Office of Missouri State Auditor

Nicole Galloway, CPA

Pemiscot Memorial Health Systems

Report No. 2017-150
December 2017

auditor.mo.gov

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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Pemiscot Memorial Health Systems

Financial Condition	The Pemiscot Memorial Health Systems (hospital) is in poor financial condition. The hospital has continued to operate at a deficit level since at least the year ended December 31, 2013, with operating expenses exceeding operating revenues each year.
Accounting Controls and Procedures	Several weaknesses exist with the hospital's accounting controls and procedures, including a lack of petty cash tracking and inadequate tracking of fundraiser monies. The hospital does not maintain a ledger for the petty cash fund. The hospital is not properly tracking and recording restricted monies generated from in-house fundraisers.
Sunshine Law	The Board generally meets once per month and did not always comply with the Sunshine Law. Some topics discussed and voted on in closed Board meetings were not allowable under the Sunshine Law. Minutes for closed session meetings did not always include sufficient details of the topics discussed.
Electronic Data Security	Controls over hospital computers are not sufficient. Network passwords and some computer systems passwords are not required to be periodically changed by employees. The hospital does not periodically test backup data. The hospital has not fully established controls for maintaining user accounts for accessing system resources. As of June 2017, 10 former hospital employees still had access to computer systems and information. One employee had access to computer systems 480 days after termination.

In the areas audited, the overall performance of this entity was **Good**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Pemiscot Memorial Health Systems
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Eric Greitens, Governor
and
Pemiscot Memorial Health Systems Board of Trustees
and
Pemiscot County Commission
Hayti, Missouri

We have audited certain operations of the Pemiscot Memorial Health Systems in fulfillment of our duties under Chapter 29, RSMo. This audit is included in a series of rural health care audits, which focus on financial and operating best practices at various acute care facilities that are critical to their local community. The objectives of our audit were to:

1. Evaluate internal controls over significant management and financial functions as they relate to the financial condition of the care facility.

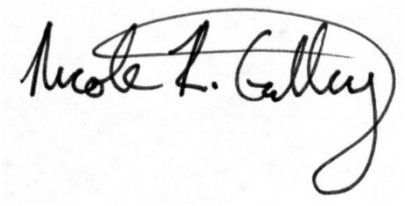
2. Evaluate compliance with certain legal provisions as they relate to the financial condition of the care facility.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions, as they relate to the financial condition of the care facility.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the health systems' management and was not subjected to the procedures applied in our audit.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in certain management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Pemiscot Memorial Health Systems.



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Pemiscot Memorial Health Systems
Introduction

Background

On August 14, 1945, $350,000 in revenue bonds were issued for the construction of a new hospital in Hayti, Missouri. The bonds were to be repaid with proceeds from a property tax levy. Additional funding sources, including federal aid, helped fund the construction of the hospital. The hospital opened in August of 1951 as a 36 bed acute care facility, and has expanded several times through major building additions, acquisition of other facilities such as clinics, and establishment of new units.

On March 5, 1952, Pemiscot County voters approved a property tax levy of $0.20 per $100 of assessed valuation for maintenance of the hospital and $0.10 per $100 of assessed valuation for a sinking fund.[1] In April 1984, voters approved increasing the property tax levy to $0.34 per $100 of assessed valuation. In April 2014, voters approved increasing the property tax levy to $0.4163 per $100 of assessed valuation.

In 1990, Pemiscot County voters approved a major bond issue for the construction of the nursing home addition and expansion of the dietary area. This bond issue was extended in 1995 to purchase the Caruthersville Nursing Center for $2.8 million. On September 1, 2004, the Pemiscot Memorial Health Systems (hospital) issued new bonds totaling $4,265,000 for the purpose of refunding the 1990 and 1995 bonds. The 2004 bonds were retired on schedule in September 2014.

The hospital currently consists of a 49 bed acute care unit, 52 bed behavioral health unit, and a 66 bed long term care facility. The hospital also operates seven primary care clinics, an urgent/convenient care clinic, and a diagnostic center.

