

Financial Statement Analysis of St. Anthony Medical Center's

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Introduction

The purpose of this report is to provide detailed analysis on St. Anthony Medical Center's recent financial performance, its existing debts, and the projected financial position for the subsequent fiscal year. St. Anthony Medical Center's possessions will be compared to its liabilities, the expansion or decline of its financial records receivable from one year to the next will be comprehensive, and the hospital's financial tasks and future consequences will be evaluated.

Financial Position

St. Anthony Medical Center's balance sheet examination reveals necessary information about the hospital's financial well-being. As per the hospital's recent annual balance report (dated June 30), the facility's total possessions are \$199,030,193, and its total liabilities are \$231,341,925. That means the hospital has additional debt than possessions, giving it a negative net worth. The negative stability in the financial records is a big matter for the members of St. Anthony Medical Center. That the hospital has insufficient funds to meet its financial responsibilities and operate efficiently is indicated. This negative cash balance may be due to several circumstances, such as higher spending, lower income, or inadequate cash flow management (Finkler et al., 2022).

The debt incurred by St. Anthony Medical Center due to its expansion projects is a significant cause of the current financial crisis. The initial costs of an expansion might be relatively high, draining the company's financial resources. Financial difficulties could be exacerbated because of the drop in income caused by fewer patients being admitted during construction. St. Anthony Medical Center has various resources, such as money in the bank, accounts receivable, inventory, prepaid costs, real estate, machinery, and other investments. It is vital to remember, however, that a negative net worth means that debts are more significant than assets.

Accounts payable, Accrued Compensation and Related Liabilities, Accrued Expenses, and Long-Term Debt are all liabilities at St. Anthony Medical Center. All the hospital owes and is obligated to pay may be seen here as liabilities. In other words, the medical facility has been losing money for some time, as shown by the negative retained profits (Kaye et al., 2021). Many options exist for enhancing the hospital's financial standing at St. Anthony Medical Center. The first order of business is for the hospital to do better at handling its money. To do this, companies should optimize their billing and collection procedures, get more advantageous payment terms from their suppliers, and keep a careful

eye on their spending to ensure it doesn't exceed their cash flow.

There is also a need for St. Anthony Medical Center to look for ways to boost income while decreasing costs. Improving operational efficiency, reducing costs without sacrificing the quality of treatment, and optimizing patient admissions are all ways to achieve this goal. Adding additional services or forming [strategic alliances](#) are also options for the hospital to broaden its financial foundation. Also crucial for the future of St. Anthony Medical Center is creating a detailed financial strategy and budget for the following year. Accounts payable and long-term debt are two examples of financial responsibilities that should be included in this strategy and given priority to ensure that they are met.

Compare Financial Position to Previous Years

Comparing the balance sheets from different years might shed light on the evolution of St. Anthony Medical Center's assets and liabilities. The medical facility had \$214,746,650 in assets and \$234,100,457 in liabilities two years previously. The following year, assets and liabilities declined, with the former totaling \$192,050,099 and the latter \$223,119,826. There are more than a few possible explanations for the drop in possessions that occurred between the previous two years and the existing year. This may be due to the reduction of accessible assets or the strategic preference of the medical center to sell off various assets. The market or the therapeutic center's overall financial presentation may have also altered the value of the facility's possessions.

The medical center has achieved progress in lessening its financial duties, as seen by the drop in liabilities from the two years before to the subsequent year. This might result from competent debt management procedures, such as debt remuneration or refinancing. It may also specify better financial achievement that has condensed the need for additional funding (Lukkarinen et al., 2016). It should be noted, however, that the center's liabilities still outweigh its assets, giving it a negative net value.

To further strengthen the financial situation, St. Anthony Medical Center should continue concentrating on methods that expand its asset base and lower its liabilities. Efforts like improving patient admissions, streamlining operations, and finding untapped sources of income fit under this category. The debt at the medical institution should be well managed to ensure it remains manageable and sustainable. In addition, St. Anthony Medical Center has to ensure that its long-term goals and objectives are reflected in its budgets and financial plans by conducting frequent reviews and updates. This will help the medical center to deploy resources efficiently, analyze financial performance, and make educated choices to enhance its financial situation.

Accounts Receivable Changes

Revenue collection and billing practices at St. Anthony Medical Center might be better understood by looking at how accounts receivable have evolved. Accounts receivable started at \$46,165,929 two

years ago, dropped to \$39,102,464 the following year, and are now at \$32,410,207. A declining AR ratio may signify that the hospital has been effective in increasing revenue collection or introducing new billing and collection procedures. A rise in collected funds may arise from more effective billing procedures, more straightforward explanations of patients' financial responsibility, or rigorous pursuit of overdue payments. The total amount of accounts receivable may have been reduced due to these efforts (Sacarny, 2018).

Accounts receivable may be decreasing because of adjustments made to billing and collection procedures. Get an invoice from St. Anthony Medical Center. It may look different because the facility has introduced new systems or processes to enhance billing accuracy and efficiency. The accounts receivable amount may go down if these adjustments improve payment collection.

Understanding St. Anthony Medical Center's financial health requires carefully examining the shifts in accounts receivable. The hospital is doing an excellent job of controlling its cash flow and revenue collection if accounts receivable are going down. It's a good sign that the company is taking steps to assure prompt payment from patients and other organizations, which may boost its long-term viability.

Financial Obligations

St. Anthony Medical Center's present liabilities for the following year may be determined by a financial analysis of the institution's commitments. Accounts payable, accumulated salary and associated obligations, other accrued costs, and maturing long-term debt are all examples. A medical center's accounts payable are the sums owing to its vendors and suppliers for supplies and services that were provided but still need to be paid for. Wages, salary, and benefits are examples of accrued compensation and associated obligations. Costs like rent, electricity, and insurance premiums are other accumulated expenditures. When discussing long-term debt, "current maturities" refers to the debt due during the following calendar year.

St. Anthony Medical Center must consider these financial commitments to guarantee timely payments and secure its economic future. To minimize financial hardship and maintain good relations with suppliers, staff, and other stakeholders, the medical center must carefully manage and prepare to pay these obligations (Schneller et al., 2023).

Patient Revenue

Over the previous three years, St. Anthony Medical Center's patient income has increased annually. Revenue from patients rose steadily in the most recent year to \$1,282,520,098 from \$1,131,077,491 in the preceding year and \$992,725,461 in the prior two years. This rise shows greater service use and higher patient flow, showing a good trend for the hospital's financial success. Deductions from this income, however, have skyrocketed to \$1,018,244,243 in the most recent year, driven mainly

through contractual modifications and charity care. Because of these reductions, the financial gains from increased patient income have been reduced.

Even if rising patient payments help offset rising costs, increasing deductions threaten the hospital's bottom line. The hospital may alleviate this by reducing the harmful effects of contractual modifications via better negotiations with third-party payors. Effective management of charity and uncompensated care is essential to preventing a financial strain on the institution. Decrease reliance on patient income and soften the blow of deductions by investigating measures to diversify revenue sources (Halley & Little, 1999). To improve its financial health and get the full benefits of the increased patient income, St. Anthony Medical Center must manage and mitigate deductions from revenue.

Conclusion

The growing disparity between St. Anthony Medical Center's assets and liabilities presents several problems. While patient income has increased, rising deductions and mounting debt might threaten its financial stability. Liability management, revenue optimization, and improved collection methods are all critical for the hospital's long-term health.

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