AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Gunnison Valley Health Board of Trustees Quarterly

Action Requested:

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:

Please see the attached for the work session item; Gunnison Valley Health Board of Trustees Quarterly Update

Fiscal Impact:

Submitted by: Josh Ost **Submitter's Email Address:** jost@gunnisoncounty.org

Finance Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ○ Required ◉ Not Required

Comments:

Reveiwed by: Discharge Date: Certificate of Insurance Required

Yes ○ No ○

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\jost Discharge Date: 3/23/2018

○ Consent Agenda ○ Regular Agenda ○ Worksession Time Allotted: 60

Agenda Date: 3/27/2018

Revised April 2015

GUNNISON VALLEY HEALTH

GVH and BOCC Work Session
Tuesday, March 27, 2018
10:30 a.m. to 12:00 P.m. / BOCC Boardroom – Courthouse

AGENDA

For Gunnison Valley Health:

- Ronda Connaway, Board of Trustees, Chair
- Rob Santilli, CEO

Conversation Outline

I. Opening Comments & Introductions — Ronda Connaway

II. Board Strategic Planning — Ronda Connaway

- Opioid Forum
- SCC article

III. Operational Items — Rob Santilli

- Housing
- Chamberland's Office – County Services / Specialty Services
- Anesthesia Services

IV. Finance — Rob Santilli

- CFO Recruitment
- December and January Financials

V. Strategic — Rob Santilli

- West Central Public Health and Regional Hospital Community Needs Assessment
- Medical Arts Facility – Alpine Bank
- ACHM
- Behavioral Health – Crested Butte
- Ophthalmology Service

VI. Commissioner Questions and Observations

GUNNISON VALLEY HEALTH

Operation review

Period Ending December 31, 2017

COMBINED OVERVIEW:

The combined financials for the month of December show a decrease in Net Income of $123,664 below budget and a decrease of $334,718 from prior year. YTD, net income shows a $3,800,907 increase over budget and a $1,245,287 increase over prior year. It is important to note that the hospital had a recoupment of $291,706 in November, 2017, from the 2014 Medicare Cost Report. In December, it was discovered that the hospital needed to take an additional $240.9K loss on the 2017 bond issuance cost.

December-17

	MONTH TO DATE						
	Net Income	Budget	Var	% Var	P/Y	Var	% Var
GVH	$ 94,019	$ 318,952	$ (224,933)	-70.5%	$ 707,776	$ (613,757)	-86.7%
SCC	$ 60,600	$ (12,505)	$ 73,105	-584.6%	$ (64,663)	$ 125,263	-193.7%
Hospice	$ 6,547	$ (16,824)	$ 23,371	138.9%	$ (2,758)	$ 9,305	337.4%
Home Health	$ (34,145)	$ (17,371)	$ (16,774)	-96.6%	$ (21,461)	$ (12,684)	-59.1%
Assisting Living	$ 1,251	$ 3,017	$ (1,766)	-58.5%	$ (11,663)	$ 12,914	110.7%
Foundation	$ 23,333		$ 23,333	100.0%	$ (120,909)	$ 144,242	-119.3%
Grand Total	$ 151,605	$ 275,269	$ (123,664)	-44.9%	$ 486,322	$ (334,718)	-68.8%

	YEAR TO DATE						
	Net Income	Budget	Var	% Var	P/Y	Var	% Var
GVH	$ 8,271,944	$ 4,762,705	$ 3,509,239	73.7%	$ 7,275,528	$ 996,416	13.7%
SCC	$ 736,210	$ 668,313	$ 67,897	10.2%	$ 647,650	$ 88,560	13.7%
Hospice	$ (51,989)	$ (159,961)	$ 107,972	67.5%	$ (94,146)	$ 42,157	44.8%
Home Health	$ (230,865)	$ (166,926)	$ (63,939)	-38.3%	$ (246,302)	$ 15,438	6.3%
Assisting Living	$ 80,139	$ 68,727	$ 11,412	16.6%	$ 30,116	$ 50,023	166.1%
Foundation	$ 168,326	$ -	$ 168,326	100.0%	$ 115,632	$ 52,694	45.6%
Grand Total	$ 8,973,765	$ 5,172,858	$ 3,800,907	73.5%	$ 7,728,478	$ 1,245,287	16.1%

DEBT SERVICE COVERAGE RATIO - The Debt Service Coverage Ratio for CoBiz was 9.52. The bond covenant requires GVH to keep a debt service ratio of 2.0.

DAYS CASH ON HAND - The cash on hand, excluding the construction cash, is 338 days as compared to the bond covenant requirement of 150 days.

INPATIENT VOLUMES – Admissions were 5 above budget and 19 above prior year.

