

# 2021 BUDGET

OPERATING AND CAPITAL BUDGET HEARING

Hilary Whittington, CFO/CAO  
Board of Commissioners  
October 28, 2020



# THE PLAN

- 01 **OPERATING BUDGET – Summary & Tax Review**
- 02 **CAPITAL INVESTMENTS – 2021 Capital budget**
- 03 **ANY REMAINING QUESTIONS**

# Income statement

## 2021 BUDGET

### Income Statement Summary

	2017				2018				2019				2020	2021	Change		
	Actual		Budget		Actual		Budget		Actual		Budget		Budget	Budget	2019 actual to 2021 budget		
01_IP REVENUE	(45,304,303)		(40,512,662)		(44,536,959)		(51,909,327)		(45,443,362)		(49,155,911)		(51,151,916)	(50,105,762)	(4,662,400)		
02_OP REVENUE	(163,990,002)		(169,748,507)		(182,829,052)		(186,762,393)		(215,981,528)		(200,065,234)		(233,912,846)	(238,429,699)	(22,448,170)		
<b>TOTAL PATIENT REVENUES</b>	<b>(209,294,306)</b>		<b>(210,261,169)</b>		<b>(227,366,011)</b>		<b>(238,671,719)</b>		<b>(261,424,890)</b>		<b>(249,221,145)</b>		<b>(285,064,762)</b>	<b>(288,535,460)</b>	<b>(27,110,570)</b>		
05_REV DED/MEDICARE	72,192,554	-34%	69,295,245	-33%	74,145,841	-33%	83,280,483	-35%	91,492,106	-35%	85,257,801	-34%	97,432,120	-34%	93,575,027	-32%	2,082,921
06_REV DED/MEDICAID	19,464,977	-9%	25,805,335	-12%	21,742,354	-10%	23,890,272	-10%	22,877,091	-9%	24,145,405	-10%	26,229,729	-9%	31,135,658	-11%	8,258,566
07_CHARITY CARE	1,437,426	-1%	1,315,219	-1%	2,363,239	-1%	1,471,539	-1%	3,133,646	-1%	2,850,459	-1%	2,756,994	-1%	2,743,894	-1%	(389,753)
08_CONT ADJ OTHER	16,420,918	-8%	14,732,354	-7%	18,266,670	-8%	18,353,377	-8%	21,556,076	-8%	18,579,546	-7%	22,237,626	-8%	22,051,527	-8%	495,452
09_REV DED/ADMIN	532,961	0%	236,906	0%	1,583,906	-1%	531,320	0%	1,050,540	0%	1,108,613	0%	1,301,612	0%	1,295,431	0%	244,891
10_BAD DEBTS	2,778,472	-1%	3,119,221	-1%	2,539,973	-1%	3,465,805	-1%	4,156,626	-2%	3,237,531	-1%	5,208,080	-2%	5,438,517	-2%	1,281,891
<b>TOTAL REVENUE ADJUSTMENTS</b>	<b>112,827,308</b>	<b>-53.9%</b>	<b>114,504,281</b>	<b>-54.5%</b>	<b>120,641,984</b>	<b>-53.1%</b>	<b>130,992,796</b>	<b>-54.9%</b>	<b>144,266,087</b>	<b>-55.2%</b>	<b>135,179,355</b>	<b>-54.2%</b>	<b>155,166,160</b>	<b>-54.4%</b>	<b>156,240,054</b>	<b>-54.1%</b>	<b>11,973,968</b>
<b>NET PATIENT SERVICE REVENUE</b>	<b>(96,466,998)</b>		<b>(95,756,888)</b>		<b>(106,724,027)</b>		<b>(107,678,923)</b>		<b>(117,158,803)</b>		<b>(114,041,790)</b>		<b>(129,898,602)</b>	<b>(132,295,406)</b>	<b>(15,136,603)</b>		
11_GRANTS	(18,636)		(345,830)		(162,400)		(20,000)		(1,519,643)		(1,303,325)		(709,882)	(684,075)	835,568		
12_OTHER REVENUE	(1,600,225)		(984,200)		(2,033,863)		(1,491,660)		(1,923,360)		(3,992,346)		(2,888,500)	(2,089,761)	(166,402)		
13_REV/MEANINGFUL USE	139,301		(40,000)		(85,000)		-		-		(40,000)		-	-	-		
14_340B REVENUE	(2,955,147)		(3,064,100)		(3,473,711)		(3,473,800)		(4,000,004)		(3,838,000)		(3,274,600)	(3,700,000)	300,004		
<b>TOTAL OTHER REVENUES</b>	<b>(4,434,708)</b>		<b>(4,434,130)</b>		<b>(5,754,975)</b>		<b>(4,985,460)</b>		<b>(7,443,006)</b>		<b>(9,173,671)</b>		<b>(6,872,982)</b>	<b>(6,473,836)</b>	<b>969,169</b>		
<b>TOTAL OPERATING REVENUES</b>	<b>(100,901,706)</b>		<b>(100,191,018)</b>		<b>(112,479,002)</b>		<b>(112,664,383)</b>		<b>(124,601,809)</b>		<b>(123,215,461)</b>		<b>(136,771,584)</b>	<b>(138,769,242)</b>	<b>(14,167,433)</b>		