The hospital is the largest employer in Pemiscot County and is vital to the local communities and residents served. According to data from the Missouri Hospital Association, there is only 1 Missouri hospital in a 25-mile radius (Kennett) and only 3 Missouri hospitals in a 50-mile radius (Kennett, Sikeston, and Dexter) from Hayti.

Scope and Methodology

The scope of our audit included, but was not necessarily limited to, the hospital's fiscal year ending December 31, 2016.

We reviewed payroll records, expenditure documentation, and contracts of the hospital. Our review of payroll records included a review of salaries and wages paid to all employees. Our review of expenditure documentation included a general review of disbursements from the hospital's general fund and the petty cash fund. Our review of contracts included the Board of

[1] The sinking fund was used to accumulated monies for repayment of debt (including bonds) or replacement of assets. The sinking fund no longer exists.

Trustees' (Board) oversight of contracts and a review of space leased from other entities.

Our methodology also included conducting interviews with appropriate hospital personnel and reviewing of Board meeting minutes and other pertinent documents.

We obtained an understanding of the internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed risk that illegal acts, including fraud, and violation of applicable contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

1. Financial Condition

The Pemiscot Memorial Health Systems (hospital) is in poor financial condition. The hospital's financial statements are reviewed[2] separately from the county, with the last financial statement review report issued for the year ended December 31, 2016. Each of the last four reports identified a going concern issue with the hospital (conditions and events given rise an uncertainty about the entity's ability to continue).

As shown in Table 1, the hospital has continued to operate at a deficit level since at least the year ended December 31, 2013, with operating expenses exceeding operating revenues each year. The annual operating loss decreased in 2014 and again in 2015, but significantly increased again in 2016 primarily due to a decrease in operating revenues.

Table 1: Revenues, Expenses, Operating Losses, and Changes in Net Position

		Fiscal Year Ended December 31,			
		2016 (unaudited)	2015 (unaudited)	2014 (unaudited)	2013 (unaudited)
Operating revenue	$	32,405,038	35,342,467	32,418,195	32,846,606
Operating expense		(34,570,203)	(35,928,779)	(34,856,798)	(37,150,284)
Operating Loss		(2,165,165)	(586,312)	(2,438,603)	(4,303,678)
Non-operating revenue		3,078,253	638,815	577,364	551,659
Change in Net Position	$	913,088	52,503	(1,861,239)	(3,752,019)

The financial statement review report indicates the ending cash balance per the balance sheet as of December 31, 2016 totaled $602,308, with total operating expenditures of approximately $34.6 million for the year. The hospital's year end operating cash balance was sufficient to cover only 6.4 days of operating expense.

Factors contributing to financial condition

Several key factors have contributed to the poor financial condition of the hospital, including a significant amount of unreimbursed and uncompensated care, problems generating sufficient cash flows to sustain operations, and significant dependency on debt.

According to data from the United States Census Bureau and the Bootheel Network for Health Improvement, Pemiscot County has a high rate of poverty and a large percentage of the population in Pemiscot County and surrounding areas are uninsured or are insured by Medicare or Medicaid. The hospital is required to treat[3] a patient regardless of whether the patient has insurance or

[2] An independent accounting firm performs annual reviews of the hospital's financial statements. A review is substantially less in scope than an audit, and the accounting firm does not express an opinion on the financial statements as a whole.

[3] Federal law, including the Emergency Medical Treatment and Labor Act (EMTALA), ensures public access to emergency services regardless of an individual's ability to pay.

the ability to pay. As a result, the hospital provides a significant amount of uncompensated care. See Table 2 for a breakdown of unreimbursed and uncompensated care as reported in the hospital's annual cost reports.

Table 2: Unreimbursed and Uncompensated Care

	Fiscal Year Ended December 31,			
	2016	2015	2014	2013
Uncompensated Medicaid costs (1)	$ 642,816	1,601,083	1,846,994	1,775,240
Charity Care	343,127	356,075	280,343	412,685
Cost of non-Medicare and non-reimbursable Medicare bad debt expense	2,981,750	2,599,397	3,980,567	3,221,880
Total unreimbursed and uncompensated care cost	$ $3,967,693	4,556,555	6,107,904	5,409,805

(1) The difference between net revenues and costs for the Medicaid program.

