



**Bedford  
Regional  
Medical  
Center**

**BEDFORD REGIONAL MEDICAL CENTER  
FINANCIAL STATEMENT  
DECEMBER 2007**

**Regional Medical Center  
Financial Analysis  
December 2007**

**Operating Statements:**

During December BRMC operated at a net gain of \$292,141, which compares to a budgeted gain of \$135,698 for the month. Gross patient revenues were above budget by \$982,786 for the month, while deductions from revenue were \$570,818 above budget, leaving net patient revenue \$411,968 above budget. Contractual adjustments were \$633,835 above budget, while Charity Care was \$63,017 below budget. Outpatient ancillary revenues were \$649,406 above budget, and \$232,158 greater than November. The increase in outpatient revenue over budget was driven primarily by increases in Pharmacy, Lab, CT and Anesthesia professional fee revenues. Inpatient revenue was \$279,585 above budget and approximately \$425,909 less than November revenues. Inpatient revenue per admission was \$1,374 greater than budget and \$2,483 less than November, while admissions were 3.8% above budget and 1.5% greater than December, 2006. Physician revenue was above budget by \$53,795 for the month and \$108,801 less than November. In total, revenues were \$302,542 below November. Deductions from revenue amounted to 54.8% of gross revenues for December as compared to budgeted deductions of 54.4% and 54.3% in November. During December there were 45 patients with charges in excess of \$20,000, totaling \$1,600,040 of which we wrote off \$1,035,050 or 64.7%.

Expenses for the month were over budget by \$251,652. Significant variances include 1) Salary expense was over budget by \$182,090, 2) Supply Expense was \$53,416 below budget, 3) Purchased Services were over budget by \$147,067 and 4) Bad Debt Expense was over budget by \$45,455.

The Salary expense variance was \$91,339 for the Clinic and \$90,751 for the hospital. The increase in the Clinic was due to the addition of new providers and an increase in the bonus accrual, while the addition of Anesthesiology accounted for 84% (\$76,043) of the increase in the hospital. Supply Expense decreased primarily due to an increase in surgery inventory which was recognized when the annual physical inventory was taken. The increase in Purchased Services was due to increases in I.S. costs and the leased equipment. Bad Debt Expense and Charity Care combined were \$17,562 under budget.

The gain for the month created a positive variance of \$156,443 from budget and a positive variance of \$59,687 from last year.

In analyzing the financial results for December, additional points to consider:

1. The Hospital portion of BRMC was over budget by \$205,057 and had a net gain of \$412,352 for the month.

2. During the month the Clinic produced a loss of \$120,211 as compared to a budgeted loss of \$71,597. Patient volume in the clinic was 17.7% below budget for the month and 2.0% less than December, 2006.
3. In reviewing overall BRMC financial results relative to volume, one must take into account each line of business and their interdependence when drawing conclusions.
4. Included in the financial statements are individual profit and loss statements for Clinic and Hospital operations.

#### **Key Financial and Statistical Indicators:**

During the month of December inpatient admissions totaled 135 as compared to budgeted admissions of 130 and 133 admissions in December 2006. Patient days amounted to 528 as compared to budgeted days of 535. Average length of stay for the month amounted to 3.9 days, which is .3 days lower than November. The Medicare average length of stay was 4.8 days. ICCU days were at 87 days, as compared to budgeted days of 76. Surgery volume was 21.0% below budget. Physician office visits were 17.7% below budget for the month. Full time employee equivalents for December were 439.7, which is 2.6% above budget.

#### **Balance Sheets and Cash Flows:**

In December, cash balances amounted to \$2,671,157, an increase of \$451,477 from last month. The budget for cash was \$3,565,796 for the month. Average daily cash receipts for December amounted to \$152,085 while average daily cash expenses were \$122,644. This resulted in a positive cash flow of \$29,442 per day for the month. Days Cash on hand amounted to 22 days at December 31, 2007, which is the same as December 31, 2006. Year to year the cash balances increased \$314,000. To achieve 25 days cash on hand would have required an additional \$352,000. Major items impacting cash flow in December include capital expenditures of \$139,451, the payment of long term debt of \$376,610, and the reduction of AR by \$462,408. During 2007, BRMC spent an estimated \$615,000 more on junior provider contracts than we collected. During FY 2006 this expenditure was approximately \$187,000. We also incurred an additional \$116,000 for the transition of Anesthesiology from a contract service to the current employment arrangement. BRMC is current on all of its long term debt payments to Clarian.

#### **Accounts Receivable and Aging Analysis:**

Hospital gross accounts receivable balances decreased \$1,387,980 for the month. Gross days in A/R, which includes both the hospital accounts receivable and physician accounts receivables, decreased 6 days to 58 days for the month, while net days decreased 5 days

to 51 days. The net accounts receivable balance decreased by \$462,408 from November. The net realizable AR increased to 39.6% from 39.1%.

