



St. Paul-Ramsey Medical Center.  
Hospital and Medical Center Records.

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ST. PAUL-RAMSEY MEDICAL CENTER  
St. Paul, Minnesota

Financial Statements for the Years  
Ended December 31, 1985 and 1984  
and Auditors' Report

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*Deloitte Haskins + Sells*

April 14, 1986

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AUDITORS' REPORT

St. Paul-Ramsey Medical Center Commission  
St. Paul, Minnesota

We have examined the financial statements and supplemental schedules of St. Paul-Ramsey Medical Center as of December 31, 1985 and 1984 and for the years then ended, listed in the foregoing table of contents. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements present fairly the financial position of St. Paul-Ramsey Medical Center at December 31, 1985 and 1984 and the results of its operations and the changes in financial position of its general funds for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplemental schedules have been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

*Deloitte Haskins Sells*

April 14, 1986

## ST. PAUL-RAMSEY MEDICAL CENTER

## BALANCE SHEETS

## ASSETS

	December 31,	
	1985	1984
<u>GENERAL FUNDS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 6,639,082	\$ 5,434,516
Receivables:		
Patients and third-party payors,		
less allowance for doubtful		
accounts of \$3,440,000 and \$4,137,653,		
respectively	13,422,968	16,015,337
State and County support (Note E)	910,378	505,700
Estimated Medicare and Medicaid settlements	498,521	-
Other	1,437,225	1,117,394
	<u>16,269,092</u>	<u>17,638,431</u>
Inventories of drugs and supplies, at cost	589,343	733,380
Prepaid expenses	95,888	99,316
TOTAL CURRENT ASSETS	<u>23,593,405</u>	<u>23,905,643</u>
GENERAL PROFESSIONAL LIABILITY TRUST ACCOUNT (Note H)	2,627,408	2,050,445
DEFERRED COMPENSATION INVESTMENT FUND	2,846,941	2,087,243
LAND, BUILDINGS, AND EQUIPMENT (Note A):		
Cost:		
Land and land improvements	2,149,009	2,143,231
Building and building service equipment	34,891,363	33,288,405
Equipment	25,358,308	21,031,961
	<u>62,398,680</u>	<u>56,463,597</u>
Accumulated depreciation	(29,178,243)	(26,073,828)
	<u>33,220,437</u>	<u>30,389,769</u>
Construction-in-progress	1,170,709	1,014,457
	<u>34,391,146</u>	<u>31,404,226</u>
DEPRECIATION FUND, primarily certificate of deposit	9,055,846	8,051,337
TOTAL GENERAL FUNDS	<u>\$72,514,746</u>	<u>\$67,498,894</u>
<u>RESTRICTED FUNDS</u>		
Cash	\$ -	\$ 5,032
Grant funds receivable	1,050,737	716,919
Loans receivable from student nurses	-	703
Due from general funds	86,207	375,226
TOTAL RESTRICTED FUNDS	<u>\$ 1,136,944</u>	<u>\$ 1,097,880</u>

See notes to financial statements.

## ST. PAUL-RAMSEY MEDICAL CENTER

## STATEMENTS OF REVENUES AND EXPENSES

## LIABILITIES AND FUND BALANCES

	December 31,	
	1985	1984
<u>GENERAL FUNDS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 5,626,615	\$ 3,970,736
Estimated Medicare and Medicaid settlements	-	1,494,740
Payable to University of Minnesota -		
physician salaries	305,474	564,824
Salaries and wages payable	2,119,361	1,968,249
Accrued vacation, holiday, severance pay		
and Workers' Compensation	4,901,615	4,445,065
Due to restricted funds	86,207	375,226
Current portion of equipment purchase		
contracts payable	229,905	31,335
TOTAL CURRENT LIABILITIES	<u>13,269,177</u>	<u>12,850,175</u>
DEFERRED MEDICARE AND MEDICAID REVENUE (Note A)	149,972	196,623
DEFERRED COMPENSATION PAYABLE	2,846,941	2,087,243
EQUIPMENT PURCHASE CONTRACTS PAYABLE,		
LESS CURRENT PORTION (Note I)	527,737	74,197
BONDS PAYABLE, being repaid by Ramsey County		
and the City of St. Paul (Note D)	8,178,900	9,131,600
COMMITMENT (Note G)		
FUND BALANCE	<u>47,542,019</u>	<u>43,159,056</u>
TOTAL GENERAL FUNDS	<u>\$72,514,746</u>	<u>\$67,498,894</u>
<u>RESTRICTED FUNDS</u>		
Fund balances:		
Student loan fund	\$ -	\$ 1,046
Other	1,136,944	1,096,834
TOTAL RESTRICTED FUNDS	<u>\$ 1,136,944</u>	<u>\$ 1,097,880</u>

See notes to financial statements.

