

TO: 3HC Board of Directors
FROM: Jennifer Whitley JW
DATE: March 31, 2025
SUBJECT: March 2025 President's Report

Hello 3HC Board,

I know you are all enjoying the wonderful Spring weather! Thank you to all who were able to support and/or attend our 1st Annual Spring Soiree on Friday night. We had great attendance, and everyone had a great time! I will update you when I get more information on how successful we were with this fundraiser.

Quality Performance Update

I am excited to announce that we have attained 5-star status for home health patient satisfaction (HHCAPHS). This is the first time we have achieved this for the Goldsboro Certificate of Need (CON) which includes all current home health locations. We will be celebrating and providing a small gift for all 3HC staff, which supports our culture that every department contributes to the agency's overall success.

3HC Board Portal

Although we are sending this report via email, we will be uploading this and February financial statements as our first portal documents!! You will be contacted soon, if not already to set up your access. My goal is for all Board correspondence going forward to be through the portal, except an occasional email informing you of uploads. Thank you for your patience and support with this much needed change.

CCHH Update

I will be attending the quarterly CCHH Foundation Board meeting on Wednesday April 16th. I plan to re-educate the directors on the hospice benefit as it relates to reimbursement, regulations, and the costs associated with operating an inpatient hospice center. I will ensure they understand our mission, vision, and values and what part the CCHH plays in our story. I will also request their consideration of a joint fundraising model that not only benefits the foundation but supports our operations.

Financial Performance

Year to date our operating margin is a loss of (\$539,063) compared to a budgeted loss of (\$868,726). Census volumes are low and under budget by \$2M. We have been successful in controlling expenses which are also under budget by \$2.34M.

Note: February should be the last month of this fiscal year for most expenses related to operating our Henderson office. We expect to realize these cost savings beginning in March along with other initiatives discussed at the last Board meeting.

Next Board Meeting

Monday, June 9, 2025, 6:00pm – Corporate Board Room (or virtually, if needed).

Attachments:

February 2025 Financials

cc: Darrell Brown, Corporate Attorney

Home Health and Hospice Care Balance Sheet

	Year To Date 02/28/2025 Current Year Balance	Year Ending 09/30/2024 Prior Year	Year To Date 02/28/2025 Difference
Assets			
Current Assets			
Cash and Cash Equivalents	606,120	758,646	(152,527)
Accounts Receivable, Net	8,522,605	8,638,625	(116,019)
Pledges Receivable	105,479	237,484	(132,005)
Other Current Assets	1,159,630	751,259	408,371
Total Current Assets	10,393,834	10,386,014	7,820
Long-term Assets			
Property & Equipment	4,192,874	4,369,710	(176,837)
Other Long-term Assets	2,275,717	2,470,387	(194,669)
Total Long-term Assets	6,468,591	6,840,097	(371,506)
Investments			
Long Term Investments	3,598,444	4,168,980	(570,535)
Total Investments	3,598,444	4,168,980	(570,535)
Total Assets	20,460,869	21,395,091	(934,221)
Liabilities and Net Assets			
Liabilities			
Short-term Liabilities			
Accounts Payable	1,253,207	1,301,180	(47,972)
Accrued Liabilities	2,329,732	2,715,366	(385,635)
Deferred Revenue	627,793	630,947	(3,154)
Notes Payable - Current Portion	34,073	33,152	920
Withholding Tax Payable	266,269	259,295	6,975
Other Short-term Liabilities	2,302,019	2,295,803	6,216
Total Short-term Liabilities	6,813,093	7,235,743	(422,650)
Long Term Liabilities			
Notes Payable - Long Term	5,874	20,422	(14,548)
Other Long-term Liabilities	140,084	291,573	(151,489)
Total Long Term Liabilities	145,958	311,995	(166,037)
Total Liabilities	6,959,051	7,547,738	(588,687)
Net Assets	13,501,818	13,847,353	(345,534)
Total Liabilities and Net Assets	20,460,869	21,395,091	(934,221)

Home Health and Hospice Care
Statement of Cash Flows - Direct Method
Year To Date 02/28/2025

