

# Bartlett Regional Hospital

**FINANCE COMMITTEE MEETING**  
**October 21, 2022 – Noon**  
**Bartlett Regional Hospital – Zoom Meeting**  
**Agenda**

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**Mission Statement**

Bartlett Regional Hospital provides its community with quality, patient-centered care in a sustainable manner

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Public may participate via the following link: <https://bartlethospital.zoom.us/j/94088630653>  
or by calling 1-888-788-0099, Meeting ID: 940 8863 0653

## CALL TO ORDER

## PUBLIC COMMENT

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## **Next Meeting: TBD at 12:00 via Zoom**

## Committee member comments / questions

## ADJOURN

# Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 [www.bartletthospital.org](http://www.bartletthospital.org)

## Finance Committee Meeting Minutes – Zoom Meeting September 9th, 2022 at 12:00pm

**Called to order at 12:00 p.m. by Finance Chair, Deb Johnston.**

**Finance Committee (\*) & Board Members:** Deb Johnston\*, Hal Geiger\*

**Staff & Others:** Robert Tyk, Interim CFO; David Keith, CEO; Dallas Hargrave, HR Director; Blessy Robert, Controller; Kris Muller, Senior Accountant; Sharon Price, Executive Assistant to CFO.

**Public Comment:** None

*Ms. Johnston made a MOTION to approve the minutes from the August 12th, 2022 Finance Committee Meeting. Mr. Keith seconded, and they were approved.*

### **July 2022 Financial Review – Bob Tyk**

July is the third month in a row where Bartlett Regional Hospital (BRH) lost over a million dollars (\$1,448,768.00). Volumes were at or slightly above the budget and better than the prior year. Gross revenues continue to run in the \$18 million dollar range but deductions from revenue and expenses continue to undermine the gross revenue numbers.

### **Income Statement**

Hospital inpatient and outpatient gross revenues stayed in the same ranges as they have been for the past five months. Gross revenues for BH services decreased while the physician revenues increased significantly. As has been mentioned in prior months, the physician revenue number is tied to the inpatient behavioral health services which is not an accurate classification. This will be correct in the coming months. Deductions from revenue as a percentage of gross patient revenue grew again to over 50%. Bad debt, which is calculated based on accounts receivables, grew again in the month of July. Until we can release more Medicaid claims being held for the NDC number issue, this will continue to run at a higher rate. Salaries/contract labor and benefits, though lower than last months, had a higher percentage of total operating revenue. This is a result of the total operating revenue decreasing FTE count is higher than it could be but we will never know by how much until BRH has a true productivity system by which we can measure ourselves against it. We are currently looking for such a system. The balance of the expenses for the most part were less than what we budgeted.

Mr. Keith says that we recognize that there is a labor and productivity problem. Mr. Tyk pulled report that shows that 25% of the workforce was added in just the last two years.

### **Balance Sheet**

The balance sheet showed some significant changes in July. Cash and cash equivalents increased along with Bonds Payable as the new bond was booked for BRH. Patient AR also increased because we are still holding a large number of Medicaid claims, as mentioned above. We were informed by our IT department that the fix has gone through a test and was moved to live where PFS staff will be reviewing the fixes. Claims should go out next week which will cause the Patient AT to decrease in September. Prepaid expenses also increased from prior months though they consistently run in the \$3 million range.

### **Dashboard/Financial Indicators**

The volumes, for the most part, are comparable to the budget and are better than the prior year numbers. The number of Radiology test this month is incorrect and it will be investigated and updated. This error is most likely due to the accounting department being short staffed. The Financial Indicators page shows the increase in Days cash on hand from the booking of the bond issue. Days in AP are good at 37.5 days. The DNFB and DBSP are both above the benchmark again because of the Medicaid claims being held. We will be reviewing the benchmarks in the next few months and making changes to what is measured and more than likely to the benchmark since these numbers are fairly old. We can do this by comparing ourselves to other Alaskan hospitals of similar size. Mr. Tyk said he will also follow up on getting an accurate dietary meal numbers as its showing that it dropped by half.

#### **Write-Offs**

Mr. Tyk said, during the Revenue Cycle meeting, they talked about a claim (about \$300k) that continues to be denied by Aetna. Because of the denial of the initial admission, the patient couldn't be transferred to a rehabilitation facility. Mr. Tyk will be working with Mr. Keith about filing a suit against Aetna.

***Ms. Johnston made a MOTION as moving forward, to have the full BOD approve the financial statements. Mr. Geiger agreed and approved. Ms. Johnston seconded and it will be presented to the full BOD in the next meeting.***

#### **Charity Care**

Mr. Tyk worked with Tami Churchill, Director of PFS (Patient Finance Services), to outline how we run this program. We have state certified on-site staff who can conduct Medicaid eligibility. We screen every self-pay patient for Medicaid at the time of service and help with the application process. We utilize the Alaskan Federal Poverty Guidelines to determine the requirements for the application. The decision to move a claim into charity is made by the Director of PFS. If a patient doesn't qualify for the full write-off, they will be given a payment plan for any remaining balance. There is a special clause for homeless and mental health.

**Next Meeting: Friday, October 14<sup>th</sup> at Noon, via Zoom**

**Additional Comments:** None

**Adjourned at 12:44 p.m.**

To: BRH Finance Committee  
From: Robert C. Tyk, FHFMA  
Interim Chief Financial Officer  
Re: August Financial Performance

### **Overview**

August showed some significant improvements over the past three months. Increases in a number of the hospital volumes helped to drive up Gross Patient Revenue, hitting \$20 million for the first time in over twelve months. Deductions from Revenue are back in line with April and earlier this year. Operating expenses increased some but in the end Net Income/Loss decreased to a loss of (\$311,409) for the month. Compared to the greater than \$1.0 million in the past few months.

### **Income Statement**

Patient revenue on the inpatient side was basically flat compared to the past months. Outpatient revenue on the other hand increased by almost \$2 million dollars compared to any month in the past twelve months. This is a 17.2 % increase in outpatient patient revenue compared to the month of July. Total outpatient volumes increased by 10.7%. The difference is the result of the variances in the prices associated with the various outpatient tests.

Deductions from revenue decreased back to a level more consistent with April and before. The largest decrease was in the bad debt expense number. As was mentioned in prior months, once we began releasing the held AR (held because of the NDC issue) this calculated number would be reduced.

Other operating revenue decreased In August as we trued up the PERS on-behalf payment. We book monthly estimates and then true-up when we get the statement. July's estimate was too high, so the adjustment was made in August.

Salaries, wages and benefits increased as a pure dollar amount but decreased to only 69.8% of total operating revenue. Contract labor continues to be a high dollar amount even though we continue to recruit for permanent staff.

Medical professional fees increased as a result of two large invoices from our previous Sleep Lab provider being entered in August (a catch-up) and additional outsourced laboratory fees from LabCorp.

Physician contracts increased as a result of locum providers for BOPS; a quarterly bonus payment to Dr. Miller and a payment to Virginia Mason Medical Center related to Oncology charges.

Materials and supplies increased mainly as a result of an inventory adjustment for Pharmacy in the amount of \$333,378. This is the physical inventory completed at the end of June.

The end result was a net Loss of (\$311,409) for the month.

### **Balance Sheet**

The largest change in the Balance Sheet in August was in Other Receivables. Grants Receivables received \$238,000 in August. The credit is due to the Grant activity not yet being processed.

### **Dashboards/Financial Indicators**

Volumes varied in the month of August when compared to July. Inpatient Acute Days decreased slightly from an ADC of 20.3 to an ADC of 20.0. Births, OB days and Nursery days all decreased as well. The volumes on the Mental Health Unit increased nicely as did RRC. As an aside, we have opened the RRC to be able to use all 12 beds. This was a change related to COVID precautions. As was mentioned earlier, outpatient volumes increased nicely led by Surgery, Laboratory and Diagnostic Imaging. All these increases drove the large increase in outpatient revenue.

The CMI for all three indicators rose nicely when compared to July; Medicare went from 1.39 to 1.58 and Medicaid went from 1.12 to 1.30. This increase speaks to the complexity of the patient mix and it drives our reimbursement higher. The greater the CMI the more BRH gets reimbursed.

### **Conclusion**

Definite improvements this month across the board...revenue, deductions and expenses. We have not hit a positive bottom line but a million dollar improvement is very positive.