ST. PAUL-RAMSEY MEDICAL CENTER

STATEMENTS OF REVENUES AND EXPENSES

	<u>Year Ended December 31,</u>	
	<u>1985</u>	<u>1984</u>
<u>REVENUES</u>		
Inpatient	\$ 70,114,451	\$ 74,969,396
Outpatient	20,045,560	19,398,043
County support for community services (Note E)	112,000	112,000
State of Minnesota allocation (Note E):		
Undergraduate medical education	786,815	708,758
Family practice training	588,393	581,116
Other operating revenues, including interest income of \$580,000 and \$265,000, respectively	3,229,766	2,575,173
	<u>94,876,985</u>	<u>98,344,486</u>
Provision for contractual adjustments and uncollectible accounts, net of \$3,913,752 and \$4,529,883, respectively, reimbursed from the County (Notes C, E, and G)	(7,237,968)	(12,128,728)
	<u>87,639,017</u>	<u>86,215,758</u>
Reimbursement of costs of special programs	3,145,160	3,248,349
	<u>90,784,177</u>	<u>89,464,107</u>
<u>EXPENSES</u>		
Nursing services	16,084,770	15,298,337
Other professional services	32,694,308	32,156,698
Medical and nursing education	8,473,455	9,691,953
General services	11,427,833	10,264,462
Administrative and fiscal services	12,455,622	9,758,627
Special programs	3,145,160	3,248,349
Depreciation	4,573,108	3,835,264
Interest	400,336	556,463
Less interest payments made by Ramsey County and the City of St. Paul (Note D)	(341,635)	(377,115)
	<u>88,912,957</u>	<u>84,433,038</u>
INCOME FROM OPERATIONS	<u>1,871,220</u>	<u>5,031,069</u>
<u>NONOPERATING REVENUE</u>		
Investment income - depreciation fund	735,617	797,243
Investment income - malpractice fund	312,755	176,122
	<u>1,048,372</u>	<u>973,365</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 2,919,592</u>	<u>\$ 6,004,434</u>

See notes to financial statements.



ST. PAUL-RAMSEY MEDICAL CENTER

STATEMENTS OF CHANGES IN FUND BALANCES

	<u>General Funds</u>	<u>Restricted Funds</u>
BALANCES at December 31, 1983	\$34,873,448	\$ 1,008,622
Excess of revenues over expenses	6,004,434	-
Funds and equipment donated by Medical Education and Research Foundation	1,340,570	-
Contributions and transfers designated for hospital construction	3,404	-
Bond payments (Note D)	937,200	-
Restricted contributions and grants	-	5,716,177
Restricted funds expenditures	-	(5,626,919)
BALANCES at December 31, 1984	43,159,056	1,097,880
Excess of revenues over expenses	2,919,592	-
Funds and equipment donated by Medical Education and Research Foundation	507,271	-
Contributions and transfers designated for hospital construction	3,400	-
Bond payments (Note D)	952,700	-
Restricted contributions and grants	-	5,948,108
Restricted funds expenditures	-	(5,909,044)
BALANCES at December 31, 1985	<u>\$47,542,019</u>	<u>\$1,136,944</u>
Increase in deferred compensation investment fund	758,698	695,034
Increase in general professional liability trust account	576,963	-
Decrease in due to restricted funds	289,012	-
Other	61,763	-
INCREASE IN CASH AND CASH EQUIVALENTS	1,204,566	4,053,609
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,434,516	1,380,903
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$6,639,082</u>	<u>\$5,434,512</u>

See notes to financial statements.

ST. PAUL-RAMSEY MEDICAL CENTER

STATEMENTS OF CHANGES IN FINANCIAL POSITION  
OF GENERAL FUNDS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

	<u>Year Ended December 31,</u>	
	<u>1985</u>	<u>1984</u>
<u>SOURCE OF FUNDS</u>		
Operations:		
Net income	\$ 2,919,592	\$ 6,004,434
Add (deduct) items not requiring the use of funds:		
Depreciation	4,573,108	3,835,264
Deferred Medicaid and Medicare revenue	(46,651)	(25,977)
Increase in payables and accruals	509,451	-
Funds and equipment donated by Medical Education and Research Foundation	507,271	1,340,570
Bond principal payments made by Ramsey County and City of St. Paul	952,700	937,200
Increase in deferred compensation liability	759,698	695,034
Increase in due to restricted funds	-	229,404
Decrease in receivables	1,369,340	-
Increase in equipment purchase contracts payable, net	652,110	-
Decrease in inventory	144,037	-
Other	6,828	-
	<u>12,347,484</u>	<u>13,015,929</u>
<u>APPLICATION OF FUNDS</u>		
Additions to land, buildings, and equipment - net	7,560,029	3,032,252
Decrease in payables and accruals	-	1,712,165
Increase in receivables	-	1,832,562
Increase in depreciation fund	1,004,509	691,345
Bond principal payments made by Ramsey County and City of St. Paul	952,700	937,200
Increase in deferred compensation investment fund	759,698	695,034
Increase in general professional liability trust account	576,963	-
Decrease in due to restricted funds	289,019	-
Other	-	61,762
	<u>11,142,918</u>	<u>8,962,320</u>
INCREASE IN CASH AND CASH EQUIVALENTS	1,204,566	4,053,609
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>5,434,516</u>	<u>1,380,907</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 6,639,082</u>	<u>\$ 5,434,516</u>