	Actual
Cash flows from operating activities	
Cash received from services	24,509,575.13
Cash received from contributions	237,563.03
Cash received from investments	39,756.47
Miscellaneous receipts	12,103.69
Cash paid to employees suppliers	25,570,154.12
Total Cash flows from operating activities	<u>(771,155.80)</u>
Cash flows from investing activities	
Capital Expenditures	(25,314.05)
Purchase of long term investments and other assets	765,204.80
Net cash used by investing activities	<u>739,890.75</u>
Cash flows from financing activities	
Debt Proceeds	(281,241.12)
Net cash used by financing activities	<u>281,241.12</u>
Total Increase or Decrease in Cash	<u>(312,506.17)</u>
Cash, Beginning Period	<u>758,646.46</u>
Cash, End of Period	<u>606,119.78</u>

**Home Health and Hospice Care
Income Statement - Consolidated
February 28, 2025**

	Month Ending 02/28/2025			
	Actual	Operating Budget	Actual minus budget	Budget variance
Revenue Before Adjustments	4,324,402	5,345,428	(1,021,026)	(19.10) %
Adjustments to Revenue	691,940	975,904	(283,964)	(29.09) %
Total Revenue After Adjustments	3,632,461	4,369,523	(737,062)	(16.86) %
Wages	1,954,276	2,502,196	(547,920)	(21.89) %
Contracted Staff	417,993	436,847	(18,854)	(4.31) %
Benefits	689,518	622,983	66,534	10.67 %
Direct Patient Care	398,666	548,642	(149,976)	(27.33) %
Systems and Facilities	308,818	308,475	342	0.11 %
Other	142,699	182,760	(40,061)	(21.91) %
Total Direct Expenses	3,911,969	4,601,904	(689,935)	(14.99) %
Division Allocated Expenses	-	-	-	(100.00) %
Contribution Margin	(279,508)	(232,381)	(47,127)	20.28 %
Corporate Allocated Expenses	-	-	-	(100.00) %
Total Operating Expenses	3,911,969	4,601,904	(689,935)	(14.99) %
Net Operating Income/(Loss)	(279,508)	(232,381)	(47,127)	20.28 %
Other Revenue (Expense)	(49,708)	-	(49,708)	100.00 %
Excess Revenue Over Expenses	(329,216)	(232,381)	(96,835)	41.67 %

**Home Health and Hospice Care
Income Statement - Consolidated
February 28, 2025**

	Year To Date 02/28/2025			
	Actual	Operating Budget	Actual minus budget	Budget variance
Revenue Before Adjustments	24,396,852	27,191,648	(2,794,796)	(10.27) %
Adjustments to Revenue	4,215,171	4,994,757	(779,586)	(15.60) %
Total Revenue After Adjustments	20,181,681	22,196,891	(2,015,210)	(9.07) %
Wages	10,637,266	12,539,075	(1,901,809)	(15.16) %
Contracted Staff	2,206,384	2,123,818	82,567	3.88 %
Benefits	3,065,189	3,118,522	(53,334)	(1.71) %
Direct Patient Care	2,394,097	2,832,649	(438,552)	(15.48) %
Systems and Facilities	1,531,551	1,542,866	(11,316)	(0.73) %
Other	886,257	908,686	(22,429)	(2.46) %
Total Direct Expenses	20,720,743	23,065,617	(2,344,873)	(10.16) %
Division Allocated Expenses	-	-	-	(100.00) %
Contribution Margin	(539,063)	(868,726)	329,663	(37.94) %
Corporate Allocated Expenses	-	-	-	(100.00) %
Total Operating Expenses	20,720,743	23,065,617	(2,344,874)	(10.16) %
Net Operating Income/(Loss)	(539,063)	(868,726)	329,663	(37.94) %
Other Revenue (Expense)	172,529	-	172,529	100.00 %
Excess Revenue Over Expenses	(366,534)	(868,726)	502,192	(57.80) %

