

Central Kenai Peninsula Hospital Service Area

FY2018 Proposed Budget

Operating Fund pages 301-305

Background information

- The service area is authorized to construct, maintain, and operate a hospital or hospitals, to establish and to operate, or to participate in the expense of operating, a center for the treatment of alcoholism and chemical dependency, and to provide other health services or health facilities within the service area, including but not limited to: primary health care, health promotion and chronic disease services (including psychiatric treatment, mental health and rehabilitation services), outpatient services, health education, preventive medical care and wellness programs, home health services, personal care services, long term care, and hospice care, subject to such conditions as may be established by ordinance of the Kenai Peninsula Borough.
- Serves a population of approximately 35,000 within a 9,126 square mile area
- Mgmt of the hospital is contracted out to CPGH Inc. Current contract expires 12/31/2017.
- Revenues
 - Mill rate .01 mills; \$57,55;
 - total revenue \$7,703,688, CPH \$7,593,508
 - Debt service \$7,411,582
 - Property insurance \$181,926

FY2017 Key Accomplishments

Contract discussions, new operating agreement

Elimination of Service area board

Assembly approval of authorization for new OB/Cath lab
estimated cost \$38,955,000

FY2018 Key Objectives & Budget Highlights

- Contract discussions, new operating agreement
- Reduction in insurance of \$109,016

Fund Budget:	FY2015 Actual	FY2016 Actual	FY2017 Original Budget	FY2017 Forecast Budget	FY2018 Mayor Proposed
Total Revenues	6,743,076	7,230,851	7,781,869	7,781,924	7,703,688
Expenditures:					
Services	239,765	241,331	347,942	347,942	245,926
Total Expenditures:	239,765	241,331	347,942	347,942	245,926
Operating Transfers To:					
Debt Service Fund	6,481,993	6,920,292	7,384,163	7,384,163	7,411,582
Total Operating Transfers:	6,481,993	6,920,292	7,384,163	7,384,163	7,411,582
Total Expenditures and Operating Transfers	6,721,758	7,161,623	7,732,105	7,732,105	7,657,508
Net Results From Operations	21,318	69,228	49,764	49,819	46,180
Beginning Fund Balance	2,185,183	2,206,501	2,275,729	2,275,729	2,325,548
Ending Fund Balance	\$ 2,206,501	\$ 2,275,729	\$ 2,325,493	\$ 2,325,548	\$ 2,371,728

Expenditure summary – CKPHSA

	FY2017 Approved Budget	FY2018 Proposed Budget	Change
Personnel	\$ -0-	\$ -0-	\$ -0-
Services	347,942	245,926	(102,016)
Transfers	<u>7,384,163</u>	<u>7,411,582</u>	<u>27,419</u>
Total	<u>\$ 7,732,105</u>	<u>\$ 7,657,508</u>	<u>\$ (74,597)</u>
Decrease of			(1.0%)

Long Term Issues & Concerns

- Changing health care needs
 - National
 - Reimbursement rates
 - Method payment, fee for services vs lump sum vs community based
 - Proposed changes to Accountable Care Act
 - Local
 - What services can the community provide and afford
 - Regional affiliations
- Reductions in the State's budget and impact to local communities
 - Grants
- Hospital governance