Respectfully submitted

BARTLETT REGIONAL HOSPITAL  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE MONTH AND YEAR TO DATE OF AUG 2022

MONTH ACTUAL	MONTH BUDGET	MO \$ VAR	MTD % VAR	PR YR MO		YTD ACTUAL	YTD BUDGET	YTD \$ VAR	YTD % VAR	PRIOR YTD ACT	PRIOR YTD % CHG
\$4,027,710	\$5,447,262	-\$1,419,552	-26.1%	\$3,831,558	1. Inpatient Revenue	\$8,243,398	\$10,480,067	-\$2,236,669	-21.3%	\$7,893,064	4.4%
\$1,099,216	\$1,423,538	-\$324,323	-22.8%	\$1,169,065	2. Inpatient Ancillary Revenue	\$2,239,531	\$2,738,753	-\$499,222	-18.2%	\$2,257,173	-0.8%
\$5,126,926	\$6,870,800	-\$1,743,875	-25.4%	\$5,000,623	3. Total Inpatient Revenue	\$10,482,929	\$13,218,820	-\$2,735,891	-20.7%	\$10,150,237	3.3%
\$13,314,095	\$12,654,339	\$659,756	5.2%	\$11,142,418	4. Outpatient Revenue	\$24,674,330	\$24,345,851	\$328,479	1.3%	\$22,096,816	11.7%
\$18,441,021	\$19,525,139	-\$1,084,119	-5.6%	\$16,143,041	5. Total Patient Revenue - Hospital	\$35,157,259	\$37,564,671	-\$2,407,412	-6.4%	\$32,247,053	9.0%
\$218,659	\$284,472	-\$65,813	-23.1%	\$300,261	6. RRC Patient Revenue	\$401,544	\$547,294	-\$145,750	-26.6%	\$577,425	-30.5%
\$196,611	\$534,480	-\$337,869	-63.2%	\$355,268	7. BHOPS Patient Revenue	\$396,070	\$1,028,298	-\$632,228	-61.5%	\$734,504	-46.1%
\$1,295,030	\$1,301,016	-\$5,986	-0.5%	\$1,182,691	8. Physician Revenue	\$2,500,306	\$2,503,043	-\$2,737	-0.1%	\$2,069,896	20.8%
\$20,151,321	\$21,645,107	-\$1,493,787	-6.9%	\$17,981,261	9. Total Gross Patient Revenue	\$38,455,179	\$41,643,306	-\$3,188,127	-7.7%	\$35,628,878	7.9%
\$2,874,182	\$3,321,214	\$447,032	13.5%	\$2,799,714	10. Inpatient Contractual Allowance	\$6,062,388	\$6,416,357	\$353,970	5.5%	\$5,418,022	11.9%
-\$350,000	-\$350,000	\$0		-\$308,333	10a. Rural Demonstration Project	-\$700,000	-\$700,000	\$0		-\$308,333	
\$5,287,432	\$5,043,953	-\$243,479	-4.8%	\$4,163,123	11. Outpatient Contractual Allowance	\$10,056,148	\$9,704,133	-\$352,015	-3.6%	\$7,372,176	36.4%
\$792,835	\$639,672	-\$153,163	-23.9%	\$627,808	12. Physician Service Contractual Allowance	\$1,512,410	\$1,230,674	-\$281,736	-22.9%	\$1,160,041	30.4%
\$23,107	\$27,579	\$4,472	16.2%	\$22,266	13. Other Deductions	\$48,349	\$53,059	\$4,710	8.9%	\$49,755	0.0%
\$16,786	\$131,459	\$114,673	87.2%	\$73,565	14. Charity Care	\$81,627	\$252,916	\$171,289	67.7%	\$142,489	-42.7%
\$121,762	\$321,678	\$199,916	62.1%	\$596,260	15. Bad Debt Expense	\$888,618	\$618,881	-\$269,737	-43.6%	\$1,090,505	-18.5%
\$8,766,104	\$9,135,555	\$369,451	4.0%	\$7,974,403	16. Total Deductions from Revenue	\$17,949,540	\$17,576,020	-\$373,519	-2.1%	\$14,924,655	20.3%
42.7%	41.6%			42.2%	% Contractual Allowances / Total Gross Patient Revenue	44.0%	41.7%			38.3%	
0.7%	2.1%			3.7%	% Bad Debt & Charity Care / Total Gross Patient Revenue	2.5%	2.1%			3.5%	
43.5%	42.2%			44.3%	% Total Deductions / Total Gross Patient Revenue	46.7%	42.2%			41.9%	
\$11,385,217	\$12,509,552	-\$1,124,336	-9.0%	\$10,006,858	17. Net Patient Revenue	\$20,505,639	\$24,067,286	-\$3,561,646	-14.8%	\$20,704,223	-1.0%
\$35,967	\$385,030	-\$349,063	-90.7%	\$364,698	18. Other Operating Revenue	\$401,237	\$770,064	-\$368,827	-47.9%	\$749,434	-46.5%
\$11,421,184	\$12,894,582	-\$1,473,398	-11.4%	\$10,371,556	19. Total Operating Revenue	\$20,906,876	\$24,837,350	-\$3,930,473	-15.8%	\$21,453,657	-2.5%
\$4,638,771	\$4,919,521	\$280,750	5.7%	\$4,350,677	20. Salaries & Wages	\$9,039,136	\$9,839,049	\$799,914	8.1%	\$8,638,118	4.6%
\$363,200	\$441,172	\$77,972	17.7%	\$349,470	21. Physician Wages	\$630,748	\$882,346	\$251,598	28.5%	\$689,517	-8.5%
\$896,896	\$79,320	-\$817,576	-1030.7%	\$146,297	22. Contract Labor	\$1,530,571	\$158,645	-\$1,371,926	-864.8%	\$406,383	276.6%
\$2,078,228	\$2,634,597	\$556,369	21.1%	\$2,363,594	23. Employee Benefits	\$4,452,311	\$5,269,189	\$816,878	15.5%	\$4,755,384	-6.4%
\$7,977,095	\$8,074,610	\$97,515	1.2%	\$7,210,038	24. Other Operating Expenses	\$15,652,766	\$16,149,229	\$496,464	3.1%	\$14,489,402	8.0%
69.8%	62.6%			69.5%	% Salaries and Benefits / Total Operating Revenue	74.9%	65.0%			67.5%	
\$95,316	\$74,615	-\$20,701	-27.7%	\$89,756	24. Medical Professional Fees	\$134,029	\$149,231	\$15,202	10.2%	\$137,368	-2.4%
\$399,851	\$406,220	\$6,369	1.6%	\$463,251	25. Physician Contracts	\$726,672	\$812,441	\$85,769	10.6%	\$834,217	-12.9%
\$223,427	\$224,544	\$1,117	0.5%	\$199,537	26. Non-Medical Professional Fees	\$444,709	\$449,086	\$4,377	1.0%	\$314,931	41.2%
\$1,507,512	\$1,341,113	-\$166,399	-12.4%	\$1,541,901	27. Materials & Supplies	\$2,812,730	\$2,682,196	-\$130,534	-4.9%	\$3,120,445	-9.9%
\$140,725	\$149,546	\$8,821	5.9%	\$105,215	28. Utilities	\$262,418	\$299,096	\$36,678	12.3%	\$231,732	13.2%
\$536,097	\$420,977	-\$115,120	-27.3%	\$361,725	29. Maintenance & Repairs	\$962,443	\$841,955	-\$120,488	-14.3%	\$783,742	22.8%
\$75,688	\$67,007	-\$8,681	-13.0%	\$43,326	30. Rentals & Leases	\$162,338	\$134,013	-\$28,325	-21.1%	\$95,256	70.4%
\$78,806	\$80,116	\$1,310	1.6%	\$68,839	31. Insurance	\$153,688	\$160,230	\$6,542	4.1%	\$150,163	2.3%
\$589,009	\$667,574	\$78,565	11.8%	\$607,718	32. Depreciation & Amortization	\$1,183,388	\$1,335,145	\$151,757	11.4%	\$1,217,767	-2.8%
\$32,919	\$112,179	\$79,260	70.7%	\$49,154	33. Interest Expense	\$184,951	\$224,358	\$39,407	17.6%	\$98,512	87.7%
\$148,396	\$149,152	\$756	0.5%	\$129,278	34. Other Operating Expenses	\$242,079	\$298,280	\$56,201	18.8%	\$255,889	-5.4%
\$11,804,841	\$11,767,653	-\$37,188	-0.3%	\$10,869,738	35. Total Expenses	\$22,922,211	\$23,535,260	\$613,050	2.6%	\$21,729,424	-5.5%
-\$383,657	\$1,126,929	-\$1,510,586	-134.0%	-\$498,182	36. Income (Loss) from Operations	-\$2,015,335	\$1,302,090	-\$3,317,425	-254.8%	-\$275,767	630.8%
\$1,332	\$45,124	-\$43,792	-97.0%	\$104,340	37. Interest Income	\$3,320	\$90,248	-\$86,928	-96.3%	\$204,718	-98.4%
\$70,916	\$63,353	\$7,563	11.9%	\$63,838	38. Other Non-Operating Income	\$132,774	\$126,704	\$6,070	4.8%	\$196,582	-32.5%
\$72,248	\$108,477	-\$36,229	-33.4%	\$168,178	39. Total Non-Operating Revenue	\$136,094	\$216,952	-\$80,858	-37.3%	\$401,300	-66.1%
-\$311,409	\$1,235,406	-\$1,546,815	-125.2%	-\$330,004	40. Net Income (Loss)	-\$1,879,241	\$1,519,042	-\$3,398,283	-223.7%	\$125,533	1597.0%
-3.36%	8.74%			-4.80%	Income from Operations Margin	-9.64%	5.24%			-1.29%	
-2.73%	9.58%			-3.18%	Net Income	-8.99%	6.12%			0.59%	