OUTPATIENT VOLUMES – Outpatient visits were 188 visits above budget and 164 above prior year; YTD, outpatient visits were 2,175 above budget and 1,536 above prior year. Emergency room visits were 59 above budget and 61 above prior year; YTD, ER visits were 657 above budget and 716 above prior year.

12/31/2016	CY	Bgt	Var.	% Var.	PY	Var.	% Var.
Outpatient Visits	4,162	3,974	188	4.7%	3,998	164	4.1%
Radiology	1,354	1,435	(81)	-5.6%	1,449	(95)	-6.6%
Laboratory	7,682	6,880	802	11.7%	7,084	598	8.4%
YTD	CY	Bgt	Var.	% Var.	PY	Var.	% Var.
Outpatient Visits	48,290	46,115	2,175	4.7%	46,754	1,536	3.3%
Radiology	15,632	14,904	728	4.9%	15,539	93	0.6%
Laboratory	86,298	78,479	7,819	10.0%	81,493	4,805	5.9%

Gross Outpatient revenues were $826,161 above budget and $280,936 above prior year.

The orthopedic surgeries performed during the month were 75 compared to 70 for the prior year.

2017	Biem	Bishop	Chamberland	Clifton	Eifenbein	Griggs	Gueramy	Moore	Oster	Timothy	Total
Surgeries as %	11%	1%	0%	29%	21%	29%	4%	1%	1%	1%	100%
Surgeries	8	1	0	22	16	22	3	1	1	1	75

2016	Biem	Bishop	Chamberland	Clifton	Eifenbein	Griggs	Gueramy	Moore	Oster	Timothy	Total
Surgeries as %	7%	0%	16%	0%	29%	49%	0%	0%	0%	0%	100%
Surgeries	5	0	11	0	20	34	0	0	0	0	70

OTHER OPERATING REPORTS:

SENIOR CARE CENTER

Dec-17	MONTH TO DATE							
	Unit	C/M	Bgt	Var	% Var	PY	Var	% Var
SCC	Days	1,359	1,240	119	9.6%	1,392	(33)	-2.4%
H/H	Census	35	44	(9)	-20.5%	33	2	6.1%
A. Living	Days	441	434	7	1.6%	462	(21)	-4.5%
Hospice	Days	155	62	93	150.0%	62	93	150.0%
Palliative	Days	183	155	28	18.1%	124	59	47.6%

	YEAR TO DATE							
	Unit	C/M	Bgt	Var	% Var	PY	Var	% Var
SCC	Days	15,804	14,824	980	6.6%	15,538	266	1.7%
H/H	Census	278	308	(30)	-9.7%	290	(12)	-4.1%
A. Living	Days	5,359	5,150	209	4.1%	5,231	128	2.4%
Hospice	Days	893	787	106	13.5%	593	300	50.6%
Palliative	Days	1,863	2,045	(182)	-8.9%	1,463	400	27.3%

SENIOR CARE CENTER

Patient days in Senior Care were 119 days above budget and 33 days below prior year. Net operating revenues show an increase over budget of approximately $66K and an increase of approximately $29K from prior year. Expenses are consistent to budget and a decrease of approximately $95K compared to prior year.

HOME MEDICAL SERVICES

Census for home health was 9 below budget and 2 above prior year.

The net operating revenue for Home Medical Services show a decrease of approximately $12K from budget and was approximately $3K unfavorable compared to prior year. Total operating expenses were $5K unfavorable to budget and unfavorable $15K to prior year. The net income for home health was unfavorable $17K from budget and unfavorable $24K to prior year.

The Gunnison Consolidated Living Community's net income from operations was unfavorable to budget $143K and was $99K unfavorable to prior year.

