

# MOORE COUNTY HOSPITAL DISTRICT

2025 AUDIT RESULTS

November 19, 2025





CERTIFIED PUBLIC ACCOUNTANTS



ANALYSTS & CONSULTANTS

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# Agenda & Highlights

- Summarized Financial Results
  - Unmodified Opinion
- Key Ratios
- Single Audit Results
  - Unmodified Opinion
- Governance Letter
- Cost Report Settlement
- Current Events





# SUMMARIZED FINANCIAL RESULTS

# Summarized Financial Results

## Balance Sheets - Assets and Deferred Outflows of Resources

	2025	2024	\$	%
Cash	\$ 11,336,654	\$ 8,547,654	\$ 2,789,000	32.6%
Investments	5,426,646	4,846,835	579,811	12.0%
Assets Whose Use is Limited	3,779,088	3,966,989	(187,901)	-4.7%
Patient Accounts Receivable, net	9,280,130	9,158,716	121,414	1.3%
Estimated Third-Party Payor Settlements	505,967	-	505,967	100.0%
Other Current Assets	3,540,282	3,028,208	512,074	16.9%
Restricted Assets	289,781	283,431	6,350	2.2%
Capital Assets, Net	45,323,866	48,498,732	(3,174,866)	-6.5%
Net Pension Asset	3,073,841	221,565	2,852,276	-
Deferred Outflows of Resources	1,514,376	2,442,342	(927,966)	-38.0%
<b>Total Assets</b>	<b>\$ 84,070,631</b>	<b>\$ 80,994,472</b>	<b>\$ 3,076,159</b>	<b>3.8%</b>

## Balance Sheets - Liabilities, Deferred Inflows of Resources, and Net Position

	2025	2024	\$	%
Accounts Payable	\$ 1,840,462	\$ 2,300,512	\$ (460,050)	-20.0%
Accrued Payroll, Benefits, and Related Liabilities	3,210,488	3,128,222	82,266	2.6%
Estimated Third-Party Payor Settlements	-	74,563	(74,563)	-100.0%
Other Current Liabilities	1,698,526	1,574,190	124,336	7.9%
Long-Term Debt	29,561,957	30,038,221	(476,264)	-1.6%
Estimated Self-Funded Malpractice	325,000	325,000	-	0.0%
Deferred Inflows of Resources	757,869	-	757,869	100.0%
<b>Total Liabilities</b>	<b>37,394,302</b>	<b>37,440,708</b>	<b>(46,406)</b>	<b>-0.1%</b>
Net Position	46,676,329	43,553,764	3,122,565	7.2%
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 84,070,631</b>	<b>\$ 80,994,472</b>	<b>\$ 3,076,159</b>	<b>3.8%</b>



# Summarized Financial Results

## Statements of Operations

	2025	2024	\$	%
Net Patient Service Revenue	\$ 52,969,837	\$ 45,974,670	\$ 6,995,167	15.2%
Other Revenue	974,549	428,125	546,424	127.6%
<b>Total Revenue</b>	<b>53,944,386</b>	<b>46,402,795</b>	<b>7,541,591</b>	<b>16.3%</b>
Salaries, Wages, and Benefits	33,270,636	31,816,889	1,453,747	4.6%
Other Operating Expenses	21,862,645	21,709,942	152,703	0.7%
Depreciation and Amortization Expense	4,509,208	4,121,542	387,666	9.4%
<b>Total Expenses</b>	<b>59,642,489</b>	<b>57,648,373</b>	<b>1,994,116</b>	<b>3.5%</b>
<b>Operating Loss</b>	<b>(5,698,103)</b>	<b>(11,245,578)</b>	<b>5,547,475</b>	<b>-49.3%</b>
Other Non-operating Revenue	8,820,668	8,490,723	329,945	3.9%
<b>Change in Net Position</b>	<b>\$ 3,122,565</b>	<b>\$ (2,754,855)</b>	<b>\$ 5,877,420</b>	<b>-213.3%</b>

