

Draft

BUDGET MESSAGE

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

PARK HOSPITAL DISTRICT (dba 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 2025 Budget for PARK HOSPITAL DISTRICT includes these *important features*:*

1. Average increase in charges: Hospital services 6%, Clinic services 5%, and Urgent Care 5%.
2. FY 2025 budget assumes 2.8% reduction in the physician fee schedule.
3. Service volumes for departments remains similar to projected FY 2024 levels. Clinic volume is anticipated to grow due to the addition of podiatry, urology, and pain management services. Surgical volume will improve due to podiatry, urology, pain management services, and orthopedic surgery.
4. Contractual, uncompensated care and bad debt adjustments of 49% of charges reflect Medicare Cost Report considerations, Medicaid charges, commercial insurance charges, and market impact of self-pay receivables.
5. FY 2025 anticipates market and merit -based salary increases of 4%.
6. Employee Health Insurance is projected to increase by 9% in FY 2025.
7. Acquire capital purchases totaling \$3,094,900 in FY 2025. Major items slated for purchase include: Breast Health Imaging physical facility upgrades, a hospital wide nurse call system, time keeping system upgrade, building physical security upgrades, physical upgrades to wound care and podiatry areas of the clinic, IV pumps, facility roofing, and upgrades to carpet, flooring and paint inside the hospital and clinic facility.
8. Mill levy of 7.505 budgeted at \$4,396,016.
9. The budgetary basis of accounting used to develop the FY 2025 EPH budget is the accrual method.
10. The financial statements of the Park Hospital District dba Estes Park Health (Medical Center) have been prepared in accordance with generally accepted accounting principles in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The major services to be provided/delivered during the FY 2025 budget year are:

Inpatient hospital services, Observation bed services, Swing-bed services, Outpatient services including: Lab and Radiology, Ambulatory clinic services, Emergency Services, Urgent Care services, Chemo Therapy/Infusion services, Outpatient and In-patient Therapy services including: physical therapy, occupational therapy, speech therapy and respiratory therapy, General Surgery, Orthopedic Surgery, and other surgeries, Ambulance services, Cardiac Rehab and other services as provided in FY 2024.

“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
2025 Proposed Budget**

Row

5
6

7

8 OPERATING INCOME

9

10 OPERATING REVENUES

11

Charges for Patient Services

13

Inpatient

14

Outpatient

15

Total Charges for Patient Services

16

Deductions from Charges for Patient Services

18

Contracts (Medicare, Medicaid, Commercial)

19

Charity, Bad Debt, Uncompensated

20

Total Deductions from Charges for Patient Services

21

Net Patient and Resident Service Revenues, Net

22

Net Patient Income/Total Charges for Patient Services as a %

23

24

Other Operating Revenues

25

26

Total Operating Revenues (Row 22 + Row 25)

27

28

Operating Expenses

30

Salaries and Wages

31

Employee Benefits

32

Professional Fees and Purchased Services

33

Supplies

34

Utilities

35

Leases and Rentals

36

Insurance

37

Repairs and Maintenance

38

Depreciation and Amortization

39

Other

40

Total Operating Expenses (Sum of Rows 30 to 39)

41

TOTAL OPERATING INCOME (LOSS) (Row 27 minus Row 40)

42

Operating Margin = Total Operating Income (Loss) ÷ Total Operating Revenues

43

44

NONOPERATING REVENUES (EXPENSES)

46

Property Tax Revenues

47

Interest Expense

48

Investment Income (Loss)

49

Gain (Loss) on Disposal of Capital Assets

50

Noncapital Grants and Contributions

51

Other

52

TOTAL NONOPERATING REVENUES, NET (Sum of Rows 46 to 51)

53

DEFICIT OF REVENUES OVER EXPENSES BEFORE CAPITAL CONTRIBUTIONS

54

55

Capital Contributions

56

NET POSITION INCREASE (DECREASE) (Row 54 + Row 56)