See notes to financial statements.



ST. PAUL-RAMSEY MEDICAL CENTER

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 1985 and 1984

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Land improvements, buildings, and equipment are being depreciated using the straight-line method over estimated useful lives as follows:

Land improvements	5 to 40 years
Building and building service equipment	10 to 40 years
Equipment	5 to 20 years

A depreciation fund for expansion and replacement of buildings and equipment has been established in compliance with applicable third-party regulations and, accordingly, these funds are classified as other assets.

Contractual adjustments relating to Medicare and Medicaid are estimated each year and a charge to operations is made. Differences between the amounts accrued and the amounts ultimately settled are recorded in operations in the year of settlement.

Deferred Medicare and Medicaid revenue represents the cumulative cost reimbursement effect of the difference in depreciation computed on an accelerated method for Medicare and Medicaid reimbursement purposes for certain assets acquired before 1971 as opposed to the straight-line method used for financial reporting purposes.

Funds received that are restricted by donors or grantors as to use are recorded in restricted funds. As such funds are used for their intended purpose, they are transferred to revenues of general funds.

NOTE B - ORGANIZATION - The St. Paul-Ramsey Medical Center facilities are operated, administered, and managed by the St. Paul-Ramsey Medical Center Commission, which was created under laws enacted by the Legislature of the State of Minnesota. Pertinent financial sections of the laws governing the Commission's operation of the Medical Center are as follows:

. The Commission shall establish and maintain all necessary accounts and may establish reserve accounts, depreciation accounts, and working capital funds in order to operate on an accrual basis.

. The Commission may, with the prior approval of the Ramsey County Board of Commissioners, obtain working capital funds for the operations and maintenance of any facility under its jurisdiction by borrowing from any funds under the jurisdiction of the Ramsey County Board of Commissioners or from any lending agency chartered to do business in the State of Minnesota, providing that:

.. the outstanding amount of such borrowing at any one time does not exceed \$4,000,000;

ST. PAUL-RAMSEY MEDICAL CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
For the Years Ended December 31, 1985 and 1984

NOTE B - (continued)

- .. the security for the loan will be evidenced by the notes of the Commission and the accounts receivable, or any part thereof; and
  - .. none of the physical assets under the jurisdiction of the Commission, nor the full faith and credit of Ramsey County, can be pledged as security on such borrowings.
- 1985 1984
- . The Commission shall submit annually, not later than November 1, to the Ramsey County Board of Commissioners, for approval of that body, a budget that shows the estimated amount of money required for the operation and conduct of the Medical Center under control of the Commission during the next year. When funds for the construction of additional facilities are needed, the Commission shall make requests for such funds to the City of St. Paul and Ramsey County jointly.
  - . The Ramsey County Board of Commissioners may provide all funds it approves pursuant to requests duly submitted to it by the Commission, except those required for the purpose of funding prior construction indebtedness. The Ramsey County Board of Commissioners is further authorized to provide emergency funds for the Commission for the purpose of operating facilities when operational income is insufficient to meet operational expenses.
  - . Indebtedness for construction of existing facilities shall be retired as provided in Laws 1957, Chapter 938 and continue to be jointly financed by the City of St. Paul and Ramsey County in accordance with the applicable provisions of law. If the Medical Center revenues justify, they may be applied to the retirement of said indebtedness.

Under an act of the Minnesota legislature in April 1986, a public benefit corporation is created to operate the medical center and certain related functions. The assets, liabilities, and operations of the medical center will be transferred to a new corporation established as a subsidiary of the public benefit corporation.

NOTE C - MEDICARE AND MEDICAID CONTRACTUAL ADJUSTMENTS - A substantial portion of medical center revenues is derived from services to patients covered by various governmental payment programs. The major portion of revenues from Medicare is based on pre-established payment rates based on patient diagnoses. A similar payment method has been adopted by Medicaid effective August 1, 1985. A portion of revenues for hospital services to patients under various governmental programs remains subject to annual cost finding procedures.

