



El Camino Health

Summary of Financial Operations

*Fiscal Year 2023 – Period 6
7/1/2022 to 12/31/2022*

Executive Summary - Overall Commentary for Period 6

- **Challenging financial results for Period 6:**

- Overall Revenue Favorable to budget by \$25.5M / 5.6%
 - Driven primarily by both Inpatient and Outpatient activity
 - Inpatient Charges \$12.8M / 5.6% favorable to budget
 - Outpatient Charges \$13.8M / 6.3% favorable to budget
 - Outpatient activity in the Emergency Room and Orthopedic Surgery areas remain strong
- SWB Expense Challenges
 - Labor: Utilization of contract labor and overtime remain at significant high levels above budget
- Gross charges were favorable to budget by \$25.5M / 5.6% and \$52.0M / 12.0% higher than the same period last year.
- Net patient revenue was favorable to budget by \$256K / 0.2% and \$2.4M / 2.1% higher than the same period last year.
- Operating margin was unfavorable to budget by \$3.0M / 22.8% and \$7.7M / 42.7% lower than the same period last year.
- Operating EBIDA was unfavorable to budget by \$2.6M / 12.6% and \$7.4M / 28.9% lower than the same period last year.
- Net income was unfavorable to budget by \$18.7M and \$37.8M below the same period last year.

Operational / Financial Results: Period 6 – December 2022 (as of 12/31/2022)

(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Variance to Prior Year	Variance to Prior Year	Moody's	S&P	Performance to Rating Agency Medians
									'A1'	'AA'	
Activity / Volume	ADC	309	277	32	11.4%	255	53	20.9%	---	---	---
	Total Acute Discharges	1,917	1,872	45	2.4%	1,744	173	9.9%	---	---	---
	Adjusted Discharges	3,757	3,657	100	2.7%	3,576	181	5.1%	---	---	---
	Emergency Room Visits	8,730	5,858	2,872	49.0%	6,281	2,449	39.0%	---	---	---
	OP Procedural Cases	10,541	12,795	(2,254)	(17.6%)	13,693	(3,152)	(23.0%)	---	---	---
	Gross Charges (\$)	485,023	459,515	25,508	5.6%	433,046	51,977	12.0%	---	---	---
Operations	Total FTEs	3,319	3,353	(34)	(1.0%)	3,061	258	8.4%	---	---	---
	Productive Hrs. / APD	26.8	30.0	(3.2)	(10.6%)	28.7	(1.8)	(6.4%)	---	---	---
	Cost Per CMI AD	16,800	18,036	(1,236)	(6.9%)	16,698	102	0.6%	---	---	---
	Net Days in A/R	56.3	54.0	2.3	4.2%	50.7	5.6	11.1%	47.7	49.7	---
Financial Performance	Net Patient Revenue (\$)	115,427	115,171	256	0.2%	113,033	2,394	2.1%	138,547	82,105	---
	Total Operating Revenue (\$)	119,881	119,756	125	0.1%	116,681	3,200	2.7%	152,743	109,602	---
	Operating Margin (\$)	10,322	13,362	(3,040)	(22.8%)	18,016	(7,694)	(42.7%)	1,915	3,836	---
	Operating EBIDA (\$)	18,196	20,824	(2,628)	(12.6%)	25,608	(7,412)	(28.9%)	11,188	10,741	---
	Net Income (\$)	(2,285)	16,376	(18,661)	(114.0%)	35,596	(37,882)	(106.4%)	8,124	7,343	---
	Operating Margin (%)	8.6%	11.2%	(2.5%)	(22.8%)	15.4%	(6.8%)	(44.2%)	1.9%	3.5%	---
	Operating EBIDA (%)	15.2%	17.4%	(2.2%)	(12.7%)	21.9%	(6.8%)	(30.8%)	8.3%	9.8%	---
	DCOH (days)	246	325	(79)	(24.3%)	337	(91)	(27.0%)	306	355	---

Moody's Medians: Not-for-profit and public healthcare annual report; September 9, 2021. Dollar amounts have been adjusted to reflect monthly averages.

S&P Medians: U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios; August 30, 2021. Dollar amounts have been adjusted to reflect monthly averages.

DCOH total includes cash, short-term and long-term investments.