58

Total Margin = Net Position ÷ Total Operating Revenues

59

60

Net Position - Beginning of Period

61

62

NET POSITION - END OF PERIOD

63

64

EBITDA - Earnings Before Interest, Depreciation, and Amortization

65

	2023 Actual	2024 Projected Based on Oct 2024	2025 Proposed Budget	Projected Year Variance	Projected Variance %
OPERATING INCOME					
OPERATING REVENUES					
Charges for Patient Services					
Inpatient	5,788,858	6,613,911	7,304,928	691,017	10.4%
Outpatient	94,848,747	101,205,052	110,404,468	9,199,416	9.1%
Total Charges for Patient Services	100,637,605	107,818,963	117,709,396	9,890,433	9.2%
Deductions from Charges for Patient Services					
Contracts (Medicare, Medicaid, Commercial)	(41,626,925)	(46,430,927)	(53,399,673)	(6,968,746)	(15.0%)
Charity, Bad Debt, Uncompensated	(2,671,620)	(3,644,948)	(4,255,973)	(611,025)	(16.8%)
Total Deductions from Charges for Patient Services	(44,298,545)	(50,075,875)	(57,655,646)	(7,579,771)	(15.1%)
Net Patient and Resident Service Revenues, Net	56,339,060	57,743,087	60,053,750	2,310,663	4.0%
<i>Net Patient Income/Total Charges for Patient Services as a %</i>	56.0%	53.6%	51.0%		
Other Operating Revenues	444,067	294,535	223,862	(70,673)	(24.0%)
Total Operating Revenues (Row 22 + Row 25)	56,783,127	58,037,622	60,277,612	2,239,990	3.9%
Operating Expenses					
Salaries and Wages	26,143,874	26,437,673	28,107,331	(1,669,658)	(5.9%)
Employee Benefits	5,941,439	5,999,741	6,506,805	(507,064)	(7.8%)
Professional Fees and Purchased Services	16,080,623	15,974,283	13,155,944	2,818,339	21.4%
Supplies	6,394,708	6,256,408	6,387,889	(131,481)	(2.1%)
Utilities	680,091	700,252	728,920	(28,668)	(3.9%)
Leases and Rentals	261,616	268,816	268,834	(18)	(0.0%)
Insurance	473,920	501,112	586,330	(85,218)	(14.5%)
Repairs and Maintenance	324,797	185,476	278,536	(93,060)	(33.4%)
Depreciation and Amortization	3,834,846	3,587,660	3,680,015	(92,355)	(2.5%)
Other	2,966,013	3,019,796	3,220,508	(200,712)	(6.2%)
Total Operating Expenses (Sum of Rows 30 to 39)	63,101,927	62,931,217	62,921,112	10,105	0.0%
TOTAL OPERATING INCOME (LOSS) (Row 27 minus Row 40)	(6,318,800)	(4,893,595)	(2,643,500)	2,250,095	46.0%
<i>Operating Margin = Total Operating Income (Loss) ÷ Total Operating Revenues</i>					
NONOPERATING REVENUES (EXPENSES)					
Property Tax Revenues	3,442,966	4,302,303	4,306,368	4,065	0.1%
Interest Expense	(805,946)	(547,454)	(497,075)	50,379	9.2%
Investment Income (Loss)	520,185	538,617	315,000	(223,617)	(41.5%)
Gain (Loss) on Disposal of Capital Assets	(43,806)	5,535	-	(5,535)	(100.0%)
Noncapital Grants and Contributions	14,206	6,940	25,000	18,060	260.2%
Other	1,247,880	(163,349)	(215,800)	(52,451)	(32.1%)
TOTAL NONOPERATING REVENUES, NET (Sum of Rows 46 to 51)	4,375,485	4,142,592	3,933,493	(209,099)	(5.0%)
DEFICIT OF REVENUES OVER EXPENSES BEFORE CAPITAL CONTRIBUTIONS	(1,943,315)	(751,003)	1,289,993	2,040,996	271.8%
Capital Contributions	210,750	240,692	175,000	(65,692)	(27.3%)
NET POSITION INCREASE (DECREASE) (Row 54 + Row 56)	(1,732,565)	(510,311)	1,464,993	1,975,304	387.1%
<i>Total Margin = Net Position ÷ Total Operating Revenues</i>	(3.1%)	(0.9%)	2.4%		
Net Position - Beginning of Period	40,971,722	39,239,157	38,728,846		
NET POSITION - END OF PERIOD	39,239,157	38,728,846	40,193,839		
EBITDA - Earnings Before Interest, Depreciation, and Amortization	2,908,227	3,624,803	5,642,083	2,017,280	55.7%

PARK HOSPITAL DISTRICT
Estes Park Health

Statistical information

	2023	2024	October 2024	2024	Proposed 2025
	Actual	Budget	Year-to-date	Projected	Budget
Medical/surgical patient days	508	514	489	567	579
Swing bed patient days	242	200	166	188	207
Observation admits	597	640	582	698	696
Total patient days	1,347	1,354	1,237	1,453	1,482
Total surgeries	309	382	210	258	311
Emergency room visits	5,640	5,768	4,570	5,405	5,511
Urgent Care visits	6,168	6,109	5,949	6,991	6,714
Clinic visits	22,561	23,390	17,295	20,702	24,640
Diagnostic imaging tests	12,749	13,199	10,980	12,816	13,079
Lab tests	74,844	75,391	62,270	74,160	75,674
Rehab visits	15,894	16,644	12,688	15,055	15,538
Ambulance trips	2,169	2,106	1,690	2,000	1,979
Chemo therapy/infusion	2,103	1,939	2,020	2,375	2,366
Pharmacy requisitions	47,031	47,722	36,118	43,890	45,177