GUNNISON VALLEY HOSPITAL
OPERATING/INCOME STATEMENT 02/09/18 09:53 AM
FOR THE 12 MONTHS ENDING 12/31/17

	SINGLE MONTH				YEAR TO DATE			
	ACTUAL	BUDGET	$ VARIANCE	% VAR	ACTUAL	BUDGET	$ VARIANCE	% VAR
PATIENT REVENUE								
INPATIENT	1,411,153	897,857	513,296	57	11,849,576	10,789,311	1,060,265	9
OUTPATIENT	3,022,154	2,443,790	578,364	23	33,197,770	28,271,009	4,926,761	17
EMERGENCY ROOM	963,516	737,782	225,734	30	12,339,106	9,181,261	3,157,845	34
OBSERVATION	153,681	163,931	(10,249)	(6)	2,516,195	2,963,135	(446,939)	(15)
SWING	135,092	86,942	48,150	55	1,767,403	1,516,305	251,098	16
PROFESSIONAL FEE	509,087	653,027	(143,939)	(22)	7,918,614	7,895,331	23,283	0
CB MTN CLINIC	220,545	186,112	34,433	18	1,514,051	1,106,767	407,284	36
GVHFM	272,670	130,849	141,821	108	3,131,997	2,393,069	738,928	30
TOTAL PATIENT	6,687,901	5,300,290	1,387,611	26	74,234,716	64,116,188	10,118,528	15
REVENUE DEDUCTIONS								
MEDICARE	(997,949)	(772,704)	(225,245)	(29)	(13,506,472)	(9,371,379)	(4,135,093)	(44)
MEDICAID	(654,484)	(508,071)	(146,413)	(28)	(6,337,418)	(6,145,996)	(191,422)	(3)
COMMERCIAL	(728,088)	(565,206)	(162,882)	(28)	(8,323,849)	(6,837,176)	(1,486,673)	(21)
CHARITY	(50,291)	(66,742)	16,450	24	(745,773)	(800,970)	55,196	6
OTHER	(16,844)	(13,682)	(3,162)	(23)	(270,971)	(154,942)	(116,029)	(74)
BAD DEBT	(676,821)	(150,797)	(526,024)	(348)	(2,200,488)	(1,809,553)	(390,935)	(21)
TOTAL REVENUE	(3,124,480)	(2,077,202)	(1,047,278)	(50)	(31,384,974)	(25,120,016)	(6,264,958)	(24)
OTHER OPERATING	8,607	30,731	(22,123)	(71)	285,815	424,771	(138,955)	(32)
NET OPERATING	3,572,029	3,253,819	318,210	9	43,135,557	39,420,943	3,714,614	9
OPERATING EXPENSES								
SALARIES	1,379,947	1,208,363	(171,584)	(14)	15,078,538	14,500,323	(578,215)	(3)
CONTRACT LABOR	34,973	1,962	(33,011)	(1682)	461,044	23,500	(437,544)	(1861)
BENEFITS	424,196	361,251	(62,945)	(17)	3,772,666	3,865,477	92,810	2
PROFESSIONAL FEE	238,019	300,661	62,641	20	2,982,647	3,415,210	432,562	12
TRAVEL AND EDUCA	15,614	26,440	10,825	40	270,869	324,069	53,199	16
PURCHASED SERVIC	307,482	303,713	(3,769)	(1)	3,460,484	3,600,573	140,088	3
SUPPLIES	418,702	416,551	(2,151)	(0)	5,398,812	5,114,328	(284,484)	(5)
INSURANCE	31,717	30,931	(786)	(2)	352,418	371,128	18,709	5
DEPRECIATION/AMO	220,779	143,755	(77,024)	(53)	1,682,468	1,724,950	42,481	2
INTEREST	18,348	29,662	11,313	38	278,310	355,889	77,578	21
OTHER	143,686	128,621	(15,065)	(11)	1,694,268	1,567,223	(127,045)	(8)
TOTAL OPERATIN	3,233,468	2,951,910	(281,558)	(9)	35,432,531	34,862,670	(569,861)	(1)
NON OPERATING REV (EXP)								
LOSS BND ISS COS	(240,987)	0	(240,987)	(0)	(287,129)	0	(287,129)	(0)
INVESTMENT INCOM	599	16,087	(15,487)	(96)	382,738	193,000	189,738	98
DONATIONS	0	0	0	0	435,303	10,477	424,826	4054
OTHER NON OPERAT	(4,154)	0	(4,154)	(0)	14,317	0	14,317	0
TOTAL NON OPER	(244,541)	16,087	(260,628)	(1620)	545,230	203,477	341,753	167
TOTAL EXPENSE	3,478,009	2,935,823	(542,186)	(18)	34,887,300	34,659,193	(228,107)	(0)
NET PROFIT (LO	94,019	317,996	(223,976)	(70)	8,248,256	4,761,750	3,486,506	73

Gunnison Valley Hospital Variances

Revenue:

Gross Patient Revenue (GPR) variances to budget and prior year are caused by Acuity (severity of a patient's illness) variances and volume variances. As a general rule, the higher the acuity of a patient the higher the charges and the lower the acuity of a patient the lower the charges; while the higher your volume the higher the charges and the lower your volume the lower the charges. The table below breaks down the current month's GPR variances into their acuity and volume components.

	versus Budget			versus PY		
	Acuity variance	Volume Variance	Total	Acuity variance	Volume Variance	Total
Inpatient	249,221	264,076	513,297	339,759	320,027	659,786
Outpatient	441,852	136,513	578,365	81,982	115,855	197,837
ER	136,352	89,382	225,734	97,309	96,774	194,083
Observation	21,824	(32,073)	(10,249)	(74,370)	0	(74,370)
			1,307,146			977,336

The primary internal control that we rely on to ensure that our charge capture/reconciliation process is accurate and complete is the fact that the UR nurses audit all documentation in every patient's chart for which we provide services during the current month to ensure that all charges entered into every patient's account are accurate and complete.