#### **Year-To-Date Results:**

BRMC ended fiscal 2007 with Gross Patient Revenues exceeding budget by \$4,850,000 (4.3%) and the prior year by \$14,943,000 (14.5%). Inpatient revenues were up 11.2% over 2006 due primarily to higher utilization of ancillary services, while outpatient services increased 15.8% over 2006. Physician revenue increased \$1,541,000 (15.5%) over 2006 due primarily to the addition of new physicians. Contractual adjustments increased from 50.8% in 2006 to 52.9%, which compares to the budget of 52.6%. Charity care write-offs decreased \$146,000 from 2006 and decreased \$264,000 from budget. Total net operating revenues for the year were \$2,205,000 greater than budget and \$5,111,000 greater than 2006.

Operating expenses for the year exceeded budget by \$3,063,000 and 2006 by \$5,519,000. The major increases in costs over 2006 were in salary expense (\$2,898,000) and bad debt expense (\$1,587,000). Health insurance expense (\$497,000), interest expense (\$100,000) and depreciation expense (\$232,000) all decreased from 2006 levels, helping to offset some of the increases in salaries and bad debts. There were also increases in supply expense (\$427,000), purchased services (\$568,000), and other expenses (\$532,000) over 2006. BRMC ended fiscal 2007 with a net income of \$2,926,000, which is \$795,000 less than budget and \$327,000 less than 2006. This an operating margin of 5.4%.

