

Norman Regional Health System FY 2025 Budget Presentation



FY 2025 Budget Highlights

- **Volumes**

- Inpatient discharges budgeted to grow 1.2%, or 190 cases more than FY 2024 projection
- Hospital outpatient visits (including ED visits) budgeted to increase 3.7%, or 11,778 visits from FY 2024 projection
- Clinic visits (including Telehealth visits) budgeted to increase 11.6%, or 50,477 visits from FY 2024 projection (based on adding new primary care locations and providers in specialty clinics)

- **Net Revenue**

- **Net Patient Revenue budget of \$604.8 million is 7.7% (\$43.5 million) more than FY 2024 projection**
 - \$ 24.6 million in collections (based on new SHOPP program payments and improved denials recoveries)
 - \$ 18.9 million in clinic volumes, including new locations and providers, and a price increase
- **Other Operating Revenue budget of \$8.7 million is 9.4% (\$0.9 million) less than FY 2024 projection**
 - (\$ 0.9) million for closure of cafeteria during construction



FY 2025 Budget Highlights

- **Total Expense budget of \$639.6 million is 4.7% (\$28.5 million) more than FY 2024 projection**
 - \$ 25.5 million in depreciation, capital lease amortization, interest, & utilities (related to opening new facilities)
 - \$ 6.9 million in salaries & benefits for merit increases and increased volumes
 - \$ 3.2 million in pharmaceuticals for increased volume in the Outpatient Infusion Center
 - \$ 2.7 million in patient supplies for increased surgical volumes and price inflation
 - (\$10.0) million in lower benefits costs from retirement plan and employee prescription changes
- **Operating Profitability**
 - Operating Income budgeted at -\$26.0 million (\$14.1 million improvement from FY 2024 projection)
 - Excess of Revenues over Expenses budgeted at -\$18.4 million (-3.0% overall profit margin)



FY 2025 Operating Budget

Norman Regional Health System

	<u>FY 2024</u> <u>Projected</u>	<u>FY 2025</u> <u>Budget</u>	<u>Variance %</u> <u>Incr/(Decr)</u>
OPERATING REVENUE			
(1) Inpatient Revenue	\$ 937,764,987	\$ 931,462,206	-0.7%
(2) Outpatient Revenue	1,407,184,705	1,459,489,162	3.7%
(3) DME Revenue	7,600,730	8,400,000	10.5%
(4) ED Physician Revenue	31,308,111	32,470,769	3.7%
(5) Physician Income	<u>250,927,557</u>	<u>268,299,320</u>	6.9%
(6) TOTAL PATIENT REVENUE	\$ 2,634,786,090	\$ 2,700,121,457	2.5%
DEDUCTIONS FROM REVENUE			
(7) Charity Deductions	7,509,652	7,273,224	-3.1%
(8) Bad Debt Expense	82,538,000	86,092,358	4.3%
(9) Government & Other Deductions	<u>1,983,371,804</u>	<u>2,001,914,147</u>	0.9%
(10) TOTAL DEDUCTIONS FROM REVENUE	\$ 2,073,419,456	\$ 2,095,279,728	1.1%
(11) NET PATIENT REVENUE	561,366,634	604,841,729	7.7%
(12) OTHER OPERATING REVENUE	<u>9,618,983</u>	<u>8,712,003</u>	-9.4%
(13) NET REVENUE	\$ 570,985,617	\$ 613,553,732	7.5%
EXPENSES			
(14) Salaries	309,366,204	315,706,704	2.0%
(15) Benefits	47,730,507	37,718,659	-21.0%
(16) Supplies (excluding pharmaceuticals)	77,335,972	80,014,985	3.5%
(17) Pharmaceutical Supplies	22,712,207	25,819,623	13.7%
(18) Professional Fees	1,805,173	1,684,335	-6.7%
(19) Physician Fees	10,942,493	10,650,989	-2.7%
(20) Purchased Services	23,276,240	22,599,685	-2.9%



FY 2025 Operating Budget

Norman Regional Health System

		<u>FY 2024</u> <u>Projected</u>	<u>FY 2025</u> <u>Budget</u>	<u>Variance %</u> <u>Incr/(Decr)</u>
(21)	Leases	3,635,037	3,605,123	-0.8%
(22)	Utilities	5,808,233	6,044,453	4.1%
(23)	Insurance	6,217,357	6,526,850	5.0%
(24)	Computer Support	11,802,051	13,092,009	10.9%
(25)	Service Contracts & Equipment Repairs	6,400,237	5,235,700	-18.2%
(26)	Billing & Collections	8,457,684	10,297,984	21.8%
(27)	SHOPP	17,555,023	18,959,832	8.0%
(28)	Miscellaneous Expenses	13,180,851	12,696,213	-3.7%
(29)	TOTAL OPERATING EXPENSES	<u>\$ 566,225,269</u>	<u>\$ 570,653,143</u>	0.8%
(30)	EBIDA INCOME	\$ 4,760,348	\$ 42,900,589	801.2%
(31)	Interest Expense	15,142,745	18,693,818	23.5%
(32)	Depreciation and Amortization	29,710,880	50,205,982	69.0%
(33)	TOTAL NONOPERATING EXPENSES	\$ 44,853,625	\$ 68,899,800	53.6%
(34)	TOTAL EXPENSES	\$ 611,078,894	\$ 639,552,943	4.7%
(35)	OPERATING INCOME	\$ (40,093,277)	\$ (25,999,211)	35.2%
(36)	Contributions	29,237	32,340	10.6%
(37)	Investment Income	11,592,400	7,519,645	-35.1%
(38)	NONOPERATING INCOME	<u>\$ 11,621,637</u>	<u>\$ 7,551,985</u>	-35.0%
(39)	NET INCOME	<u>\$ (28,471,640)</u>	<u>\$ (18,447,226)</u>	35.2%
(40)	OPERATING MARGIN	-7.0%	-4.2%	
(41)	TOTAL MARGIN	-4.9%	-3.0%	



FY 2025 Budget Volumes

Norman Regional Health System

	Discharges			Patient Days			ALOS		
	FY 2024 Projected	FY 2025 Budget	% Incr/Decr	FY 2024 Projected	FY 2025 Budget	% Incr/Decr	FY 2024 Projected	FY 2025 Budget	% Incr/Decr
Porter Campus									
(1) BMS	520	0	-100.0%	3,191	0	-100.0%	6.14	-	-100.0%
(2) Rehab	479	0	-100.0%	5,220	0	-100.0%	10.90	-	-100.0%
(3) Acute	6,698	0	-100.0%	27,706	0	-100.0%	4.14	-	-100.0%
(4) Total	7,697	0	-100.0%	36,117	0	-100.0%	4.69	-	-100.0%
HealthPlex Campus									
(5) Rehab	0	519	0.0%	0	5,908	0.0%	-	11.38	0.0%
(6) Acute	8,384	15,737	87.7%	26,303	55,713	111.8%	3.14	3.54	12.8%
(7) NICU	260	275	5.8%	3,633	4,414	21.5%	13.97	16.05	14.9%
(8) Total	8,644	16,531	91.2%	29,936	66,035	120.6%	3.46	3.99	15.3%
Total System									
(9) Acute	15,082	15,737	4.3%	54,009	55,713	3.2%	3.58	3.54	-1.1%
(10) BMS	520	0	-100.0%	3,191	0	-100.0%	6.14	-	-100.0%
(11) Rehab	479	519	8.4%	5,220	5,908	13.2%	10.90	11.38	4.5%
(12) NICU	260	275	5.8%	3,633	4,414	21.5%	13.97	16.05	14.9%
(13) Total	16,341	16,531	1.2%	66,053	66,035	0.0%	4.04	3.99	-1.2%



FY 2025 Budget Volumes

Norman Regional Health System

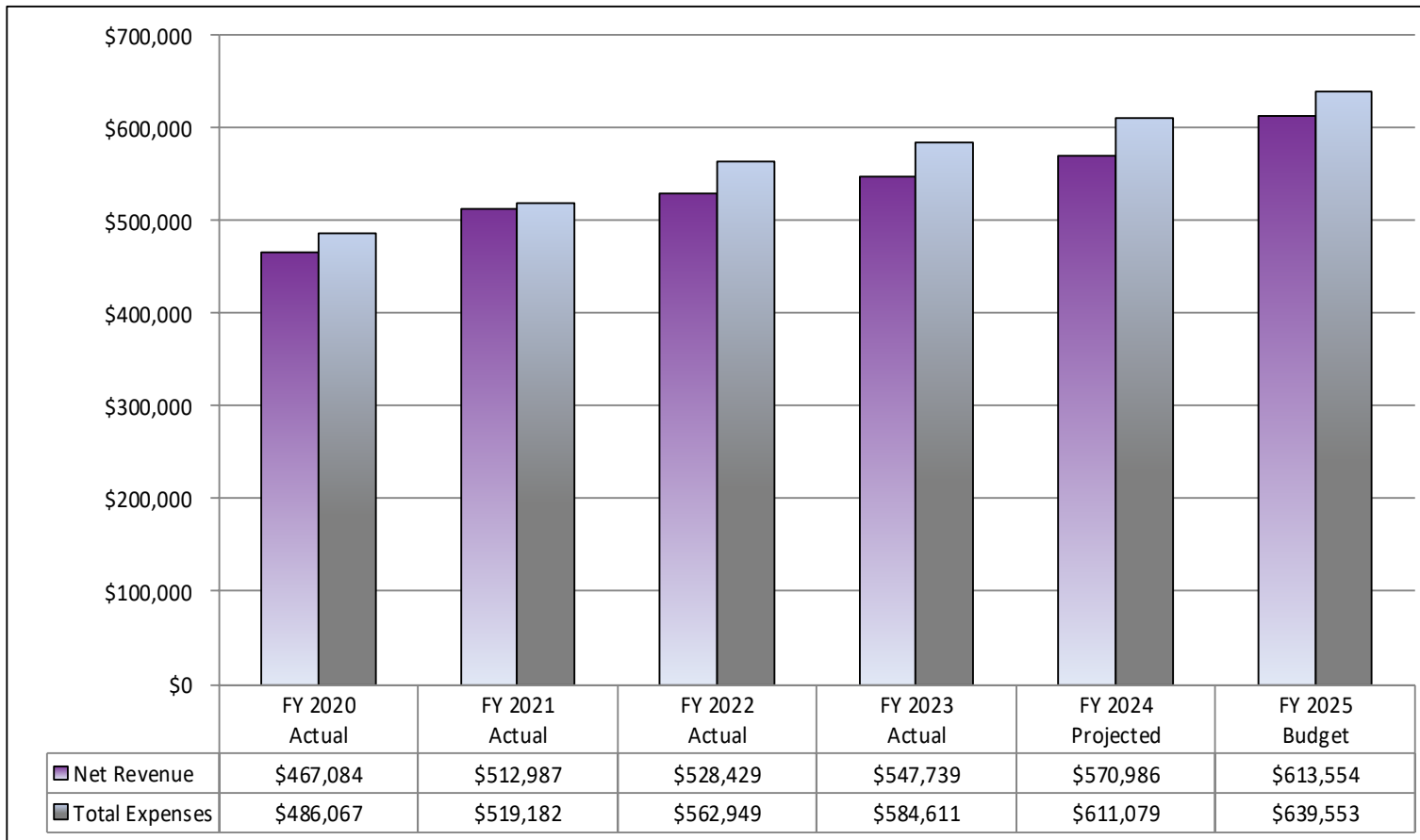
	FY 2024 Projected	FY 2025 Budget	% Incr/Decr
Adjusted Statistics			
(1) Adjusted Patient Days	185,585	191,422	3.1%
(2) Adjusted Discharges	45,912	47,920	4.4%
Deliveries			
(3) HealthPlex	2,457	2,544	3.5%
Cath Lab Cases			
(4) Inpatient	1,478	1,400	-5.3%
(5) Outpatient	1,955	1,860	-4.9%
(6) Total	3,433	3,260	-5.0%
Surgeries (excludes FBC Surgeries)			
Inpatient			
(7) NRH	1,790	0	-100.0%
(8) HPX	1,380	1,435	4.0%
(9) ACC	0	1,740	0.0%
(10) Total	3,170	3,175	0.2%
Outpatient			
(11) NRH	3,955	0	-100.0%
(12) HPX	4,481	4,713	5.2%
(13) ACC	0	4,244	0.0%
(14) Total	8,436	8,957	6.2%
Totals			
(15) NRH	5,745	0	-100.0%
(16) HPX	5,861	6,148	4.9%
(17) ACC	0	5,984	0.0%
(18) Total	11,606	12,132	4.5%
ASC/Endoscopy Cases			
(19) Ortho Central ASC	2,355	2,452	4.1%
(20) GI Endoscopy	4,219	4,911	16.4%
(21) Total	6,574	7,363	12.0%