ST. PAUL-RAMSEY MEDICAL CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
For the Years Ended December 31, 1985 and 1984

NOTE C - (continued)

A summary of approximate revenues and provisions for contractual adjustments for Medicare, Medicaid, and General Assistance Medical Care (GAMC) is as follows:

	<u>1985</u>	<u>1984</u>
Revenues	\$47,134,183	\$47,856,237
Contractual adjustments (net of Ramsey County GAMC support - Note E)	\$ 2,091,869	\$ 4,821,355

Final settlement has been completed through the year ended December 31, 1984 for Medicare and through December 31, 1981 for Medicaid and GAMC.

Final rates for Medicaid and GAMC inpatient services, based on the DRG-based payment system effective August 1, 1985, have not yet been issued. The amounts due from Medicaid and GAMC for inpatient admissions subsequent to August 1, 1985 are based on estimated payment rates. Any difference between final rates (which will be effective retroactively to August 1, 1985) and rates used in the estimation process will be reflected in the income statement when final rates are issued.

NOTE D - BONDS PAYABLE - The bonds payable were issued by the City of St. Paul and Ramsey County to finance the construction of the Medical Center. Repayment of these bonds is to be made by the city and county (see Note B).

A summary of outstanding bonds is as follows:

	<u>December 31,</u>	
	<u>1985</u>	<u>1984</u>
Ramsey County:		
Three separate series of bonds, 3% to 3-1/2%, payable in annual installments increasing from \$455,000 in 1984 to \$505,000 in 1992 (\$555,000 in 1990), with the final installment of \$350,000 due in 1993	\$ 3,930,000	\$ 4,400,000

ST. PAUL-RAMSEY MEDICAL CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
For the Years Ended December 31, 1985 and 1984

NOTE D - (continued)

	December 31,	
	1985	1984
One bond series, 4.75% to 5.75%, payable in annual installments of \$300,000 with the final installment of \$200,000 due in 1994 and callable at the option of the county after 1984 (less unamortized discount of \$28,400 and \$34,200, respectively)	\$ 2,511,743	\$ 2,974,628
	1,102,000	1,355,255
	3,913,753	4,329,883
	112,000	112,000
	<u>\$ 4,025,753</u>	<u>\$ 4,441,883</u>
	\$ 2,576,900	\$ 2,871,600

City of St. Paul:

Five separate series of bonds, 3-1/4% to 4%, payable in annual installments ranging from \$188,000 in 1984 to \$160,000 in 1993 (\$223,000 in 1989) with the final installment of \$60,000 due in 1994

1,672,000	1,860,000
<u>\$ 8,178,900</u>	<u>\$ 9,131,600</u>

Aggregate annual maturities of bonds payable for the next five years are as follows:

1986	\$ 983,000
1987	\$ 1,008,000
1988	\$ 1,028,000
1989	\$ 1,058,000
1990	\$ 1,075,000

NOTE E - STATE AND COUNTY SUPPORT - For the year ending June 30, 1986, the State of Minnesota has allocated funds aggregating \$812,574, plus fringe benefits, for undergraduate instruction of medical students and on-site administration, planning, and development of medical education programs at the Medical Center, and \$633,247 for family practice training. These appropriations cover primarily salary costs and are being recognized as revenue on a pro rata basis over the fiscal year.

The Medical Center has received appropriations from Ramsey County in order to support the cost of services for the benefit of the community, as follows:



ST. PAUL-RAMSEY MEDICAL CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
For the Years Ended December 31, 1985 and 1984

NOTE E - (continued)

	Year Ended December 31,	
	1985	1984
Uncollectible accounts	\$ 2,811,743	\$ 2,974,628
GAMC programs	1,102,009	1,555,255
	3,913,752	4,529,883
Community services	112,000	112,000
	<u>\$ 4,025,752</u>	<u>\$ 4,641,883</u>

The appropriation for 1986 is \$3,301,767: \$112,000 to community services, \$2,500,000 to uncollectible accounts, and \$689,767 for the estimated financial impact of various changes in State legislation affecting funding requirements of GAMC programs.

NOTE F - PENSION PLAN - Substantially all full-time employees of the Medical Center are covered by the Public Employees Retirement Association of the State of Minnesota, a contributory defined benefit retirement plan. Contributions by the Medical Center to this plan are based on a percentage of salaries of eligible employees. The Medical Center's relative actuarial position and relative net assets available for benefits are not determinable. Costs and expenses include contributions to this plan of approximately \$1,549,000 in 1985 and \$1,719,000 in 1984.

