

**Stoughton Hospital Association Finance Committee**

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Friday, April 18, 2025 | 7:15 a.m. – 8:30 a.m.MS Teams Link: [Join the meeting now](#) | Meeting ID: 214 729 259 186 | Passcode: BU9B3Ag9

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**Committee Function and Members**

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**Committee Function:** Maintain general financial oversight of hospital finances, including corporation's budget, and report to the Board. Examine monthly financial reports and supervise the management of hospital funds. Have the general responsibility to make recommendations to the Board of Directors concerning the purchase of additional property, replacement thereof as well as repair and maintenance of said property and equipment; review all prospective purchases of equipment which exceed a value established by resolution of the Board of Directors.

\* Must be Secretary/Treasurer

\* Directors may not serve on Finance and Audit Committees simultaneously

**Committee Members:** Glenn Kruser (Chair) | Steve Peotter (Co-Chair) | Cindy McGlynn | Matt Kinsella (SSM Rep.) | Dr. Ashish Rawal | Tim Rusch (Ex Officio)

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	<b>Item</b>	<b>Discussion</b>	<b>Presenter</b>
	1.	Call to Order	Glenn Kruser
A	2.	Review and Approval of February 28, 2025 Finance Committee Meeting Minutes ( <i>See Attached, Pg. 3-6</i> )	Glenn Kruser
A	3.	March 2025 Financials ( <i>See Attached, Pg. 7-20</i> )	Michelle Abey
	4.	April Month-to-Date Financial Update	Michelle Abey
A	5.	Capital Requests: <ul style="list-style-type: none"><li>• Ultrasonic Washer (<i>See Attached, Pg. 21</i>)</li><li>• Mako Robot (<i>See Attached, Pg. 22-23</i>)</li></ul>	Amy Hermes
A	6.	Debt Management Strategy <ul style="list-style-type: none"><li>a. Debt Summary as of March 31, 2025</li><li>b. Recommendations for 2025<ul style="list-style-type: none"><li>• Approval of Resolution to Retire 2015 Bonds at Interest Reset Date – September 1, 2015 (<i>See Attached, Pg. 24</i>)</li><li>• Approval of Resolution for Partial Prepayment of 2018 &amp; 2023 Bonds (<i>See Attached, Pg. 25-26</i>)</li></ul></li></ul>	Michelle Abey

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	Item	Discussion	Presenter
A	7.	Community Health Needs Assessment Implementation Strategy Review & Approval (30 mins.) ( <i>See Attached, Pg. 27-37</i> )	Laura Mays
	8.	Open Discussion	All
	9.	Adjournment	Glenn Kruser

Upcoming Meetings:

- Audit Compliance/Risk Management Committee Meeting: Friday, April 18, 2025 at 8:30 a.m. (immediately following Finance Committee)
- Quality Committee Meeting: Tuesday, April 22, 2025 at 9:00 a.m.
- Executive Committee Meeting: Wednesday, April 23, 2025 at 7:15 a.m.
- Governing Board Meeting: Wednesday, May 28, 2025 at 7:15 a.m.

Note:

- A = Item requiring a Board/Committee Action, Approval, Recommendation or Acceptance
- R = Item requiring a formal Board Resolution

**MISSION**

*The mission of Stoughton Hospital is to provide safe, quality health care with exceptional personalized service.*

**VISION**

*We grow to meet the changing needs of the communities we serve and become their health partner of choice.*

**VALUES**

*Our patients and community are our number one priority.*

**Stoughton Hospital Association Finance Committee**

Friday, February 28, 2025 | 7:15 a.m. – 8:30 a.m.

MS Teams Link: [Join the meeting now](#) | Meeting ID: 285 166 933 574 | Passcode: dk3WJ67o

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**Committee Function and Members**

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**Meeting Attendees:** Glenn Kruser (virtual) | Steve Peotter | Cindy McGlynn | Matt Kinsella (virtual) | Dr. Ashish Rawal (virtual) | Tim Rusch | Donna Olson | Kris Krentz | Dr. Aaron Schwaab | Sue Vanderbilt (virtual) | Laura Mays | Dacia Brunner | Chris Brabant | Michelle Abey | Angie Polster

Item	Discussion	Presenter
1.	Call to Order	Steve Peotter
	Mr. Peotter called the February 28, 2025 Finance Committee meeting to order at 7:15 a.m.	
2.	Review and Approval of November 22, 2024 Finance Committee Meeting Minutes	Steve Peotter
A	<i>Motion: Mr. Rusch made a motion to approve the November 22, 2024 Finance Committee meeting minutes. Ms. McGlynn seconded the motion. Motion carried.</i>	
3.	January 2025 Financials	Michelle Abey
	Ms. Abey provided an overview of January 2025 Financials, which can be found in the February 28, 2025 Finance Committee packet. She shared January operating income was \$1,165,452 which was more than budget by \$725,367.	

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**Item      Discussion**
**Presenter**

Ms. Abey referred to the balance sheet and noted cash and cash equivalents was approximately \$24.5M and there are \$20M in certificates of deposit. She noted short-term investments are limited to the outpatient center project, and thus, can't be spent for other needs. Ms. Abey shared days revenue in accounts receivable was 45 days at the end of January which is lower than what the days were following the change in clearinghouse in 2024. She noted both lease assets and liabilities increased which was related to the new agreement in place for the Oregon location as of January 1, 2025.

Ms. Abey stated January was another strong month, with operating income of \$1.1M. She noted there has been high levels of activity on the outpatient side. The inpatient side was lower than budget for the month., which is mainly attributed to the Geriatric Psychiatry unit census as there was a higher daily census than in the past, but lower than what was budgeted. Ms. Abey shared outpatient CT continues to have a positive variance of \$195,000. She added the Laboratory is also above budget, but this was not a surprise due to respiratory illnesses and lab testing needed to diagnosis them. Ms. Abey shared one area that continues to lag behind budget is MRI since there is an open MRI tech position. In response to not being able to recruit, a MRI tech traveler will be in place in March which should allow for MRI volumes to increase. She added our Medical Imaging Manager recently had a positive interview with a potential MRI tech, so hopefully soon the open position will be filled. Mr. Brabant noted agency costs for the organization are approximately \$1.4M annually (approximately \$110,000 per month), so the team is working hard to reduce the commitment.

Ms. Abey shared a summary of year-to-date compared to budgeted surgical services cases and noted to date, surgical services is only 13 cases or 2% below budget. She noted one of the larger variances is in the podiatry area. Last year for Podiatry, Dr. Graney had done 28 cases by the end of January and Dr. Lind has had only two surgical cases through the end of January this year. Ms. Abey shared Orthopedics and General Surgery are ahead of last year at this time.

Mr. Brabant asked whether we are seeing trending with payers delaying payment. Ms. Abey noted she did not believe they are taking longer than they have historically. Dean Health Plan would typically pay clean claims in 29.5 days, Quartz would be approximately 20 days, Medicare is 14 days, and Medicaid is 5-7 days. Mr. Rusch asked whether denials become delays and Ms. Abey confirmed.



Item	Discussion	Presenter
A	<i>Motion: Ms. McGlynn made a motion to approve January 2025 Financial Statements. Mr. Kruser seconded the motion. Motion carried.</i>	
4.	February Month-to-Date Financial Update	Michelle Abey
	<p>Ms. Abey provided an overview of February month-to-date financials. She shared the summary reflects charges through earlier this week and noted Stoughton Health's total is approximately 8.6% below budget, but this is a moment in time and not everything has been posted. Stoughton Health has a seven business day close process which generally ensures that revenue posted late is recorded in the month in which it was performed. Ms. Abey noted McFarland Urgent Care and Cottage Grove Urgent Care are above budget, but Oregon Urgent Care is below budget due to opening with expanded hours later than initially expected. Ms. Abey shared Medical Imaging is below budget which is mainly attributed to staffing shortages in the MRI modality.</p>	
5.	Policy 2.10: Financial Assistance Policy Changes	Michelle Abey
	<p>Ms. Abey shared the Federal Poverty Level was increased in January, so it is a good time to review the policy as the policy is updated for the new federal poverty dollar amounts. She shared that the team reviewed what other facilities offer as financial assistance and as a self pay discount. This review noted that Stoughton Health is in line with other rural hospitals. Ms. Abey noted our uninsured charges for fiscal 2024 were only \$2.3M on gross charges of \$188M, which is approximately 1%. Mr. Peotter asked whether there is community feedback or provider discussion on the self-pay discount, and whether it increases eligibility, and Ms. Abey confirmed. Dr. Schwaab asked whether there was a start date for the policy, and Ms. Abey stated the self-pay discount would be effective as of April 1<sup>st</sup>. Ms. Abey added the financial assistance application is valid for six months of service, once approved, so likely would not make the change in financial assistance policy levels retroactive. Ms. Abey recommended the following changes:</p> <ul style="list-style-type: none"> <li>• Increase Self-Pay Discount – 39% to 45%</li> <li>• 100% Financial Assistance – 150% of Federal Poverty Level (FPL) to 200% of FPL</li> <li>• Additional Advanced Practice Providers Added</li> </ul>	
A	<i>Motion: Mr. Rusch made a motion to recommend approval of changes to Policy 2.10 - Financial Assistance Policy to the Governing Board. Mr. Kinsella seconded the motion. Motion carried.</i>	

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**Item    Discussion****Presenter****6. Discussion of Debt Management Strategy:**

Michelle Abey

- Debt Summary as of January 31, 2025
- 2015 Bond Rate Reset 9/01/2025
- Pre-Payment of Debt Scenarios
- Cash & Investment Strategy

Ms. Abey shared that the 2015 bond issuance is coming to the end of the fixed rate period and she wanted to discuss debt management strategy with the Finance Committee so that input on direction can be obtained.