## Statements of Cash Flows (in thousands)

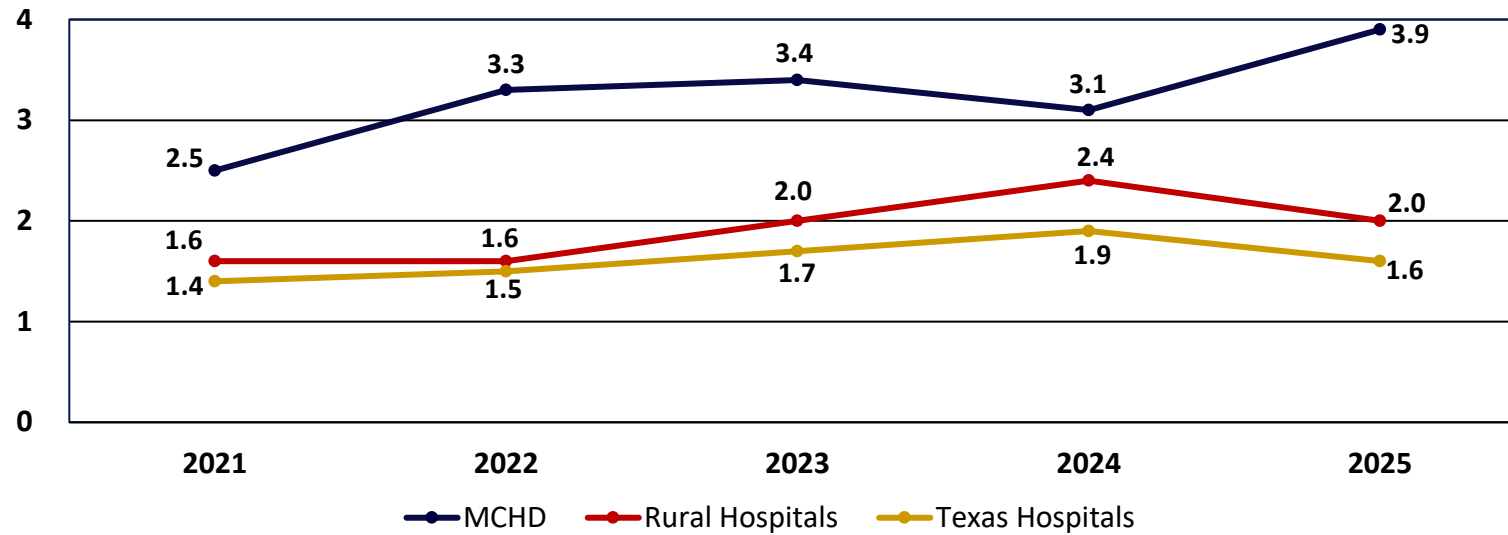
	2025	2024	\$	%
Net Cash Used by Operating Activities	\$ (3,382,808)	\$ (10,475,292)	\$ 7,092,484	67.7%
Net Cash Used by Investing Activities	(40,836)	(833,759)	792,923	-95.1%
Net Cash Used by Capital and Related Financing Activities	(2,935,904)	(1,038,541)	(1,897,363)	-182.7%
Net Cash Provided by Noncapital Financing Activities	8,922,986	8,348,477	574,509	6.9%
<b>Change in Cash Flow</b>	<b>\$ 2,563,438</b>	<b>\$ (3,999,115)</b>	<b>\$ 6,562,553</b>	<b>164.1%</b>



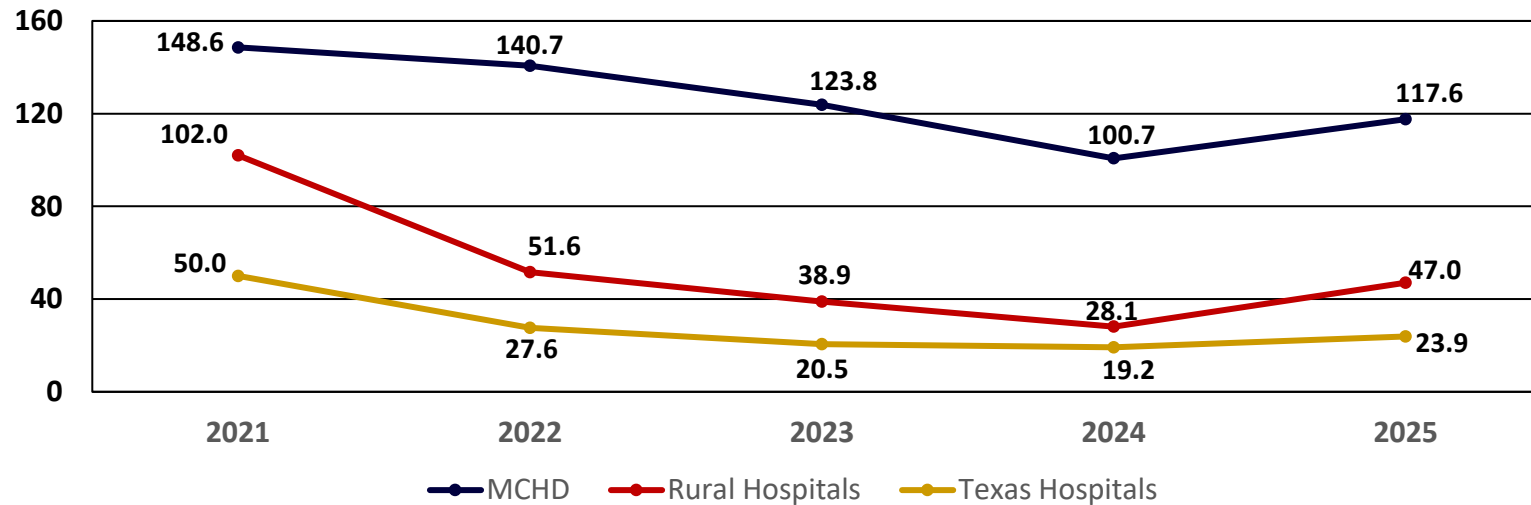
# KEY RATIOS (Hospital Only)



