



# El Camino Health

## Summary of Financial Operations

*Fiscal Year 2020 – Period 9  
7/1/2019 to 3/31/2020*

## The Story of March

- March 2020 with the introduction of the COVID 19 pandemic was truly a Black Swan event
  - The sudden reduction in volumes, almost instantaneously, is a once in a career event
  - Management focused, very appropriately, on the clinical/medical response in serving the community and it's needs
  - The organization, like all other healthcare organizations, is now reacting to the current economic reality and planning for the economics of a prolonged recovery on a longer-term basis

# Consolidated Statement of Operations (\$000s)

Period ending 03/31/2020

Period 9 FY 2019	Period 9 FY 2020	Period 9 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					<b>OPERATING REVENUE</b>					
316,524	281,723	353,329	(71,606)	(20.3%)	<b>Gross Revenue</b>	2,616,803	2,885,575	2,874,368	11,207	0.4%
(234,939)	(208,618)	(261,619)	53,001	20.3%	<b>Deductions</b>	(1,925,606)	(2,128,482)	(2,126,336)	(2,146)	(0.1%)
<b>81,585</b>	<b>73,105</b>	<b>91,710</b>	<b>(18,605)</b>	<b>(20.3%)</b>	<b>Net Patient Revenue</b>	<b>691,196</b>	<b>757,093</b>	<b>748,032</b>	<b>9,062</b>	<b>1.2%</b>
3,126	4,240	4,483	(244)	(5.4%)	<b>Other Operating Revenue</b>	30,569	41,082	40,173	909	2.3%
<b>84,711</b>	<b>77,345</b>	<b>96,194</b>	<b>(18,849)</b>	<b>(19.6%)</b>	<b>Total Operating Revenue</b>	<b>721,766</b>	<b>798,176</b>	<b>788,205</b>	<b>9,971</b>	<b>1.3%</b>
					<b>OPERATING EXPENSE</b>					
44,680	48,720	48,625	(95)	(0.2%)	<b>Salaries &amp; Wages</b>	380,905	418,542	416,922	(1,620)	(0.4%)
12,259	14,730	13,411	(1,319)	(9.8%)	<b>Supplies</b>	100,134	120,970	109,269	(11,700)	(10.7%)
11,565	13,704	13,427	(276)	(2.1%)	<b>Fees &amp; Purchased Services</b>	93,582	126,788	117,544	(9,244)	(7.9%)
2,906	4,042	3,698	(344)	(9.3%)	<b>Other Operating Expense</b>	23,972	34,132	35,244	1,112	3.2%
575	992	1,428	437	30.6%	<b>Interest</b>	3,541	5,218	7,654	2,436	31.8%
4,415	4,817	5,283	467	8.8%	<b>Depreciation</b>	38,968	40,744	43,767	3,023	6.9%
<b>76,399</b>	<b>87,003</b>	<b>85,872</b>	<b>(1,131)</b>	<b>(1.3%)</b>	<b>Total Operating Expense</b>	<b>641,101</b>	<b>746,394</b>	<b>730,400</b>	<b>(15,994)</b>	<b>(2.2%)</b>
<b>8,312</b>	<b>(9,658)</b>	<b>10,322</b>	<b>(19,980)</b>	<b>(193.6%)</b>	<b>Net Operating Margin</b>	<b>80,665</b>	<b>51,782</b>	<b>57,805</b>	<b>(6,023)</b>	<b>(10.4%)</b>
16,044	(71,812)	3,300	(75,112)	(2276.2%)	<b>Non Operating Income</b>	25,572	(47,351)	28,296	(75,647)	(267.3%)
<b>24,356</b>	<b>(81,470)</b>	<b>13,622</b>	<b>(95,092)</b>	<b>(698.1%)</b>	<b>Net Margin</b>	<b>106,237</b>	<b>4,430</b>	<b>86,101</b>	<b>(81,670)</b>	<b>(94.9%)</b>
15.7%	-5.0%	17.7%	(22.7%)		<b>EBITDA</b>	17.1%	12.2%	13.9%	(1.6%)	
9.8%	-12.5%	10.7%	(23.2%)		<b>Operating Margin</b>	11.2%	6.5%	7.3%	(0.8%)	
28.8%	-105.3%	14.2%	(119.5%)		<b>Net Margin</b>	14.7%	0.6%	10.9%	(10.4%)	

# Financial Overview - March

## Financial Performance

- Operating Loss was \$9.7M, which is \$20M lower than budget. Driven by:
  - The Shelter In Place and CDC order cancelling all elective procedures effective March 16<sup>th</sup>.
  - This caused a precipitous reduction in Volumes and Revenues
    - Patient Revenue is \$18.6M (-20%) lower than the budget
  - Operating Expense was unfavorable to budget by \$1.1M (1%)
    - Operating Expense per CMI Adjusted Discharge was 26% greater than the budget
- Non Operating Income includes a mark-to-market adjustment of approximately \$70M due to unrealized losses in equity and fixed income positions.

