



El Camino Health

Summary of Financial Operations

*Fiscal Year 2023 – Period 2
7/1/2022 to 08/31/2022*

Executive Summary - Overall Commentary for Period 2

- **Continued solid financial results for Period 2:**

- Revenue favorability driven primarily by Inpatient activity
 - Inpatient Charges \$47.7M / 23.1% favorable to budget
 - Average Daily Census 24% higher than budget
 - Total Discharges 10.7% higher than budget
- Continued effective cost control
 - Cost per CMI Adjusted Discharge was 1.8% favorable to budget
- Gross charges were favorable to budget by \$57.1M / 13.1% and \$74.1M / 17.7% higher than the same period last year.
- Net patient revenue was favorable to budget by \$7.7M / 7.0% and \$13.9M / 13.3% higher than the same period last year.
- Operating margin was favorable to budget by \$3.2M / 30.7% and \$393K / 2.9% higher than the same period last year.
- Operating EBIDA was favorable to budget by \$3.3M / 18.0% and \$493K / 2.2% lower than the same period last year.
- Net income was unfavorable to budget by \$22.1M / 162.8% and \$36.2M / 130.7% lower than the same period last year. This is attributed the continued instability in the capital markets which has negatively impacted investment income and liquidity.

Operational / Financial Results: Period 2 – August 2022 (as of 08/31/2022)

(\$ 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	304	245	59	24.0%	271	33	12.3%	---	---	---
	Total Acute Discharges	1,867	1,686	181	10.7%	1,781	86	4.8%	---	---	---
	Adjusted Discharges	3,546	3,471	75	2.2%	3,456	90	2.6%	---	---	---
	Emergency Room Visits	6,061	5,246	815	15.5%	5,587	474	8.5%	---	---	---
	OP Procedural Cases	12,919	13,875	(956)	(6.9%)	12,858	61	0.5%	---	---	---
	Gross Charges (\$)	492,667	435,549	57,118	13.1%	418,615	74,052	17.7%	---	---	---
Operations	Total FTEs	3,245	3,293	(49)	(1.5%)	2,989	255	8.5%	---	---	---
	Productive Hrs. / APD	28.2	31.0	(2.8)	(9.1%)	28.3	(0.2)	(0.6%)	---	---	---
	Cost Per CMI AD	17,709	18,036	(328)	(1.8%)	15,988	1,721	10.8%	---	---	---
	Net Days in A/R	59.8	54.0	5.8	10.7%	59.3	0.4	0.7%	47.7	49.7	---
Financial Performance	Net Patient Revenue (\$)	118,341	110,603	7,738	7.0%	104,482	13,858	13.3%	138,547	82,105	---
	Total Operating Revenue (\$)	121,556	114,552	7,004	6.1%	108,228	13,328	12.3%	152,743	109,602	---
	Operating Margin (\$)	13,777	10,544	3,233	30.7%	13,384	393	2.9%	1,915	3,836	---
	Operating EBIDA (\$)	21,467	18,188	3,279	18.0%	21,959	(493)	(2.2%)	11,188	10,741	---
	Net Income (\$)	(8,508)	13,558	(22,066)	(162.8%)	27,703	(36,211)	(130.7%)	8,124	7,343	---
	Operating Margin (%)	11.3%	9.2%	2.1%	23.1%	12.4%	(1.0%)	(8.3%)	1.9%	3.5%	---
	Operating EBIDA (%)	17.7%	15.9%	1.8%	11.2%	20.3%	(2.6%)	(13.0%)	8.3%	9.8%	---
	DCOH (days)	267	325	(58)	(17.8%)	371	(104)	(28.0%)	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 08/31/2022)

(\$ 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	293	246	47	19.2%	263	30	11.4%	--	--	--
	Total Acute Discharges	3,613	3,356	257	7.7%	3,486	127	3.6%	--	--	--
	Adjusted Discharges	6,946	6,786	160	2.4%	6,884	62	0.9%	--	--	--
	Emergency Room Visits	11,406	10,652	754	7.1%	10,609	797	7.5%	--	--	--
	OP Procedural Cases	24,539	26,826	(2,287)	(8.5%)	24,917	(378)	(1.5%)	--	--	--
	Gross Charges (\$)	934,408	850,002	84,405	9.9%	824,910	109,498	13.3%	--	--	--
Operations	Total FTEs	3,232	3,233	(1)	(0.0%)	2,968	265	8.9%	--	--	--
	Productive Hrs. / APD	28.3	31.3	(3.1)	(9.7%)	28.3	(0.0)	(0.2%)	--	--	--
	Cost Per CMI AD	17,559	18,036	(477)	(2.6%)	15,806	1,753	11.1%	---	---	---
	Net Days in A/R	59.8	54.0	5.8	10.7%	59.3	0.4	0.7%	47.7	49.7	
Financial Performance	Net Patient Revenue (\$)	226,850	218,921	7,929	3.6%	206,256	20,594	10.0%	277,095	164,209	
	Total Operating Revenue (\$)	234,122	226,772	7,350	3.2%	213,117	21,004	9.9%	303,819	219,204	
	Operating Margin (\$)	27,669	20,706	6,963	33.6%	26,032	1,637	6.3%	3,830	7,672	
	Operating EBIDA (\$)	43,192	36,000	7,191	20.0%	40,752	2,440	6.0%	22,377	21,482	
	Net Income (\$)	40,913	26,434	14,479	54.8%	36,252	4,661	12.9%	16,249	14,687	
	Operating Margin (%)	11.8%	9.1%	2.7%	29.4%	12.2%	(0.4%)	(3.2%)	1.9%	3.5%	
	Operating EBIDA (%)	18.4%	15.9%	2.6%	16.2%	19.1%	(0.7%)	(3.5%)	8.3%	9.8%	
	DCOH (days)	267	325	(58)	(17.8%)	371	(104)	(28.0%)	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.