### Current Ratio

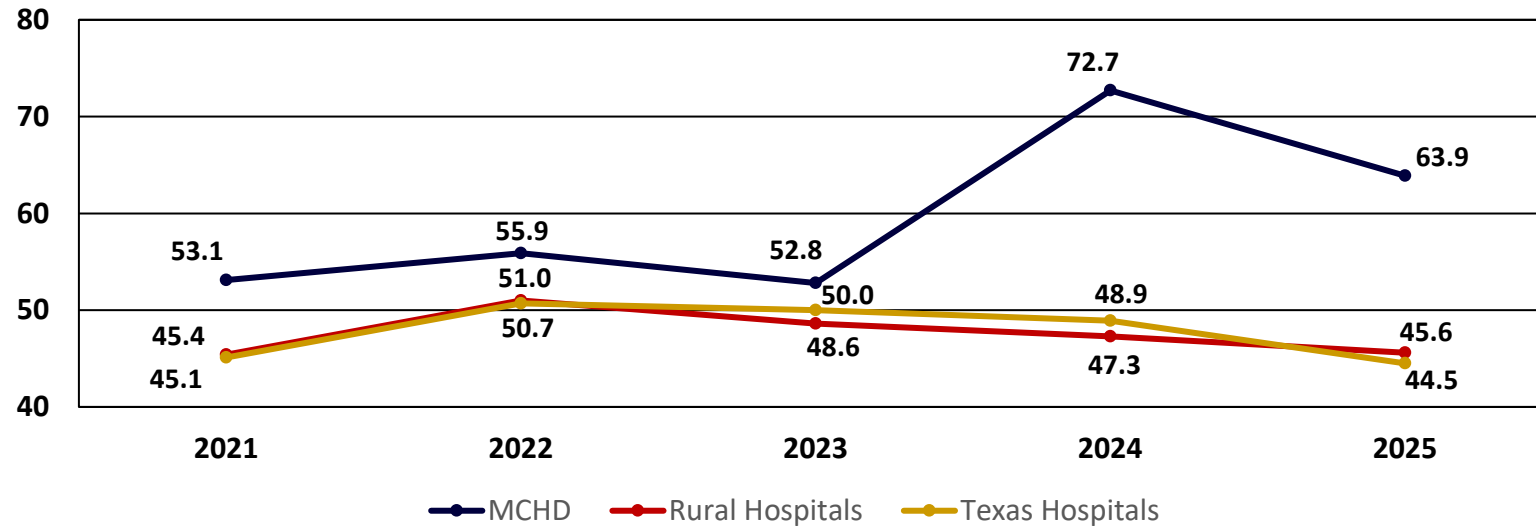


### Days Cash on Hand, All Sources

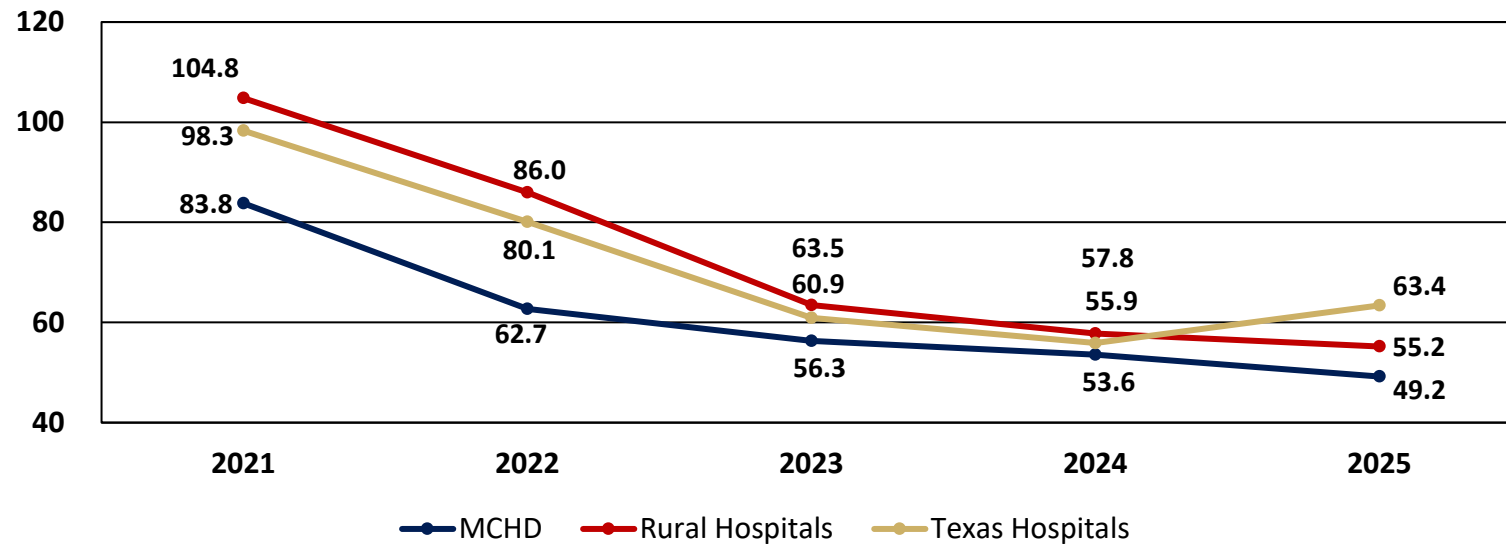




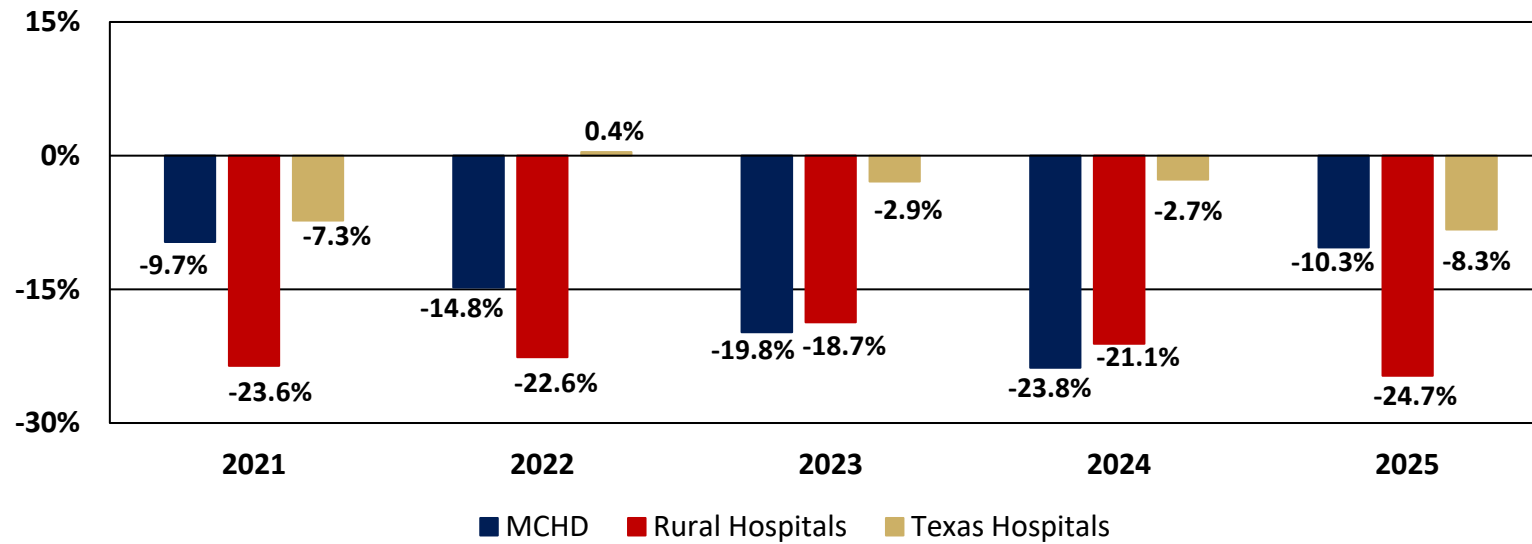
## Days in Net Accounts Receivable



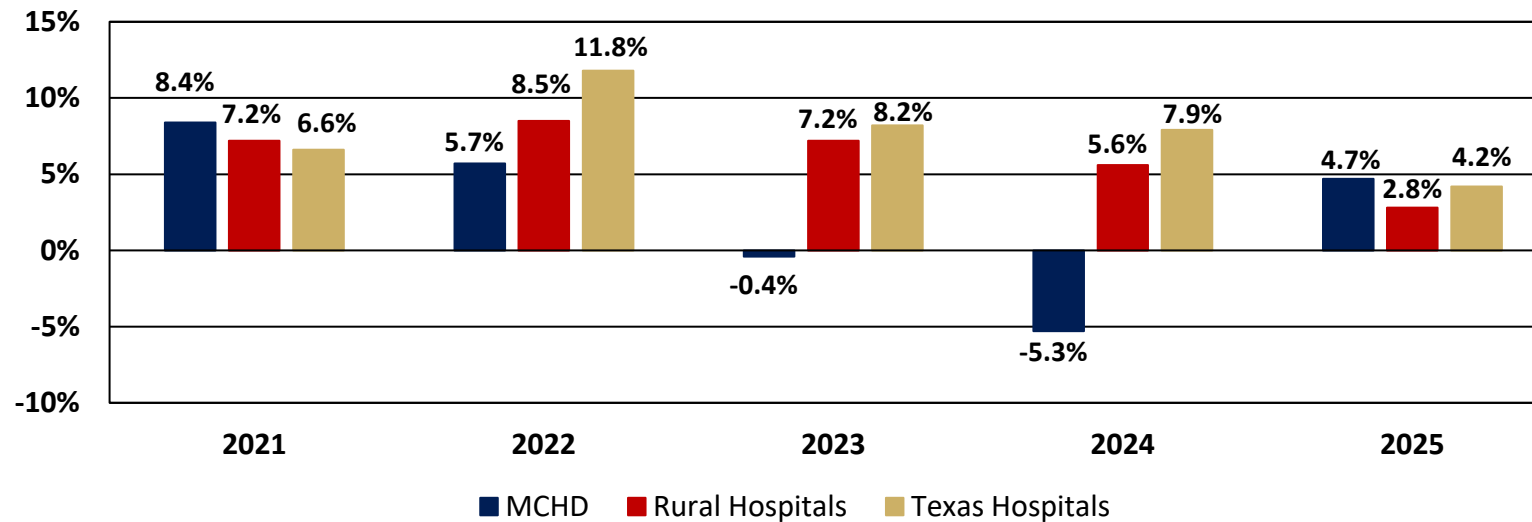
## Average Payment Period



## Operating Margin

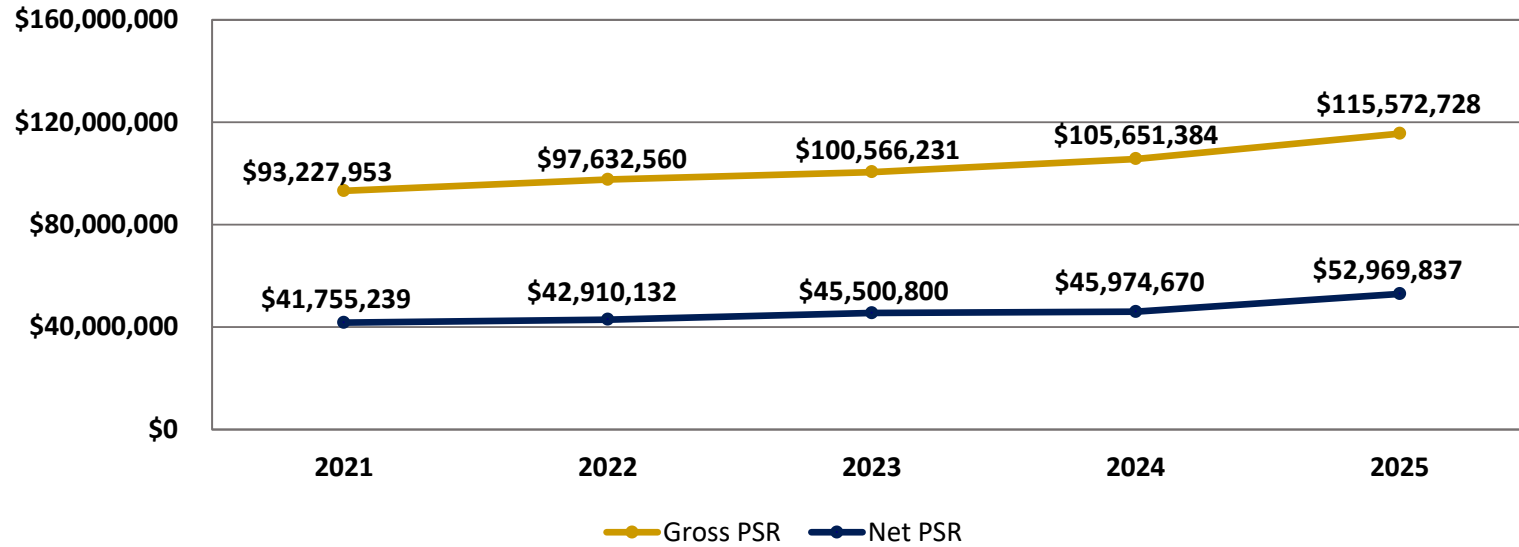


