

**HEALDSBURG DISTRICT HOSPITAL
SUMMARY STATEMENT OF OPERATIONS
(PRELIMINARY - SUBJECT TO CHANGE)**

	Monthly			Year to Date		
	Dec/2018	Dec/2017	Budget 2018	Dec/2018	Dec/2017	Budget 2018
Net Operating Income (Loss)	(712,242)	4,440,495	(499,971)	(7,126,581)	(4,341,552)	(7,977,886)
Increase(Decrease) in Net Position	(109,476)	4,923,245	(13,269)	(1,675,705)	4,144,604	(1,981,463)

**HEALDSBURG DISTRICT HOSPITAL
STATEMENT OF NET POSITION
THIS MONTH vs LAST MONTH
(PRELIMINARY - SUBJECT TO CHANGE)**

	This Month Dec-31-2018	Last Month Nov-30-2018	Variance	
			\$	%
1 Assets				
2 Cash and Cash Equivalents				
3 Unrestricted	7,369,769	6,500,086	869,683	13.4%
4 Board Designated	1,565,000	1,518,000	47,000	3.1%
5 Restricted	6,311,760	5,799,399	512,361	8.8%
6 Accounts receivable				
7 Gross	22,729,184	23,139,041	(409,857)	-1.8%
8 Reserves	(17,637,213)	(18,555,582)	918,369	-4.9%
9 Net Accounts Receivable	5,091,971	4,583,459	508,512	11.1%
10 Other Accounts Receivable	1,413,008	2,858,713	(1,445,705)	-50.6%
11 Inventory	790,418	812,212	(21,794)	-2.7%
12 Pre-Paid Expenses	276,000	246,355	29,645	12.0%
13 Total Current Assets	22,817,926	22,318,224	499,702	2.2%
14 Fixed Assets				
15 Land & Buildings	13,520,967	13,520,967	(0)	0.0%
16 Equipment	10,075,509	10,123,080	(47,572)	-0.5%
17 Construction In Process	2,211,864	2,055,489	156,375	7.6%
18 Depreciation	(16,567,574)	(16,355,942)	(211,632)	-1.3%
19 Total Property & Equip.	9,240,766	9,343,594	(102,828)	-1.1%
20 Investments	113,182	155,507	(42,325)	-27.2%
21 Total Assets	32,171,874	31,817,325	354,549	1.1%
22 Liabilities				
23 Vendor AP	2,899,005	2,839,902	59,103	2.1%
24 Other Payables	3,804,000	3,245,556	558,444	17.2%
25 Accrued Payroll	1,984,628	1,778,650	205,978	11.6%
26 Accrued Payroll Taxes & Benefits	4,503	300,005	(295,502)	-98.5%
27 Other Current Liabilities	677,458	741,456	(63,998)	-8.6%
28 Total Current Liabilities	9,369,594	8,905,569	464,025	5.2%
29 Long-Term Liabilities	11,193,000	11,193,000	0	0.0%
30 Total Liabilities	20,562,594	20,098,569	464,025	2.3%
31 Net Position				
32 Prior Year Earnings	13,284,985	13,284,985	0	0.0%
33 Current Earnings	(1,675,705)	(1,566,229)	(109,476)	7.0%
34 Total Net Position	11,609,280	11,718,756	(109,476)	-0.9%
35 Total Liabilities & Net Position	32,171,874	31,817,325	354,549	1.1%

STATEMENT OF NET POSITION AS OF DECEMBER 31, 2018 COMPARED TO NOV 30, 2018 (PAGE 2)

Lines 3, 4 & 5: Total Cash and Cash Equivalents increased \$1.4 million. The increase was due to the December parcel tax settlement of \$1.9 million being offset by cash spent for operations and capital.

Line 9: Net Accounts Receivable increased \$509 thousand due to amounts outstanding from Sub-Acute.

Line 10: Other Accounts Receivable decreased \$1.4 million primarily due to the parcel tax settlement being offset by the monthly accrual of parcel tax revenue and the year-end recording of the estimated receivable for 2018 parcel taxes. The payment of the PRIME IGT was also received in December reducing the receivable by \$188 thousand.