	Month					Year to Date				
	Dec-07 Actual	Dec-07 Budget	Percent	Dec-06 Actual	Percent	Dec-07 Actual	Dec-07 Budget	Percent	Dec-06 Actual	Percent
Patient Days	528	535	-1.3%	476	10.9%	6,062	6,844	-11.4%	5,845	3.7%
Routine Days	431	434	-0.7%	360	19.7%	4,886	5,555	-12.0%	4,653	5.0%
Admissions	135	130	3.8%	133	1.5%	1,579	1,665	-5.2%	1,637	-3.5%
Admissions per Day	4.4	4.2	3.8%	4.3	1.5%	4.3	4.6	-5.2%	116	-96.3%
Nursery Admissions	4	10	-60.0%	5	-20.0%	90	132	-31.8%	116	-22.4%
Average Daily Census	17	17	-1.7%	15	10.4%	17	19	-11.7%	16	3.8%
Average Length of Stay - All	3.9	4.1	-5.2%	3.6	8.3%	3.8	4.1	-6.5%	3.6	7.7%
Medicare	4.8	4.2	14.3%	4.2	14.3%	4.4	4.1	6.7%	4.1	6.7%
Anthem	3.0	3.0	0.0%	3.0	0.0%	3.1	2.8	8.8%	2.8	8.8%
Commercial	2.3	2.4	-4.2%	2.4	-4.2%	3.0	2.9	2.8%	2.9	2.8%
ICCU Patient Days	87	76	14.5%	107	-18.7%	984	975	0.9%	929	5.9%
OB/GYN Patient Days	10	25	-60.0%	9	11.1%	192	314	-38.9%	240	-20.0%
Newborn Patient Days	10	21	-52.4%	9	11.1%	197	275	-28.4%	244	-19.3%
Swing Bed Patient Days	44	0	0.0%	39	12.8%	392	0	0.0%	240	63.3%
Observation Days	80	112	-28.6%	75	6.7%	1,193	1,349	-11.6%	1,403	-15.0%
FTE Paid	439.7	428.7	2.6%	417.5	5.3%	431.9	428.7	0.7%	419.3	3.0%
Days	31	31		31		365	365		365.0	
Equivalent EPOB - All	7.0	6.7	4.5%	7.7	-9.1%	7.0	6.3	11.7%	7.3	-3.6%
Equivalent EPOB - net of clinic	6.0	5.6	6.0%	6.6	-9.6%	6.0	5.3	14.4%	6.2	-3.2%
Clinic FTES	84.0	87.0	-3.5%	78	7.9%	81.7	87.0	-6.1%	80.0	2.2%
Avg. Daily Cash Collections -AR	151,581	124,842	21.4%	138,154	9.7%	129,974	129,353	0.5%	123,771	5.0%
Avg. Daily Cash Collections - Other	504	647	-22.2%	497	1.3%	901	660	36.6%	667	35.1%
Total Daily Cash Collections	152,085	125,490	21.2%	138,651	9.7%	130,875	130,013	0.7%	124,438	5.2%
Average Daily Cash Expenses	122,644	113,213	8.3%	115,549	6.1%	120,918	114,554	5.6%	109,570	10.4%
Excess/(deficit)	29,442	12,277	139.8%	23,102	27.4%	9,957	15,459	-35.6%	14,868	-33.0%
Case Mix Index	0.8947	0.9900	-9.6%	0.9900	-9.6%	0.9640	0.9188	4.9%	0.9188	4.9%
Outpatient Registrations	5,866	5,900	-0.6%	5,785	1.4%	73,272	73,200	0.1%	72,290	1.4%
Surgical Procedures										
Inpatient	31	29	6.9%	24	29.2%	410	369	11.1%	390	5.1%
Outpatient	78	109	-28.4%	92	-15.2%	1,043	1,350	-22.7%	1,166	-10.5%
	109	138	-21.0%	116	-6.0%	1,453	1,719	-15.5%	1,556	-6.6%
Radiology										
Inpatient	147	132	11.4%	117	25.6%	1,900	1,689	12.5%	1,704	11.5%
Outpatient	1,691	1,564	8.1%	1,760	-3.9%	21,175	19,406	9.1%	20,168	5.0%
	1,838	1,696	8.4%	1,877	-2.1%	23,075	21,095	9.4%	21,872	5.5%
CT Scans										
Inpatient	50	43	16.3%	33	51.5%	601	553	8.7%	571	5.3%
Outpatient	386	358	7.8%	312	23.7%	4,661	4,443	4.9%	4,393	6.1%
	436	401	8.7%	345	26.4%	5,262	4,996	5.3%	4,964	6.0%
Emergency Room Visits	1,008	1,019	-1.1%	1,064	-5.3%	13,018	12,668	2.8%	12,751	2.1%
Laboratory Tests										
Inpatient	3,594	2,892	24.3%	2,612	37.6%	38,914	37,042	5.1%	34,430	13.0%
Outpatient	12,601	12,773	-1.3%	11,656	8.1%	158,771	158,474	0.2%	142,393	11.5%
	16,195	15,665	3.4%	14,268	13.5%	197,685	195,516	1.1%	176,823	11.8%
Physical Therapy										
Inpatient	133	90	47.8%	100	33.0%	1,253	1,152	8.8%	1,139	10.0%
Outpatient	1,482	1,807	-18.0%	1,465	1.2%	23,154	22,423	3.3%	22,010	5.2%
	1,615	1,897	-14.9%	1,565	3.2%	24,407	23,575	3.5%	23,149	5.4%
Cardio Pulmonary										
Inpatient	2,170	1,700	27.6%	2,385	-9.0%	24,883	21,770	14.3%	22,490	10.6%
Outpatient	229	383	-40.2%	312	-26.6%	3,936	4,750	-17.1%	4,384	-10.2%
	2,399	2,083	15.2%	2,697	-11.0%	28,819	26,520	8.7%	26,874	7.2%
Home Care Visits	727	660	10.2%	652	11.5%	8,984	8,193	9.7%	8,228	9.2%
Ambulance Runs	116	158	-26.6%	124	-6.5%	1,888	1,965	-3.9%	1,893	-0.3%
Physician Office Visits	4,752	5,777	-17.7%	4,848	-2.0%	59,517	67,569	-11.9%	57,070	4.3%
Physician Office Visits/Clinic Day	238	289	-17.7%	242	-2.0%	233	269	-13.3%	227	2.7%