## Total Margin

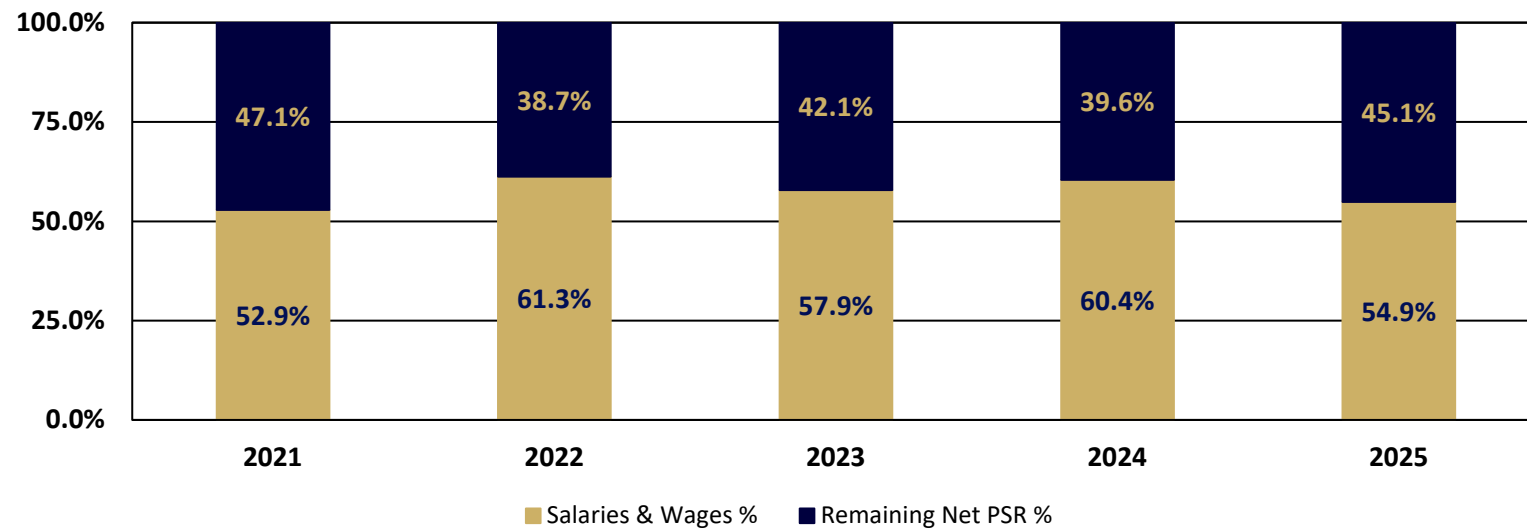




## Net to Gross Patient Revenue



## Salaries and Wages to Net Patient Revenues





# SINGLE AUDIT RESULTS



# Schedule of Expenditures of Federal Awards (SEFA)

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal ALN</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures</i>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<b>Direct Programs:</b>			
Community Facilities Loans and Grants	10.766	NA	\$ 30,039,000
<i>TOTAL U.S. DEPARTMENT OF AGRICULTURE</i>			30,039,000
<b><u>U.S. DEPARTMENT OF LABOR</u></b>			
<b>Passed Through the Texas Workforce Commission:</b>			
WIOA Dislocated Worker Formula Grants	17.278	0123AHC002	23,442
<i>TOTAL U.S. DEPARTMENT OF LABOR</i>			23,442
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 30,062,442</b>
The accompanying notes are an integral part of this schedule.			