Ms. Abey provided an overview of existing bonds:

- 2012: Matures on October 1, 2025 and will be paid off.
- 2015: Used to fund Emergency Department and Day Surgery renovations. The fixed rate prior for this issuance expires on September 1, 2025. Originally a \$10M loan at a rate of 3.47%. This allows a 10% prepayment per year. Balance is approximately \$5.7M as of January 31, 2025.
- 2018: \$3.5M for Medical Imaging renovations. The rate is 3.7% and matures in 2028.
- 2023: \$15.1M for the Outpatient Center. This issuance allows prepayment of 20% of the balance and is at an interest rate of 5.71%.

Ms. Abey walked the Committee through the existing debt covenants and what Stoughton Health's metrics are compared to what the covenants require:

- Days Cash on Hand – minimum of 45 days
- Debt Service Coverage Ratio – 1.25X
- 2015 Bond Specific Covenants
  - Maintain an Account Balance of at least \$3,000,000 at First Business Bank
  - Loan to value < 75%

Ms. Abey shared Stoughton Health's options for the 2015 Bond Rate Reset on September 1, 2025:

- Pay off the bonds - \$5,290,135 – pending legal review: The team reached out to the banking partner to clarify wording within the bond document.
  - Reset Interest Rates for 1, 3, 5, 7 or 10-year term
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**Item      Discussion**
**Presenter**

- Rate based upon Federal Home Loan Bank (FHLB) or Secured Overnight Financing Rate (SOFR) plus 200 basis points (2%) multiplied by the Tax-Exempt Multiplier of 0.81%
  - Example 5-year rate as of 2/27/2025 = 5.08%
  - There are several options in the agreement to reset the interest rates for various periods. Ms. Abey believes the reset rate would likely be around 5%, given current economic conditions.
- Pre-Pay 10% of the Outstanding Amount without penalty - \$529,000, Reset Interest Rates for 1, 3, 5, 7 or 10-year term: Ms. Abey shared Stoughton Health could prepay 10% and reset interest rates for one of the yearly terms.

Mr. Brabant asked whether Ms. Abey had a quick synopsis of advantages and disadvantages of paying off 2015 bonds, and she shared paying the bonds off would release approximately \$5.2M of debt and would save on interest charges in the long term. She added she feels we should consider prepaying 20% on 2023 bonds since that can be done annually without penalty. Prepaying on the 2023 bonds is advantageous since the interest rate is higher than what is being earned on cash right now. Most recently, the organization hadn't considered prepaying debt as CD rates were above 5% so that cash was earning more than what is being paid in interest. She noted she believes we can use cash to pay off/down debt and not materially affect any debt covenants. Ms. Abey did note that the organization will have some large capital projects coming up. \$10M in capital is estimated to be needed to outfit the Ambulatory Surgery Center with operating rooms. In addition, there are various other things to consider such as the 1956 building and other master facility plan projects.

Mr. Kinsella inquired if Stoughton Health proceeds, would this increase the weighted average cost of capital in that moment, and Ms. Abey responded she does not have that answer yet. Mr. Peotter asked Ms. Abey how important she felt it was to prepay 2023 bonds, and she stated she feels that this should be seriously considered to reduce interest since this bond issuance has the highest interest rate.

The Finance Committee inevitably decided they do not wish to keep debt on the books and agreed to have Ms. Abey and her team research these payoffs further. This discussion would be revisited at the April Finance Committee meeting with the potential to bring forth a recommendation to the May Governing Board meeting.

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**Item    Discussion****Presenter**

## 7. Future Capital Purchase Discussion: Robotics

Dr. Ashish Rawal

Dr. Ashish Rawal provided a high-level overview of the Mako SmartRobotics robot, which Stoughton Health is looking at purchasing in the future. He noted the Mako robot allows surgeons to place implants in a more accurate way for both Total Knee and Total Hip surgeries, which results in better outcomes for the patients. Dr. Rawal noted this is the future for Stoughton Health for multiple reasons including the fact that several surrounding hospitals have robotics for joint replacement (Reedsburg, Baraboo, Sauk, Platteville, Darlington, Monroe, Columbus, etc.), patients are coming to expect the use of robotics, and new surgeons have trained on and expect to use a robot. He noted this is a newer robot with a smaller footprint and it is easy to transport.

Dr. Rawal share the robot costs approximately \$1M, but ultimately the return on investment is on the increased volume and market share. He noted three different robot manufacturers were reviewed, but the Mako robot from Stryker was the most robust and was better than the other robots by far. Dr. Schwaab asked whether it syncs with our current CT scanning software, and Dr. Rawal stated they would upload to the server and there shouldn't be an additional cost for that. Mr. Krentz asked how long the robot has been around, and Dr. Rawal shared it has been around since 2006. He added Stryker has the longest track record of any of robotic system out there. Stoughton Health has surgical techs and other staff that already have knowledge of operating this robot based upon working at other organizations.

## 8. Open Discussion

All

## 9. Adjournment

Steve Peotter

*Action: Ms. McGlynn made a motion to adjourn the February 28, 2025 Finance Committee meeting at 8:29 a.m. Mr. Rusch seconded the motion. Motion carried.*

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Respectfully submitted,

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Mr. Glenn Kruser  
Secretary/Treasurer

**STOUGHTON HEALTH  
SERVICES AND FINANCIAL REPORTS**

**March 31, 2025**

**STOUGHTON HEALTH  
FINANCIAL AND SERVICES REPORTS  
March 31, 2025**

<b>TABLE OF CONTENTS</b>	<b>Page</b>
Operational Executive Summary	1 - 2
Executive Financial Summary	3
Services Summary	4 - 6
Balance Sheet	7
Income Statement	8
Statement of Changes in Net Assets	9
Statement of Cash Flows	10

Stoughton Health  
March 2025 Operational Executive Summary

**Situation:** March operating income was \$1,391,701 which was \$868,194 more than budget. Year-to-date operating income was \$6,293,597 which was \$3,671,983 more than the budget of \$2,621,614. March excess of revenues over expenses was \$1,087,892 which was \$247,205 more than the budget of \$840,777. Year-to-date excess of revenues over expenses was \$7,227,999 which was better than the budget by \$2,557,377.

**Background: Balance Sheet**

- Cash and cash equivalents increased by \$3,139,376 from February to March. This was mainly the result of a certificate of deposit (line 1 pg 7) in the amount of \$3,000,000 maturing and not being renewed. There is a correlating decrease in Certificates of deposit (line 2 pg 7) of (\$3,000,000).
- Days revenue in accounts receivable (AR days) was 48 days for March (line 37 pg 7) compared to 48 days at the end of last fiscal year and a budget of 44 days.
- Days cash on hand was 383 days at the end of March (line 38 pg 7) which is more than the budgeted days cash on hand of 368. Expenses per day averaged approximately \$184,000 per day in the month of March.
- The estimated third-party payer settlements liability has increased by \$103,360 in the first six months of fiscal year 2025. This liability represents the estimated amount which Stoughton Health anticipates being overpaid on Medicare claims and potential amounts due upon cost report audit settlement. This liability fluctuates with changes in the payer mix and distribution of expenses.

**Income Statement**

- Inpatient revenues were more than budget by ~\$593,000 which is primarily due to an increased overall daily census for the month compared to the budget. The average daily census for March was 17.43 compared to budgets of 14.83 and 11.81 in the prior fiscal year. Pharmacy workload units were also high in March adding additional favorability. The following is a comparison of budget to actual for March and year-to-date by service type:

<b>Inpatient Days Comparison Report</b>							
<i>March 31st, 2025</i>							
	<i>March</i>	<i>March</i>		<i>YTD</i>	<i>YTD</i>		<i>Variance</i>
<i>Inpatient Day</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Percent</i>
Swing Bed	17	4	13	110	42	68	161.90%
ICU	28	4	24	89	51	38	74.51%
Med/Surg/Detox/Hospice/Telemetry	173	116	57	879	765	114	14.90%
Geri-Psych	224	278	(54)	1,290	1,398	(108)	-7.73%
<b>Total Inpatient Days</b>	<b>442</b>	<b>402</b>	<b>40</b>	<b>2,368</b>	<b>2,256</b>	<b>112</b>	<b>4.96%</b>

- Outpatient gross revenues were \$15,658,059 which was more than the budget by \$586,440. The main factors impacting the variance are as follows:
  - MRI added a traveler this past month, however, there continues to be a reduced number of scans compared to budget which resulted in a negative gross revenue budget variance of around (\$236,000) in March. 144 scans were performed compared to a budget of 185 scans.
  - Med/Surg Observation daily census was 3.17 in March versus a daily budget of 2.0 which resulted in favorable revenue of approximately \$207,000 to budget.
  - Ortho Clinics had favorable revenue to budget of \$108,000 with 393 visits compared to 242 budgeted.

- Surgical Services had higher than budgeted visits for March resulting in gross revenue being favorable to budget by approximately \$225,000 with the mix of Ortho procedures and Colonoscopies performed during the month of March driving the favorability.