**Bedford Regional Medical Center  
Balance Sheets (Unaudited)**

	Dec-07 Actual	Dec-07 Budget	Dec-06 Actual
<b>Current Assets</b>			
Cash	2,671,157	3,565,796	2,357,013
Accounts Receivable - Patient	13,674,050	6,560,695	10,492,979
Less: Allowance for Bad Debts	(5,954,521)	0	(4,096,537)
Net Patient Accounts Receivable	7,719,529	6,560,695	6,396,442
Accounts Receivable - Other	900,216	505,280	1,282,904
Inventories	813,409	729,077	617,421
Prepaid Insurance and Expenses	558,209	676,605	717,432
<b>Total Current Assets</b>	<b>12,662,520</b>	<b>12,037,453</b>	<b>11,371,212</b>
<b>Property, Plant &amp; Equipment</b>			
Land & Land Improvements	1,248,177	1,232,121	1,238,121
Buildings and Improvements	14,807,247	14,339,795	14,379,484
Equipment	18,760,735	20,463,907	17,639,724
<b>Total</b>	<b>34,816,159</b>	<b>36,035,823</b>	<b>33,257,329</b>
Less Accumulated Depreciation	(19,237,462)	(19,862,246)	(17,090,757)
<b>Net Fixed Assets</b>	<b>15,578,697</b>	<b>16,173,577</b>	<b>16,166,572</b>
<b>Other Assets</b>	<b>(3,500)</b>	<b>(3,500)</b>	<b>(3,500)</b>
<b>Total Assets</b>	<b>28,237,717</b>	<b>28,207,530</b>	<b>27,534,284</b>
<b>Current Liabilities</b>			
Accounts Payable - Vendors	901,439	771,629	1,026,769
Accounts Payable - Other	596,551	464,434	539,799
Medicare & Other Settlements	240,846	1,175,514	1,059,828
Accrued Salaries, Taxes and Related Liabilities	2,217,652	1,367,734	1,792,772
Accrued Pension	75,722	0	103,995
Accrued Interest - Clarian-Construction	261	0	261
Current Portion of Long Term Debt	1,678,894	1,652,264	1,755,614
<b>Total Current Liabilities</b>	<b>5,711,365</b>	<b>5,431,575</b>	<b>6,279,038</b>
<b>Long Term Debt</b>			
Note Payable - Clarian Loan #12790 (2000)	6,043,031	6,090,842	6,699,384
Note Payable - Clarian Loan #12791 (2001)	5,006,874	5,006,873	5,573,540
Note Payable - Clarian (No Interest)	0	0	0
Note Payable - Clarian Loan #12792 (2003-\$2.5M)	0	0	455,708
<b>Total Long Term Debt (less current portion)</b>	<b>11,049,905</b>	<b>11,097,715</b>	<b>12,728,632</b>
<b>Net Assets (Deficit)</b>	<b>11,476,447</b>	<b>11,678,240</b>	<b>8,526,614</b>
<b>Total Liabilities and Net Assets (Deficit)</b>	<b>28,237,717</b>	<b>28,207,530</b>	<b>27,534,284</b>

**Bedford Regional Medical Center  
Operating Statements (Unaudited)**

	Month			Year to Date			Prior Year			
	Actual Dec-07	Budget Dec-07	Variance	Percent	Actual Dec-07	Budget Dec-07	Variance	Percent	Actual Dec-06	Dec-06
<b>Patient Revenue</b>										
Routine Services	740,767	773,430	(32,663)	-4%	9,092,215	9,775,365	(683,150)	-7%	8,606,333	
Inpatient Ancillary	1,986,942	1,674,694	312,248	19%	22,869,948	21,427,364	1,442,584	7%	20,137,043	
Outpatient Ancillary	6,384,469	5,735,063	649,406	11%	74,510,655	71,123,562	3,387,093	5%	64,328,103	
Physician	973,726	919,931	53,795	6%	11,500,787	10,796,945	703,842	7%	9,959,407	
<b>Gross Patient Revenue</b>	<b>10,085,904</b>	<b>9,103,118</b>	<b>982,786</b>	<b>11%</b>	<b>117,973,605</b>	<b>113,123,235</b>	<b>4,850,370</b>	<b>4%</b>	<b>103,030,886</b>	
<b>Reductions from Charges</b>										
Contractual Adjustments	(5,385,959)	(4,752,124)	(633,835)	13%	(62,448,330)	(59,153,678)	(3,294,652)	6%	(52,384,604)	
Charity Care	(138,067)	(201,084)	63,017	-31%	(1,939,977)	(2,501,495)	561,518	-22%	(2,086,446)	
<b>Total Reductions</b>	<b>(5,524,026)</b>	<b>(4,953,208)</b>	<b>(570,818)</b>	<b>12%</b>	<b>(64,388,307)</b>	<b>(61,655,173)</b>	<b>(2,733,134)</b>	<b>4%</b>	<b>(54,471,050)</b>	
<b>Net Patient Revenue</b>	<b>4,561,878</b>	<b>4,149,910</b>	<b>411,968</b>	<b>10%</b>	<b>53,585,298</b>	<b>51,468,062</b>	<b>2,117,236</b>	<b>4%</b>	<b>48,559,836</b>	
Other Revenue	15,615	20,070	(4,455)	-22%	328,879	240,818	88,061	37%	243,479	
<b>Total Net Operating Revenue</b>	<b>4,577,493</b>	<b>4,169,980</b>	<b>407,513</b>	<b>10%</b>	<b>53,914,177</b>	<b>51,708,880</b>	<b>2,205,297</b>	<b>4%</b>	<b>48,803,315</b>	
<b>Expenses</b>										
Salaries	2,110,855	1,928,765	182,090	9%	23,934,036	22,547,518	1,386,518	6%	21,035,935	
Professional Fees	25,000	29,274	(4,274)	-15%	406,742	351,288	55,454	16%	382,265	
Supplies	439,544	492,960	(53,416)	-11%	6,379,139	6,110,624	268,515	4%	5,952,424	
Employee Benefits less Health Ins	268,712	244,684	24,028	10%	3,238,299	2,990,184	248,115	8%	2,896,186	
Employee Health Insurance	210,021	188,531	21,490	11%	1,859,251	2,262,372	(403,121)	-18%	2,356,299	
Interest Expense	75,207	79,030	(3,823)	-5%	945,753	948,360	(2,607)	0%	1,045,764	
Utilities and Laundry	62,219	66,397	(4,178)	-6%	766,450	796,764	(30,314)	-4%	796,638	
Depreciation and Amortization	162,976	249,125	(86,149)	-35%	2,145,563	2,764,500	(618,937)	-22%	2,378,056	
Purchased Services	374,691	227,624	147,067	65%	3,239,950	2,762,369	477,581	17%	2,671,992	
Other Expenses	235,700	252,338	(16,638)	-7%	3,365,348	3,010,854	354,494	12%	2,833,435	
Provision for Bad Debts	325,259	279,804	45,455	16%	4,821,748	3,494,040	1,327,708	38%	3,234,316	
<b>Total Expenses</b>	<b>4,290,184</b>	<b>4,038,532</b>	<b>251,652</b>	<b>6%</b>	<b>51,102,279</b>	<b>48,039,873</b>	<b>3,063,406</b>	<b>6%</b>	<b>45,583,310</b>	
<b>Operating Income/(Loss)</b>	<b>287,309</b>	<b>131,448</b>	<b>155,861</b>	<b>119%</b>	<b>2,811,898</b>	<b>3,670,007</b>	<b>(858,109)</b>	<b>-23%</b>	<b>3,220,005</b>	
Non-operating Revenue	4,832	4,250	582	14%	114,687	51,000	63,687	125%	33,355	
<b>Net Income/(Loss)</b>	<b>292,141</b>	<b>135,698</b>	<b>156,443</b>	<b>115%</b>	<b>2,926,585</b>	<b>3,721,007</b>	<b>(794,422)</b>	<b>-21%</b>	<b>3,253,360</b>	

