Summary of Financial Operations

Fiscal Year 2019 – Period 12
7/1/2018 to 06/30/2019
Financial Overview

Hospital Volume

June
- June volume as measured by Adjusted Discharges (AD) were favorable to both budget by 1.0% (32 ADs) and prior year by 8.5% (246 ADs). High inpatient volume driven service line growth initiatives in General, Gastroenterology, Pulmonary, Behavioral Health, and Spine Surgery cases. Outpatient service line growth in Endoscopy, Interventional Bronchoscopy, Cardiac Interventional, and Imaging (CT Scan).

Year to Date
- Year to Date Adjusted Discharges were unfavorable to budget by 0.7% (267 ADs) mostly due to the delay start of the LG infusion program. Excluding the LG infusion, we are off by .13% (46 ADs) YTD. Growth from prior year is 1.5% (530 ADs).
- YTD inpatient volume is below budget by 2.9% (613 cases) driven by MCH (342 cases) due to declining birth rate, Orthopedics/Spine (253 cases) due to loss of physicians and ramp of new physicians, and HVI (146 cases) primarily.
- YTD outpatient volume is below budget by 1.8% (2,752 visits) driven by LG Infusion (1,165 visits) due to delay in start of the program originally expected to begin in January. Service will begin in Q2 of FY20. Lab, and Behavioral Health visits continue to remain below budget.

Consolidated Financial Performance

June
- June Operating Margin was favorable to budget by $1.9M driven by $11 million unusual and non recurring items.

Year to Date
- YTD Operating Margin was favorable to budget by $26 million driven by $23 million in unusual non recurring items favorable revenue cycle by lowering denials and underpayments.

Hospital Payor Mix
- YTD, Commercial is 2.2 percentage points unfavorable to budget. Declining Commercial mix is linked to the decline in MCH volume and is a concern given that all other payer categories do not cover the cost of care.

Hospital Cost
- Productive FTEs were unfavorable to target by 1.3% for June but on target YTD.
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.

### Hospital Volume

<table>
<thead>
<tr>
<th>Month</th>
<th>PY</th>
<th>CY</th>
<th>Bud/Target</th>
<th>Variance CY vs Bud</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licenced Beds</td>
<td>443</td>
<td>443</td>
<td>443</td>
<td>-</td>
</tr>
<tr>
<td>ADC</td>
<td>227</td>
<td>236</td>
<td>257</td>
<td>(21)</td>
</tr>
<tr>
<td>Utilization MV</td>
<td>63%</td>
<td>65%</td>
<td>70%</td>
<td>-6%</td>
</tr>
<tr>
<td>Utilization LG</td>
<td>28%</td>
<td>30%</td>
<td>32%</td>
<td>-3%</td>
</tr>
<tr>
<td>Utilization Combined</td>
<td>51%</td>
<td>53%</td>
<td>58%</td>
<td>-5%</td>
</tr>
<tr>
<td>Total Discharges (Excl NNB)</td>
<td>1,645</td>
<td>1,740</td>
<td>1,791</td>
<td>(51)</td>
</tr>
</tbody>
</table>

### Consolidated Financial Perf.

<table>
<thead>
<tr>
<th>Month</th>
<th>PY</th>
<th>CY</th>
<th>Bud/Target</th>
<th>Variance CY vs Bud</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Revenue</td>
<td>84,882</td>
<td>92,097</td>
<td>85,150</td>
<td>6,947</td>
</tr>
<tr>
<td>Operating Margin $</td>
<td>16,809</td>
<td>10,854</td>
<td>8,984</td>
<td>1,870</td>
</tr>
<tr>
<td>Operating Margin %</td>
<td>19.8%</td>
<td>11.8%</td>
<td>10.6%</td>
<td>1.2%</td>
</tr>
<tr>
<td>EBIDA %</td>
<td>24.7%</td>
<td>16.8%</td>
<td>17.3%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>938,813</td>
<td>998,034</td>
<td>968,953</td>
<td>29,081</td>
</tr>
<tr>
<td>Operating Margin $</td>
<td>132,428</td>
<td>113,480</td>
<td>86,982</td>
<td>26,498</td>
</tr>
<tr>
<td>Operating Margin %</td>
<td>14.1%</td>
<td>11.4%</td>
<td>9.0%</td>
<td>2.4%</td>
</tr>
<tr>
<td>EBIDA %</td>
<td>20.0%</td>
<td>17.0%</td>
<td>15.3%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

