

Petersburg Medical Center

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BOARD MEETING A g e n d a

DATE: Thursday, June 25th, 2020
TIME: 5:00 p.m.
LOCATION: Zoom Conference Call

	<u>Lead</u>	<u>Handout</u>
I. CALL TO ORDER	<i>Chair</i>	<i>N/A</i>
II. APPROVAL OF THE AGENDA	<i>Chair</i>	<i>in packet</i>
III. APPROVAL OF BOARD MINUTES – May 28 th , 2020	<i>Chair</i>	<i>in packet</i>
IV. VISITOR COMMENTS	<i>Chair</i>	<i>N/A</i>
V. BOARD MEMBER COMMENTS	<i>Chair</i>	<i>N/A</i>
VI. REPORTS		
A. Quality & Infection Prevention <i>Action required: Informational only</i>	<i>L. Bacom</i>	<i>at meeting</i>
B. Executive Summary <i>Action required: Informational only</i>	<i>P. Hofstetter</i>	<i>in packet</i>
C. Financial <i>Action required: Informational only</i>	<i>R. Tejera</i>	<i>in packet</i>
VII. UNFINISHED BUSINESS		
VIII. NEW BUSINESS		
A. Budget Presentation <i>Action required: Informational only</i>	<i>C. Brandt</i>	<i>in packet</i>
B. Operating Budget <i>Action required: Approval</i> <i>Motion: Petersburg Medical Center's Board of Directors approves the final operating budget for FY 2021 as presented.</i>	<i>R. Tejera</i>	<i>in packet</i>

C. Capital Budget R. Tejera *in packet*
Action required: Approval
Motion: Petersburg Medical Center's Board of Directors approves the final capital budget for FY 2021 as presented.

D. Quarterly Budget Review R. Tejera *at meeting*
Action required: Approval
Motion: Petersburg Medical Center's Board of Directors approves establishment of a quarterly process to review and, if necessary, to modify, the operating and capital budgets for FY21 due to ongoing impacts of the COVID-19 pandemic.

IX. EXECUTIVE SESSION

By motion, the Board will enter into Executive Session for a legal update.

X. NEXT MEETING

XI. ADJOURNMENT

Petersburg Medical Center

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Meeting: Medical Center Board Meeting

Date: May 28th, 2020 **Time:** 5:00 p.m.

Board Members Present: Joe Stratman, Cindi Lagoudakis, Jim Roberts, George Doyle, Marlene Cushing, Jerod Cook, Kathi Riemer (all members attended via Zoom)

Board Members Absent: None

- I. **CALL TO ORDER:** Member Cook called the meeting to order at 5:03 p.m.
- II. **APPROVAL OF THE AGENDA:** Member Cushing made a motion to amend the agenda to add CEO Evaluation process and to appoint a committee to conduct that evaluation. Member Riemer made a motion to approve the agenda as amended. Member Stratman seconded. Motion passed unanimously.
- III. **APPROVAL OF BOARD MINUTES:** Member Stratman made a motion to approve the minutes as presented from the board meeting on March 26th, 2020 and April 23rd, 2020. Motion seconded by Member Roberts. Motion passed unanimously.
- IV. **VISITORS COMMENTS:** None
- V. **BOARD MEMBER COMMENTS:** Member Cushing mentioned she would like to receive board training. She added the board should conduct a self-assessment and create an annual workplan to lay out tasks for the year. P. Hofstetter stated he would talk with the Foraker Group about providing training via Zoom and provide some dates and times. Member Riemer asked to hold training after business hours. Member Lagoudakis said she would be interested in any board training P. Hofstetter thought would be appropriate. Member Doyle stated that he appreciates the situational reports. He stated that he is concerned we will be dealing with this virus for a long time and strategic planning for the next couple of years will shift considerably. P. Hofstetter stated that he would advocate for a work session to address gaps that were already identified in the strategic plan including forecasting and funding.

VI. **REPORTS:**

A. Quality & Infection Prevention. L. Bacom provided a verbal report. She stated that she continues to work from home as part of the goal to minimize workforce in the facility and to reduce traffic flow in the office. She has been working with other staff to establish incident directives which make process changes quickly. The facility is maintaining one point of entry for staff and visitors. Everyone entering the facility is required to undergo a screening process. Currently plans are moving towards an electronic screening process that is HIPAA compliant. Dr. Burt, J. Bryner and L. Bacom have been working through a crisis standards of care and reviewing with physicians to determine the best care for the most patients. She noted that the KFSK show has been reduced to three days a week but possibly will be reduced to once a week starting next week. She added that there has been a lot of camaraderie with different agencies. Liz continues to serve as the PIO for the hospital and Tara Alcock is the PIO for Borough. A unified press release is completed weekly or as needed. The latest press release will cover the green, yellow, red levels for categorizing the level of care at PMC and information about mental health.

B. Executive Summary. P. Hofstetter highlighted some key points noted in his written report (see copy). He noted that we are now in the third month of the incident command system. We are continuing to prepare for the admission of COVID patients. We are now faced with the challenge of safely reopening Alaska and Petersburg. Dr. Hyer explained the green, yellow, red directive that was created by the medical team. She added that it allows PMC to be more flexible and dynamic in providing care in the clinic. We are currently operating in the green area which means that there are no active cases in Petersburg and the number of active cases in Alaska is stable or decreasing. Currently there is low call volume to the COVID hotline. It was noted that staff and visitors are still required to mask. PMC continues to get updated information to staff and the community in a timely fashion. P. Hofstetter participated in the Borough Incident Command briefings. PMC helped facilitate the recent ECHO work session to provide education to the Assembly and the community. Testing remains a topic of concern and guidelines continue to be developed, particularly asymptomatic testing. Obtaining testing supplies are still a challenge as well as turn-around time. He continues to advocate for supplies and build up our inventory so asymptomatic testing can be offered in the community. He noted a reduction in services which vary by department. There has been an increase in telehealth visits. The Home Health census has increased as well and he hopes to get more staff hired for that department. He is concerned long term for finances if volumes do not go up and we do not have additional resources that we can operate in a safe manner and keep our doors open. P. Hofstetter feels PMC will remain under Incident Command as long as the pandemic continues.

C. Financial. R. Tejera stated that she has spent a lot of time dealing with COVID related activities and searching for financial aid. In April alone, PMC spent \$321,000 in COVID-19 related expenses, such as overtime, supplies and equipment. The Federal Emergency Management Agency is expected to cover 75 percent of the hospital's COVID-19 related costs, with the state reimbursing PMC the remaining 25 percent. PMC has received about \$9.7 million in financial aid due to the COVID-19 pandemic, with \$444,388 still pending. The hospital received about \$3.5 million in Medicare advances, which makes up a bulk of the hospital's financial aid. The hospital was 27 percent below budget in net operating revenue for April, which was a result of a lack in services offered by the hospital for the

month. PMC had originally anticipated bringing in \$1,391,250 in net operating revenue but fell short at \$1,009,218. Total operating expenses were up 16 percent than budgeted. PMC budgeted \$1,391,250 in total operating expenses but ended up spending \$1,618,576. The increase was due to COVID-19 related expenses. As of May 15, PMC had \$16,261,301 in cash on hand which is equivalent to 326 days that the hospital can operate if cash flow were to stop. She will continue working on capital budget and operating budget. She noted the operating budget is to be submitted to the Borough by the end of June. She hopes to finalize the budget by the third week of June and meet with the Resource Committee that week to prepare for the board meeting the following week.