**Bedford Regional Medical Center  
Hospital Operations Breakout**

	Month				Percent Favorable / (Unfavorable)
	Dec-07		Variance Favorable / (Unfavorable)	Percent Favorable / (Unfavorable)	
	Actual	Budget			
<b>REVENUE</b>					
<b>PATIENT REVENUE:</b>					
ROUTINE SERVICES	740,767	773,430	(32,663)	-4.2%	
<b>ANCILLARY SERVICES:</b>					
INPATIENT	1,986,942	1,674,694	312,248	18.6%	
OUTPATIENT	6,384,469	5,735,063	649,406	11.3%	
PHYSICIAN REVENUE	-	-	-	0.0%	
<b>GROSS PATIENT REVENUE</b>	<b>9,112,178</b>	<b>8,183,187</b>	<b>928,991</b>	<b>11.4%</b>	
CHARITY CARE	(128,666)	(194,953)	66,287	-34.0%	
PATIENT REVENUE	8,983,512	7,988,234	995,278	12.5%	
<b>DEDUCTIONS FROM GROSS REVENUE</b>	<b>(5,039,511)</b>	<b>(4,392,316)</b>	<b>(647,195)</b>	<b>14.7%</b>	
CONTRACTUAL ALLOWANCES	(5,039,511)	(4,392,316)	(647,195)	14.7%	
<b>TOTAL DEDUCTIONS</b>					
<b>NET PATIENT REVENUE</b>	<b>3,944,001</b>	<b>3,595,918</b>	<b>348,083</b>	<b>9.7%</b>	
OTHER REVENUE	15,615	20,070	(4,455)	-22.2%	
<b>TOTAL NET OPERATING REVENUE</b>	<b>3,959,616</b>	<b>3,615,988</b>	<b>343,628</b>	<b>9.5%</b>	
<b>EXPENSES</b>					
SALARIES - OTHER	1,560,119	1,469,368	(90,751)	-6.2%	
PROFESSIONAL FEES	25,000	29,274	4,274	14.6%	
SUPPLIES	411,647	455,643	43,996	9.7%	
EMPLOYEE BENEFITS LESS INSUR.	217,771	203,412	(14,359)	-7.1%	
EMPLOYEE HEALTH INSURANCE	170,689	151,532	(19,157)	-12.6%	
TOTAL EMPLOYEE BENEFITS	388,460	354,944	(33,516)	-9.4%	
INTEREST EXPENSE	75,207	79,030	3,823	4.8%	
UTILITIES AND LAUNDRY	62,219	51,730	(10,489)	-20.3%	
DEPRECIATION & AMORTIZATION	155,256	242,580	87,324	36.0%	
PURCHASED SERVICES	360,854	227,624	(133,230)	-58.5%	
OTHER EXPENSE	223,864	229,155	5,291	2.3%	
PROVISION FOR UNCOLLECTIBLES	289,470	273,595	(15,875)	-5.8%	
<b>TOTAL EXPENSE</b>	<b>3,562,096</b>	<b>3,412,943</b>	<b>(139,153)</b>	<b>-4.1%</b>	
<b>OPERATING INCOME (LOSS)</b>	<b>407,520</b>	<b>203,045</b>	<b>204,475</b>	<b>100.7%</b>	
<b>NON-OPERATING REVENUE</b>	<b>4,832</b>	<b>4,250</b>	<b>582</b>	<b>13.7%</b>	
<b>NET INCOME OR (LOSS)</b>	<b>412,352</b>	<b>207,295</b>	<b>205,057</b>	<b>98.9%</b>	