# Income statement cont'd

## 2021 BUDGET

### Income Statement Summary

	2017		2018		2019		2020	2021	Change
	Actual	Budget	Actual	Budget	Actual	Budget	Budget	Budget	2019 actual to 2021 budget
20_SALARIES	49,279,446	49,582,452	53,801,634	56,550,859	57,874,273	59,251,519	65,589,903	68,254,249	10,379,976
21_EMPLOYEE BENEFITS	11,814,074	12,247,947	13,499,328	14,245,919	13,755,361	14,823,152	16,897,560	17,516,574	3,761,213
22_PROFESSIONAL FEES	5,475,974	3,420,100	4,937,240	4,515,736	5,499,428	4,159,300	2,293,360	1,570,012	(3,929,416)
23_PURCHASED SERVICES	6,004,178	6,357,990	6,200,407	6,879,616	7,617,053	8,016,924	8,449,155	8,254,618	637,565
24_SUPPLIES	15,499,518	14,275,245	18,385,707	16,705,575	23,368,234	21,381,838	24,922,370	25,759,686	2,391,452
25_INSURANCE	608,885	680,000	740,154	675,800	697,227	640,829	691,450	1,005,813	308,586
26_LEASES/RENTALS	1,403,952	1,739,450	1,547,348	1,451,384	1,631,572	1,872,664	182,534	421,252	(1,210,320)
27_Depr	4,438,693	3,684,215	4,703,576	4,673,247	4,743,345	4,919,190	6,487,844	6,325,001	1,581,656
28_REP&MAINT	546,341	909,300	634,624	957,812	677,875	1,150,430	1,271,303	1,215,815	537,940
29_UTILITIES	1,020,177	919,889	1,148,119	1,035,105	1,177,149	1,261,060	1,249,286	1,160,179	(16,970)
30_LICENSES/TAXES	662,546	548,264	641,424	608,331	741,428	654,849	667,675	754,189	12,761
31_OTHER	1,632,255	2,058,484	1,873,659	2,327,333	2,444,340	2,435,636	2,685,003	2,359,276	(85,064)
<b>TOTAL OPERATING EXPENSES</b>	<b>98,386,039</b>	<b>96,423,336</b>	<b>108,113,219</b>	<b>110,626,717</b>	<b>120,227,285</b>	<b>120,567,390</b>	<b>131,387,443</b>	<b>134,596,664</b>	<b>14,369,379</b>
<b>OPERATING (INCOME) LOSS</b>	<b>(2,515,667)</b>	<b>(3,767,682)</b>	<b>(4,365,782)</b>	<b>(2,037,666)</b>	<b>(4,374,524)</b>	<b>(2,648,071)</b>	<b>(5,384,141)</b>	<b>(4,172,578)</b>	<b>201,946</b>