VII. UNFINISHED BUSINESS

VIII. NEW BUSINESS

A. CEO Evaluation discussion. Member Cushing asked to discuss the process of evaluating the CEO and to establish a working group. Members Doyle, Cushing, and Cook agreed to serve on the working group and Member Stratman agreed to serve as an alternate. The goal is to give the evaluation by the first of July. A meeting was scheduled on Tuesday, June 2nd at 10:30 a.m. to discuss the process. Member Cushing also stated that a working group for board self-assessment and board training, which includes writing up an annual work plan, needs to be created. Members Cushing, Doyle, and Stratman agreed to serve. Member Cook will serve as an alternate. Members scheduled a meeting on Wednesday, June 3rd at 5:00 p.m.

IX. NEXT MEETING: Next regularly scheduled meeting was set for Thursday, June 25th, 2020 at 5:00 p.m. via Zoom.

X. ADJOURNMENT: Member Lagoudakis made a motion to adjourn. Motion was seconded by Member Stratman. Motion passed unanimously. The meeting adjourned at 5:54 p.m.

Respectfully submitted,

Marlene Cushing, Board Secretary



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CEO Report:

The following updates are not a comprehensive summary of activities due to the activation of the Emergency Preparedness Incident Command Center from the COVID-19 response since March 11th.



Petersburg Medical Center is now in the 4th month of the Incident Command System since activated under the COVID pandemic on March 11th. We continue to allocate the bulk of our resources, staff, and monitoring toward COVID-19 preparation and mitigation strategies. We are in the 14th operational period in the ever-evolving situation of the pandemic. Petersburg has re-opened economically following the state



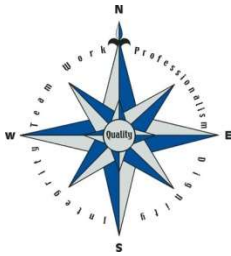
mandates in the past month. In that time, we are seeing an increase with workers in the cannery, fisheries and local businesses. Internally we have allocated a color code status to designate the external COVID situation. If there is an uptick of COVID cases it allows the facility to respond with more restriction and if there are no active cases (Green Status) we can lessen restrictions. The PMC Incident Command briefings

occur on M, W, F unless there is a significant change in code status. PMC also continues to represent in the operations branch of the Borough Emergency Operation Center. KFSK Live continues but is reduced to once a week on Fridays at 12:30 pm with PMC, Borough Incident Command, School, and Public Health Nurse reporting. Situational briefings are provided to staff and board members throughout the week and I have restarted the daily blog on alternate days. The last board meeting there was a recommendation to have access to the intranet which IT has provided. The effort to keep staff

informed is a challenge. I hosted the first all manager Zoom meeting on June 12th. The video blog allows me to provide a personal message to staff on the PMC YouTube Channel. Despite the technology I still have concerns the lack of in-person interaction erodes communication. I spend the majority of time throughout the day attending Zoom meetings with staff and COVID related meetings with

PETERSBURG MEDICAL CENTER STAFF ASYMPTOMATIC COVID-19 TESTING			
Group A: Tuesdays (even numbered weeks)	Group A: Wednesdays (odd numbered weeks)	Group B: Tuesdays (odd numbered weeks)	Group B: Wednesdays (even numbered weeks)
Providers <ul style="list-style-type: none"> Physicians PA's/NP's Audiology Clinic Staff <ul style="list-style-type: none"> Front Office Back Office (RN, CNA, MA) Behavioral Health EVS Staff assigned to clinic 	Long Term Care <ul style="list-style-type: none"> Nursing Staff Activities Staff EVS/HTS Staff assigned to LTC Maintenance Staff 	Acute Care <ul style="list-style-type: none"> Nursing Staff Ward Clerk Staff EVS staff assigned to acute/ancillary Ancillary <ul style="list-style-type: none"> Laboratory Staff Imaging Staff 	Ancillary <ul style="list-style-type: none"> Home Health Staff Rehab Staff Administrative Staff IT Staff Dietary Staff
Ordering Physicians: <ul style="list-style-type: none"> Dr. Tuccillo Dr. Hess (ETC only) 	Registration/Orders: <ul style="list-style-type: none"> Ward Clerks to pre-register and arrange drive through appointment times for those not working Orders placed by Acute Care nursing staff (future dated to date of service) Acute Care nursing staff to monitor staff collection and properly label specimens 	Lab Information: <ul style="list-style-type: none"> Lab labels will print at 0700 the day they are future ordered for, this will be attached to staff face sheet. Properly labeling specimens will be part of the training for those obtaining specimens, as well as specimen collection technique Samples need to be to lab by 1100 each day (please bring or being obtained vs. all at once) After hour samples (night-shift) collected and placed in fridge (with urine samples) May consider "self collection" at some point All specimens will be sent to Quest (unless other directions by Lourie) 	

outside entities (ie. State, Borough). The long duration of this emergency, incredible efforts of staff to accommodate changes and unrelenting component of COVID is taxing on staff. I have focused on



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improving depth to positions and continue to allow staff to work from home if their positions / supervisor allow. There has been turnover in management this month. The Home Health manager, Christie Axmaker, will step down as manager at the end of August but still maintain would care and home health nurse. Laurie Miller, laboratory manager, resigned and is relocating after July 1st. These are two critical positions we will be recruiting.

The past 4 months PMC has spent considerable resources in not only increasing its' preparation for surge, infection control and testing but to safely see patients in the facility. While we created a bubble for our vulnerable LTC residents, we also recognize the importance of safe activities and communication with family members. PMC staff are doing an incredible job meeting this need while maintaining safety.

Our focus in Incident Command in the past month has been a notable increase in asymptomatic testing in the facility and at the airport. Petersburg had 1 positive COVID reported on 6-18-2020 who was a non-resident in the cannery workforce. This was caught by asymptomatic testing setup by seafood industry and their COVID plan. The total test as of today are 597 with 1 active (non-resident) case. Information is updated on the Petersburg Medical Center website and social media platforms. We are following conservative safety guidelines and recommendations provided by CDC, State and CMS. PMC staff are assisting local businesses, Borough and other organizations as a resource for screening stations and questions. PMC has the Cepheid GeneX unit which is accurate (sensitivity /specificity) for onsite COVID-19 testing and the state provided over 600 cartridges to PMC to assist in testing.

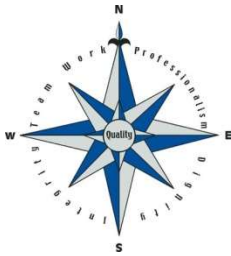
On June 5th I had a teleconference with Senator Murkowski on the needs of a small critical access hospital in Petersburg. I was able to discuss the benefit of the federal assistance programs PMC received as a result of the pandemic. This relief salvaged our finances in a dire time of need. I advocated for telehealth to maintain the changes that occurred as a result of COVID - both regulatory



and reimbursement. Senator Murkowski asked for a telehealth statement which I provided and she read it into the record at the Health Education, Labor and Pensions committee on Telehealth Lessons learned during COVID on June 17th.