	FY 2024 Projected	FY 2025 Budget	% Incr/Decr
OP Hospital Registrations (includes outpatient ED visits)			
(22) NRH	121,353	7,200	-94.1%
(23) HPX	96,521	117,281	21.5%
(24) ACC	0	103,942	0.0%
(25) NRM	62,203	61,800	-0.6%
(26) NRN	36,493	38,125	4.5%
(27) Total	316,570	328,348	3.7%
Emergency Department Visits (includes ED admissions)			
(28) NRH	31,691	0	-100.0%
(29) HPX	27,775	60,000	116.0%
(30) NRM	20,567	20,000	-2.8%
(31) NRN	19,774	20,000	1.1%
(32) Total	99,807	100,000	0.2%
(33) OB ED	3,719	3,822	2.8%
(34) Total w/ OB ED	103,526	103,822	0.3%
EMSStat Registrations			
(35) EMSStat Registrations	21,959	22,509	2.5%
ED Provider Visits			
(36) ED Provider Visits	89,869	95,000	5.7%
Clinic Visits (includes Telehealth)			
(37) Primary Care	148,786	180,596	21.4%
(38) Specialty (excluding below)	89,752	94,417	5.2%
(39) Ortho Central (Clinic & PT)	74,525	84,586	13.5%
(40) Heart & Vascular	40,963	41,422	1.1%
(41) Surgery	36,827	36,140	-1.9%
(42) Physical Therapy	27,492	30,350	10.4%
(43) GI of Norman (East & West)	16,649	17,960	7.9%
(44) Oncology	0	0	0.0%
(45) Total Clinic Visits	434,994	485,471	11.6%



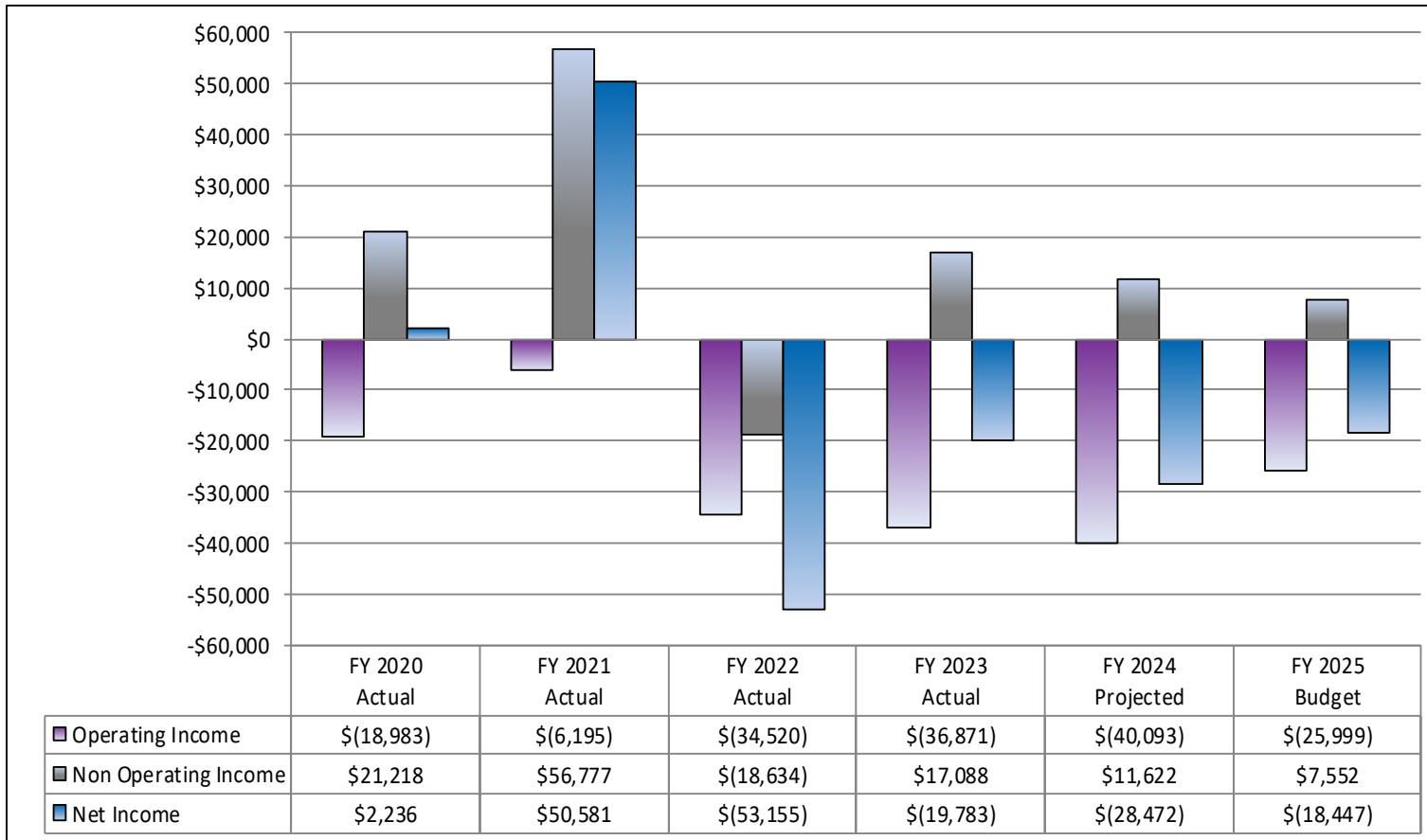
FY 2025 Budget Presentation

Net Revenue and Expense (\$ in 000's)



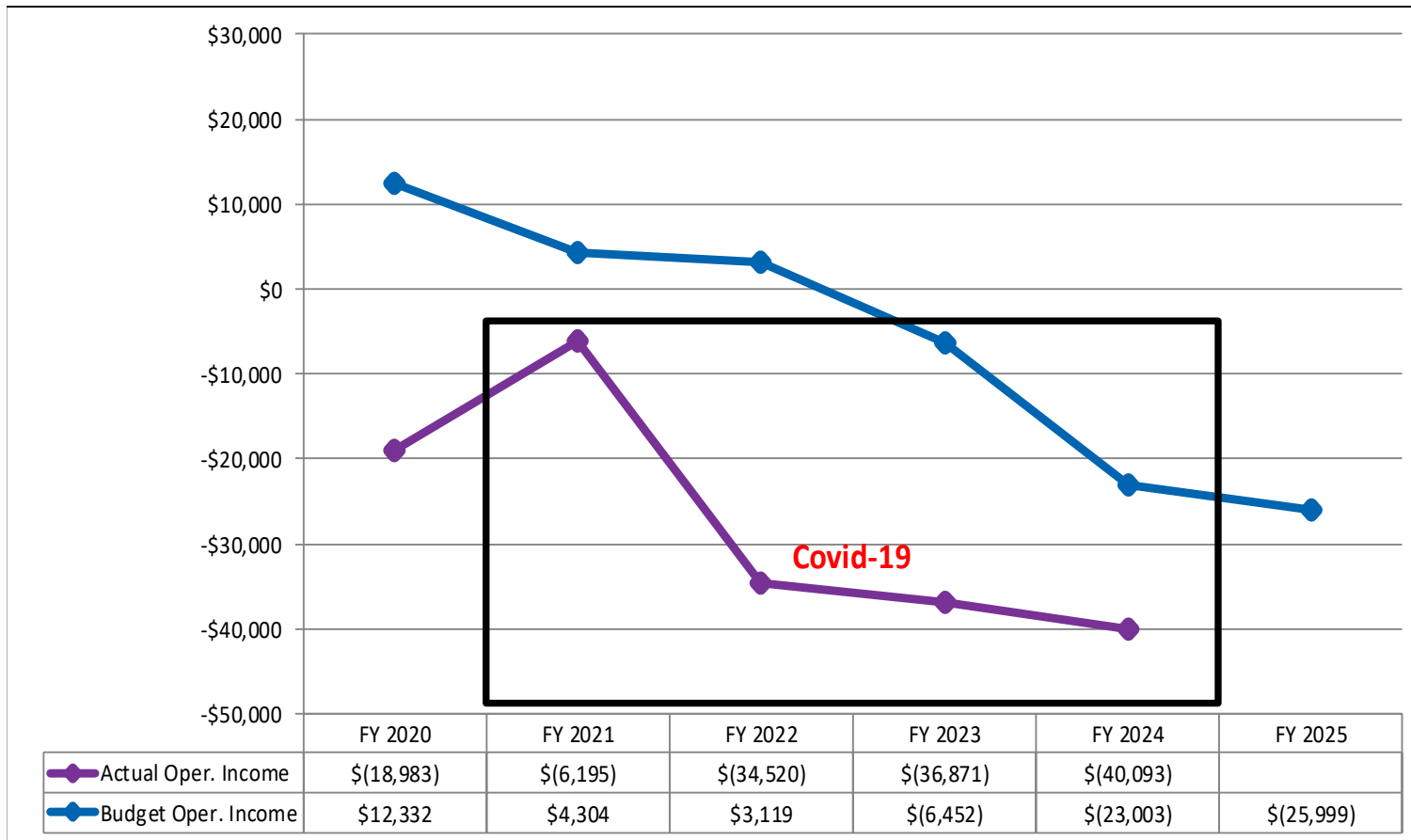
FY 2025 Budget Presentation

Income (\$ in 000's)



