

Central Kenai Peninsula Hospital Service Area

FY2019 Proposed Budget

Operating Fund pages 304

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 37,000 within a 9,126 square mile area
- Management of the hospital is contracted out to CPGH Inc. **New** operating agreement expires 12/31/2027.
- Revenues
 - Mill rate .01 mills: \$57,356
 - CPH local revenue: \$9,635,318

FY2018 Key Accomplishments

- New operating agreement effective
January 2018 – December 2027
- Issuance of Tax-Exempt Revenue Bonds for new OB/Cath
\$38,955,000
- Purchased and implemented tomosynthesis equipment to
provide improved imagery to better meet the needs of
the residents of the borough

FY2019 Key Objectives & Budget Highlights

- Completed contract discussions, new operating agreement
- Increase in debt payments, due to new debt issuance of \$2,057,498

Fund Budget:		FY2016 Actual	FY2017 Actual	FY2018 Original Budget	FY2018 Forecast Budget	FY2019 Mayor Proposed
Total Revenues		7,230,851	7,666,896	7,702,932	7,703,060	9,744,999
Expenditures:						
Supplies		-	-	-	-	-
Services		241,331	358,513	245,926	298,547	236,238
InterDepartmental Charges		-	-	-	-	5,906
Total Expenditures:		241,331	358,513	245,926	298,547	236,238
Operating Transfers To:						
Debt Service Fund		<u>6,920,292</u>	<u>7,314,751</u>	<u>7,411,582</u>	<u>7,411,582</u>	<u>9,469,080</u>
Total Operating Transfers:		6,920,292	7,314,751	7,411,582	7,411,582	9,469,080
Total Expenditures and Operating Transfers		<u>7,161,623</u>	<u>7,673,264</u>	<u>7,657,508</u>	<u>7,710,129</u>	<u>9,705,318</u>
Net Results From Operations		69,228	(6,368)	45,424	(7,069)	39,681
Beginning Fund Balance		<u>2,206,501</u>	<u>2,275,729</u>	<u>2,269,361</u>	<u>2,269,361</u>	<u>2,262,292</u>
Ending Fund Balance		\$ 2,275,729	\$ 2,269,361	\$ 2,314,785	\$ 2,262,292	\$ 2,301,973

Expenditure summary – CKPHSA

	FY2018 Approved Budget	FY2019 Proposed Budget	Change
Services	245,926	236,238	(9,688)
Transfers	7,411,582	9,469,080	2,057,498
Interdepartmental	<u>0</u>	<u>5,906</u>	<u>5,906</u>
Total	7,657,508	9,711,224	2,053,716
Increase of	-	-	<u>26.82%</u>

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
- Reductions in the State's budget and impact to local communities
 - Grants
- Hospital governance