BARTLETT REGIONAL HOSPITAL  
12 MONTH ROLLING INCOME STATEMENT  
FOR THE PERIOD AUGUST 21 THRU AUGUST 22

	August-21	September-21	October-21	November-21	December-21	January-22	February-22	March-22	April-22	May-22	June-22	July-22	August-22
Gross Patient Revenue:													
1. Inpatient Revenue	\$3,831,558	\$4,824,972	\$4,387,111	\$3,192,673	\$3,672,150	\$4,412,846	\$3,829,268	\$3,872,858	\$3,587,976	\$3,929,079	\$3,968,043	\$4,215,688	\$4,027,710
2. Inpatient Ancillary Revenue	\$1,169,065	\$1,337,900	\$1,212,281	\$950,044	\$1,073,788	\$1,160,613	\$981,373	\$1,081,410	\$1,096,773	\$928,481	\$1,049,117	\$1,140,316	\$1,099,216
3. Total Inpatient Revenue	\$5,000,623	\$6,162,872	\$5,599,392	\$4,142,717	\$4,745,938	\$5,573,459	\$4,810,641	\$4,954,268	\$4,684,749	\$4,857,560	\$5,017,160	\$5,356,004	\$5,126,926
4. Outpatient Revenue	\$11,142,418	\$10,874,045	\$11,722,594	\$9,976,299	\$11,143,687	\$10,491,837	\$10,234,016	\$11,452,789	\$11,222,953	\$11,601,673	\$11,242,830	\$11,360,235	\$13,314,095
5. Total Patient Revenue - Hospital	\$16,143,041	\$17,036,917	\$17,321,986	\$14,119,016	\$15,889,625	\$16,065,296	\$15,044,657	\$16,407,057	\$15,907,702	\$16,459,233	\$16,259,990	\$16,716,239	\$18,441,021
6. RRC Patient Revenue	\$300,261	\$277,183	\$227,844	\$166,861	\$252,501	\$190,248	\$243,856	\$211,413	\$208,848	\$249,944	\$196,884	\$182,885	\$218,659
7. BHOPS Patient Revenue	\$355,268	\$434,612	\$387,400	\$413,225	\$574,433	\$406,510	\$391,780	\$624,646	\$390,417	\$456,653	\$529,944	\$199,460	\$196,611
8. Physician Revenue	\$1,182,691	\$856,222	\$1,142,756	\$827,856	\$854,494	\$775,989	\$898,164	\$897,198	\$1,060,736	\$1,076,229	\$862,360	\$1,205,276	\$1,295,030
9. Total Gross Patient Revenue	\$17,981,261	\$18,604,934	\$19,079,986	\$15,526,958	\$17,571,053	\$17,438,043	\$16,578,457	\$18,140,314	\$17,567,703	\$18,242,059	\$17,849,178	\$18,303,860	\$20,151,321
Deductions from Revenue:													
10. Inpatient Contractual Allowance	\$2,716,381	\$3,185,293	\$2,260,163	\$2,917,302	\$2,807,374	\$3,082,649	\$2,671,339	\$2,791,603	\$2,490,383	\$2,972,366	\$3,105,403	\$3,188,205	\$2,874,182
10a. Rural Demonstration Project	-\$225,000	-\$225,000	-\$725,000	-\$350,000	-\$350,000	-\$350,000	-\$350,000	-\$350,000	-\$350,000	-\$350,000	-\$350,000	-\$350,000	-\$350,000
11. Outpatient Contractual Allowance	\$4,163,123	\$4,822,166	\$5,351,541	\$4,414,193	\$4,173,471	\$4,207,232	\$4,270,949	\$4,780,143	\$4,827,998	\$4,860,343	\$5,284,968	\$4,768,716	\$5,287,432
12. Physician Service Contractual Allowance	\$627,808	\$544,518	\$586,628	\$547,175	\$475,883	\$452,923	\$494,154	\$515,089	\$576,784	\$781,557	\$407,030	\$719,575	\$792,835
13. Other Deductions	\$22,266	\$26,208	\$21,883	\$23,902	\$21,140	\$20,316	\$22,490	\$20,832	\$25,302	\$27,821	\$27,703	\$25,242	\$23,107
14. Charity Care	\$73,565	\$188,462	\$87,947	\$216,604	\$45,611	\$132,111	\$30,914	\$86,009	\$114,562	\$143,248	\$56,435	\$64,841	\$16,786
15. Bad Debt Expense	\$596,260	\$296,308	\$467,961	\$23,326	\$1,011,727	\$281,765	\$9,964	\$198,141	\$493,288	\$725,275	-\$344,442	\$766,855	\$121,762
16. Total Deductions from Revenue	\$7,974,403	\$8,837,955	\$8,051,123	\$7,792,502	\$8,185,206	\$7,826,996	\$7,149,810	\$8,041,817	\$8,178,317	\$9,160,610	\$8,187,097	\$9,183,434	\$8,766,104
% Contractual Allowances / Total Gross Patient Revenue	40.5%	44.8%	39.2%	48.5%	40.4%	42.4%	42.6%	42.9%	42.9%	45.3%	47.3%	45.5%	42.7%
% Bad Debt & Charity Care / Total Gross Patient Revenue	3.7%	2.6%	2.9%	1.5%	6.0%	2.4%	0.2%	1.6%	3.5%	4.8%	-1.6%	4.5%	0.7%
% Total Deductions / Total Gross Patient Revenue	44.3%	47.5%	42.2%	50.2%	46.6%	44.9%	43.1%	44.3%	46.6%	50.2%	45.9%	50.2%	43.5%
17. Net Patient Revenue	\$10,006,858	\$9,766,979	\$11,028,863	\$7,734,456	\$9,385,847	\$9,611,047	\$9,428,647	\$10,098,497	\$9,389,386	\$9,081,449	\$9,662,081	\$9,120,426	\$11,385,217
18. Other Operating Revenue	\$364,698	\$816,211	\$550,548	\$2,170,951	\$3,342,074	\$353,598	\$351,197	\$1,068,226	\$888,429	\$365,743	\$430,405	\$365,270	\$35,967
19. Total Operating Revenue	\$10,371,556	\$10,583,190	\$11,579,411	\$9,905,407	\$12,727,921	\$9,964,645	\$9,779,844	\$11,166,723	\$10,277,815	\$9,447,192	\$10,092,486	\$9,485,696	\$11,421,184
Expenses:													
20. Salaries & Wages	\$4,350,677	\$4,217,486	\$4,596,066	\$4,184,946	\$4,448,979	\$4,187,133	\$4,172,073	\$4,501,362	\$4,317,359	\$4,357,166	\$4,497,152	\$4,400,364	\$4,638,771
21. Physician Wages	\$349,470	\$401,311	\$349,004	\$347,759	\$235,235	\$310,416	\$329,545	\$273,221	\$444,317	\$422,325	\$260,633	\$267,548	\$363,200
22. Contract Labor	\$146,297	\$180,317	\$183,959	\$141,874	\$116,802	\$131,180	\$209,851	\$259,925	\$199,136	\$789,120	\$820,571	\$633,674	\$896,896
23. Employee Benefits	\$2,363,594	\$2,351,367	\$2,603,560	\$2,371,632	\$2,384,712	\$2,390,367	\$2,192,232	\$2,502,779	\$2,527,370	\$2,427,959	\$2,434,120	\$2,374,084	\$2,078,228
% Salaries and Benefits / Total Operating Revenue	69.5%	67.6%	66.8%	71.1%	56.5%	70.4%	70.6%	67.5%	72.9%	84.6%	79.4%	80.9%	69.8%
24. Medical Professional Fees	\$89,756	\$85,053	\$43,133	\$40,688	\$50,370	\$103,234	\$165,961	\$41,788	\$54,167	\$63,462	\$48,386	\$38,713	\$95,316
25. Physician Contracts	\$463,251	\$251,085	\$316,585	\$416,828	\$326,380	\$390,072	\$322,387	\$325,313	\$249,694	\$412,311	\$514,752	\$326,821	\$399,851
26. Non-Medical Professional Fees	\$199,537	\$153,952	\$231,198	\$199,503	\$194,816	\$251,322	\$203,518	\$211,847	\$181,852	\$209,768	\$246,454	\$221,282	\$223,427
27. Materials & Supplies	\$1,541,901	\$1,526,388	\$1,442,389	\$1,241,206	\$1,553,150	\$1,344,539	\$1,354,348	\$1,346,888	\$1,281,281	\$1,435,271	\$1,331,112	\$1,305,218	\$1,507,512
28. Utilities	\$105,215	\$100,105	\$145,196	\$126,857	\$157,087	\$253,444	\$199,502	\$187,642	\$117,421	\$214,545	\$98,852	\$121,693	\$140,725
29. Maintenance & Repairs	\$361,725	\$559,794	\$583,950	\$318,644	\$456,037	\$434,349	\$440,614	\$448,823	\$468,289	\$521,697	\$435,114	\$426,346	\$536,097
30. Rentals & Leases	\$43,326	\$47,645	\$56,231	\$76,991	\$97,199	\$48,761	\$60,069	\$64,113	\$64,215	\$77,726	\$51,336	\$86,650	\$75,688
31. Insurance	\$68,839	\$72,913	\$61,900	\$66,224	\$60,796	\$65,724	\$120,075	\$102,592	\$70,720	\$67,712	\$66,848	\$74,882	\$78,806
32. Depreciation & Amortization	\$607,718	\$642,412	\$641,278	\$640,504	\$640,537	\$645,931	\$600,353	\$606,903	\$598,119	\$585,394	\$584,119	\$594,379	\$589,009
33. Interest Expense	\$49,154	\$49,154	\$49,154	\$49,761	-\$241,751	\$34,580	\$32,973	\$32,973	\$32,973	\$32,973	\$32,973	\$32,973	\$32,919
34. Other Operating Expenses	\$129,278	\$110,601	\$120,834	\$171,096	\$119,674	\$119,261	\$186,388	\$125,175	\$97,288	\$191,849	\$127,071	\$93,683	\$148,396
35. Total Expenses	\$10,869,738	\$10,749,583	\$11,424,437	\$10,394,513	\$10,600,023	\$10,710,313	\$10,589,889	\$11,051,344	\$10,704,201	\$11,809,278	\$11,549,493	\$10,998,310	\$11,804,841
36. Income (Loss) from Operations	-\$498,182	-\$166,393	\$154,974	-\$489,106	\$2,127,898	-\$745,668	-\$810,045	\$115,379	-\$426,386	-\$2,362,086	-\$1,457,007	-\$1,512,614	-\$383,657
Non-Operating Revenue													
37. Interest Income	\$104,340	\$100,903	\$103,116	\$102,277	\$102,195	\$100,015	\$102,268	\$2,698	\$600	\$835	\$733	\$1,988	\$1,332
38. Other Non-Operating Income	\$63,838	\$65,029	\$272,136	\$62,201	\$61,340	\$62,183	\$59,617	\$61,897	\$57,400	\$64,348	\$64,269	\$61,858	\$70,916
39. Total Non-Operating Revenue	\$168,178	\$165,932	\$375,252	\$164,478	\$163,535	\$162,198	\$161,885	\$64,595	\$58,000	\$65,183	\$65,002	\$63,846	\$72,248
40. Net Income (Loss)	-\$330,004	-\$461	\$530,226	-\$324,628	\$2,291,433	-\$583,470	-\$648,160	\$179,974	-\$368,386	-\$2,296,903	-\$1,392,005	-\$1,448,768	-\$311,409