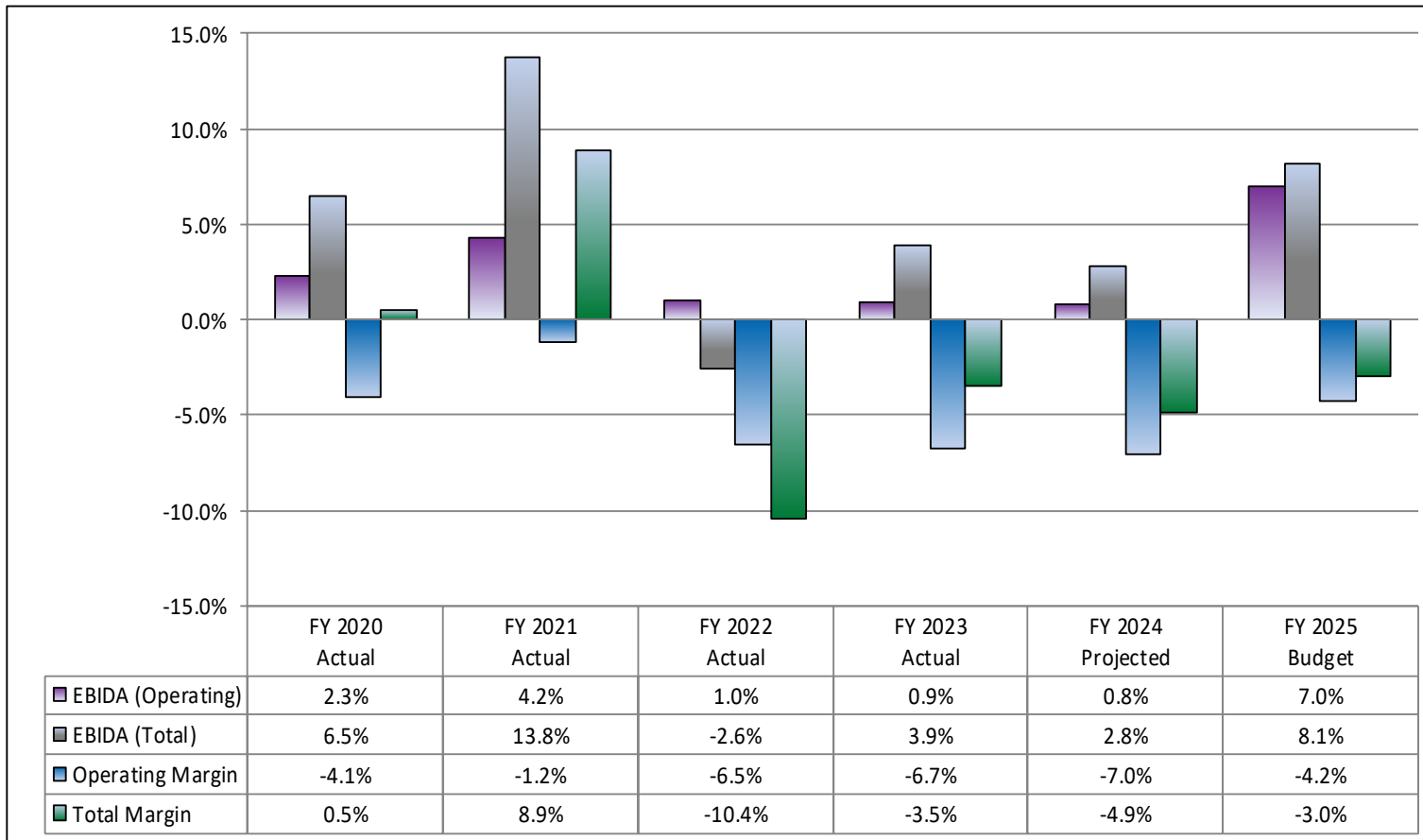
FY 2025 Budget Presentation

Actual v. Budget Income (\$ in 000's)