Below is a table showing surgical cases by service line for the month:

<b><i>Surgical Services Comparison Report</i></b>			
<i>March 31st, 2025</i>			
	<i>CM</i>	<i>CM</i>	
<i>Specialty</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
<i>Orthopedics</i>	37	22	15
<i>Gynecology</i>	6	4	2
<i>Urology</i>	0	2	(2)
<i>General</i>	23	17	6
<i>Opthamology</i>	14	29	(15)
<i>Podiatry</i>	4	10	(6)
<i>Chest</i>	0	0	0
<i>Dental</i>	14	13	1
<i>ENT</i>	4	5	(1)
<i>Total Surgical Procedures</i>	102	102	0
<i>GI Endoscopy</i>	55	45	10
<i>Total OR Procedures</i>	157	147	10

- Lab, including reference lab, averaged 252.87 service units per day compared to a budget of 204.06. This led to a positive variance to gross revenues budgeted of approximately \$162,000.
- This month's mix resulted in a contractual discount percentage of 62% for the month vs a budgeted contractual discount of 64.3% resulting in a net revenue increase from budget of ~\$421,000.
- Professional fees (line 13 pg 8) were approximately \$55,000 under budget. This was the result of accrued legal fees in a prior month being less than estimated when paid in March, a contracted position being hired full-time while still being budgeted as a contractor and a maintenance energy study that was budgeted but hasn't been started.
- Purchased services (line 14 pg 8) were approximately (\$60,000) more than budgeted. This was mostly the result of an emergency repair to electrical cables that were damaged.
- Supplies expense (line 15 pg 8) was approximately (\$47,000) over budget. This was mostly in the IT department which had \$30,350 of expenses related to minor equipment items which weren't all budgeted to be spent in this month but rather across the year.

**Assessment:** Net patient service revenue was above budget by approximately \$864,000. Expenses in most areas were close to budget, netting to only a (\$14,652) unfavorable variance to the total expense budget of \$5,687,745. The investment market continues to be volatile. In March, the market fell for a second consecutive month resulting in unrealized losses on investments of (\$616,917) compared to a budgeted gain of \$24,577.

### **Recommendation:**

1. Recruit and retain staff in order to serve the patients of our communities.
2. Continue to grow where it makes sense including working toward the opening of the Stoughton Health Outpatient Center. Growth in podiatry services after opening in December 2024 occurring as the practice builds.
3. Remain nimble to changing circumstances and recalibrate operations, including the evaluation of new and old programs, as needed to adjust course.



**Stoughton Health  
Executive Financial Summary  
March 31, 2025**

Variance Key: Better than (worse than) budget

INCOME STATEMENT		Current Mo. March	Current Mo. Budget	Current Mo. Variance	YTD March	YTD Budget	YTD Variance	YTD Prior Year	
Line	REVENUE:								
	Patient service revenues:								
1	Inpatient	\$ 2,605,269	\$ 2,011,951	\$ 593,318	\$ 12,260,503	\$ 11,362,419	\$ 898,084	\$ 8,899,518	
2	Outpatient	15,658,059	15,071,619	586,440	93,547,591	92,352,721	1,194,870	84,169,898	
3	Total gross patient service revenues	18,263,328	17,083,570	1,179,758	105,808,094	103,715,140	2,092,954	93,069,416	
4	Deductions from revenue	(11,375,097)	(11,059,654)	(315,443)	(67,537,849)	(67,361,067)	(176,782)	(59,290,125)	
5	Net patient service revenue	6,888,231	6,023,916	864,315	38,270,245	36,354,073	1,916,172	33,779,291	
6	Other income	205,867	187,336	18,531	1,196,191	1,114,830	81,361	1,045,481	
7	Total revenues	7,094,098	6,211,252	882,846	39,466,436	37,468,903	1,997,533	34,824,772	
	EXPENSES:								
8	Salaries	2,199,761	2,195,946	(3,815)	12,784,226	13,155,743	371,517	11,192,705	
9	Fringe benefits	594,226	600,735	6,509	3,488,269	3,797,731	309,462	2,830,142	
10	Supplies and other	2,588,689	2,560,531	(28,158)	15,071,295	16,026,065	954,770	14,160,216	
11	Interest	27,089	24,338	(2,751)	164,873	147,780	(17,093)	170,902	
12	Depreciation and amortization	292,632	306,195	13,563	1,664,177	1,719,970	55,793	1,502,087	
13	Total expenses	5,702,397	5,687,745	(14,652)	33,172,840	34,847,289	1,674,449	29,856,052	
14	Operating income	1,391,701	523,507	868,194	6,293,596	2,621,614	3,671,982	4,968,720	
15	Investment income	282,483	246,860	35,623	1,540,005	1,626,549	(86,544)	1,909,865	
16	Unrealized gains (losses) on investments	(616,917)	24,577	(641,494)	(826,608)	147,459	(974,067)	1,598,432	
17	Interest in earnings of MRI Joint Venture	30,715	45,833	(15,118)	221,006	275,000	(53,994)	268,489	
18	Other non-operating	-	-	-	-	-	-	-	
19	Excess of revenue over expenses	\$ 1,087,982	\$ 840,777	\$ 247,205	\$ 7,227,999	\$ 4,670,622	\$ 2,557,377	\$ 8,745,506	
BALANCE SHEET					CASH FLOWS				
		03/31/25	09/30/24				YTD		
20	Cash & short-term investments	\$ 28,259,223	\$ 26,462,192				March	09/30/24	
21	Certificates of deposit	21,085,620	32,632,163		Cash provided by (used in):				
22	A/R (net)	9,958,215	8,916,193		Operating activities		8,557,394	14,626,789	
23	Total current assets	61,842,275	71,497,255		Investing activities:				
24	Investments	17,771,367	13,148,212		Fixed asset purchases & disposals		(12,301,940)	(16,573,302)	
25	Property & equipment (net)	54,298,686	46,397,517		Investments		10,449,574	(6,314,212)	
26	Other assets	13,390,123	9,926,584		Financing activities:				
27	Total assets	147,302,451	140,969,568		Issuance of debt		-	15,165,000	
28	Current liabilities	9,667,406	11,686,371		Payment of debt & related costs		(600,482)	(1,401,184)	
29	Long-term debt	20,654,224	21,281,131		Payments on finance leases		(54,256)	(87,543)	
30	Other long-term liabilities	3,372,173	1,821,417		Foundation & other		26,761	12,755	
31	Total liabilities	33,693,803	34,788,919		Net cash increase (decrease)		6,077,051	5,428,303	
32	Net assets	113,608,648	106,180,649		Cash, beginning		22,182,172	21,033,889	
33	Total liabilities & net assets	147,302,451	140,969,568		Cash, ending		28,259,223	26,462,192	
RATIOS		Desired Direction							
			FY23	FY24	Jan-25	Feb-25	Mar-25	FY25 Budget	2023 RWHC CAH Avg
34	Current Ratio		9.6	5.8	6.1	5.6	6.4	7.3	6.6
35	Operating Margin-Current Month				16.7%	8.0%	19.6%		
36	Operating Margin YTD		14.4%	13.1%	16.8%	15.1%	15.9%	5.5%	2.6%
37	Total Margin YTD		18.7%	21.3%	20.6%	18.2%	17.5%	10.1%	6.6%
38	Days in Accounts Receivable (net)		43	48	45	45	48	44	51
39	Days in Accounts Receivable (gross)		44	48	45	45	49		
40	Days Cash & Investments on Hand		241	394	385	384	383	368	238
41	Long-term Debt to Equity		0.08	0.20	0.19	0.18	0.18	0.18	0.39
42	Debt Service Coverage (YTD) >1.25	9.5	10.5	7.2	6.3	6.1	6.6	5.6	
STATISTICS									
		FY23	FY24	Jan-25	Feb-25	Mar-25	YTD March	FY25 Budget	
43	Inpatient Days	3,852	3,599	435	449	442	2,368	4,396	
44	Adjusted Patient Days (APD)	34,613	35,892	4,046	3,344	3,098	20,436	42,158	
45	Net revenue per APD	\$1,876	\$1,900	\$1,628	\$1,741	\$2,223	\$1,873	\$1,733	
46	FTE's	246.5	260.1	290.5	296.2	295.9	287.4	293.0	
47	FTE's per Adjusted Occupied Bed	2.6	2.7	2.2	2.5	3.0	2.6	2.5	
48	Avg # of payroll checks per pay period	342	355	377	380	381	373		
49	Salaries per APD	\$633	\$663	\$558	\$616	\$710	\$626	\$643	
50	Benefits per APD	\$146	\$160	\$192	\$193	\$192	\$171	\$178	
51	Other Expenses per APD	\$875	\$869	\$684	\$814	\$930	\$819	\$863	

**STOUGHTON HEALTH  
SERVICES SUMMARY  
for the six months ended March 31, 2025**

**INPATIENT SERVICES**

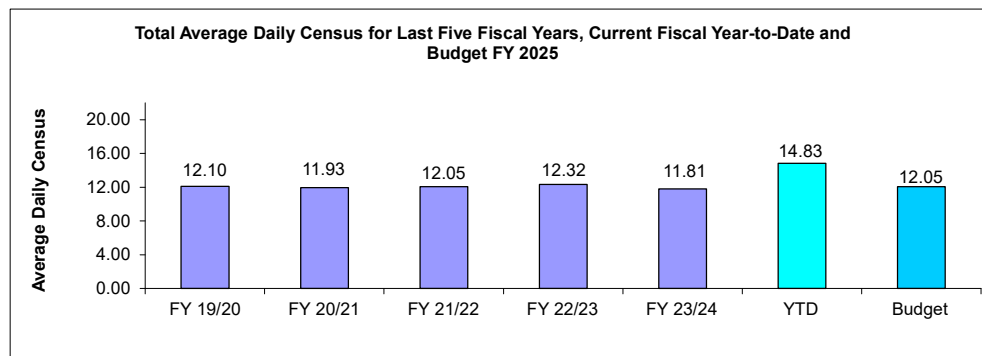
In March, inpatient admissions (including observation patients) averaged 3.41 admissions per day which was below budget by (0.20) admissions per day or (5.5%). Year-to-date inpatient admissions are (0.16) admissions per day or (4.7%) below prior year.

