



December 15, 2020

Board of Directors
Mangum Regional Medical Center

November 2020 Financial Statement Overview

- Balance Sheet
 - Operating Cash decreased \$40,435 from the October 31, 2020 balance. This is primarily driven by an increase in Accounts Receivable.
 - No stimulus fund adjustments were recorded in October to affect this number, leaving an unchanged balance owed to the stimulus funds of approximately \$1.041M or (\$1.492M borrowed - \$451K that has been identified to qualify to be retained as operating cash). The stimulus funds have been segregated within the financial statements to track and report these separately (\$2,771,296 asset less \$3,812,296 liability or net liability of \$1,041,000).
 - We continue to increase our inventory supplies in relation to COVID surge preparation. This figure has doubled since 12/31/19, now at \$98,476.
 - Accounts payable increased substantially in November as a result of reclassifying the Cohesive PPP loan passthrough from long-term debt to short-term payable.
 - Accounts Receivable increased \$159,154, this is primarily driven by a slight delay in billing in November due to charge entry delay, now resolved.
 - Total Due to Cohesive – PPP loans has amounted to \$647K. This amount has been reclassified from long term to short term debt. Cohesive will be applying for loan forgiveness of the PPP loans. We are awaiting further updates.



- Income Statement
 - Net Patient Service Revenue increased \$280,526 from October. This is primarily driven by a significant increase in inpatient days. Total days increased 114 from October for a total of 441.
 - No adjustment to the stimulus funds was recorded in November as further guidance is pending on new reporting requirements for the HHS CARES ACT funding.
 - Total operating expenses for October were \$1,176,917. This is \$39,628 lower than our average of \$1,225,316.

Other Updates

- On 9/28/20, Novitas issued a Medicare determination letter reflecting a receivable to the hospital in the amount of \$455,287 based on the 5/31/20 Interim Rate Review. This was received 10/17.
- The Medicare 2nd Interim Rate Review has been submitted. It reflects an estimated receivable in the amount of \$1,320,381 for the 8 months ended 08/31/20. This amount will be decreased by the \$455,287 referred to about in the October financial statements.
- 2019 Medicare Cost Report was submitted resulting in a receivable of \$971,775. We have received a Novitas letter confirming a receivable of \$967,961 and an additional letter to submit a rebuttal to have these monies paid directly to the hospital instead of applied to open ERS loan balances. This is in progress as of 12/10/20.