The reductions of routine services to the community continues of upwards of 35%-50% depending on the

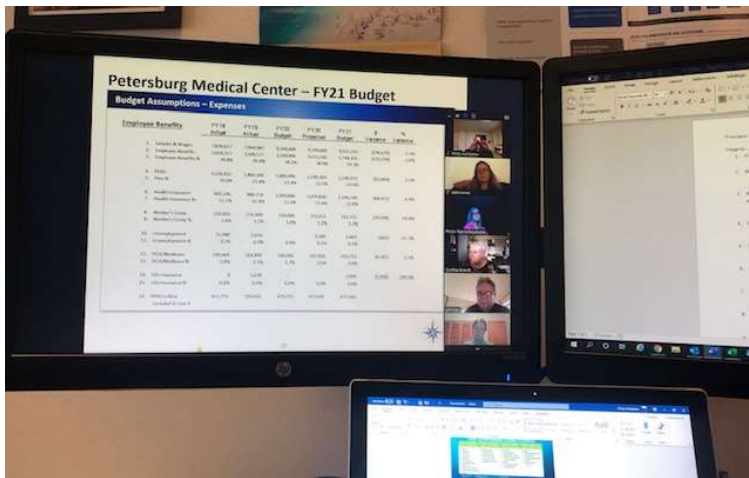
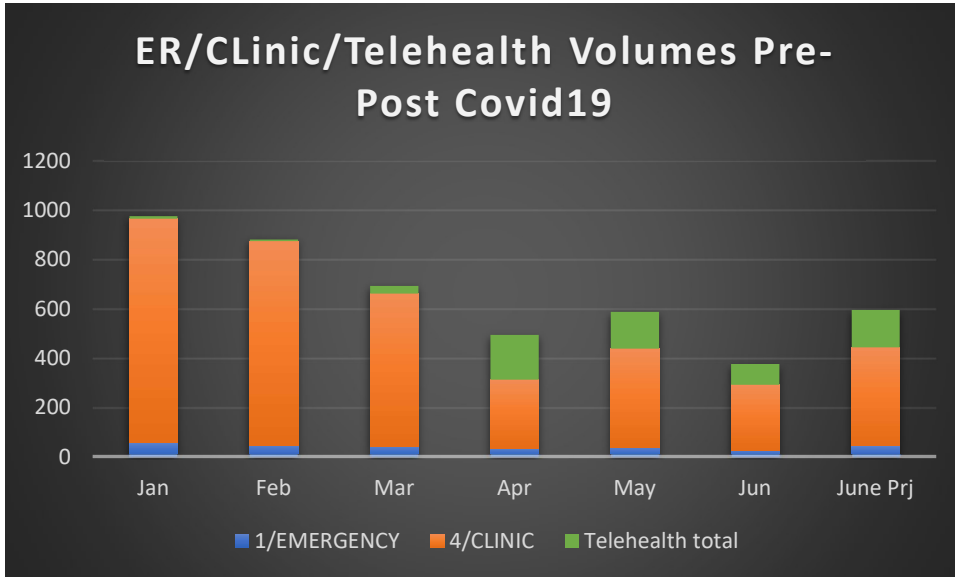
service department. Volumes increased slightly in May but remain flat in June and telehealth is averaging around 140 visits in May and June. Home Health has experienced a large increase to their census of 15-18 patients. This is a significant and interesting trend upwards. We are working on supporting this increase with additional nursing staff and adding home monitoring equipment with an appropriate telehealth vendor. The concern of volumes at the facility is offset slightly with innovation, home visits, telehealth and educational outreach videos for patients. The PMC clinic, previously under a



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green light status was switched to a yellow status in the last two weeks as cases of COVID have increased across the state with local pockets in Ketchikan and Wrangell.



The finance team has done an amazing job with the budget and presented to the Resource Committee on 6/18/2020. While the financial picture is promising today with the federal assistance, PMC will need to increase volumes and potentially review innovative approaches to increase access to care. It was recommended that the board review the budget quarterly to monitor the trends during the pandemic. The finance team will provide the capital and operational budget in greater detail. PMC continues to aggressively evaluate grant

opportunities and was able to receive \$60k from Rasmuson Foundation. A strong focus on telehealth to boost infrastructure from PMC to patient homes is being developed. The USP 800 project was placed on hold in March as a result of COVID however, we are working with JYL project managers to restart and complete this construction.

PETERSBURG MEDICAL CENTER
BALANCE SHEET
FOR THE MONTH ENDING: 05/31/20

	Current Year	Prior Year	Net Change
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	13,567,566	4,661,251	8,906,314
ACCOUNTS RECEIVABLE NET	1,306,490	3,565,103	(2,258,613)
INVENTORY	267,329	226,166	41,163
PREPAID EXPENSES	94,975	237,752	(142,777)
OTHER RECEIVABLES	19,111	(463,540)	482,652
	-----	-----	-----
TOTAL CURRENT ASSETS	15,255,473	8,226,733	7,028,740
	-----	-----	-----
PROPERTY PLANT & EQUIPMENT			
PLANT PROPERTY & EQUIPMENT	22,544,536	21,848,728	695,808
ACCUMULATED DEPRECIATION	(18,247,746)	(17,564,904)	(682,841)
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NET PROPERTY & EQUIPMENT	4,296,790	4,283,823	12,966
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RESTRICTED ASSETS			
INVESTMENTS	2,447,245	2,376,147	71,097
BUILDING FUND	515,750	497,486	18,263
PENSION ASSETS	2,883,764	1,121,322	1,762,442
	-----	-----	-----
TOTAL ASSETS	25,399,022	16,505,512	8,893,510
	=====	=====	=====
LIABILITIES & FUND BALANCE			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	617,761	269,627	348,134
SALARIES & WAGES PAYABLE	396,413	299,186	97,226
ACCRUED PTO & EXTENDED SICK	864,057	686,561	177,495
PAYROLL TAXES & OTHER PAYABLE	94,069	63,979	30,089
DUE TO MEDICARE	330,633	577,530	(246,896)
DUE TO MEDICARE ADVANCE	3,573,422		3,573,422
DUE TO BLUE CROSS ADVANCE	52,000		52,000
CAPITAL LEASE	124,895	122,233	2,661
DEFERRED REVENUE	2,005,000	201,975	1,803,025
NOTE PAYABLE - SBA	1,800,000		1,800,000
	-----	-----	-----
TOTAL CURRENT LIABILITIES	9,858,252	2,221,094	7,637,158
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LONG TERM LIABILITIES			
CAPITAL LEASES	41,243	167,982	(126,738)
	-----	-----	-----
TOTAL LONG TERM LIABILITIES	41,243	167,982	(126,738)
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PENSION LIABILITIES			
DEFERRED INFLOW	1,185,483	1,854,148	(668,665)
NET PENSION LIABILITY	13,960,423	11,926,974	2,033,449
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TOTAL PENSION LIABILITIES	15,145,906	13,781,122	1,364,784
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FUND BALANCE			

FUND BALANCE BEGINNING	(99,888)	542,125	(642,014)
NET INCOME (LOSS) YTD	453,509	(206,811)	660,320
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FUND BALANCE END	353,620	335,314	18,306
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TOTAL LIAB & FUND BALANCE	25,399,022	16,505,512	8,893,510
	=====	=====	=====