Source: Annual Hospital and Hospital Health Care Complex Cost Report Certification and Settlement Summary report (Form CMS-2552-10) prepared by an independent accounting firm.

The hospital is heavily reliant on long-term debt. As noted in the hospital's most recent financial statement review report, the ending balance of notes payable and capital lease obligations at December 31, 2016 was approximately $3.5 million. In addition, the hospital recently extended multiple loans and a line of credit past their maturity dates. The hospital had 3 loans with an original amount totaling approximately $5.65 million that were scheduled to mature in 2017, but all 3 loans were extended (at a lesser amount to 2018). The hospital also has a line of credit in the original amount of $330,000 scheduled to mature in 2017 that was extended to 2018.

In addition, as noted in the hospital's most recent financial statement review report the hospital has accrued a repayment liability of approximately $1.2 million to repay certain portions of Medicaid Disproportionate Share Hospital (DSH) funding that were overpaid in prior years, and penalties of approximately $742,0000 as a result of not offering employee health insurance benefits as required by federal law for a brief period of time.

The hospital has experienced difficulty generating sufficient cash flows to sustain operations. For example, in March 2016 the hospital borrowed $1.2 million to pay past due accounts payable. We reviewed an aging of accounts payable as of June 2017 and noted about 25 percent of the accounts payable were more than 90 days past due. While the situation may have somewhat improved, the hospital is still highly susceptible to future uncertainties regarding cash flow.

Future federal funding uncertain

The hospital is heavily reliant on revenue from federal and state programs. As noted in Appendix B, this revenue as a percent of the hospital's total

revenue have increased from 75 percent in 2013 to 78 percent in 2015. Thus, any future reductions in funding from Medicare, Medicaid, the Children's Health Insurance Program, or the DSH program would likely have a significantly detrimental effect on the hospital's financial condition and could put future operations at risk.

While federal law requires state Medicaid programs make DSH payments to qualifying hospitals that serve a large number of Medicaid and uninsured individuals, provisions in the Affordable Care Act stipulate that DSH payments are to be gradually reduced starting October 1, 2017. According to data received from the Missouri Department of Social Services - MO HealthNet Division, the hospital received DSH payments of $1,143,186, and $1,348,836 during federal fiscal years 2015 and 2016, respectively.

Statewide performance comparison

To evaluate the performance of the hospital relative to statewide averages of other hospitals we obtained statewide hospital data from the Missouri Department of Health and Senior Services. Our analysis determined the hospital's occupancy rate was comparable to state averages for 2013 and 2014, but significantly declined in 2015 to 36.8 percent from 44.6 percent in 2014 and was below the 2015 statewide average of 46.2 percent. In addition, the hospital generates revenues per bed and governmental revenues per Medicare discharge at a significantly lower rate than other peer hospitals. Revenues per bed have been slowly declining since 2013. The low governmental revenue per Medicare discharge becomes especially relevant considering the hospital generates significantly more revenue from Medicare and Medicaid sources than the statewide average. The reasons for the low revenue per bed, and low governmental revenues per Medicare discharge are beyond the scope of our audit; however, additional investigation is warranted and could help improve the financial condition of the hospital. See Table 3 for comparative data for 2015 (most recent year available), and Appendix B for additional comparative data.

Table 3: Statewide Average Comparison for Fiscal Year Ended December 31, 2015

		Pemiscot Memorial Health Systems	Statewide Average
Revenues Per Bed	$	310,434	943,920
Payroll Expense Per Bed	$	168,052	400,007
Medicare Revenues Per Medicare Discharge	$	37,664	65,028

Board monitoring and actions

The Board approves an annual operating and capital budget and actively monitors the monthly and year to date performance of revenues and expenses compared to the budget. In addition, the Board has taken various actions to help increase operating revenues or decrease operating expenses. For example, in 2015 the hospital started participating in a federal prescription drug program for low-income patients that provides additional operating

revenues. Also, in 2016 the hospital sold the Caruthersville long-term care nursing facility to reduce operating expenses.