Revenue Deductions:

The increase in the percentage of revenue deductions to GPR from our normal 40% to 46.71% is due to vendor mismanagement of our bad debts. Self-Pay A/R (which is outsourced to AR Services and A-1 Collections) over 90 days old as a percentage of total A/R over 90 days old increased from 11% to 19% from July to November. PFS noticed this trend and an audit of all our self-pay patient accounts was performed. The audit results indicated $533K in self-pay A/R that was 120 days old or older that had not yet been sent to A-1 Collections from AR Services, which is the point in time that we write these patient accounts off to bad debts. When the Revenue Cycle Director asked how this could have happened, the only excuse she received was that there had been internal miscommunication. As such, we had to record an additional 533K in bad debt revenue deductions during the month of December. Bad debts are now current through the end of December, and our percentage of self-pay A/R over 90 days old as compared to total A/R over 90 days old is back down to 13.8% which is in line with normal levels. The Revenue Cycle Director is now seriously considering bringing the self-pay business in house like we had to do with the Medicare business.

Salaries:

Salaries higher than normal due to the inclusion of year-end bonuses for the executive staff of approximately $60K.

Contract Labor:

Lab	= $2,501 – Tech position that is expected to last until January while director recruits for the position.
Imaging	= $17,258 – Two technologist positions that are expected to last through January.
Occupational Therapy	= $10,411 – One therapist position expected to last until January

Benefits:

Benefits unfavorable to budget due to year-end true-up of health insurance accrual (IBNR) for $148K.

Depreciation:

At time of budget the precise timing of purchases was not determined; therefore the budget number is based on straight line across twelve months. Additionally, while the controller was scrubbing the balance sheet, comparing it to the fixed asset tracking system, several variances were noted. Upon further investigation, the controller found that Feb and May additions had not been added to the fixed asset module, nor had the OB remodel, thus understating depreciation.

Investment Income:

Unfavorable to budget due to loss on Wells Fargo Securities of $14K, offset by gains in other investments

Loss on Bond Issuance:

While scrubbing the books for year-end closing as well as the annual audit, an asset account related to the swap for the 2010 Wells Fargo bond issue was discovered in the amount of $240,987. We consulted with CLA, who told us to write it off to "Loss on Bond Issuance Costs".

GUNNISON LIVING COMMUNITY
OPERATING / INCOME STATEMENT 02/09/18 08:54 AM
FOR THE 12 MONTHS ENDING 12/31/17

	SINGLE MONTH				YEAR TO DATE			
	ACTUAL	BUDGET	$ VARIANCE	% VAR	ACTUAL	BUDGET	$ VARIANCE	% VAR
PATIENT REVENUE								
HEALTH CARE CENT	385,316	314,034	71,282	22	4,401,582	3,768,868	632,714	16
HOSPICE/HM HEALT	57,691	45,077	12,614	27	632,047	560,018	72,029	12
ASSISTED LIVING	45,030	45,400	(369)	(0)	566,911	563,376	3,535	0
TOTAL PATIENT	488,038	404,511	83,527	20	5,600,541	4,892,262	708,279	14
REVENUE DEDUCTIONS								
C/A	(5,222)	10,258	(15,480)	(150)	(63,343)	123,074	(186,417)	(151)
C/A - HOSPICE	921	(969)	1,890	195	219	(23,711)	23,930	100
C/A - HOME HEALT	3,560	533	3,027	568	12,939	5,900	7,039	119
BAD DEBT	0	(496)	496	100	0	(5,930)	5,930	100
TOTAL REVENUE	740	(9,326)	(10,066)	(107)	50,184	(99,333)	(149,517)	(150)
OTHER OPERATING	(17,322)	(7,836)	9,486	121	(71,858)	(94,032)	(22,173)	(23)
NET OPERATING	504,621	421,673	82,948	19	5,622,214	5,085,627	536,587	10
OPERATING EXPENSES								
SALARIES	298,219	263,706	(34,513)	(13)	3,303,672	3,112,336	(191,336)	(6)
CONTRACT LABOR	0	0	0	0	376,512	0	(376,512)	(0)
BENEFITS	8,386	75,578	67,191	88	636,913	906,947	270,033	29
TRAVEL AND EDUCA	1,430	4,235	2,804	66	29,666	50,900	21,233	41
PURCHASED SERVIC	32,116	51,676	19,559	37	352,960	477,018	124,057	26
SUPPLIES	67,382	35,734	(31,648)	(88)	396,807	435,878	39,070	8
RENT/LEASE	6,831	6,542	(289)	(4)	83,526	78,525	(5,001)	(6)
INSURANCE	3,242	6,960	3,717	53	75,283	83,509	8,225	9
DEPRECIATION	11,844	13,317	1,472	11	145,733	159,958	14,224	8
INTEREST	42,409	1,855	(40,554)	(2186)	176,167	22,260	(153,907)	(691)
OTHER	6,667	7,061	393	5	104,633	84,004	(20,629)	(24)
TOTAL OPERATIN	478,530	466,664	(11,866)	(2)	5,681,877	5,411,335	(270,542)	(4)
NON OPERATING REV (EXP)								
PROPERTY TAX REV	5,689	202	5,487	2716	721,374	717,750	3,624	0
LOSS BND ISS COS	0	0	0	0	166,858	0	(166,858)	(0)
INVESTMENT INCOM	2,472	1,579	893	56	36,301	18,937	17,364	91
TOTAL NON OPER	8,161	1,781	6,380	358	590,818	736,687	(145,868)	(19)
TOTAL EXPENSE	(470,368)	(464,883)	(5,485)	(1)	(5,091,058)	(4,674,648)	(416,410)	(8)
NET PROFIT (LO	34,252	(43,210)	77,462	179	531,156	410,979	120,177	29