Key Statistics: Period 2 and YTD (as of 08/31/2022)

Key Metrics	Month to Date			Variance (%)		Year to Date			Variance (%)	
	PY	CY	Budget	CY vs PY	CY vs Budget	PY	CY	Budget	CY vs PY	CY vs Budget
ADC	271	304	245	12.3%	24.0%	263	293	246	11.4%	19.2%
Utilization MV	71%	80%	65%	12.0%	23.4%	69%	78%	65%	11.9%	19.8%
Utilization LG	35%	40%	31%	13.6%	26.6%	33%	36%	31%	8.9%	16.3%
Utilization Combined	60%	67%	54%	12.3%	24.0%	58%	65%	54%	11.4%	19.2%
Adjusted Discharges	3,456	3,546	3,471	2.6%	2.2%	6,884	6,946	6,786	0.9%	2.4%
Total Discharges (Exc NB)	1,781	1,867	1,686	4.8%	10.7%	3,486	3,613	3,356	3.6%	7.7%
Total Discharges	2,189	2,260	2,080	3.2%	8.6%	4,270	4,407	4,134	3.2%	6.6%
Inpatient Case Activity										
MS Discharges	1,172	1,298	1,113	10.8%	16.6%	2,321	2,466	2,227	6.2%	10.7%
Deliveries	444	436	424	(1.8%)	2.8%	858	868	835	1.2%	3.9%
BHS	115	96	113	(16.5%)	(14.9%)	211	202	223	(4.3%)	(9.3%)
Rehab	42	37	36	(11.9%)	2.6%	83	74	71	(10.8%)	4.7%
Outpatient Case Activity										
Total Outpatient Cases	17,160	17,793	17,929	3.7%	(0.8%)	33,456	34,261	35,055	2.4%	(2.3%)
ED	4,302	4,874	4,055	13.3%	20.2%	8,539	9,722	8,229	13.9%	18.1%
OP Surg	563	615	440	9.2%	39.7%	1,191	1,172	826	(1.6%)	41.8%
Endo	242	265	231	9.5%	14.7%	510	477	444	(6.5%)	7.4%
Interventional	190	208	199	9.5%	4.7%	398	375	390	(5.8%)	(3.8%)
All Other	11,863	11,831	13,005	(0.3%)	(9.0%)	22,818	22,515	25,166	(1.3%)	(10.5%)
Hospital Payor Mix										
Medicare	47.5%	49.3%	47.2%	3.7%	4.2%	48.1%	49.2%	47.3%	2.3%	3.8%
Medi-Cal	8.3%	8.2%	8.1%	(1.3%)	2.1%	8.1%	8.5%	8.3%	4.8%	2.2%
Commercial	42.1%	40.7%	42.7%	(3.5%)	(5.1%)	41.5%	40.3%	42.4%	(2.9%)	(5.2%)
Other	2.0%	1.8%	2.0%	(9.4%)	(9.2%)	2.3%	2.0%	2.0%	(12.0%)	1.2%

Enterprise Income Statement: Rolling 16 Monthly Trend (\$000s)