Operational / Financial Results: YTD FY2023 (as of 12/31/2022)

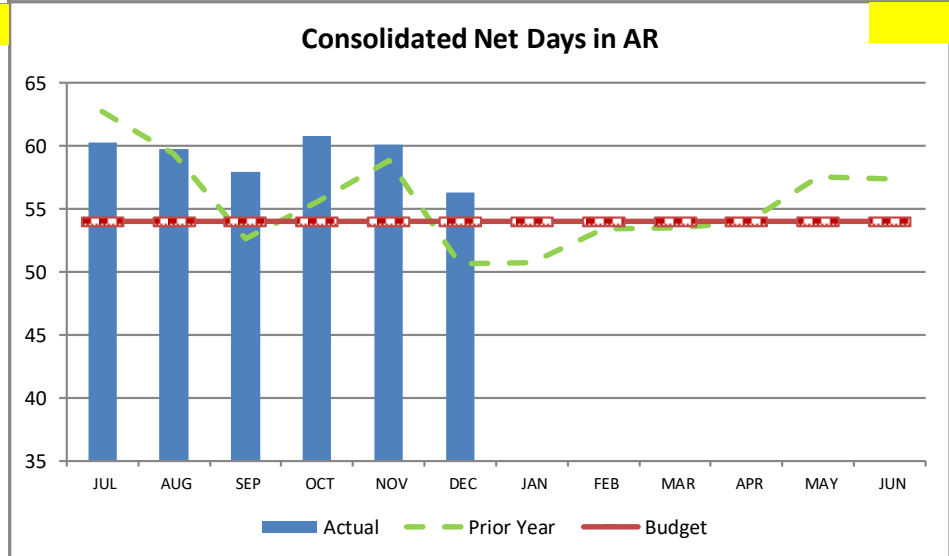
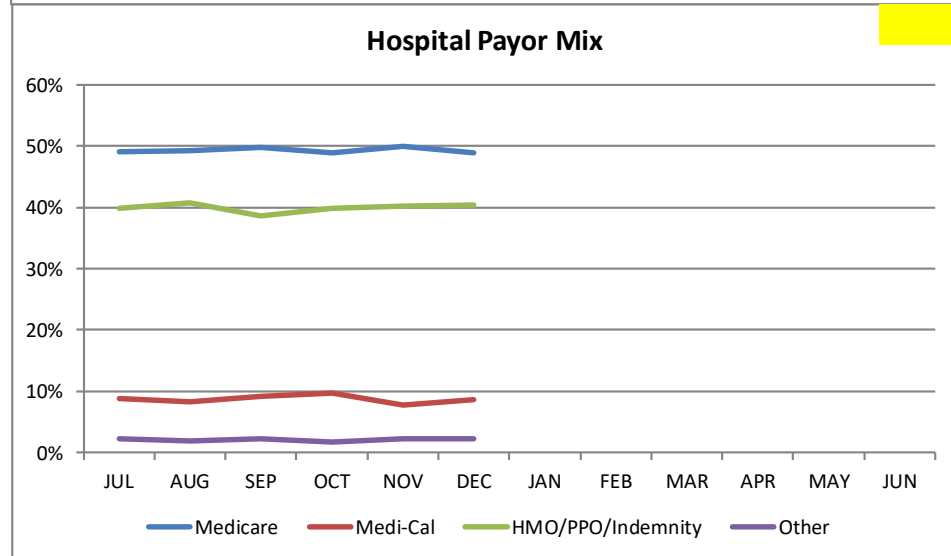
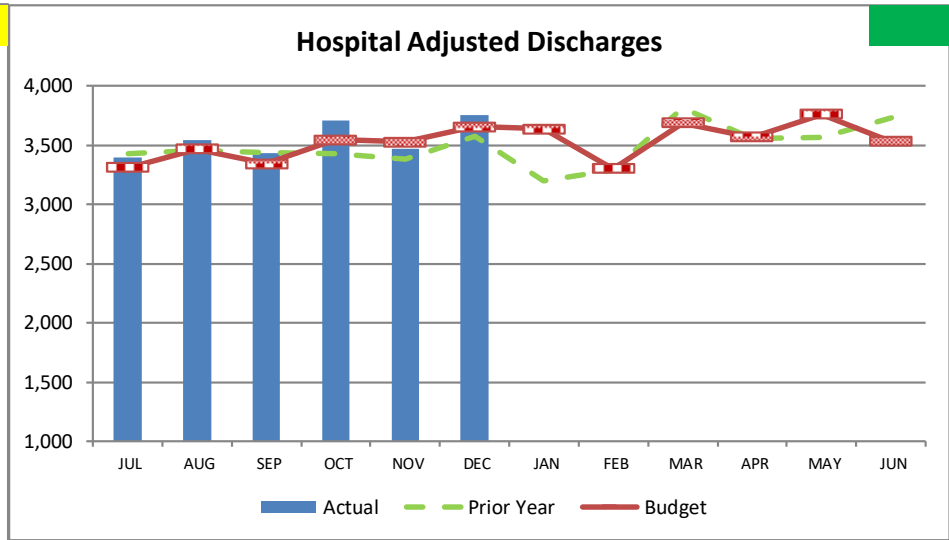
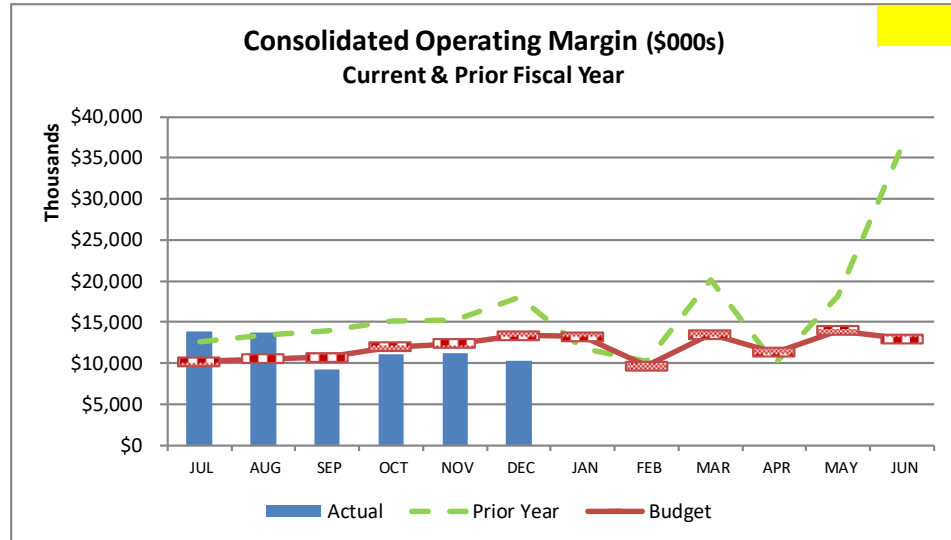
(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Variance to Prior Year	Variance to Prior Year	Moody's	S&P	Performance to Rating Agency Medians
									'A1'	'AA'	
Activity / Volume	ADC	298	256	42	16.4%	265	33	12.3%	---	---	---
	Total Acute Discharges	10,956	10,348	608	5.9%	10,492	464	4.4%	---	---	---
	Adjusted Discharges	21,314	20,867	448	2.1%	20,715	600	2.9%	---	---	---
	Emergency Room Visits	38,966	32,110	6,856	21.4%	33,367	5,599	16.8%	---	---	---
	OP Procedural Cases	71,039	80,179	(9,140)	(11.4%)	77,402	(6,363)	(8.2%)	---	---	---
	Gross Charges (\$)	2,823,929	2,624,691	199,238	7.6%	2,511,327	312,602	12.4%	---	---	---
Operations	Total FTEs	3,275	3,283	(8)	(0.2%)	3,017	258	8.5%	---	---	---