PETERSBURG MEDICAL CENTER
OPERATING/INCOME STATEMENT
FOR THE 11 MONTHS ENDING 05/31/20

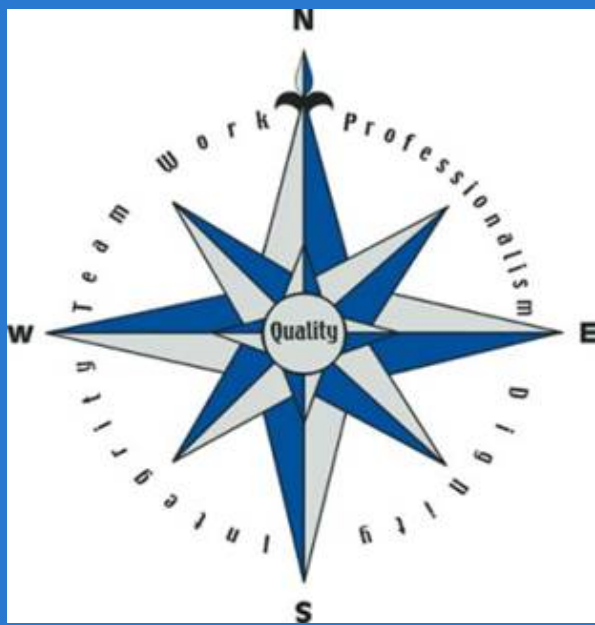
	----- S I N G L E M O N T H -----				----- Y E A R T O D A T E -----			
	ACTUAL	BUDGET	\$ VARIANCE	% VAR	ACTUAL	BUDGET	\$ VARIANCE	% VAR
OPERATING REVENUES								
INPATIENT	53,819	315,000	(261,180)	(82)	3,655,661	3,465,000	190,661	5
LONG TERM CARE	286,844	350,000	(63,155)	(18)	3,504,373	3,850,000	(345,626)	(8)
ANCILLARY SERVICES	570,376	666,666	(96,289)	(14)	7,180,872	7,333,326	(152,453)	(2)
PHYSICIAN SERVICES	168,532	225,000	(56,467)	(25)	2,578,709	2,475,000	103,709	4
HOME HEALTH	106,840	41,667	65,173	156	365,412	458,337	(92,924)	(20)
OTHER OPERATING REVENUE	89,409	62,500	26,909	43	1,478,391	687,500	790,891	115
GROSS OPERATING REVENUE	1,275,823	1,660,833	(385,009)	(23)	18,763,422	18,269,163	494,259	2
DEDUCTIONS FROM REVENUE								
ADJUSTMENTS & ALLOWANCES	(27,607)	(269,583)	241,975	89	(2,886,413)	(2,965,413)	78,999	2
NET OPERATING REVENUE	1,248,216	1,391,250	(143,033)	(10)	15,877,008	15,303,750	573,258	3
EXPENSES								
SALARIES & WAGES								
SALARIES & WAGES	713,441	580,833	(132,608)	(22)	7,102,230	6,389,163	(713,067)	(11)
NON PRODUCTIVE WAGES	136,440	127,500	(8,940)	(7)	1,510,978	1,402,500	(108,478)	(7)
CONTRACT AGENCY SERVICES	51,232	58,333	7,101	12	775,728	641,663	(134,065)	(20)
EMPLOYEE BENEFITS								
PERS	220,660	158,333	(62,327)	(39)	2,058,769	1,741,663	(317,106)	(18)
HEALTH INSURANCE	74,942	87,500	12,557	14	971,646	962,500	(9,146)	(0)
WORKERS COMP	9,680	10,000	319	3	120,003	110,000	(10,003)	(9)
UNEMPLOYMENT	0	0	0	0	5,990	0	(5,990)	0
FICA & MEDICARE	18,112	15,000	(3,112)	(20)	173,799	165,000	(8,799)	(5)
EMPLOYEE BENEFITS OTHER	210	0	(210)	0	24,067	0	(24,067)	0
DRUG FOOD & SUPPLIES								
SUPPLIES	47,345	47,500	154	0	663,997	522,500	(141,497)	(27)
FOOD	7,950	7,500	(450)	(6)	108,109	82,500	(25,609)	(31)
PHARMACY	26,961	41,666	14,704	35	505,860	458,326	(47,534)	(10)
OTHER EXPENSES								
MINOR EQUIPMENT	3,939	8,333	4,393	52	46,445	91,663	45,217	49
EQUIPMENT SERVICE AGREEME	22,776	14,172	(8,604)	(60)	206,966	155,892	(51,074)	(32)
HARDWARE & SOFTWARE	28,202	24,166	(4,036)	(16)	258,367	265,826	7,458	2
UTILITIES	52,072	50,000	(2,072)	(4)	546,206	550,000	3,793	0
REPAIRS & MAINTENANCE	1,895	8,333	6,437	77	83,273	91,663	8,389	9
CORPORATE HOUSING	10,053	14,583	4,530	31	123,080	160,413	37,332	23
PURCHASE SERVICES	96,811	46,666	(50,145)	(107)	1,107,426	513,326	(594,100)	(115)
OTHER OPERATING EXPENSE	17,321	1,250	(16,071)	(285)	149,781	13,750	(136,031)	(989)
TRAVEL & EDUCATION	5,009	10,833	5,823	53	101,826	119,163	17,336	14
DUES & FEES	6,041	4,583	(1,458)	(31)	82,412	50,413	(31,999)	(63)
FREIGHT	4,316	2,500	(1,816)	(72)	44,159	27,500	(16,659)	(60)
DEPRECIATION	56,010	62,500	6,489	10	636,198	687,500	51,301	7
INSURANCE	8,141	9,166	1,024	11	89,950	100,826	10,875	10
RECRUITMENT & RELOCATION	0	0	0	0	890	0	(890)	0
TOTAL OPERATING EXPENSE	1,619,570	1,391,250	(228,320)	(16)	17,498,168	15,303,750	(2,194,418)	(14)
OPERATING GAIN (LOSS)	(371,354)	0	(371,354)	0	(1,621,159)	0	(1,621,159)	0
NON-OPERATING REVENUE	1,648,519	8,334	1,640,185	680	2,074,668	91,666	1,983,002	163

NET GAIN (LOSS)	----- 1,277,165 =====	----- 8,334 =====	----- 1,268,831 =====	224	----- 453,509 =====	----- 91,666 =====	----- 361,843 =====	394
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Petersburg Medical Center
Statement of Cash Flow
Fiscal Year 2020
May 31 2020

Beginning Days Cash on Hand - Operating	7/1/2019	108.5
Beginning Days Cash on Hand - With Investments	7/1/2019	184.7
Fiscal Year 2020 Beginning Operating Cash		\$ 5,044,237
Fiscal Year 2020 Beginning Investments		\$ 3,003,675
Fiscal Year 2020 Total Beginning Cash		\$ 8,047,912
Sources and Applications of Funds		
YTD Net Profit (Loss)	453,504	
Increase in Depreciation	636,199	
Decrease in Accounts Receivable	796,777	
Decrease in Other Assets	58,064	
Increase in Inventory	(42,322)	
Pension Assets	-	
Decrease in Investments	40,680	
Decrease in CPSI EMR Payable	-	
Increase in Accrued Vacation & Sick	144,480	
Increase in Prepaid Expenses	(14,432)	
Increase in Capital Assets	(678,413)	
Decrease in Accounts Payable	(61,245)	
Increase Salaries & Wages Payable	50,159	
Increase in Payroll Taxes & Other Payables	21,030	
Increase Due to Medicare&Advances&Deferred rev	5,432,975	
Decrease in Capital Leases	(114,130)	
Increase in Note Payable	1,800,000	
Deferred Inflow	-	
Net Pension Liability	-	

Net Change In Cash		8,523,326
Fiscal Year 2020 Ending Operating Cash		\$ 13,567,563
Fiscal Year 2020 Ending Long Term Investment Cash		\$ 2,962,995
Fiscal Year 2020 Total Ending Cash		\$ 16,530,558
Ending Days Cash on Hand - Operating	5/31/2020	281.5
Ending Days Cash on Hand - With Investments	5/31/2020	342.9



Petersburg Medical Center

FY21 Budget

Board Presentation

June 25, 2020

Our Mission

Excellence in healthcare services and the promotion of wellness
in our community.



FY21 Budget – Thoughts from the CEO

The annual budget process for most hospitals is typically challenging. Seen as an annual “to do” - many organizations squeeze in budget preparation between the day to day priorities of taking care of patients, seemingly mundane reporting deadlines and the longing to take advantage of the first signs of changing seasons.

Few hospitals see the annual opportunity for transformation that comes with budget preparation. Fewer hospitals contemplate implementing a completely new budget process in a matter of weeks. Even fewer actually pull it off.

And no hospital, at least in the last 100 years or so, has put together a budget that contemplates uncertainties during a pandemic.

Petersburg Medical Center’s FY21 budget is the product of a four-week, organization-wide, concentrated effort, during which a new budget process was implemented - allowing for a deeper dive into the operations and related financials. And though the challenge of a tight timeline with a new process was daunting, even more so was developing assumptions for patient volumes due to the impact of the COVID-19 pandemic.