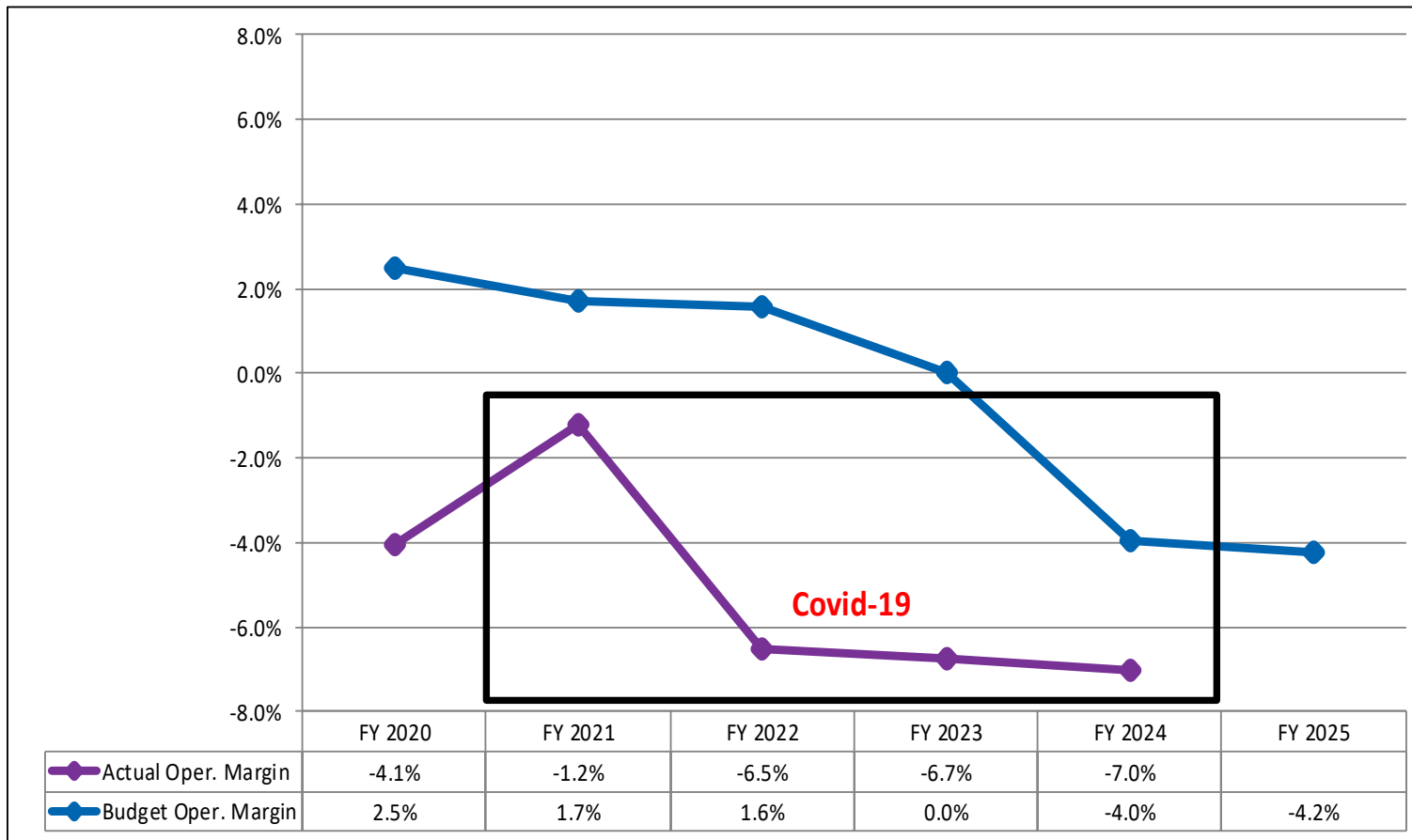
FY 2025 Budget Presentation

Profit Margins



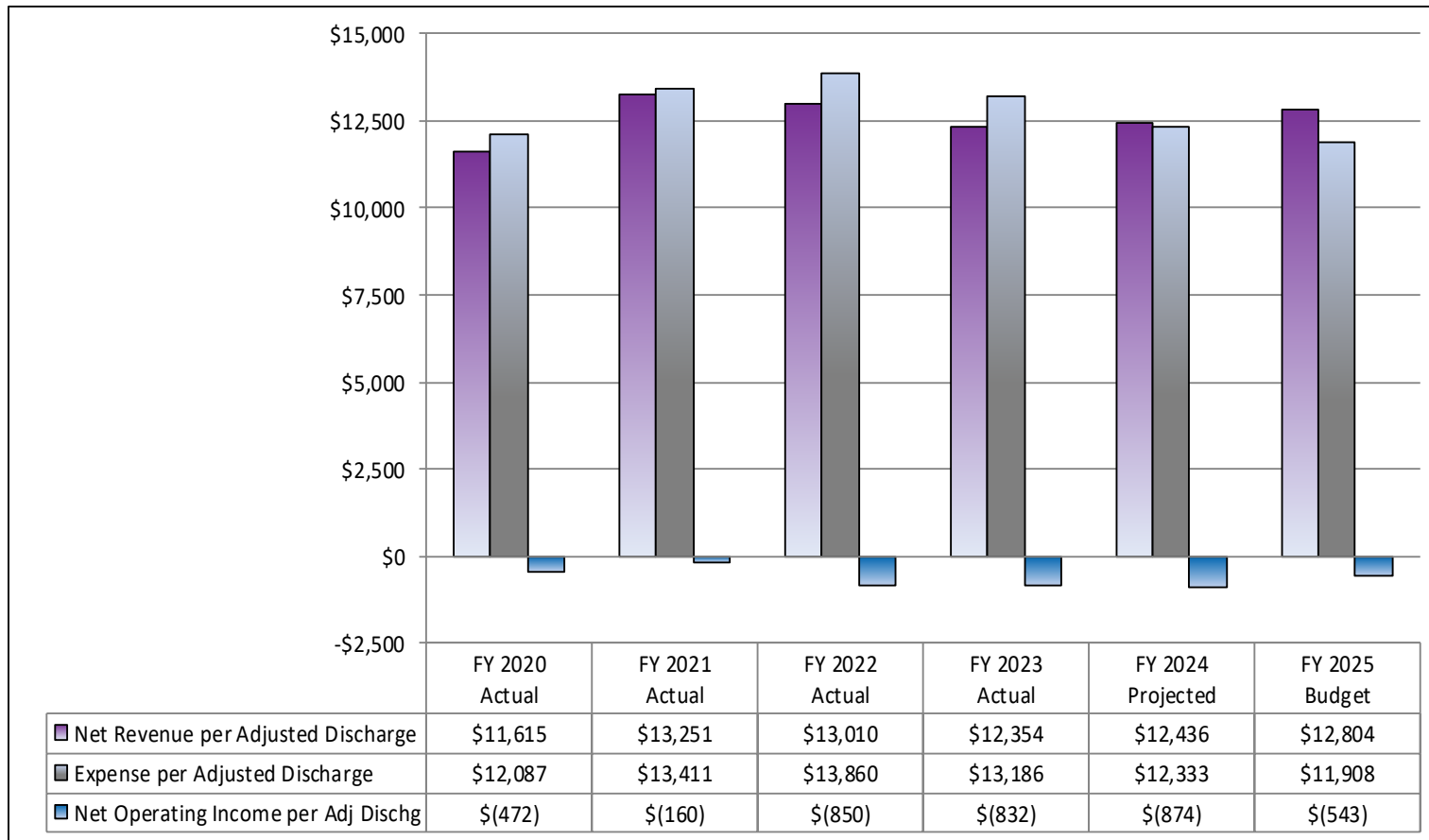
FY 2025 Budget Presentation

Actual v. Budget Profit Margins



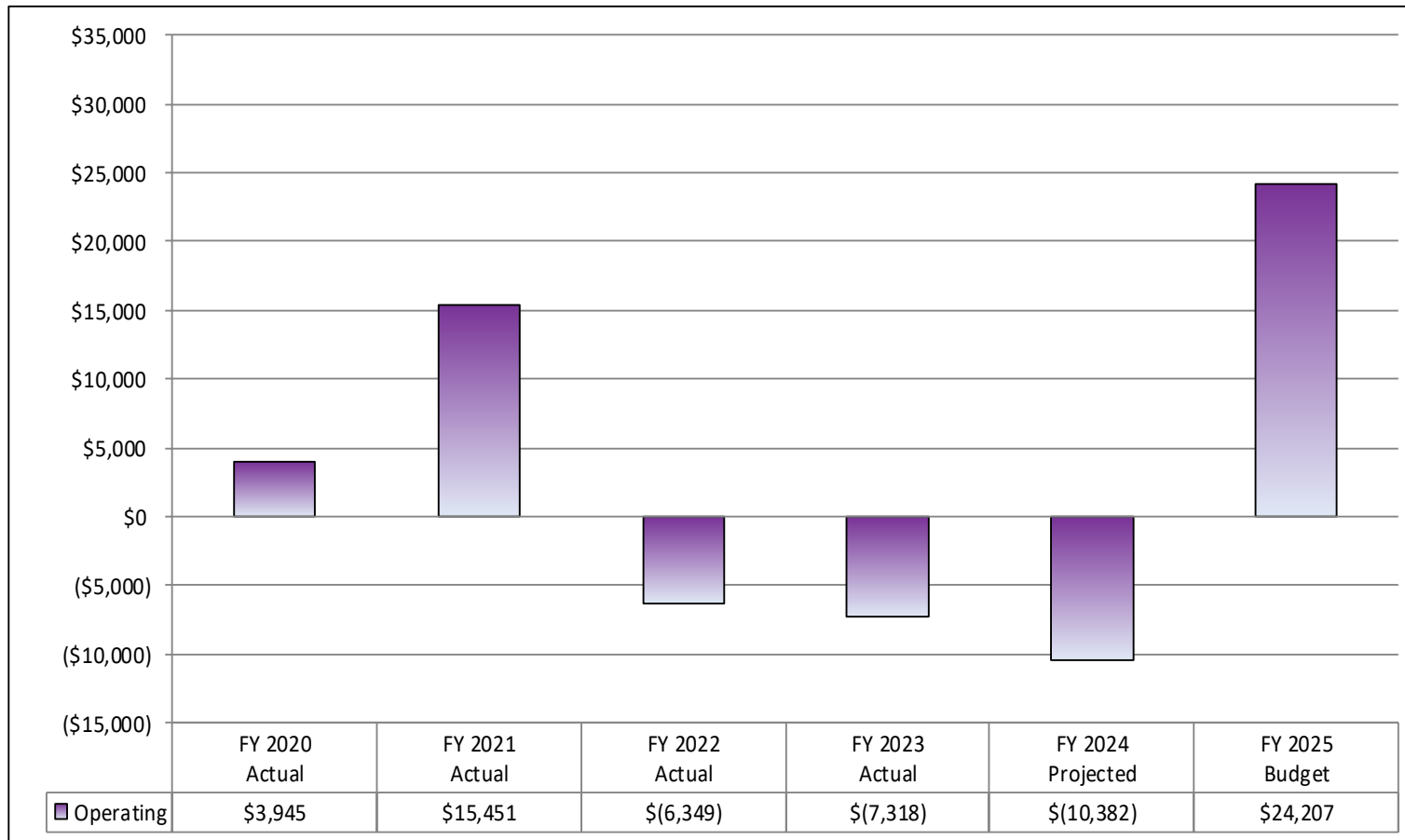
FY 2025 Budget Presentation

Operating Income per Adjusted Discharge



FY 2025 Budget Presentation

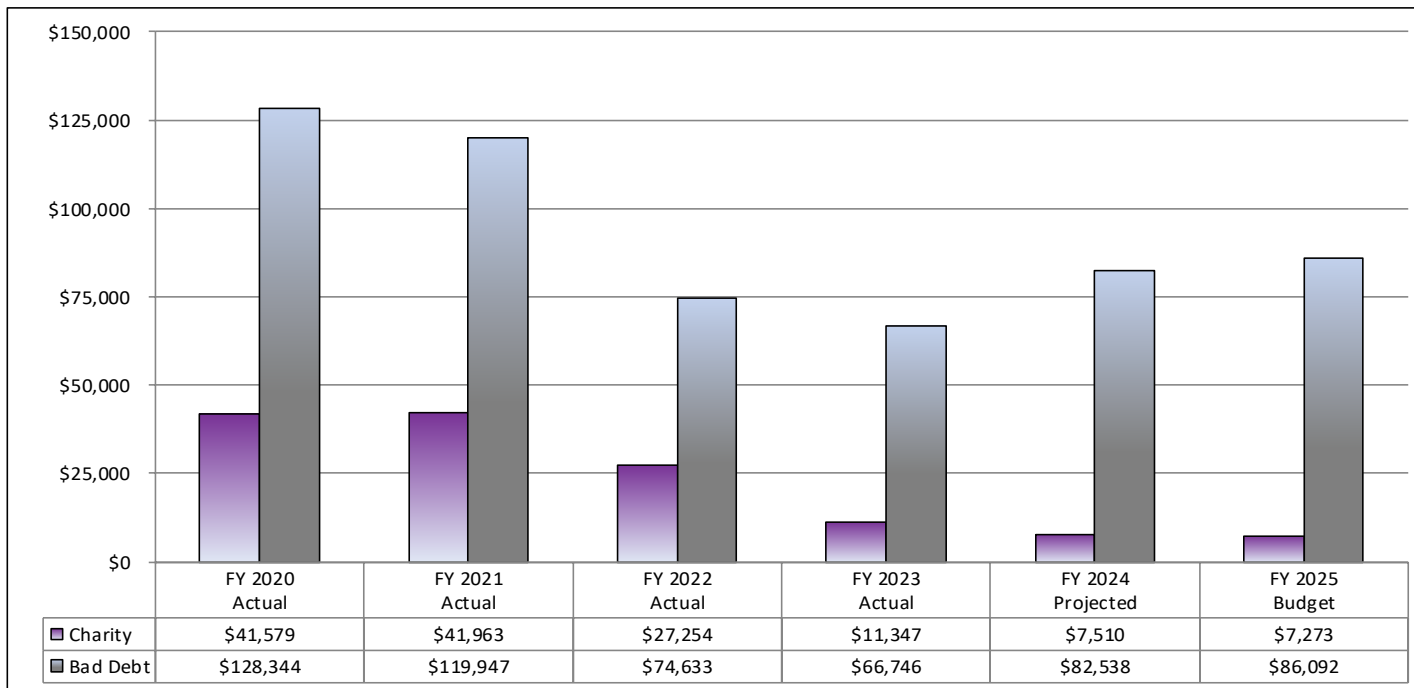
Operating Cash Flow (\$ in 000's)



FY 2025 Budget Presentation

Charity & Bad Debt Expense (\$ in 000's)

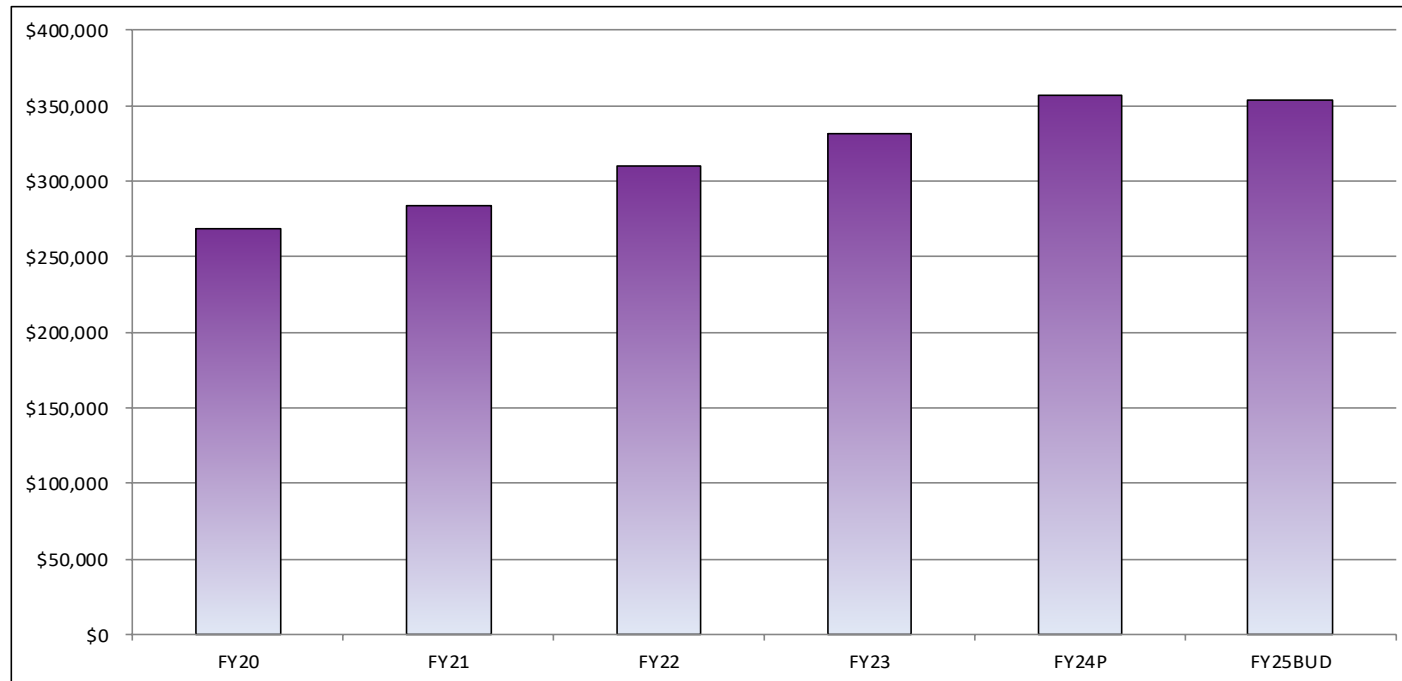
Year	FY 20 Act	FY 21 Act	FY 22 Act	FY 23 Act	FY 24 Proj	FY 25 Bud
Actual	\$169,923	\$161,910	\$101,887	\$78,094	\$90,048	\$93,366
% of Hospital Rev	8.5%	7.4%	4.4%	3.3%	3.8%	3.9%



FY 2025 Budget Presentation

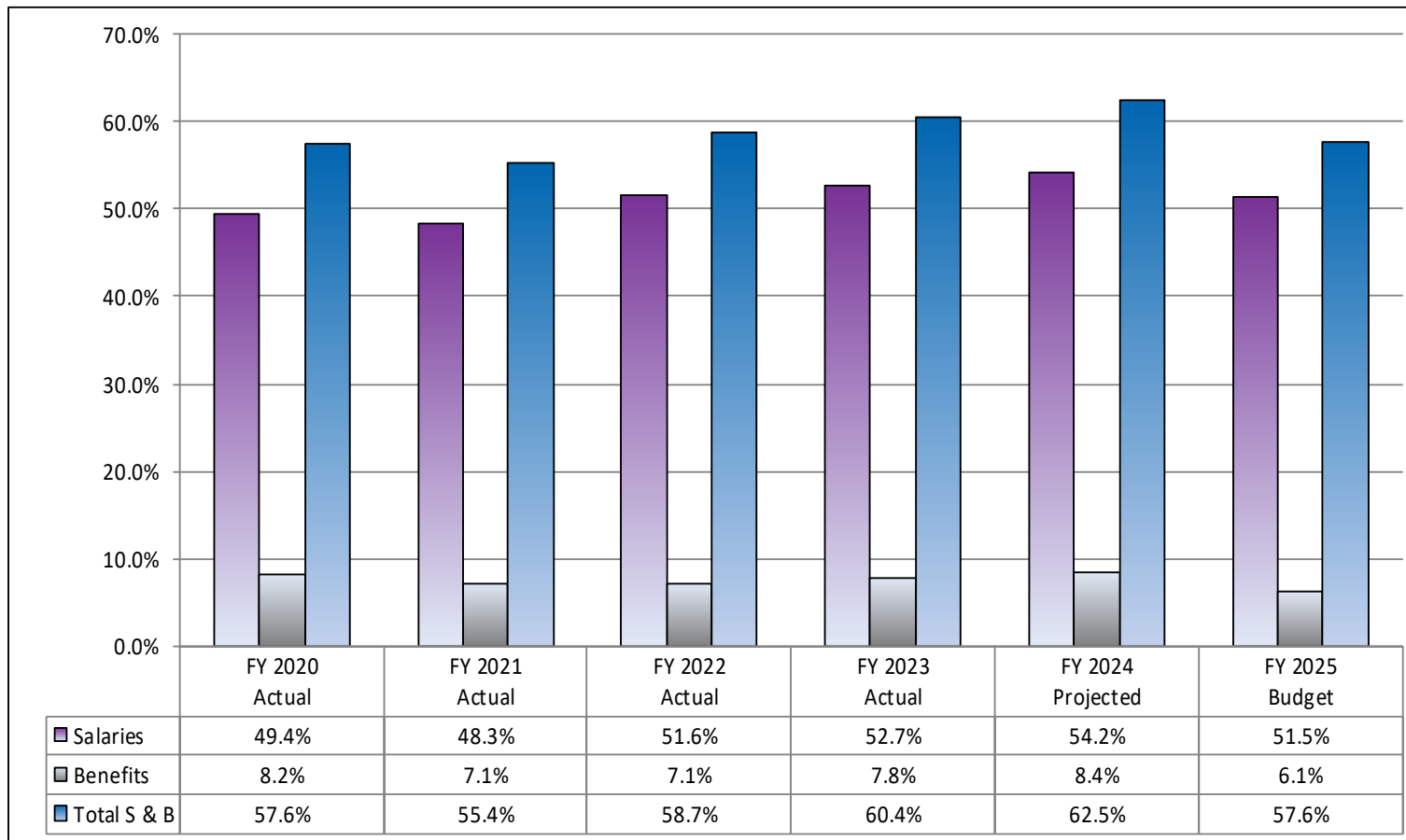
Salaries and Benefits Expense (\$ in 000's)

