

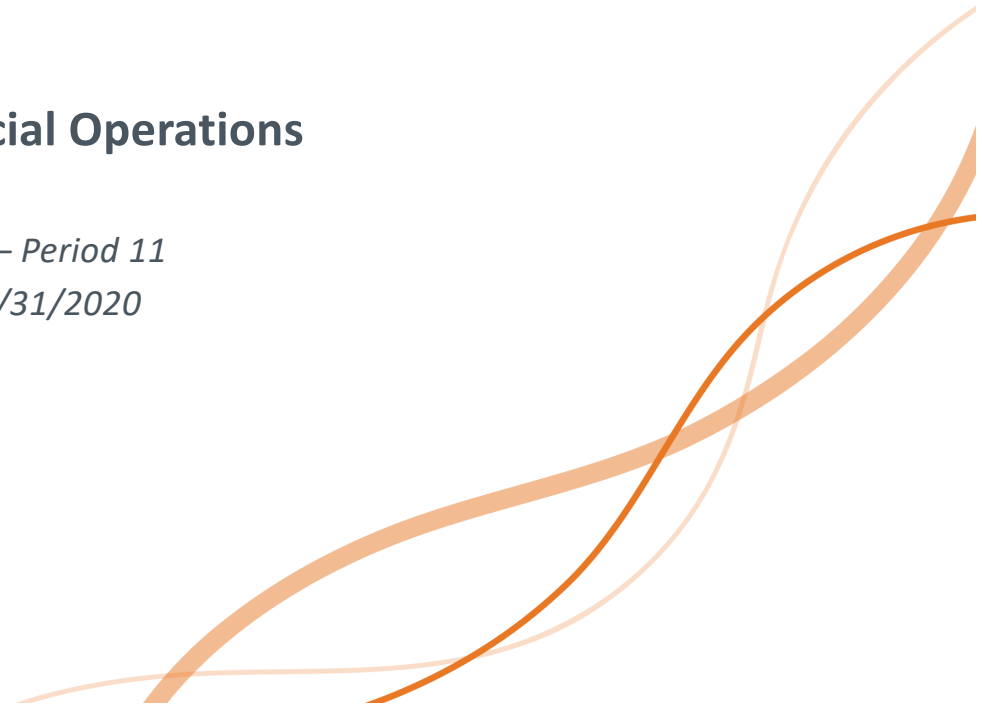


El Camino Health

Summary of Financial Operations

Fiscal Year 2020 – Period 11

7/1/2019 to 5/31/2020



Consolidated Statement of Operations (\$000s)

Period ending 05/31/2020

Period 11 FY 2019	Period 11 FY 2020	Period 11 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
315,671	253,514	333,599	(80,085)	(24.0%)	Gross Revenue	3,257,772	3,339,949	3,517,942	(177,993)	(5.1%)
(227,095)	(182,584)	(246,797)	64,213	26.0%	Deductions	(2,391,514)	(2,457,998)	(2,600,337)	142,339	5.5%
88,576	70,930	86,802	(15,872)	(18.3%)	Net Patient Revenue	866,258	881,951	917,605	(35,654)	(3.9%)
5,318	3,550	5,386	(1,835)	(34.1%)	Other Operating Revenue	39,680	47,770	50,013	(2,243)	(4.5%)
93,894	74,480	92,187	(17,707)	(19.2%)	Total Operating Revenue	905,938	929,721	967,618	(37,897)	(3.9%)
					OPERATING EXPENSE					
47,215	45,971	47,727	1,756	3.7%	Salaries & Wages	472,925	507,895	510,656	2,761	0.5%
13,869	9,881	12,874	2,993	23.2%	Supplies	126,449	141,079	133,979	(7,100)	(5.3%)
15,028	12,870	13,205	336	2.5%	Fees & Purchased Services	121,729	157,055	144,092	(12,963)	(9.0%)
3,316	3,203	3,672	469	12.8%	Other Operating Expense	30,559	40,767	42,472	1,705	4.0%
189	1,419	1,428	10	0.7%	Interest	3,871	8,050	10,511	2,461	23.4%
4,406	3,122	5,225	2,103	40.2%	Depreciation	47,780	49,554	54,255	4,701	8.7%
84,023	76,465	84,131	7,666	9.1%	Total Operating Expense	803,312	904,399	895,964	(8,436)	(0.9%)
9,871	(1,985)	8,056	(10,041)	(124.6%)	Net Operating Margin	102,626	25,321	71,654	(46,333)	(64.7%)
(12,156)	24,966	3,300	21,666	656.5%	Non Operating Income	30,008	33,281	34,896	(1,615)	(4.6%)
(2,285)	22,981	11,356	11,625	102.4%	Net Margin	132,634	58,603	106,550	(47,948)	(45.0%)
15.4%	3.4%	16.0%	(12.5%)		EBITDA	17.0%	8.9%	14.1%	(5.2%)	
10.5%	-2.7%	8.7%	(11.4%)		Operating Margin	11.3%	2.7%	7.4%	(4.7%)	
-2.4%	30.9%	12.3%	18.5%		Net Margin	14.6%	6.3%	11.0%	(4.7%)	