	FY2021		FY2022												FY2023		YTD FY2023	Rolling 16 Monthly Average
	Period 11	Period 12	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	Period 11	Period 12	Period 1	Period 2		
	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22		
Operating Revenues:																		
Gross Revenue	381,888	408,078	406,295	418,615	420,182	414,012	419,177	433,046	417,996	402,507	478,275	421,254	445,891	445,643	441,741	492,667	934,408	427,954
Deductions from Revenue	(286,346)	(295,840)	(304,521)	(314,132)	(315,406)	(307,380)	(311,920)	(320,014)	(308,618)	(296,548)	(355,111)	(316,480)	(335,881)	(327,733)	(333,232)	(374,326)	(707,558)	(318,968)
Net Patient Revenue	95,542	112,238	101,774	104,482	104,776	106,632	107,257	113,033	109,378	105,960	123,165	104,774	110,010	117,911	108,509	118,341	226,850	108,986
Other Operating Revenue	5,385	4,706	3,116	3,746	3,479	4,506	3,600	3,648	3,362	3,313	3,577	4,293	3,297	4,430	4,057	3,215	7,272	3,858
Total Operating Revenue	100,927	116,945	104,889	108,228	108,256	111,138	110,857	116,681	112,741	109,273	126,741	109,067	113,307	122,341	112,566	121,556	234,122	112,845
Operating Expenses:																		
Salaries, Wages and Benefits	48,138	48,101	53,000	53,940	53,629	56,001	53,709	55,947	59,347	55,256	60,098	57,347	53,852	43,799	59,111	64,371	123,483	54,728
Supplies	15,241	15,156	15,109	14,569	14,862	14,502	14,941	16,060	16,051	15,296	17,661	15,225	16,471	12,943	14,550	17,113	31,662	15,359
Fees & Purchased Services	15,923	19,915	14,390	14,182	14,800	14,760	15,210	14,955	14,291	16,550	17,352	15,127	13,626	16,397	13,091	14,722	27,813	15,331
Other Operating Expenses	3,496	6,002	3,598	3,577	3,676	3,586	3,842	4,112	3,829	4,290	3,821	3,517	3,726	4,649	4,089	3,883	7,972	3,981
Interest	1,400	1,367	1,419	1,418	1,418	1,418	1,420	1,419	1,421	1,380	1,384	1,394	1,393	1,404	1,440	1,434	2,874	1,408
Depreciation	4,808	5,740	4,727	7,157	5,902	5,798	6,440	6,173	6,046	6,311	6,246	6,438	6,101	6,733	6,394	6,256	12,649	6,079
Total Operating Expenses	89,006	96,281	92,242	94,844	94,286	96,065	95,561	98,665	100,984	99,084	106,561	99,048	95,169	85,924	98,675	107,778	206,453	96,886
Operating Margin	11,921	20,664	12,648	13,384	13,970	15,073	15,297	18,016	11,756	10,189	20,180	10,020	18,138	36,416	13,891	13,777	27,669	15,959
Non-Operating Income	16,666	20,041	(4,099)	14,319	(18,378)	24,361	(21,232)	17,581	(31,539)	(32,720)	3,935	(56,388)	1,696	(48,858)	35,529	(22,285)	13,244	(6,336)
Net Margin	28,588	40,705	8,549	27,703	(4,408)	39,435	(5,935)	35,596	(19,783)	(22,531)	24,115	(46,369)	19,834	(12,442)	49,420	(8,508)	40,913	9,623
Operating EBIDA	18,130	27,771	18,793	21,959	21,289	22,290	23,156	25,608	19,223	17,881	27,810	17,851	25,632	44,553	21,725	21,467	43,192	23,446
Operating Margin (%)	11.8%	17.7%	12.1%	12.4%	12.9%	13.6%	13.8%	15.4%	10.4%	9.3%	15.9%	9.2%	16.0%	29.8%	12.3%	11.3%	11.8%	14.1%
Operating EBIDA Margin (%)	18.0%	23.7%	17.9%	20.3%	19.7%	20.1%	20.9%	21.9%	17.1%	16.4%	21.9%	16.4%	22.6%	36.4%	19.3%	17.7%	18.4%	20.8%

Financial Overview: Period 2 – August 2022

Period ending 8/31/2022

Monthly Financial Performance

- Operating margin was favorable to budget by \$3.2M / 30.7% and favorable to prior year by \$393K / 2.9%
- Revenue was favorable to budgeted levels:
 - Favorable variance of gross charges of \$57.1M was driven by both Inpatient & Outpatient activity:
 - Inpatient gross charges: Favorable to budget by \$47.7M / 23.1% variance primarily driven by activity in the critical care, telemetry, and medical/surgical nursing units, emergency services, neonatal intensive care, interventional services, and corresponding ancillary services
 - Outpatient gross charges: Favorable to budget by \$10.0M / 4.6% variance primarily driven by infusion, emergency, and surgical services, and corresponding ancillary services
 - Professional gross charges: Unfavorable to budget by \$0.6M / 6.1%
 - Operating Expenses were unfavorable to budget by \$3.8 / 3.6%
 - SWB were unfavorable by \$6.1M / 10.6%, \$3.4M of the unfavorable variance from contract labor
 - Supplies were unfavorable by \$280K / 1.7%
 - Supply expenses attributed to Covid-19 were \$384K
 - All other discretionary non-volume driven expenses were favorable to budget by \$2.6M
- Unfavorable market performance drove unrealized losses for the investment portfolio

Financial Overview: Period 2 – August 2022 (cont.)

