



Ferry County Health

FERRY COUNTY HEALTH

36 KLONDIKE RD
REPUBLIC, WASHINGTON 99166

2020 BUDGET

BOARD PRESENTATION

NOVEMBER 4, 2019

2020 BUDGET HIGHLIGHTS

Income for Hospital and Clinic:

- Projected net gain for 2020 is \$954,800 on anticipated net revenue of \$12,972,512.

Income for Klondike Hills Assisted Living:

- Analyzing like facilities to determine equitable rent.
- Projected net loss for 2019 is (\$148,662) on anticipated net revenue of \$576,000.

Revenue:

- Charge increase of approximately 3% will drive additional revenues.
- Additional MRI revenue of approximately \$430,000 estimated as we will have the MRI bus here every day next year.
- Inpatient Revenue is essentially flat.
- Increasing a provider in clinic should help with revenue.

Contractual Allowance/Bad Debt:

- Estimated 36% contractual allowance.
- Estimated 2% bad debt allowance.

Salaries:

- Merit increase allocated for staff which may be given on employee's anniversary date but is dependent on financial health of district and employee performance.
- Overall increase due to minimum wage adjustment and effort to retain employees.
- Increase in provider salaries to more closely resemble market price.

Employee Benefits:

- The District will offer a 1000 deductible base plan to employees for 2020. A Health Savings Account (HSA) plan will continue to be offered in which the District will contribute the same premium dollars as the 1000 plan minus administrative fees. A 9% increase will be expected this coming year.

Professional Fees:

- Increase due to wage adjustment for providers.

Supplies:

- Supplies include purchase of small equipment in the amount of \$92,014.

Utilities:

- No significant adjustment projected.
 - Potential decrease with new light fixtures

Purchase Service:

- Medicare Cost Report \$(100,000).
- We expect spend on Agency nurses to continue to decrease.

Education Expense:

- Education expense will be approximately \$97k. Continuing education credits for all licensed personnel.

Other Income:

- FCHPD receives \$.75/\$1,000 of assessed value. Because statutorily Ferry County can only tax \$5.90 per \$1,000 of assessed value, our last \$.25 is prorated. Estimated total annual income is \$240,000 next year.
- Expected Timber tax of \$10,000.
- Anticipated grants for SHIP & Department of Health \$16,000.
- 340B estimated income of \$525,000. (This helps to keep the hospital open)
- Estimated Grant Revenue of \$50,000.

Capital budget:

- Budget includes \$509,800 for capital purchases.

Current Debt Load

- 2019- \$5,392,126
- 2020- \$4,064,401
- Debt to Cash Ratio of
 - 2019- .09 or 11.11 years.
 - 2020- .46 or 2.17 years.
 - (national benchmark is 2.7 years)

2020 CAPITAL PURCHASES

Purchases valued \$5,000 or greater

Department	Project Description	Estimated Cost
Lab	ESR Analyzer	\$ 6,000.00
Nursing	Patient Beds (4) ?	\$ 40,000.00
	Cardiac Monitoring System	\$ 180,000.00
	Bladder Scanner	\$ 15,000.00
	Patient Room Chairs for Swingbed	\$ 12,500.00
Plant	Asphalt Seal Clinic and Alf	\$ 15,000.00
	O2 System Replacement ?	\$ 125,000.00
	LED Lighting Retrofit	\$ 20,000.00
	Auto Push Button Locks Replacement (11?)	\$ 14,300.00
	Exterior Metal Doors and Jambs Replacement (5)	\$ 55,000.00
IT	Generator for HUB (plus Installation)	\$ 19,500.00
	Replacement Hyper-V server	\$ 7,500.00
	TOTAL	\$ 509,800.00

Small Equipment

Department	Description	Quantity	Total Cost
Dietary	Food Delivery Cart	1	\$ 2,671.00
Housekeeping	Replace Vacuum	1	\$ 800.00
HR	Badge Maker	1	\$ 3,500.00
IT	Desktop Computers	12	\$ 9,600.00
	Patient Rooms (Hospital)	10	\$ 15,000.00
	LCD Projector (HUB conference rooms)	2	\$ 1,300.00
Lab	Microscope	1	\$ 1,200.00
	Centrifuge	1	\$ 650.00
Laundry	New Gas Dryer	1	\$ 4,500.00
Nursing	Patient Room Furniture	4	\$ 4,000.00
	LTC Mattresses	10	\$ 8,000.00
	Electric White Board	1	\$ 2,000.00
	EKG Machine	1	\$ 4,999.00
	<u>Specterlink Nurse Phones</u>	<u>7</u>	\$ 5,600.00
OT	Round Top Hydraulic Height Treatment Table	1	\$ 1,151.00
	Lightweight 2 in 1 Laptops	1	\$ 1,000.00
PT	Performa 300 Series Table	2	\$ 3,643.38
	Lightweight 2 in 1 Laptops	4	\$ 4,000.00
Plant	DR Weed Trimmer	1	\$ 650.00
	New Push Mower	1	\$ 450.00
	Roof Repair	1	\$ 4,500.00
	Dimmable Lights in PT	1	\$ 1,200.00
Ultrasound	Patient Viewing Screen	1	\$ 2,500.00
	CR Cassettes		\$ 5,000.00
Klondike	Dryer	1	\$ 600.00
	Fridge	1	\$ 1,500.00
	Desktop Computers	2	\$ 2,000.00
Total Cost			<u>\$ 92,014.38</u>