Line 24: Other Payables increased \$558 thousand due to adjustments to the Medicare Cost Report reserves and the year-end recording of the estimated deferred revenue from parcel taxes. Under governmental accounting, the parcel tax receivable from the 2018-2019 parcel tax levy is recorded as deferred revenue.

Lines 25 & 26: Accrued Payroll and Accrued Payroll Taxes & Benefits decreased \$90 thousand. The increase in Accrued Payroll was due to two extra days of accrual and an increase in the PTO liability. Accrued Payroll Taxes and Benefits decreased as the taxes and benefits were paid for the last pay run on December 28th.

**HEALDSBURG DISTRICT HOSPITAL
STATEMENT OF NET POSITION
THIS YEAR vs LAST YEAR
(PRELIMINARY - SUBJECT TO CHANGE)**

	This Fiscal Year Dec-31-2018	Last Fiscal Year Dec-31-2017	Variance	
			\$	%
1 Assets				
2 Cash and Cash Equivalents				
3 Unrestricted	7,369,769	2,811,903	4,557,866	162.1%
4 Board Designated	1,565,000	1,540,000	25,000	1.6%
5 Restricted	6,311,760	2,608,241	3,703,520	142.0%
6 Accounts receivable				
7 Gross	22,729,184	32,669,868	(9,940,684)	-30.4%
8 Reserves	(17,637,213)	(27,764,117)	10,126,904	36.5%
9 Net Accounts Receivable	5,091,971	4,905,751	186,220	3.8%
10 Other Accounts Receivable	1,413,008	6,292,994	(4,879,986)	-77.5%
11 Inventory	790,418	811,652	(21,234)	-2.6%
12 Pre-Paid Expenses	276,000	454,392	(178,392)	-39.3%
13 Total Current Assets	22,817,926	19,424,933	3,392,993	17.5%
14 Fixed Assets				
15 Land & Buildings	13,520,967	13,517,171	3,796	0.0%
16 Equipment	10,075,509	7,863,757	2,211,751	28.1%
17 Construction In Process	2,211,864	294,502	1,917,362	651.1%
18 Depreciation	(16,567,574)	(14,127,990)	(2,439,584)	17.3%
19 Total Property & Equip.	9,240,766	7,547,440	1,693,326	22.4%
20 Investments	113,182	248,180	(134,998)	-54.4%
21 Total Assets	32,171,874	27,220,554	4,951,320	18.2%
22 Liabilities				
23 Vendor AP	2,899,005	3,788,604	(889,600)	-23.5%
24 Other Payables	3,804,000	3,534,890	269,110	7.6%
25 Accrued Payroll	1,984,628	1,546,336	438,293	28.3%
26 Accrued Payroll Taxes & Benefits	4,503	11,874	(7,371)	-62.1%
27 Other Current Liabilities	677,458	618,743	58,715	9.5%
28 Total Current Liabilities	9,369,594	9,500,447	(130,853)	-1.4%
29 Long Term Liabilities	11,193,000	4,435,122	6,757,878	152.4%
30 Total Liabilities	20,562,594	13,935,569	6,627,025	47.6%
31 Net Position				
32 Prior Year Earnings	13,284,985	9,140,381	4,144,604	45.3%
33 Current Earnings	(1,675,705)	4,144,604	(5,820,309)	-140.4%
34 Total Net Position	11,609,280	13,284,985	(1,675,705)	-12.6%
35 Total Liabilities & Net Position	32,171,874	27,220,554	4,951,320	18.2%

STATEMENT OF NET POSITION AS OF DEC 31, 2018 COMPARED TO DEC 31, 2017(PAGE 3)

Lines 3 & 4: Unrestricted and Board Designated Cash & Cash Equivalents were up \$4.6 million. Including the settlement with Partnership Health Plan, cash collections on patient accounts have more than offset increases in operating expenses.

Line 5: Restricted Cash and Cash Equivalents were up \$3.7 million primarily due to the drawdown of funds from the 2016 COP's for capital in excess of the amounts remaining from the Foundation Grant for the MRI Project.