NOTE G - HILL-BURTON ACT - In 1966, 1975, and 1976 the Medical Center received payments aggregating \$2,532,180 under a Hill-Burton grant. The acceptance of these funds carried with it a requirement to provide uncompensated services for persons unable to pay (\$372,000 in 1985 and \$347,000 in 1984). The Medical Center has annually provided such uncompensated services in excess of these requirements.

NOTE H - SELF-INSURANCE - The Medical Center is self-insured for general and professional liability claims and has established a trust fund into which self-insurance payments are made. Medical Center payments to the fund are based on actuarial estimates of funding levels. The Medical Center accrues a provision for related losses based on its estimate of future claims.

The Medical Center is also self-insured for Workers' Compensation claims up to \$350,000 per loss occurrence (its retention limit with the Workers' Compensation Reinsurance Association), and includes an appropriate provision in current liabilities.



ST. PAUL-RAMSEY MEDICAL CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
For the Years Ended December 31, 1985 and 1984

NOTE I - EQUIPMENT PURCHASE CONTRACTS PAYABLE

	December 31,	
	1985	1984
9.00%, payable in varying amounts through May 1988	\$ 74,197	\$101,532
11.00% payable in varying annual amounts through February 1988	683,445	-
Other	-	4,000
	<u>757,642</u>	<u>105,532</u>
Less current portion	<u>229,905</u>	<u>31,335</u>
	<u>\$527,737</u>	<u>\$ 74,197</u>

Aggregate annual maturities of equipment purchase contracts payable for the next three years are as follows:

1986	\$229,905
1987	\$232,710
1988	\$295,027

NOTE J - LINE OF CREDIT - The Medical Center has available a \$2,000,000 bank line of credit. There were no borrowings under this line of credit during 1985 and 1984.

# ST. PAUL-RAMSEY MEDICAL CENTER

## STATISTICAL DATA

Summary of beds open and staffed, average length of stay, patient days, percent of occupancy, and number of inpatient admissions:

	<u>Beds open and staffed</u>	<u>Average length of stay</u>	<u>Patient days</u>	<u>Percent of occupancy</u>	<u>Number of inpatient admissions</u>
1983	304	6.34 days	88,681	79.9%	13,997
1984	345	6.33 days	91,143	72.3%	14,408
1983	418	7.44 days	109,033	71.4%	14,582
1982	414	7.98 days	118,991	78.0%	14,908
1981	418	8.47 days	122,483	80.3%	14,408

Patient days (exclusive of newborn):

	<u>Year Ended December 31,</u>	
	<u>1985</u>	<u>1984</u>
January	8,763	8,367
February	7,217	7,291
March	7,237	8,209
April	7,312	7,382
May	7,433	7,619
June	7,333	7,923
July	8,030	8,257
August	6,745	7,494
September	7,034	6,849
October	7,290	7,155
November	7,321	7,485
December	7,466	7,132
	<u>88,681</u>	<u>91,143</u>

## SUPPLEMENTAL SCHEDULES

Emergency room and outpatient clinics visits:

	<u>Emergency room</u>	<u>Outpatient clinics</u>	<u>Total visits</u>
1985	83,944	207,687	271,728
1984	82,909	207,090	269,999
1983	82,955	192,635	254,910
1982	88,498	190,835	269,063
1981	80,768	177,847	238,373

ST. PAUL-RAMSEY MEDICAL CENTER

STATISTICAL DATA

Summary of beds open and staffed, average length of stay, patient days, percent of occupancy, and number of inpatient admissions:

	<u>Beds open and staffed</u>	<u>Average length of stay</u>	<u>Patient days</u>	<u>Percent of occupancy</u>	<u>Number of inpatient admissions</u>
1985	304	6.34 days	88,681	79.9%	13,997
1984	345	6.33 days	91,163	72.2%	14,406
1983	418	7.44 days	109,033	71.4%	14,582
1982	418	7.98 days	118,991	78.0%	14,908
1981	418	8.47 days	122,483	80.3%	14,408

Patient days (exclusive of newborn):

	<u>Year Ended December 31,</u>	
	<u>1985</u>	<u>1984</u>
1985	\$90,140,011	\$47,134,183 (1)
1984	\$34,367,439	\$47,836,237 (1)
January	\$91,747,373	\$56,117,328
February	\$83,739,329	\$44,475,078
March	\$71,941,308	\$37,065,761
April	\$64,719,847	\$30,994,383
May		
June		
July		
August		
September		
October		
November		
December		
	<u>88,681</u>	<u>91,163</u>

Emergency room and outpatient clinics visits:

	<u>Emergency room</u>	<u>Outpatient clinics</u>	<u>Total visits</u>
1985	63,546	207,682	271,228
1984	62,909	207,090	269,999
1983	62,255	192,655	254,910
1982	58,408	190,655	249,063
1981	60,766	177,607	238,373