Senior Care Center Variances

Salaries:

Unfavorable to budget $35K due to the following:

Nursing (LPN) LPN labor was $16K unfavorable to budget, but was in-line with 6 month run rate. Management at the SCC continues to review labor and are looking to reduce labor without reducing care for the residents. LPN labor is more affordable than RN, so replacing RNs with LPNs is more cost effective. RNs were down, as compared to budget and run-rate.

Therapy Home Health Labor was unfavorable to budget $10K due to utilization of 3 PT positions due to increased volume, one of whom was orienting to SCC and HMS therapy.

Benefits:

Benefits favorable to budget due to a favorable adjustment ($50K) to the health insurance (IBNR) accrual.

Interest:

Unfavorable to budget due to interest expense for the 2017 bonds

Supplies:

Unfavorable to budget due to the following items:

- SCC Nursing: Year to date repayment for materials purchased by GVH for SCC ($5K);
- Assisted Living: Year to date inventory adjustment ($7K);
- Administration: Year to date inventory adjustment ($3K);
- Dietary: Over run-rate due to late payments to US Foods ($13K) as November invoices were paid in December, but were not accrued in November.

GUNNISON VALLEY HEALTH

Operation review

Period Ending January 31, 2018

COMBINED OVERVIEW:

The combined financials for the month of January shows an increase in Net Income of $123,507 above budget and a decrease of $324,083 from prior year.

January-18	MONTH TO DATE						
	Net Income	Budget	Var	% Var	P/Y	Var	% Var
GVH	$ 694,828	$ 638,418	$ 56,410	8.8%	$ 943,485	$ (248,657)	-26.4%
SCC	$ (96,597)	$ (107,643)	$ 11,046	10.3%	$ 15,869	$ (112,467)	708.7%
Hospice	$ 4,929	$ (5,786)	$ 10,715	185.2%	$ (9,131)	$ 14,060	154.0%
Home Health	$ 8,478	$ (11,994)	$ 20,472	170.7%	$ (15,907)	$ 24,385	153.3%
Assisting Living	$ (9,937)	$ 5,577	$ (15,515)	-278.2%	$ 11,193	$ (21,131)	188.8%
Foundation	$ 40,379		$ 40,379	-100.0%	$ 20,653	$ 19,726	95.5%
Grand Total	$ 642,079	$ 518,572	$ 123,507	23.8%	$ 966,162	$ (324,083)	-33.5%

	YEAR TO DATE						
	Net Income	Budget	Var	% Var	P/Y	Var	% Var
GVH	$ 694,828	$ 638,418	$ 56,410	8.8%	$ 943,485	$ (248,657)	-26.4%
SCC	$ (96,597)	$ (107,643)	$ 11,046	10.3%	$ 15,869	$ (112,467)	708.7%
Hospice	$ 4,929	$ (5,786)	$ 10,715	185.2%	$ (9,131)	$ 14,060	154.0%
Home Health	$ 8,478	$ (11,994)	$ 20,472	170.7%	$ (15,907)	$ 24,385	153.3%
Assisting Living	$ (9,937)	$ 5,577	$ (15,515)	-278.2%	$ 11,193	$ (21,131)	188.8%
Foundation	$ 40,379	$ -	$ 40,379	-100.0%	$ 20,653	$ 19,726	95.5%
Grand Total	$ 642,079	$ 518,572	$ 123,507	23.8%	$ 966,162	$ (324,083)	-33.5%

DEBT SERVICE COVERAGE RATIO - The Debt Service Coverage Ratio for CoBiz was 8.53. The bond covenant requires GVH to keep a debt service ratio of 2.0.

