



**FERRY COUNTY
PUBLIC HOSPITAL DISTRICT NO. 1**

36 KLONDIKE RD
REPUBLIC, WASHINGTON 99166

**2018 BUDGET
BOARD PRESENTATION
NOVEMBER 07, 2017**

2018 BUDGET HIGHLIGHTS

Income for Hospital and Clinic's:

- Projected net gain for 2018 is \$11,524 on anticipated net revenue of \$10,889,518

Income for Klondike Hills Assisted Living:

- Base rent increase of \$100 to \$3,723 per month based on recent survey of local assisted living facilities
- Projected net loss for 2018 is (\$157,622) on anticipated net revenue of \$487,200

Revenue:

- Inpatient room and board rate increase ??
- Clinic visit charge increase ??
- Republic clinic census increase to 40 patients per day
- Lab test increase by 7.8% due to increase in provider stability, less locums
- Increase of \$203,302 total Imaging Revenue due to increased CT volume
- Potential loss of revenue in nursing department due to Curlew Clinic and Kinross closures as well as potential decreased reimbursements, uncertainties surrounding the potential replacement of ACA (Obamacare)
- Potential increase in revenue due to greater efforts in FCPHD marketing and promotion, increased revenue from increased services (Ortho, possible changes in cardiology)
- Provider stability in clinic and ER should help with revenue

Contractual Allowance/Bad Debt:

- Estimated 31% contractual allowance
- Estimated 3% 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.
- 6.4 increase in full time equivalent staff, RN, NAC, physical therapist, and rehab therapy aide.

Employee Benefits:

- The District will offer a 1000 deductible base plan to employees for 2018. Two additional plans will also be available. Employees will have the option of upgrading to a lower deductible/higher premium 750 plan and will be responsible for any increased premium cost associated with this option. A Health Savings Account (HSA) plan will also be offered in which the District will contribute the same premium dollars as the 1000 plan minus administrative fees.

Professional Fees:

- HRG contract \$350,000 a year
- Cardiology Consult \$85,000?

Supplies:

- Supplies include purchase of small equipment in the amount of \$69,874

Utilities:

- No significant increase projected

Purchase Service:

- Wipfli Medicare Cost Report \$25,000
- Agency nurses \$224,640
- Agency NACs \$104,000

Education Expense:

- Education \$142,452. Continuing education credits for all licensed personnel such as Advanced Life Support, Pediatrics Advanced Life Support, CPR, Nursing Assistant Certification; Klondike Hills mandatory department of health training; Dietary Manager training; IT computer based training; Board continuing education; Compliance and Risk Management; Patience Access Coordinator training; Decon, Asbestos and Handle with Care Security training; Customer Service training; Healthland Centriq; CFO training; Management; Cost Report and Human Resource training.

Other Income:

- \$312,440 property tax dollars per County Assessor preliminary levy calculation
- Anticipated grants for SHIP & Department of Health \$16,000
- 340B estimated income of \$120,000

Capital budget:

- Budget includes \$156,122 for capital purchases.

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

	2018 BUDGET	2017 PROJECTION	2017 BUDGET	2016 ACTUAL	2017 Projection/Budget VARIANCE %
REVENUES:					
INPATIENT REVENUE	\$ 2,493,445	\$ 2,510,105	\$ 2,530,125	\$ 2,498,228	99%
OUTPATIENT REVENUE	\$ 13,297,677	\$ 13,257,840	\$ 13,711,676	\$ 11,334,235	97%
TOTAL PATIENT REVENUE	\$ 15,791,122	\$ 15,767,945	\$ 16,241,801	\$ 13,832,463	97%
CONTRACTUAL ALLOWANCES	\$ 4,670,057	\$ 4,862,993	\$ 5,034,958	\$ 4,394,251	97%
BAD DEBT ALLOWANCE	\$ 473,733	\$ 473,040	\$ 487,254	\$ 200,655	97%
TOTAL DEDUCTIONS FROM REVENUE	\$ 5,143,790	\$ 5,336,033	\$ 5,522,212	\$ 4,594,906	97%
TOTAL NET PATIENT REVENUE	\$ 10,647,332	\$ 10,431,912	\$ 10,719,589	\$ 9,237,557	97%
OTHER OPERATING REVENUE	\$ 242,186	\$ 36,841	\$ 36,720	\$ 414,328	100%
TOTAL NET PATIENT REVENUE	\$ 10,889,518	\$ 10,468,753	\$ 10,756,309	\$ 9,651,885	97%
OPERATING EXPENSES:					
SALARIES	\$ 5,966,643	\$ 4,775,422	\$ 5,682,049	\$ 4,515,783	84%
EMPLOYEE BENEFITS	\$ 1,058,752	\$ 1,080,327	\$ 1,356,474	\$ 1,041,822	80%
PROFESSIONAL FEES	\$ 699,600	\$ 713,146	\$ 271,065	\$ 410,113	263%
SUPPLIES	\$ 652,010	\$ 704,575	\$ 741,900	\$ 650,653	95%
UTILITIES	\$ 210,760	\$ 188,738	\$ 201,750	\$ 181,025	94%
PURCHASE SERVICE OTHER	\$ 1,327,689	\$ 2,023,935	\$ 1,430,898	\$ 1,720,331	141%
RENT	\$ 24,128	\$ 132,036	\$ 131,316	\$ 133,815	101%
OTHER DIRECT EXP	\$ 425,144	\$ 405,934	\$ 479,209	\$ 395,433	85%
TOTAL OPERATING EXPENSE	\$ 10,364,726	\$ 10,024,113	\$ 10,294,661	\$ 9,048,975	97%
(LOSS) GAIN FROM OPERATIONS EBITDA	\$ 524,792	\$ 444,640	\$ 461,648	\$ 602,910	
NON OPERATING EXPENSE					
DEPRECIATION	\$ 601,091	\$ 603,150	\$ 772,615	\$ 636,101	78%
INTEREST	\$ 246,465	\$ 256,429	\$ 251,674	\$ 254,946	102%
TOTAL NON OPERATING EXPENSE	\$ 847,556	\$ 859,579	\$ 1,024,289	\$ 891,047	84%
NON OPERATING REVENUE					
TAXES RECEIVED	\$ 312,440	\$ 234,147	\$ 301,383	\$ 228,467	78%
OTHER NON OPERATING REVENUE	\$ 21,849	\$ 318,836	\$ 300,486	\$ 229,416	106%
TOTAL NON OPERATING REVENUE	\$ 334,289	\$ 552,983	\$ 601,869	\$ 457,883	92%
NET PROFIT (LOSS)	\$ 11,524	\$ 138,044	\$ 39,228	\$ 169,746	352%