19-20	20-21	21-22	22-23	23-24		THIS MONTH	YEAR- TO-DATE	BUDGET
1.22	1.15	1.12	1.32	1.12	Medical	1.19	1.24	1.05
0.37	0.29	0.33	0.29	0.07	Surgical	0.13	0.06	0.11
0.1	0.11	0.05	0.06	0.03	Detoxification	0.03	0.01	0.05
1.4	1.77	1.21	1.33	1.49	Observation	1.48	1.13	1.45
0.07	0.06	0.05	0.06	0.04	Swing Bed	0.03	0.08	0.03
0.08	0.08	0.11	0.10	0.16	Intensive Care	0.13	0.17	0.14
0.28	0.27	0.28	0.32	0.47	Geriatric Psychiatric	0.42	0.53	0.78
3.52	3.73	3.15	3.48	3.38	Average Admissions per day	3.41	3.22	3.61

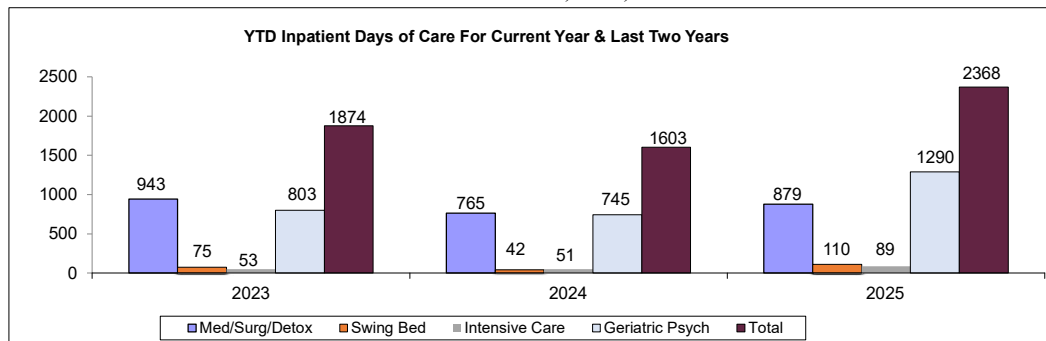
The overall average daily census in March was 17.43 which is above the budgeted average daily census of 12.05 and above the prior year average daily census of 11.81. Inpatient Average Daily Census numbers for the past thirteen months, year-to-date for Fiscal 2025, budget and prior year averages are shown in the following chart:

	MAR 2024	APR 2024	MAY 2024	JUN 2024	JUL 2024	AUG 2024	SEP 2024	OCT 2024	NOV 2024	DEC 2024	JAN 2025	FEB 2025	MAR 2025	CURRENT FISCAL 2025	BUDGET	PRIOR FISCAL YR
Medical / Surgical Unit	3.74	3.03	5.03	4.53	2.90	3.13	4.53	5.23	2.97	4.29	5.65	5.14	5.58	4.83	2.00	4.02
Observation	1.03	2.24	1.59	1.49	2.09	1.25	1.86	1.44	1.02	2.18	1.95	1.07	3.17	1.82	2.02	1.97
Swing Bed	0.13	0.57	0.29	0.37	0.00	1.00	0.30	0.26	0.37	0.42	0.58	1.54	0.55	0.60	0.28	0.33
Intensive Care Unit	0.13	0.07	0.19	0.07	0.39	0.42	0.43	0.32	0.67	0.26	0.23	0.57	0.90	0.49	0.25	0.27
Geriatric Psychiatry Unit	4.77	3.53	5.16	6.00	7.26	8.61	7.57	6.42	5.63	7.00	7.58	8.79	7.23	7.09	7.50	5.22
	9.80	9.44	12.26	12.46	12.64	14.41	14.69	13.67	10.66	14.15	15.99	17.11	17.43	14.83	12.05	11.81

Inpatient average daily census numbers for the past five fiscal years, year-to-date for Fiscal 2025, and budget are shown in the following graph:



Additional inpatient service volume statistics for the six months ended March 31, 2023, 2024 and 2025 are as follows:



**STOUGHTON HEALTH  
SERVICES SUMMARY  
for the six months ended March 31, 2025**

**INPATIENT SERVICES - CONTINUED**

Discharge Length of Stay							
19-20	20-21	21-22	22-23	23-24		THIS MONTH	YEAR- TO-DATE BUDGET
2.88	2.28	2.63	2.31	1.71	Medical	8.33	3.02 1.73
1.68	0.29	0.35	0.51	1.21	Surgical	6.67	3.56 0.96
9.12	9.59	16.08	9.15	7.93	Swing Bed	17.00	4.60 7.86
2.73	9.64	3.42	4.88	3.93	Intensive Care	6.00	2.79 3.34
2.22	2.94	3.38	2.24	0.54	Detoxification	-	1.33 0.50
4.09	3.38	2.85	3.10	2.62	Hospice Acute	-	3.00 3.13
13.28	12.31	10.87	9.86	11.35	Geriatric Psychiatric	9.09	10.69 11.49
4.29	3.84	3.71	3.47	3.99		8.30	5.01 4.73

**OUTPATIENT SERVICES**

Outpatient/Emergency services averaged 212.90 visits per day in March which was 3.12 visits per day or 1.5% above budget for the month. Year-to-date Outpatient/Emergency services are 25.38 visits or 13.4% above the prior year average visits per day of 189.57.

19-20	20-21	21-22	22-23	23-24		THIS MONTH	YEAR- TO-DATE BUDGET
13.36	14.57	16.90	18.99	20.53	Emergency Department	21.61	21.34 23.03
37.02	34.06	54.67	43.61	45.73	Urgent Care - Stoughton	45.84	50.57 44.98
6.47	6.30	8.24	11.02	11.65	Urgent Care - Oregon	20.19	13.74 19.48
-	2.11	11.19	18.53	20.49	Urgent Care - McFarland	19.32	21.29 21.52
-	-	-	-	-	Urgent Care - Cottage Grove	9.94	11.27 13.00
2.95	3.20	2.84	2.95	3.21	Ambulatory Infusion	3.90	3.42 3.19
3.12	3.72	4.37	4.66	5.09	Surgical	4.32	4.52 6.31
0.68	1.04	0.77	1.05	1.21	Sleep Lab	0.97	1.21 1.13
23.79	30.60	34.87	35.95	39.74	PT - SWAC/Hosp Rehab	42.32	44.27 36.53
15.42	19.82	19.44	19.79	19.97	PT - Oregon	21.10	20.94 19.57
9.48	15.27	17.73	19.13	21.95	Rehabilitation - Other	23.39	22.38 21.04
112.29	130.69	171.02	175.68	189.57	Average Visits per day	212.90	214.95 209.78

**DIAGNOSTIC SERVICES**

Diagnostic services (laboratory & medical imaging areas) averaged 334.19 service units per day in March which was 40.38 units or 13.7% above budget. Year-to-date diagnostic services are 47.11 service units per day or 16.5% above last year's average.

19-20	20-21	21-22	22-23	23-24		THIS MONTH	YEAR- TO-DATE BUDGET
176.31	192.08	203.97	196.68	202.13	Lab including reference lab	252.87	247.07 204.06
20.53	20.57	26.84	27.51	30.49	Medical Imaging	31.77	33.83 37.29
5.73	8.16	8.65	9.27	10.01	Mammography	9.45	10.12 9.52
11.01	11.62	14.83	15.68	17.94	CT	18.87	18.70 20.23
1.42	2.96	4.87	6.68	8.37	Echocardiogram	7.81	7.80 8.79
4.88	5.92	6.76	6.78	7.98	Ultrasound	7.35	7.32 7.03
0.61	0.94	1.27	1.26	1.50	Nuclear Medicine	1.42	1.94 0.94
4.04	4.87	4.95	5.90	6.30	MRI	4.65	5.05 5.96
224.53	247.12	272.14	269.76	284.72	Average Service Units per Day	334.19	331.83 293.81

**STOUGHTON HEALTH  
SERVICES SUMMARY  
for the six months ended March 31, 2025**

**GENERAL SURGERY SERVICES**

General Surgery had 23 surgical cases in March. Inpatient cases were 3 cases or 150% above budget for the month and outpatient cases were above budget by 3 cases or 20.0%.

FY 2020	FY 2021	FY 2022	FY 2023	FY 2024		THIS MONTH ACTUAL	THIS MONTH BUDGET	LAST MONTH ACTUAL	YEAR- TO-DATE ACTUAL	YEAR- TO-DATE BUDGET
26	24	20	21	15	Inpatient Surgical Cases	5	2	4	21	8
212	218	201	207	228	Outpatient Surgical Cases	18	15	20	130	115
238	242	221	228	243	Total Surgical Cases	23	17	24	151	123

**ORTHOPEDIC SERVICES**

OrthoTeam had 37 surgical cases in March. Inpatient cases were above budget by 1 cases or 25.0% for March. Outpatient cases were above budget by 14 cases or 77.8% for the month of March.

FY 2020	FY 2021	FY 2022	FY 2023	FY 2024		THIS MONTH ACTUAL	THIS MONTH BUDGET	LAST MONTH ACTUAL	YEAR- TO-DATE ACTUAL	YEAR- TO-DATE BUDGET	YEAR- TO-DATE Variance
152	45	28	23	22	Inpatient Surgical Cases	5	4	1	18	23	(5)
109	197	252	344	315	Outpatient Surgical Cases	32	18	30	191	171	20
261	242	280	367	337	Total Surgical Cases	37	22	31	209	194	15

**MULTI-SPECIALTY CLINIC SERVICES**

In March, the General Surgery clinic had a total of 119 visits for the month which was (14) visits or (10.5%) below the prior month but above budget by 28 visits or 30.8%.