DAYS CASH ON HAND - The cash on hand, excluding the construction cash, was 348 days as compared to the bond covenant requirement of 150 days.

INPATIENT VOLUMES – Admissions were 37 above budget and 55 above prior year.

OUTPATIENT VOLUMES – Outpatient visits were 850 visits above budget and 1,001 above prior year. Emergency room visits were 7 above budget and 42 below prior year.

1/31/2018	CY	Bgt	Var.	% Var.	PY	Var.	% Var.
Outpatient Visits	4,341	3,491	850	24.3%	3,340	1,001	30.0%
Radiology	1,448	1,269	179	14.1%	1,244	204	16.4%
Laboratory	7,622	6,373	1,249	19.6%	1,070	6,552	612.3%
YTD	CY	Bgt	Var.	% Var.	PY	Var.	% Var.
Outpatient Visits	4,341	3,491	850	24.3%	3,340	1,001	30.0%
Radiology	1,448	1,269	179	14.1%	1,244	204	16.4%
Laboratory	7,622	6,373	1,249	19.6%	1,070	6,552	612.3%

Gross Outpatient revenues were $979,704 above budget and $514,594 above prior year.

The orthopedic surgeries performed during the month were 86 compared to 67 for the prior year; an increase of 19 cases.

OTHER OPERATING REPORTS:

SENIOR CARE CENTER

Jan-18

	MONTH TO DATE							
	Unit	C/M	Bgt	Var	% Var	PY	Var	% Var
SCC	Days	1,447	1,240	207	16.7%	1,348	99	7.3%
H/H	Census	39	44	(5)	-11.4%	35	4	11.4%
A. Living	Days	428	434	(6)	-1.4%	465	(37)	-8.0%
Hospice	Days	202	62	140	225.8%	82	120	146.3%
Palliative	Days	131	155	(24)	-15.5%	124	7	5.6%

SENIOR CARE CENTER

Patient days in Senior Care were 207 days above budget and 99 days above prior year. Net operating revenues show an increase over budget of approximately $82K and an increase of approximately $27K from prior year. Expenses show an increase of approximately $83K over budget and an increase of approximately $153K over prior year.

HOME MEDICAL SERVICES

Census for home health was 5 below budget and 4 above prior year.

The net operating revenue for Home Medical Services shows an increase of approximately $16K from budget and an increase of approximately $27K from prior year. Total operating expenses were approximately $5K under budget and approximately $4K under prior year. The net income for home health was favorable approximately $8K to budget and was favorable approximately $24K to prior year.

The Gunnison Consolidated Living Community's net income from operations was unfavorable to budget approximately $83K and was approximately $85K unfavorable to prior year.