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**

	2018 BUDGET	2017 PROJECTION	2017 BUDGET	2016 ACTUAL	2017 Pro/Budget VARIANCE %
REVENUES:					
INPATIENT REVENUE	\$ 500,000	\$ 483,288	\$ 471,483	\$ 442,406	103%
TOTAL PATIENT REVENUE	\$ 500,000	\$ 483,288	\$ 471,483	\$ 442,406	103%
CONTRACTUAL ALLOWANCE	\$ 12,800	12729.00	\$ -	\$ 1,481	
TOTAL NET PATIENT REVENUE	\$ 487,200	\$ 470,559	\$ 471,483	\$ 440,925	100%
OPERATING EXPENSES:					
SALARIES	\$ 315,000	\$ 306,180	\$ 283,493	\$ 239,134	108%
EMPLOYEE BENEFITS	\$ 101,170	\$ 218,704	\$ 104,892	\$ 88,306	209%
SUPPLIES	\$ 28,600	\$ 21,082	\$ 24,770	\$ 18,559	85%
UTILITIES	\$ 11,600	\$ 11,458	\$ 11,500	\$ 11,191	100%
PURCHASE SERVICE OTHER	\$ 73,320	\$ 76,412	\$ 85,000	\$ 74,613	90%
RENT	\$ 104,232	\$ 138,976	\$ 104,232	\$ 104,232	133%
OTHER DIRECT EXP	\$ 10,900	\$ 4,258	\$ 6,300	\$ 8,100	68%
TOTAL OPERATING EXPENSE	\$ 644,822	\$ 777,070	\$ 620,187	\$ 544,135	125%
(LOSS) GAIN FROM OPERATIONS E	\$ (157,622)	\$ (306,511)	\$ (148,704)	\$ (103,210)	206%
NON OPERATING REVENUE					
DONATIONS	\$ -	\$ -	\$ -	\$ -	
OTHER NON OPERATING REVENUE	\$ -	\$ -	\$ -	\$ -	
TOTAL NON OPERATING REVENUE	\$ -	\$ -	\$ -	\$ -	
NET PROFIT (LOSS)	\$ (157,622)	\$ (306,511)	\$ (148,704)	\$ (103,210)	206%

Purchase Service other---Hospital personnel-Maintenance, IT, Payroll, Administration, Human Resources and meals

Other Direct Expense--dues, travel, postage,subscription, insurance, license, & BO tax