	YTD				Percent Favorable / (Unfavorable)
	Dec-07		Variance Favorable / (Unfavorable)	Percent Favorable / (Unfavorable)	
	Actual	Budget			
	9,092,215	9,775,365	(683,150)	-7.0%	
	22,869,948	21,427,364	1,442,584	6.7%	
	74,510,655	71,123,562	3,387,093	4.8%	
	106,472,818	102,326,290	4,146,528	4.1%	
	(1,808,339)	(2,429,541)	621,202	-25.6%	
	104,664,479	99,896,749	4,767,730	4.8%	
	(58,042,099)	(54,930,726)	(3,111,373)	5.7%	
	(58,042,099)	(54,930,726)	(3,111,373)	5.7%	
	46,622,380	44,966,023	1,656,357	3.7%	
	328,879	240,818	88,061	36.6%	
	46,951,259	45,206,841	1,744,418	3.9%	
	18,247,681	17,095,729	(1,151,952)	-6.7%	
	406,742	351,288	(55,454)	-15.8%	
	6,000,171	5,662,820	(337,351)	-6.0%	
	2,537,378	2,415,392	(121,986)	-5.1%	
	1,440,862	1,818,384	377,522	20.8%	
	3,978,240	4,233,776	255,536	6.0%	
	945,753	948,360	2,607	0.3%	
	766,450	620,760	(145,690)	-23.5%	
	2,059,974	2,685,960	625,986	23.3%	
	3,066,207	2,762,369	(303,838)	-11.0%	
	3,060,464	2,732,658	(327,806)	-12.0%	
	4,554,612	3,421,162	(1,133,450)	-33.1%	
	43,086,294	40,514,882	(2,571,412)	-6.3%	
	3,864,965	4,691,959	(826,994)	-17.6%	
	114,687	51,000	63,687	124.9%	
	3,979,652	4,742,959	(763,307)	-16.1%	

**Bedford Regional Medical Center  
Clinic Operations Breakout**

	Month			Percent Favorable / (Unfavorable)
	Dec-07 Actual	Dec-07 Budget	Variance Favorable / (Unfavorable)	

	YTD			Percent Favorable / (Unfavorable)
	Actual	Budget	Variance Favorable / (Unfavorable)	

**Physician Gross Patient Revenue**

**Reductions from Charges**

Contractual Adjustments  
Charity Care  
**Total Reductions**

**Net Patient Revenue**

**Total Net Operating Revenue**

**Expenses**

Salaries  
Professional Fees  
Supplies  
Employee Benefits Less Health Ins.  
Employee Health Insurance  
Total Employee Benefits  
Purchased Services  
Depreciation & Amortization  
Utilities  
Other Expenses  
Provision for Bad Debts  
**Total Expenses**  
**Operating Income/(Loss)**  
Non-operating Revenue  
**Net Income/(Loss)**