GUNNISON VALLEY HOSPITAL
OPERATING/INCOME STATEMENT 02/16/18 02:32 PM
FOR THE 1 MONTH ENDING: 01/31/18

	SINGLE MONTH				YEAR TO DATE			
	ACTUAL	BUDGET	$ VARIANCE	% VAR	ACTUAL	BUDGET	$ VARIANCE	% VAR
PATIENT REVENUE								
INPATIENT	1,134,276	1,180,316	(46,039)	(3)	1,134,276	1,180,316	(46,039)	(3)
OUTPATIENT	3,239,657	2,434,759	804,898	33	3,239,657	2,434,759	804,898	33
EMERGENCY ROOM	914,939	926,813	(11,873)	(1)	914,939	926,813	(11,873)	(1)
OBSERVATION	236,597	235,004	1,593	0	236,597	235,004	1,593	0
SWING	197,998	167,166	30,832	18	197,998	167,166	30,832	18
PROFESSIONAL FEE	631,211	696,914	(65,702)	(9)	631,211	696,914	(65,702)	(9)
CB MTN CLINIC	276,441	168,855	107,586	63	276,441	168,855	107,586	63
GVHFM	335,269	176,862	158,407	89	335,269	176,862	158,407	89
TOTAL PATIENT	6,966,392	5,986,689	979,703	16	6,966,392	5,986,689	979,703	16
REVENUE DEDUCTIONS								
MEDICARE	(1,241,650)	(1,067,584)	(174,066)	(16)	(1,241,650)	(1,067,584)	(174,066)	(16)
MEDICAID	(580,768)	(499,350)	(81,418)	(16)	(580,768)	(499,350)	(81,418)	(16)
COMMERCIAL	(796,485)	(684,835)	(111,650)	(16)	(796,485)	(684,835)	(111,650)	(16)
CHARITY	(136,376)	(67,080)	(69,296)	(103)	(136,376)	(67,080)	(69,296)	(103)
OTHER	(31,643)	(19,971)	(11,672)	(58)	(31,643)	(19,971)	(11,672)	(58)
BAD DEBT	(212,628)	(127,736)	(84,892)	(66)	(212,628)	(127,736)	(84,892)	(66)
TOTAL REVENUE	(2,999,554)	(2,466,556)	(532,998)	(21)	(2,999,554)	(2,466,556)	(532,998)	(21)
OTHER OPERATING	7,752	25,555	(17,803)	(69)	7,752	25,555	(17,803)	(69)
NET OPERATING	3,974,590	3,545,688	428,902	12	3,974,590	3,545,688	428,902	12
OPERATING EXPENSES								
SALARIES	1,247,981	1,231,755	(16,226)	(1)	1,247,981	1,231,755	(16,226)	(1)
CONTRACT LABOR	27,658	29,945	2,286	7	27,658	29,945	2,286	7
BENEFITS	418,300	302,588	(115,712)	(38)	418,300	302,588	(115,712)	(38)
PROFESSIONAL FEE	250,920	266,468	15,547	5	250,920	266,468	15,547	5
TRAVEL AND EDUCA	19,481	36,443	16,961	46	19,481	36,443	16,961	46
PURCHASED SERVIC	347,769	271,925	(75,844)	(27)	347,769	271,925	(75,844)	(27)
SUPPLIES	672,924	419,888	(253,036)	(60)	672,924	419,888	(253,036)	(60)
INSURANCE	27,089	27,711	621	2	27,089	27,711	621	2
DEPRECIATION/AMO	139,710	158,371	18,660	11	139,710	158,371	18,660	11
INTEREST	16,291	15,833	(458)	(2)	16,291	15,833	(458)	(2)
OTHER	95,130	151,901	56,770	37	95,130	151,901	56,770	37
TOTAL OPERATIN	3,263,258	2,912,828	(350,430)	(12)	3,263,258	2,912,828	(350,430)	(12)
NON OPERATING REV (EXP)								
INVESTMENT INCOM	(12,786)	7,228	(20,014)	(276)	(12,786)	7,228	(20,014)	(276)
OTHER NON OPERAT	(3,718)	(1,670)	(2,048)	(122)	(3,718)	(1,670)	(2,048)	(122)
TOTAL NON OPER	(16,504)	5,558	(22,062)	(396)	(16,504)	5,558	(22,062)	(396)
TOTAL EXPENSE	3,279,762	2,907,270	(372,492)	(12)	3,279,762	2,907,270	(372,492)	(12)
NET PROFIT (LO	694,827	638,418	56,409	8	694,827	638,418	56,409	8

Gunnison Valley Hospital Variances

Revenue:

Gross Patient Revenue was favorable to budget approximately $980K$.

1. Outpatient revenue was favorable to budget $805K:
    a. Outpatient OR & Recovery were favorable $332K as outpatient surgeries were up 40.8%, as compared to budget; further, Ortho surgeries were 22 cases over budget;
    b. Laboratory was favorable to budget $93K as outpatient laboratory procedures we up 32%;
    c. Outpatient Pharmacy was favorable to budget $99K as outpatient doses were up 51% against budget;
    d. Outpatient Physical Therapy was favorable to budget $59K as outpatient procedures were up 74%;
    e. 9 other outpatient departments were up, on average, $22K;
2. Crested Butte Mountain Clinic was favorable to budget $108K as patient volume was up 62%;
3. Family Medicine Clinic was up $158K from budget as patient volume was up 38%.

Gross Patient Revenue (GPR) variances to budget and prior year are caused by Acuity (severity of a patient's illness) variances and volume variances. As a general rule, the higher the acuity of a patient the higher the charges and the lower the acuity of a patient the lower the charges; while the higher your volume the higher the charges and the lower your volume the lower the charges.

The primary internal control that we rely on to ensure that our charge capture/reconciliation process is accurate and complete is the fact that the UR nurses audit all documentation in every patient's chart for which we provide services during the current month to ensure that all charges entered into every patient's account are accurate and complete.

Benefits:

Benefits unfavorable to budget $115K as the employee health account was over-budget $107K due to a high volume of claims averaging approximately $800 per claimant.