	Productive Hrs. / APD	28.0	30.7	(2.7)	(8.8%)	28.6	(0.6)	(2.2%)	---	---	---
	Cost Per CMI AD	17,523	18,036	(513)	(2.8%)	16,291	1,233	7.6%	---	---	---
	Net Days in A/R	56.3	54.0	2.3	4.2%	50.7	5.6	11.1%	47.7	49.7	---
Financial Performance	Net Patient Revenue (\$)	683,822	668,618	15,205	2.3%	637,954	45,868	7.2%	831,284	492,628	---
	Total Operating Revenue (\$)	707,258	693,460	13,798	2.0%	660,049	47,209	7.2%	911,456	657,613	---
	Operating Margin (\$)	69,556	69,160	396	0.6%	88,387	(18,831)	(21.3%)	11,489	23,016	---
	Operating EBIDA (\$)	116,394	114,539	1,855	1.6%	133,095	(16,701)	(12.5%)	67,130	64,446	---
	Net Income (\$)	87,628	86,583	1,045	1.2%	100,940	(13,312)	(13.2%)	48,747	44,060	---
	Operating Margin (%)	9.8%	10.0%	(0.1%)	(1.4%)	13.4%	(3.6%)	(26.6%)	1.9%	3.5%	---
	Operating EBIDA (%)	16.5%	16.5%	(0.1%)	(0.4%)	20.2%	(3.7%)	(18.4%)	8.3%	9.8%	---
	DCOH (days)	246	325	(79)	(24.3%)	337	(91)	(27.0%)	306	355	---