Significant Financial Improvement in May

- The Operating Loss in May was \$2.0 million dollars which is a \$22.6 million improvement from April.
 - ECH posted an Operating Gain of \$1.2 million to lead the improvement in the financial results.
 - SVMD experienced a \$3.0 million dollar Operating Loss which included a write-down of \$860,000 of a receivable from Verity related to the acquisition of the SJMG.
 - Without this write-down the Operating Loss would have been \$2.1 million which is also a significant improvement from previous months



Significant Financial Improvement in May

- Revenue is consistent with volume and payer mix
 - The unfavorable variance in Net Patient Revenue was reduced to \$15.9 million in May
 - Volume is down 23% at ECH and 18% at SVMD
 - The revenue per unit of service increased at ECH & SVMD due to higher collections and the proportion of Commercial insurance inpatients at ECH
 - Included in Net Patient Revenue is a write-down of a receivable of \$860,000 from the purchase of SJMG from Verity
- Overall, Revenue was \$17.7 million below budget and driven by the volume shortfall



Significant Financial Improvement in May

- Expense management improved in May – all categories were favorable
 - Overall Operating Expenses were \$7.7 million or 9% favorable compared to the budget
 - Productivity continues to improve with the last pay period of the month being at 100%
 - Supplies & Purchased Services focus continues with the unfavorable variance in Purchased Services being addressed
- Included in expenses are \$2.0 million of expenses directly related to COVID 19



Financial Overview – Year to Date May

Financial Performance

- The Operating Margin is \$25.3M thru May. This is unfavorable to the budget by \$46.3M
- The unfavorable variance is due to the losses incurred in March of \$9.7M, April of \$24.5M and May of \$2.0
 - The reasons for these losses have been presented previously
- Non Operating Income is at budget due to the material mark-to-market adjustment for the investment portfolio in from April – May and CARES Act distributions received in April



APPENDIX

Pro Forma w. COVID direct costs pulled out

	<u>ECH</u>	<u>SVMD</u>	<u>Total</u>
Misc Operating Income - Rent	\$ 51	\$ -	\$ 51
Salaries & Wages	1,188		\$ 1,188
Supplies	372	15	\$ 387
Fees & Purchased Services	411		\$ 411
Other Operating Expenses			\$ -
Subtotal	<u>\$ 2,022</u>	<u>\$ 15</u>	<u>\$ 2,037</u>
Total Operating Expenses w.o COVID costs	\$ 67,219	\$ 6,406	\$ 73,625
Budgeted Operating Costs	<u>75,702</u>	<u>7,335</u>	<u>83,037</u>
Variance	<u>\$ 8,483</u>	<u>\$ 929</u>	<u>\$ 9,412</u>
Variance Percentage	<u>11%</u>	<u>13%</u>	<u>11%</u>