### Hospital Payor Mix

<table>
<thead>
<tr>
<th>Month</th>
<th>PY</th>
<th>CY</th>
<th>Bud/Target</th>
<th>Variance CY vs Bud</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare</td>
<td>46.3%</td>
<td>49.2%</td>
<td>46.2%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Medi-Cal</td>
<td>8.5%</td>
<td>7.4%</td>
<td>8.2%</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Total Commercial</td>
<td>43.5%</td>
<td>40.2%</td>
<td>42.8%</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Other</td>
<td>1.6%</td>
<td>3.2%</td>
<td>2.8%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

### Hospital Cost

<table>
<thead>
<tr>
<th>Month</th>
<th>PY</th>
<th>CY</th>
<th>Bud/Target</th>
<th>Variance CY vs Bud</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total FTE</td>
<td>2,585.2</td>
<td>2,752.8</td>
<td>2,774.4</td>
<td>(22)</td>
</tr>
<tr>
<td>Productive Hrs/APD</td>
<td>31.3</td>
<td>31.6</td>
<td>30.2</td>
<td>1</td>
</tr>
</tbody>
</table>

### Hospital Balance Sheet

<table>
<thead>
<tr>
<th>Month</th>
<th>PY</th>
<th>CY</th>
<th>Bud/Target</th>
<th>Variance CY vs Bud</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Days in AR</td>
<td>50.7</td>
<td>45.6</td>
<td>48.0</td>
<td>(2)</td>
</tr>
<tr>
<td>Days Cash</td>
<td>505</td>
<td>500</td>
<td>449</td>
<td>51</td>
</tr>
</tbody>
</table>
### Consolidated Statement of Operations ($000s)