FY 2020	FY 2021	FY 2022	FY 2023	FY 2024		THIS MONTH ACTUAL	THIS MONTH BUDGET	LAST MONTH ACTUAL	YEAR- TO-DATE ACTUAL	YEAR- TO-DATE BUDGET
1,081	1,001	968	1,007	1,014	General Surgery Clinic Visits - Traditional	81	73	92	586	509
15	41	41	35	10	General Surgery Clinic Visits - Virtual	1	0	1	6	0
879	701	687	426	335	Wound Clinic Visits	37	18	40	209	129
1,975	1,743	1,696	1,468	1,359	Total Clinic Visits	119	91	133	801	638

The OrthoTeam Clinic (Stoughton and Madison) had 393 visits and averaged 18.7 visits per clinic day. March visits were 151 visits or 62.4% above budget.

FY 2020	FY 2021	FY 2022	FY 2023	FY 2024		THIS MONTH ACTUAL	THIS MONTH BUDGET	LAST MONTH ACTUAL	YEAR- TO-DATE ACTUAL	YEAR- TO-DATE BUDGET
3,002	1,489	3,265	3,841	3,948	OrthoTeam Clinic Visits - Traditional	345	203	282	2,112	1,823
261	106	399	654	570	OrthoTeam Clinic Visits - Virtual	48	39	31	268	278
3,263	1,595	3,664	4,495	4,518	Total OrthoTeam Visits	393	242	313	2,380	2,101

For the month of March, the Cardiology Clinic had 81 visits compared to a budget of 47 visits. Year-to-date visits are above budget by 182 visits or 75.2%.

FY 2021	FY 2022	FY 2023	FY 2024		THIS MONTH ACTUAL	THIS MONTH BUDGET	LAST MONTH ACTUAL	YEAR- TO-DATE ACTUAL	YEAR- TO-DATE BUDGET
57	299	349	598	Cardiology Clinic Visits	81	47	74	423	241

The Urology Clinic had 41 visits for the month compared to a budget of 41 visits. Year-to-date visits are above budget by 13 visits or 5.1%.

FY 2023	FY 2024		THIS MONTH ACTUAL	THIS MONTH BUDGET	LAST MONTH ACTUAL	YEAR- TO-DATE ACTUAL	YEAR- TO-DATE BUDGET
323	460	Urology Clinic Visits	41	41	35	270	257

The Podiatry Clinic had 125 visits for the month compared to a budget of 85 visits. Year-to-date visits are above budget by 81 visits or 40.5%.

	THIS MONTH ACTUAL	THIS MONTH BUDGET	LAST MONTH ACTUAL	YEAR- TO-DATE ACTUAL	YEAR- TO-DATE BUDGET
Podiatry Clinic Visits	125	85	69	281	200

**STOUGHTON HEALTH**  
**BALANCE SHEET**  
**March 31, 2025**

Page 7

Line	ASSETS	3/31/2025	Audited 9/30/2024
	Current Assets		
1	Cash and cash equivalents	\$ 28,259,223	\$ 26,462,192
2	Certificates of deposit	17,000,000	20,000,000
3	Short-term Investments - Assets Limited As to Use	4,085,620	12,632,163
4	Patient accounts receivable, net of allowances	9,958,215	8,916,193
5	Supplies	883,174	854,602
6	Other current assets	1,656,043	2,632,105
7	<b>Total current assets</b>	<b>61,842,275</b>	<b>71,497,255</b>
	Assets Limited as to Use		
8	Board designated and other	17,771,367	13,148,212
		17,771,367	13,148,212
9	Property and equipment	96,562,957	89,807,328
10	Less accumulated depreciation	(42,264,271)	(43,409,811)
11	Net property and equipment	54,298,686	46,397,517
	Other Assets		
12	Interest in net assets of Stoughton Hospital Foundation Inc.	3,839,652	3,866,412
13	Other non-current assets	3,410,361	3,351,248
14	Operating lease assets	4,564,141	1,103,961
15	Investment in Stoughton Hospital Imaging LLC	1,575,969	1,604,963
16	<b>Total assets</b>	<b>\$ 147,302,451</b>	<b>\$ 140,969,568</b>

**LIABILITIES AND NET ASSETS**

	Current Liabilities		
17	Current portion of long-term debt	\$ 1,208,518	\$ 1,163,020
18	Current portion of finance lease liabilities	112,375	103,115
19	Current portion of operating lease liabilities	409,846	447,288
20	Accounts payable	2,150,260	2,059,395
21	Construction payable	2,447,428	5,019,369
22	Accrued salaries and related withholdings	644,359	593,433
23	Accrued vacation compensation	1,691,389	1,410,296
24	Accrued interest	95,693	94,412
25	Other current liabilities	33,348	25,213
26	Estimated third-party payor settlements	874,190	770,830
27	<b>Total current liabilities</b>	<b>9,667,406</b>	<b>11,686,371</b>
28	Deferred compensation liability	468,258	604,553
29	Long-term debt, net of current portion	20,654,224	21,281,131
30	Long-term portion of finance lease liabilities	590,742	610,447
31	Long-term portion of operating lease liabilities	2,313,173	606,417
32	<b>Total liabilities</b>	<b>33,693,803</b>	<b>34,788,919</b>
	Net Assets		
33	Without donor restrictions	109,601,220	102,173,221
34	With donor restrictions	4,007,428	4,007,428
35	<b>Total net assets</b>	<b>113,608,648</b>	<b>106,180,649</b>
36	<b>Total liabilities and net assets</b>	<b>\$ 147,302,451</b>	<b>\$ 140,969,568</b>

	Budget		
37	Days revenue in accounts receivable	44	48
38	Days cash on hand, all unrestricted sources	368	383
39	Current Ratio	7.3	6.1
40	Age of Plant	11.5	13.7

**STOUGHTON HEALTH  
INCOME STATEMENT**  
For the six months ended March 31, 2025

Page 8

**Variance Key:** Better than (worse than) budget

Line	Current Month March	Budget	Variance	Year to Date TOTALS	Budget	Variance	Year to Date LAST YEAR
<b>REVENUES</b>							
	Patient service revenue:						
1 Inpatient	\$ 2,605,269	\$ 2,011,951	\$ 593,318	\$ 12,260,503	\$ 11,362,419	\$ 898,084	\$ 8,899,518
2 Outpatient	15,658,059	15,071,619	586,440	93,547,591	92,352,721	1,194,870	84,169,898
3 Gross patient charges	18,263,328	17,083,570	1,179,758	105,808,094	103,715,140	2,092,954	93,069,416
4 Contractual discounts and allowances	(11,325,668)	(10,988,017)	(337,651)	(67,170,795)	(67,088,975)	(81,820)	(59,058,203)
5 Charity care	(49,429)	(71,637)	22,208	(367,054)	(272,092)	(94,962)	(231,922)
6 Patient service revenue	6,888,231	6,023,916	864,315	38,270,245	36,354,073	1,916,172	33,779,291
	-62.01%	-64.32%		-63.48%	-64.69%		-63.46%
7 Other operating revenue	97,831	84,606	13,225	409,036	501,731	(92,695)	483,544
8 Contributions	17,682	27,062	(9,380)	294,624	164,370	130,254	125,537
9 Rental income	90,354	75,668	14,686	492,531	448,729	43,802	436,400
10 TOTAL REVENUES	7,094,098	6,211,252	882,846	39,466,436	37,468,903	1,997,533	34,824,772
11 Salaries	2,199,761	2,195,946	(3,815)	12,784,226	13,155,743	371,517	11,192,705
12 Employee benefits	594,226	600,735	6,509	3,488,269	3,797,731	309,462	2,830,142
13 Professional fees	690,004	745,309	55,305	4,161,377	4,417,878	256,501	3,594,531
14 Purchased services	909,974	845,877	(64,097)	4,896,229	5,285,224	388,995	4,908,411
15 Supplies	721,985	675,501	(46,484)	4,379,728	4,470,986	91,258	4,296,949
16 Interest	27,089	24,338	(2,751)	164,873	147,780	(17,093)	170,902
17 Administrative and general	240,425	269,331	28,906	1,475,631	1,705,024	229,393	1,229,300
18 Insurance	26,301	24,513	(1,788)	158,330	146,953	(11,377)	131,025
19 Depreciation and amortization	292,632	306,195	13,563	1,664,177	1,719,970	55,793	1,502,087
20 Total expenses	5,702,397	5,687,745	(14,652)	33,172,840	34,847,289	1,674,449	29,856,052
21 Operating income (loss)	1,391,701	523,507	868,194	6,293,596	2,621,614	3,671,982	4,968,720
Other income (loss):							
22 Investment income (loss) - realized	282,483	246,860	35,623	1,540,005	1,626,549	(86,544)	1,909,865
23 Unrealized gains (losses) on investments	(616,917)	24,577	(641,494)	(826,608)	147,459	(974,067)	1,598,432
24 Earnings (loss) in Sto Hosp Imaging	30,715	45,833	(15,118)	221,006	275,000	(53,994)	268,489
25 Excess of revenues over expenses	\$ 1,087,982	\$ 840,777	\$ 247,205	\$ 7,227,999	\$ 4,670,622	\$ 2,557,377	\$ 8,745,506
26 Operating Margin	19.6%	8.4%		15.9%	7.0%		14.3%
27 Total Margin	14.7%	12.9%		17.5%	11.9%		23.6%
28 Adjusted Patient Days	3,098	3,423		20,436	20,782		16,764
29 Net revenue per APD	\$ 2,223	\$ 1,760		\$ 1,873	\$ 1,749		\$ 2,015
30 Salaries per APD	\$ 710	\$ 642		\$ 626	\$ 633		\$ 668
31 Benefits per APD	\$ 192	\$ 175		\$ 171	\$ 183		\$ 169
32 Supplies per APD	\$ 233	\$ 197		\$ 214	\$ 215		\$ 256