Line 10: Other Accounts Receivable was down \$4.9 million primarily from the settlement with Partnership Health Plan.

Line 16: The increase in Equipment of \$2.2 million is due to the new MRI being placed in service in May 2018 and various projects being funded by the 2016 COP.

Line 17: The increase in Construction In Process of \$1.9 million is due to the various projects being funded by the 2016 COP.

Line 20: Investments & Long-Term Assets decreased \$135 thousand from a loss of \$43 thousand from the Prudential stock and the amortization of the remaining deferred amounts from the 2016 COP refunding.

Lines 23 & 24: Vendor AP and Other Payables decreased \$620 thousand. Decreases from continued efforts to pay down amounts owed to vendors and the settlement and completion of Medicare cost reports accounted for the change.

Lines 25 & 26: Accrued Payroll and Accrued Payroll Taxes & Benefits were up \$430 thousand from an overall increase in payroll and benefits from staffing and wage and salary adjustments which impact both the payroll and PTO liability, and the timing of the December 2018 payroll versus December 2017 (1 more day accrued in 2018). The PTO liability at year-end was \$1.3 million compared to \$1.0 million last year.

Line 29: Long-Term Liabilities were up \$6.8 million due to the \$7.5 million drawdown of funds from the 2016 COP's and scheduled principal payments made for the 2016 COP and Capital Lease. The Capital Lease with TCF for technology equipment in the amount of \$41 thousand/month is now paid-in-full.

HEALDSBURG DISTRICT HOSPITAL
STATEMENT OF OPERATIONS
2018 ACTUAL vs BUDGET
(PRELIMINARY - SUBJECT TO CHANGE)

	MONTHLY				YEAR TO DATE			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
	Dec-18		\$		Dec-18		\$	
1 GROSS REVENUE:								
2 Inpatient Routine	1,980,460	2,343,335	(362,875)	-15.5%	23,362,874	27,588,768	(4,225,894)	-15.3%
3 Inpatient Ancillary	1,700,638	1,900,374	(199,736)	-10.5%	20,864,545	22,375,362	(1,510,817)	-6.8%
4 Total Inpatient	3,681,098	4,243,709	(562,611)	-13.3%	44,227,419	49,964,130	(5,736,711)	-11.5%
5 Outpatient	5,263,482	5,572,161	(308,679)	-5.5%	68,104,755	65,607,721	2,497,034	3.8%
6 Total Gross Patient Revenue	8,944,581	9,815,870	(871,289)	-8.9%	112,332,174	115,571,851	(3,239,677)	-2.8%
7 Contractual Expenses	4,970,197	6,014,476	1,044,279	17.4%	65,278,343	70,815,601	5,537,258	7.8%
8 Bad Debt Expense	167,622	169,585	1,963	1.2%	2,192,211	1,996,729	1,954,482	-9.8%
9 Total Revenue Deductions	5,137,819	6,184,061	1,046,242	16.9%	67,470,555	72,812,330	5,341,775	7.3%
10 NET PATIENT REVENUE	3,806,761	3,631,809	174,952	4.8%	44,861,619	42,759,521	2,102,098	4.9%
11 Other Revenue	212,163	78,362	133,801	170.7%	2,849,305	1,431,691	1,417,614	99.0%
12 Total Net Revenue	4,018,925	3,710,171	308,754	8.3%	47,710,924	44,191,212	3,519,712	8.0%
13 Operating Expense:								
14 Salaries & Wages	2,109,337	1,756,512	352,825	20.1%	22,205,054	21,078,144	1,126,910	5.3%
15 Benefits	806,709	676,630	130,079	19.2%	8,874,595	8,119,538	755,057	9.3%
16 Contract Labor	129,652	205,471	(75,819)	-36.9%	2,050,872	2,594,128	(543,256)	-20.9%
17 Medical Pro Fees	442,315	422,129	20,186	4.8%	5,452,063	5,553,393	(101,330)	-1.8%
18 Other Professional Fees	33,804	41,328	(7,524)	-18.2%	663,594	417,143	246,451	59.1%
19 Purchased Services	286,723	176,831	109,892	62.1%	2,452,272	1,871,626	580,646	31.0%
20 Supplies	526,097	447,491	78,606	17.6%	6,178,279	4,971,740	1,206,539	24.3%
21 Repairs & Maintenance	38,254	119,033	(80,779)	-67.9%	831,209	1,238,419	(407,210)	-32.9%
22 Rents & Leases	96,112	96,924	(812)	-0.8%	1,224,845	1,156,406	68,439	5.9%
23 Utilities	70,230	49,451	20,779	42.0%	657,424	639,943	17,481	2.7%
24 Other Direct Expenses	50,005	185,670	(135,665)	-73.1%	1,493,560	1,807,819	(314,259)	-17.4%
25 Interest Expense	(69,704)	(170,627)	100,923	-59.1%	314,153	281,211	32,942	11.7%
26 Depreciation & Amortization	211,632	203,299	8,333	4.1%	2,439,584	2,439,588	(4)	0.0%
27 Total Operating Expenses	4,731,167	4,210,142	521,025	12.4%	54,837,505	52,169,098	2,668,407	5.1%
28 Net Operating Income (Loss)	(712,242)	(499,971)	(212,271)	-42.5%	(7,126,581)	(7,977,886)	851,305	10.7%
29 Total Non-Operating	602,766	486,702	116,064	23.8%	5,450,876	5,996,423	(545,547)	-9.1%
30 Revenue Over (Under) Expenses	(109,476)	(13,269)	(96,207)	-725.0%	(1,675,705)	(1,981,463)	305,758	15.4%
31 Capital Contributions	0	0	0	0.0%	0	0	0	0.0%
32 Change in Fund Balance	(109,476)	(13,269)	(96,207)	-725.0%	(1,675,705)	(1,981,463)	305,758	15.4%