## Hospital Patient Volume

- Adjusted Discharges (AD) unfavorable to budget 672 ADs (20.6%) and unfavorable to prior year by 17%
  - Mountain View: Unfavorable to budget by 569 ADs (21.6%) and unfavorable to prior year by 18%
  - Los Gatos: Unfavorable to budget by 103 ADs (16.4%) and unfavorable to prior year by 13%

## Silicon Valley Medical Group Volume

Visits per day decreased by 22% in the month of March which on a full month basis would be 44%

# Financial Overview – Year to Date March

## Financial Performance

- Operating Margin, with the inclusion of March's loss, is \$6M unfavorable to budget. Driven by:
  - Patient Revenue remains slightly favorable to budget \$9.1M (1.2%)
  - Operating Expenses are now unfavorable to budget by \$16M (-2.2%)
    - Operating Expense per CMI Adjusted Discharge remains favorable to budget by 2%
- Non Operating Income is unfavorable due to the material mark-to-market adjustment for the investment portfolio in March.

## Hospital Patient Volume

- Adjusted Discharges (AD) favorable to budget 1,244 ADs (4.6%) and favorable to prior year by 8%
  - Mountain View: Favorable to budget by 796 ADs (3.7%) and favorable to prior year by 6%
  - Los Gatos: Favorable to budget by 448 ADs (9%) and favorable to prior year by 16%

## Silicon Valley Medical Group

- The YTD Operating Loss is approximately \$30 million dollars reflecting lower revenues due to lower volumes and a higher fixed cost base due to lack of economies of scale

## Payor Mix

- Commercial payor mix was at budget level

# Consolidated Balance Sheet

(in thousands)

## ASSETS

	Audited	
	March 31, 2020	June 30, 2019
<b>CURRENT ASSETS</b>		
Cash	110,170	124,912
Short Term Investments	150,928	177,165
Patient Accounts Receivable, net	136,253	132,198
Other Accounts and Notes Receivable	9,530	5,058
Intercompany Receivables	50,162	8,549
Inventories and Prepaids	68,160	64,093
<b>Total Current Assets</b>	<b>525,202</b>	<b>511,976</b>
<b>BOARD DESIGNATED ASSETS</b>		
Foundation Board Designated	13,631	16,895
Plant & Equipment Fund	175,652	171,304
Women's Hospital Expansion	22,430	15,472
Operational Reserve Fund	148,917	139,057
Community Benefit Fund	17,959	18,260
Workers Compensation Reserve Fund	19,972	20,732
Postretirement Health/Life Reserve Fund	30,204	29,480
PTO Liability Fund	26,338	26,149
Malpractice Reserve Fund	1,891	1,831
Catastrophic Reserves Fund	14,978	19,678
<b>Total Board Designated Assets</b>	<b>471,973</b>	<b>458,857</b>
<b>FUNDS HELD BY TRUSTEE</b>	<b>29,914</b>	<b>83,073</b>
<b>LONG TERM INVESTMENTS</b>	<b>354,525</b>	<b>375,729</b>
<b>CHARITABLE GIFT ANNUITY INVESTMENTS</b>	<b>517</b>	<b>602</b>
<b>INVESTMENTS IN AFFILIATES</b>	<b>29,980</b>	<b>38,532</b>
<b>PROPERTY AND EQUIPMENT</b>		
Fixed Assets at Cost	1,337,917	1,692,693
Less: Accumulated Depreciation	(663,658)	(622,877)
<b>Property, Plant &amp; Equipment - Net</b>	<b>1,154,328</b>	<b>1,069,816</b>
<b>DEFERRED OUTFLOWS</b>	<b>33,351</b>	<b>33,876</b>
<b>RESTRICTED ASSETS</b>	<b>29,415</b>	<b>24,279</b>
<b>OTHER ASSETS</b>	<b>3,467</b>	<b>1,036</b>
<b>TOTAL ASSETS</b>	<b>2,632,671</b>	<b>2,597,775</b>

## LIABILITIES AND FUND BALANCE

	Audited	
	March 31, 2020	June 30, 2019
<b>CURRENT LIABILITIES</b>		
( Accounts Payable	43,011	38,390
Salaries and Related Liabilities	22,290	30,296
Accrued PTO	26,855	26,502
Third Party Settlements	10,209	11,331
Intercompany Payables	50,564	8,464
Bonds Payable - Current	9,128	8,630
Bond Interest Payable	3,385	12,775
Other Liabilities	894	14,577
<b>Total Current Liabilities</b>	<b>170,436</b>	<b>150,966</b>
<b>LONG TERM LIABILITIES</b>		
Post Retirement Benefits	30,295	29,480
Worker's Comp Reserve	17,972	18,432
Other L/T Obligation (Asbestos)	4,064	3,975
Bond Payable	511,551	507,531
<b>Total Long Term Liabilities</b>	<b>563,881</b>	<b>559,417</b>
<b>DEFERRED REVENUE-UNRESTRICTED</b>	<b>1,312</b>	<b>1,113</b>
<b>DEFERRED INFLOW OF RESOURCES</b>	<b>13,268</b>	<b>13,715</b>
<b>FUND BALANCE/CAPITAL ACCOUNTS</b>		
Unrestricted	1,666,827	1,389,510
Board Designated	188,693	458,839
Restricted	28,255	24,215
<b>Total Fund Bal &amp; Capital Accts</b>	<b>1,883,774</b>	<b>1,872,563</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>2,632,671</b>	<b>2,597,775</b>