BARTLETT REGIONAL HOSPITAL  
BALANCE SHEET  
August 31, 2022

	<u>August-22</u>	<u>July-22</u>	<u>August-21</u>	<u>CHANGE FROM PRIOR FISCAL YEAR</u>
<b>ASSETS</b>				
Current Assets:				
1. Cash and cash equivalents	20,962,221	19,961,738	18,249,832	2,712,389
2. Board designated cash	28,004,896	27,452,982	33,137,952	(5,133,056)
3. Patient accounts receivable, net	20,751,228	21,572,310	16,890,263	3,860,965
4. Other receivables	(79,787)	178,507	1,857,907	(1,937,695)
5. Inventories	3,435,392	3,399,741	3,367,771	67,621
6. Prepaid Expenses	3,623,126	3,371,478	2,809,614	813,512
7. Other assets	31,936	32,938	30,377	1,561
8. Total current assets	76,729,012	75,969,694	76,343,716	385,297
Appropriated Cash:				
9. CIP Appropriated Funding	29,046,423	29,046,423	19,481,653	9,564,770
Property, plant & equipment				
10. Land, bldgs & equipment	153,345,547	153,308,451	149,897,827	3,447,719
11. Construction in progress	20,119,756	20,000,385	10,780,518	9,339,238
12. Total property & equipment	173,465,303	173,308,836	160,678,345	12,786,957
13. Less: accumulated depreciation	(109,992,994)	(109,403,986)	(102,791,929)	(7,201,066)
14. Net property and equipment	63,472,309	63,904,855	57,886,422	5,585,892
15. Deferred outflows/Contribution to Pension Plan	12,654,846	12,654,846	12,654,846	-
<b>16. Total assets</b>	<b>181,902,590</b>	<b>181,575,814</b>	<b>166,366,633</b>	<b>15,535,959</b>
<b>LIABILITIES &amp; FUND BALANCE</b>				
Current liabilities:				
17. Payroll liabilities	3,872,037	3,322,640	1,435,323	2,436,714
18. Accrued employee benefits	4,650,681	4,650,759	5,197,548	(546,867)
19. Accounts payable and accrued expenses	5,873,081	4,909,551	3,461,923	2,411,157
20. Due to 3rd party payors	2,708,665	2,708,665	3,947,392	(1,238,727)
21. Deferred revenue	712,985	756,152	1,085,668	(372,683)
22. Interest payable	147,817	110,578	63,059	84,758
23. Note payable - current portion	1,490,000	1,490,000	910,000	580,000
24. Other payables	170,789	1,035,204	265,021	(94,232)
25. Total current liabilities	19,626,055	18,983,549	16,365,934	3,260,120
Long-term Liabilities:				
26. Bonds payable	34,545,000	34,545,000	17,350,000	17,195,000
27. Bonds payable - premium/discount	2,759,020	2,763,340	111,877	2,647,143
28. Net Pension Liability	62,063,897	62,063,897	62,063,897	-
29. Deferred In-Flows	4,884,297	4,884,297	4,884,297	-
30. Total long-term liabilities	104,252,214	104,256,534	84,410,071	19,842,143
31. Total liabilities	123,878,269	123,240,083	100,776,005	23,102,263
32. Fund Balance	58,024,321	58,335,731	65,590,626	(7,566,306)
<b>33. Total liabilities and fund balance</b>	<b>181,902,590</b>	<b>181,575,814</b>	<b>166,366,633</b>	<b>15,535,959</b>



