



El Camino Health

Summary of Financial Operations

*Fiscal Year 2023 – Period 9
7/1/2022 to 03/31/2023*

Executive Summary - Overall Commentary for Period 9

Stable financial results for Period 9:

- Gross charges were favorable to budget by \$59.7M / 12.6%
 - Driven by Inpatient activity
 - Inpatient Charges \$36.3M / 15.7% favorable to budget
 - Outpatient Charges \$23.8M / 10.4% favorable to budget
 - Professional Charges: \$400K / 3.3% unfavorable to budget
- Cost Management
 - Labor: Contract Labor remains at a high level, but sustained improvement in Overtime
- Net patient revenue was favorable to budget by \$5.2M / 4.4% and \$800K / 0.7% higher than the same period last year.
- Operating margin was unfavorable to budget by \$183K / 1.4% and \$6.9M / 33.9% lower than the same period last year.
- Operating EBIDA was favorable to budget by \$600K / 2.9% and \$6.4M / 22.9% lower than the same period last year.
- Net income was favorable to budget by \$10.8M and \$3.2M higher than the same period last year.

Operational / Financial Results: Period 9 – March 2023 (as of 03/31/2023)

| (\$ thousands) | | Current Year | Budget | Variance to Budget | Performance to Budget | Prior Year | Variance to Prior Year | Variance to Prior Year | Moody's 'A1' | S&P 'AA' | Performance to Rating Agency Medians |
|-----------------------|------------------------------|---------------|---------------|--------------------|-----------------------|---------------|------------------------|------------------------|-----------------|---------------|--------------------------------------|
| Activity / Volume | ADC | 325 | 271 | 54 | 20.0% | 293 | 32 | 10.8% | --- | --- | --- |
| | Total Acute Discharges | 1,966 | 1,850 | 117 | 6.3% | 1,919 | 47 | 2.4% | --- | --- | --- |
| | Adjusted Discharges | 3,830 | 3,688 | 142 | 3.9% | 3,816 | 14 | 0.4% | --- | --- | --- |
| | Emergency Room Visits | 7,211 | 5,960 | 1,251 | 21.0% | 5,859 | 1,352 | 23.1% | --- | --- | --- |
| | OP Procedural Cases | 11,575 | 14,030 | (2,455) | (17.5%) | 13,395 | (1,820) | (13.6%) | --- | --- | --- |
| | Gross Charges (\$) | 533,770 | 474,032 | 59,738 | 12.6% | 478,275 | 55,494 | 11.6% | --- | --- | --- |
| Operations | Total FTEs | 3,337 | 3,431 | (94) | (2.7%) | 3,187 | 150 | 4.7% | --- | --- | --- |
| | Productive Hrs. / APD | 27.2 | 30.3 | (3.1) | (10.3%) | 27.9 | (0.7) | (2.5%) | --- | --- | --- |
| | Cost Per CMI AD | 18,270 | 18,036 | 234 | 1.3% | 15,983 | 2,287 | 14.3% | --- | --- | --- |
| | Net Days in A/R | 54.9 | 54.0 | 0.9 | 1.7% | 53.5 | 1.4 | 2.7% | 47.7 | 49.7 | --- |
| Financial Performance | Net Patient Revenue (\$) | 123,983 | 118,735 | 5,248 | 4.4% | 123,165 | 818 | 0.7% | 138,547 | 82,105 | --- |
| | Total Operating Revenue (\$) | 131,290 | 122,756 | 8,534 | 7.0% | 126,741 | 4,549 | 3.6% | 152,743 | 109,602 | --- |
| | Operating Margin (\$) | 13,329 | 13,512 | (183) | (1.4%) | 20,180 | (6,851) | (33.9%) | 1,915 | 3,836 | --- |
| | Operating EBIDA (\$) | 21,447 | 20,847 | 600 | 2.9% | 27,810 | (6,363) | (22.9%) | 11,188 | 10,741 | --- |
| | Net Income (\$) | 27,290 | 16,526 | 10,765 | 65.1% | 24,115 | 3,175 | 13.2% | 8,124 | 7,343 | --- |
| | Operating Margin (%) | 10.2% | 11.0% | (0.9%) | (7.8%) | 15.9% | (5.8%) | (36.2%) | 1.9% | 3.5% | --- |
| | Operating EBIDA (%) | 16.3% | 17.0% | (0.6%) | (3.8%) | 21.9% | (5.6%) | (25.6%) | 8.3% | 9.8% | --- |
| | DCOH (days) | 255 | 325 | (70) | (21.5%) | 305 | (50) | (16.3%) | 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 03/31/2023)