973,726	919,931	53,795	5.85%	11,500,787	10,796,945	703,842	6.52%
(346,448)	(359,808)	13,360	-3.71%	(4,406,231)	(4,222,952)	(183,279)	4.34%
(9,401)	(6,131)	(3,270)	53.34%	(131,638)	(71,954)	(59,684)	82.95%
<b>(355,849)</b>	<b>(365,939)</b>	<b>10,090</b>	<b>-2.76%</b>	<b>(4,537,869)</b>	<b>(4,294,906)</b>	<b>(242,963)</b>	<b>5.66%</b>
<b>617,877</b>	<b>553,992</b>	<b>63,885</b>	<b>11.53%</b>	<b>6,962,918</b>	<b>6,502,039</b>	<b>460,879</b>	<b>7.09%</b>
-	-	-	0.00%	-	-	-	0.00%
<b>617,877</b>	<b>553,992</b>	<b>63,885</b>	<b>11.53%</b>	<b>6,962,918</b>	<b>6,502,039</b>	<b>460,879</b>	<b>7.09%</b>
550,736	459,397	(91,339)	-19.88%	5,686,355	5,451,789	(234,566)	-4.30%
-	-	-	0.00%	-	-	-	0.00%
27,897	37,317	9,420	25.24%	378,968	447,804	68,836	15.37%
50,941	41,272	(9,669)	-23.43%	700,921	574,792	(126,129)	-21.94%
39,332	36,999	(2,333)	-6.31%	418,389	443,988	25,599	5.77%
90,273	78,271	(12,002)	-15.33%	1,119,310	1,018,780	(100,530)	-9.87%
13,837	14,667	830	5.66%	173,743	176,004	2,261	1.28%
7,720	6,545	(1,175)	-17.95%	85,589	78,540	(7,049)	-8.98%
-	-	-	0.00%	-	-	-	0.00%
11,836	23,183	11,347	48.95%	304,884	278,196	(26,688)	-9.59%
35,789	6,209	(29,580)	-476.41%	267,136	72,878	(194,258)	-266.55%
<b>738,088</b>	<b>625,589</b>	<b>(112,499)</b>	<b>-17.98%</b>	<b>8,015,985</b>	<b>7,523,991</b>	<b>(491,994)</b>	<b>-6.54%</b>
<b>(120,211)</b>	<b>(71,597)</b>	<b>(48,614)</b>	<b>67.90%</b>	<b>(1,053,067)</b>	<b>(1,021,952)</b>	<b>(31,115)</b>	<b>3.04%</b>
-	-	-	0.00%	-	-	-	0.00%
<b>(120,211)</b>	<b>(71,597)</b>	<b>(48,614)</b>	<b>67.90%</b>	<b>(1,053,067)</b>	<b>(1,021,952)</b>	<b>(31,115)</b>	<b>3.04%</b>

**Bedford Regional Medical Center  
Statement of Cash Flows (unaudited)**

	Month		Year to Date	
	Dec-07 Actual	Dec-07 Budget	YTD Actual	YTD Budget
Net Income or Loss	292,141	135,698	2,926,585	3,721,007
Restricted Donations for Property	(529)	0	(1,490)	0
<b>Net Increase (Decrease) in Net Assets</b>	<b>291,612</b>	<b>135,698</b>	<b>2,925,095</b>	<b>3,721,007</b>
Depreciation and Amortization	162,976	249,125	2,145,563	2,764,500
<b>Changes in Assets and Liabilities</b>				
Patient AR	462,407	0	(1,323,087)	(801,162)
Inventories	(161,711)	0	(195,988)	(6,049)
Prepaid Expenses and Other	185,308	0	541,911	(544,751)
Accounts Payable - Vendors	(52,460)	0	(125,330)	(484,443)
Accounts Payable - Others	(62,143)	0	56,752	(161,882)
Accrued Expense (Pension)	(2,561)	0	(28,273)	0
Other Liabilities	144,108	0	(394,102)	1,063,260
<b>Net Cash Provided (Used in) by Operating Activities</b>	<b>967,536</b>	<b>384,823</b>	<b>3,602,541</b>	<b>5,550,480</b>
<b>Investing Activities</b>				
Purchase of Property, Plant and Equipment (net of disposals)	(139,451)	(250,000)	(1,557,688)	(1,430,139)
Other Change in Net Assets	2	(21,182)	24,738	(146,256)
(Increase) / Decrease in Funds Held by Trustee	0	0	0	0
<b>Net Cash Used in Investing Activities</b>	<b>(139,449)</b>	<b>(271,182)</b>	<b>(1,532,950)</b>	<b>(1,576,395)</b>
<b>Financing Activities</b>				
Increase / (Decrease) in Debt	(376,610)	(355,429)	(1,755,447)	(2,404,236)
<b>Net Cash Provided / (Used) in Financing Activities</b>	<b>(376,610)</b>	<b>(355,429)</b>	<b>(1,755,447)</b>	<b>(2,404,236)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>451,477</b>	<b>(241,788)</b>	<b>314,144</b>	<b>1,569,849</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>2,219,680</b>	<b>3,807,584</b>	<b>2,357,013</b>	<b>1,995,947</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>2,671,157</b>	<b>3,565,796</b>	<b>2,671,157</b>	<b>3,565,796</b>

