
**SOUTHWEST HEALTH SYSTEM
SIGNIFICANT BUDGET ASSUMPTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

- A Combined statements include Southwest MS Regional Medical Center, Lawrence County Hospital and St. Luke Home Health.
- B Supply increases of 2%, and drug cost increases of 5%.
- C Medicaid DSH funding and Medicare/Medicaid upper payment limit funding is expected to be approximately the same amount, \$9.6 million, as in FY 2017 at both SMRMC and LCH.
- D Personnel costs are expected to remain flat or decrease.
- E No estimated revenue rate increases at SMRMC or LCH.
- F The USDA DIRECT LOAN will be completed in 2018.

SOUTHWEST HEALTH SYSTEM
STATEMENT OF BUDGETED REVENUES AND EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

COMBINED
BUDGETED
FY 2018

Net patient revenue	\$147,830,000
Other operating revenue	1,776,000
Net operating revenue	149,606,000
Salaries and Benefits	88,404,000
Supplies	30,822,000
Professional fees	1,347,000
Purchased services	4,725,000
Repairs and maintenance	8,428,000
Other operating expenses	3,628,000
Utilities	1,766,000
Rentals	2,630,000
Depreciation and amortization	5,687,000
Interest	672,000
Total operating expenses	148,109,000
Net income	\$1,497,000

SOUTHWEST HEALTH SYSTEM
STATEMENT OF BUDGETED REVENUES AND EXPENSES ENTITY DETAIL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	SMRMC BUDGETED FY 2018	LCH BUDGETED FY 2018	ST. LUKE BUDGETED FY 2018	COMBINED BUDGETED FY 2018
Net patient revenue	\$127,565,179	\$9,284,018	\$10,980,803	\$147,830,000
Other operating revenue	1,588,763	144,815	42,422	1,776,000
Net operating revenue	129,153,942	9,428,833	11,023,225	149,606,000
Salaries and Wages	70,579,244	3,450,056	5,050,700	79,080,000
Employee Benefits	6,747,070	784,071	1,792,859	9,324,000
Supplies	28,557,217	1,578,924	685,859	30,822,000
Professional fees	855,123	247,170	244,707	1,347,000
Purchased services	4,093,335	592,895	38,770	4,725,000
Repairs and maintenance	7,543,969	648,390	235,641	8,428,000
Other Operating	1,537,368	683,770	1,406,862	3,628,000
Utilities	1,309,197	319,354	137,449	1,766,000
Rentals	1,915,452	517,868	196,680	2,630,000
Depreciation and amortization	5,104,749	548,597	33,654	5,687,000
Interest	657,089	14,911	0	672,000
Total operating expenses	128,899,813	9,386,006	9,823,181	148,109,000
Net income	\$254,129	\$42,827	\$1,200,044	\$1,497,000

SOUTHWEST HEALTH SYSTEM
STATEMENT OF BUDGETED CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	FUNDS			2003 REV	TOTAL
	OPERATING	BOARD DESIGNATED	INSURANCE	BONDS	
Budgeted net income from operations, 2018	\$1,447,000	\$0	\$0	\$50,000	\$1,497,000
Add: Depreciation and amortization	5,687,000	0	0	0	5,687,000
Budgeted funds provided by operations and investments	7,134,000	0	0	50,000	7,184,000
New borrowings	20,575,000				20,575,000
Release of restricted funds	2,909,000			-2,909,000	0
Transfers for bond principal	-11,295,000	0	0	11,295,000	0
Transfers for property, plant and equipment	-6,424,000	6,424,000	0	0	0
Total budgeted sources of cash and securities	12,899,000	6,424,000	0	8,436,000	27,759,000
Purchase/construction of property, plant and equipment	0	6,424,000	0	0	6,424,000
Principal repayments on long-term debt	4,500,000	0	0	11,295,000	15,795,000
Total budgeted uses of cash and securities	4,500,000	6,424,000	0	11,295,000	22,219,000
Increase (decrease) in cash and securities	8,399,000	0	0	-2,859,000	5,540,000
Projected cash and securities, 9/30/2017	15,122,000	0	1,019,000	2,963,000	19,104,000
Projected cash and securities, 9/30/2018	\$23,521,000	\$0	\$1,019,000	\$104,000	\$24,644,000

SOUTHWEST HEALTH SYSTEM
STATEMENTS OF BUDGETED FUND BALANCE AND LONG-TERM DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Projected fund balance, 9/30/2017	\$48,729,000
Budgeted FY 2018 net income	1,497,000
Budgeted fund balance, 9/30/2018	\$50,226,000

Long-term debt, 9/30/2017	\$20,003,000
Proceeds from refinancing	20,575,000
Principal repayments	-15,795,000
Long-term debt, 9/30/2018	\$24,783,000

SOUTHWEST HEALTH SYSTEM
SIGNIFICANT BUDGETED STATISTICAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

BUDGETED
FY 2018

SOUTHWEST MS REGIONAL MEDICAL CENTER:

Total patient days, excluding well baby	18,691
Clinical outpatient visits	35,306
ER visits	38,000
Main OR surgery cases	2,278
GI surgery cases	4,424
ASC surgery cases	2,926
Heart center surgery cases	170
Total surgical cases	9,798
Cath lab procedures	3,564

LAWRENCE COUNTY HOSPITAL:

Overall patient days, including swing beds	2,403
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ST. LUKE HOME HEALTH, LLC.

Overall home health visits	33,424
Overall hospice visits	20,910
