

South Kenai Peninsula Hospital Service Area

FY2019 Proposed Budget

Operating Fund page 309

Capital projects 342

Background information

- The service area is authorized to construct, maintain and operate a hospital or hospitals, to provide for acute inpatient and outpatient hospital services, personal care attendant services, inpatient long term care services, home and community based health care services, preventive medical care and wellness programs, and health education programs within the service area and for the administration and operation of the service area, subject to such conditions as may be established by ordinance of the Kenai Peninsula Borough.
- Serves a population of approximately 13,344 within a 9,564 square mile area
- Management of the hospital is contracted out to SPH Inc. Current contract expires 12/31/2019, notification required by 4/1/2019
- Revenues
 - Mill rate 2.3 mills; \$4,565,140
 - Total revenue \$4,598,541
 - Oil & gas property increased \$75 million in FY18, generating an additional \$172,000 in revenue, Assessed values decreased 2% from FY18 to FY19, reducing AS 45.56 revenues \$12,452 in FY19.
 - Real property increased approximately \$36 million, generating an additional \$83,000 in revenue

FY2018 Key Accomplishments

- Issuance of debt for expansion and remodel of the Homer Medical Center facility and HVAC replace at the hospital \$4.2M
- Funding of \$1.8 million provided for capital projects in addition to the capital items authorized by the issuance of debt
- Funding of \$2.2 million provided for debt service
- Funding provided for community health care needs assessment & Kachemak Family Planning

FY2019 Key Objectives & Budget Highlights

- Support and develop addiction services.
- Completion of the Homer Medical Clinic expansion project
- Providing capital projects funding of \$1.7 million

Expenditure summary – SKPHSA

	FY2018 Approved Budget	FY2019 Proposed Budget	Change
Services	204,443	258,415	53,972
Transfers	4,043,265	3,930,194	(113,071)
Interdepartmental	<u>0</u>	<u>6,460</u>	<u>6,460</u>
Total	4,247,708	4,195,069	(52,639)
Decrease of			-1.24%

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 Affordable Care Act
 - Local
 - What services can the community provide and afford
 - Regional affiliations
- Hospital expenditures growing faster than net revenues
- Reductions in the State's budget and impact to local communities
 - Grants