SUMMARY STATEMENT OF OPERATIONS ACTUAL VS BUDGET (PAGE 4)

Lines 1 – 6: Unfavorable budget variances within Inpatient Revenues for Med/Surg Patient Days have been offset by favorable budget variances within Outpatient Revenues for Surgeries and Clinic Visits for the year. Outpatient revenues were below budget due to a slower than normal month for ER and Clinics. Inpatient revenues were under budget every month this year.

Line 9: Total Revenue Deductions were \$1 million under budget for the month and \$5.3 million for the year. Adjustments related to outstanding balances for Sub-Acute and the new Sub-Acute patient rates with Partnership account for the monthly variance, while the new Sub-Acute patient rates with Partnership primarily account for the positive variance year to date.

Line 11: Other Revenue was over budget \$134 thousand for the month due to \$139 thousand in payments for supplemental funding from Medi-Cal. Other Revenue is over budget \$1.4 million for the year from increased revenues from the HQAF program.

Lines 14 and 15: Salaries & Wages and Benefits were \$483 thousand over budget for the month and \$1.9 million for the year. Within salaries, the wage adjustment and increased FTE's accounted for the monthly variance. The year-to-date variance is primarily attributable to 2018 lump sum salary and wage adjustment and the July 2017 salary and wage adjustment. Within benefits, the negative budget variance is primarily a result of unfavorable claims experience for employee health. December was the third consecutive month of claims in excess of \$400 thousand, and year-to-date medical payments are over \$800 thousand more than the prior year.

Line 16: Contract Labor was \$543 thousand under budget for the year. Within registry nursing, positive budget variances for the year for Med-Surg and Sub-Acute more than offset a negative budget variance in ICU registry nursing. Other positive budget variances within contract labor include administration, physical therapy, and surgical services.

Line 19: Purchased Services were over budget \$581 thousand for the year primarily from IT for various Medhost services and HIM for coding.

Line 20: Supplies were over budget \$1.2 million for the year primarily from Surgical Services implants and prosthesis (primarily pain management), and Wound Care grafts and other medical supplies.

Line 21: Repairs & Maintenance was under budget \$407 thousand for the year. The capital funding from the 2016 COP has resulted in more items being replaced as opposed to repaired.