**Period ending 06/30/2019**

<table>
<thead>
<tr>
<th>OPERATING REVENUE</th>
<th>$000s</th>
<th>YTD FY 2018</th>
<th>YTD FY 2019</th>
<th>YTD Budget FY 2019</th>
<th>YTD Fav (Unfav)</th>
<th>Var%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenue</td>
<td>3,298,115</td>
<td>3,557,853</td>
<td>3,570,368</td>
<td>(12,515)</td>
<td>(0.4%)</td>
<td></td>
</tr>
<tr>
<td>Deductions</td>
<td>(2,404,362)</td>
<td>(2,605,594)</td>
<td>(2,650,863)</td>
<td>45,269</td>
<td>1.7%</td>
<td></td>
</tr>
<tr>
<td>Net Patient Revenue</td>
<td>893,753</td>
<td>952,260</td>
<td>919,505</td>
<td>32,755</td>
<td>3.6%</td>
<td></td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>45,060</td>
<td>45,775</td>
<td>49,448</td>
<td>(3,674)</td>
<td>(7.4%)</td>
<td></td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>938,813</td>
<td>998,034</td>
<td>968,953</td>
<td>29,081</td>
<td>3.0%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING EXPENSE</th>
<th>$000s</th>
<th>YTD FY 2018</th>
<th>YTD FY 2019</th>
<th>YTD Budget FY 2019</th>
<th>YTD Fav (Unfav)</th>
<th>Var%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Wages</td>
<td>472,748</td>
<td>514,544</td>
<td>516,568</td>
<td>2,024</td>
<td>0.4%</td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>128,107</td>
<td>138,154</td>
<td>141,164</td>
<td>3,011</td>
<td>2.1%</td>
<td></td>
</tr>
<tr>
<td>Fees &amp; Purchased Services</td>
<td>120,971</td>
<td>140,983</td>
<td>130,493</td>
<td>(10,490)</td>
<td>(8.0%)</td>
<td></td>
</tr>
<tr>
<td>Other Operating Expense</td>
<td>29,620</td>
<td>34,576</td>
<td>32,815</td>
<td>(1,761)</td>
<td>(5.4%)</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>5,227</td>
<td>4,117</td>
<td>7,686</td>
<td>3,570</td>
<td>46.4%</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>49,712</td>
<td>52,181</td>
<td>53,244</td>
<td>1,063</td>
<td>2.0%</td>
<td></td>
</tr>
<tr>
<td>Total Operating Expense</td>
<td>806,385</td>
<td>884,554</td>
<td>881,971</td>
<td>(2,583)</td>
<td>(0.3%)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non Operating Income</th>
<th>$000s</th>
<th>YTD FY 2018</th>
<th>YTD FY 2019</th>
<th>YTD Budget FY 2019</th>
<th>YTD Fav (Unfav)</th>
<th>Var%</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>20.0%</td>
<td>17.0%</td>
<td>15.3%</td>
<td>1.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Margin</td>
<td>14.1%</td>
<td>11.4%</td>
<td>9.0%</td>
<td>2.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Margin</td>
<td>21.0%</td>
<td>15.2%</td>
<td>11.6%</td>
<td>3.6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
• Volume trend is positive the last quarter
• Operating Margin in June includes $12 million in unusual items
• Adverse trend in Payor mix with a decline in Commercial mix due mainly to drop in MCH volume
• Revenue cycle operation consistently better than targets and show a favorable trend
<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Status</th>
<th>2Q 2019</th>
<th>Fiscal Year-to-date</th>
<th>6y ltm Since Inception (annualized)</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Performance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus cash balance*</td>
<td></td>
<td>$1,028.7</td>
<td>--</td>
<td>--</td>
<td>$892.9</td>
</tr>
<tr>
<td>Surplus cash return</td>
<td></td>
<td>2.9%</td>
<td>5.4%</td>
<td>5.6%</td>
<td></td>
</tr>
<tr>
<td>Cash balance plan balance (millions)</td>
<td></td>
<td>$277.6</td>
<td>--</td>
<td>--</td>
<td>$276.9</td>
</tr>
<tr>
<td>Cash balance plan return</td>
<td></td>
<td>3.1%</td>
<td>6.0%</td>
<td>7.8%</td>
<td></td>
</tr>
<tr>
<td>401(k) plan balance (millions)</td>
<td></td>
<td>$514.1</td>
<td>--</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td><strong>Risk vs. Return</strong></td>
<td>3-year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus cash Sharpe ratio</td>
<td></td>
<td>1.06</td>
<td>--</td>
<td>1.02</td>
<td></td>
</tr>
<tr>
<td>Net of fee return</td>
<td></td>
<td>7.2%</td>
<td>5.6%</td>
<td>5.6%</td>
<td></td>
</tr>
<tr>
<td>Standard deviation</td>
<td></td>
<td>5.4%</td>
<td>5.2%</td>
<td>4.9%</td>
<td></td>
</tr>
<tr>
<td>Cash balance Sharpe ratio</td>
<td></td>
<td>1.09</td>
<td>1.03</td>
<td>1.12</td>
<td></td>
</tr>
<tr>
<td>Net of fee return</td>
<td></td>
<td>8.8%</td>
<td>7.8%</td>
<td>7.8%</td>
<td></td>
</tr>
<tr>
<td>Standard deviation</td>
<td></td>
<td>6.7%</td>
<td>6.2%</td>
<td>6.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Asset Allocation</strong></td>
<td>2Q 2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus cash absolute variances to target</td>
<td></td>
<td>7.1%</td>
<td>&lt;10%</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>Cash balance absolute variances to target</td>
<td></td>
<td>6.9%</td>
<td>&lt;10%</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td><strong>Manager Compliance</strong></td>
<td>2Q 2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus cash manager flags</td>
<td></td>
<td>17</td>
<td>&lt;24 Green</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>Cash balance plan manager flags</td>
<td></td>
<td>23</td>
<td>&lt;27 Green</td>
<td>--</td>
<td></td>
</tr>
</tbody>
</table>

*Excludes debt reserve funds (-$83 mm), District assets (-$41 mm), and balance sheet cash not in investable portfolio (-$125 mm). Includes Foundation (-$31 mm) and Concern (-$14 mm) assets. Budget adds back in current Foundation and Concern assets and backs up current debt reserve funds.
**Hospital Balance Sheet**

**(in thousands)**

## ASSETS

<table>
<thead>
<tr>
<th>CURRENT ASSETS</th>
<th>June 30, 2019</th>
<th>Audited June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>117,697</td>
<td>118,992</td>
</tr>
<tr>
<td>Short Term Investments</td>
<td>148,233</td>
<td>150,664</td>
</tr>
<tr>
<td>Patient Accounts Receivable, net</td>
<td>128,589</td>
<td>124,427</td>
</tr>
<tr>
<td>Other Accounts and Notes Receivable</td>
<td>3,230</td>
<td>3,402</td>
</tr>
<tr>
<td>Intercompany Receivables</td>
<td>6,023</td>
<td>2,090</td>
</tr>
<tr>
<td>Inventories and Prepaids</td>
<td>63,708</td>
<td>75,594</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>467,481</strong></td>
<td><strong>475,171</strong></td>
</tr>
</tbody>
</table>