# Investment Portfolio

- The investment portfolio balance at March 31, 2020 is \$979 million and the portfolio had a 9.9% loss in the quarter
- As of April 24<sup>th</sup> the portfolio balance was slightly greater than \$1 billion
- For the quarter performance was as follows:
  - Equities were down 21.7%
  - Fixed Income were down 0.1%
  - Alternatives were down 4.9%
- The portfolio is within the asset allocation ranges as of March
- The Investment Committee will be evaluating the current asset classes in the Investment policy for opportunities at the May meeting

# APPENDIX

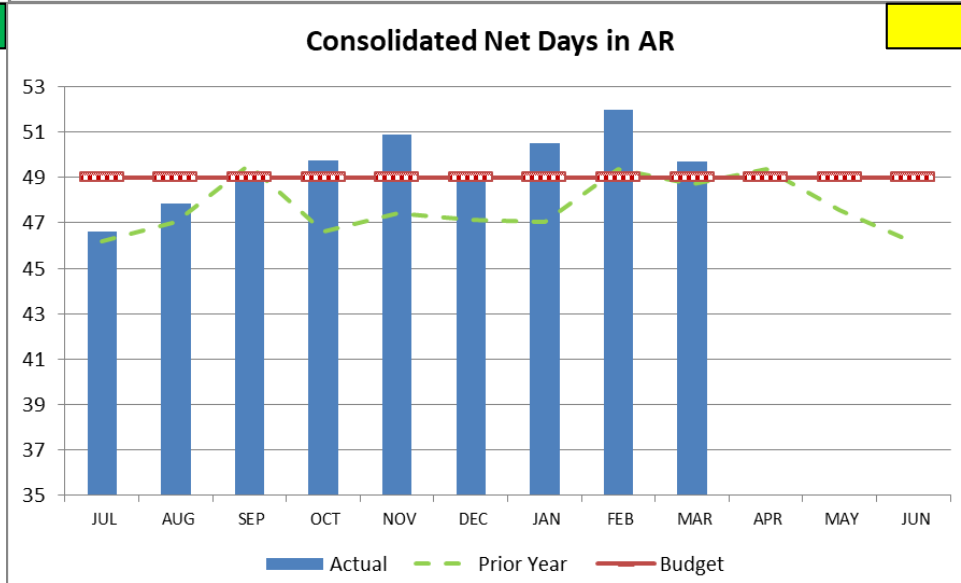
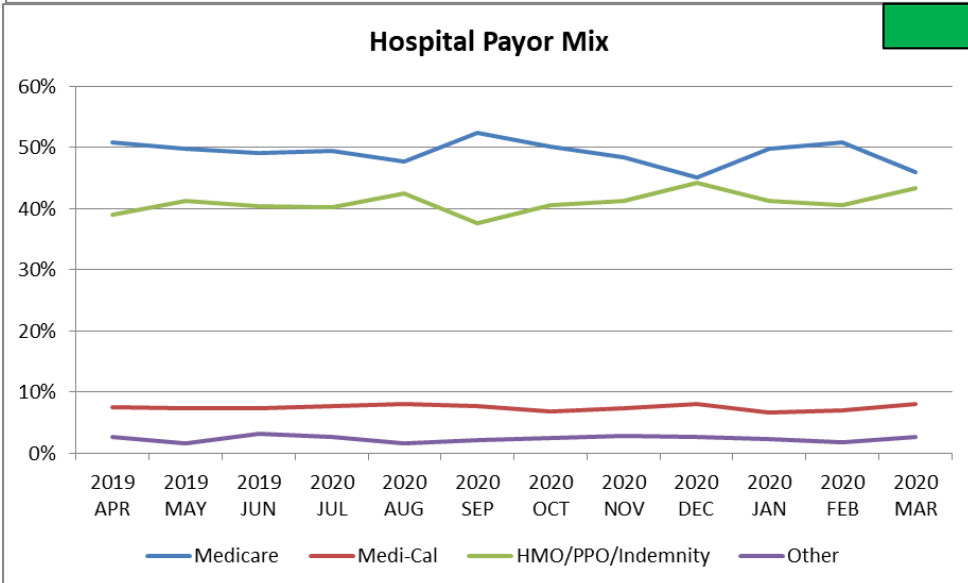
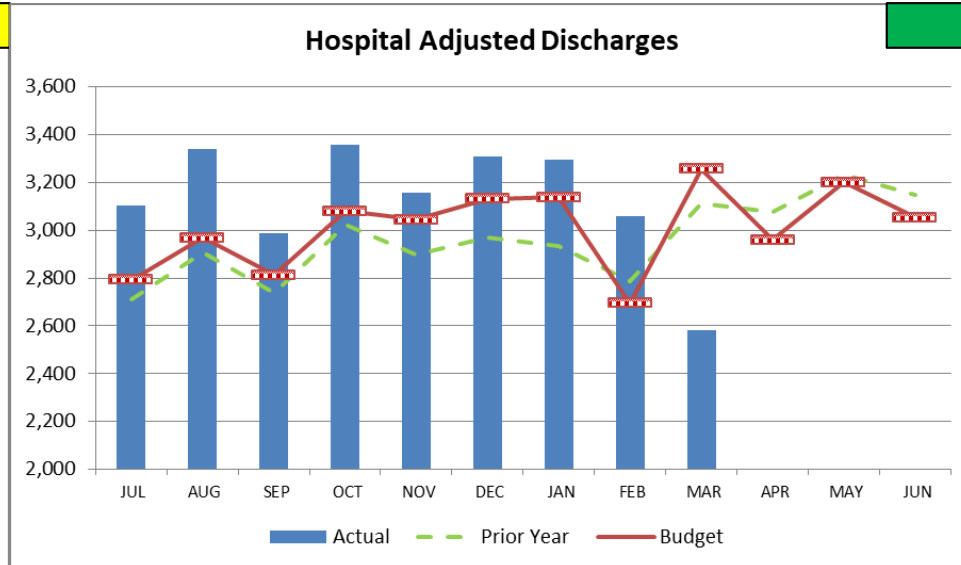
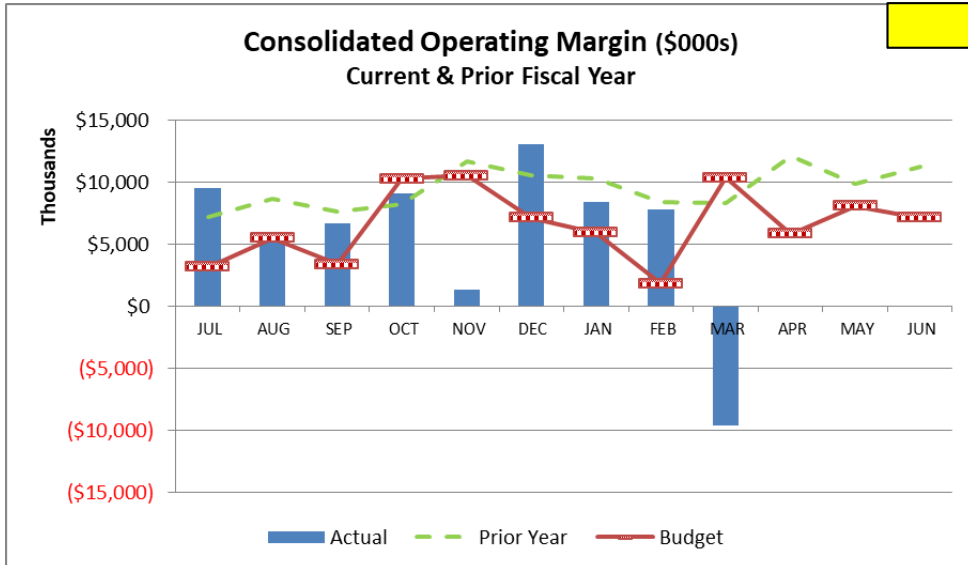