BARTLETT REGIONAL HOSPITAL  
12 MONTH ROLLING BALANCE SHEET  
FOR THE PERIOD AUGUST 21 THRU AUGUST 22

	August-21	September-21	October-21	November-21	December-21	January-22	February-22	March-22	April-22	May-22	June-22	July-22	August-22
<b>ASSETS</b>													
Current Assets:													
1. Cash and cash equivalents	18,285,324	18,422,022	16,455,972	19,700,052	22,950,807	22,205,736	21,662,275	7,464,732	5,045,343	7,271,871	5,967,974	22,211,019	20,962,221
2. Board designated cash	33,094,973	32,232,554	30,435,406	30,341,553	30,266,907	29,706,760	30,174,095	29,552,067	29,926,473	27,375,730	27,374,717	28,944,179	28,004,896
3. Patient accounts receivable, net	17,748,521	17,440,451	19,597,839	17,302,598	15,965,465	16,652,127	16,843,857	16,560,522	17,502,612	18,180,691	18,966,587	20,620,575	20,751,228
4. Other receivables	31,400	1,264,736	1,371,110	906,110	588,186	684,114	584,230	1,236,682	1,583,406	1,323,543	1,501,123	1,346,190	(79,787)
5. Inventories	3,367,771	3,511,679	3,714,914	3,985,020	3,803,022	3,763,829	3,681,705	3,531,828	3,537,649	3,642,059	3,613,561	3,236,548	3,435,392
6. Prepaid Expenses	2,922,731	3,075,080	3,086,651	2,939,487	2,801,467	2,653,187	2,800,205	2,453,787	2,203,501	1,893,949	1,717,382	3,371,478	3,623,126
7. Other assets	30,377	30,377	31,937	31,937	31,937	31,937	31,937	31,937	31,937	31,937	31,937	32,937	31,936
8. Total current assets	75,481,097	75,976,899	74,693,829	75,206,757	76,407,791	75,697,690	75,778,304	60,831,555	59,830,921	59,719,780	59,174,281	79,762,928	76,729,012
Appropriated Cash:													
9. CIP Appropriated Funding	18,854,017	18,854,017	19,406,354	18,853,710	18,301,848	17,244,030	17,164,683	32,263,003	32,229,681	29,145,697	28,560,714	28,560,714	29,046,423
Property, plant & equipment													
10. Land, bldgs & equipment	149,897,827	151,396,219	151,850,022	152,031,616	152,194,817	152,409,795	152,463,783	152,782,632	152,973,023	153,025,175	153,025,325	153,308,451	153,345,547
11. Construction in progress	10,769,368	9,724,991	10,696,859	11,100,753	11,827,784	12,743,862	12,846,504	13,572,285	14,423,945	17,812,831	18,510,117	18,209,189	20,119,756
12. Total property & equipment	160,667,195	161,121,210	162,546,881	163,132,369	164,022,601	165,153,657	165,310,287	166,354,917	167,396,968	170,838,006	171,535,442	171,517,640	173,465,303
13. Less: accumulated depreciation	(102,791,929)	(103,434,220)	(104,075,498)	(104,715,882)	(105,356,299)	(105,939,110)	(106,539,343)	(107,146,246)	(107,744,366)	(108,329,760)	(108,913,879)	(109,403,986)	(109,992,994)
14. Net property and equipment	57,875,266	57,686,990	58,471,383	58,416,487	58,666,302	59,214,547	58,770,944	59,208,671	59,652,602	62,508,246	62,621,563	62,113,654	63,472,309
15. Deferred outflows/Contribution to Pension Plan	12,403,681	12,654,846	12,654,846	12,654,846	12,654,846	12,654,846	12,654,846	12,654,846	12,654,846	12,654,846	12,654,846	12,654,846	12,654,846
16. Total assets	164,614,061	165,172,752	165,226,409	165,131,800	166,030,788	164,811,114	164,368,778	164,958,074	164,368,049	164,028,570	163,011,403	183,092,142	181,902,590
<b>LIABILITIES &amp; FUND BALANCE</b>													
Current liabilities:													
17. Payroll liabilities	1,435,323	1,700,778	2,411,287	2,523,324	832,124	1,236,761	1,312,176	1,744,778	2,118,075	2,580,462	2,849,971	3,322,640	3,872,037
18. Accrued employee benefits	5,197,548	5,161,912	5,108,615	4,974,135	4,792,357	4,713,630	5,154,183	5,183,342	5,312,132	5,368,868	4,822,998	4,650,759	4,650,681
19. Accounts payable and accrued expenses	3,007,066	3,172,598	2,307,757	2,613,628	3,469,843	3,693,454	3,328,898	2,792,501	2,027,105	3,390,582	4,609,541	4,030,238	5,873,081
20. Due to 3rd party payors	2,152,164	4,046,626	2,226,263	2,367,164	2,341,398	2,315,632	2,289,866	2,702,887	2,704,813	2,706,739	2,708,665	2,708,665	2,708,665
21. Deferred revenue	611,221	1,042,502	999,335	956,168	913,002	869,835	826,668	783,502	740,335	697,168	649,002	1,123,835	712,985
22. Interest payable	63,059	126,119	189,178	445,609	120,490	(72,885)	53,414	90,653	127,892	165,131	105,323	16,175	147,817
23. Note payable - current portion	910,000	910,000	910,000	910,000	910,000	1,030,000	1,030,000	1,030,000	1,030,000	1,030,000	1,030,000	1,030,000	1,490,000
24. Other payables	1,097,658	321,793	404,654	456,756	160,707	242,979	244,290	325,418	375,354	458,446	1,000	83,469	170,789
25. Total current liabilities	14,474,039	16,482,328	14,557,089	15,246,784	13,539,921	14,029,406	14,239,495	14,653,081	14,435,706	16,397,396	16,776,500	16,965,781	19,626,055
Long-term Liabilities:													
26. Bonds payable	16,350,000	17,350,000	17,350,000	17,350,000	17,350,000	16,230,000	16,230,000	16,230,000	16,230,000	16,230,000	16,230,000	35,005,000	34,545,000
27. Bonds payable - premium/discount	1,026,169	97,971	84,065	111,164	105,471	99,779	95,512	91,246	86,979	82,713	78,446	2,796,398	2,759,020
28. Net Pension Liability	64,954,569	62,063,897	62,063,897	62,063,897	62,063,897	62,063,897	62,063,897	62,063,897	62,063,897	62,063,897	62,063,897	62,063,897	62,063,897
29. Deferred In-Flows	4,318,200	4,884,297	4,884,297	4,884,297	4,884,297	4,884,297	4,884,297	4,884,297	4,884,297	4,884,297	4,884,297	4,884,297	4,884,297
30. Total long-term liabilities	86,648,938	84,396,165	84,382,259	84,409,358	84,403,665	83,277,973	83,273,706	83,269,440	83,265,173	83,260,907	83,256,640	104,749,592	104,252,214
31. Total liabilities	101,122,977	100,878,493	98,939,348	99,656,142	97,943,586	97,307,379	97,513,201	97,922,521	97,700,879	99,658,303	100,033,140	121,715,373	123,878,269
32. Fund Balance	63,491,084	64,294,259	66,287,061	65,475,658	68,087,202	67,503,735	66,855,577	67,035,553	66,667,170	64,370,267	62,978,263	61,376,769	58,024,321
33. Total liabilities and fund balance	164,614,061	165,172,752	165,226,409	165,131,800	166,030,788	164,811,114	164,368,778	164,958,074	164,368,049	164,028,570	163,011,403	183,092,142	181,902,590