Year	FY 20 Act	FY 21 Act	FY 22 Act	FY 23 Act	FY 24 Proj	FY 25 Bud
Actual	\$268,846	\$284,210	\$310,261	\$331,067	\$357,097	\$353,425
Growth	6.3%	5.7%	9.2%	6.7%	7.9%	-1.0%



FY 2025 Budget Presentation

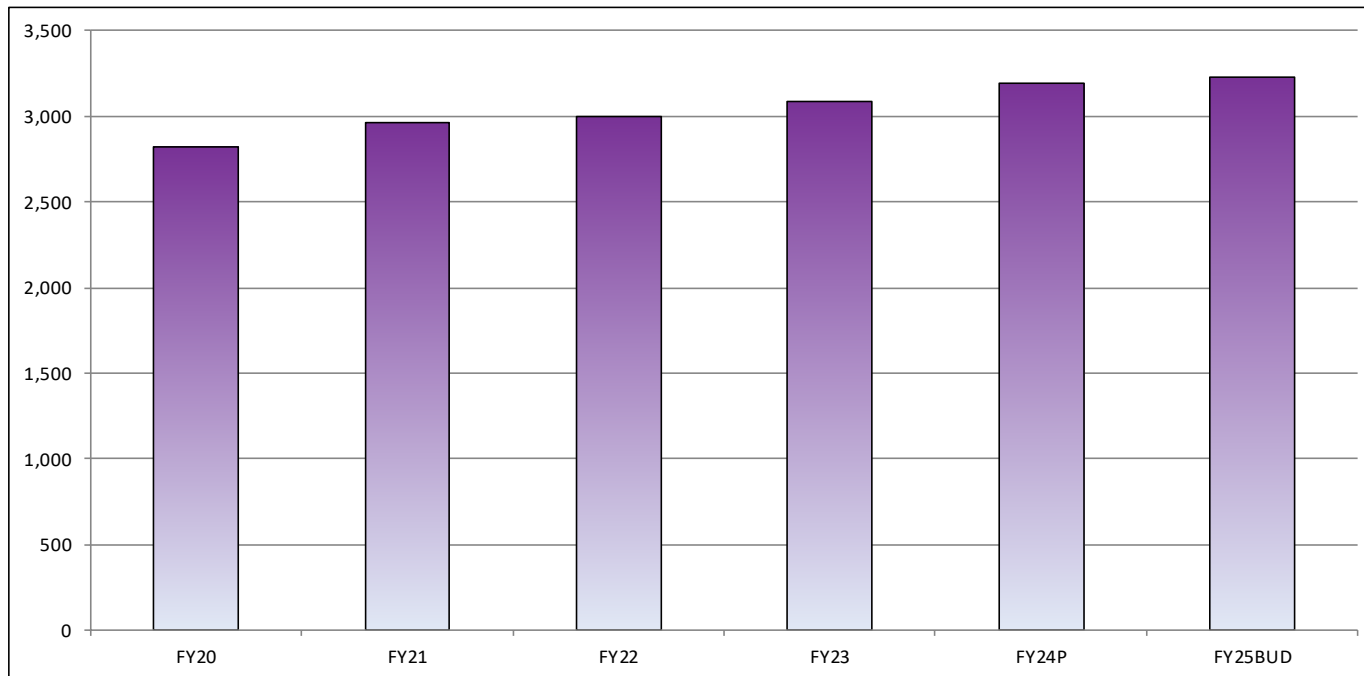
Salaries & Benefits as % of Net Revenue



FY 2025 Budget Presentation

System Paid FTEs

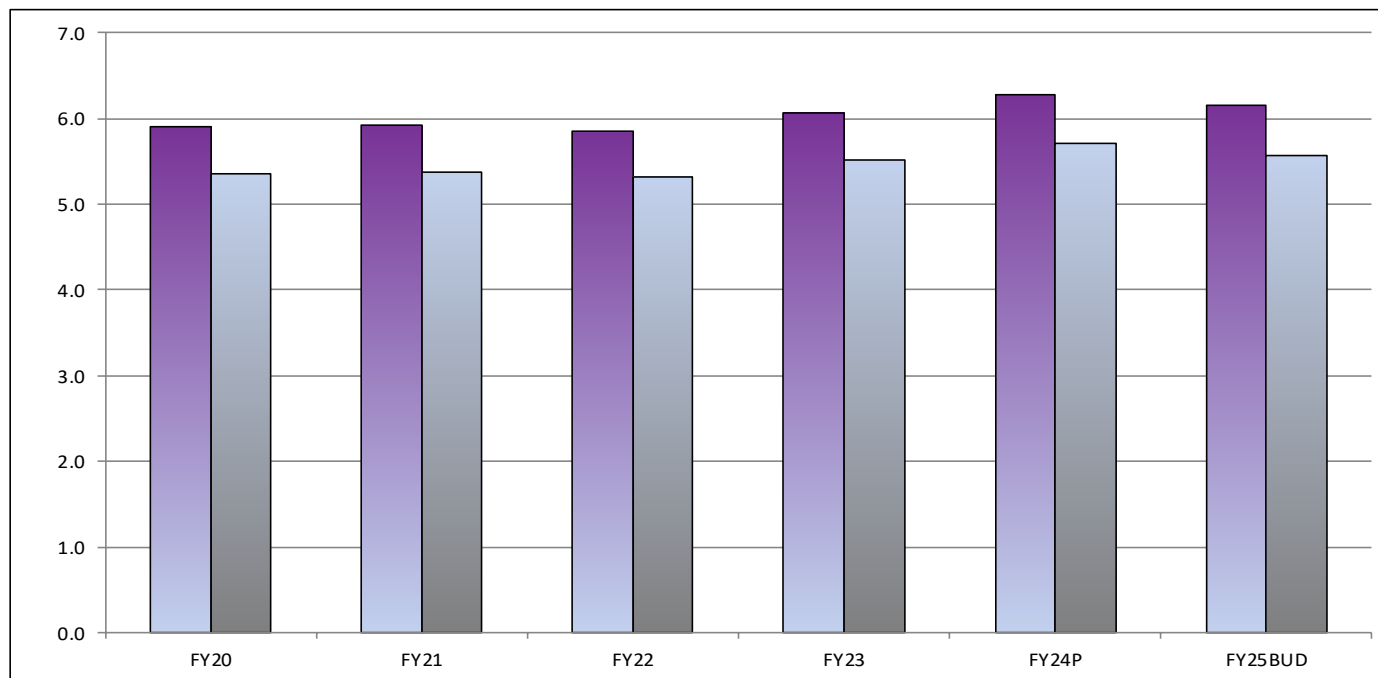
Year	FY 20 Act	FY 21 Act	FY 22 Act	FY 23 Act	FY 24 Proj	FY 25 Bud
Actual	2,817	2,959	3,000	3,086	3,188	3,228
Growth	1.1%	5.0%	1.4%	2.9%	3.3%	1.3%



FY 2025 Budget Presentation

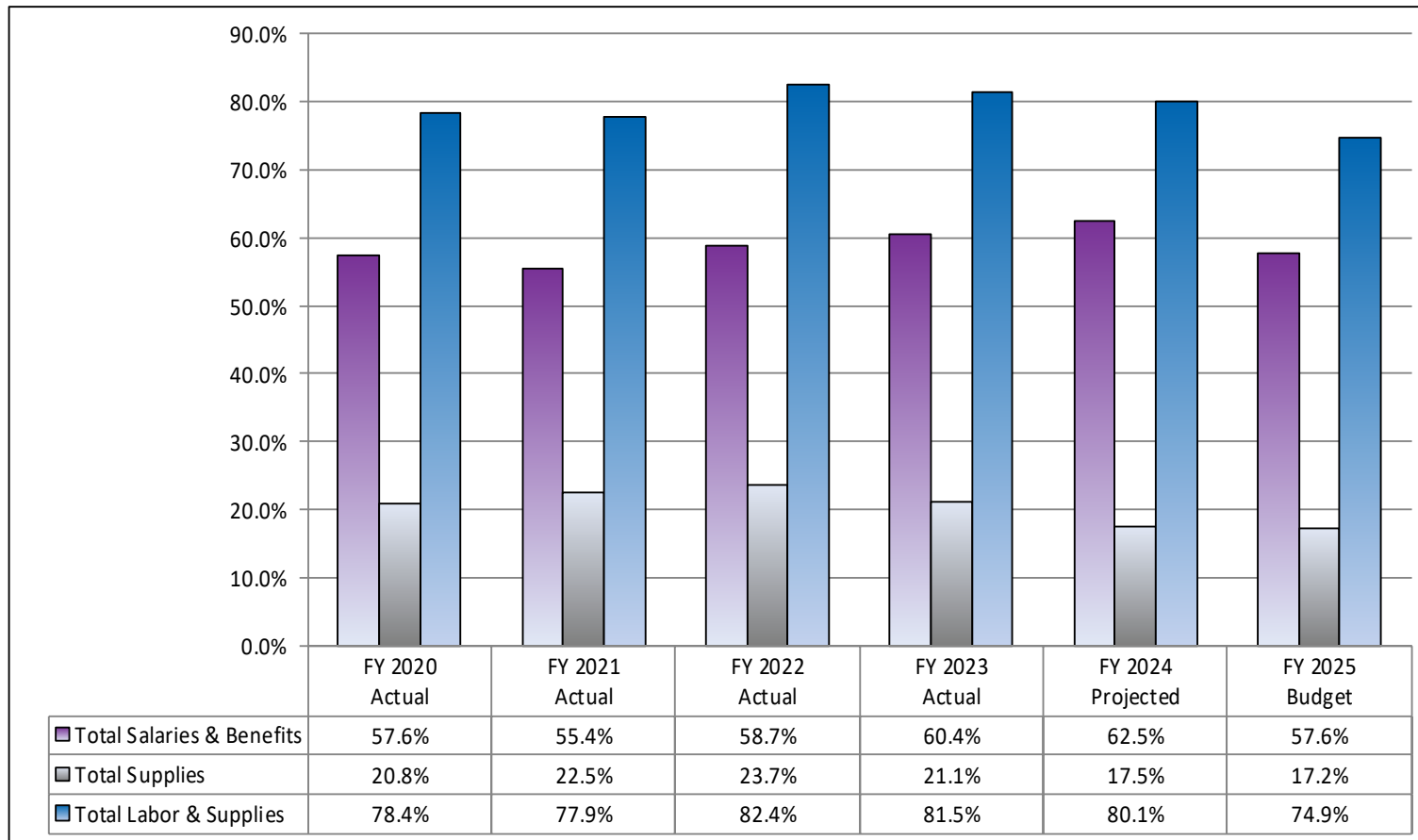
System FTEs Per Adjusted Occupied Bed

Year	FY 20 Act	FY 21 Act	FY 22 Act	FY 23 Act	FY 24 Proj	FY 25 Bud
Paid	5.9	5.9	5.9	6.1	6.3	6.2
Productive	5.4	5.4	5.3	5.5	5.7	5.6