## Dashboard - as of March 31, 2020

	Month				YTD			
	PY	CY	Bud/Target	Variance CY vs Bud	PY	CY	Bud/Target	Variance CY vs Bud
<b>Consolidated Financial Perf.</b>								
Total Operating Revenue	84,711	77,345	96,194	(18,849)	721,766	798,176	788,205	9,971
Operating Expenses	76,399	87,003	85,872	(1,131)	641,101	746,394	730,400	(15,994)
Operating Margin \$	8,312	(9,658)	10,322	(19,980)	80,665	51,782	57,805	(6,023)
Operating Margin %	9.8%	(12.5%)	10.7%	(23.2%)	11.2%	6.5%	7.3%	(0.8%)
EBIDA \$	13,302	(3,850)	17,034	(20,884)	123,173	97,744	109,226	(11,482)
EBIDA %	15.7%	(5.0%)	17.7%	(22.7%)	17.1%	11.9%	13.9%	(1.9%)
<b>Hospital Volume</b>								
<b>Licensed Beds</b>	443	443	443	-	443	443	443	-
ADC	263	218	262	(44)	240	240	241	(1)
Utilization MV	73%	59%	72%	(13.0%)	66%	65%	65%	(0.3%)
Utilization LG	31%	30%	33%	(3.5%)	29%	30%	32%	(1.7%)
Utilization Combined	59%	49%	59%	(9.9%)	54%	54%	54%	(0.7%)
Adjusted Discharges	3,114	2,584	3,256	(672)	26,080	28,187	26,914	1,273
Total Discharges (Excl NNB)	1,770	1,490	1,791	(301)	14,512	15,057	14,793	264
Total Discharges	2,113	1,810	2,118	(308)	17,522	18,158	17,841	317
<b>Inpatient Cases</b>								
MS Discharges	1,266	1,014	1,259	(245)	10,095	10,455	10,138	317
Deliveries	365	332	353	(21)	3,193	3,277	3,214	63
BHS	93	100	134	(34)	846	918	1,002	(84)
Rehab	46	44	45	(1)	378	407	438	(31)
<b>Outpatient Cases</b>	13,223	10,332	14,232	(3,900)	111,598	120,744	117,008	3,736
ED	4,590	3,015	4,195	(1,180)	35,983	36,023	35,820	203
Procedural Cases				-				-
OP Surg	438	273	479	(206)	3,737	3,982	3,794	188
Endo	247	148	256	(108)	1,962	1,957	2,099	(142)
Interventional	187	148	206	(58)	1,627	1,589	1,697	(108)
All Other	7,761	6,748	9,096	(2,348)	68,289	77,193	73,597	3,596
<b>Hospital Payor Mix</b>								
Medicare	51.2%	46.0%	49.0%	(3.0%)	48.6%	48.9%	48.6%	0.3%
Medi-Cal	8.4%	8.0%	8.1%	(0.1%)	8.1%	7.5%	8.1%	(0.6%)
Commercial IP	18.5%	23.8%	20.3%	3.4%	20.1%	19.8%	20.5%	(0.8%)
Commercial OP	19.7%	19.6%	20.3%	(0.7%)	20.7%	21.5%	20.5%	1.1%
Total Commercial	38.1%	43.4%	40.6%	2.7%	40.8%	41.3%	41.0%	0.3%
Other	2.2%	2.6%	2.2%	0.4%	2.4%	2.3%	2.3%	0.0%
<b>Hospital Cost</b>								
Total FTE	2,751.8	2,825.4	2,675.6	(149.8)	2,660.1	2,804.0	2,782.7	(21.3)
Productive Hrs/APD	30.7	38.1	30.0	(8.1)	30.6	31.5	31.7	0.2
<b>Consolidated Balance Sheet</b>								
Net Days in AR	48.7	49.7	49.0	(0.7)	48.7	49.7	49.0	(0.7)
Days Cash	500	432	435	(4)	500	432	435	(4)