**Bartlett Regional Hospital  
Dashboard Report for August 2022**

Facility Utilization:	CURRENT MONTH						YEAR TO DATE			
	Actual	Budget	% Over (Under) Budget	Prior Year	Prior Month	% Over (Under) Pr Yr	Actual	Budget	% Over (Under) Budget	Prior Year
<b>Hospital Inpatient: Patient Days</b>										
Patient Days - Med/Surg	548	558	-1.7%	459	536	19.4%	1,084	1,115	-3%	929
Patient Days - Critical Care Unit	72	100	-28%	89	93	-19.1%	165	199	-17%	181
Avg. Daily Census - Acute	20.0	21.2	-6%	17.7	20.3	13.1%	20.1	21.2	-5%	17.9
Patient Days - Obstetrics	44	64	-31%	54	73	-18.5%	117	128	-9%	137
<b>Total Hospital Patient Days</b>	<b>664</b>	<b>721</b>	<b>-8%</b>	<b>602</b>	<b>764</b>	<b>10.3%</b>	<b>1,366</b>	<b>1,443</b>	<b>-5%</b>	<b>1,247</b>
Births	18	25	-29%	26	29	-30.8%	47	51	-7%	55
Patient Days - Nursery	47	49	-5%	43	62	9.3%	109	99	11%	108
<b>Mental Health Unit</b>										
Patient Days - Mental Health Unit	123	159	-22%	116	101	6.0%	224	317	-29%	277
Avg. Daily Census - MHU	4.0	5.1	-22%	3.7	3	7.2%	3.6	5.1	-29%	4.5
<b>Rain Forest Recovery:</b>										
Patient Days - RRC	196	167	17%	171	169	14.6%	365	334	9%	371
Avg. Daily Census - RRC	6	5.4	17%	6	5	-2.0%	6	5.4	9%	6
Outpatient visits	46	44	5%	49	49	-6.1%	95	87	9%	94
<b>Inpatient: Admissions</b>										
Med/Surg	67	68	-1%	79	70	-15.2%	137	136	1%	149
Critical Care Unit	35	59	-40%	38	47	-7.9%	82	118	-30%	77
Obstetrics	19	27	-31%	29	28	-34.5%	47	55	-14%	62
Nursery	19	25	-24%	26	31	-26.9%	50	50	-1%	55
Mental Health Unit	21	25	-15%	26	15	-19.2%	36	49	-27%	51
<b>Total Admissions - Inpatient Status</b>	<b>161</b>	<b>204</b>	<b>-21%</b>	<b>198</b>	<b>191</b>	<b>-18.7%</b>	<b>352</b>	<b>408</b>	<b>-14%</b>	<b>394</b>
<b>Admissions - "Observation" Status</b>										
Med/Surg	69	73	-6%	66	57	4.5%	126	146	-14%	149
Critical Care Unit	31	25	22%	21	35	47.6%	66	51	30%	42
Mental Health Unit	1	4	-72%	2	3	-50.0%	4	7	-44%	6
Obstetrics	24	15	57%	13	11	84.6%	35	31	14%	33
<b>Total Admissions to Observation</b>	<b>125</b>	<b>117</b>	<b>7%</b>	<b>102</b>	<b>106</b>	<b>17.9%</b>	<b>231</b>	<b>234</b>	<b>-1%</b>	<b>230</b>
<b>Surgery:</b>										
Inpatient Surgery Cases	52	49	7%	44	59	18.2%	111	97	14%	104
Endoscopy Cases	116	89	30%	98	95	18.4%	211	178	19%	181
Same Day Surgery Cases	117	104	12%	115	96	1.7%	213	209	2%	217
<b>Total Surgery Cases</b>	<b>285</b>	<b>242</b>	<b>18%</b>	<b>257</b>	<b>250</b>	<b>10.9%</b>	<b>535</b>	<b>484</b>	<b>11%</b>	<b>502</b>
Total Surgery Minutes	18,450	16,168	14%	15,346	17,639	20.2%	36,089	32,336	12%	32,550
<b>Outpatient:</b>										
Total Outpatient Visits (Hospital)										
Emergency Department Visits	1,218	1,030	18%	1,158	1,181	5.2%	2,399	2,060	16%	2,394
Cardiac Rehab Visits	148	32	366%	52	115	184.6%	263	64	314%	151
Lab Tests	11,153	10,003	11%	9,774	10,113	14.1%	21,266	20,006	6%	20,000
Diagnostic Imaging Tests	2,773	2,398	16%	2,537	2,421	9.3%	5,194	4,796	8%	4,913
Sleep Study Visits	20	21	-7%	24	7	-16.7%	27	43	-37%	53
<b>Physician Clinics:</b>										
Hospitalists	242	245	-1%	252	246	-4.0%	488	489	0%	496
Bartlett Oncology Clinic	124	97	27%	94	100	31.9%	224	195	15%	190
Ophthalmology Clinic	87	73	19%	123	125	-29.3%	212	147	44%	201
Behavioral Health Outpatient visits	737	666	11%	626	626	17.7%	1,363	1,333	2%	1,201
Bartlett Surgery Specialty Clinic visits	272	231	18%	242	276	12.4%	548	461	19%	447
<b>Total Physician Clinics</b>	<b>1,462</b>	<b>1,312</b>	<b>11%</b>	<b>1,337</b>	<b>1,373</b>	<b>9.3%</b>	<b>2,835</b>	<b>2,625</b>	<b>8%</b>	<b>2,535</b>
<b>Other Operating Indicators:</b>										
Dietary Meals Served	15,500	17,757	-13%	15,180	7,479	107.2%	28,953	35,515	-18%	30,879
Laundry Pounds (Per 100)	436	577	-24%	402	390	11.8%	826	1,154	-28%	800

**Bartlett Regional Hospital  
Financial Indicators for August 2022**

Facility Utilization:	CURRENT MONTH				YEAR TO DATE			
	Actual	Budget	% Over (Under) Budget	Prior Year	Actual	Budget	% Over (Under) Budget	Prior Year
<b><i>Financial Indicators:</i></b>								
Revenue Per Adjusted Patient Day	4,978	6,267	-20.6%	4,561	5,079	6,029	-15.8%	4,629
Contractual Allowance %	42.7%	40.0%	6.8%	40.5%	44.0%	40.0%	10.1%	38.3%
Bad Debt & Charity Care %	0.7%	2.1%	-67.2%	3.7%	2.5%	2.1%	20.5%	3.5%
Wages as a % of Net Revenue	51.8%	43.5%	19.1%	48.4%	54.6%	45.2%	20.8%	47.0%
Productive Staff Hours Per Adjusted Patient Day	24.0	26.6	-10.0%	21.9	25.1	26.6	-5.6%	22.4
Non-Productive Staff Hours Per Adjusted Patient Day	3.6	4.1	-13.7%	3.6	3.8	4.1	-8.5%	3.6
Overtime/Premium % of Productive	6.90%	7.92%	-12.8%	8.20%	7.53%	7.92%	-4.9%	6.39%
Days Cash on Hand	58	59	-1.0%	55	60	59	2.1%	55
Board Designated Days Cash on Hand	158	159	-1.0%	159	163	159	2.1%	159
Days in Net Receivables	63.3	63	0.0%	47	63.3	63	0.0%	47
Days in Accounts Payable	24.5	24	0.0%	200	24.5	24	0.0%	200
Total CMI	1.37							
MCR CMI	1.58							
MCD CMI	1.30							

# Bartlett Regional Hospital

## Write-Offs September 2022

One Time PPD Ins		
RRC/MCR NO Enrollment		
Compliance/Risk/Adminstrative	\$1,333.25	2
SP Prompt Pay Disc	\$27,512.09	287
Medicare Patient <120 days		
Authorization/Alert Missing	\$3,830.39	7
1115 Waiver Svcs on Commercial Ins	\$317.00	1
Denied Appeals /Exhausted/Timely	\$1,095.53	3
BOPS Provider NOT Eligible to Bill	\$1,673.35	4
Mental Health BD MHU, RRC BOPS		
No Provider Enrollment		
	\$35,761.61	
Collections		
One Time Ins PPD		
Collections SPPPD	\$106,987.53	287
	\$106,987.53	

### September 2022 ME Totals

- Charity \$23,530.14
- **Claims on hold \$0.00 (NDC Claims processing manually)**
- POS Collections \$31,108.09
- Cares Adjustments \$19,970.27
- HRSA PMTS \$0.00
- PFD Discount Adj \$13,319.85\*
- PFD Payments \$29,897.25\*

\*listed on extraordinary list

Molecular Lab Revenue \$66,000

# daVinci

# Return on Investment

Bartlett Regional  
Applicable Case Volume

### System Financials and Assumptions

<b>Hospital ID</b>	<b>10245</b>
<b>Purchase, Lease, or Rental</b>	<b>Lease</b>
<b>Duration of Contracted Term (Yrs)</b>	<b>7</b>
<b>System Name</b>	<b>da Vinci Xi Single</b>
<b>Sum of Lease/Rental Payments</b>	<b>\$2,148,000</b>
<b>Annual Service Cost (Purchase/Lease Only)</b>	<b>\$154,000</b>
<b>Commercial Payer Mix</b>	<b>40%</b>
<b>Commercial Payer Premium to Medicare</b>	<b>50%</b>
<b>Cost of 1 Bed/Day</b>	<b>\$1,645</b>
<b>OR Fixed Cost per Case</b>	<b>\$750</b>
<b>OR Variable Cost per Minute</b>	<b>\$20</b>

## **Bartlett Regional Hospital**

Friday, July 8, 2022

<u>Capital Expenditures - Line Items</u>	
Item	Cost
da Vinci Xi Single System	\$ 1,900,000
Table	\$ 75,000
Simulator	\$ 25,000
Hub	\$ 35,000
Item 4	\$ -
<b>Total</b>	<b>\$ 2,035,000</b>

# Minimum Case Volume Expectations

Procedure	New Robotic Patient Source	% Converted from OPEN (Existing Only)	Avg Length of Stay (Existing Only)	Medicare/Commercial Blended Payment	Year 1	Year 2	Year 3	Year 4	Year 5	Total Procedures	5-Year Annualized
Colon Resection	Existing	90%	10.0	\$34,294	22	25	30	30	30	137	27
Ventral Hernia	Existing	90%	6.0	\$18,070	45	50	55	55	55	260	52
Hysterectomy - Benign	Existing	10%	3.0	\$21,913	30	40	40	40	40	190	38
Inguinal Hernia	Existing	70%	0.0	\$6,098	56	60	60	60	60	296	59
Rectal Resection	Existing	100%	8.0	\$26,551	3	5	10	10	10	38	8
Hysterectomy - Malignant	Incremental			\$15,606	24	35	35	40	40	174	35
										0	0
										0	0
										0	0
										0	0
										0	0
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										0	0
										0	0
<b>TOTALS</b>					180	215	230	235	235	1095	219