Dashboard - as of May 31, 2020

	Month				YTD			
	PY	CY	Bud/Target	Variance CY vs Bud	PY	CY	Bud/Target	Variance CY vs Bud
Consolidated Financial Perf.								
Total Operating Revenue	93,894	74,480	92,187	(17,707)	905,938	929,721	967,618	(37,897)
Operating Expenses	84,023	76,465	84,131	7,666	803,312	904,399	895,964	(8,436)
Operating Margin \$	9,871	(1,985)	8,056	(10,041)	102,626	25,321	71,654	(46,333)
Operating Margin %	10.5%	(2.7%)	8.7%	(11.4%)	11.3%	2.7%	7.4%	(4.7%)
EBIDA \$	14,466	2,556	14,709	(12,154)	154,277	82,925	136,420	(53,494)
EBIDA %	15.4%	3.4%	16.0%	(12.5%)	17.0%	8.9%	14.1%	(5.2%)
Hospital Volume								
Licensed Beds	443	443	443	-	443	443	443	-
ADC	245	197	245	(48)	243	228	241	(13)
Utilization MV	67%	50%	67%	(16.5%)	67%	62%	65%	(3.5%)
Utilization LG	32%	32%	31%	1.1%	30%	30%	32%	(1.8%)
Utilization Combined	55%	44%	55%	(10.8%)	55%	51%	54%	(2.9%)
Adjusted Discharges	3,230	2,455	3,201	(746)	32,389	32,535	33,074	(539)
Total Discharges (Excl NNB)	1,783	1,360	1,681	(321)	18,034	17,545	18,060	(515)
Total Discharges	2,151	1,742	2,036	(294)	21,743	21,336	21,796	(460)
Inpatient Cases								
MS Discharges	1,227	810	1,120	(310)	12,557	11,972	12,335	(363)
Deliveries	391	401	363	38	3,935	4,003	3,918	85
BHS	113	98	146	(48)	1,069	1,073	1,271	(198)
Rehab	52	51	53	(2)	473	497	536	(39)
Outpatient Cases								
ED	13,383	9,528	14,031	(4,503)	138,089	136,087	144,293	(8,206)
ED	4,146	2,282	4,066	(1,784)	44,310	40,078	43,804	(3,726)
Procedural Cases								
OP Surg	452	293	491	(198)	4,597	4,408	4,710	(302)
Endo	241	116	250	(134)	2,415	2,100	2,551	(451)
Interventional	183	128	204	(76)	2,017	1,812	2,076	(264)
All Other	8,361	6,709	9,020	(2,311)	84,750	87,689	91,152	(3,463)
Hospital Payor Mix								
Medicare	49.8%	46.9%	49.0%	(2.2%)	49.0%	48.7%	48.6%	0.0%
Medi-Cal	7.4%	7.5%	7.9%	(0.4%)	8.0%	7.5%	8.1%	(0.5%)
Commercial IP	19.9%	22.0%	19.5%	2.6%	20.0%	20.2%	20.4%	(0.1%)
Commercial OP	21.3%	21.0%	21.5%	(0.5%)	20.7%	21.2%	20.6%	0.6%
Total Commercial	41.2%	43.0%	40.9%	2.1%	40.7%	41.4%	41.0%	0.4%
Other	1.6%	2.6%	2.2%	0.5%	2.4%	2.4%	2.3%	0.1%
Hospital Cost								
Total FTE	2,737.3	2,623.7	2,539.5	(84.2)	2,675.8	2,771.2	2,723.1	(48.1)
Productive Hrs/APD	30.8	36.2	30.0	(6.2)	30.6	32.6	31.5	(1.1)
Consolidated Balance Sheet								
Net Days in AR	47.6	51.1	49.0	(2.1)	47.6	51.1	49.0	(2.1)
Days Cash	495	498	435	63	495	498	435	63

*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.