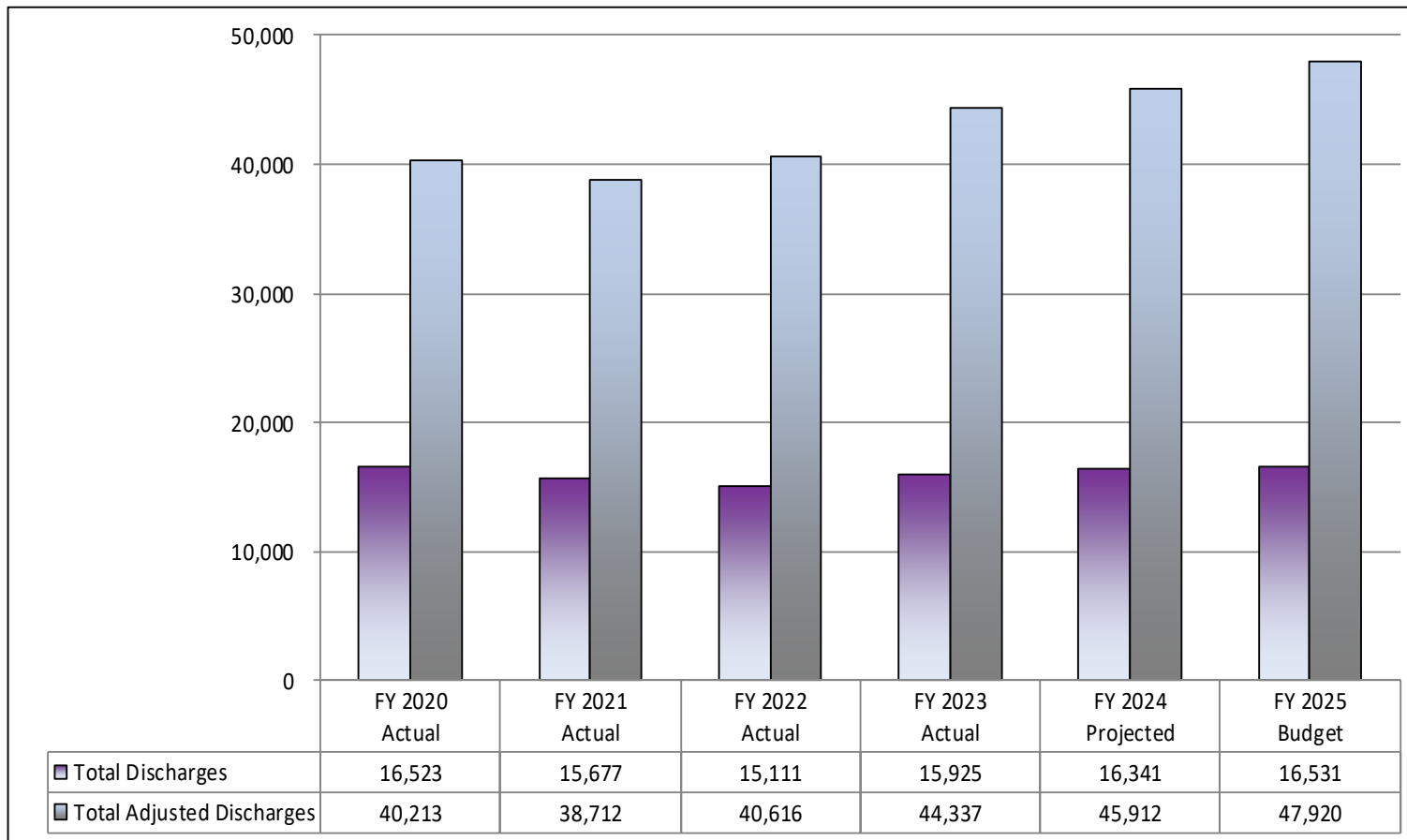
FY 2025 Budget Presentation

Labor & Supplies as % of Net Revenue



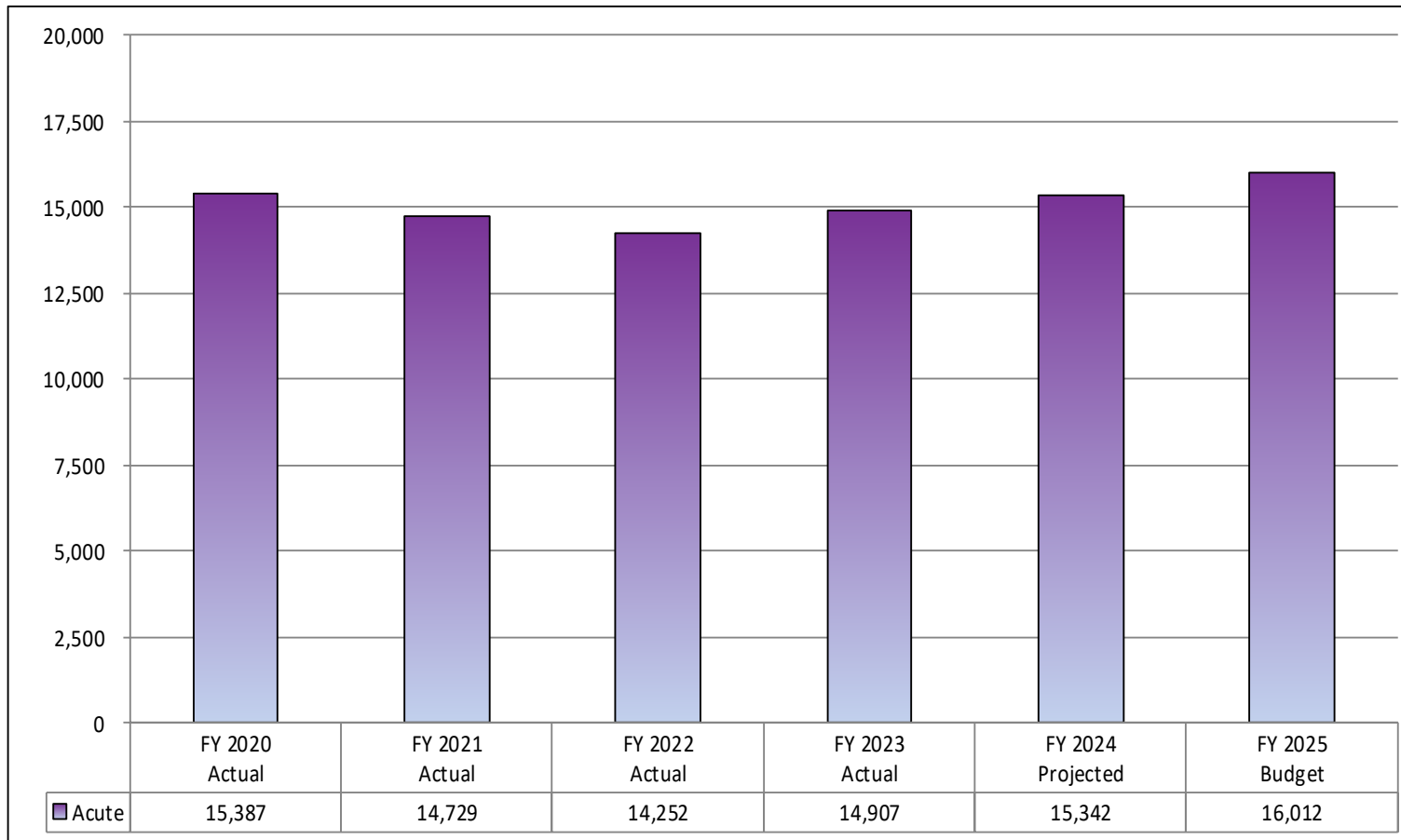
FY 2025 Budget Presentation

Discharges & Adjusted Discharges



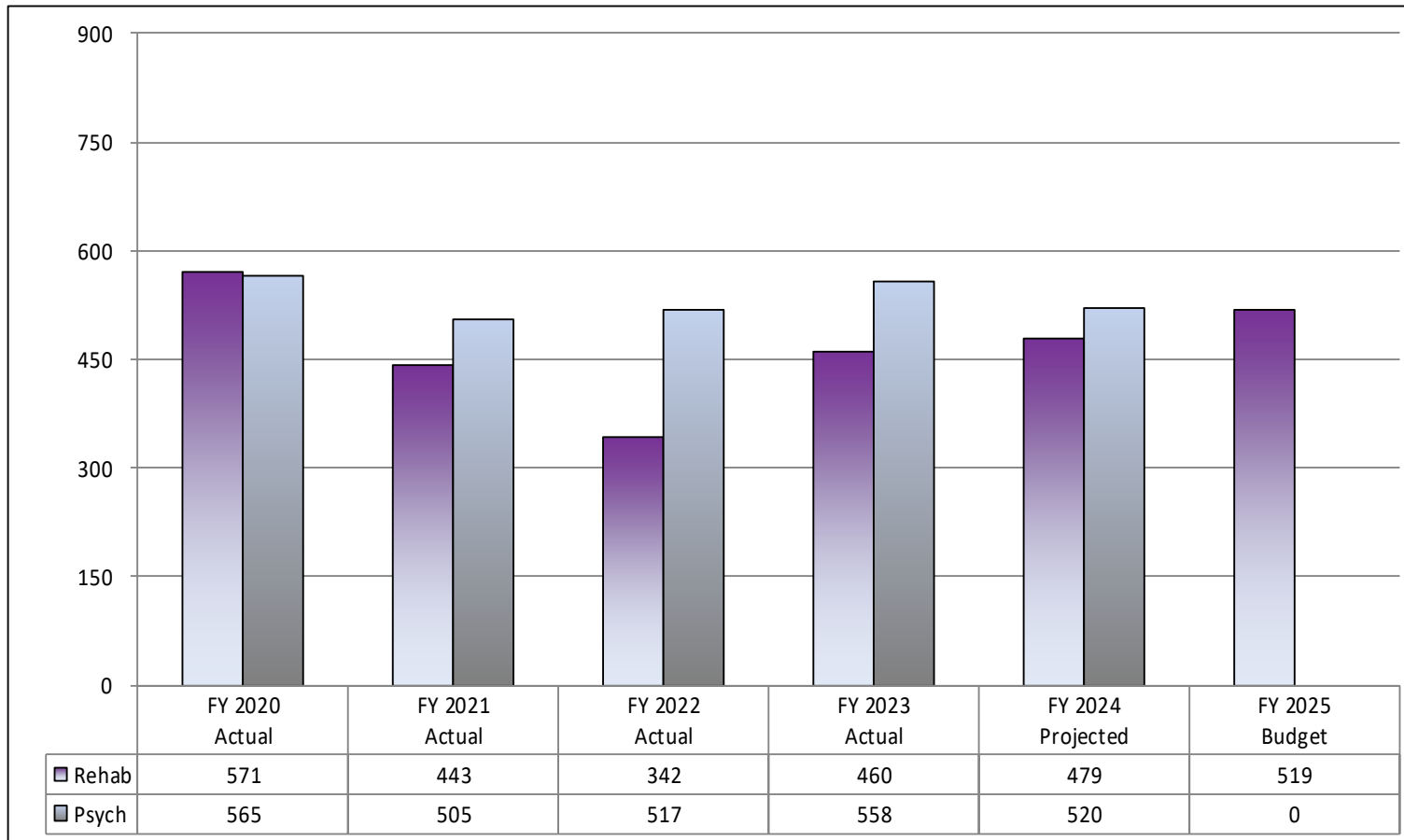
FY 2025 Budget Presentation

Acute Discharges (includes NICU)