Period ending 8/31/2022

Monthly Financial Performance

Hospital Operations:

- Adjusted Discharges (AD): Favorable to budget by 75 ADs / 2.2% and above prior year by 90 ADs / 2.6%:
 - Mountain View: Favorable to budget by 94 ADs / 3.4% and above prior year by 78 ADs / 2.7%
 - Los Gatos: Unfavorable to budget by 19 ADs / 2.2% and above prior year by 12 ADs / 1.5%
- Operating Expense Per CMI Adjusted Discharge: \$17,709 which is 1.8% favorable to budget
Note: Excludes depreciation and interest

El Camino Health Medical Network (ECHMN) Operations:

- August's total visits of 19,115 reflect an increase of 15.0% over the prior month's 16,621. While August had two additional business days, August's visits per day of 811 still resulted in an increase of 1.7% over the prior month's 797 visits per day. Increases occurred at the Winchester and Mt. View Primary Care Clinics, Mt. View ENT, Willow Glen, Samaritan and McKee Clinics.
- August's total visits were unfavorable to budget by 5.5%. For the two months of FY 23 total visits are unfavorable to budget by 6.2%. Lower than budgeted volumes have occurred at Mt View Primary Care and OBGYN Clinics, Ortho Spine, Cancer, Urgent Care Services, Bay Area Maternity, Samaritan, McKee and Morgan Hill Clinics.
- Net Income for the month of August was unfavorable to budget by \$184K or 6.3% bringing the YTD variance to a favorable variance of \$514K or 8.3%. Compared to last year, August's net income was unfavorable by \$510K or 19.5%. For the two months ended August 2022 the organization is unfavorable to the prior year by \$525K or 10.2%.