**Ferry County Public Hospital District
Not including Klondike Hills
CONSOLIDATED INCOME STATEMENT**

	2020 BUDGET	2019 PROJECTION	2019 BUDGET	2018 Actual	2019 Projection/Budget VARIANCE %
REVENUES:					
INPATIENT REVENUE	\$ 3,375,260	\$ 3,309,491	\$ 3,365,685	\$ 3,124,843	98%
OUTPATIENT REVENUE	\$ 17,218,536	\$ 16,472,457	\$ 14,182,681	\$ 13,651,462	116%
TOTAL PATIENT REVENUE	\$ 20,593,796	\$ 19,781,948	\$ 17,548,366	\$ 16,776,305	113%
CONTRACTUAL ALLOWANCES	\$ 7,365,910	\$ 6,660,810	\$ 6,311,857	\$ 6,322,719	106%
BAD DEBT ALLOWANCE	\$ 369,588	\$ 366,433	\$ 366,473	\$ 376,724	100%
TOTAL DEDUCTIONS FROM REVENUE	\$ 7,735,497	\$ 7,027,242	\$ 6,678,330	\$ 5,228,590	105%
TOTAL NET PATIENT REVENUE	\$ 12,858,299	\$ 12,754,706	\$ 10,870,037	\$ 11,547,715	117%
OTHER OPERATING REVENUE	\$ 907,718	\$ 873,586	\$ 693,146	\$ 940,584	126%
TOTAL OPERATING REVENUE	\$ 13,766,017	\$ 13,628,292	\$ 11,563,182	\$ 12,488,300	118%
OPERATING EXPENSES:					
SALARIES	\$ 6,123,218	\$ 5,548,415	\$ 5,783,141	\$ 5,422,022	96%
EMPLOYEE BENEFITS	\$ 1,525,307	\$ 1,384,656	\$ 1,414,268	\$ 1,335,642	98%
PROFESSIONAL FEES	\$ 2,077,955	\$ 1,676,237	\$ 1,349,728	\$ 1,239,445	124%
SUPPLIES	\$ 974,618	\$ 1,045,398	\$ 893,549	\$ 838,759	117%
UTILITIES	\$ 240,223	\$ 231,144	\$ 200,618	\$ 212,039	115%
PURCHASE SERVICE OTHER	\$ 1,283,379	\$ 780,185	\$ 925,055	\$ 1,054,111	84%
RENT	\$ 11,200	\$ 6,729	\$ 11,600	\$ 14,137	58%
OTHER DIRECT EXP	\$ 439,251	\$ 374,935	\$ 367,174	\$ 304,685	102%
TOTAL OPERATING EXPENSE	\$ 12,596,151	\$ 10,982,699	\$ 10,880,134	\$ 10,420,839	101%
(LOSS) GAIN FROM OPERATIONS EBITDA	\$ 1,169,866	\$ 2,645,592	\$ 683,048	\$ 2,067,461	
NON OPERATING EXPENSE					
DEPRECIATION	\$ 717,358	\$ 712,279	\$ 645,291	\$ 602,478	110%
INTEREST	\$ 171,807	\$ 205,107	\$ 240,537	\$ 246,871	85%
TOTAL NON OPERATING EXPENSE	\$ 889,165	\$ 917,386	\$ 885,828	\$ 849,348	104%
NON OPERATING REVENUE					
TAXES RECEIVED	\$ 262,000	\$ 280,766	\$ 237,866	\$ 467,912	118%
OTHER NON OPERATING REVENUE	\$ 297,886	\$ 358,558	\$ 221,000	\$ 479,425	162%
TOTAL NON OPERATING REVENUE	\$ 559,886	\$ 639,324	\$ 458,866	\$ 947,337	139%
NET PROFIT (LOSS)	\$ 840,587	\$ 2,367,530	\$ 256,086	\$ 2,165,450	925%

Purchase Service Other - Lab Services, Maintenance Contracts, Agency Nurses, Linen Service