While the possibility of sustained compression to patient volumes certainly exists (and we budgeted for that to some degree), we have chosen to direct our energies and attention to the opportunities that have arisen during this crisis and that we identified during the budget process or other operational reviews.

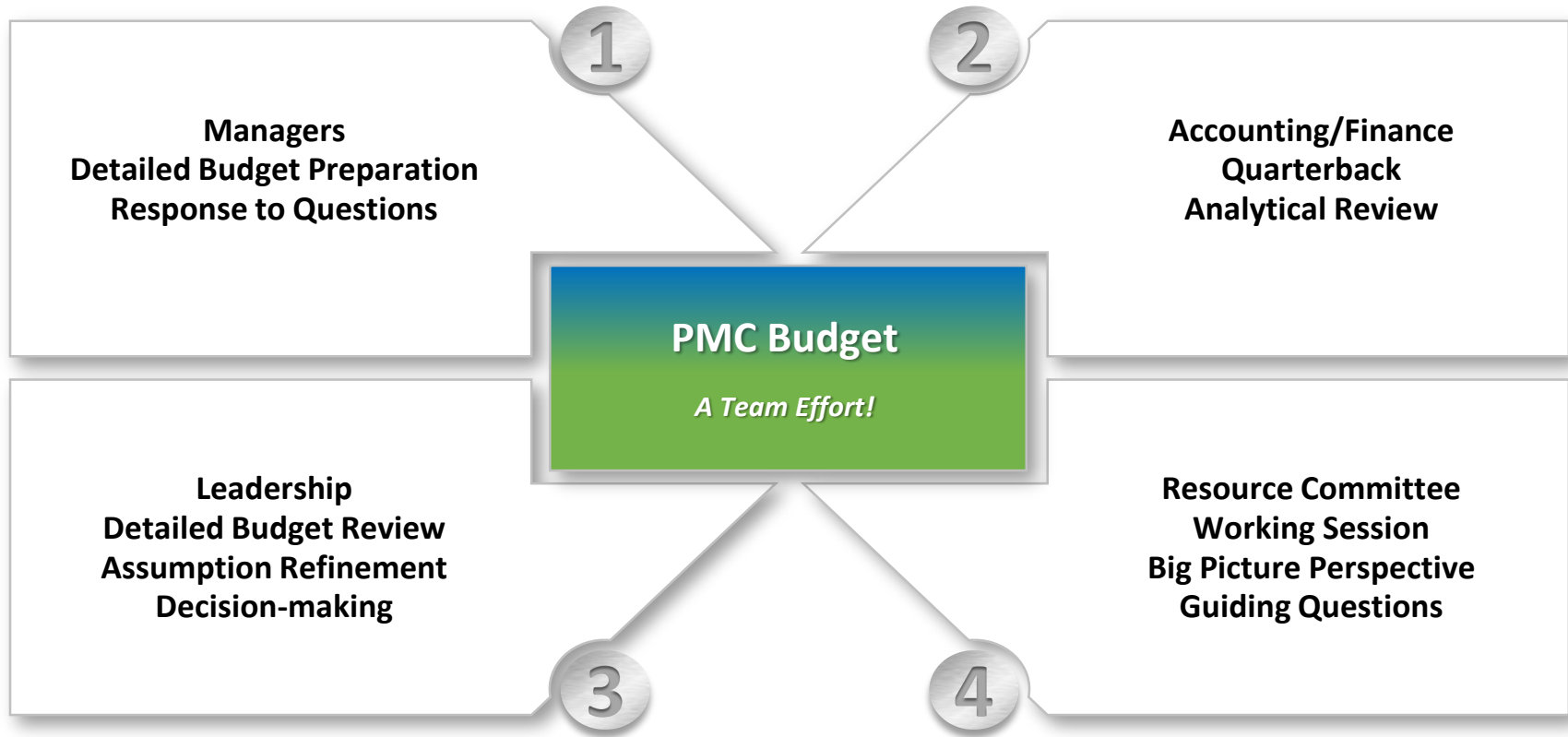
We will focus on the areas that we can control so that we are prepared to respond to the resurgence in patient volumes when they occur, seek new and innovative means to deliver the quality care we are known for, and to respond as nimbly as possible should we encounter a protracted decrease in volume or second wave of COVID19 in the Fall or next Winter.

I would like to thank the staff of PMC for rising to the occasion to develop what may be the most comprehensive budget that PMC has assembled - on the heels of COVID-19 preparation and during the ongoing state of readiness. Every manager actively participated in the development of his/her departmental budget – some for the first time ever. And I thank the Board of PMC for your ongoing support and favorable consideration of our FY21 Operating and Capital budget presented herein.

- Phil Hofstetter, CEO



The Budget Process – Our Approach



Calendar

Event	Date
Budget Kick-off with Budget Team	05/18/20
Budget Overview with Department Managers	Week of 05/18/20
Prepare Department Budget Packages	<i>05/11 – 06/11</i>
Conduct One on One's with Department Managers	
Consolidate Departmental Budgets	
Prepare Budget Presentation Package	
Budget Team Review and Analysis	
Finalize Budget	06/17/20
Resource Committee Meeting/Approval	06/18/20
Board of Directors Approval	06/25/20
Provide Budget to the City	06/26/20



The Budget at a Glance – Helpful Hints

Please consider the following helpful hints in reviewing the accompanying financial information:

- The FY20 Baseline is included for analytical review purposes. For net revenue, the baseline is May, 2020 year to date with an estimate for June volumes. Expenses, which are generally fixed, assume the year to date trend through March 31, 2020 annualized through June 30, 2020. In other words, expenses are March 31, 2020 year to date, divided by 9 and multiplied by 12. Investment income represents the May, 2020 results.
- “Variances” compare the FY21 Budget to the FY20 Baseline. Negative variances indicate that revenues are budgeted to decrease or expenses are budgeted to increase. Positive variances indicate that revenues are budgeted to increase or expenses are budgeted to decrease.
- This presentation includes summary financial and statistical information which is supported by many detailed schedules such as departmental budgets, comparative analyses and system reports.



The Budget at a Glance – The Highlights

- Conservative, “break-even” budget with bottom line of \$24,592.
- Volumes are assumed to remain at current “COVID” levels through the first quarter, increase somewhat in the second quarter and return to pre-COVID levels by the third quarter – January, 2021.
- The decrease in volumes and maintenance of staff levels are offset by Federal/State relief to be recognized as revenue in FY21:

PPP Loan Proceeds	\$ 1,800,000
Federal Provider Relief	\$2,000,000
- Investment in capital equipment of \$610,000
- Cash flow from operations of \$737,427
- Estimated Cash on Hand at 06/30/21 of \$12,877,188 or 269 Days (all sources)



The Budget at a Glance – Risks & Opportunities

Risks

The primary risks relate to the COVID-19 pandemic

- Volumes are slower to resume than anticipated
- Volumes return but are lower than pre-COVID levels
- Special area of concern is LTC volume
- A second wave in the Fall or next Winter
- Lack of or lower level of Federal/State support than received during initial outbreak.
- Impact on staff resulting in resignations, extended leave or illness. This would likely decrease “depth” of staffing complement and result in higher contract labor costs.
- Economic recovery is slow or reverses with another wave negatively impacting investment income.

Other risks which are typical in any budget are unknown regulatory changes in reimbursement, staff turnover with providers, unforeseen expense increases, etc.



Opportunities

A primary opportunity is that volumes return faster than expected.

Other opportunities identified during COVID-19 pandemic

- Expansion of telehealth services with reimbursement
- Expansion of home health services
- Demonstration projects to deliver quality care in innovative ways
- Efficiencies of teleworking

Opportunities identified during operational reviews

- 340b drug program
- Net revenue optimization – reduction of lost charges and avoidable write-offs, ER level review
- Position control, FTE monitoring and productivity analysis

Other

- Grant opportunities
- Additional federal reimbursement (FEMA, etc.)