\*Beginning with the June FY 19 report, the Dashboard and the financial report has been updated to show the ECH consolidated results instead of just the Hospitals. The descriptions of the metrics indicate whether the data is hospital only.

# Monthly Financial Trends



# INVESTMENT SCORECARD AS OF MARCH 31, 2020

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY20 Budget	Expectation Per Asset Allocation
<b>Investment Performance</b>		<b>1Q 2020</b>		<b>Fiscal Year-to-date</b>		<b>7y 5m Since Inception (annualized)</b>		<b>FY 2020</b>	<b>2019</b>
Surplus cash balance*		\$977.6	--	--	--	--	--	--	--
Surplus cash return		-10.2%	-9.4%	-5.9%	-5.0%	4.2%	4.2%	4.0%	5.6%
Cash balance plan balance (millions)		\$256.5	--	--	--	--	--	--	--
Cash balance plan return		-12.9%	-11.7%	-8.0%	-6.6%	5.8%	5.3%	6.0%	6.0%
403(b) plan balance (millions)		\$474.6	--	--	--	--	--	--	--
<b>Risk vs. Return</b>		<b>3-year</b>				<b>7y 5m Since Inception (annualized)</b>			<b>2019</b>
Surplus cash Sharpe ratio		0.17	0.18	--	--	0.61	0.63	--	0.34
Net of fee return		2.9%	2.8%	--	--	4.2%	4.2%	--	5.6%
Standard deviation		7.2%	6.8%	--	--	5.6%	5.4%	--	8.7%
Cash balance Sharpe ratio		0.19	0.16	--	--	0.70	0.68	--	0.32
Net of fee return		3.2%	2.8%	--	--	5.8%	5.3%	--	6.0%
Standard deviation		9.0%	8.2%	--	--	7.2%	6.7%	--	10.3%
<b>Asset Allocation</b>		<b>1Q 2020</b>							
Surplus cash absolute variances to target		13.0%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Cash balance absolute variances to target		9.4%	< 10% Green < 20% Yellow	--	--	--	--	--	--
<b>Manager Compliance</b>		<b>1Q 2020</b>							
Surplus cash manager flags		29	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		35	< 27 Green < 34 Yellow	--	--	--	--	--	--

\*Excludes debt reserve funds (~\$30 mm), District assets (~\$39 mm), and balance sheet cash not in investable portfolio (\$118 mm). Includes Foundation (~\$34 mm) and Concern (~\$14 mm) assets.

# Non Operating Items and Net Margin by Affiliate

\$ in thousands

	Period 9- Month			Period 9- FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>El Camino Hospital Operating Margin</b>						
Mountain View	(4,995)	9,988	(14,983)	71,927	67,061	4,866
Los Gatos	(629)	2,703	(3,332)	11,674	14,461	(2,786)
<b>Sub Total - El Camino Hospital, excl. Affiliates</b>	<b>(5,624)</b>	<b>12,692</b>	<b>(18,315)</b>	<b>83,601</b>	<b>81,521</b>	<b>2,080</b>
<b>Operating Margin %</b>	<b>-7.7%</b>	<b>14.1%</b>		<b>11.0%</b>	<b>11.1%</b>	
<b>El Camino Hospital Non Operating Income</b>						
<b>Sub Total - Non Operating Income</b>	<b>(67,835)</b>	<b>2,860</b>	<b>(70,696)</b>	<b>(48,412)</b>	<b>24,357</b>	<b>(72,770)</b>
<b>El Camino Hospital Net Margin</b>	<b>(73,459)</b>	<b>15,552</b>	<b>(89,011)</b>	<b>35,189</b>	<b>105,879</b>	<b>(70,690)</b>
<b>ECH Net Margin %</b>	<b>-100.6%</b>	<b>17.3%</b>		<b>4.6%</b>	<b>14.4%</b>	
Concern	(369)	75	(444)	487	735	(248)
ECSC	(1,017)	0	(1,018)	(68)	3	(71)
Foundation	(2,977)	162	(3,139)	(1,198)	1,286	(2,484)
Silicon Valley Medical Development	(3,648)	(2,167)	(1,481)	(29,979)	(21,802)	(8,177)
<b>Net Margin Hospital Affiliates</b>	<b>(8,011)</b>	<b>(1,930)</b>	<b>(6,081)</b>	<b>(30,758)</b>	<b>(19,778)</b>	<b>(10,980)</b>
<b>Total Net Margin Hospital &amp; Affiliates</b>	<b>(81,470)</b>	<b>13,622</b>	<b>(95,092)</b>	<b>4,430</b>	<b>86,101</b>	<b>(81,670)</b>