**STOUGHTON HEALTH**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**For the six months ended March 31, 2025**

Page 9

	<b>3/31/25</b>	<b>Audited 9/30/24</b>
Unrestricted net assets:		
Excess (deficit) of revenues over expenses	\$ 7,227,999	15,957,568
Net assets released from restrictions	-	1,940
Contributions and grants for purchases of property and equipment	200,000	8,930
<b>Increase (decrease) in unrestricted net assets</b>	<b>7,427,999</b>	<b>15,968,438</b>
Temporarily restricted net assets:		
Restricted contributions	-	3,825
Change in interest in net assets of the Foundation	-	1,162,211
Net assets released from restrictions	-	(1,940)
<b>Increase (decrease) in temporarily restricted net assets</b>	<b>-</b>	<b>1,164,096</b>
<b>Increase (decrease) in net assets</b>	<b>7,427,999</b>	<b>17,132,534</b>
Net assets, beginning	106,180,649	89,048,115
Net assets, ending	\$ 113,608,648	106,180,649

**STOUGHTON HEALTH**  
**STATEMENT OF CASH FLOWS**  
**For the six months ended March 31, 2025**

Page 10

	<b>Current Month</b>	<b>YTD March</b>	<b>Audited 9/30/2024</b>
Cash Flows From Operating Activities			
Increase (decrease) in net assets	\$ 1,087,983	\$ 7,427,999	\$ 17,132,534
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:			
Change in interest in net assets of Stoughton Hospital Foundation Inc.	-	-	(1,162,211)
Depreciation and amortization	292,632	1,664,177	3,169,309
Amortization of debt issuance costs	3,193	19,073	41,872
Net realized and unrealized gains and losses on investments	576,632	683,265	(2,778,898)
Loss (gain) on disposal of property and equipment	-	97,204	37,916
Change in investment in Stoughton Hospital Imaging, LLC	(30,716)	(221,006)	(525,356)
Distribution from Stoughton Hospital Imaging, LLC	-	250,000	250,000
Contributions and grants for property and equipment	-	(200,000)	(12,755)
Increase (decrease) from changes in:			
Patient accounts receivable, net	(763,878)	(1,042,022)	(1,310,902)
Supplies	17,815	(28,572)	65,653
Estimated third-party payor settlements	49,609	103,360	574,338
Other current / non-current assets	63,185	(803,349)	(1,375,944)
Accounts payable, accrued expenses and other current liabilities	(587,588)	607,265	521,233
<b>Net cash provided by (used in) operating activities</b>	<b>708,867</b>	<b>8,557,394</b>	<b>14,626,789</b>
Cash Flows From Investing Activities			
Purchase of property and equipment	(2,393,629)	(12,301,940)	(16,612,612)
Proceeds from insurance and disposal of property and equipment	-	-	39,310
Net (Purchases) and Sales of certificates of deposit	-	-	(5,000,000)
Purchases of assets limited as to use	(704,004)	(8,762,003)	(36,084,540)
Sales/Proceeds from maturities of assets limited as to use	5,640,163	19,211,577	30,490,308
<b>Net cash provided by (used in) investing activities</b>	<b>2,542,530</b>	<b>(1,852,366)</b>	<b>(27,167,534)</b>
Cash Flows From Financing Activities			
Proceeds from issuance of new debt	-	-	15,165,000
Payment of debt issuance costs	(1,200)	(3,880)	(239,366)
Repayment of long-term debt	(101,652)	(596,602)	(1,161,818)
Payments on finance leases	(9,130)	(54,256)	(87,543)
Restricted contributions and grants	(40)	26,761	12,755
<b>Net cash provided by (used in) financing activities</b>	<b>(112,022)</b>	<b>(627,977)</b>	<b>13,689,028</b>
<b>Net increase (decrease) in cash</b>	<b>3,139,375</b>	<b>6,077,051</b>	<b>1,148,283</b>
Cash, beginning	25,119,848	22,182,172	21,033,889
Cash, ending	<u>\$ 28,259,223</u>	<u>\$ 28,259,223</u>	<u>\$ 22,182,172</u>



# **SBAR: Ultrasonic Washer for Sterile Processing Department (SPD)**

## **S: Situation**

With the upcoming implementation of robotics, the sterile processing department (SPD) will need to purchase a new ultrasonic washer that can effectively integrate with robotic systems for cleaning surgical instruments. This upgrade is essential to maintain high standards of instrument sterilization and ensure the successful integration of robotics into the department.

## **B: Background**

Ultrasonic washers are used in SPD to clean surgical instruments using high-frequency sound waves. As the department prepares to implement robotic systems for instrument handling or processing, it is important to ensure that all equipment, including ultrasonic washers, are compatible and capable of meeting the increased demands. Robotics in SPD will require washers with higher efficiency, capacity, and possibly automated features to keep pace with the new workflows.

## **A: Assessment**

The current ultrasonic washer is not equipped to handle the increased throughput or meet the advanced needs required by robotic systems. There is a need for an upgraded model that can offer better integration with automated systems and meet the newest standards for instrument cleaning efficiency and safety. Failure to acquire an updated ultrasonic washer could result in delays in instrument processing and risks to patient safety due to ineffective cleaning.

The need for an ultrasonic washer was carefully vetted with the SPD project team to confirm that there is adequate electrical and plumbing infrastructure to support the new equipment. Initially, the ultrasonic washer was planned to be bundled with the purchase of the robotic system. However, due to the extended lead time for ultrasonic washers (four to six months), it is now critical to initiate the purchase of the washer separately to ensure timely delivery and integration with the robotic system.

## **R: Recommendation**

Proceed with the purchase order for the ultrasonic washer now to account for the four-to-six-month lead time to ensure that it will be ready for installation as soon as the robotic system is operational to ensure a seamless transition and avoid delays.

Request motion to recommend to the Executive Committee/Governing Board approval of FY2025 Capital for the capital purchase of the ultrasonic washer at the cost of \$110,740 which includes handling/packing and installation.

# SBAR: Purchase of the Mako Robot

## Situation:

Stoughton Health would like to purchase and implement the Stryker Mako robotic-assisted surgery system to enhance joint replacement procedures, including knee and hip surgeries.

## Background:

The Mako robotic system is an advanced, robotic-assisted surgery platform designed for joint replacements, including knee and hip surgeries. It offers 3D pre-operative planning and real-time surgical feedback, enhancing precision and ensuring that surgeries are customized to each patient's unique anatomy. This system enables highly accurate bone resection and implant placement, which reduces the risk of complications and revision surgeries.

Key benefits of the Mako system include:

- Increased surgical precision and alignment accuracy.
- Faster recovery times and reduced postoperative pain compared to traditional methods.
- Minimally invasive procedures that reduce trauma to surrounding tissues.
- Recruit orthopedic surgeons who are accustomed to using the advanced technology.
- Attract individuals who view robotics as a cutting-edge advancement in healthcare.

The Mako system is expected to evolve further, with future applications such as the shoulder surgery module coming in 2026. Purchasing versus leasing has been vetted and makes more financial sense to purchase. This was purchase was part of the 2025 Capital Budget.

## Assessment:

As robotic surgery becomes more common in hospitals, adopting Mako Robotics will give us a competitive advantage in attracting patients who seek advanced surgical options.

## COST ANALYSIS: Purchase vs Lease

	<u>Monthly Amortization/Payment 5 year assumption</u>	<u>Monthly Amortization/Payment 7 year assumption</u>	<u>Total Cash Payment</u>	<u>Rebate for volume - \$800 per Case - \$250,000 5 year max</u>	<u>Annual Maint</u>
Buy	\$ 15,333	\$ 10,952	\$ 920,000	\$ (250,000)	\$ 120,000
Lease FMV -Turn in or buy FMV(5YR)	\$ 16,775		\$ 1,006,500	\$ (250,000)	\$ 120,000
Lease \$1 Buyout (5 yr)	\$ 18,291		\$ 1,097,460	\$ (250,000)	\$ 120,000

- Newest version, will allow for shoulder application
- 5-7 years of useful life.

# SBAR: Purchase of the Mako Robot

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**Recommendation:**

Request Motion to Recommend Approval to the Governing Board to purchase a Mako Robotic System for \$920,000 from FY2025 Capital Budget.

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RESOLUTIONS OF THE  
BOARD OF DIRECTORS  
OF  
STOUGHTON HOSPITAL ASSOCIATION

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BACKGROUND

The Board of Directors this Corporation has determined that it is in the best interests of this Corporation to retire the 2015 Bonds at the interest reset date on September 1, 2025.

Stoughton Hospital Association (the “**Borrower**”) pursuant to Section 303 of the Bond Indenture and Loan Agreement dated as of September 1, 2015 (the “**Series 2015 Bond Indenture**”) among the Borrower, the Wisconsin Health and Educational Facilities Authority (the “**Authority**”) and First Business Bank, as purchaser (the “**Purchaser**”), elects to repay the Series 2015 Note in an amount equal to \$5,290,134.90 on September 1, 2025 (the “**Redemption Date**”) and cause a redemption of the Series 2015 Bonds.

The Borrower further directs the Bank to draw funds from the Borrower’s money market account ending in 8610 in the amount of the outstanding balance of the Series 2015 Note and apply such funds to the payment of the Series 2015 Note on the Redemption Date.

Section 8(B)(2) of the bylaws of Stoughton Hospital Association (the “**Corporation**”) require that transactions involving Financing be approved by a Supermajority of the members of the Board of Directors, including both of the Class IV Directors. The purpose of these Resolutions is to evidence the Board’s approval of the repayment and provide the required Supermajority consent.

RESOLVED:

1. The President-Chief Executive Officer and the Chief Financial Officer (collectively, the “**Officers**”) and each of them, either alone or together, are authorized to take any action and to negotiate, execute, seal and deliver the Documents and any other document which, in that Officer’s judgment, is necessary or desirable to otherwise carry out the intent of these Resolutions.

2. Any actions already taken by the Officers or any of them which are authorized by these resolutions are ratified and confirmed.