Line 29: Total Non-Operating was under budget \$546 thousand for the year due to IGT's. Favorable variances in the Rate Range and AB 915 IGT's were offset by an unfavorable variance of \$850 thousand in the PRIME IGT.

HEADSBRURG DISTRICT HOSPITAL
STATEMENT OF OPERATIONS
ACTUAL 2018 vs ACTUAL 2017
(PRELIMINARY - SUBJECT TO CHANGE)

	MONTHLY				YEAR TO DATE			
	ACTUAL		Variance		ACTUAL		Variance	
	Dec-18	Dec-17	\$	%	Dec-18	Dec-17	\$	%
1 GROSS REVENUE:								
2 Inpatient Routine	1,980,460	2,295,382	(314,922)	-13.7%	23,362,874	26,274,824	(2,911,950)	-11.1%
3 Inpatient Ancillary	1,700,638	1,817,036	(116,398)	-6.4%	20,864,610	21,309,889	(445,279)	-2.1%
4 Total Inpatient	3,681,098	4,112,418	(431,320)	-10.5%	44,227,484	47,584,713	(3,357,229)	-7.1%
5 Outpatient	5,263,482	5,856,771	(593,289)	-10.1%	68,104,690	62,484,231	5,620,460	9.0%
6 Total Gross Patient Revenue	8,944,581	9,969,190	(1,024,609)	-10.3%	112,332,174	110,068,943	2,263,231	2.1%
7 Contractual Expenses	4,970,197	109,062	(4,861,135)	-4457.2%	65,278,343	63,856,052	(1,422,292)	-2.2%
8 Bad Debt Expense	167,622	169,661	2,040	1.2%	2,192,211	1,984,906	(207,305)	-10.4%
9 Total Revenue Deductions	5,137,819	278,723	(4,859,096)	-1743.3%	67,470,555	65,840,958	(1,629,597)	-2.5%
10 NET PATIENT REVENUE	3,806,761	9,690,466	(5,883,705)	-60.7%	44,861,619	44,227,986	633,634	1.4%
11 Other Revenue	212,163	178,661	33,503	18.8%	2,849,305	1,471,711	1,377,594	93.6%
12 Total Net Revenue	4,018,925	9,869,127	(5,850,202)	-59.3%	47,710,924	45,699,697	2,011,227	4.4%
13 Operating Expense:								
14 Salaries & Wages	2,109,337	1,957,544	151,794	7.8%	22,205,054	19,254,146	2,950,908	15.3%
15 Benefits	806,709	1,721,344	(914,635)	-53.1%	8,874,595	8,360,914	513,681	6.1%
16 Contract Labor	129,662	219,855	(90,203)	-41.0%	2,050,872	2,433,007	(382,135)	-15.7%
17 Medical Pro Fees	442,315	442,985	(670)	-0.2%	5,452,063	5,741,947	(289,883)	-5.0%
18 Other Professional Fees	33,804	71,926	(38,122)	-53.0%	663,594	632,857	30,737	4.9%
19 Purchased Services	286,723	213,793	72,929	34.1%	2,452,272	1,743,721	708,552	40.6%
20 Supplies	526,097	450,522	75,575	16.8%	6,178,279	5,020,416	1,157,863	23.1%
21 Repairs & Maintenance	38,254	111,244	(72,990)	-65.6%	831,209	1,252,603	(421,394)	-33.6%
22 Rents & Leases	96,112	106,198	(10,087)	-9.5%	1,224,845	1,163,317	61,528	5.3%
23 Utilities	70,230	51,134	19,097	37.3%	657,424	649,692	7,732	1.2%
24 Other Direct Expenses	50,005	299,928	(249,923)	-83.3%	1,493,560	1,776,678	(283,118)	-15.9%
25 Interest Expense	(69,704)	(157,800)	88,096	-55.8%	314,153	294,039	20,115	6.8%
26 Depreciation & Amortization	211,632	(60,040)	271,672	-452.5%	2,439,584	1,717,912	721,672	42.0%
27 Total Operating Expenses	4,731,167	5,428,633	(697,466)	-12.8%	54,837,505	50,041,249	4,796,256	9.6%
28 Net Operating Income (Loss)	(712,242)	4,440,495	(5,152,737)	116.0%	(7,126,581)	(4,341,552)	(2,785,029)	-64.1%
29 Total Non-Operating	602,766	482,750	120,016	24.9%	5,450,876	8,486,156	(3,035,280)	-35.8%
30 Revenue Over (Under) Expenses	(109,476)	4,923,245	(5,032,721)	102.2%	(1,675,705)	4,144,604	(5,820,309)	140.4%
31 Capital Contributions	0	0	0	0.0%	0	0	0	0.0%
32 Change in Fund Balance	(109,476)	4,923,245	(5,032,721)	102.2%	(1,675,705)	4,144,604	(5,820,309)	140.4%