# El Camino Hospital – Mountain View (\$000s)

Period ending 3/31/2020

Period 9 FY 2019	Period 9 FY 2020	Period 9 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					<b>OPERATING REVENUE</b>					
259,896	221,188	277,549	(56,360)	(20.3%)	<b>Gross Revenue</b>	2,143,900	2,291,235	2,266,286	24,949	1.1%
(192,610)	(163,466)	(206,791)	43,325	21.0%	<b>Deductions</b>	(1,575,870)	(1,684,539)	(1,686,243)	1,704	0.1%
<b>67,286</b>	<b>57,722</b>	<b>70,757</b>	<b>(13,035)</b>	<b>(18.4%)</b>	<b>Net Patient Revenue</b>	<b>568,030</b>	<b>606,696</b>	<b>580,044</b>	<b>26,653</b>	<b>4.6%</b>
1,613	1,437	1,783	(346)	(19.4%)	<b>Other Operating Revenue</b>	17,609	16,016	17,771	(1,755)	(9.9%)
<b>68,899</b>	<b>59,159</b>	<b>72,540</b>	<b>(13,381)</b>	<b>(18.4%)</b>	<b>Total Operating Revenue</b>	<b>585,639</b>	<b>622,713</b>	<b>597,815</b>	<b>24,898</b>	<b>4.2%</b>
					<b>OPERATING EXPENSE</b>					
36,645	38,559	38,529	(30)	(0.1%)	<b>Salaries &amp; Wages</b>	312,698	331,353	329,814	(1,539)	(0.5%)
10,054	11,579	10,146	(1,433)	(14.1%)	<b>Supplies</b>	81,272	96,102	83,656	(12,445)	(14.9%)
6,649	6,641	5,918	(723)	(12.2%)	<b>Fees &amp; Purchased Services</b>	56,664	61,634	52,540	(9,094)	(17.3%)
2,343	2,930	2,257	(673)	(29.8%)	<b>Other Operating Expense</b>	19,284	24,090	22,489	(1,601)	(7.1%)
575	992	1,428	437	30.6%	<b>Interest</b>	3,541	5,218	7,654	2,436	31.8%
3,556	3,453	4,273	820	19.2%	<b>Depreciation</b>	31,650	32,389	34,601	2,212	6.4%
<b>59,822</b>	<b>64,154</b>	<b>62,551</b>	<b>(1,603)</b>	<b>(2.6%)</b>	<b>Total Operating Expense</b>	<b>505,108</b>	<b>550,786</b>	<b>530,754</b>	<b>(20,032)</b>	<b>(3.8%)</b>
<b>9,077</b>	<b>(4,995)</b>	<b>9,988</b>	<b>(14,983)</b>	<b>(150.0%)</b>	<b>Net Operating Margin</b>	<b>80,530</b>	<b>71,927</b>	<b>67,061</b>	<b>4,866</b>	<b>7.3%</b>
12,023	(67,835)	2,860	(70,696)	(2471.5%)	<b>Non Operating Income</b>	10,346	(48,412)	24,357	(72,770)	(298.8%)
<b>21,100</b>	<b>(72,830)</b>	<b>12,849</b>	<b>(85,679)</b>	<b>(666.8%)</b>	<b>Net Margin</b>	<b>90,876</b>	<b>23,514</b>	<b>91,418</b>	<b>(67,904)</b>	<b>(74.3%)</b>
19.2%	-0.9%	21.6%	(22.6%)		<b>EBITDA</b>	19.8%	17.6%	18.3%	(0.7%)	
13.2%	-8.4%	13.8%	(22.2%)		<b>Operating Margin</b>	13.8%	11.6%	11.2%	0.3%	
30.6%	-123.1%	17.7%	(140.8%)		<b>Net Margin</b>	15.5%	3.8%	15.3%	(11.5%)	