Conclusion

The financial condition of the hospital needs to continually be monitored by the Board and the Board should continue efforts to improve the financial condition to ensure the hospital can remain operational. Thus far the Board's efforts have not resulted in a significant improvement or stabilization of the hospital's financial condition. Given the poor financial condition and heavy reliance on revenue from federal and state programs, future reductions in funding from these programs could severely threaten the hospital's ability to continue to operate.

Recommendation

The Board continue to monitor the financial condition of the hospital and explore all options to improve the hospitals financial condition, including a review of federal billing procedures, to ensure the healthcare needs of Pemiscot County citizens continue to be met.

Auditee's Response

The Board has and will continue to monitor the financial condition of the hospital and explore all options to improve the hospital's financial condition. Over the past five years the LAGERS actuarial calculation has caused the hospital to overfund its retirement plan by $11 million. The board is exploring all options to recover the excess funding to utilize those funds to stabilize the hospital's financial condition, implement new service lines, and upgrade the hospital's physical plant.

2. Accounting Controls and Procedures

Several weaknesses exist with the hospital's accounting controls and procedures, including a lack of petty cash tracking and inadequate tracking of fundraiser monies.

2.1 Petty cash

The hospital does not maintain a ledger for the petty cash fund. In addition, adequate documentation is not always retained for petty cash disbursements. During fiscal year 2016, the hospital processed transactions totaling approximately $6,000 to replenish the balance of the petty cash fund.

Accounting policies and procedures indicate a petty cash fund of $650 should be maintained on an imprest basis at the hospital. A petty cash ledger is not maintained to document transactions and the balance of the fund; thus, there is less assurance the hospital maintains the petty cash fund on an imprest basis. In addition, we reviewed individual vouchers supporting two petty cash replenishments and noted many vouchers did not include a receipt or other supporting documentation, and the description (purpose or reason) for the transaction included few details.

Maintaining a petty cash ledger that documents receipts, disbursements, and the balance of the petty cash fund, as well as retaining adequate

documentation to support all disbursements made from the fund would help ensure all activity of the petty cash fund is properly accounted for and documented.

2.2 Fundraiser monies

The hospital is not properly tracking and recording restricted monies generated from in-house fundraisers.

The hospital sponsors in-house fundraisers to generate funds that are specifically to be used for (1) employee assistance payments to be issued to employees requesting financial assistance for various reasons with approval from the Chief Executive Officer and (2) certain other purposes such games and activities for nursing home residents. Receipts from these fundraisers are deposited in the general account and are not separately tracked. As a result, personnel cannot identify what portion of the general account balance represents fundraiser monies and cannot demonstrate disbursements of the funds are allowable or appropriate.

Recording receipts and disbursements of restricted monies in a separate fund or separately tracking restricted monies from the hospital's general revenues would help ensure restricted monies are used for their intended purpose.

Recommendations

The Board:

2.1 Ensure a petty cash ledger is maintained and ensure adequate supporting documentation is submitted and retained for all petty cash disbursements.

2.2 Establish procedures to separately account for the receipt and disbursement of in-house fundraiser monies.

Auditee's Responses

2.1 The Board has ensured a petty cash ledger has been created and maintained and ensured that adequate supporting documentation is being submitted and retained for all petty cash disbursements.

2.2 The Board will establish procedures to separately account for the receipt and disbursement of in-house fundraiser money.

3. Sunshine Law

The Board generally meets once per month and did not always comply with the Sunshine Law (Chapter 610, RSMo).

3.1 Allowable topics

Some topics discussed and voted on in closed Board meetings were not allowable under the Sunshine Law. Items inappropriately discussed by the Board in closed sessions included a group health plan analysis at the March 20, 2014, meeting and an alternate location for a primary care clinic at the April 17, 2014, meeting.

Section 610.021, RSMo, provides that the discussion topics and actions in closed meetings should be limited to only those specifically allowed by law.

3.2 Insufficiently detailed meeting minutes

Minutes for closed session meetings did not always include sufficient details of the topics discussed. During our review of closed session minutes, we noted three instances where the topic of the meeting could not be determined, and we could not determine if the discussion was restricted to only allowable topics.