Home Health and Hospice Care Income Statement - Home Health February 28, 2025

	Month Ending 02/28/2025			
	Actual	Operating Budget	Actual minus budget	Budget variance
Revenue Before Adjustments	1,821,684	2,423,705	(602,022)	(24.83) %
Adjustments to Revenue	296,942	353,288	(56,346)	(15.94) %
Total Revenue After Adjustments	1,524,742	2,070,418	(545,676)	(26.35) %
Wages	727,969	1,035,359	(307,390)	(29.68) %
Contracted Staff	391,242	436,847	(45,605)	(10.43) %
Benefits	216,813	241,452	(24,639)	(10.20) %
Direct Patient Care	81,129	132,371	(51,242)	(38.71) %
Systems and Facilities	45,323	53,655	(8,332)	(15.52) %
Other	37,850	49,638	(11,788)	(23.74) %
Total Direct Expenses	1,500,327	1,949,324	(448,996)	(23.03) %
Division Allocated Expenses	-	11,717	(11,717)	(100.00) %
Contribution Margin	24,415	109,378	(84,963)	(77.67) %
Corporate Allocated Expenses	473,465	448,649	24,816	5.53 %
Total Operating Expenses	1,973,792	2,409,690	(435,897)	(18.08) %
Net Operating Income/(Loss)	(449,050)	(339,272)	(109,778)	32.35 %
Excess Revenue Over Expenses	(449,050)	(339,272)	(109,778)	32.35 %

Home Health and Hospice Care Income Statement - Home Health February 28, 2025

	Year To Date 02/28/2025			
	Actual	Operating Budget	Actual minus budget	Budget variance
Revenue Before Adjustments	10,679,417	11,748,155	(1,068,739)	(9.09) %
Adjustments to Revenue	1,592,911	1,708,813	(115,902)	(6.78) %
Total Revenue After Adjustments	9,086,505	10,039,342	(952,837)	(9.49) %
Wages	3,978,014	5,176,797	(1,198,783)	(23.15) %
Contracted Staff	2,086,892	2,123,818	(36,926)	(1.73) %
Benefits	1,191,672	1,207,262	(15,591)	(1.29) %
Direct Patient Care	581,709	641,177	(59,468)	(9.27) %
Systems and Facilities	227,989	268,141	(40,152)	(14.97) %
Other	224,901	242,980	(18,080)	(7.44) %
Total Direct Expenses	8,291,176	9,660,175	(1,368,999)	(14.17) %
Division Allocated Expenses	(467)	58,583	(59,051)	(100.79) %
Contribution Margin	795,797	320,584	475,213	148.23 %
Corporate Allocated Expenses	2,277,535	2,198,180	79,356	3.61 %
Total Operating Expenses	10,568,244	11,916,938	(1,348,694)	(11.31) %
Net Operating Income/(Loss)	(1,481,739)	(1,877,595)	395,856	(21.08) %
Excess Revenue Over Expenses	(1,481,739)	(1,877,595)	395,856	(21.08) %

Home Health and Hospice Care Income Statement - Home Hospice February 28, 2025

	Month Ending 02/28/2025			
	Actual	Operating Budget	Actual minus budget	Budget variance
Revenue Before Adjustments	1,895,324	2,310,983	(415,660)	(17.98) %
Adjustments to Revenue	346,640	535,052	(188,412)	(35.21) %
Total Revenue After Adjustments	1,548,684	1,775,931	(227,247)	(12.79) %
Wages	382,967	506,824	(123,857)	(24.43) %
Contracted Staff	26,430	-	26,430	100.00 %
Benefits	106,812	122,196	(15,384)	(12.58) %
Direct Patient Care	275,267	356,693	(81,426)	(22.82) %
Systems and Facilities	29,010	28,504	505	1.77 %
Other	7,261	9,516	(2,255)	(23.69) %
Total Direct Expenses	827,747	1,023,734	(195,986)	(19.14) %
Division Allocated Expenses	157,221	77,760	79,461	102.18 %
Contribution Margin	563,716	674,438	(110,722)	(16.41) %
Corporate Allocated Expenses	328,337	359,097	(30,761)	(8.56) %
Total Operating Expenses	1,313,305	1,460,591	(147,286)	(10.08) %
Net Operating Income/(Loss)	235,380	315,341	(79,961)	(25.35) %
Other Revenue (Expense)	(8,584)	-	(8,584)	100.00 %
Excess Revenue Over Expenses	226,796	315,341	(88,545)	(28.07) %

Home Health and Hospice Care **Income Statement - Home Hospice** **February 28, 2025**