SUMMARY STATEMENT OF OPERATIONS ACTUAL 2018 VS ACTUAL 2017 (PAGE 5)

Line 10: Net Patient Revenue was down \$5.9 million for the month from the settlement with Partnership Health Plan and the settlements of Medicare Cost Reports in April and May 2018, that were accrued in December 2017. Net Patient Revenue was up \$2.0 million year to date from the 5.0% price increase effective January 1, 2018, increased outpatient volumes have offset decreased inpatient volumes, and the additional monthly net revenues from the increased Sub-Acute rates with Partnership.

Line 11: Other Revenue was up \$1.4 million for the year due to increased revenues from the HQAF program.

Line 14: Salaries & Wages were up \$152 thousand for the month and \$3.0 million year to date. The primary reasons for the increase were the 2018 lump sum salary adjustments and wage increases, as well as the salary and wage adjustments in July of 2017. In addition to generally higher staffing levels, we also hired 4 physicians in 2017 (January, July, September, and November) and 2 in 2018 (March and August), and currently have 5 physicians on payroll.

Line 15: Benefits were down \$915 thousand for the month. December 2017 includes a \$1.1 million actuarial adjustment for our Workers Compensation Liability, we have not received the actuarial estimate for 2018. Also, December was the third consecutive month of employee health claims in excess of \$400 thousand. In spite of the decrease in workers compensation expense (overall an \$800 thousand annual decrease in workers compensation expense), benefits were up \$514 thousand year-to-date. Employee medical claims were up \$800 thousand and PTO was up \$434 thousand from the salary and staffing items noted above.

Line 16: Contract Labor was down \$382 thousand for the year. Decreased utilization in surgical services, administration, physical therapy, and registry nursing more than offset increases in materials management, accounting, and IT.

Line 19: Purchased Services were up \$709 thousand for the year primarily from IT for various Medhost services and HIM for coding.

Line 20: Supplies were up \$1.2 million for the year primarily from Surgical Services implants and prosthesis (mostly pain management) and Wound Care grafts and other medical supplies.

Line 21: Repairs & Maintenance was down \$421 thousand for the year. The capital funding available from the 2016 COP has resulted in more capital items being replaced as opposed to being repaired.

Line 24: Other Direct Expenses were down \$250 thousand for the month and \$283 thousand for the year from 2017 year-end closing adjustments.

Line 29: Total Non-Operating was down \$3.0 million for the year due to the \$2.3 million MRI Project grant received in the prior year from the Foundation and the \$850 thousand decrease in PRIME IGT.

HEALDSBURG DISTRICT HOSPITAL
Key Statistics
Actual 2018 vs Actual 2017 & Budget 2018 (March)
(PRELIMINARY - SUBJECT TO CHANGE)