Such documentation is important to both demonstrate compliance with statutory provisions and provide information for future reference should concerns or questions be raised regarding topics addressed in closed meetings. Sections 610.020, 610.021 and 610.022, RSMo, provide requirements regarding closure of meetings and documentation.

Recommendations

The Board:

3.1 Ensure only topics allowed by state law are discussed in closed Board meetings.

3.2 Ensure closed meeting minutes include sufficient detail necessary to provide a complete record of all significant matters discussed and actions taken.

Auditee's Responses

3.1 The Board will ensure only topics allowed by state law are discussed in closed Board meetings.

3.2 The Board will ensure closed meeting minutes include sufficient detail necessary to provide a complete record of all significant matters discussed and actions taken.

4. Electronic Data Security

Controls over hospital computers are not sufficient. As a result, hospital records are not adequately protected and are susceptible to unauthorized access or loss of data. In addition, accounts assigned to former hospital employees are not always removed timely.

4.1 Password controls

Network passwords and some computer systems passwords are not required to be periodically changed by employees. As a result, there is less assurance passwords effectively limit access to computer system and data files to only authorized users and those individuals who need access to perform their job responsibilities. Periodically changing passwords would help reduce the risk of unauthorized access to and use of systems and data.

Without requiring passwords to be periodically changed, there is an increased risk of a password becoming known by someone other than the account

owner, which may result in inappropriate access to and misuse of sensitive information.

4.2 Data backup

The hospital does not periodically test backup data.

According to accepted information technology standards, organizations should test data backups to verify media reliability and information integrity. Testing is necessary to determine whether backup data will function as intended and whether critical data and programs recovered from backups are accessible and current.

4.3 User accounts

The hospital has not fully established controls for maintaining user accounts for accessing system resources. As a result, accounts assigned to former employees are not always removed timely.

While certain procedures for removing access are in place, the hospital has not documented or fully established policies and procedures for disabling or removing user accounts timely after a user terminates. The hospital utilizes two computer systems, one for the hospital and another for the clinics, for maintaining electronic medical records. As of June 2017, 10 former hospital employees still had access to computer systems and information. One employee had access to computer systems 480 days after termination.

Without effective procedures to remove access, terminated employees could continue to have access to critical or sensitive resources or have opportunities to sabotage or otherwise impair entity operations or assets. Additionally, the Health Insurance Portability and Accountability Act requires the hospital to follow 45 CFR Section 164.308, that requires implementation of procedures for terminating access to electronic protected health information when the employment of a workforce member ends. The failure to perform timely reviews of user access rights and remove all terminated employees' access on a timely basis increases the risk of unauthorized access and may compromise the confidentially and integrity of hospital data.

Recommendations

The Board:

4.1 Ensure passwords are periodically changed to prevent unauthorized access to computers and data.

4.2 Ensure backup data is tested on a regular basis.

4.3 Fully establish, document, and follow policies and procedures to ensure user accounts and related access privileges are removed timely upon user termination.

Auditee's Responses

4.1 *The Board will ensure procedures are established so that passwords are changed on a timely basis to prevent unauthorized access to computers and data.*

4.2 *The Board will ensure IT staff will test backup data on a monthly basis.*

4.3 *The Board will ensure user accounts and related access privileges are removed in conjunction with employee termination by Human Resource and IT staff.*

Pemiscot Memorial Health Systems
Organization and Statistical Information

Pemiscot Memorial Health Systems is headed by a five-member board of trustees. Each member is voted to a 5-year term, with no term limits. As of December 31, 2016, the Board consisted of the following members:

Member	Term Expires
Russell Gilmore, Chairman	April 2020
Delila Swinger, Vice Chairman (1)	April 2022
Stephen Reid, Secretary	April 2018
Tim Gardner, Treasurer	April 2021
Eddie Brooks, Trustee (2)	April 2019

(1) Delila Swinger was reelected to the Board in April 2017.

(2) Eddie Brooks resigned from the Board on April 25, 2017. Steve VanAusdall was appointed and sworn in by the County Commission on May 23, 2017.