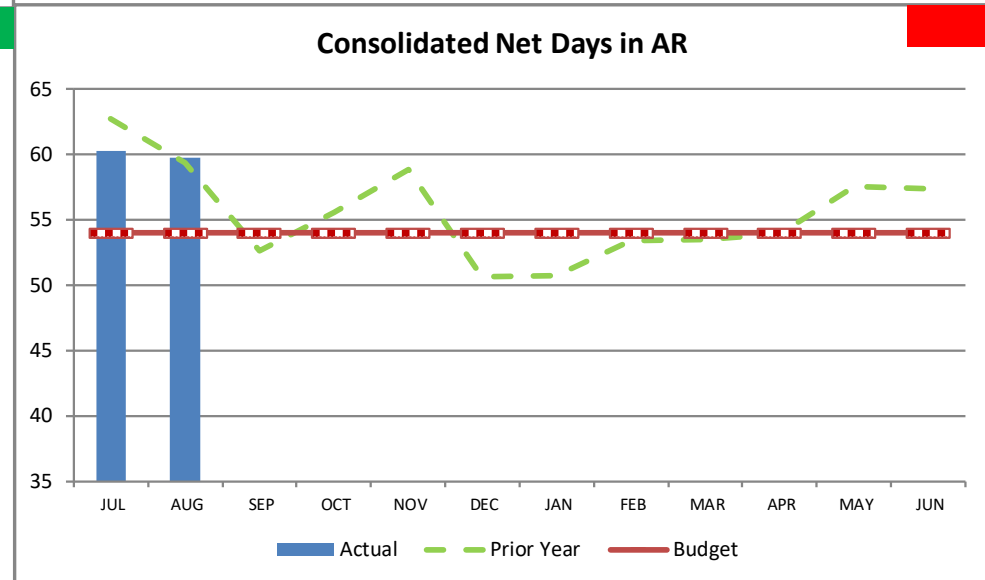
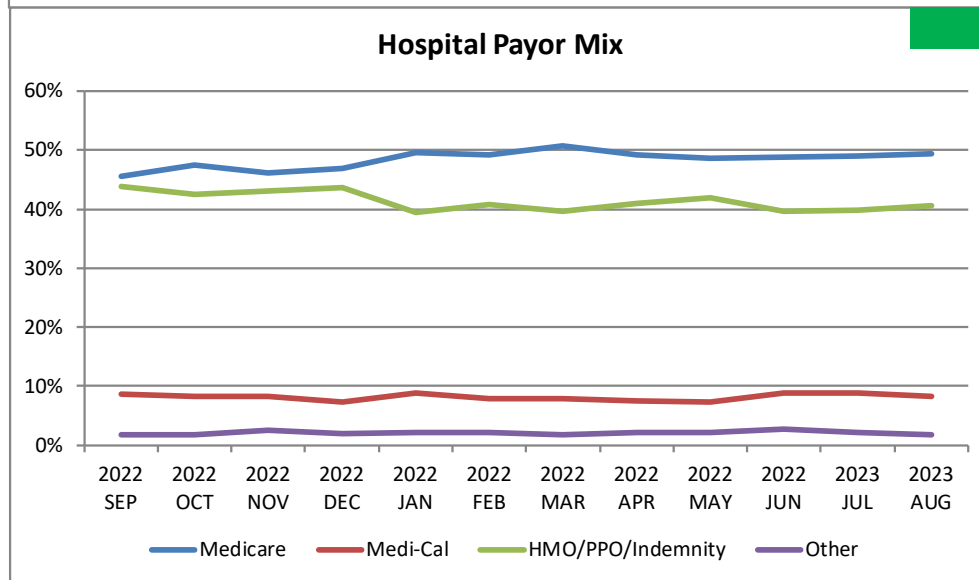
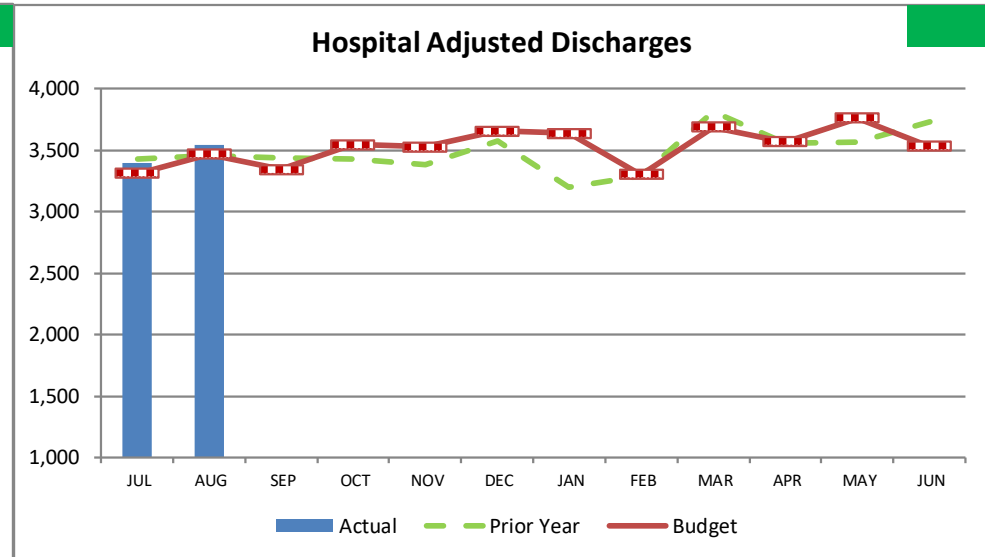
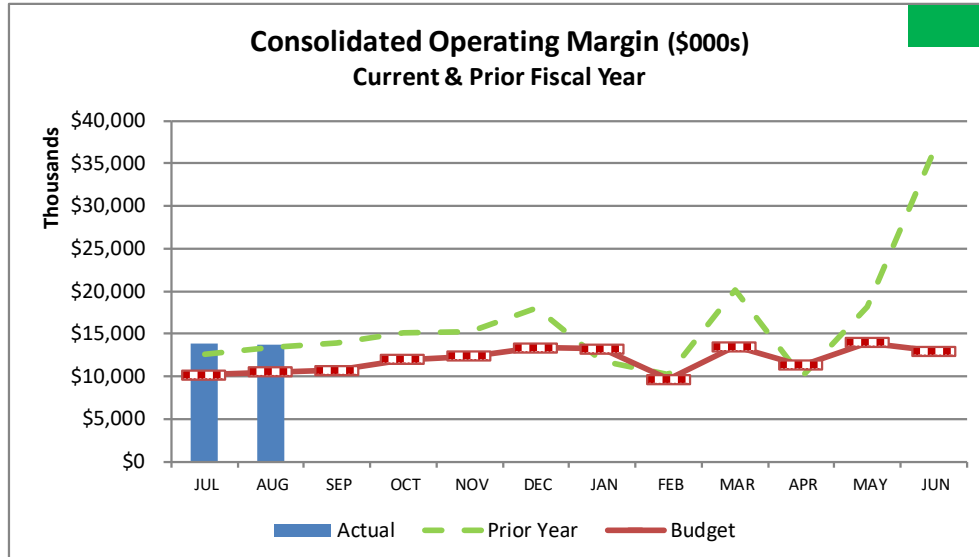
Financial Overview: YTD FY2023 (as of 8/31/2022)

Consolidated Financial Performance

- YTD FY2023 operating margin is \$27.7M compared to the budget of \$20.7M and \$1.6M favorable to prior year
- Operating expense is \$387K / 0.2% unfavorable to budget
 - When adjusted for volume levels, Operating Expense per CMI Adjusted Discharge is \$17,559 which is 2.6% favorable to budget.
 - **Note: Excludes depreciation and interest expense**
- Year-over-year operating margin is \$1.6M higher than the same period last year, which is primarily due to the strength in volumes as exhibited by year over year growth in:
 - Inpatient Discharges: +10.7%
 - Emergency Room Visits: +20.2%
- Year-over-year net margin is \$4.7M higher than the same period last year, which is attributed to more favorable investment income.
- YTD liquidity as represented by days cash on hand (DCOH) is 104 days lower than the same last before due to lower than budgeted investment income and anticipated capital expenditures.