# Audit Results in Accordance with Government Auditing Standards and the Uniform Guidance

- Clean or Unmodified Opinion
- Internal Control over Financial Reporting Findings Required to be Reported in Accordance with GAS:
  - No Matters Reportable
- Internal Control over Compliance Findings Required to be Reported by the Uniform Guidance:
  - No Matters Reportable



# GOVERNANCE LETTER



# Governance Letter

- Professional standards require that we provide you with information related to our audit:
  - Significant Audit Findings:
    - Difficulties, if any, Encountered in Performing Audit
      - None to Report
    - Disagreements with Management, if any
      - None to Report





# COST REPORT SETTLEMENT



# Cost Report Settlement

- 2025 Medicare Cost Report Settlement:

Medicare IP, a receivable of	\$108,856
Medicare SB, a receivable of	\$ 66,475
Medicare OP, a receivable of	\$304,243
RHC, a receivable of	<u>\$ 26,393</u>
Net receivable of	<u>\$505,967</u>



# Medicare Cost Report

## Areas of Consideration in Medicare Reimbursement

- Medicare I/P Days:
  - CY: 366
  - PY: 316
  - Increased by 15.82%
- Medicare I/P Cost:
  - CY: \$1,319,764
  - PY: \$1,040,625
  - Increased by 26.82%
- Overall I/P Cost Per Diem:
  - CY: \$3,605.91
  - PY: \$3,293.12
  - Increased by 9.50%, or \$312.80



# Medicare Cost Report

## Areas of Consideration in Medicare Reimb. (cont.)

- Outpatient:
  - O/P Medicare Cost increased by 5.07%
  - O/P Medicare Charges decreased by 2.27%
  - Overall Part B Cost-to-Charge Ratio increased by 3.00%
  - Overall Cost-to-Charge Ratio per S-10 decreased by 1.74%
  - CY Reimbursable Bad Debts \$151,176
- RHC:
  - CY Cost/Visit: \$288.34
  - PY Cost/Visit: \$259.60
  - Visits increased by 1.63%; cost increased by 12.88%



# Medicare Cost Report

## CCR

Cost Center	Description	2024	2025	Var	% Var
		CCR	CCR		
50	OPERATING ROOM	0.263620	0.207028	(0.056592)	-27%
52	DELIVERY ROOM & LABOR ROOM	1.307001	0.772038	(0.534964)	-69%
53	ANESTHESIOLOGY	0.068483	0.070557	0.002074	3%
54	RADIOLOGY-DIAGNOSTIC	0.160327	0.164886	0.004559	3%
60	LABORATORY	0.220938	0.226835	0.005896	3%
62	WHOLE BLOOD & PACKED RED BLOOD CELL	0.634152	0.564084	(0.070068)	-12%
64	INTRAVENOUS THERAPY	-	0.394317	0.394317	100%
65	RESPIRATORY THERAPY	0.693518	0.582031	(0.111488)	-19%
66	PHYSICAL THERAPY	0.493559	0.455903	(0.037656)	-8%
67	OCCUPATIONAL THERAPY	0.326907	0.267257	(0.059651)	-22%
68	SPEECH PATHOLOGY	0.879059	0.892423	0.013364	1%
71	MEDICAL SUPPLIES CHARGED TO PATIENT	1.207145	1.504967	0.297822	20%
72	IMPL. DEV. CHARGED TO PATIENTS	0.535370	0.426262	(0.109108)	-26%
73	DRUGS CHARGED TO PATIENTS	0.310876	0.810367	0.499491	62%
91	EMERGENCY	0.633615	0.456459	(0.177156)	-39%
92	OBSERVATION BEDS (NON-DISTINCT PART	0.782148	2.196984	1.414836	64%
95	AMBULANCE SERVICES	1.139884	1.002041	(0.137843)	-14%