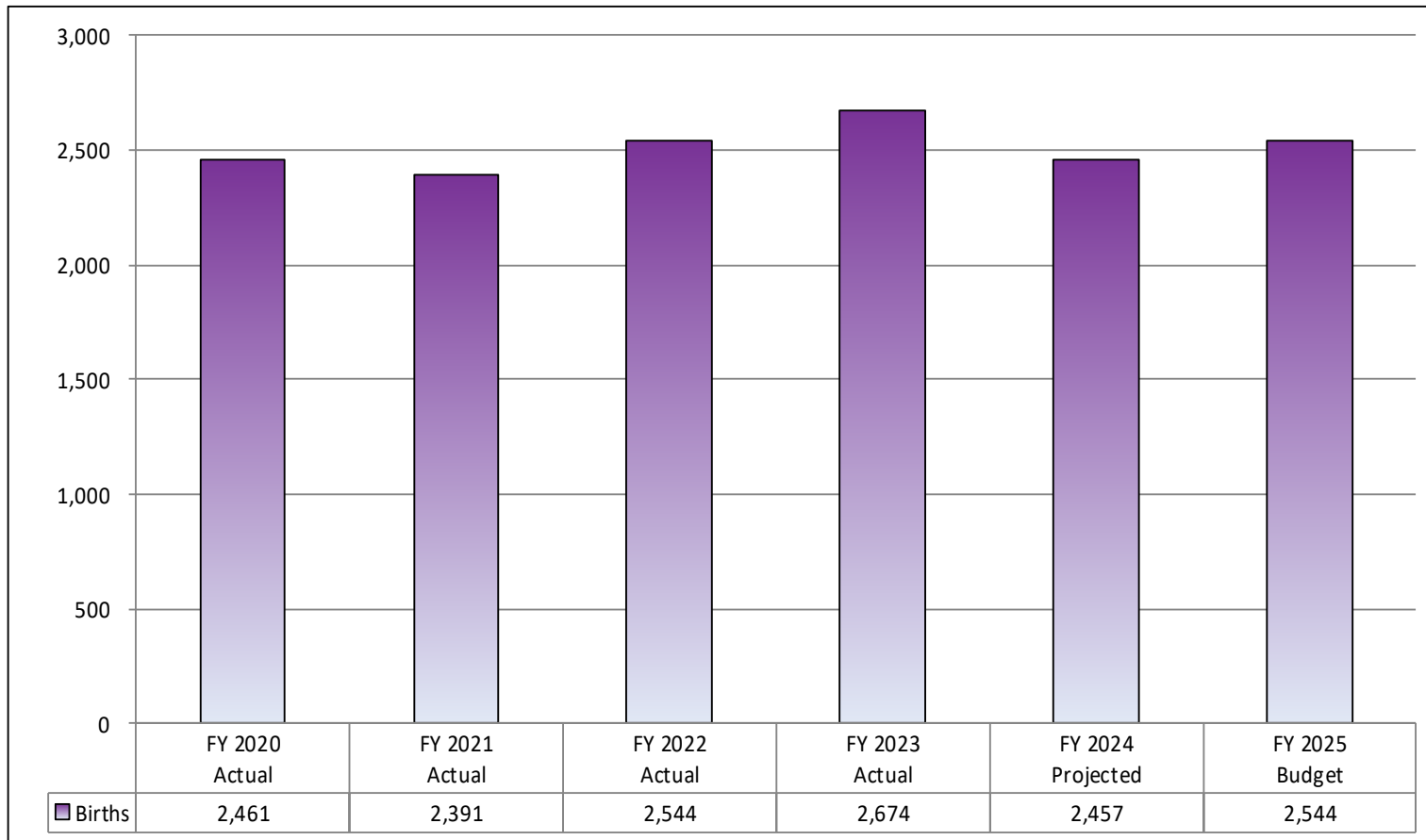


FY 2025 Budget Presentation

Sub Acute Discharges by Type

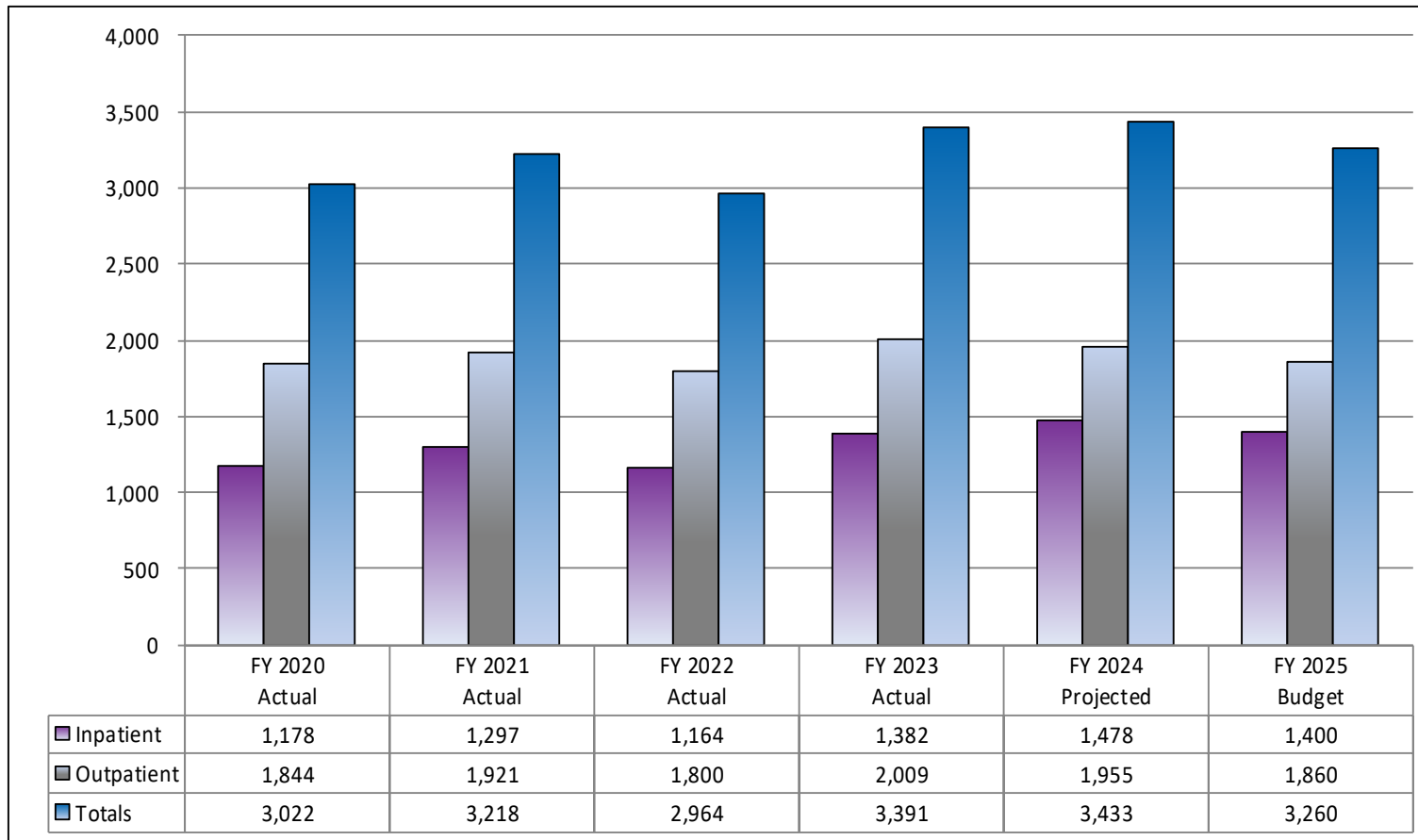


FY 2025 Budget Presentation Deliveries



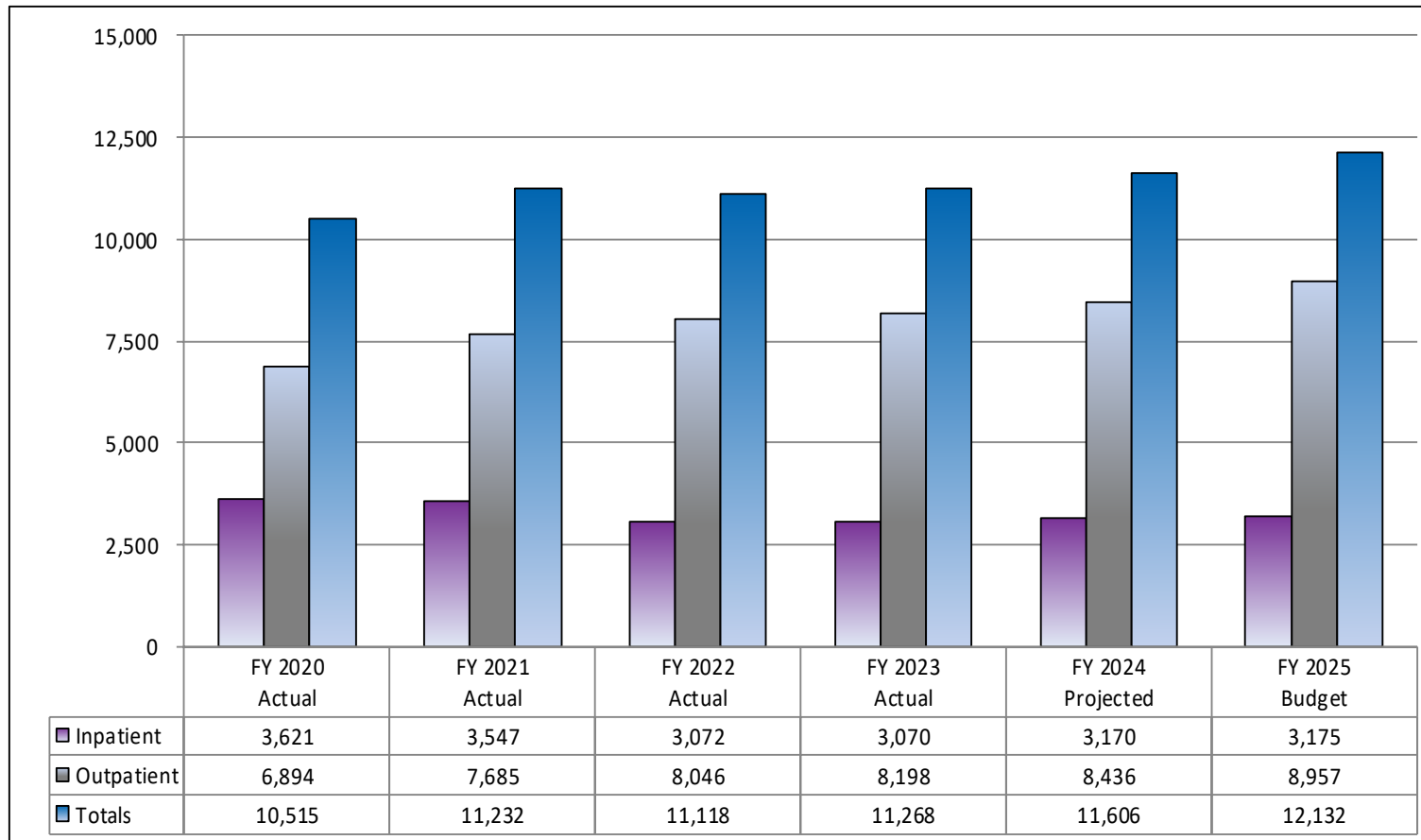
FY 2025 Budget Presentation

Cath Lab Cases



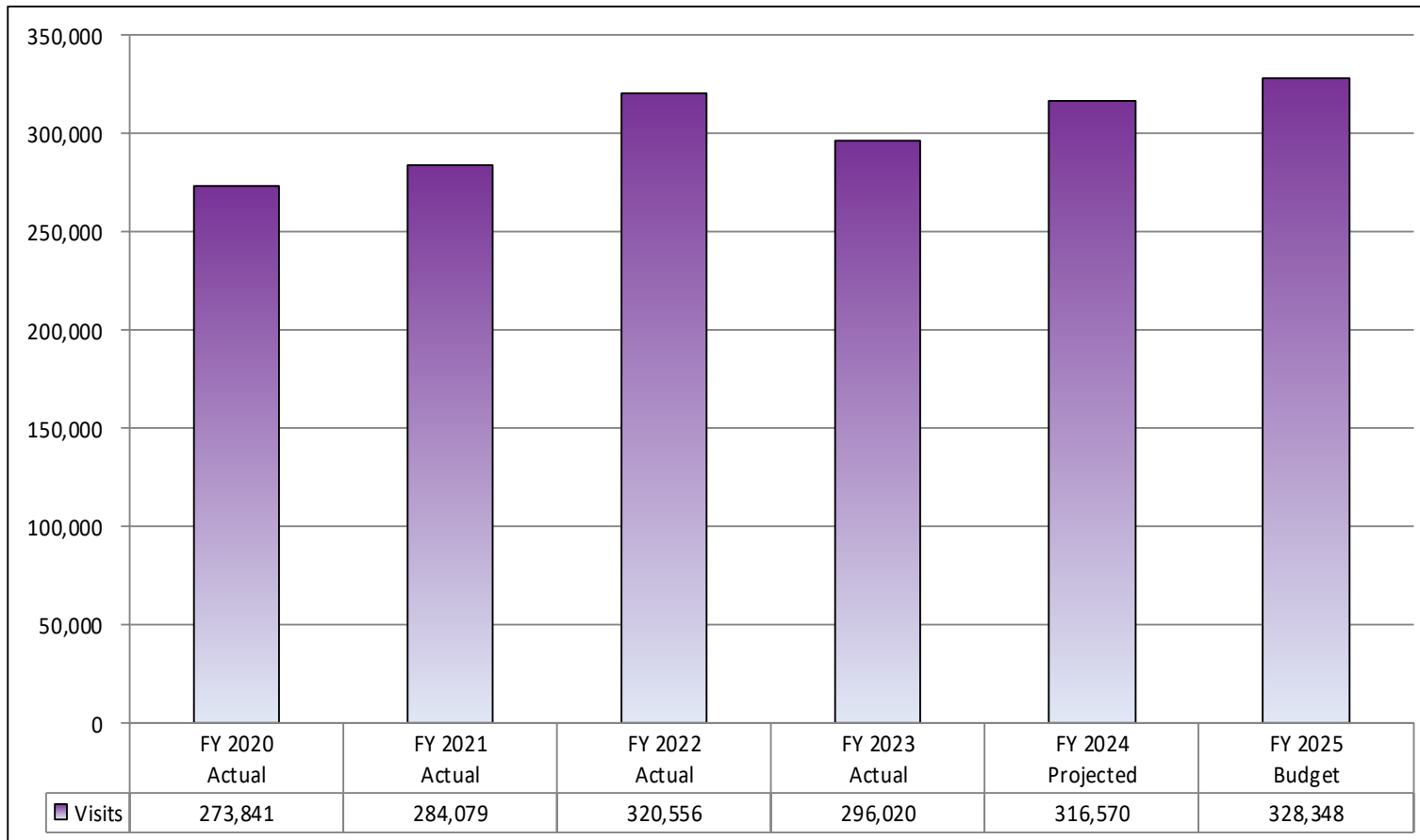
FY 2025 Budget Presentation

Surgical Cases (excludes FBC Surgeries)

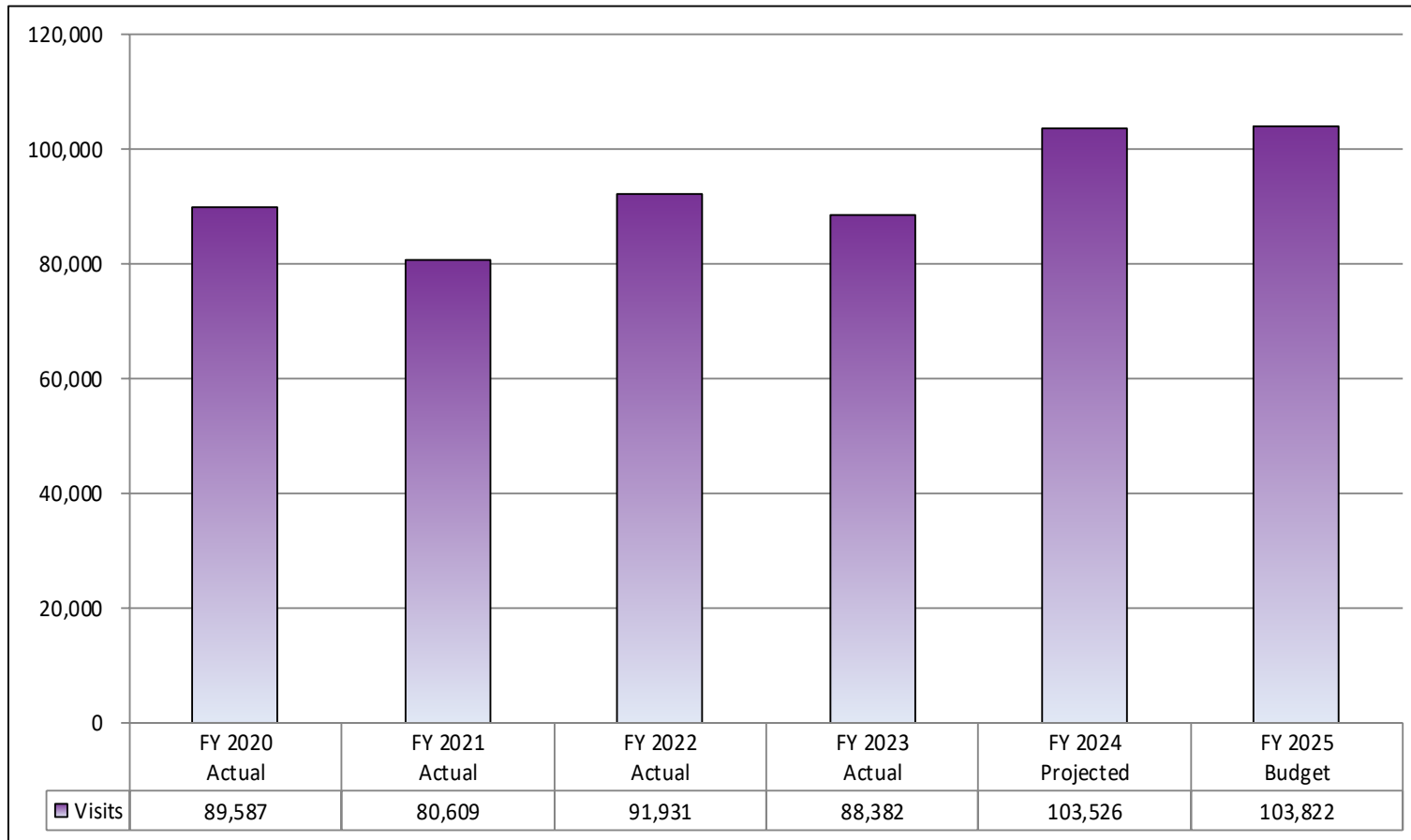