APPENDIX

YTD FY2023 Financial KPIs – Monthly Trends



Investment Scorecard (as of 06/30/2022)

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY22 Budget	Expectation Per Asset Allocation
Investment Performance		CY 2Q / FY 4Q 2022		Fiscal Year-to-Date 2022		Since NEPC Inception (3/31/22)		FY 2022	2019
Surplus cash balance* (millions)		\$1,290.8	--	--	--	--	--	--	--
Surplus Cash Return	Green	-8.3%	-8.2%	-11.4%	-9.8%	-8.3%	-8.2%	4.0%	5.6%
Cash balance plan balance (millions)		\$299.7	--	--	--	--	--	--	--
Cash balance plan return	Green	-10.0%	-9.4%	-14.0%	-10.2%	-10.0%	-9.4%	6.0%	6.0%
403(b) plan balance (millions)		n/a	--	--	--	--	--	--	--
Risk vs. Return		3-year			Since NEPC Inception (3/31/22)			2019	
Surplus cash Sharpe ratio	Green	0.30	0.40	--	--	n/a	n/a	--	0.34
Net of fee return	Green	3.2%	3.7%	--	--	-8.3%	-8.2%	--	5.6%
Standard deviation	Green	8.7%	8.8%	--	--	n/a	n/a	--	8.7%
Cash balance Sharpe ratio	Green	0.30	0.40	--	--	n/a	n/a	--	0.32
Net of fee return	Green	3.9%	4.6%	--	--	-10.0%	-9.4%	--	6.0%
Standard deviation	Green	11.5%	10.3%	--	--	n/a	n/a	--	10.3%
Asset Allocation		CY 2Q / FY 4Q 2022							
Surplus cash absolute variances to target	Green	4.7%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Cash balance absolute variances to target	Green	7.4%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Manager Compliance		CY 2Q / FY 4Q 2022							
Surplus cash manager flags		n/a	< 24% Green < 30% Yellow	--	--	--	--	--	--
Cash balance manager flags		n/a	< 27% Green < 34% Yellow	--	--	--	--	--	--

* Represents Total Surplus Cash ex District/Debt Reserves.



Period 2 and YTD Operating Income, Non-Operating Income and Net Income by Affiliate (as of 08/31/2022)

(\$000s)

	Period 2- Month			Period 2- FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Operating Margin						
Mountain View	13,376	9,793	3,583	24,920	19,971	4,949
Los Gatos	3,723	3,935	(212)	8,625	7,405	1,220
Sub Total - El Camino Hospital, excl. Affiliates	17,099	13,728	3,371	33,545	27,376	6,169
Operating Margin %	14.6%	12.6%		14.9%	12.6%	
El Camino Hospital Non Operating Income						
Sub Total - Non Operating Income	(20,100)	2,702	(22,802)	13,239	5,104	8,135
El Camino Hospital Net Margin	(3,001)	16,430	(19,431)	46,784	32,481	14,303
ECH Net Margin %	-2.6%	15.0%		20.8%	15.0%	
Concern	(416)	84	(500)	104	168	(64)
Foundation	(1,974)	(23)	(1,951)	(286)	(11)	(275)
El Camino Health Medical Network	(3,116)	(2,932)	(184)	(5,690)	(6,204)	514
Net Margin Hospital Affiliates	(5,507)	(2,872)	(2,635)	(5,872)	(6,047)	175
Total Net Margin Hospital & Affiliates	(8,508)	13,558	(22,066)	40,913	26,434	14,479

Consolidated Statement of Operations (\$000s)