# Financial Impact: Converted Procedures

## Cash Flow Impact, Net Income and Return on Program

### Converted Procedures

Estimated da Vinci Financial Cash Flow Analysis (USD)										Est. da Vinci Secondary Benefits Analysis								
Procedure Type	Est. Annual	Medicare d I&A Cost	Medicare Commercial Blended	Est. Medicare Reimbursement less all dV	Est. Annual Cash Flow after all dV	OB Cost per Case	Contribution Margin per dV	Annual dV Contribution Margin	Avg LOS for	Est. Bed Days Gained	LOS Savings	Complications Savings	Transfusion Savings	Conversion Savings	Total Savings	Total Incremental Expenses	Increase in Reimbursement	Annual Net Financial Impact of
<b>TOTALS</b>	184	\$1,405	\$17,178	\$16,373	\$1,019,919	\$2,959	\$13,414	\$2,470,805		412	\$177,888	\$173,888	\$1,397	\$6,991	\$851,693	\$122,782	\$91,297	<b>\$778,149</b>
Colon Resect	27	\$2,248	\$34,234	\$32,948	\$878,164	\$4,868	\$27,998	\$767,134	10.0	162	\$234,200	\$98,067		\$2,183	\$333,347	\$68,268		\$277,658
Rectal Resect	8	\$2,085	\$26,331	\$24,486	\$188,835	\$4,358	\$28,138	\$153,935	8.0	12	\$28,983	\$19,823	\$834		\$38,327	\$8,394		\$24,233
Ventral Hernia	52	\$1,183	\$18,878	\$18,887	\$878,103	\$2,958	\$13,537	\$724,783	6.0	288	\$342,168	\$51,748		\$482	\$393,908			\$352,988
Ventral Hernia		\$1,183	\$8,888	\$4,915					8.5									
Inguinal Hernia	59	\$1,185	\$8,888	\$4,915	\$293,261	\$2,470	\$2,483	\$147,817								\$47,948	\$51,217	\$3,768
Sleeve Gastrectomy		\$1,843	\$22,571	\$20,728					4.0									
Gastric Bypass		\$1,889	\$34,338	\$32,538					4.0									
Fundoplication		\$1,843	\$38,254	\$36,511					5.0									
Pancreatic		\$2,932	\$26,858	\$24,886					5.0									
MP Chole		\$1,178	\$5,878	\$4,506														
Gastrectomy		\$2,138	\$13,248	\$11,118					4.0									
Other General S		\$1,734	\$13,248	\$11,812					4.0									
dVL		\$1,891	\$33,311	\$31,628					7.5									
Other Thoracic		\$1,482	\$13,248	\$11,844					6.0									
dVMYR		\$1,473	\$82,389	\$80,916					13.0									
REVASC		\$1,835	\$36,798	\$35,215					10.0									
dVC		\$1,847	\$38,726	\$36,789					7.0									
dVER		\$1,887	\$12,885	\$11,778					8.5									
Ovarian Cystect		\$1,188	\$7,612	\$8,584					8.5									
Pyeloplasty		\$1,472	\$48,884	\$44,532					5.0									
dVH - Benign	38	\$1,377	\$21,913	\$20,536	\$780,376	\$2,678	\$17,865	\$678,916	3.0	48	\$81,263	\$3,548	\$783	\$4,326	\$84,912	\$5,233		\$78,588
dVH - Benign (C		\$1,377	\$11,878	\$10,281					8.5									
dVH - Malignant		\$1,417	\$18,886	\$14,188					4.0									
dVBC		\$1,838	\$8,734	\$8,184					3.0									
dVMyo		\$1,418	\$12,885	\$11,448					3.2									
Oophorectomy		\$1,878	\$15,655	\$14,585					8.5									
Other Urology		\$1,517	\$13,248	\$11,729					3.0									
dVP		\$1,648	\$18,176	\$13,528					3.0									
dVPM		\$1,588	\$48,884	\$44,499					4.0									
dVN		\$1,294	\$48,884	\$44,711					3.0									



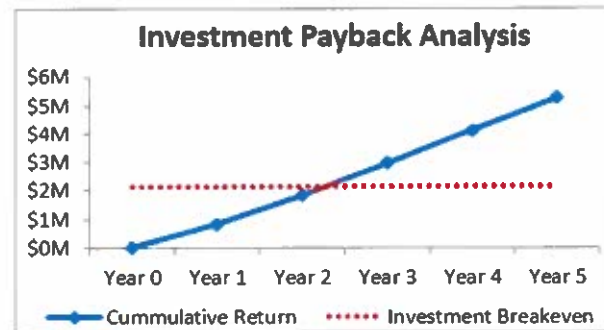
# Return on Investment – IRR & Payback

## Investment Summary

Project IRR	61.8%
Estimated Payback	2.3 Years
Incremental Admissions	174
Open-to-MIS Conversions	625
Bed-Days Preserved	2,060
Total Cost Avoidance	\$4,258,467
Incremental Revenue	\$2,715,444

\*Based on a 40% commercial payer mix and a 50% commercial payer premium to Medicare

Totals	\$2,150,286	\$5,251,030	\$3,100,745
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## BUSINESS PLAN DETAIL

Procedure Type	Patient Source	Est. Reimburse.	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Colon Resection	Existing	\$34,294	22	25	30	30	30	137
Ventral Hernia	Existing	\$18,070	45	50	55	55	55	260
Hysterectomy - Benign	Existing	\$21,913	30	40	40	40	40	190
Inguinal Hernia	Existing	\$6,098	56	60	60	60	60	296
Rectal Resection	Existing	\$26,551	3	5	10	10	10	38
Hysterectomy - Malignant	Incremental	\$15,606	24	35	35	40	40	174

<b>Totals</b>		\$17,433	180	215	230	235	235	1,095
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GYO Specific Proforma to include continuum of care: Dr. Hope committed to Nov timeframe.

### Pre-op Workup

- >History & Physical (99204)
- >CT Abdomen (74176)
- >PET (78811)
- >Ultrasound Guided Biopsy (10022)
- >Chest X-Ray (71020)

### Admission

- >Surgical Procedure (DRG 737-738)
- >Pathology (88307)

### Post-op Follow-up

- > Physician Exam  
(every 3 months x 2 yrs → biannual x 3 years → annual) - (99213)
- > Adjuvant Chemotherapy
- > CT (Pelvis) – biannual (74176)
- > PET (Pelvis) biannual (78811)

### GYO Patient Continuum Care:

- Medicare Reimbursement for Pre-op workup = \$1,900
- Medicare Reimbursement for Admission = \$13,500
- Medicare Reimbursement for Post-op follow up = \$11,700

List price lease payment estimated @ \$40,000

X 2 GYO patients per month @27,000 per patient = \$54,000

# Urology Prostatectomy Proforma to include continuum of care: Dr. Logan

## Pre-op Workup

- History & Physical (99204)
- Bone Scan (78300)
- Biopsy (1002)
- CT Scan (74150)
- MRI (74181/72195)

## Prostatectomy Patient Continuum Care:

- Medicare Reimbursement for Pre-op workup = \$1,600
- Medicare Reimbursement for Admission = \$10,150
- Medicare Reimbursement for Post-op follow up = \$17,600

List price lease payment estimated @ \$40,000

X 2 prostates patients per month @\$29,350 per patient = \$58,700

## Admission

- Surgical Procedure  
(DRG 665-667)
- Pathology (88307)

## Post-op Follow-up

- Physical Exams  
(every 3 months x 2 yrs → biannual x 3 years → annual)– (99213)
- Pathology (88333)
- PSA (88325)
- Bone Scan (84152)
- IMRT Planning (77301)
- IMRT Treatment Delivery (77418)

# Surgical Robots, Once 'On the Horizon,' Poised to Transform Surgery

By CHRISTINA FRANGO

DENVER—Over the next five years, robotic surgery in the United States will be transformed, driven by an expansion of commercially available robotic platforms.