Non operating Revenue--Donations

Small Equipment

Department	Description	Quantity	Cost
Klondike Hills	Dish Washer	1 \$	3,700.00
Klondike Hills	P-tacs	1 \$	3,000.00
			\$ 6,700.00
Physical Therapy	Vitals Cart	1 \$	2,500.00
Physical Therapy	Treadmill	1 \$	2,500.00
Plant	Loader for Tractor	1 \$	4,000.00
Plant	Heater for Shop	2 \$	1,000.00
Plant	Hopper in Soiled Utility	1 \$	1,800.00
Plant	Fire Sprinkler Heads	30 \$	1,000.00
Plant	Flooring in Ultrasound	\$	600.00
Plant	Asphalt Crack Sealer	1 \$	1,200.00
Plant	Paint for Hub Building	\$	1,200.00
Plant	PT Desk Move	\$	400.00
Acute	AccuVein	1 \$	4,800.00
Acute	Crash Cart Lean Project	\$	2,000.00
Acute	Supply Room Lean Project	\$	2,000.00
Acute	Patient Room Furniture	\$	2,000.00
LTC	Hi Low Beds	2 \$	1,730.00
Lab	Copy/Scan/Fax Machine	1 \$	1,200.00
HR	Auto Folder	1 \$	500.00
HIM	Scanner	1 \$	500.00
BO	Copy/Scan/Printer	1 \$	600.00
Dietary	Double Door Refrigerator	1 \$	4,000.00
Dietary	Meat Slicer	1 \$	1,344.00
Dietary	Waffle Maker	1 \$	500.00
Clinic	TV Waiting Room	1 \$	500.00
Clinic	Computer for Exam Room	3 \$	1,800.00
Clinic	Exam Table	2 \$	2,000.00
IT	Desktop Computers	12 \$	9,600.00
IT	Monitors	24 \$	3,600.00
IT	Hard Drives	12 \$	1,500.00
IT	Laptop Computers	2 \$	2,400.00
IT	LCD Projector	1 \$	900.00
IT	HP Print/Copy/Fax	1 \$	1,200.00
IT	SCSI Disk Drives	8 \$	4,000.00
IT	Norstar 7136 Phone	10 \$	2,500.00
IT	Generator Installation	1 \$	2,500.00
Total			\$ 69,874.00

2018 CAPITAL PURCHASES

Purchases valued \$5,000 or greater

Department	Project Description	Estimated Cost
Plant	O2 Control Replacement	\$ 15,000.00
Plant	Remodel 5 patient rooms	\$ 12,500.00
Plant	Replace Metal Exterior Doors	\$ 21,002.00
Plant	Asphalt Repair (Front Drive)	\$ 15,000.00
Acute	HoverMat/Jack	\$ 6,000.00
Acute	Patient Beds	\$ 14,000.00
ER	Cardiac Monitor	\$ 10,000.00
Pharmacy	Hood	\$ 30,000.00
Lab	General Purpose Lab Freezer	\$ 8,803.00
Lab	Laboratory Freezer	\$ 6,817.00
Lab	Hemochron Elite Analyzer	\$ 7,753.00
IT	Hub Generator Disaster Planning	\$ 17,000.00
	TOTAL	\$ 163,875.00

2018 Cash Flow

	Hospital/Clinics	Klondike Hills	Total
Cash Receipts			
Net Patient Revenue	\$ 10,647,332	\$ 487,200	\$ 11,134,532
Other Operating Revenue	\$ 242,186		\$ 242,186
Non Operating Revenue	\$ 334,289		\$ 334,289
Total Cash Available	\$ 11,223,807	\$ 487,200	\$ 11,711,007
Cash Expenditures			
Operating Expenses	\$ 10,364,726	\$ 644,822	\$ 11,009,548
Loan Payments	\$ 524,720		\$ 524,720
Capital Expenditures	\$ 163,875		\$ 163,875
Total Cash Expenditures	\$ 11,053,321	\$ 644,822	\$ 11,698,143
Change in Cash	\$ 170,485	\$ (157,622)	\$ 12,863
EXPENSES 28 DAYS	\$ 847,926	\$ 49,466	\$ 897,392
EXPENSES 30 DAYS	\$ 908,492	\$ 52,999	\$ 961,491
EXPENSES 31 DAYS	\$ 938,775	\$ 54,766	\$ 993,541
REVENUE 28 DAYS	\$ 861,004	\$ 37,374	\$ 898,379
REVENUE 30 DAYS	\$ 922,505	\$ 40,044	\$ 962,548
REVENUE 31 DAYS	\$ 953,255	\$ 41,379	\$ 994,633

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 **2018** as provided in the district's budget, which was adopted on November 28, 2017 following a public hearing held on November 7, 2017.

Regular Levy: **\$312,440.42.**

Excess Levy: **\$0.00**

Refund Levy: **\$252.90**

Dated this 28th day of November, 2017.

Nancy Giddings, Chair

DiAnne Lundgren, Secretary

Ronald Bacon, Vice Chair

David Iverson, Board Member

Sarah Krausse, Board Member

RESOLUTION NO. 2017#8
2018 LEVY APPROVAL
RCW 84.55.120

WHEREAS, the Board of Commissioners of Ferry County Public Hospital District #1, has met and considered its budget for the calendar year **2018**; and,

WHEREAS, the districts actual levy amount from the previous year was **\$301,383** 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 **2018** tax year.

The dollar amount of the increase over the actual levy amount from the previous year shall be **\$9374.66**, which is a percentage increase of **3.11%**.

This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred, and refunds made.

Adopted this **28th** day of **November 2017**.

Nancy Giddings, Chair

DiAnne Lundgren, Secretary

Ronald Bacon, Vice Chair

David Iverson, Board Member

Sarah Krausse, Board Member