Period 2 ending 08/31/2022

Period 2 FY 2022	Period 2 FY 2023	Period 2 Budget 2023	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2022	YTD FY 2023	YTD Budget 2023	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
418,615	492,667	435,549	57,118	13.1%	Gross Revenue	824,910	934,408	850,002	84,405	9.9%
(314,132)	(374,326)	(324,946)	(49,380)	(15.2%)	Deductions	(618,654)	(707,558)	(631,081)	(76,477)	(12.1%)
104,482	118,341	110,603	7,738	7.0%	Net Patient Revenue	206,256	226,850	218,921	7,929	3.6%
3,746	3,215	3,949	(734)	(18.6%)	Other Operating Revenue	6,861	7,272	7,851	(579)	(7.4%)
108,228	121,556	114,552	7,004	6.1%	Total Operating Revenues	213,117	234,122	226,772	7,350	3.2%
					OPERATING EXPENSE					
53,940	64,371	58,216	(6,155)	(10.6%)	Salaries & Wages	106,940	123,483	116,109	(7,374)	(6.4%)
14,569	17,113	16,835	(278)	(1.7%)	Supplies	29,678	31,662	32,354	692	2.1%
14,182	14,722	16,245	1,523	9.4%	Fees & Purchased Services	28,572	27,813	32,586	4,773	14.6%
3,577	3,883	5,067	1,184	23.4%	Other Operating Expense	7,175	7,972	9,722	1,750	18.0%
1,418	1,434	1,397	(37)	(2.6%)	Interest	2,837	2,874	2,794	(80)	(2.9%)
7,157	6,256	6,247	(9)	(0.1%)	Depreciation	11,884	12,649	12,500	(149)	(1.2%)
94,844	107,778	104,007	(3,771)	(3.6%)	Total Operating Expenses	187,086	206,453	206,066	(387)	(0.2%)
13,384	13,777	10,544	3,233	30.7%	Net Operating Margin	26,032	27,669	20,706	6,963	33.6%
					Non Operating Income					
14,319	(22,285)	3,014	(25,299)	(839.4%)	Net Margin	10,220	13,244	5,728	7,516	131.2%
27,703	(8,508)	13,558	(22,066)	(162.8%)	Operating EBIDA	40,752	43,192	36,000	7,191	20.0%
21,959	21,467	18,188	3,279	18.0%						
20.3%	17.7%	15.9%	1.8%		Operating EBIDA Margin	19.1%	18.4%	15.9%	2.6%	
12.4%	11.3%	9.2%	2.1%		Operating Margin	12.2%	11.8%	9.1%	2.7%	
25.6%	-7.0%	11.8%	(18.8%)		Net Margin	17.0%	17.5%	11.7%	5.8%	

El Camino Hospital – Mountain View

Statement of Operations (\$000s)

Period 2 ending 08/31/2022

Period 2 FY 2022	Period 2 FY 2023	Period 2 Budget 2023	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2022	YTD FY 2023	YTD Budget 2023	Variance Fav (Unfav)	Var%
					OPERATING REVENUES					
315,308	370,531	325,039	45,492	14.0%	Gross Revenue	619,436	708,856	637,925	70,931	11.1%
(236,926)	(280,822)	(241,568)	(39,254)	(16.2%)	Deductions	(461,509)	(536,386)	(471,785)	(64,601)	(13.7%)
78,382	89,709	83,471	6,238	7.5%	Net Patient Revenue	157,927	172,470	166,139	6,331	3.8%
1,459	1,335	1,668	(333)	(20.0%)	Other Operating Revenue	2,551	3,411	3,291	119	3.6%
79,840	91,044	85,139	5,905	6.9%	Total Operating Revenues	160,478	175,881	169,431	6,450	3.8%
					OPERATING EXPENSES					
42,588	50,393	45,509	(4,884)	(10.7%)	Salaries & Wages	84,549	97,235	90,761	(6,474)	(7.1%)
10,856	11,428	12,061	633	5.2%	Supplies	22,203	22,727	23,349	621	2.7%
6,408	6,662	7,836	1,174	15.0%	Fees & Purchased Services	13,393	12,372	15,837	3,465	21.9%
2,361	2,897	3,692	796	21.6%	Other Operating Expense	4,628	5,909	7,013	1,104	15.7%
1,418	1,434	1,397	(37)	(2.6%)	Interest	2,837	2,874	2,794	(80)	(2.9%)
5,403	4,854	4,850	(3)	(0.1%)	Depreciation	9,186	9,843	9,705	(138)	(1.4%)
69,034	77,668	75,346	(2,322)	(3.1%)	Total Operating Expenses	136,795	150,960	149,459	(1,501)	(1.0%)
10,806	13,376	9,793	3,583	36.6%	Net Operating Margin	23,683	24,920	19,971	4,949	24.8%
14,291	(20,100)	2,702	(22,802)	(843.8%)	Non Operating Income	10,020	13,239	5,104	8,135	159.4%
25,097	(6,724)	12,495	(19,219)	(153.8%)	Net Margin	33,703	38,160	25,076	13,084	52.2%
17,627	19,664	16,041	3,623	22.6%	Operating EBIDA	35,705	37,637	32,470	5,167	15.9%
22.1%	21.6%	18.8%	2.8%		Operating EBIDA Margin	22.2%	21.4%	19.2%	2.2%	
13.5%	14.7%	11.5%	3.2%		Operating Margin	14.8%	14.2%	11.8%	2.4%	
31.4%	-7.4%	14.7%	(22.1%)		Net Margin	21.0%	21.7%	14.8%	6.9%	

El Camino Hospital – Los Gatos

Statement of Operations (\$000s)