	MONTH						YEAR TO DATE						
	Current	Prior	Variance		Goals or Budget	Variance	Current	Prior	Variance		Goals or Budget	Variance	
	2018	2017	#	%	#	%	2018	2017	\$	%	\$	%	
1 Days Cash on Hand	60.35	31.40	28.96	92.23%			62.61	31.56	31.05	98.39%			
2 Gross Days Revenue in Accounts Receivable	78.77	101.47	(22.70)	-22.37%			73.85	108.30	(34.45)	-31.81%			
3 Net Days Revenue in Accounts Receivable	41.47	42.07	(0.60)	-1.43%			41.43	43.96	(2.53)	-5.75%			
4 Days Expense in Accounts Payable	19.58	24.91	(5.33)	-21.39%			20.32	27.86	(7.54)	-27.07%			
5 Case Mix													
6 Medicare	1,245.8	1,083.6	0.1622	14.97%	1,200.00	0.0458	1,245.4	1,156.2	0.0892	7.71%	1,200.00	0.0454	3.78%
7 All Payers	1,245.1	1,059.5	0.1856	17.52%	1,200.00	0.0451	1,270.8	1,163.9	0.1069	9.19%	1,200.00	0.0708	5.90%
8 Patient Days													
9 Med/Surg	167	168	(1)	-0.60%	176	(9)	1,866	2,096	(430)	-20.52%	2,078	(412)	-19.83%
10 ICU	49	45	4	8.89%	37	12	779	459	320	69.72%	438	341	77.85%
11 Swing	67	15	52	346.67%	27	40	515	297	218	73.40%	321	194	60.44%
12 Sub-Acute	463	457	6	1.31%	420	43	5,483	4,963	520	10.48%	4,947	536	10.83%
13 Patient Admissions													
14 Med/Surg	47	49	(2)	-4.09%	44	3	478	569	(91)	-15.99%	520	(42)	-8.08%
15 ICU	14	11	3	27.27%	9	5	169	105	64	60.95%	110	59	53.64%
16 Swing	7	4	3	75.00%	7	0	65	62	3	4.84%	80	(15)	-18.75%
17 Sub-Acute	0	0	0	0.00%	1	(1)	5	13	(8)	-61.54%	12	(7)	0.00%
18 Average Length of Stay													
19 Med/Surg	3.55	3.43	0.12	3.63%	4.00	(0.45)	3.49	3.68	(0.20)	-5.39%	4.00	(0.51)	-12.87%
20 ICU	3.50	4.09	(0.59)	-14.44%	4.00	(0.50)	4.61	4.37	0.24	5.45%	4.00	0.61	15.24%
21 Swing	9.57	3.75	5.82	155.24%	4.00	5.57	7.92	4.79	3.13	65.40%	4.00	3.92	98.08%
22 Average Daily Census													
23 Med/Surg	5.40	5.40	0.00	0.00%	5.70	(0.30)	4.56	5.74	(1.18)	-20.52%	5.70	(1.14)	-19.92%
24 ICU	1.60	1.50	0.10	6.67%	1.20	0.40	2.13	1.26	0.88	69.72%	1.20	0.93	77.85%
25 Swing	2.20	0.50	1.70	340.00%	0.90	1.30	1.41	0.81	0.60	73.40%	0.90	0.51	56.77%
26 Sub-Acute	14.90	14.70	0.20	1.36%	13.60	1.30	15.02	13.60	1.42	10.48%	13.60	1.42	10.46%
27 Total Surgeries	302	141	161	114.18%	112	190	2,630	919	1,711	186.18%	1,321	1,309	99.11%
28 Total Outpatient Visits	3,367	3,619	(252)	-6.96%	3,783	(416)	46,494	44,889	1,805	4.04%	44,547	1,947	4.37%
29 Total Clinic Visits	989	1,007	(18)	-1.79%	1,072	(83)	14,425	11,865	2,560	21.58%	12,621	1,804	14.29%
30 Total ER Visits	692	828	(136)	-16.43%	743	(51)	8,621	9,104	(483)	-5.31%	8,752	(131)	-1.50%

KEY STATISTICS – ACTUAL 2018 VS ACTUAL 2017 AND BUDGET 2018 (PAGE 6)

Line 1: Days Cash on Hand was up 36 days for the month and 31 days for the year due to increased cash collections on patient accounts more than offsetting the increase in operating expenses.

Line 2 & 3: Gross and Net Days Revenue in Accounts Receivable improved from the prior year due to increased cash collections on Patient AR and a \$10.5 million and \$1.3 million write off in January and September 2018, respectively. The 2017 Net Days Revenue in Accounts Receivable was down due to the Partnership Health Plan settlement and Medicare Cost Report Settlements that increased net patient revenue.