The hospital provides medical services such as acute care, long term care, emergency services, surgical services, rehabilitation, radiology, respiratory therapy, clinical laboratory services, pharmacy, sleep medicine, behavioral health, weight loss and nutrition management, and nutrition and dietary services in Pemiscot County.

Mark Davis served as Chief Executive Officer (CEO) of the hospital from January 2016 to December 2016. Kerry Noble served as the CEO of the hospital from January 2017 to June 2017. The Board appointed Jim Marshall as CEO of the hospital effective August 1, 2017.

At December 31, 2016, the hospital employed 319 full-time employees, 35 part-time employees, and 95 as needed employees.

Appendix A

Pemiscot Memorial Health Systems
Statement of Revenues, Expenses, and Changes in Net Position

This appendix documents Pemiscot Memorial Health Systems financial statement reviewed by an independent CPA for the fiscal year ended December 31, 2016.

Operating Revenues		
Net patient service revenue	$	29,721,341
Other revenue		2,683,697
Total operating revenues		32,405,038
Operating Expenses		
Salaries and wages		16,099,313
Employee benefits		3,673,768
Supplies and other		14,195,808
Depreciation		601,314
Total operating expenses		34,570,203
Operating Income (Loss)		(2,165,165)
Non-operating Revenues (Expenses)		
County tax revenue		874,987
Interest expense		(169,757)
Investment and rental income		8,166
Gain on disposal of capital assets		2,364,857
Total non-operating revenues		3,078,253
Increase (Decrease) In Net Position		913,088
Net Position, Beginning of Year		11,971,056
Net Position, End of Year	$	12,884,144

Source: Pemiscot Memorial Health Systems reviewed Statement of Revenues, Expenses, and Changes in Net Position for fiscal year 2016.

Appendix B

Pemiscot Memorial Health Systems
Statewide Hospital Average Comparison

This appendix compares Pemiscot Memorial Health Systems revenues per bed, payroll expense per bed, Medicare governmental revenues per Medicare discharge, occupancy rate, and federal and state revenues as a percent of total revenues to the statewide average for fiscal years 2013, 2014, and 2015.

Data provided by the Missouri Department of Health and Senior Services indicates that as of December 31, 2015, there are 146 hospitals in Missouri. Of these 146 hospitals, the licensed bed capacity ranges from a minimum of 3 beds to a maximum of 1,485 beds. Pemiscot Memorial Health Systems has a licensed bed capacity of 167 beds. Various factors such as size, location, demographics, and others could affect comparability, but those factors are beyond the scope of this audit.

	2015			2014			2013		
	Pemiscot Memorial Health Systems	Statewide Average	Percent of Statewide Average	Pemiscot Memorial Health Systems	Statewide Average	Percent of Statewide Average	Pemiscot Memorial Health Systems	Statewide Average	Percent of Statewide Average
Revenues Per Bed [1]	$310,434	$943,920	32.9%	$316,892	$863,019	36.7%	$324,154	$828,722	39.1%
Payroll Expense Per Bed [2]	$168,052	$400,007	42.0%	$166,322	$376,638	44.2%	$165,728	$353,769	46.8%
Medicare Governmental Revenues Per Medicare Discharge [3]	$37,664	$65,028	57.9%	$33,909	$64,771	52.4%	$33,636	$57,906	58.1%
Occupancy Rate [4]	36.8%	46.2%		44.6%	45.0%		43.2%	44.4%	
Federal and State Revenues as a Percent of Total Revenues [5]	77.8%	62.2%		75.5%	59.6%		75.0%	59.6%	

Source: Missouri Department of Health and Senior Services and SAO calculations

[1] Revenues per bed = (total net patient revenue / number of staffed beds).

[2] Payroll expense per bed = (total payroll expenses / number of staffed beds).

[3] Medicare governmental revenues per Medicare discharge = (total Medicare governmental revenues / number of Medicare discharges).

[4] Occupancy rate = (inpatient days * 100) / (licensed bed capacity * 365).

[5] Federal and state revenues as a percent of total revenues = (Medicare revenues + Medicaid revenues) / (Medicare revenues + Medicaid revenues + total non-government revenues).