HEMPHILL COUNTY HOSPITAL DISTRICT

FY 2027 COMMUNITY BUDGET OVERVIEW
Prepared for Public Information
July 2026

Purpose

This summary provides an easy-to-read overview of the proposed FY 2027 budget. It highlights the major priorities, assumptions, and investments that support healthcare services throughout Hemphill County Hospital District. We will continue to provide updates and additional budget information as the budget is finalized.

FY 2026 Highlights

- Maintained the current tax rate while continuing to strengthen financial stability.
- Recruited two physicians (CFP) and one nurse practitioner (HFMC) to improve access to care.
- HCHD launched the RNEC program in 2026 and expects to retain one student for continued employment through this initiative.
- Expanded Respiratory Therapy services.
- Continued growth in inpatient, swing bed, therapy, and outpatient services.
- Demolished the former nursing home building, upgrades to door security, and replacement of hospital boilers.
- Purchased a new ambulance for Gray County supported by funding from Gray County.
- Maintained strong cash reserves while investing in patient care.

FY 2027 Budget Assumptions

Financial Assumptions

Assumption	FY 2027 Budget
Inflation - General	5%
Inflation - Supplies	5%
Inflation - Drugs	10%
Revenue Rate Change	5%
Inflation - Food	7%
Inflation - Utilities	7%
Inflation - Labor	3%
Inflation - Health Insurance	23%

Department-Specific Volume Assumptions

Department	Volume Increase
Sleep Lab	3%
GI O/P	10%
CFP RHC	32%
HFMC RHC	38%

- All other departments are budgeted at current volume levels unless otherwise supported by operational or strategic initiatives.

Provider-Driven Growth

The addition of two physicians and one nurse practitioner is expected to increase patient access and expand laboratory, imaging, rehabilitation, pharmacy, and other outpatient services, allowing more patients to receive care close to home.

FY 2027 Budget at a Glance

- Expand outpatient services
- Grow clinic volumes
- Continue strong financial stewardship
- Invest in workforce and patient access

FY 2027 Budget Strategy

The District's strategy is to replace declining tax revenue with sustainable operational growth by expanding services, recruiting providers, improving efficiency, and carefully managing expenses while protecting access to local healthcare.

FY 2027 Workforce Investments

- Two Physicians
- One Nurse Practitioner
- Full-time EMS Biller
- Part-time HIM
- Full-time Medical Biller
- Full-time Certified Medical Assistant
- Additional staffing as patient demand grows

Budget Highlights

- Continue reducing reliance on contract labor
- Expand GI and wound care services
- Growth in current service lines, such as laboratory, radiology, outpatient therapy services, and sleep disorders center
- Invest in technology and operational efficiency
- Preserve financial stability and access to care

Budget Risks

- Inflation
- Tax base changes
- Healthcare reimbursement
- Bad debt
- Workforce shortages
- Supply costs

Proposed Budget Calendar

- July – Budget workshops and department review
- August – Preliminary budget and tax rate discussion
- August/September – Public hearing (if required) and budget adoption