**Bedford Regional Medical Center**  
**Accounts Receivable Aging Analysis**  
**December 31, 2007**

Days	Medicare	Medicaid	Blue Cross	Other Ins	Self Pay	Total	Prior Month	Change	% Change
In-house and not billed	963,060	28,430	164,381	83,187	51,162	1,290,220	1,376,259	(86,039)	-6.3%
0-30	2,458,133	445,807	1,848,701	1,213,731	385,787	6,352,159	7,887,014	(1,534,855)	-19.5%
31-60	790,200	142,357	577,214	748,656	532,130	2,790,557	2,665,574	124,983	4.7%
61-90	150,961	72,251	270,935	428,630	629,747	1,552,524	1,289,401	263,123	20.4%
91-120	53,447	52,652	85,564	225,228	582,107	998,998	1,116,205	(117,207)	-10.5%
121-150	15,907	8,173	48,620	150,011	674,296	897,007	858,427	38,580	4.5%
151-180	12,363	2,908	32,977	34,271	558,656	641,175	651,240	(10,065)	-1.5%
181-365	54,011	30,870	(27,710)	138,826	3,095,467	3,291,464	3,357,964	(66,500)	-2.0%
<b>Total</b>	<b>4,498,082</b>	<b>783,448</b>	<b>3,000,682</b>	<b>3,022,540</b>	<b>6,509,352</b>	<b>17,814,104</b>	<b>19,202,084</b>	<b>(1,387,980)</b>	<b>-7.2%</b>

<b>Total</b>	<b>4,498,082</b>	<b>783,448</b>	<b>3,000,682</b>	<b>3,022,540</b>	<b>6,509,352</b>	<b>17,814,104</b>	<b>19,202,084</b>	<b>(1,387,980)</b>	<b>100.0%</b>
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**Other Items:**

GE System						1,474,702	1,471,754	2,948	0%
Miscellaneous Accounts Receivable						228,185	230,235	(2,050)	-1%
Adjusted AR					(A)	19,516,991	20,904,073	(1,387,082)	-7%
Less: Allowance for Contractuals						(5,842,941)	(6,674,732)	831,791	-12%
Gross Accounts Receivable after allowance for contractuals						13,674,050	14,229,341	(555,291)	-4%
Less: Allowance for Bad Debts						(5,954,521)	(6,047,405)	92,883	-2%
Net Accounts Receivable					(B)	7,719,528	8,181,936	(462,408)	-6%
<b>Analytical Relationships (anticipated net realizable % of Adjusted AR)</b>						<b>39.6%</b>	<b>39.1%</b>		

**Gross Days = (A)/ Gross Charges per Day**

**Net Days = (B)/ Net Charges per Day**

**Gross Charges per Day**

**Net Charges per Day**

	58	64	(6)	(9%)
	51	56	(5)	-8%
	325,352	346,282	(20,930)	-6%
	147,157	158,117	(10,960)	-7%

BRMC								
ADMISSIONS BY SPECIALTY AND PAYCLASS								
INCLUDING SWINGBED AND NEWBORNS								
FOR THE MONTHS ENDING DECEMBER 2007 AND DECEMBER 2006								
			#	%			#	%
			VAR.	VAR.			VAR.	VAR.
	1 MO	1 MO	2007 VS	2007 VS	FYTD	FYTD	2007 VS	2007 VS
SPECIALTY	Dec-07	Dec-06	2006	2006	Dec-07	Dec-06	2006	2006
INTERNAL MEDICINE	67	61	6	10%	796	815	-19	-2%
OB/GYN	10	5	5	100%	163	157	6	4%
PEDIATRICS	15	26	-11	-42%	180	209	-29	-14%
SURGICAL	12	17	-5	-29%	190	223	-33	-15%
FAMILY PRACTICE	40	36	4	11%	409	385	24	6%
TOTALS	144	145	-1	-1%	1,738	1,789	-51	-3%
	=====	=====	=====		=====	=====	=====	
PAYCLASS								
MEDICARE	83	83	0	0%	983	1012	-29	-3%
COMMERCIAL	18	20	-2	-10%	208	237	-29	-12%
SELF PAY	8	4	4	100%	124	124	0	0%
MEDICAID	9	16	-7	-44%	160	173	-13	-8%
BLUE CROSS	26	22	4	18%	263	243	20	8%
TOTALS	144	145	-1	-1%	1,738	1,789	-51	-3%
	=====	=====	=====		=====	=====	=====	
PAYCLASS-% OF TOTAL								
MEDICARE	57.6%	57.2%	0.4%	1%	56.6%	56.6%	0.0%	0%
COMMERCIAL	12.5%	13.8%	-1.3%	-9%	12.0%	13.2%	-1.3%	-10%
SELF PAY	5.6%	2.8%	2.8%	101%	7.1%	6.9%	0.2%	3%
MEDICAID	6.3%	11.0%	-4.8%	-43%	9.2%	9.7%	-0.5%	-5%
BLUE CROSS	18.1%	15.2%	2.9%	19%	15.1%	13.6%	1.5%	11%
TOTALS	100%	100%	0%	0%	100%	100%	0%	0%
	=====	=====	=====		=====	=====	=====	