	Year To Date 02/28/2025			
	Actual	Operating Budget	Actual minus budget	Budget variance
Revenue Before Adjustments	10,720,463	12,149,866	(1,429,403)	(11.76) %
Adjustments to Revenue	2,278,236	2,813,721	(535,484)	(19.03) %
Total Revenue After Adjustments	8,442,227	9,336,145	(893,918)	(9.57) %
Wages	2,142,142	2,534,120	(391,977)	(15.46) %
Contracted Staff	118,298	-	118,298	100.00 %
Benefits	565,947	610,979	(45,033)	(7.37) %
Direct Patient Care	1,583,296	1,874,714	(291,418)	(15.54) %
Systems and Facilities	144,872	142,434	2,438	1.71 %
Other	72,116	47,642	24,473	51.36 %
Total Direct Expenses	4,626,671	5,209,889	(583,219)	(11.19) %
Division Allocated Expenses	504,778	388,799	115,979	29.82 %
Contribution Margin	3,310,778	3,737,457	(426,679)	(11.41) %
Corporate Allocated Expenses	1,646,845	1,845,213	(198,368)	(10.75) %
Total Operating Expenses	6,778,294	7,443,902	(665,608)	(8.94) %
Net Operating Income/(Loss)	1,663,933	1,892,243	(228,310)	(12.06) %
Other Revenue (Expense)	(46,849)	-	(46,849)	100.00 %
Excess Revenue Over Expenses	1,617,084	1,892,243	(275,159)	(14.54) %

Home Health and Hospice Care Income Statement - IPU February 28, 2025

	Month Ending 02/28/2025			
	Actual	Operating Budget	Actual minus budget	Budget variance
Revenue Before Adjustments	607,385	610,739	(3,353)	(0.54) %
Adjustments to Revenue	48,359	87,565	(39,206)	(44.77) %
Total Revenue After Adjustments	559,026	523,174	35,852	6.85 %
Wages	246,049	301,536	(55,487)	(18.40) %
Contracted Staff	321	-	321	100.00 %
Benefits	73,501	82,364	(8,863)	(10.76) %
Direct Patient Care	34,657	48,027	(13,370)	(27.83) %
Systems and Facilities	60,464	48,322	12,142	25.12 %
Other	3,823	6,388	(2,565)	(40.14) %
Total Direct Expenses	418,814	486,637	(67,822)	(13.93) %
Division Allocated Expenses	(26,573)	72,900	(99,473)	(136.45) %
Contribution Margin	166,785	(36,362)	203,147	(558.67) %
Corporate Allocated Expenses	232,632	172,087	60,544	35.18 %
Total Operating Expenses	624,872	731,624	(106,751)	(14.59) %
Net Operating Income/(Loss)	(65,846)	(208,449)	142,603	(68.41) %
Other Revenue (Expense)	(2,146)	-	(2,146)	100.00 %
Excess Revenue Over Expenses	(67,992)	(208,449)	140,457	(67.38) %

**Home Health and Hospice Care
Income Statement - IPU
February 28, 2025**

Year To Date
02/28/2025

	Actual	Operating Budget	Actual minus budget	Budget variance
Revenue Before Adjustments	2,996,912	3,293,627	(296,715)	(9.00) %
Adjustments to Revenue	344,024	472,223	(128,199)	(27.14) %
Total Revenue After Adjustments	2,652,888	2,821,404	(168,516)	(5.97) %
Wages	1,268,064	1,507,679	(239,615)	(15.89) %
Contracted Staff	1,195	-	1,195	100.00 %
Benefits	385,126	411,822	(26,696)	(6.48) %
Direct Patient Care	186,931	259,003	(72,072)	(27.82) %
Systems and Facilities	282,850	241,610	41,240	17.06 %
Other	26,156	31,975	(5,820)	(18.20) %
Total Direct Expenses	2,150,320	2,452,088	(301,768)	(12.30) %
Division Allocated Expenses	173,620	364,499	(190,880)	(52.36) %
Contribution Margin	328,948	4,816	324,132	6,729.64 %
Corporate Allocated Expenses	1,050,266	888,191	162,074	18.24 %
Total Operating Expenses	3,374,205	3,704,779	(330,573)	(8.92) %
Net Operating Income/(Loss)	(721,317)	(883,375)	162,058	(18.34) %
Other Revenue (Expense)	(7,802)	-	(7,802)	100.00 %
Excess Revenue Over Expenses	(729,120)	(883,375)	154,255	(17.46) %