Line 4: Days Expense in Accounts Payable was down 5 days for the month and 8 days for the year. The improved cash position has enabled the Hospital to pay down amounts owed to vendors and there has been a significant increase in operating expenses.

Lines 8-12: Overall, Patient Days were favorable compared to prior month and budget primarily from a couple long stays in Swing bed. For the year, Patient Days were up 628 primarily from Sub-Acute.

Lines 18-21: Average Length of Stay was up 5.36 for the month and 3.17 for the year, primarily in Swing. The monthly increase was due to three patients with lengthy stays and the timing of admissions and discharges which impact the calculation. The yearly increase was largely driven by a patient in a Swing Bed with a 100 day stay.

Lines 22-26: Average Daily Census (ADC) was up 2.00 for the month and 1.72 for the year. The decrease in Med/Surg Patient Days ADC was offset by increases in Swing and Sub-Acute.

Line 27: Total Surgeries were up 161 for the month and 1,711 for the year. The increase for the month and the year relate to pain management procedures which accounted for approximately 65% of procedures but only 19% of surgery time.

Line 28: Total Outpatient Visits were down 252 for the month due to decreases in Lab (86) and Wound Care (154) and up 1,805 for the year. For the year, in addition to the increase attributable to surgeries noted above, increased year-to-date visits to HPG (643 visits or 8%) and Specialty Medical (2,013 or 134%) offset decreases in Occupational Medicine (890 visits or 40%), Wound Care (694 visits or 13%) and Lab (1,062 visits or 15%). At HPG providers YTD through December were 3 last year compared to 5 this year. For Specialty, we have also added 3 providers over the prior year.

Line 29: Total Clinic Visits were up 2,560 for the year. Increased visits for HPG, Specialty Medical and Windsor were slightly offset by decreases in Behavioral Health.

KEY STATISTICS - DEFINITIONS AND CONTEXT (PAGE 6)

- **Days Cash on Hand:** Measures the number of days the hospital could continue paying its operating expenses from existing unrestricted cash and investments in the absence of any future cash collections. A higher ratio indicates greater financial flexibility. A good days cash on hand for a critical access hospital is at least 60 days.
- **Days Revenue in Accounts Receivable:** Measures the amount of time between patient discharge and when payment is received. This directly impacts cash flows for the facility and is a measure of the efficiency of the billing and collection in the revenue cycle. Gross and net days in accounts receivable are close in value in high functioning revenue cycles. A lower ratio indicates greater financial flexibility. A good days in AR for a critical access hospital is 45 days.
- **Days Expense in Accounts Payable:** Measures the average amount of time that elapses before the hospital meets its current liabilities. In other words, the number of days of cash expenses that are outstanding (not currently paid). High values for the average payment period often indicate a lack of liquidity.
- **Case Mix:** Case Mix Index (CMI) is a measure of the average severity level of a hospital's procedures. The CMI of a hospital reflects the diversity, clinical complexity and the needs for resources in the population of all the patients in the hospital. Hospitals with a higher CMI receive a higher reimbursement rate for its cases than a hospital with a lower CMI.
- **Patient Days:** The total number of days for all patients for an episode of care
- **Patient Admissions:** Patient admission to the hospital
- **Average Length of Stay (ALOS):** The average length of stay in hospitals is often used as an indicator of efficiency. All other things being equal, a shorter stay will reduce the cost per discharge and shift care from inpatient to less expensive post-acute settings.
- **Average Daily Census:** The average number of patients treated during a day.
- **Surgeries:** There is a strong correlation in hospitals between surgery volumes and operating margins.
- **Outpatient Visits:** An outpatient hospital service is any type of medical or surgical care performed at a hospital that your doctor does not expect will be an overnight hospital stay. In some cases, you may stay overnight in the hospital, but not be admitted as an inpatient (this would be considered outpatient service).
- **Clinic Visits:** a patient who is not hospitalized overnight but who visits clinic or associated facility for diagnosis or treatment
- **ER Visits:** Significant not only because of the visit, but also the transfer of patients to the hospital for other services.