Other Direct Expense - Dues, Travel, Postage, Subscription, Malpractice Insurance, Other Insurance, Licences, B&O Tax

Other Operating Revenue - Cafeteria, Medical Records, Srap

Non Operating Revenue - Grants, Interest, Donations

**Klondike Hills Assisted Living
INCOME STATEMENT**

	2020 BUDGET	2019 PROJECTION	2019 BUDGET	2018 ACTUAL	2019 Pro/Budget VARIANCE %
REVENUES:					
INPATIENT REVENUE	\$ 576,000	\$ 576,516	\$ 473,402	\$ 525,647	122%
TOTAL PATIENT REVENUE	\$ 576,000	\$ 576,516	\$ 473,402	\$ 525,647	122%
CONTRACTUAL ALLOWANCE	\$ -	\$ (9,786)	\$ 1,200	\$ 2,154	
TOTAL NET PATIENT REVENUE	\$ 576,000	\$ 566,730	\$ 472,202	\$ 527,800	120%
OPERATING EXPENSES:					
SALARIES	\$ 357,802	\$ 349,883	\$ 388,457	\$ 358,599	90%
EMPLOYEE BENEFITS	\$ 119,820	\$ 109,862	\$ 117,237	\$ 124,682	94%
SUPPLIES	\$ 24,632	\$ 20,129	\$ 25,600	\$ 30,470	79%
UTILITIES	\$ 11,695	\$ 11,423	\$ 8,000	\$ 12,020	143%
PURCHASE SERVICE OTHER	\$ 79,338	\$ 75,542	\$ 66,601	\$ 85,353	113%
RENT	\$ 128,675	\$ 128,675	\$ -	\$ 128,500	#DIV/0!
OTHER DIRECT EXP	\$ 3,700	\$ 1,873	\$ 7,000	\$ 8,614	27%
TOTAL OPERATING EXPENSE	\$ 725,662	\$ 697,386	\$ 612,895	\$ 748,239	114%
(LOSS) GAIN FROM OPERATIONS EBI	\$ (149,662)	\$ (130,656)	\$ (140,693)	\$ (220,439)	
NON OPERATING REVENUE					
DONATIONS	\$ -	\$ -	\$ -	\$ -	
OTHER NON OPERATING REVENUE	\$ 1,000	\$ 1,210	\$ 600	\$ 877	
TOTAL NON OPERATING REVENUE	\$ 1,000	\$ 1,210	\$ 600	\$ 877	
NET PROFIT (LOSS)	\$ (148,662)	\$ (129,446)	\$ (140,093)	\$ (219,562)	92%

Purchase Service other---Hospital personnel-Maintenance, IT, Payroll, Administration, Human Resources and meals
Other Direct Expense--ducs, travel, postage,subscription, insurance, license, & BO tax
Non operating Revenue--Donations

LEVY CERTIFICATION
RCW 84.52.020

In accordance with RCW 84.52.020 the Board of Commissioners for the **FERRY COUNTY PUBLIC HOSPITAL DISTRICT #1** do hereby certify to the Ferry County Legislative authority that the COMMISSIONERS of said district request that the following levy amounts be collected in **2020** as provided in the district's budget, which was adopted on November 26, 2019 following a public hearing held on November 4, 2019.

Regular Levy: **\$357,401.00**

Excess Levy: **\$0.00**

Refund Levy: **\$883.10**

Dated this 26th day of November 2019.

Nancy Giddings, Chair

DiAnne Lundgren, Secretary

Ronald Bacon, Vice Chair

Jody Jannot, Board Member

Sarah Krausse, Board Member

RESOLUTION NO. 2019#8
2020 LEVY APPROVAL
RCW 84.55.120

WHEREAS, the Board of Commissioners of the Ferry County Public Hospital District #1, has met and considered its budget for the calendar year **2020**; and ,

WHEREAS, the district's actual levy amount from the previous year was **\$320,293.76** and,

WHEREAS, the population of this district is less than 10,000; and now, therefore,

BE IT RESOLVED by the governing body of this taxing district that an increase in the regular property tax levy is hereby authorized for the levy to be collected in the **2020** tax year. The dollar amount of the increase over the actual levy amount from the previous year shall be **\$17,139.28**, which is a percentage increase of **5.35%**. This increase is exclusive of additional revenue resulting from new construction, improvements to property, any increase in the value of state assessed property, newly constructed wind turbines, any annexations that have occurred, and refunds made.

Adopted this 26th day of November 2019.

Nancy Giddings, Chair

DiAnne Lundgren, Secretary

Ron Bacon, Vice Chair

Jody Jannot, Board Member

Sarah Krausse, Board Member