ST. PAUL-RAMSEY MEDICAL CENTER

GENERAL FINANCIAL DATA

A comparison of patient revenue before provisions for contractual adjustment and uncollectible accounts for the past two years and a six-year summary of revenue subject to third-party reimbursement is as follows:

	Year Ended December 31,	
	1985	1984
Inpatient revenue	\$ 70,114,451	\$ 74,969,396
Outpatient revenue	20,045,560	19,398,043
	<u>\$ 90,160,011</u>	<u>\$ 94,367,439</u>

	Total patient revenue	Revenue subject to third- party reimbursement	Percent to total	All other revenue	Percent to total
1985	\$90,160,011	\$47,134,183 (1)	52.3%	\$43,025,828	47.7%
1984	\$94,367,439	\$47,856,237 (1)	50.7%	\$46,511,202	49.3%
1983	\$91,747,373	\$50,117,328	54.6%	\$41,630,045	45.4%
1982	\$83,739,329	\$44,475,078	53.1%	\$39,264,251	46.9%
1981	\$71,941,328	\$37,065,761	51.5%	\$34,875,567	48.5%
1980	\$64,729,847	\$30,994,383	47.9%	\$33,735,464	52.1%

- (1) Revenues subject to Medicaid and General Assistance Medical Care reimbursements in the amount of \$19,368,873 and \$19,891,700 are estimated for 1985 and 1984, respectively. Substantially all the remaining revenue is subject to Medicare reimbursement. Effective January 1, 1984, Medicare reimburses for inpatient operating costs on the basis of pre-established rates based on diagnosis. Inpatient capital and medical education costs, and all outpatient costs, continue to be reimbursed by Medicare on the basis of actual costs incurred. Effective August 1, 1985, a similar payment system for inpatients was adopted by the Medicaid and General Assistance Medical Care programs.

## ST. PAUL-RAMSEY MEDICAL CENTER

## ADDITIONAL INFORMATION ON REVENUES

	Year Ended December 31,					
	1985			1984		
	Inpatient	Outpatient	Total	Inpatient	Outpatient	Total
Day rate services:						
Medical and surgical	\$12,785,729	\$	\$12,785,729	\$14,468,008		\$14,468,008
Pediatrics	1,338,890		1,338,890	1,558,517		1,558,517
Psychiatry	5,377,282		5,377,282	5,454,587		5,454,587
Obstetrics	1,107,740		1,107,740	1,199,911		1,199,911
Chemical dependency rehabilitation	420,840		420,840	210,852		210,852
Burn unit	2,138,109		2,138,109	2,707,550		2,707,550
Coronary care unit	1,643,211		1,643,211	1,561,081		1,561,081
Intensive care - adult	4,762,398		4,762,398	5,170,621		5,170,621
Intensive care - neonatal	2,830,434		2,830,434	3,036,686		3,036,686
Newborn nursery	456,024		456,024	479,907		479,907
	<u>32,860,657</u>		<u>32,860,657</u>	<u>35,847,720</u>		<u>35,847,720</u>
Ancillary services:						
Laboratory	7,460,741	\$ 3,545,768	11,006,509	7,381,073	\$ 3,300,038	10,681,111
Radiology	3,195,829	2,551,808	5,747,637	3,282,478	2,604,359	5,886,837
Pharmacy	6,202,637	2,441,887	8,644,524	6,107,096	2,066,064	8,173,160
Physical medicine	1,230,684	749,355	1,980,039	1,637,270	695,375	2,332,645
Inhalation therapy	2,962,281	189,954	3,152,235	3,218,708	211,250	3,429,958
Transport care	2,583	165	2,748	5,366	310	5,676
Cardiac catheterization laboratory	310,729	7,584	318,313	153,884	1,016	154,900
Operating rooms	4,880,278	1,077,552	5,957,830	5,466,813	884,542	6,351,355
Post anesthesia recovery	263,878	161,616	425,494	312,537	155,539	468,076
Central supply service	5,407,310	826,699	6,234,009	6,092,176	821,659	6,913,835
Emergency medicine	1,011,952	2,587,783	3,599,735	960,771	2,555,292	3,516,063
Anesthesiology	1,932,235	322,727	2,254,962	2,071,354	265,066	2,336,420
Psychiatric treatment	439,982	110,819	550,801	400,762	114,217	514,979
Electrocardiology	428,999	282,471	711,470	423,746	238,927	662,673
Labor and delivery	870,490	75,564	946,054	916,382	71,709	988,091
Kidney dialysis	175,282	744,492	919,774	126,800	660,596	787,396
Electroencephalography	116,997	211,629	328,626	119,792	191,567	311,359
Probate court	16,075		16,075	193,497	50,880	244,377
Outpatient chemical dependency	5,070	274,527	279,597	3,370	294,878	298,248
Family practice clinic		284,715	284,715		574,288	574,288
Outpatient clinics	206,941	3,482,776	3,689,717	247,801	3,532,303	3,780,104
Dentistry		109,977	109,977		108,168	108,168
Medical transport services	117,088	1,241	118,329			
Dietary	15,733	4,451	20,184			
	<u>37,253,794</u>	<u>20,045,560</u>	<u>57,299,354</u>	<u>39,121,676</u>	<u>19,398,043</u>	<u>58,519,719</u>
TOTAL	<u>\$70,114,451</u>	<u>\$20,045,560</u>	<u>\$90,160,011</u>	<u>\$74,969,396</u>	<u>\$19,398,043</u>	<u>\$94,367,439</u>



