

Garfield County Hospital District
Budget for year ending 12/31/2020

Points of Interest

Executive Summary

Net Loss

- Net Loss is projected to increase slightly as a result of increased expense and limited increase in reimbursement to cover that increase.

Revenue

- Revenue is projected to be similar to 2019 as a result of limited change in services provided. If any of the following happen, the revenue budget will be exceeded:
 - o Swing bed mix change to include more Medicare Swing patients
 - o Clinic visits and related hospital revenue increase over 2019 volumes
 - o Emergency room visit increases
 - o Inpatient activity increase

Expenses

- Expenses are projected to be similar to 2019 except for modest increases for wages built into the budgeted expenses. Total expenses are less than 2019 as a result of staffing decreases realized 100% in 2020.

Other revenue

- Other Revenue is projected to be like 2019, except for, potential increase for special levy. Special levy increase is shown as a separate line item and not built into the budget to be approved.

Contractual Adjustments

- Contractual Adjustments have been and will be the wild card that is highly dependent on mix of patients and services. The amount built into the budget is based on the projection of increased Medicare Swing days and limited changes in mix of other services. If service mix changes significantly, contractual adjustments and net income will be impacted.

Summary Budget 2020		
	Annualized 2019	Budget 2020
Net Revenue	6,955,676	6,929,890
Expenses	(8,066,879)	(7,876,486)
Other Income and Expense	583,435	332,300
Net Income (Loss) - Budgeted	(527,768)	(614,296)

Budget Detail

Revenue and Statistics

- Revenue is built from statistics of the District and is tied to average revenue per key statistic.
 - o Statistics are built from 2019 Annualized statistics adjusted for projected increases/decreases for 2020.
- Other Operating Revenue includes Normal Operating Levy and other miscellaneous revenue.

Revenue Budget 2020		
	Annualized 2019	Budget 2020
Revenue	4,599,813	4,554,208
Tax Revenue	174,801	204,801
Other Operating Revenue	11,273	11,273
Total Revenue	4,785,887	4,770,282

Contractual Adjustments and Bad Debt

- Contractual Adjustments are projected to be like 2019.
- Bad Debt is projected to be like 2019

Contractual Adjustment Budget 2020		
	Annualized 2019	Budget 2020
Contractual Adjustments	1,934,141	2,242,014
Bad Debt	(15,674)	(15,674)
Financial Assistance	(66,732)	(66,732)
Total Contractual Adjustments and Bad Debt	1,851,735	2,159,608

Expenses

- Salary expenses are based on number of Full Time Equivalents (FTE) budgeted for District. A FTE is equal to 2080 hours. Full and Part time budgeted FTE's are total hours planned on a scheduled basis divided by 2080 hours.
 - o Minimum Wage Needed increase and 3% Wage increase allowance is included in the budget.
- Benefit expenses consist of all employee expenses other than salary. The largest benefit expenses are FICA and Health Insurance. FICA is calculated from total salary at percentage required to be paid by the employer for FICA tax. Health Insurance is cost of employer portion of insurance.
- All other expenses are based on 2019 Annualized amounts.

Expense Budget 2020		
	Annualized 2019	Budget 2020
Salary	(4,049,692)	(3,818,377)
Benefits	(1,058,296)	(1,097,454)
Professional Fees	(1,736,441)	(1,738,203)
Purchased and Contracted Services	(113,045)	(113,045)
Supply and drug Expense	(358,212)	(358,212)
Equipment and Depreciation	(311,786)	(311,786)
Lease Expense	(95,824)	(95,824)
Utilities	(157,248)	(157,248)
Insurance	(81,077)	(81,077)
All Other	(105,258)	(105,258)
Total Expense	(5,213,245)	(5,021,089)

Non-Operating Revenue and Expense

- Non-Operating Revenue and Expense includes net grant revenue that is projected to be slightly lower than 2019.
- All other Non-Operating Revenue and Expense are based on 2019 Annualized amounts.

Non Operating Revenue (Expense) Budget 2020		
	Annualized 2019	Budget 2020
Grant Revenue	326,828	150,000
All Other Non-Operating Revenue (Expense)	256,607	182,300
Total Contractual Adjustments and Bad Debt	583,435	332,300

Difference	Amount Chosen	Budget
Budget 2020		
		Budget 2020
Revenue		4,554,208
Contractual Adjustment		1,971,735
Net Revenue		6,525,943
Tax Revenue		174,801
Other Revenue		11,273
Total Other Revenue		186,074
Net Operating Revenue		6,712,017
Salary		(3,618,377)
Benefits		(1,026,974)
Professional Fees		(1,738,203)
Purchased and Contracted Services		(113,045)
Supply and drug Expense		(358,212)
Equipment and Depreciation		(311,786)
Lease Expense		(95,824)
Utilities		(157,248)
Insurance		(81,077)
All Other		(105,258)
Total Expense		(7,606,006)
Operating Profit (Loss)		(893,989)
Other Income and Expense		332,300
Net (Income) Loss		(561,689)