Moody's Medians: Not-for-profit and public healthcare annual report; September 9, 2021.

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DCOH total includes cash, short-term and long-term investments.

YTD FY2023 Financial KPIs – Monthly Trends



Period 6 and YTD Operating Income, Non-Operating Income and Net Income by Affiliate (as of 12/31/2022)

(\$000s)

	Period 6- Month			Period 6- FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Operating Margin						
Mountain View	6,838	12,796	(5,959)	56,502	67,012	(10,510)
Los Gatos	6,784	4,226	2,559	30,979	23,234	7,745
Sub Total - El Camino Hospital, excl. Affiliates	13,622	17,022	(3,400)	87,481	90,247	(2,765)
Operating Margin %	11.9%	14.9%		12.9%	13.6%	
El Camino Hospital Non Operating Income						
Sub Total - Non Operating Income	(12,304)	2,702	(15,006)	15,939	15,553	386
El Camino Hospital Net Margin	1,318	19,724	(18,407)	103,420	105,800	(2,380)
ECH Net Margin %	1.2%	17.3%		15.3%	16.0%	
Concern	254	79	175	248	504	(255)
Foundation	(542)	(40)	(502)	1,200	(160)	1,361
El Camino Health Medical Network	(3,315)	(3,387)	72	(17,240)	(19,560)	2,320
Net Margin Hospital Affiliates	(3,603)	(3,349)	(254)	(15,792)	(19,217)	3,425
Total Net Margin Hospital & Affiliates	(2,285)	16,376	(18,661)	87,628	86,583	1,045

Consolidated Balance Sheet (as of 12/31/2022)

(\$000s)

ASSETS

	Audited	
	December 31, 2022	June 30, 2022
CURRENT ASSETS		
Cash	207,912	196,067
Short Term Investments	124,088	125,816
Patient Accounts Receivable, net	212,749	209,668
Other Accounts and Notes Receivable	17,958	21,044
Intercompany Receivables	12,658	13,998
Inventories and Prepays	37,358	36,476
Total Current Assets	612,723	603,068
BOARD DESIGNATED ASSETS		
Foundation Board Designated	22,972	18,721
Plant & Equipment Fund	349,578	310,045
Women's Hospital Expansion	30,455	30,261
Operational Reserve Fund	207,898	182,907
Community Benefit Fund	17,733	18,299
Workers Compensation Reserve Fund	14,029	14,029
Postretirement Health/Life Reserve Fund	30,326	29,783
PTO Liability Fund	34,952	33,709
Malpractice Reserve Fund	1,886	1,906
Catastrophic Reserves Fund	27,115	24,668
Total Board Designated Assets	736,945	664,329
FUNDS HELD BY TRUSTEE	-	0
LONG TERM INVESTMENTS	443,405	495,751
CHARITABLE GIFT ANNUITY INVESTMENTS	922	940
INVESTMENTS IN AFFILIATES	30,996	30,376
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	1,906,308	1,872,501
Less: Accumulated Depreciation	(816,476)	(778,427)
Construction in Progress	134,526	96,603
Property, Plant & Equipment - Net	1,224,358	1,190,676
DEFERRED OUTFLOWS	19,021	19,474
RESTRICTED ASSETS	33,079	31,200
OTHER ASSETS	209,749	216,842
TOTAL ASSETS	3,311,198	3,252,657

LIABILITIES AND FUND BALANCE

	Audited	
	December 31, 2022	June 30, 2022
CURRENT LIABILITIES		
Accounts Payable	48,427	51,286
Salaries and Related Liabilities	31,714	46,502
Accrued PTO	35,765	34,449
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	11,653	14,942
Intercompany Payables	9,034	13,489
Malpractice Reserves	2,096	2,096
Bonds Payable - Current	9,905	9,905
Bond Interest Payable	8,096	8,096
Other Liabilities	12,523	20,955
Total Current Liabilities	171,513	204,021
LONG TERM LIABILITIES		
Post Retirement Benefits	30,326	29,783
Worker's Comp Reserve	14,029	14,029
Other L/T Obligation (Asbestos)	38,167	37,944
Bond Payable	465,342	466,838
Total Long Term Liabilities	547,864	548,593
DEFERRED REVENUE-UNRESTRICTED	12,334	12,312
DEFERRED INFLOW OF RESOURCES	104,214	104,367
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	2,225,780	2,136,565
Board Designated	208,659	210,197
Restricted	40,834	36,601
Total Fund Bal & Capital Accts	2,475,273	2,383,363
TOTAL LIABILITIES AND FUND BALANCE	3,311,198	3,252,657