## BOARD DESIGNATED ASSETS

| Plant & Equipment Fund | 170,096       | 153,784               |
| Women’s Hospital Expansion | 15,472        | 9,298                 |
| Operational Reserve Fund | 139,057       | 127,908               |
| Community Benefit Fund | 18,259        | 18,675                |
| Workers Compensation Reserve Fund | 20,732       | 20,263                |
| Postretirement Health/Life Reserve Fund | 29,812       | 29,212                |
| PTO Liability Fund | 27,145        | 24,532                |
| Malpractice Reserve Fund | 1,831         | 1,831                 |
| Catastrophic Reserves Fund | 19,678       | 18,322                |
| **Total Board Designated Assets** | **442,082** | **403,826**           |

## FUNDS HELD BY TRUSTEE

| 83,073            | 197,620       |

## LONG TERM INVESTMENTS

| 367,272           | 345,684       |

## INVESTMENTS IN AFFILIATES

| 44,217            | 32,412        |

## PROPERTY AND EQUIPMENT

| Fixed Assets at Cost | 1,306,570 | 1,261,854 |
| Less: Accumulated Depreciation | (620,761) | (577,959) |
| Construction in Progress | 379,318   | 220,991   |
| Property, Plant & Equipment - Net | 1,065,127 | 904,886   |

## DEFERRED OUTFLOWS

| 29,754            | 21,177        |

## RESTRICTED ASSETS - CASH

| 0                 | 0             |

## TOTAL ASSETS

| 2,499,006         | 2,380,776     |

## LIABILITIES AND FUND BALANCE

<table>
<thead>
<tr>
<th>CURRENT LIABILITIES</th>
<th>June 30, 2019</th>
<th>Audited June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>38,194</td>
<td>49,925</td>
</tr>
<tr>
<td>Salaries and Related Liabilities</td>
<td>30,185</td>
<td>26,727</td>
</tr>
<tr>
<td>Accrued PTO</td>
<td>27,145</td>
<td>24,532</td>
</tr>
<tr>
<td>Worker’s Comp Reserve</td>
<td>2,300</td>
<td>2,300</td>
</tr>
<tr>
<td>Third Party Settlements</td>
<td>12,526</td>
<td>10,606</td>
</tr>
<tr>
<td>Intercompany Payables</td>
<td>1,002</td>
<td>125</td>
</tr>
<tr>
<td>Malpractice Reserves</td>
<td>1,800</td>
<td>1,831</td>
</tr>
<tr>
<td>Bonds Payable - Current</td>
<td>8,630</td>
<td>3,850</td>
</tr>
<tr>
<td>Bond Interest Payable</td>
<td>9,201</td>
<td>12,975</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>7,491</td>
<td>8,909</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>138,473</strong></td>
<td><strong>141,242</strong></td>
</tr>
</tbody>
</table>

## LONG TERM LIABILITIES

| Post Retirement Benefits | 29,812 | 29,212 |
| Worker’s Comp Reserve | 18,432 | 17,963 |
| Other LT Obligation (Asbestos) | 3,975 | 3,859 |
| Other LT Liabilities (IT/Medl Leases) | - | - |
| **Total Long Term Liabilities** | **511,106** | **517,781** |

## DEFERRED REVENUE-UNRESTRICTED

| 494 | 528 |

## DEFERRED INFLOW OF RESOURCES

| 10,006 | 22,835 |

## FUND BALANCE/CAPITAL ACCOUNTS

| Unrestricted | 1,344,626 | 1,243,529 |
| Board Designated | 442,082 | 403,825 |
| Restricted | - | 0 |
| **Total Fund Bal & Capital Accts** | **1,786,708** | **1,647,355** |

## TOTAL LIABILITIES AND FUND BALANCE

| 2,499,006 | 2,380,776 |
June 2019 El Camino Hospital Comparative Balance Sheet Variances and Footnotes

(1) The decrease is primarily due to the annual actuarially determined Cash Balance GASB 68 calculation recorded at the end of each fiscal year, which in this instance was based on the calendar year 2018 market performance. As 2018 experienced poor investment returns, our Prepaid Pension Asset dropped in value by approximately $15M to a current calculation of $41M.

(2) The increase is due to the District making a transfer from its Capital Appropriation Fund in support of the upcoming renovation to the Women’s Hospital.

(3) The increase is due to annual resetting of the 60 day Operational Reserve based on the new FY2019 budget that has started.

(4) Decrease is due to draws from the 2015A/2017 Bond Project funds for the on-going IMOB and BHS construction and semi-annual 2015/2017 bond payment

(5) Decrease is due to the yearend accruals that were paid out in July and August 2018.