Petersburg Medical Center – FY21 Budget

The Budget at a Glance – Summary Financials

	FY18 Actual	FY19 Actual	FY20 Budget	FY20 Baseline	FY21 Budget	\$ Var	% Var
Operating revenue							
1. Net patient revenue	13,737,544	15,088,268	15,945,000	14,742,785	14,129,409	(613,376)	-4.2%
2. Government relief	-	-	-	1,917,676	3,800,000	1,882,324	98.2%
3. USAC/PERS	681,997	986,332	681,833	747,323	747,321	(2)	0.0%
4. Grant revenue	25,869	227,638	-	813,243	165,000	(648,243)	-79.7%
5. Other revenue	94,502	77,338	72,923	88,513	23,740	(64,773)	-73.2%
6. Total operating revenue	14,539,911	16,379,576	16,699,756	18,309,540	18,865,470	555,930	3.0%
Expenses							
7. Salaries, benefits & contract	11,093,173	12,267,036	12,450,607	13,777,899	14,075,259	(297,360)	-2.2%
8. Other expenses	4,150,919	4,518,483	4,244,397	5,201,893	4,839,909	361,985	7.0%
9. Total expenses	15,244,092	16,785,519	16,695,004	18,979,792	18,915,168	64,624	0.3%
10. Non-operating revenue	153,498	155,393	95,248	8,135	74,290	64,624	794.4%
11. Total income (loss)	(550,683)	(250,550)	100,000	(662,117)	24,592	555,930	84%

PPP of \$1.8M will be recognized as revenue in FY21 when PMC receives official notification of forgiveness. HHS relief will be spread over FY20 & FY21. There is a possibility that accounting regs could change thus resulting in a difference than anticipated with regard to the fiscal year during which revenue is recorded.



Petersburg Medical Center – FY21 Budget

The Budget at a Glance – Cash Flow

The FY21 cash flow generated by operations & investments will fund the \$610,000 capital budget with the remaining cash generated and existing reserves of to fund capital lease payments.

We have assumed that all Medicare and Blue Cross advances will be repaid by the end of FY21.

Estimated days of Operating cash on hand at the end of FY21 is 207.

Estimated Days of Total Cash & Investments on Hand at the end of FY21 is 269.

1. Cash - Beginning of Year	16,530,557
2. FY21 Bottom Line	24,592
3. Add Back: Depreciation	712,835
4. Cash provided by operations & investments	737,427
5. Cash required for Capital and Debt	
6. Capital acquisitions	(610,000)
7. Repayment of Medicare COVID advance	(3,573,422)
8. Repayment of Premera COVID advance	(52,000)
9. Repayment of capital leases	(155,373)
10. Total Cash Required for Capital & Debt	(4,390,795)
11. Cash - Net Change	(3,653,368)
12. Cash - End of Year	12,877,188
Cash Balances	
13. Operating Cash & Investments	9,914,193
14. Long-term Investments	2,962,995
15. Total	12,877,188
Days Cash on Hand	
16. Operating Cash & Investments	207
17. Long-term Investments	62
18. Total	269

Petersburg Medical Center – FY21 Budget

Budget Assumptions – Revenues

All Patient Revenue Categories

- Overall price increase of 5% was budgeted for FY21. This is consistent with the price increase for FY20. Prior year rate increases have been applied to various departments and in some years, little to no rate increases were made.
- Due to the uncertainty with regard to COVID-19, volumes were particularly difficult to budget for FY21. Our general approach was to budget assuming COVID level volumes for the first quarter with a ramp up through the second quarter to reach “pre-COVID” volumes by January, 2021.

First Quarter	May/June volumes – partial “COVID”
Second Quarter	March volumes – partial “COVID”
Third & Fourth	February YTD monthly average – “pre-COVID”

Inpatient Revenue

- Inpatient revenue is budgeted for \$3,730,102 in FY21 which is a \$119,317 or 3.2% decrease from the FY20 baseline. The patient day volumes for acute care and swing bed were developed assuming an average daily census of 0.8 and 2.4.



Petersburg Medical Center – FY21 Budget

Budget Assumptions – Revenues

Outpatient Revenue

- Total Outpatient Revenue is budgeted for \$10,331,169 which is 3.2% or \$330,469 lower than the baseline.
- Outpatient volumes were particularly impacted by COVID.
- Physical Therapy is showing a 39% decrease in volume due to anticipated vacancies in provider positions and ongoing challenges of filling permanent positions.

Long-term Care

- Long-term Care Revenue is budgeted for \$3,967,161 which is a slight increase over the FY20 baseline. Census is budgeted at 11.5 for the year which assumes one additional resident by July 1 and two additional residents by October 1.

Other and Non-operating Revenue

- Zero-based or FY20 baseline where appropriate.
- FY21 budget does not include revenue for the Health Fair as it is every other even year.
- FY21 budget assumes that PT contract for school services does not resume until January.
- Due to the uncertainty surrounding economics and market volatility, a conservative estimate of approximately 2.8% return on investment was budgeted for FY21. This is less than half of the investment income recorded in FY18 and FY19.



Petersburg Medical Center – FY21 Budget

Budget Assumptions – Deductions from Revenue – Contractual Adjustments

Deductions from Revenue represent the amount of gross revenue that we do not collect from insurance companies and patients.

Contractual Adjustments

Contractual adjustments are the amounts that we charge for services that are not reimbursed by insurance companies or other payors such as Medicare or Medicaid.

For FY21, contractual adjustments have been budgeted at \$3,131,693 or 17.4% of Gross Patient Revenue.

- Using our own historical experience, we determined a % for each major category of payors and adjusted for the impact of our price increases.
- These percentages were applied to the FY21 gross revenue budget assuming the same payor mix in FY21 as we have trended in FY20.
- Note that the FY18 and FY19 contractals were substantially lower than the FY20 Baseline and FY21 Budgeted amounts. These differences are due in part to prior year accounting treatment for monthly adjustments to contractals and bad debt, whereby adjustments to contractals were recorded in bad debt expense. As a result, you can see the inverse impact on the Bad Debt expense line.



Petersburg Medical Center – FY21 Budget

Budget Assumptions – Deductions from Revenue – Bad Debt & Charity

Bad Debt

Bad debt represents the amounts that we write-off because a patient has not responded to collection efforts by paying the balance in full, establishing a payment plan or completing a charity application.

Bad Debt Expense is budgeted at \$100,587 in FY21 which is 0.6% of Gross Revenue. The national average for Bad Debt Expense for Critical Access Hospitals published in a 2017 article in the Healthcare Financial Management Journal was 3.44%.

See note on the previous page regarding prior year presentation of Bad Debt Expense.

Charity and Other

Charity care represents the amounts that we write-off for services rendered to patients who meet our charity care guidelines and demonstrate that through an application and approval process. Other deductions represent administrative, untimely filing, denials and small balance adjustments.

Charity and Other Deductions for FY21 are 3.7% of Gross Patient Revenue as follows:

Charity	165,964
Other	<u>500,780</u>
Total	<u>666,744</u>

***Total Deductions from Revenue are budgeted at 21.70% of Gross Revenue in FY21.
This means that, on average, we expect to collect \$78.30 of every \$100.00 we charge.***



Petersburg Medical Center – FY21 Budget

Budget Assumptions – Expenses

Salaries and Benefits

As is the case with every hospital, Salaries and Benefits make up the largest percentage of total expenses. Critical Access hospitals typically have a higher percentage of salary costs due to the minimum staff requirements, difficulty in “staffing down” and lower cost base in other areas. Alaska municipal affiliated organizations subject to PERS have a higher percentage of employee benefit costs as well due to the 22% contribution rate.