# El Camino Hospital – Los Gatos (\$000s)

Period ending 3/31/2020

Period 9 FY 2019	Period 9 FY 2020	Period 9 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					<b>OPERATING REVENUE</b>					
54,863	53,647	65,774	(12,127)	(18.4%)	<b>Gross Revenue</b>	464,109	528,940	526,752	2,188	0.4%
(41,144)	(40,173)	(48,756)	8,583	17.6%	<b>Deductions</b>	(343,900)	(397,079)	(390,602)	(6,477)	(1.7%)
<b>13,719</b>	<b>13,474</b>	<b>17,018</b>	<b>(3,544)</b>	<b>(20.8%)</b>	<b>Net Patient Revenue</b>	<b>120,209</b>	<b>131,861</b>	<b>136,150</b>	<b>(4,289)</b>	<b>(3.2%)</b>
386	370	273	97	35.7%	<b>Other Operating Revenue</b>	2,728	3,433	2,443	990	40.5%
<b>14,105</b>	<b>13,844</b>	<b>17,291</b>	<b>(3,447)</b>	<b>(19.9%)</b>	<b>Total Operating Revenue</b>	<b>122,938</b>	<b>135,294</b>	<b>138,593</b>	<b>(3,299)</b>	<b>(2.4%)</b>
					<b>OPERATING EXPENSE</b>					
7,318	7,870	7,809	(62)	(0.8%)	<b>Salaries &amp; Wages</b>	62,480	67,845	66,345	(1,500)	(2.3%)
2,155	2,736	2,848	112	3.9%	<b>Supplies</b>	18,379	20,996	22,027	1,030	4.7%
3,015	2,738	2,728	(10)	(0.4%)	<b>Fees &amp; Purchased Services</b>	24,297	24,623	24,603	(20)	(0.1%)
395	353	389	36	9.1%	<b>Other Operating Expense</b>	2,889	3,054	3,711	657	17.7%
0	0	0	0	0.0%	<b>Interest</b>	0	0	0	0	0.0%
804	776	815	39	4.8%	<b>Depreciation</b>	6,886	7,102	7,446	344	4.6%
<b>13,688</b>	<b>14,474</b>	<b>14,588</b>	<b>115</b>	<b>0.8%</b>	<b>Total Operating Expense</b>	<b>114,931</b>	<b>123,620</b>	<b>124,132</b>	<b>512</b>	<b>0.4%</b>
<b>416</b>	<b>(629)</b>	<b>2,703</b>	<b>(3,332)</b>	<b>(123.3%)</b>	<b>Net Operating Margin</b>	<b>8,007</b>	<b>11,674</b>	<b>14,461</b>	<b>(2,786)</b>	<b>(19.3%)</b>
0	0	0	0	0.0%	<b>Non Operating Income</b>	0	0	0	0	0.0%
<b>416</b>	<b>(629)</b>	<b>2,703</b>	<b>(3,332)</b>	<b>(123.3%)</b>	<b>Net Margin</b>	<b>8,007</b>	<b>11,674</b>	<b>14,461</b>	<b>(2,786)</b>	<b>(19.3%)</b>
8.7%	1.1%	20.3%	(19.3%)		<b>EBITDA</b>	12.1%	13.9%	15.8%	(1.9%)	
3.0%	-4.5%	15.6%	(20.2%)		<b>Operating Margin</b>	6.5%	8.6%	10.4%	(1.8%)	
3.0%	-4.5%	15.6%	(20.2%)		<b>Net Margin</b>	6.5%	8.6%	10.4%	(1.8%)	

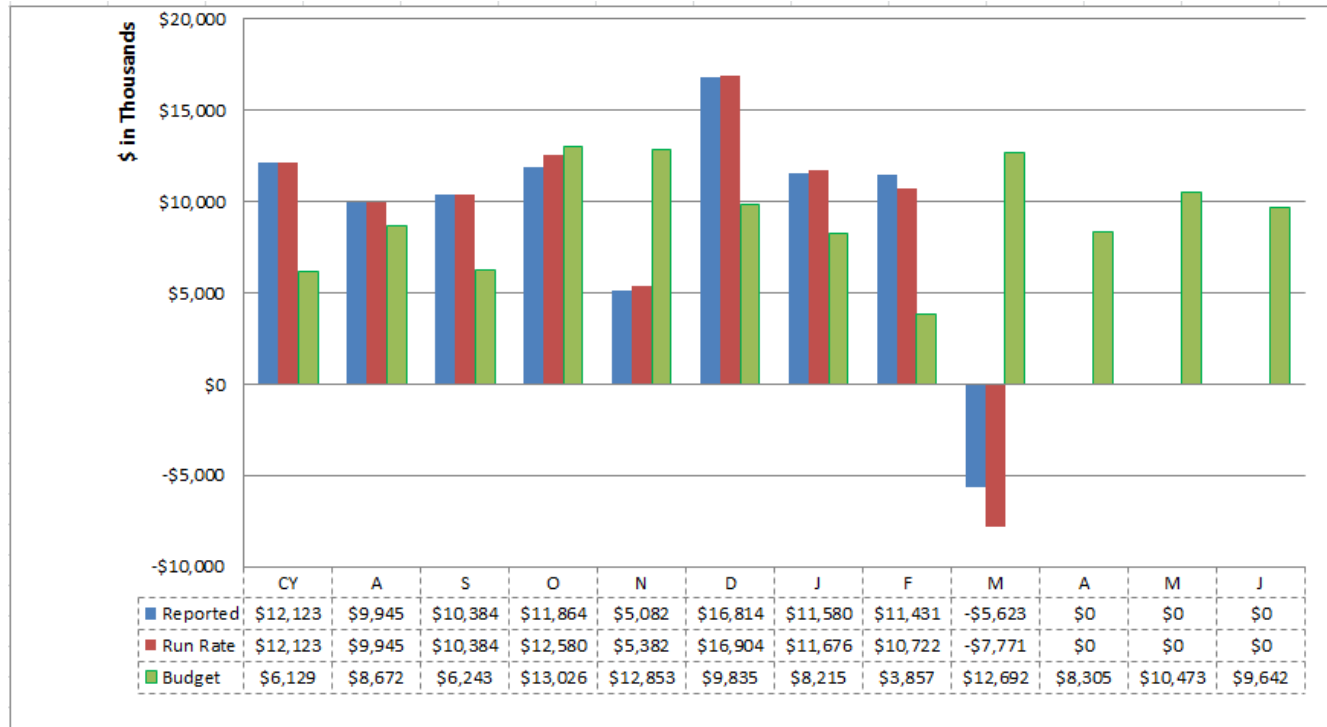
# Silicon Valley Medical Development (\$000s)