FY 2025 Budget Presentation

Hospital Outpatient Registrations



FY 2025 Budget Presentation Emergency Department Visits *

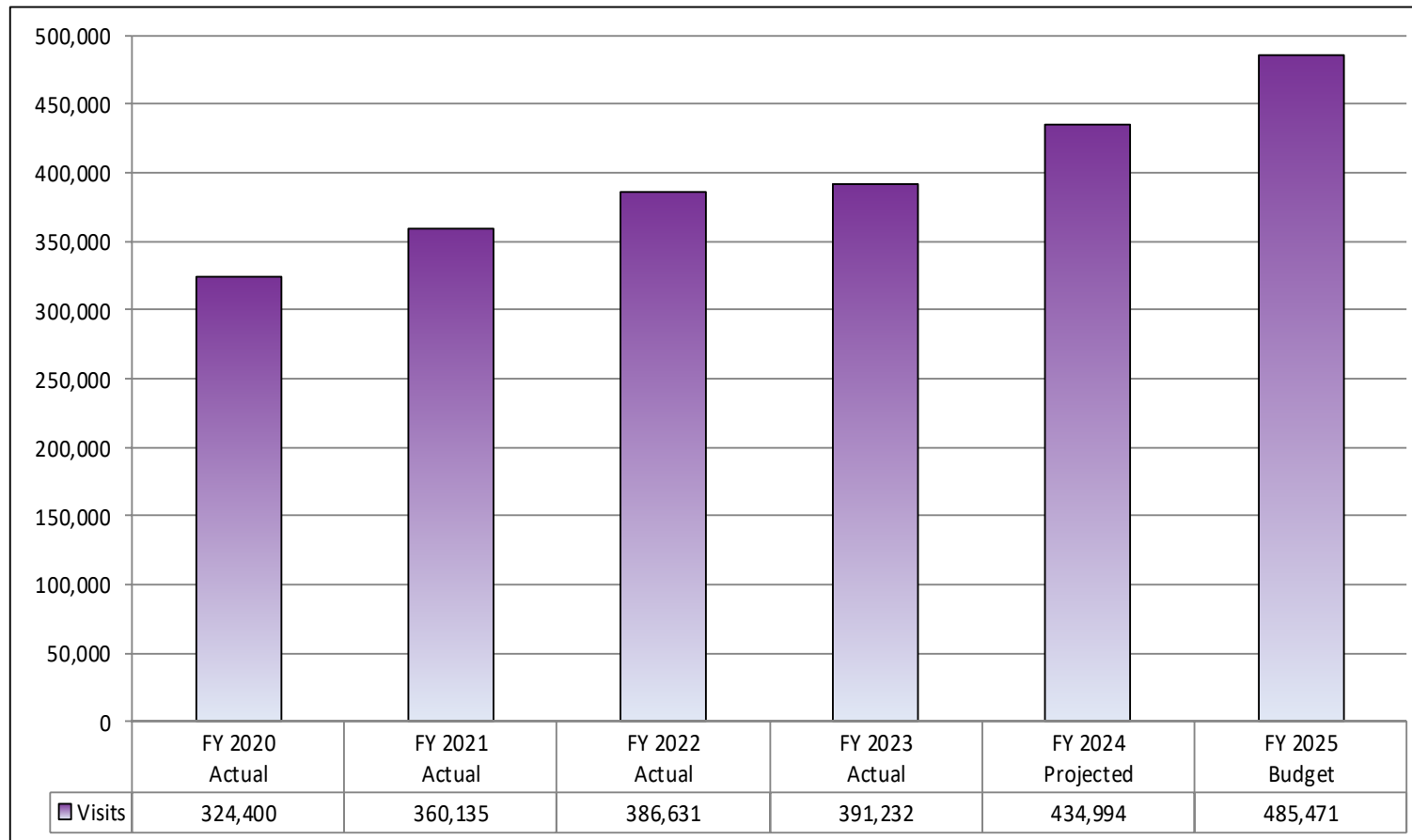


* Emergency Department Visits (including ED Admissions)



FY 2025 Budget Presentation

Clinic Visits *



* Clinic Visits exclude Hospitalists, Intensivists, Behavioral Med, Physical Med & Rehab, Wound Care, Radiologists, & ED Physicians