For FY21, salaries and benefits are budgeted at 70.2% of total expenses. When combined with contract labor, total compensation and benefits as a percent of total expense is 74.4%.

Global Assumptions for salaries include:

- 2.0% general wage increase and one step change. Effective increase is on average 2.2%
- Other increases based on contractual obligations and hire agreements (e.g. physicians)
- Full staffing less 2% vacancy rate.
- New/upgraded positions for COVID coverage, Nurse Education, Plant Operations, Clinic Assistant Manager, Home Health expansion
- Nursing is currently full staffed with PMC employees (vs contract labor). Assumed contract labor of 2.0 FTE’s will be needed for coverage and unanticipated vacancies.
- Other departments with anticipated contract labor were Lab, Physical Therapy and Home Health.
- Anticipated reduction of overtime in the FY21 budget due to less COVID19 preparation, lower volumes anticipated and new positions that will relieve the overtime in some departments. Though the percentage varies by department we have estimated the “pick-up” in the FY21 budget to be approximately \$100,000.



Petersburg Medical Center – FY21 Budget

Budget Assumptions – Expenses

Salaries and Benefits

Assumptions for employee benefits:

- PERS – 22% of wages plus PERS in-kind estimate
- Health Insurance – Employers’ portion of premium based on open enrollment. The rate increase for FY21 less than 1%. We have also factored in a discount to employees for participation in the wellness program.

	Premium	%
Total	\$1,666,834	100
Employee	<u>522,090</u>	<u>31</u>
Employer	<u>\$1,144,743</u>	<u>69</u>

- Worker’s Compensation – Insurance quote from broker. 24.4% increase over FY20 baseline and a 39% increase over FY19.
- Other Benefits were budgeted at a historical percentage of Salaries & Wages



Petersburg Medical Center – FY21 Budget

Budget Assumptions – Expenses

	FY18 Actual	FY19 Actual	FY20 Budget	FY20 Baseline	FY21 Budget	\$ Variance	% Variance
Salaries & Benefits							
1. Salaries	7,634,617	7,964,987	8,500,000	9,290,660	9,527,335	(236,674)	-2.5%
2. Benefits	2,654,157	3,104,577	3,249,996	3,613,166	3,748,425	(135,259)	-3.7%
3. Total Salaries & Benefits	10,288,774	11,069,564	11,749,996	12,903,826	13,275,759	(371,933)	-2.9%
4. Salaries/Benefits as % of Total Expenses	67.5%	65.9%	70.0%	68.0%	70.2%	-2.2%	-3.2%
5. Regular FTE's	110	111	116	120	125	(5)	-3.8%
6. Salaries per FTE	69,706	71,786	73,276	77,422	76,463	959	1.2%
7. Salaries & Benefits per FTE	93,940	99,767	101,293	107,532	106,547	985	0.9%
8. Employee Benefits as a % of Salaries	34.8%	39.0%	38.2%	38.9%	39.3%	-0.5%	-1.2%
Total Staffing Costs							
9. Salaries and Benefits	10,288,774	11,069,564	11,749,996	12,903,826	13,275,759	(371,933)	-2.9%
10. Contract Labor	804,398	1,197,472	700,611	874,073	799,500	74,573	8.5%
11. Total Staffing Costs	11,093,173	12,267,036	12,450,607	13,777,899	14,075,259	(297,360)	-2.2%
12. Total Expenses	15,244,092	16,785,519	16,795,004	18,979,792	18,915,168	64,624	0.3%
13. Total Staffing Costs as % of Total Expenses	72.8%	73.1%	74.1%	72.6%	74.4%	-1.8%	-2.5%

Salaries per FTE show a decrease primarily due to a budgeted reduction of overtime in FY21 which reduces the total number of premium hours and thereby the average hourly rate.



Petersburg Medical Center – FY21 Budget

Budget Assumptions – Expenses

<u>Employee Benefits</u>	FY18 Actual	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	\$ Variance	% Variance
1. Salaries & Wages	7,634,617	7,964,987	8,500,000	9,290,660	9,527,335	(236,674)	-2.5%
2. Employee Benefits	2,654,157	3,104,577	3,249,996	3,613,166	3,748,425	(135,259)	-3.6%
3. Employee Benefits %	34.8%	39.0%	38.2%	38.9%	39.3%		
4. PERS	1,526,452	1,860,189	1,899,996	2,185,303	2,240,972	(55,669)	-2.5%
5. Pers %	20.0%	23.4%	22.4%	23.5%	23.5%		
6. Health Insurance	845,246	989,774	1,050,000	1,075,830	1,144,744	(68,913)	-6.0%
7. Health Insurance %	11.1%	12.4%	12.4%	11.6%	12.0%		
8. Worker's Comp	120,855	116,949	120,000	122,553	162,152	(39,599)	-24.4%
9. Worker's Comp %	1.6%	1.5%	1.4%	1.3%	1.7%		
10. Unemployment	11,940	2,616	-	5,180	5,843	(663)	-11.3%
11. Unemployment %	0.2%	0.0%	0.0%	0.1%	0.1%		
12. FICA/Medicare	149,664	164,494	140,945	187,926	192,713	(4,787)	-2.5%
13. FICA/Medicare %	2.0%	2.1%	1.7%	2.0%	2.0%		
14. Life Insurance	0	1,678	-	-	2,000	(2,000)	-100.0%
15. Life Insurance %	0.0%	0.0%	0.0%	0.0%	0.0%		
16. PERS In Kind Included in Line 4	411,719	716,054	479,723	477,045	477,045		



Petersburg Medical Center – FY21 Budget

Budget Assumptions – Expenses

Supplies

Historically PMC has recorded all supplies within the category of “Medical Supplies.” During the FY21 budget process, we reviewed the underlying detail to better categorize expenses between Medical, Office and Non-medical supplies which will allow better analysis and budgeting with regard to variable supplies. For FY21, we budgeted historical levels of supplies which effectively takes into account a decrease in some departments due to volume and any offsetting price increases that may occur. We have also historically recorded specialty infusion drugs, which are extremely high dollar, within the drugs and pharmaceuticals category. Beginning in FY21, we will begin tracking these in a separate account to facilitate analysis and review.

Rentals and Leases

A new financial statement line item to capture and report building and equipment leasing. For FY21, this expense is primarily corporate housing for contract travelers and temporary housing for new staff.

Depreciation and Amortization

The depreciation budget is comprised of depreciation on the fixed assets in service at June 30, 2020 plus estimates for projects in progress that will be placed into service during FY21 as well as estimates on depreciation for new capital equipment.

All Other Expenses

All other expenses were zero-based and are supported by underlying detail such as departmental budget workbooks or were developed using historical information when appropriate.