| (\$ 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 | 304 | 262 | 42 | 15.9% | 274 | 31 | 11.2% | --- | --- | --- |
| | Total Acute Discharges | 16,475 | 15,723 | 752 | 4.8% | 15,877 | 598 | 3.8% | --- | --- | --- |
| | Adjusted Discharges | 31,935 | 31,494 | 441 | 1.4% | 31,021 | 914 | 2.9% | --- | --- | --- |
| | Emergency Room Visits | 57,270 | 49,571 | 7,699 | 15.5% | 50,006 | 7,264 | 14.5% | --- | --- | --- |
| | OP Procedural Cases | 102,835 | 120,301 | (17,466) | (14.5%) | 115,719 | (12,884) | (11.1%) | --- | --- | --- |
| | Gross Charges (\$) | 4,291,963 | 3,986,477 | 305,486 | 7.7% | 3,810,106 | 481,857 | 12.6% | --- | --- | --- |
| Operations | Total FTEs | 3,290 | 3,307 | (18) | (0.5%) | 3,065 | 225 | 7.3% | --- | --- | --- |
| | Productive Hrs. / APD | 27.9 | 30.5 | (2.6) | (8.5%) | 28.7 | (0.8) | (2.8%) | --- | --- | --- |
| | Cost Per CMI AD | 17,807 | 18,036 | (229) | (1.3%) | 16,485 | 1,322 | 8.0% | --- | --- | --- |
| | Net Days in A/R | 54.9 | 54.0 | 0.9 | 1.7% | 53.5 | 1.4 | 2.7% | 47.7 | 49.7 | --- |
| Financial Performance | Net Patient Revenue (\$) | 1,031,198 | 1,011,443 | 19,755 | 2.0% | 976,457 | 54,741 | 5.6% | 1,246,925 | 738,941 | --- |
| | Total Operating Revenue (\$) | 1,070,885 | 1,048,983 | 21,902 | 2.1% | 1,008,804 | 62,081 | 6.2% | 1,367,184 | 986,419 | --- |
| | Operating Margin (\$) | 101,611 | 105,540 | (3,928) | (3.7%) | 130,513 | (28,902) | (22.1%) | 17,234 | 34,525 | --- |
| | Operating EBIDA (\$) | 172,783 | 173,050 | (267) | (0.2%) | 198,008 | (25,225) | (12.7%) | 100,695 | 96,669 | --- |
| | Net Income (\$) | 178,213 | 131,704 | 46,509 | 35.3% | 82,742 | 95,471 | 115.4% | 73,120 | 66,090 | --- |
| | Operating Margin (%) | 9.5% | 10.1% | (0.6%) | (5.7%) | 12.9% | (3.4%) | (26.7%) | 1.9% | 3.5% | --- |
| | Operating EBIDA (%) | 16.1% | 16.5% | (0.4%) | (2.2%) | 19.6% | (3.5%) | (17.8%) | 8.3% | 9.8% | --- |
| | DCOH (days) | 255 | 325 | (70) | (21.5%) | 305 | (50) | (16.3%) | 306 | 355 | --- |

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

S&P Medians: U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios; August 30, 2021

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

Consolidated Balance Sheet (as of 03/31/2023)

(\$000s)