# CURRENT EVENTS



# Current Events in Healthcare

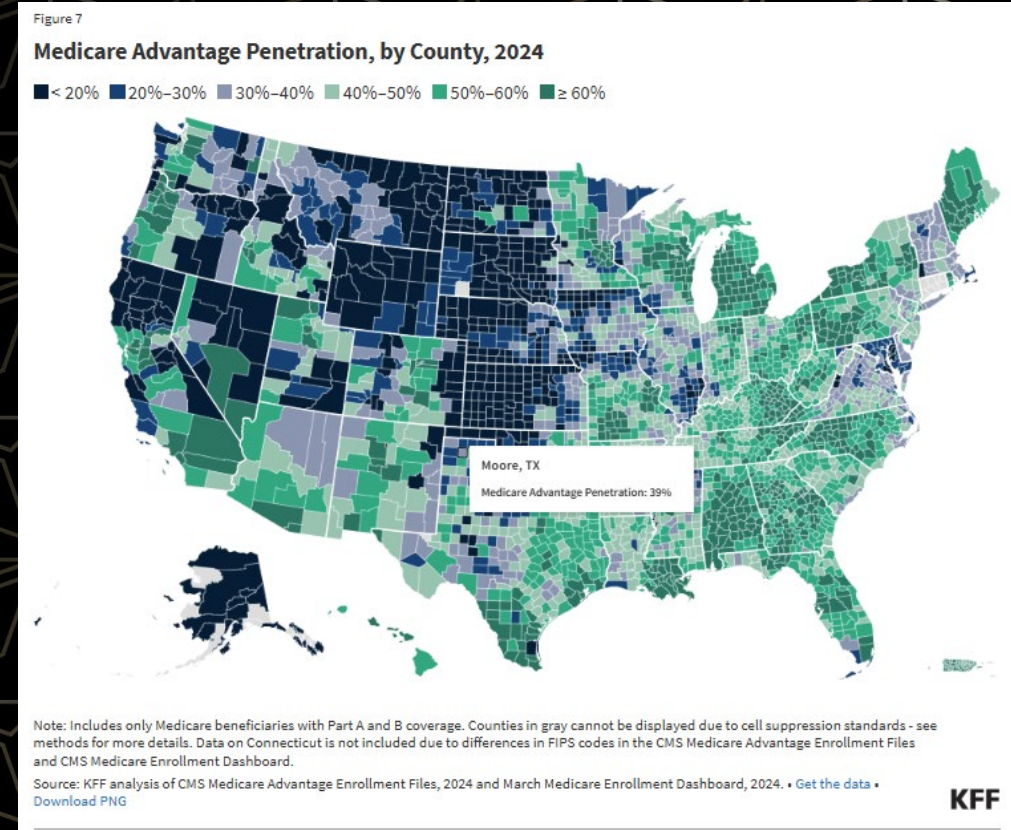


- One Big Beautiful Bill (OBBBA)
  - Public Letter Ruling 119-21
  - Revision to the insurance plans under the ACA
  - Medicaid State Directed Payment Payments continuation – expansion of charity provisions payments.
- Rural Transformation Program Application
  - \$50B in funding to Rural Health
  - Due November 4, 2025
  - All 50 states
  - Update



# Current Events In Healthcare

- Trends in Rural Healthcare Transition to Managed Care
  - Per KFF (Kaiser Family Foundation):
    - “More than half (54%) of eligible Medicare Beneficiaries are enrolled in Medicare Advantage in 2024.”
    - Texas’ average Medicare Advantage is just over 58% statewide in 2024
  - What can you do today?
    - Reach out to Your Local Representative
    - Review Contract language
    - Periodic Internal Claims Review
    - Systematic (Routine) Evaluation
    - Consider Identification Charges by Payer
    - Data Accumulation & Use of Price Transparency Data in Evaluation & Negotiation
    - Community Education





# Current Events in Healthcare

- UC DY<sub>11</sub>/FFY<sub>22</sub> Audits

April- June 2025

June 20, 2025

- Audit Deadline
- Limited to Accounts written off (recognized as Charity)
  - Coinciding with year of reporting
  - Records reviewed during audit

- Price Transparency

- All Hospitals are required to do an annual update of their data
- With the latest CMS regulation, they are able to automate the download of the data to check for compliance.
- As a result, CMS is able to review 200 hospitals a month so do not put off updating the information.
- If found non-compliant, penalties include warnings, publicized on the CMS website, and civil monetary penalties from \$300/day (30 beds or less) up to \$5,500/day (over 550 beds).



# Current Events in Healthcare

- Reporting Deadlines:

- |  |                  |
|--|------------------|
| • DPP Y <sub>4</sub> / SFY <sub>25</sub> (CHIRP, RAPPS, TIPPS)                 | April 30, 2025   |
| • CBA/PHC/NF Reports   | April 30, 2025   |
| • AHA Survey Deadline  | July 23, 2025    |
| • ATLIS Y <sub>1</sub> /SFY <sub>25</sub> R <sub>2</sub> Reporting Anticipated | June - July 2025 |
| • DPP Y <sub>5</sub> /SFY <sub>26</sub> R <sub>1</sub> (CHIRP, RAPPS, TIPPS)   | October 31, 2025 |
| • LoFTS  | October 31, 2025 |

- Additional Deadlines:

- |   |                        |
|---|------------------------|
| • Declarations of Intent Due (CHIRP, RAPPS, TIPPS, QIPP)                                | May 1, 2025            |
| • DSH/UC DY <sub>15</sub> /FFY <sub>26</sub> Enrollment Application                     | October- November 2025 |
| • DPP Y <sub>6</sub> /SFY <sub>27</sub> Enrollment Application<br>(CHIRP, RAPPS, TIPPS) | February 23, 2026      |





CERTIFIED PUBLIC ACCOUNTANTS



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