Petersburg Medical Center – FY21 Budget

Income Statement – Operating Revenue

	FY18 Actual	FY19 Actual	FY20 Budget	FY20 Baseline	FY21 Budget	\$ Variance	% Variance
<i>Gross Patient Revenue:</i>							
1. Inpatient	\$3,369,892	\$3,360,190	\$3,780,000	\$3,849,418	\$3,730,102	(\$119,317)	-3.2%
2. Outpatient	9,952,825	10,990,828	11,199,996	10,661,638	10,331,169	(330,469)	-3.2%
3. Long-term Care	3,901,846	3,832,096	4,200,000	3,727,824	3,967,161	239,337	6.0%
4. Total gross patient revenue	17,224,563	18,183,113	19,179,996	18,238,881	18,028,432	(210,449)	-1.2%
<i>Deductions from Revenue:</i>							
5. Contractual adjustments	1,605,349	1,373,326	1,662,690	2,719,809	3,131,693	(411,884)	-13.2%
6. Prior year settlements	0	305,530	279,048	0	0	0	n/a
7. Bad debt expense	966,583	593,257	541,836	101,761	100,587	1,174	1.2%
8. Charity and other deductions	915,088	822,732	751,422	674,527	666,744	7,783	1.2%
9. Total deductions from revenue	3,487,019	3,094,846	3,234,996	3,496,096	3,899,023	(402,927)	-10.3%
10. Net patient revenue	13,737,544	15,088,268	15,945,000	14,742,785	14,129,409	(613,376)	-4.3%
<i>Other Revenue</i>							
11. Inkind Service - PERS/USAC	681,997	986,332	681,833	747,323	747,321	(2)	0.0%
12. Grant revenue	25,869	227,638	-	813,243	165,000	(648,243)	-392.9%
13. Federal & State Relief	-	-	-	1,917,676	3,800,000	1,882,324	49.5%
14. Other revenue	94,502	77,338	72,923	88,513	23,740	(64,773)	-272.8%
15. Total other operating revenue	802,367	1,291,308	754,756	3,566,756	4,736,061	1,169,305	24.7%
16. Total operating revenue	14,539,911	16,379,576	16,699,756	18,309,540	18,865,470	555,930	2.9%



Petersburg Medical Center – FY21 Budget

Income Statement - Expenses & Nonoperating Revenue

	FY18 Actual	FY19 Actual	FY20 Budget	FY20 Baseline	FY21 Budget	\$ Variance	% Variance
<i>Expenses:</i>							
17. Salaries and wages	7,634,617	7,964,987	8,500,000	9,290,660	9,527,335	(236,674)	-2.5%
18. Contract Labor	804,398	1,197,472	700,611	874,073	799,500	74,573	9.3%
19. Employee benefits	2,654,157	3,104,577	3,249,996	3,613,166	3,748,425	(135,259)	-3.6%
20. Supplies	927,601	1,356,576	1,159,875	1,399,845	1,368,215	31,630	2.3%
21. Purchased services	1,007,134	1,049,680	559,493	1,277,989	943,317	334,672	35.5%
22. Repairs and maintenance	195,232	277,239	270,060	526,363	530,221	(3,858)	-0.7%
23. Minor equipment	90,792	129,572	389,988	112,876	120,738	(7,862)	-6.5%
24. Rentals and leases	0	0	174,996	135,330	139,600	(4,270)	-3.1%
25. Utilities	527,435	551,522	600,000	593,487	599,280	(5,793)	-1.0%
26. Training and travel	132,845	156,161	129,996	141,058	166,989	(25,931)	-15.5%
27. Depreciation	658,752	704,282	750,000	698,827	712,835	(14,008)	-2.0%
28. Insurance	102,098	109,567	109,992	94,721	105,074	(10,353)	-9.9%
29. Other operating expense	509,031	183,884	99,996	221,397	153,640	67,756	44.1%
30. Total expenses	15,244,092	16,785,519	16,695,004	18,979,792	18,915,168	64,624	0.3%
31. Income (loss) from operations	(704,180)	(405,943)	4,752	(670,252)	(49,699)	620,554	-1248.6%
<i>Nonoperating Gains(Losses):</i>							
32. Investment income	165,710	164,904	90,785	(2,000)	75,000	77,000	102.7%
34. Interest expense	(14,625)	(10,126)	4,752	(5,918)	(710)	5,209	733.9%
35. Gain (loss) on disposal of assets	0	0	-	0	0	0	n/a
36. Other non-operating revenue	2,413	616	(289)	16,053	0	(16,053)	n/a
37. Net nonoperating gains (losses)	153,498	155,393	95,248	8,135	74,290	66,155	89.0%
38. Change in Net Position (Bottom Line)	(\$550,683)	(\$250,550)	\$100,000	(\$662,117)	\$24,592	\$686,709	2792.4%



Petersburg Medical Center – FY21 Budget

Volumes

	FY18 Actual	FY19 Actual	FY20 Budget	FY20 Baseline	FY21 Budget	\$ Variance	% Variance
<i>Hospital Inpatient</i>							
1. Patient Days - Acute	343	303	303	331	306	(25)	-7.6%
2. Patient Days - Swing Bed	1,051	872	872	1,138	900	(238)	-20.9%
3. Patient Days - Total	1,394	1,175	1,175	1,469	1,206	(263)	-17.9%
4. Average Daily Census - Acute	0.9	0.8	0.8	0.9	0.8	(0.1)	-7.3%
5. Average Daily Census - Swing	2.9	2.4	2.4	3.1	2.5	(0.6)	-20.7%
6. Average Daily Census - Total	3.8	3.2	3.2	4.0	3.3	(0.7)	-17.7%
7. Percentage of Occupancy - Total	31.8%	26.8%	26.8%	33.4%	27.5%	-5.9%	-17.7%
<i>Long Term Care</i>							
8. Resident Days	4,802	4,396	4,396	4,140	4,196	56	1.4%
9. Average Daily Census	13.2	12.0	12.0	11.3	11.5	0.2	1.6%
10. Percentage of Occupancy	87.7%	80.3%	80.1%	75.4%	76.6%	1.2%	1.6%
11. Emergency Room Visits	773	728	728	635	730	95	15.0%
12. Radiology Procedures	2,017	2,130	2,130	2,038	1,902	(136)	-6.7%
13. Lab Tests	28,153	27,803	27,803	27,508	24,906	(2,602)	-9.5%
14. Rehab Services Units	11,684	10,230	10,230	10,601	7,419	(3,182)	-30.0%
15. Outpatient Treatment Room	647	700	700	743	700	-43	-5.8%
16. Home Health Visits	1,145	1,592	1,592	1,287	1,800	513	39.9%
17. Clinic Visits	9,674	9,653	9,653	10,003	9,453	-550	-5.5%



Petersburg Medical Center – FY21 Budget

Financial Indicators

	Actual	Actual	Budget	Baseline	Budget	Variance	Variance
1. Contractual Adj. as a % of Gross Revenue	9.3%	7.6%	8.7%	14.9%	17.4%	-2.5%	-16.5%
2. Bad Debt as a % of Gross Revenue	5.6%	3.3%	2.8%	0.6%	0.6%	0.0%	0.0%
3. Charity/Other Ded. as a % of Gross Revenue	5.3%	4.5%	3.9%	3.7%	3.7%	0.0%	0.0%
4. Total Deductions as a % of Gross Revenue	20.2%	17.0%	16.9%	19.2%	21.6%	-2.5%	-12.8%
5. Operating Margin	-4.8%	-2.5%	0.0%	-3.7%	-0.3%	3.4%	92.8%
6. Total Margin	-3.7%	-1.5%	0.6%	-3.6%	0.1%	3.7%	103.6%



Petersburg Medical Center – FY21 Budget

Capital

Department	Description	Amount
IT	Fire suppression system-server room	19,078
	Server	16,515
	Fetal Monitor	22,000
Acute/Swing/ER	12 IV Smart Pumps	48,840
	Ventilators	25,000
LTC	4 Beds	10,671
PT	Powermatic Mat Platform	5,000
	Traction Plant	7,795
Lab	5 Glucometers	34,685
	Microscan	25,000
Imaging	Ultrasound	190,024
	Industrial Washer	12,618
Plant	Plow TRUCK with sander	60,000
	3 Ice Makers	18,000
Audiology	Audiology Equipment	14,774
Telehealth	PMC is developing a Telehealth program that will expand access to care and reach more patients. Capital purchases will mostly be for telehealth carts. Program to be funded by grants, Care Act funds and PMC reserves. Capital expenditure needs will largely be determined by grant requirements.	-
Contingencies		100,000
Total		610,000



Thank you!
Questions

