

10-1990

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Recommended Citation

Stewart, J. Darin, "Adventist Health Systems/Sunbelt Internship 1990" (1990). *Senior Research Projects*. 140.
https://knowledge.e.southern.edu/senior_research/140

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**ADVENTIST HEALTH SYSTEMS/SUNBELT
INTERNSHIP 1990**

J. DARIN STEWART

**SOUTHERN SCHOLARS PROGRAM
SENIOR PROJECT**

OCTOBER 9, 1990

INTERNSHIP: ADVENTIST HEALTH SYSTEMS/SUNBELT

For the college student, finding a challenging summer job in one's major field with little or no experience can be frustrating at best. Given that, I was pleased to accept the opportunity to intern this summer with Adventist Health Systems/Sunbelt (AHS/S) in Orlando, Florida. AHS/S operates seventeen medical centers located in Florida, Georgia, Tennessee, and Texas with several centers having local branches thus making the number of medical locations greater still. Seventeen nursing homes complete their inventory of medical care facilities. In addition, AHS/S operates a number of affiliated business entities thus rounding out a comprehensive health care operation composed of an entire spectrum of health care facilities and services.

As the 1990 summer intern, I worked in the Finance department for approximately twelve weeks which was divided between a special project and preparing tax returns. At that time, the finance department was operated by two vice presidents for financial affairs--Mr. Calvin Wiese and Mr. Vann Camp. However, Mr. Wiese has subsequently been conditionally promoted to chief financial officer. My first six weeks were spent with Mr. Robert Moon who is the director of special projects and who reports to Mr. Wiese. Mr. Moon had begun a project that, upon completion, was hoped to result in an improved bond rating for AHS/S. This project was a financial forecast. The task involved preparing a three-year historical record for each of ten select medical centers, and from that history, developing a five-year financial forecast for each as well

as one for all ten combined. I was assigned to this project for the first six weeks.

Our approach to successfully accomplishing this task consisted of creating eleven ¹ 1000-line spreadsheets. To begin with, I consulted sources on demographics to determine the population of the metropolitan statistical areas (MSA's)² in which each of our medical centers is located (or county population if MSA information was not available) to determine the number of potential patients. The number of MSA-wide hospital admissions, based upon MSA (or county) statistical reports, provided a percentage use rate for all hospitals in the area, and by comparing actual admissions to AHS medical centers with total MSA hospital admissions, I computed our past and current market share. Projected market share was based upon predictions of MSA population growth or decline over the next five years. The projected market share was easily converted into a bed count and then patient days. From patient days, projected revenue and expense was calculated assuming current cost/revenue relations would remain relatively stable.

This process was truly educational for me as I had no previous knowledge or training in hospital related activities. The finance department was using SuperCalc 5 so it was imperative that I quickly learn to use it. My computer skills have increased significantly and I have also become acquainted with a number of auditing tick marks which I used to verify the results of each

¹ I created one spreadsheet for each selected medical center and one that combined all the others into one aggregate report.

² An MSA consists of the population in the surrounding areas of a city (suburbs) as well as the city proper.

spreadsheet. Mr. Moon and my other colleagues proved to be patient teachers offering helpful advice and always ready to answer questions.

The final six weeks of my engagement were spent under the direction of the financial analyst--Mark Block. Responsibilities to him consisted of preparing tax returns for many of the affiliated business entities operated by AHS/S. Such entities are located in Florida, Tennessee, and Texas and augment the services AHS/S provides to its affiliated medical centers in the form of a collection agency, a medical supplies outlet, and emergency medical clinics that treat minor emergencies. Most of these entities are not-for-profit. Tax forms that I prepared included a federal 1120, an F1120 for all activity in Florida, a Florida intangible tax return, and returns for Tennessee and Texas who require filings for all activity originating in their states.

In the course of preparing these returns, I found a few errors in the previous year's return which necessitated an amended 1988 federal return as well as one for Tennessee. The tax filing process required that I phone each entity for which tax reporting was necessary and request that a trial balance as of December 31, 1989 be sent to me. Then using the tax guide and the previous year's form as a rough example, I proceeded to complete each return. Sometimes it was necessary to phone Tennessee and Texas to ask questions and when I did, I was answered by friendly, knowledgeable people. In one case, a phone call and an hour of tax research saved a for-profit entity several thousand dollars in tax liabilities.

Overall, I enjoyed this experience and gained valuable, practical knowledge in the area of financial forecasting and tax procedures. The people at AHS/S made me feel as though I were part of a family. In short, I found the business and technical knowledge to be of tremendous value and the social relationships to be genuinely warm and friendly. The experience was truly rewarding.