# Income statement cont'd

## 2021 BUDGET

### Income Statement Summary

	2017		2018		2019		2020	2021	Change
	Actual	Budget	Actual	Budget	Actual	Budget	Budget	Budget	2019 actual to 2021 budget
40_TAX M&O	(209,528)	(202,000)	(265,881)	(272,000)	(243,964)	(253,500)	(268,600)	(280,200)	(36,236)
41_TAX DEBT	(224,177)	(223,750)	(195,318)	(195,000)	(228,232)	(228,100)	(222,400)	(219,800)	8,432
41.1_TAX REFUNDS	-	-	-	-	-	-	-	-	-
42_INVESTMENT INCOME	(150,092)	(77,500)	(416,446)	(162,500)	(527,668)	(331,800)	(331,800)	(332,000)	195,668
43_INTEREST EXPENSE	800,949	1,008,053	1,033,105	1,153,322	988,333	997,181	1,106,483	1,055,388	67,056
44_GAIN/LOSS ON SALE	30,218	-	(2,922)	-	61,507	-	-	-	(61,507)
45_CONTRIBUTIONS	(371,049)	(140,000)	(145,545)	(172,000)	(206,083)	(259,000)	(200,000)	(217,500)	(11,417)
46_EXTRAORDINARY	-	-	-	-	-	-	-	-	-
47_BOND ISSUE COSTS	10,000	150,000	-	-	-	-	-	-	-
<b>TOTAL NONOPERATING (REVENUES) EXPENSES</b>	<b>(113,681)</b>	<b>514,803</b>	<b>6,992</b>	<b>351,822</b>	<b>(156,107)</b>	<b>(75,219)</b>	<b>83,683</b>	<b>5,888</b>	<b>161,996</b>
<b>CHANGE IN NET POSITION: (POSITIVE)/NEGATIVE</b>	<b>(2,629,348)</b>	<b>(3,252,879)</b>	<b>(4,358,791)</b>	<b>(1,685,844)</b>	<b>(4,530,631)</b>	<b>(2,723,290)</b>	<b>(5,300,458)</b>	<b>(4,166,690)</b>	<b>363,942</b>

# Key performance measures

2021 BUDGET											
Income Statement Summary											
	2017		2018		2019		2020	2021	Change		
	Actual	Budget	Actual	Budget	Actual	Budget	Budget	Budget	2019 actual to 2021 budget		
Operating Margin	2.49%	3.76%	3.88%	1.81%	3.51%	2.15%	3.94%	3.01%	-0.50%		
Total margin	2.61%	3.25%	3.88%	1.50%	3.64%	2.21%	3.88%	3.00%	-0.63%		
Salaries & Benefits as a % of net pt. service rev.	63.33%	64.57%	63.06%	65.75%	61.14%	64.95%	63.50%	64.83%	3.69%		
Salaries & Benefits as a % of total revenue	60.55%	61.71%	59.83%	62.84%	57.49%	60.12%	60.31%	61.81%	4.32%		
Salaries & Benefits as a % of total expenses	62.10%	64.12%	62.25%	64.00%	59.58%	61.44%	62.78%	63.72%	4.15%		
51_Adj PATIENT DAYS	23,906.41	25,550.00	23,535.94	25,566.90	25,530.00	26,741.06	29,416.20	27,835	2,305		
Gross Patient Revenue / Adj Patient Day	8,754.74	8,229.40	9,660.38	9,335.18	10,239.91	9,319.79	9,690.74	10,366.06	126.15		
Net Patient Service Revenue / Adj Patient Day	4,035.19	3,747.82	4,534.51	4,211.65	4,589.06	4,264.67	4,415.89	4,752.91	163.84		
Wages & Benefits / Adj Pt. Day	2,555.53	2,419.98	2,859.50	2,769.08	2,805.70	2,770.07	2,804.15	3,081.44	275.74		
Total Operating Expense / Adj. Pt. Day	4,115.47	3,773.91	4,593.54	4,326.95	4,709.26	4,508.70	4,466.50	4,835.58	126.33		
Total Oper. Exp. / Net Pt. Rev	97.51%	96.24%	96.12%	98.19%	96.49%	97.85%	96.06%	96.99%	0.50%		
Labor Hours / Adj Patient Day	44.55	41.05	47.85	47.39	46.63	47.90	44.21	48.24	1.61		
Total Oper. Expense (excl. Depr) / Adj Pt Day	3,929.80	3,629.71	4,393.69	4,144.17	4,523.46	4,324.74	4,245.95	4,608.35	84.89		
Labor Hours (excludes providers)	1,064,959	1,048,847	1,126,311	1,211,588	1,190,489	1,280,821	1,300,425	1,342,864	152,374		



# PROPERTY TAX ASSESSMENT

	<b>0% INCREASE</b>	<b>1% INCREASE</b>
Tax increase	\$0	\$4,816
2021 property taxes estimates	\$495,184*	\$500,000 * **
2021 operating expenses budget	\$134,596,664	\$134,596,664
% of budget	.368%	.37%

\*Amounts are listed at their highest estimated amount.