ST. PAUL-RAMSEY MEDICAL CENTER

ADDITIONAL INFORMATION ON REVENUES - CONTINUED

	Year Ended December 31,	
	1985	1984
Other operating revenues:		
Cafeteria	\$ 1,010,257	\$ 913,400
Emergency paramedic fees	11,668	250,135
Audit and utilization fees		12,607
Interest income	579,744	264,637
Space rental	532,642	508,602
Parking revenue	379,821	228,121
Medical records fees	129,909	93,509
Purchase discounts	40,444	51,027
Other	545,281	253,135
<b>TOTAL</b>	<b>\$ 3,229,766</b>	<b>\$ 2,575,173</b>

## ST. PAUL-RAMSEY MEDICAL CENTER

## ADDITIONAL INFORMATION ON EXPENSES

	Year Ended December 31,					
	1985			1984		
	Salaries and wages	Other	Total	Salaries and wages	Other	Total
Nursing services:						
Medical and surgical	\$ 5,167,499	\$ 956,214	\$ 6,123,713	\$ 5,073,295	\$ 958,664	\$ 6,031,959
Pediatrics	582,116	203,500	785,616	590,369	195,474	785,843
Psychiatry	1,800,256	276,729	2,076,985	1,660,932	264,020	1,924,952
Obstetrics	397,678	76,531	474,209	369,518	69,219	438,737
Chemical dependency rehabilitation	310,047	56,744	366,791	66,320	14,797	81,117
Burn unit	668,900	238,822	907,722	767,814	213,613	981,427
Coronary care unit	571,657	100,045	671,702	505,805	98,471	604,276
Intensive care - adult	1,826,327	381,640	2,207,967	1,747,608	343,455	2,091,063
Intensive care - neonatal	870,722	184,336	1,055,058	766,443	159,435	925,878
Newborn nursery	222,258	48,489	270,747	197,663	41,924	239,587
Nursing administration	940,435	203,825	1,144,260	994,699	198,799	1,193,498
	<u>13,357,895</u>	<u>2,726,875</u>	<u>16,084,770</u>	<u>12,740,466</u>	<u>2,557,871</u>	<u>15,298,337</u>
Other professional services:						
Laboratory	4,022,249	2,793,413	6,815,662	3,352,798	3,427,382	6,780,180
Radiology	1,580,452	1,149,978	2,730,430	1,674,245	1,116,031	2,790,276
Pharmacy	1,196,651	3,505,087	4,701,738	1,058,712	3,347,028	4,405,740
Physical medicine	783,223	249,501	1,032,724	853,092	233,670	1,086,762
Inhalation therapy	522,005	316,587	838,592	491,907	312,215	804,122
Transport care	1,000	162	1,162	3,683	670	4,353
Cardiac catheterization laboratory	85,541	181,771	267,312	55,931	57,361	113,292
Operating rooms	1,413,822	1,979,237	3,393,059	1,153,077	1,850,810	3,003,887
Post anesthesia recovery	177,966	56,402	234,368	158,490	68,775	227,265
Central supply service	261,017	1,891,051	2,152,068	439,216	2,336,666	2,775,882
Emergency medicine	1,922,172	497,090	2,419,262	1,930,715	407,507	2,338,222
Anesthesiology	834,609	436,459	1,271,068	868,521	440,801	1,309,322
Psychiatric treatment	197,595	108,108	305,703	244,410	178,981	423,391
Electrocardiology	191,782	66,813	258,595	190,296	77,594	267,890
Labor and delivery	421,535	121,981	543,516	394,401	132,305	526,706
Kidney dialysis	284,733	265,096	549,829	276,269	228,700	504,969
Electroencephalography	161,985	58,207	220,192	201,313	44,051	245,364
Probate court	182,921	34,511	217,432	151,783	31,325	183,108
Outpatient chemical dependency	211,445	52,531	263,976	271,182	55,088	326,270
Family practice clinic	239,225	143,687	382,912	233,431	183,260	416,691
Outpatient clinics	2,109,044	497,242	2,606,286	1,992,073	488,248	2,480,321
Dentistry	93,361	92,065	185,426	100,190	86,778	186,968
Social service	478,801	79,997	558,798	494,958	80,082	575,040
Medical transport services	127,887	616,311	744,198	144,901	235,776	380,677
	<u>17,501,021</u>	<u>15,193,287</u>	<u>32,694,308</u>	<u>16,735,594</u>	<u>15,421,104</u>	<u>32,156,698</u>