ASSETS

| | Audited | |
|--|------------------|------------------|
| | March 31, 2023 | June 30, 2022 |
| CURRENT ASSETS | | |
| Cash | 225,751 | 196,067 |
| Short Term Investments | 113,282 | 125,816 |
| Patient Accounts Receivable, net | 209,694 | 209,668 |
| Other Accounts and Notes Receivable | 19,278 | 21,044 |
| Intercompany Receivables | 13,714 | 13,998 |
| Inventories and Prepaids | 39,146 | 36,476 |
| Total Current Assets | 620,866 | 603,068 |
| BOARD DESIGNATED ASSETS | | |
| Foundation Board Designated | 22,567 | 18,721 |
| Plant & Equipment Fund | 382,439 | 310,045 |
| Women's Hospital Expansion | 30,534 | 30,261 |
| Operational Reserve Fund | 207,898 | 182,907 |
| Community Benefit Fund | 17,736 | 18,299 |
| Workers Compensation Reserve Fund | 14,029 | 14,029 |
| Postretirement Health/Life Reserve Fund | 30,598 | 29,783 |
| PTO Liability Fund | 34,967 | 33,709 |
| Malpractice Reserve Fund | 1,893 | 1,906 |
| Catastrophic Reserves Fund | 26,522 | 24,668 |
| Total Board Designated Assets | 769,183 | 664,329 |
| FUNDS HELD BY TRUSTEE | - | 0 |
| LONG TERM INVESTMENTS | 476,952 | 495,751 |
| CHARITABLE GIFT ANNUITY INVESTMENTS | 929 | 940 |
| INVESTMENTS IN AFFILIATES | 31,531 | 30,376 |
| PROPERTY AND EQUIPMENT | | |
| Fixed Assets at Cost | 1,850,741 | 1,872,501 |
| Less: Accumulated Depreciation | (771,321) | (778,427) |
| Construction in Progress | 148,414 | 96,603 |
| Property, Plant & Equipment - Net | 1,227,834 | 1,190,676 |
| DEFERRED OUTFLOWS | 18,871 | 19,474 |
| RESTRICTED ASSETS | 34,903 | 31,200 |
| OTHER ASSETS | 205,490 | 216,842 |
| TOTAL ASSETS | 3,386,558 | 3,252,657 |

LIABILITIES AND FUND BALANCE

| | Audited | |
|---|------------------|------------------|
| | March 31, 2023 | June 30, 2022 |
| CURRENT LIABILITIES | | |
| Accounts Payable | 43,250 | 51,286 |
| Salaries and Related Liabilities | 31,218 | 46,502 |
| Accrued PTO | 35,788 | 34,449 |
| Worker's Comp Reserve | 2,300 | 2,300 |
| Third Party Settlements | 12,625 | 14,942 |
| Intercompany Payables | 10,558 | 13,489 |
| Malpractice Reserves | 2,096 | 2,096 |
| Bonds Payable - Current | 10,400 | 9,905 |
| Bond Interest Payable | 3,156 | 8,096 |
| Other Liabilities | 12,575 | 20,955 |
| Total Current Liabilities | 163,966 | 204,021 |
| LONG TERM LIABILITIES | | |
| Post Retirement Benefits | 30,598 | 29,783 |
| Worker's Comp Reserve | 14,029 | 14,029 |
| Other L/T Obligation (Asbestos) | 38,192 | 37,944 |
| Bond Payable | 455,434 | 466,838 |
| Total Long Term Liabilities | 538,253 | 548,593 |
| DEFERRED REVENUE-UNRESTRICTED | 12,617 | 12,312 |
| DEFERRED INFLOW OF RESOURCES | 104,214 | 104,367 |
| FUND BALANCE/CAPITAL ACCOUNTS | | |
| Unrestricted | 2,316,374 | 2,136,565 |
| Board Designated | 208,620 | 210,197 |
| Restricted | 42,514 | 36,601 |
| Total Fund Bal & Capital Accts | 2,567,508 | 2,383,363 |
| TOTAL LIABILITIES AND FUND BALANCE | 3,386,558 | 3,252,657 |