\*\*Currently, using the 1% option is budgeted



# CAPITAL BUDGET: Prioritize into 2021

Request Type	Department	Title of Request	Q1	Q2	Q3	Q4	Grand Total
Equipment (Routine Replacement)	CT	CT Injector			\$ 39,731		\$ 39,731
	Dental	Gendex Sensor	\$ 15,951				\$ 15,951
	Dietary	Steamer	\$ 10,325				\$ 10,325
	ED	Copier		\$ 8,042			\$ 8,042
	Lab	Microscope	\$ 9,402				\$ 9,402
	Patient Accounts	Copier		\$ 8,042			\$ 8,042
	Rehab	Upper Body Ergometer	\$ 5,112				\$ 5,112
	Surgery	System 1 Endo			\$ 23,760		\$ 23,760
	Watership Clinic	Exam Table x4				\$ 22,968	\$ 22,968
	EVS	Copier		\$ 10,008			\$ 10,008
<b>Equipment (Routine Replacement) Total</b>			<b>\$ 40,790</b>	<b>\$ 26,093</b>	<b>\$ 63,491</b>	<b>\$ 22,968</b>	<b>\$ 153,342</b>
Equipment (New)	Biomed	Fluke Prosim8		\$ 14,666			\$ 14,666
	DI	U-Arm Standing Foot Platform	\$ 6,000				\$ 6,000
	Sterile Processing	Prep & Pack Table	\$ 8,453				\$ 8,453
	Surgery	Savi Scout				\$ 78,044	\$ 78,044
		Surgical Table	\$ 16,873				\$ 16,873
	Med Staff	QA Software POCUS		\$ 11,000			\$ 11,000
<b>Equipment (New) Total</b>			<b>\$ 31,326</b>	<b>\$ 25,666</b>		<b>\$ 78,044</b>	<b>\$ 135,036</b>



# CAPITAL BUDGET: Prioritize into 2021

Request Type	Department	Title of Request	Q1	Q2	Q3	Q4	Grand Total
Construction Project	CT	Overhead Lift Expansion	\$ 15,417				\$ 15,417
	Facilities	Master Site Plan *not depreciated				\$ 300,000	\$ 300,000
<b>Construction Project Total</b>			<b>\$ 15,417</b>			<b>\$ 300,000</b>	<b>\$ 315,417</b>
Specialized Furniture	Rehab	Reception Area *operating			\$ 125,000		\$ 125,000
<b>Specialized Furniture Total</b>					<b>\$ 125,000</b>		<b>\$ 125,000</b>
Software (New or Upgrade)	DI	PACS		\$ 96,000			\$ 96,000
<b>Software (New or Upgrade) Total</b>				<b>\$ 96,000</b>			<b>\$ 96,000</b>
Technology (New or Upgrade)	IT	Hyperconverged VM Environment		\$ 77,361			\$ 77,361
		Temperature Kiosk	\$ 40,000				\$ 40,000
	Medical Group Admin	Patient Communication *operating			\$ 48,527		\$ 48,527
<b>Technology (New or Upgrade) Total</b>			<b>\$ 40,000</b>	<b>\$ 77,361</b>	<b>\$ 48,527</b>		<b>\$ 165,887</b>
<b>Grand Total</b>			<b>\$ 127,532</b>	<b>\$ 225,119</b>	<b>\$ 237,018</b>	<b>\$ 401,012</b>	<b>\$ 990,682</b>



# CAPITAL BUDGET: Contingent purchases for 2021

Request Type	Department	Title of Request	Cost
Equipment (Routine Replacement)	MRI	MRI Injector	\$ 42,030
<b>Equipment (Routine Replacement) Total</b>			<b>\$ 42,030</b>
Equipment (New)	Pharmacy	IV Pump Integration *operating	\$ 206,882
	Surgery	NAVIO Upgrade	\$ 189,638
<b>Equipment (New) Total</b>			<b>\$ 396,520</b>
Software (New or Upgrade)	IT	Impravata Single Sign On *operating	\$ 331,355
	Infor	Smart Recon	\$ 20,000
<b>Software (New or Upgrade) Total</b>			<b>\$ 351,355</b>
<b>Grand Total</b>			<b>\$ 789,906</b>





Thank you.  
Jefferson  

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Healthcare