At the 2022 annual meeting of the Society of American Gastrointestinal and Endoscopic Surgeons, Santiago Horgan, MD, a professor of clinical surgery at the University of California, San Diego, predicted that robotic surgery is about to enter a new chapter.

"In the next five years, we will have at least four or five soft tissue robotic platforms and maybe two or three flexible robots for endoscopy, colonoscopy, etc. So, it's a very promising time," Dr. Horgan said.

Dr. Horgan, who has been performing robotic surgery since 2000 and is a pioneer in NOTES (natural orifice transluminal endoscopic surgery) procedures, said he believes that flexible robotic systems will transform the practice of general surgery.

Two surgical device companies now have FDA-approved flexible systems that can navigate into the far reaches of the lungs. Dr. Horgan said he expects this technology will soon be approved for general surgery procedures and revolutionize surgical approaches to the gastrointestinal tract.

"Patients will get the best of the best. If they need an endoluminal approach, it will be done from the inside. If they need an external approach, it'll be from the outside," he said.

Much has changed in the 28 years since the FDA approved the first robotic general surgery device. Called Automated Endoscopic System for Optimal Positioning, or AESOP (Computer Motion), this first robot in general surgery allowed surgeons to maneuver an endoscope inside a patient's body during surgery using voice commands. Four years later, Zeus (Computer Motion) arrived on the scene with its three robotic arms and voice-operated camera.

In 2000, the FDA-approved Intuitive Surgical's da Vinci surgical system for general laparoscopic surgery. Basic tasks like suturing and knot-tying were faster with the da Vinci compared with Zeus, although still slower than laparoscopy (*Surg Endosc* 2003;17:574-579). Over the da Vinci's first decade, surgeons were slow to adopt the technology; the first generation was unwieldy, time-consuming and expensive compared with laparoscopy. The second generation, however, brought improvements in the technology. Over the last decade, robotic surgery has taken off: Use of robotic surgery for general surgery procedures surged from 1.8% in 2012 to 15.1% in 2018 (*JAMA Netw Open* 2020;3[1]:e1918911). The growth in hernia repair over the same period was even more remarkable: from 0.7% to 28.8% for repair of inguinal hernias and from 0.5% to 22.4% for ventral hernias.

Several robots now approved in Europe or elsewhere are expected to move into the United States in the next five years. Also, there are promising new platforms approved outside of general surgery or in later stages of development.

Below is a list of robots that are available in the United States or Europe for general surgery procedures, and robotic platforms in or nearing clinical trials. This list is based largely on Dr. Horgan's 2022 presentation at SAGES. The details of the surgical platforms have been independently confirmed by the manufacturers, unless otherwise noted.

## Surgical Robotic Systems

### da Vinci Surgical Systems X and Xi



Now in its fourth generation, Intuitive Surgical's da Vinci robotic platforms account for the largest share of robotic-assisted surgical (RAS) procedures in the United States and worldwide. In December 2021, Intuitive reported that more

than 10 million RAS procedures have been performed worldwide with its surgical systems.

Today, Intuitive has two multi-port robotic systems in use: Xi and X. The two platforms share the same arm architecture, surgeon console and vision cart. The X is marketed as the "value-oriented option" of the two systems and is designed for use in a single quadrant; the Xi can be used in multi-quadrant procedures.

Intuitive received FDA clearance for the Xi system in 2014 and for the X in 2017.

### Avatera



Made and designed by Germany's avateramedical GmbH, the Avatera system is designed with single-use instruments and consists of two main components: a four-arm surgical robot and surgeon console. In

May 2022, the company announced successful completion of the first 10 operations in humans with the Avatera system, including removal of prostate and kidney tumors.

Avatera has received the CE mark and is approved for minimally invasive surgery in urology and gynecology in the European Economic Area.

### Bitrack



Bitrack is developed by Rob Surgical, a Spanish startup created by the Polytechnic University of Catalonia and the Institute for Bioengineering of Catalonia. This system was first tested on animal models in 2014 and completed technical validation in 2018. Bitrack

enables four-quadrant anatomic access with open-source ports that allow for robotic and laparoscopic instruments to operate simultaneously, and is controlled by a surgeon at an open console.

The company says its intended uses are in general surgery, urology, colon and rectal surgery, gynecologic surgery and thoracic surgery. It has not yet been cleared for use in any country.

(Rob Surgical did not respond to requests for confirmation of this information.)

**Bartlett Regional Hospital  
Behavioral Health Pro-forma  
YTD - FY 2022**

**Revenue**

Mental Health Unit	7,712,679
Rainforest Recovery Center	2,323,016
Rainforest Detox Services	479,992
Applied Behavioral Analysis	307,971
BOPS	4,717,012
PES	327,542

**Total Revenue 15,868,212**

**Deductions from Revenue**

Mental Health Unit	(4,704,734)
Rainforest Recovery Center	(1,463,500)
Rainforest Detox Servies	(302,395)
Applied Behavioral Analysis	(92,391)
BOPS	(2,075,485)
PES	<u>(144,118)</u>

**Total Deductions from Revenue (8,782,624)**

**Total Net Patient Revenue 7,085,588**

**Expenses**

Salaries/Wages/Benefits	10,491,750
Physician Contracts	2,902,321
Other Expenses	<u>482,169</u>

**Total Expenses 13,876,240**

**Net Income (Loss) (6,790,652)**



**Bartlett Regional Hospital  
YTD - FY 2022**

**Mental Health Unit**

**Revenue**

**Mental Health Unit** 7,712,679

**Total Revenue** 7,712,679

**Deductions from Revenue**

**Mental Health Unit** (4,704,734)

**Total Deductions from Revenue** (4,704,734)

**Total Net Patient Revenue** 3,007,945

**Expenses**

**Salaries/Wages/Benefits** 2,309,158

**Physician Contracts**

**Other Expenses** 54,738

**Total Expenses** 2,363,896

**Net Income (Loss)** 644,049

**Bartlett Regional Hospital  
YTD - FY 2022**

**Rainforest Recovery Center**

**Revenue**

**Rainforest Recovery Center** 2,323,016

**Total Revenue** 2,323,016

**Deductions from Revenue**

**Rainforest Recovery Center** (1,463,500)

**Total Deductions from Revenue** (1,463,500)

**Total Net Patient Revenue** 859,516

**Expenses**

**Salaries/Wages/Benefits** 1,855,251

**Physician Contracts**

**Other Expenses** 156,769

**Total Expenses** 2,012,020

**Net Income (Loss)** (1,152,504)



R  
**Bartlett Regional Hospital**  
**YTD - FY 2022**  
**Rainforest Detox Services**

**Revenue**

**Rainforest Detox Services** 479,992

**Total Revenue** 479,992

**Deductions from Revenue**

**Rainforest Detox Services** (302,395)

**Total Deductions from Revenue** (302,395)

**Total Net Patient Revenue** 177,597

**Expenses**

**Salaries/Wages/Benefits** 661,224

**Physician Contracts**

**Other Expenses** 9,128

**Total Expenses** 670,352

**Net Income (Loss)** (492,755)

APA

**Bartlett Regional Hospital**

**YTD - FY 2022**

**APA**

**Revenue**

**APA**

307,971

**Total Revenue**

307,971

**Deductions from Revenue**

**APA**

(92,391)

**Total Deductions from Revenue**

(92,391)

**Total Net Patient Revenue**

215,580

**Expenses**

**Salaries/Wages/Benefits**

593,771

**Physician Contracts**

**Other Expenses**

48,699

**Total Expenses**

642,470

**Net Income (Loss)**

(426,890)

**Bartlett Regional Hospital**

**YTD - FY 2022**

**BOPS**

**Revenue**

**BOPS**

4,717,012

**Total Revenue**

4,717,012

**Deductions from Revenue**

**BOPS**

(2,075,485)

**Total Deductions from Revenue**

(2,075,485)

**Total Net Patient Revenue**

2,641,527

**Expenses**

**Salaries/Wages/Benefits**

3,202,248

**Physician Contracts**

2,902,321

**Other Expenses**

85,484

**Total Expenses**

6,190,053

**Net Income (Loss)**

(3,548,526)

**Bartlett Regional Hospital  
YTD - FY 2022**

**PES**

**Revenue**

**PES 327,542**

**Total Revenue 327,542**

**Deductions from Revenue**

**PES (144,118)**

**Total Deductions from Revenue (144,118)**

**Total Net Patient Revenue 183,424**

**Expenses**

**Salaries/Wages/Benefits 1,870,098**

**Physician Contracts**

**Other Expenses 127,351**

**Total Expenses 1,997,449**

**Net Income (Loss) (1,814,025)**