97,569)	-35.6%	259,421	(83,240)	-32.1%	216,655	(40,474)	-18.7%
21	Total Operating Revenues (Row 22 + Row 25)	3,751,703	3,969,485	(217,782)	-5.5%	18,136,288	19,482,996	(1,346,708)	-6.9%	18,130,288	6,000	0.0%	16,158,080	1,978,208	12.2%
22	Operating Expenses														
23	Salaries and Wages	2,062,150	2,120,800	(58,650)	-2.8%	9,774,639	10,770,642	(996,003)	-9.2%	9,606,547	168,092	1.7%	10,319,337	(544,698)	-5.3%
24	Employee Benefits	511,966	586,121	(74,155)	-12.7%	2,491,634	2,884,919	(393,285)	-13.6%	2,607,114	(115,480)	-4.4%	2,775,238	(283,604)	-10.2%
25	Professional Fees and Purchased Services	1,742,200	1,175,197	567,003	48.2%	7,033,257	6,105,233	928,024	15.2%	5,195,412	1,837,845	35.4%	5,181,644	1,851,613	35.7%
26	Supplies	348,504	475,295	(126,791)	-26.7%	2,156,009	2,506,706	(350,697)	-14.0%	2,065,429	90,580	4.4%	2,407,855	(251,846)	-10.5%
27	Utilities	52,332	51,595	737	1.4%	267,428	259,225	8,203	3.2%	275,155	(7,727)	-2.8%	236,894	30,534	12.9%
28	Leases and Rentals	86,899	103,247	(16,348)	-15.8%	507,511	595,894	(88,383)	-14.8%	396,801	110,710	27.9%	239,886	267,625	111.6%
29	Insurance	29,525	27,571	1,954	7.1%	154,525	137,855	16,670	12.1%	143,683	10,842	7.5%	150,770	3,755	2.5%
30	Repairs and Maintenance	7,918	10,465	(2,547)	-24.3%	63,679	53,330	10,349	19.4%	47,808	15,871	33.2%	92,428	(28,749)	-31.1%
31	Depreciation	285,696	270,932	14,764	5.4%	1,352,992	1,357,968	(4,976)	-0.4%	1,346,747	6,245	0.5%	1,265,829	87,163	6.9%
32	Other	257,445	218,031	39,414	18.1%	1,385,141	1,215,877	169,264	13.9%	1,251,566	133,575	10.7%	1,045,134	340,007	32.5%
33	Total Operating Expenses (Sum of Rows 30 to 39)	5,384,635	5,039,254	345,381	6.9%	25,186,815	25,887,649	(700,834)	-2.7%	22,936,262	2,250,553	9.8%	23,715,015	1,471,800	6.2%
34	TOTAL OPERATING INCOME (LOSS) (Row 27 minus Row 40)	(1,632,932)	(1,069,769)	(563,163)	-52.6%	(7,050,527)	(6,404,653)	(645,874)	-10.1%	(4,805,974)	(2,244,553)	-46.7%	(7,556,935)	506,408	6.7%
35	<i>Operating Margin = Total Operating Income (Loss) ÷ Total Operating Revenue</i>														
36	NONOPERATING REVENUES (EXPENSES)														
37	Property Tax Revenues	300,584	291,625	8,959	3.1%	1,467,084	1,458,125	8,959	0.6%	1,307,333	159,751	12.2%	1,248,940	218,144	17.5%
38	Interest Expense	(33,077)	(33,550)	473	1.4%	(159,701)	(167,750)	8,049	4.8%	(181,099)	21,398	11.8%	(168,041)	8,340	5.0%
39	Investment Income	708	1,291	(583)	-45.2%	3,990	16,458	(12,468)	-75.8%	(60,522)	64,512	106.6%	45,913	(41,923)	-91.3%
40	Gain on Disposal of Capital Assets	0	0	0		0	0	0		0	0		0	0	
41	Noncapital Grants and Contributions	0	0	0		0	0	0		0	0		0	0	
42	Other	331,020	(208)	331,228	159244.2%	331,020	(1,040)	332,060	31928.8%	15,279	(15,279)	-100.0%	1,000	(1,000)	-100.0%
43	TOTAL NONOPERATING REVENUES, NET (Sum of Rows 46 to 51)	599,235	259,158	340,077	131.2%	1,642,393	1,305,793	336,600	25.8%	1,578,676	63,717	4.0%	1,127,812	514,581	45.6%
44	DEFICIT OF REVENUES OVER EXPENSES BEFORE CAPITAL CONTRIBUTIONS	(1,033,697)	(810,611)	(223,086)	-27.5%	(5,408,134)	(5,098,860)	(309,274)	-6.1%	(3,227,298)	(2,180,836)	-67.6%	(6,429,123)	1,020,989	15.9%
45	Capital Contributions	0	0	0		0	0	0		55,888	55,888	-100.0%	0	0	
46	NET POSITION INCREASE (DECREASE) (Row 54 + Row 56)	(1,033,697)	(810,611)	(223,086)	-27.5%	(5,408,134)	(5,098,860)	(309,274)	-6.1%	(3,171,410)	(2,236,724)	-70.5%	(6,429,123)	1,020,989	15.9%
47	<i>Total Margin = Net Position ÷ Total Operating Revenues</i>														
48		-27.6%	-20.4%			-29.8%	-26.2%								
49	Net Position - Beginning of Period	45,317,086				46,575,545				38,886,052			42,374,632		
50	NET POSITION - END OF PERIOD	44,283,389				41,167,411				35,714,642			35,945,509		

OUR RELATIONSHIP WITH MORGAN STANLEY AND ANB BANK FOR OUR INVESTMENT PORTFOLIO

I realize I've brought this topic to the Board a couple times last year. While not trying to be intrusive, I'd like the Finance Committee and Board to consider this again and make a decision.

HISTORY:

Morgan Stanley is our portfolio manager and their fee is approximately \$13,000/year
ANB Bank is the custodian and their fee is \$5,000/year

HISTORICAL RETURNS:

	Morgan Stanley	ANB Bank
Year ended 06.30.19	1.22%	4.14%
Year ended 06.30.20	1.13%	3.44%
Year ended 06.30.21	0.23%	0.25%
9 months ended 09.30.21	-0.24%	0.09%

I haven't updated from last year
since this seems to paint a picture.

PROPOSAL:

ANB Bank will do the custodial and portfolio manager services
for about \$12,000/year which is a discounted fee.

RECOMMENDATION:

Approve ANB Bank to be the investment portfolio manager and custodian which
will save approximately \$6,000/year.