Period ending 3/31/2020

Period 9 FY 2019	Period 9 FY 2020	Period 9 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					<b>OPERATING REVENUE</b>					
1,764	6,888	10,006	(3,119)	(31.2%)	<b>Gross Revenue</b>	8,793	65,401	81,330	(15,929)	(19.6%)
(1,184)	(4,979)	(6,071)	1,092	18.0%	<b>Deductions</b>	(5,836)	(46,865)	(49,492)	2,627	5.3%
<b>580</b>	<b>1,909</b>	<b>3,935</b>	<b>(2,026)</b>	<b>(51.5%)</b>	<b>Net Patient Revenue</b>	<b>2,957</b>	<b>18,536</b>	<b>31,838</b>	<b>(13,302)</b>	<b>(41.8%)</b>
12	1,775	1,665	110	6.6%	<b>Other Operating Revenue</b>	51	15,241	13,099	2,142	16.4%
<b>592</b>	<b>3,684</b>	<b>5,601</b>	<b>(1,916)</b>	<b>(34.2%)</b>	<b>Total Operating Revenue</b>	<b>3,008</b>	<b>33,777</b>	<b>44,937</b>	<b>(11,160)</b>	<b>(24.8%)</b>
					<b>OPERATING EXPENSE</b>					
184	1,784	1,753	(30)	(1.7%)	<b>Salaries &amp; Wages</b>	1,186	15,222	16,087	865	5.4%
34	409	405	(5)	(1.2%)	<b>Supplies</b>	374	3,782	3,473	(309)	(8.9%)
1,253	3,911	4,437	526	11.9%	<b>Fees &amp; Purchased Services</b>	7,535	37,238	37,078	(160)	(0.4%)
111	644	980	337	34.3%	<b>Other Operating Expense</b>	1,146	6,284	8,404	2,120	25.2%
0	0	0	0	0.0%	<b>Interest</b>	0	0	0	0	0.0%
51	585	193	(392)	(203.4%)	<b>Depreciation</b>	401	1,231	1,698	467	27.5%
<b>1,633</b>	<b>7,332</b>	<b>7,768</b>	<b>436</b>	<b>5.6%</b>	<b>Total Operating Expense</b>	<b>10,643</b>	<b>63,756</b>	<b>66,740</b>	<b>2,983</b>	<b>4.5%</b>
<b>(1,042)</b>	<b>(3,648)</b>	<b>(2,167)</b>	<b>(1,481)</b>	<b>68.3%</b>	<b>Net Operating Margin</b>	<b>(7,635)</b>	<b>(29,979)</b>	<b>(21,802)</b>	<b>(8,177)</b>	<b>37.5%</b>
3,000	0	0	0	0.0%	<b>Non Operating Income</b>	10,810	0	0	0	0.0%
<b>1,958</b>	<b>(3,648)</b>	<b>(2,167)</b>	<b>(1,481)</b>	<b>68.3%</b>	<b>Net Margin</b>	<b>3,175</b>	<b>(29,979)</b>	<b>(21,802)</b>	<b>(8,177)</b>	<b>37.5%</b>
-167.4%	-83.1%	-35.3%	(47.9%)		<b>EBITDA</b>	-240.4%	-85.1%	-44.7%	(40.4%)	
-176.1%	-99.0%	-38.7%	(60.3%)		<b>Operating Margin</b>	-253.8%	-88.8%	-48.5%	(40.2%)	
331.1%	-99.0%	-38.7%	(60.3%)		<b>Net Margin</b>	105.6%	-88.8%	-48.5%	(40.2%)	

# ECH Hospital Operating Margin

Run rate is booked operating income adjusted for material non-recurring transactions



	Actual										Actual FY 2020	
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar			
Proforma Items:												
CR Settlement											164	164
MIP				(358)	(300)	(90)	(96)	(100)	(88)			(1,032)
Hospital fee											3,256	3,256
Depreciation SVMD									(91)	(392)		(483)
ECSC				(358)					900	(900)		(358)
ECSC - Goodwill										(392)		(392)
Benefits										500		500
Total Proformas	-	-	-	(716)	(300)	(90)	(96)	709	2,148			1,655