## ST. PAUL-RAMSEY MEDICAL CENTER

## ADDITIONAL INFORMATION ON EXPENSES - CONTINUED

	Year Ended December 31,					
	1985			1984		
	Salaries and wages	Other	Total	Salaries and wages	Other	Total
Medical and nursing education:						
Medical education - principally doctors' salaries and fees	\$ 6,871,910	\$ 1,292,600	\$ 8,164,510	\$ 7,801,941	\$ 1,579,652	\$ 9,381,593
Nursing education	107,390	42,793	150,183	115,187	41,940	157,127
Medical nursing library	78,878	79,884	158,762	75,301	77,932	153,233
	<u>7,058,178</u>	<u>1,415,277</u>	<u>8,473,455</u>	<u>7,992,429</u>	<u>1,699,524</u>	<u>9,691,953</u>
General services:						
Dietary	1,719,121	1,438,344	3,157,465	1,692,217	1,310,794	3,003,011
Building and grounds	1,401,780	3,423,152	4,824,932	1,447,042	2,623,986	4,071,028
Housekeeping	1,898,725	622,230	2,520,955	1,860,587	619,402	2,479,989
Laundry	99,588	824,893	924,481	245,462	464,972	710,434
	<u>5,119,214</u>	<u>6,308,619</u>	<u>11,427,833</u>	<u>5,245,308</u>	<u>5,019,154</u>	<u>10,264,462</u>
Administrative and fiscal services:						
Administrative office	658,473	827,460	1,485,933	603,783	852,609	1,456,392
Medical records	949,586	265,186	1,214,772	887,349	250,042	1,137,391
Business office	828,407	875,009	1,703,416	862,986	764,875	1,627,861
Admitting	326,180	64,711	390,891	283,967	60,083	344,050
Information desk, mail, telephone and switchboard	300,656	852,259	1,152,915	239,966	825,618	1,065,584
Communications and development		186,356	186,356		124,282	124,282
Accounting	394,658	115,275	509,933	422,704	128,393	551,097
Personnel	262,379	379,374	641,753	228,795	335,360	564,155
Data processing	690,758	738,053	1,428,811	537,737	801,355	1,339,092
Materials management	365,621	1,225,637	1,591,258	412,338	569,980	982,318
Employee benefits not allocated to departments	114,402	1,252,900	1,367,302	(179,632)	509,881	330,249
Insurance		770,622	770,622		236,156	236,156
Cost review program		11,660	11,660			
	<u>4,891,120</u>	<u>7,564,502</u>	<u>12,455,622</u>	<u>4,299,993</u>	<u>5,458,634</u>	<u>9,758,627</u>
TOTAL, excluding special programs, depreciation and interest	<u>\$47,927,428</u>	<u>\$33,208,558</u>	<u>\$81,135,986</u>	<u>\$47,013,790</u>	<u>\$30,156,287</u>	<u>\$77,170,077</u>

ST. PAUL-RAMSEY MEDICAL CENTER

ADDITIONAL INFORMATION ON BALANCE SHEETS

Comparative accounts receivable by type of accounts

	December 31,	
	1985	1984
Discharged patients:		
Medicare	\$ 2,742,805	\$ 3,430,510
Medicaid and welfare	4,249,861	4,593,810
Blue Cross	1,004,003	883,485
Other	7,248,299	8,882,111
	<u>15,244,968</u>	<u>17,789,916</u>
In-house accounts	<u>1,618,000</u>	<u>2,363,074</u>
Total	16,862,968	20,152,990
Less allowance for doubtful accounts	<u>3,440,000</u>	<u>4,137,653</u>
Net	<u>\$13,422,968</u>	<u>\$16,015,337</u>

Comparative statistics on patient accounts receivable

	December 31,	
	1985	1984
Days revenue in accounts receivable before allowance for doubtful accounts	73.91 days	78.16 days
Days revenue in accounts receivable after allowance for doubtful accounts	59.99 days	62.11 days
Accounts receivable charge-offs, less recoveries	\$6,228,222	\$5,999,011
Percentage of net charge-offs to patient charges	6.91%	6.36%