3. To the extent this resolution is inconsistent with prior resolutions of the board of directors of this Corporation this resolution supersedes those prior resolutions.

4. This Resolution was duly adopted by a Supermajority of the Board of Directors of Stoughton Hospital Association, including by the Class IV Directors of the Board of Directors of Stoughton Hospital Association, as of May 28, 2025.

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RESOLUTIONS OF THE  
BOARD OF DIRECTORS  
OF  
STOUGHTON HOSPITAL ASSOCIATION

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BACKGROUND

The Board of Directors this Corporation has determined that it is in the best interests of this Corporation to prepay the 2018 and 2023 Bonds at the annual maximum allowable amount without penalty in 2025.

Stoughton Hospital Association (the “**Borrower**”) pursuant to Section 303 of the Bond Indenture and Loan Agreement dated as of November 1, 2018 (the “**Series 2018 Bond Indenture**”) among the Borrower, the Wisconsin Health and Educational Facilities Authority (the “**Authority**”) and First Madison Investment Corporation, as purchaser (the “**Purchaser**”), elects to partially prepay the Series 2018 Note in an amount equal to \$114,138.96 on June 16, 2025 (the “**Redemption Date**”) and cause a partial redemption of the Series 2018 Bonds, in accordance with Section 302(b) of the Bond Indenture.

The Borrower pursuant to Section 303 of the Bond Indenture and Loan Agreement dated as of October 1, 2023 (the “**Series 2023 Bond Indenture**”) among the Borrower, the Authority and the Purchaser elects to partially prepay the Series 2023 Note in an amount equal to \$3,033,000.00 on the Redemption Date and cause a partial redemption of the Series 2023 Bonds, in accordance with Section 302(b) of the Bond Indenture.

The Borrower hereby directs a redemption of the Series 2018 Bonds on the Redemption Date in an amount corresponding to the amount of the Series 2018 Note to be prepaid as required pursuant to Section 303 of the Series 2018 Bond Indenture and directs a redemption of the Series 2023 Bonds on the Redemption Date in an amount corresponding to the amount of the Series 2023 Note to be prepaid as required pursuant to Section 303 of the Series 2023 Bond Indenture.

The Borrower further directs the Bank to draw funds from the Borrower’s money market account ending in 8610 in the amount of the partial prepayments of the Series 2018 Note and the Series 2023 Note and apply such funds to the prepayment of the Series 2018 Note and the Series 2023 Note on the Redemption Date.

Section 8(B)(2) of the bylaws of Stoughton Hospital Association (the “**Corporation**”) require that transactions involving Financing be approved by a Supermajority of the members of the Board of Directors, including both of the Class IV Directors. The purpose of these Resolutions is to evidence the Board’s approval of the prepayment and provide the required Supermajority consent.

RESOLVED:

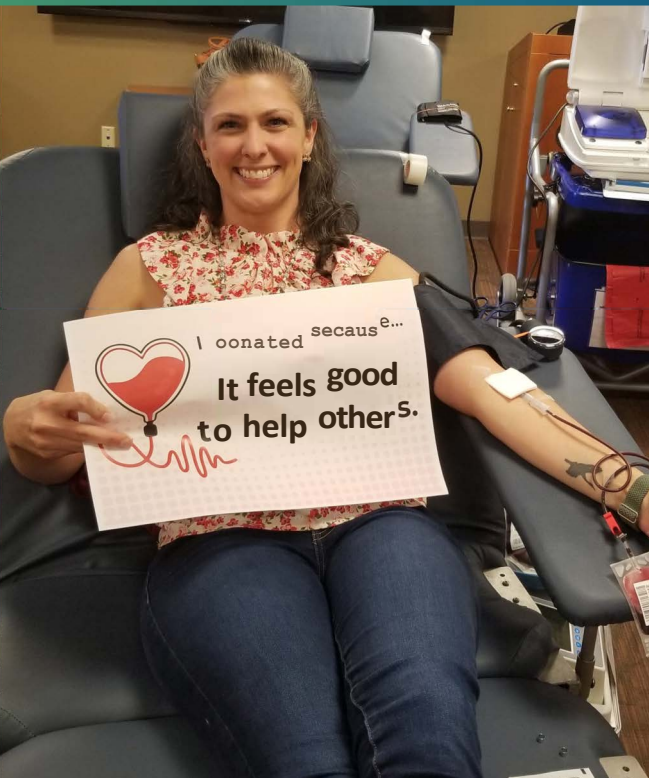
1. The President-Chief Executive Officer and the Chief Financial Officer (collectively, the “**Officers**”) and each of them, either alone or together, are authorized to take any action and to negotiate, execute, seal and deliver the Documents and any other document which, in that Officer’s judgment, is necessary or desirable to otherwise carry out the intent of these Resolutions

2. Any actions already taken by the Officers or any of them which are authorized by these resolutions are ratified and confirmed.

3. To the extent this resolution is inconsistent with prior resolutions of the board of directors of this Corporation this resolution supersedes those prior resolutions.

4. This Resolution was duly adopted by a Supermajority of the Board of Directors of Stoughton Hospital Association, including by the Class IV Directors of the Board of Directors of Stoughton Hospital Association, as of May 28, 2025.





# 2025-2027

## Community Health Needs Implementation Strategy



**STOUGHTON  
HEALTH**

*Creating Excellence Together*

**900 Ridge St., Stoughton, WI 53589**

**stoughtonhealth.com**



**Assessment**

Connecting To Our Community.....3

Community Health Needs and Identified Priorities.....4

**Implementation**

Priority #1 Chronic Conditions.....5

Priority #2 Injury & Safety.....7

Priority #3 Mental Health & Substance Use .....9

Recognition of Partner Contributions.....11



*Community Car Seat Check*



*Strong Bodies Exercise*



Stoughton Health is a 25-bed critical access hospital with an additional 10 beds dedicated to Geriatric Psychiatry. Stoughton Health primarily serves Dane, Rock, Green, and Jefferson counties, along with many neighboring communities. As an independent community hospital, it is owned and operated by the Stoughton Hospital Association while maintaining an affiliation with SSM Health of Wisconsin. To support continued growth and the increasing focus on wellness and preventive care, the Stoughton Hospital Governing Board approved a 56,000-square-foot outpatient center to enhance services and better meet community needs.

Since 2013, Stoughton Health has collaborated with three other Dane County hospitals (UnityPoint Health - Meriter, SSM Health, and UW Health) along with Public Health Madison and Dane County to form the Healthy Dane Collaborative (HDC). The most recent Community Health Needs Assessment (CHNA), completed in late 2024, is available at [stoughtonhealth.com](https://stoughtonhealth.com).

For the CHNA, Stoughton Health addresses the needs of Dane County, specifically focused on the communities of Stoughton, Oregon, McFarland, and Cottage Grove. Approximately 71% of inpatient cases, 78% of Emergency Department visits, and over 74% of outpatient services at Stoughton Health involve residents from Dane County.

The key priorities identified were:

- Chronic Conditions
- Injury & Safety
- Mental Health & Substance Use
- Reproductive Justice

While Stoughton Health strives to address all identified health concerns, it must also prioritize its resources, available partnerships, and severity of need in the communities it serves. Based on these considerations, the following priorities will be the focus over the next three years: Chronic Conditions, Injury and Safety, and Mental Health and Substance Use.

We invite community members to join us in tackling these critical health issues and working together to foster a healthier future for all.

Sincerely,

A handwritten signature in black ink that reads 'Chris Brabant'.

*Chris Brabant, President & CEO*



*New Crossing Guard Signs*

# Community Health Needs and Identified Priorities

Community health needs were assessed by reviewing existing secondary data including demographics, health indicators, and healthcare access, along with insights from public health experts, and from individuals who live, work, learn, play, and grow in Dane County.

For data details, please visit [healthydane.org](https://healthydane.org)

This process identified four key health issues in Dane County: Chronic Conditions, Injury and Safety, Mental Health and Substance Use, and Reproductive Justice. While all of these issues are important, Stoughton Health will focus on the first three priorities as we do not provide obstetric, primary care, or pediatric services. Our commitment remains strong in making a meaningful impact by addressing the areas where we can best serve our communities.

## Priority #1 Chronic Conditions

## Priority #2 Injury & Safety

## Priority #3 Mental Health & Substance Use

### Chronic Conditions



Risk factors for diabetes, hypertension, and heart failure are a result of an inequitable food system, economic inequity, and toxic stress caused by experiencing racism/discrimination.

12% of Medicare beneficiaries were treated for osteoporosis and 12% were treated for atrial fibrillation.

Source: CHNA, p. 39, p. 59

### Injury & Safety



Impaired driving was a factor in 41% of fatal crashes in Dane County and 26% of crashes involving a serious injury.

The age adjusted death rate due to falls in Dane County has been increasing over time - with rates higher than both Wisconsin and U.S. rates.

Source: CHNA, p. 50, p. 51

### Mental Health & Substance Use



Dane County men are significantly more likely to die from suicide than women and disproportionately impacts white men.

69.2% of high school youth with prescription drugs in their home say they can easily access them. That is higher than 2021 at 56.5% and somewhat higher than 2018 at 60.3%

Source: CHNA, p. 45, p. 46



## Priority # 1

Chronic conditions last a year or more and require ongoing medical attention and/or limit activities of daily living. They can usually be controlled but not cured. In adults, the most common chronic conditions include cancer, heart disease, stroke, and diabetes, while obesity and asthma are two of the most common in children. Poor health outcomes linked to chronic conditions include disability, poor quality of life, increased healthcare costs, and death.

Compared to data available from 44 Wisconsin Counties, Dane County has a value of 3.0 which is in the worst 25% of counties.