(6) The increase is due to recognition of the first 2017 principal bond payment that will be in February 2020.

(7) Semi-annual bond payments of interest and principal were made on the 2015A and 2017 Bonds in February.

(8) Decrease is due to the establishment of FY2020 2015A and 2017 Bond Principal Payable moving to current bond payables.

(9) Increase in total Fund Balance is driven by y-t-d net income and that Capital Appropriate Fund transfer by District, discussed in item #2 above.
• **Plant & Equipment Fund** – originally established by the District Board in the early 1960’s to fund new capital expansion projects of building facilities or equipment (new or replacements). The funds came from the M&O property taxes being received and the funding depreciation expense at 100%. When at the end of 1992, the 501(c)(3) Hospital was performed by the District, the property tax receipts remained with the District. The newly formed Hospital entity continued on with funding depreciation expense, but did that funding at 130% of the depreciation expense to account for an expected replacement cost of current plant and property assets. It is to be noted that within this fund is an itemized amount of $14 million for the Behavioral Health Service building replacement project. This amount came from the District’s Capital Appropriation Fund (excess Gann Limit property taxes) of the fiscal years of 2010 thru 2013 by various District board actions.

• **Women’s Hospital Expansion** – established June 2016 by the District authorizing the amounts accumulated in its Capital Appropriation Fund (excess Gann Limit property taxes) for the fiscal years of 2014 and 2015 to be allocated for the renovation of the Women’s Hospital upon the completion of Integrated Medical Office Building currently under construction. At the end of fiscal year 2018 another #6.2 million was added to this fund.

• **Operational Reserve Fund** – originally established by the District in May 1992 to establish a fund equal to sixty (60) days of operational expenses (based on the current projected budget) and only be used in the event of a major business interruption event and/or cash flow.

• **Community Benefit Fund** – following in the footsteps of the District in 2008 of forming its Community Benefit Fund using Gann Limit tax receipts, the Hospital in 2010 after opening its campus outside of District boundaries in Los Gatos formed its own Community Benefit Fund to provide grants/sponsorships in Los Gatos and surrounding areas. The funds come from the Hospital reserving $1.5M a year from its operations, the entity of CONCERN contributing 40% of its annual income each year (an amount it would have paid in corporate taxes if it wasn’t granted tax exempt status), that generates an amount of $500,000 or more a year. $15 million within this fund is a board designated endowment fund formed in 2015 with a $10 million contribution, and added to at the end of the 2017 fiscal year end with another $5 million contribution, to generate investment income to be used for grants and sponsorships, in fiscal year it generated over $1.1 million of investment income for the program.
• **Workers Compensation Reserve Fund** – as the Hospital is self-insured for its workers compensation program (since 1978) this fund was originally formed in early 2000’s by management to reserve cash equal to the yearly actuarially determined Workers Compensation amount. The thought being if the business was to terminate for some reason this is the amount in cash that would be needed to pay out claims over the next few years.

• **Postretirement Health/Life Reserve Fund** – following the same formula as the Workers Compensation Reserve Fund this fund was formed in the early 2000’s by management to reserve cash equal to the yearly actuarially determined amount to fund the Hospital’s postretirement health and life insurance program. Note this program was frozen in 1995 for all new hires after that date. At the end of fiscal year 2018, GASB #75 was implemented that now represents the full actuarially determined liability.

• **PTO (Paid Time Off) Liability Fund** – originally formed in 1993 as the new 501(c)(3) Hospital began operations, management thought as a business requirement of this vested benefit program that monies should be set aside to extinguish this employee liability should such a circumstance arise. This balance is equal to the PTO Liability on the Balance Sheet.

• **Malpractice Reserve Fund** – originally established in 1989 by the then District’s Finance Committee and continued by the Hospital. The amount is actuarially determined each year as part of the annual audit to fund potential claims less than $50,000. Above $50,000 our policy with the BETA Healthcare Group kicks in to a $30 million limit per claim/$40 million in the aggregate.

• **Catastrophic Loss Fund** – was established in 1999 by the Hospital Board to be a “self-insurance” reserve fund for potential non-major earthquake repairs. Initially funded by the District transferring $5 million and has been added to by the last major payment from FEMA for the damage caused the Hospital by the October 1989 earthquake. It is to be noted that it took 10 years to receive final settlement from FEMA grants that totaled $6.8 million that did mostly cover all the necessary repairs.