Supplies:

Supplies unfavorable $253K due to the following:

1. OR medical billable supplies unfavorable $177K due to the increase in general surgery cases combined with the increase in Ortho cases;
2. Pharmacy drugs unfavorable $25K due to an increase in IVIG expenses, coupled with buying non-contracted items due to the national drug shortages;
3. Radiology unfavorable in minor equipment $11K as the timing of the purchases was uncertain;
4. EMS unfavorable in minor equipment $7K as the timing of the purchases was uncertain;
5. Multiple other departments with non-material variances of less than $1K.

Investment Income:

Unfavorable to budget $16K due to loss on Wells Fargo Securities and Bank of the West securities.

GUNNISON LIVING COMMUNITY
OPERATING / INCOME STATEMENT 02/16/18 02:36 PM
FOR THE 1 MONTH ENDING: 01/31/18

	SINGLE MONTH				YEAR TO DATE			
	ACTUAL	BUDGET	$ VARIANCE	% VAR	ACTUAL	BUDGET	$ VARIANCE	% VAR
PATIENT REVENUE								
HEALTH CARE CENT	408,130	346,587	61,543	17	408,130	346,587	61,543	17
HOSPICE/HM HEALT	71,948	49,858	22,090	44	71,948	49,858	22,090	44
ASSISTED LIVING	47,115	49,017	(1,901)	(3)	47,115	49,017	(1,901)	(3)
TOTAL PATIENT	527,194	445,462	81,732	18	527,194	445,462	81,732	18
REVENUE DEDUCTIONS								
C/A	306	7,725	(7,418)	(96)	306	7,725	(7,418)	(96)
C/A - HOSPICE	(4,256)	179	(4,435)	(2477)	(4,256)	179	(4,435)	(2477)
C/A - HOME HEALT	31,405	2,707	28,698	1060	31,405	2,707	28,698	1060
BAD DEBT	(490)	(407)	(83)	(20)	(490)	(407)	(83)	(20)
TOTAL REVENUE	(26,964)	(10,204)	16,760	164	(26,964)	(10,204)	16,760	164
OTHER OPERATING	(5,263)	(18,398)	(13,134)	(71)	(5,263)	(18,398)	(13,134)	(71)
NET OPERATING	559,422	474,064	85,358	18	559,422	474,064	85,358	18
OPERATING EXPENSES								
SALARIES	290,358	274,696	(15,662)	(5)	290,358	274,696	(15,662)	(5)
CONTRACT LABOR	0	40,417	40,417	100	0	40,417	40,417	100
BENEFITS	168,806	80,683	(88,123)	(109)	168,806	80,683	(88,123)	(109)
TRAVEL AND EDUCA	3,726	4,095	368	8	3,726	4,095	368	8
PURCHASED SERVIC	47,566	28,692	(18,874)	(65)	47,566	28,692	(18,874)	(65)
SUPPLIES	43,672	36,180	(7,492)	(20)	43,672	36,180	(7,492)	(20)
RENT/LEASE	7,713	6,968	(745)	(10)	7,713	6,968	(745)	(10)
INSURANCE	9,041	6,900	(2,141)	(31)	9,041	6,900	(2,141)	(31)
DEPRECIATION	11,681	22,524	10,842	48	11,681	22,524	10,842	48
INTEREST	53,644	36,250	(17,394)	(47)	53,644	36,250	(17,394)	(47)
OTHER	8,986	7,974	(1,012)	(12)	8,986	7,974	(1,012)	(12)
TOTAL OPERATIN	645,198	545,379	(99,819)	(18)	645,198	545,379	(99,819)	(18)
NON OPERATING REV (EXP)								
PROPERTY TAX REV	41	2	39	1966	41	2	39	1966
INVESTMENT INCOM	2,764	2,899	(134)	(4)	2,764	2,899	(134)	(4)
TOTAL NON OPER	2,806	2,901	(94)	(3)	2,806	2,901	(94)	(3)
TOTAL EXPENSE	(642,392)	(542,478)	(99,914)	(18)	(642,392)	(542,478)	(99,914)	(18)
NET PROFIT (LO	(82,969)	(68,414)	(14,555)	(21)	(82,969)	(68,414)	(14,555)	(21)

Senior Care Center Variances

Gross Revenue:

Gross Revenue was favorable $81K due to an increase of 114 patient days at the SCC (10%) and 190 patient days for Hospice (1583%).

Contract Labor & Salaries:

Salaries were unfavorable to budget $16K as more workers were employed versus using contract labor, which was down $40K.

Benefits:

Benefits unfavorable to budget $88K as the employee health account was over-budget $89K due to a high volume of claims.

Purchased Services:

Purchased services over budget $19K due to the following:

1. Utilities at the SCC were over $5K;
2. Multiple accounts with non-material variances.