

Patton - Fuller Community Hospital
Operating Budget
2009
(In Thousands)
(Projection)

	2008	Budget % Change from 2008	2009 (Projection)	Based on these 2008 assumptions: a 3% overall "inflation rate" in 2009, with the cost of oil disproportionately affecting some expense items.
Revenues				
Net Patient Revenue	\$418,509	7%	\$447,805	Patient revenue will increase with little or no increase in patient volume, due to new managed care contracts
Other Revenue	\$2,805	15%	\$3,225	Marketing's plan to increase donations by 15%
Total Revenues	<u><u>\$421,314</u></u>	<u><u>7%</u></u>	<u><u>\$451,030</u></u>	
Expenses				
Salaries and benefits	\$214,129	3%	\$220,553	Salaries will hold to a 3% overall increase in cost, no increase in labor hours due to no increase in patient volume.
Supplies	\$71,346	3%	\$73,487	Supplies cost will increase more due to the rising cost of oil and its effect on the cost of plastics and transportation
Physician and professional fees	\$107,065	3%	\$110,277	contracts for fees have a built-in 3% increase
Utilities	\$1,164	5%	\$1,222	Utilities cost will increase more due to the rising cost of oil.
Other	\$1,784	3%	\$1,838	Some high-cost equipment (air conditioning, telephone system, all patient beds and headwalls) will have to be replaced this year, and "depreciation" will rise sharply.
Depreciation & Amorization ("non-cash" expenses)	\$24,955	20%	\$29,946	

Interest	\$3,597	3%	\$3,705	The repayment plan for any monies borrowed in 2009 will not come due until 2010.
Provision for doubtful accounts	\$13,383	10%	\$14,721	The renegotiation of Managed Care plans could make collections less certain.
Total Expenses	<u>\$437,424</u>	4%	<u>\$455,749</u>	Total expenses will rise 4%

Operating Income	(\$16,110)	(\$4,719)	Operating Income will improve, with the hospital's loss reduced by 2/3
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Non-operating Income (Loss)

Investment Income	\$264	15%	\$304	The Market has been going up for years, the "bull market" should continue in 2009.
Net Income	<u>(\$15,846)</u>		<u>(\$4,416)</u>	The hospital's loss will be further reduced by good returns on investment income.