Source: CHNA, p. 40

## GOALS

- Decrease in hospitalization rate for diabetes (Type 1&2) in Dane County to less than 11.5/10,000 population and decrease Stoughton zip code specific rates to less than 16.3/10,000 population. Source: HealthyDane.org
- Decrease in hospitalization rate for heart failure in Dane County to less than 25.1/10,000 and decrease Stoughton zip code specific rates to less than 25.3/10,000 population. Source: HealthyDane.org



*Healthy Shopping*



*Parkinson's Exercise*



*Strong Bodies Exercise*

## Community Partners

- Civic Organizations
- Local Businesses
- Local EMS
- Local Senior Centers
- Local Schools
- Local Youth Centers
- Neighborhood Free Health Clinic
- Oregon Area Wellness Coalition
- Parish Nurses
- Skaalen Retirement Services
- Stoughton Hospital Foundation
- Stoughton Wellness Coalition

## Action Plan

- Continue to expand and support offerings of exercise programs for older adults like Strong Bodies, Parkinson's Exercise, Poling in the Parks and more
- Continue to offer free educational trainings focused on health topics led by physicians, dietitians, rehabilitation staff and other specialists
- Explore the Cardiac Heart Exercise and Advanced Lifestyle-Management (HEAL) program
- Expand Cardiac/Pulmonary Rehabilitation programming to include education by nutritional staff
- Continue to offer Cardiac Rehabilitation for heart disease patients
- Expand self-monitoring blood pressure intervention by providing blood pressure cuffs to senior centers and libraries
- Continue to offer six-week workshop, Healthy Living with Diabetes
- Continue to offer services and education through diabetic foot clinic and wound clinic
- Expand educational library with Health Talk – Podcasts/Vodcasts on the Stoughton Health website from interviews with physicians and hospital experts to address healthy behaviors
- Provide screenings like blood pressure, bone density, cholesterol and more at the Community Health and Wellness Center to staff, businesses, and community members
- Continue use of case managers/patient navigators with patients as they are discharged from the hospital
- Offer yoga for individuals with chronic conditions
- Offer financial assistance for the Infinite Boundaries Retreat for women with breast cancer
- Continue Well-Being Team offerings for staff and expand those offerings to include community members
- Continue to lead fundraisers to support the American Cancer Society local chapter
- Continue to lead fundraisers to support the American Heart Association local chapter
- Implementing a process for Acute Stroke Ready Hospital Certification



*Poling in the Parks*



*Exercise Student and Teacher*



## Priority #2

Injury and Safety encompass a variety of sub-topics including exposure to violence, and unintentional injuries like motor vehicle collisions, poisonings, and falls.

Falls are a leading cause of unintentional injury and injury death. Falls commonly produce bruises, hip fractures, and head trauma. These injuries can increase the risk of early death and can make it difficult for older adults to live independently. Most falls are preventable. Since 2020, fall-related events have ranked second in the top reasons for EMS dispatch in Dane County. On average, fall-related incidents account for 15% of local EMS responses, with over 7,600 events in 2024 alone. Source: CHNA, p. 51

## Goal

- Reduce the age-adjusted death rate due to unintentional injuries in Dane County to less than 70/100,000 population.

Source: HealthyDane.org



## Community Partners

- Area Senior Centers
- Greater Wisconsin Agency on Aging Resources, Inc.
- Local EMS
- Local Fire Departments
- Local Nursing Homes and Assisted Livings
- Local Police
- Local Youth Centers
- Neighborhood Free Health Clinic
- Oregon Area Wellness Coalition
- SAFE Communities
- Stoughton Wellness Coalition
- Wisconsin Institute of Healthy Aging

## Action Plan

- Continue to offer community classes focused on improving balance and fall reduction such as Parkinson's Exercise, Balance Class and add Group Otago classes
- Continue to offer Safe Sitter and Safe@Home kids classes to help decrease pediatric injuries
- Continue offering car seat safety training and installation in partnership with SafeKids of South Central WI, Local Fire, Police and Sheriff departments
- Offer education on a variety of topics including fraud prevention and responsible youth social media use
- Partner with local senior centers on the Stepping On Fall Prevention Workshop
- Explore the implementation of the Safe at Home program for aging population
- Continue to promote Wisconsin Elder Abuse Hotline in our clinics and hospital
- Explore enhancements to post-operative safety for patients while recovering at home
- Provide training opportunities for staff on Mental Health First Aid Training, and building threat safety awareness
- Explore teen safe driving programming
- Explore poisoning safety programming with pharmacist
- Explore marketing enhancement with Senior Center to communicate their offerings related to health needs
- Promote Balance Screenings offered by rehabilitation staff
- Explore Industrial Rehabilitation programming so workers may return to work safely following injury
- Continue partnerships for community blood drives



***Blood Drives***



***COCPR Class Participants***



## Priority #3

Mental Health & Substance Use are among the most pervasive health issues in Dane County. It is important to recognize the intersection between mental health and substance use, including the impact of delays in mental health treatment leading to self-medicating through substances.

Factors affecting both mental health and substance use include:

- Income, employment, socioeconomic status
- Food access
- Housing
- Discrimination
- Childhood experiences
- Ability to access acceptable and affordable health care

Among people experiencing homelessness in Dane County, mental illness was ranked as the second most important factor (36%) negatively affecting individual's health.

Source: CHNA, p. 47



## Goals

- Reduce 30-day alcohol use by 2% from 11% to 9%, by 9/1/26 in Stoughton High School youth in grades 9-12 as measured by the Youth Risk Behavior Survey and/or Dane County Youth Assessment data.
- Reduce 30-day use of tobacco by 2%, from 8% to 6%, by 9/1/26 in 9-12 grades measured by Youth Risk Behavior Survey and/or Dane County Youth Assessment data.
- Decrease the percentage of Medicare beneficiaries (65+) who are treated for depression to less than 17%.

Source: HealthyDane.org



**NAMI Walk**



**Memory Cafe**

## Community Partners

- Alzheimer's Association WI Chapter
- Dane County Behavioral Health Services
- Journey Mental Health
- Libraries
- LGBTQ+ Community
- Local Churches
- Local Police Departments
- Local EMS
- National Alliance of Mental Health Dane
- Neighborhood Free Health Clinic
- Ocean Hawk Counseling
- Oregon Area Wellness Coalition
- Oregon Mental Health Services, L.L.C.
- Safe Communities
- START
- Stoughton Wellness Coalition
- Tellurian

## Action Plan

- Continue to offer virtual health visits at Stoughton Health Emergency Room and Medical/Surgical ICU with Integrated Telehealth Partners (ITP)
- Explore implementation of an outpatient behavioral health service
- Expand and support programs for older adults offering educational, social or physical group activities
- Treat acute mental health disorders in adults 55 years and over through the Stoughton Hospital Geriatric Psychiatry Inpatient Program
- Support, educate and train communities on becoming dementia friendly
- Host memory café for individuals with Alzheimer's and their families
- Continue to educate community members on dementia warning signs and resources and offer free memory screenings
- Offer numerous free classes to improve well-being including yoga, meditation, and crafting
- Train police officers in CIT (Crisis Intervention Team), designed to de-escalate situations
- Continue work with the Caring for Everyone committee with the focus of providing safe inclusive and welcoming healthcare for all
- Support local police departments with fidgets and other de-escalation items
- Expand Zero Suicide Initiative including safety planning and means reduction
- Continue financial and in-kind support to HATS, START, NHFC, JFF, PEP, NAMI, Alzheimer Association, clothing drives and food pantries
- Screen middle school students for mental health and substance abuse risk factors through cognitive behavioral intervention for trauma in schools with Resilient Response to the Effects of Stress and Trauma (REST)
- Explore tobacco cessation and prevention programming
- Continue to offer sharps disposal and medication drop days
- Continue Narcan training and expand OAK box availability
- Coordinate training opportunities for educators, caregivers, and community members on mental health awareness
- Reduce youth access to substances through environmental and policy change, such as ID scanners at community events, alcohol compliance checks, and city ordinances
- Provide resources for various youth alternative activities



***Gardening for Wellness***



***Sharps and Medication Drop***



***Yoga***



# Recognition of Partner Contributions



We would like to express our heartfelt gratitude to our valued partners who have supported us in the past and continue to stand by us for future initiatives. Your commitment and collaboration have been instrumental, and we look forward to achieving even greater milestones together. Thank you for your dedication; together, we can make a lasting impact!

- Alzheimer's Association Wisconsin Chapter
- American Cancer Society
- American Heart Association
- Dane County Behavioral Health Services
- Catholic Charities
- Civic Organizations
- Greater Wisconsin Agency on Aging Resources, Inc.
- Journey Mental Health
- Caring for our Community Committee
- Local Area Businesses
- Local Area Churches
- Local Area EMS
- Local Area Fire Departments
- Local Area Libraries
- Local Area Nursing Homes & Assisted Livings
- Local Area Police Departments
- Local Area Senior Centers
- Local Area School Districts
- Local Area Youth Centers
- National Alliance of Mental Health of Dane County
- Neighborhood Free Health Clinic
- Ocean Hawk Counseling
- Oregon Area Wellness Coalition
- Oregon Mental Health
- Oregon School District
- Parish Nurses
- SAFE Communities
- Skaalen Retirement Services
- Stoughton Area Resource Team (START)
- Stoughton Hospital Foundation
- Stoughton Wellness Coalition
- Tellurian
- The Partners of Stoughton Hospital
- Wisconsin Institute on Healthy Aging

**Thank you to our Healthy Dane partners for collaborating with us to complete the 2025-2027 Community Health Needs Assessment (CHNA) in 2024. The partners include Group Health Cooperative of South Central Wisconsin, Public Health Madison & Dane County, SSM Health St. Mary's Hospital, UnityPoint Health – Meriter, and UW Health.**

**Approved by Stoughton Hospital Association Governing Board**

**Date:**

*Creating Excellence Together*