Period 2 ending 08/31/2022

Period 2 FY 2022	Period 2 FY 2023	Period 2 Budget 2023	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2022	YTD FY 2023	YTD Budget 2023	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
93,140	113,421	101,200	12,221	12.1%	Gross Revenue	185,942	208,650	194,568	14,081	7.2%
(70,710)	(87,669)	(77,220)	(10,449)	(13.5%)	Deductions	(144,354)	(159,866)	(147,722)	(12,144)	(8.2%)
22,430	25,752	23,980	1,772	7.4%	Net Patient Revenue	41,587	48,783	46,846	1,938	4.1%
297	279	264	14	5.5%	Other Operating Revenue	563	563	526	38	7.1%
22,727	26,031	24,244	1,787	7.4%	Total Operating Revenue	42,151	49,347	47,372	1,975	4.2%
					OPERATING EXPENSE					
9,483	11,669	10,124	(1,545)	(15.3%)	Salaries & Wages	18,655	21,872	20,182	(1,690)	(8.4%)
3,401	5,227	4,421	(806)	(18.2%)	Supplies	6,928	8,232	8,330	98	1.2%
3,331	4,030	4,069	38	0.9%	Fees & Purchased Services	6,664	7,721	8,102	381	4.7%
183	302	602	300	49.8%	Other Operating Expense	563	734	1,162	428	36.8%
0	0	0	0	0.0%	Interest	0	0	0	0	0.0%
1,442	1,080	1,094	14	1.3%	Depreciation	2,118	2,163	2,192	28	1.3%
17,841	22,308	20,310	(1,999)	(9.8%)	Total Operating Expense	34,928	40,722	39,967	(755)	(1.9%)
4,886	3,723	3,935	(212)	(5.4%)	Net Operating Margin	7,223	8,625	7,405	1,220	16.5%
23	0	0	0	0.0%	Non Operating Income	23	0	0	0	0.0%
4,909	3,723	3,935	(212)	(5.4%)	Net Margin	7,246	8,625	7,405	1,220	16.5%
6,329	4,803	5,029	(226)	(4.5%)	Operating EBIDA	9,341	10,788	9,597	1,192	12.4%
27.8%	18.5%	20.7%	(2.3%)		Operating EBIDA Margin	22.2%	21.9%	20.3%	1.6%	
21.5%	14.3%	16.2%	(1.9%)		Operating Margin	17.1%	17.5%	15.6%	1.8%	
21.6%	14.3%	16.2%	(1.9%)		Net Margin	17.2%	17.5%	15.6%	1.8%	

El Camino Health Medical Network

Statement of Operations (\$000s)

Period 2 ending 08/31/2022

Period 2 FY 2022	Period 2 FY 2023	Period 2 Budget 2023	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2022	YTD FY 2023	YTD Budget 2023	Variance Fav (Unfav)	Var%
					OPERATING REVENUES					
10,167	8,715	9,310	(595)	(6.4%)	Gross Revenue	19,532	16,902	17,509	(607)	(3.5%)
(6,497)	(5,835)	(6,158)	322	5.2%	Deductions	(12,790)	(11,306)	(11,573)	268	2.3%
3,670	2,880	3,152	(273)	(8.6%)	Net Patient Revenue	6,742	5,597	5,936	(340)	(5.7%)
900	908	1,277	(369)	(28.9%)	Other Operating Revenue	1,772	1,931	2,556	(625)	(24.4%)
4,571	3,788	4,430	(642)	(14.5%)	Total Operating Revenues	8,514	7,528	8,492	(965)	(11.4%)
					OPERATING EXPENSES					
1,449	1,848	2,067	219	10.6%	Salaries & Wages	2,911	3,499	4,134	635	15.4%
309	453	347	(106)	(30.5%)	Supplies	527	685	664	(21)	(3.1%)
4,139	3,658	3,939	282	7.2%	Fees & Purchased Services	7,821	7,170	7,880	710	9.0%
981	636	725	90	12.4%	Other Operating Expense	1,864	1,243	1,451	207	14.3%
0	0	0	0	0.0%	Interest	0	0	0	0	0.0%
300	310	283	(27)	(9.4%)	Depreciation	555	620	567	(53)	(9.4%)
7,177	6,904	7,362	458	6.2%	Total Operating Expenses	13,679	13,217	14,696	1,478	10.1%
(2,607)	(3,116)	(2,932)	(184)	(6.3%)	Net Operating Margin	(5,165)	(5,690)	(6,204)	514	8.3%
(0)	0	0	0	0.0%	Non Operating Income	(0)	0	0	0	0.0%
(2,607)	(3,116)	(2,932)	(184)	(6.3%)	Net Margin	(5,165)	(5,690)	(6,204)	514	8.3%
(2,307)	(2,806)	(2,649)	(157)	(5.9%)	Operating EBIDA	(4,610)	(5,070)	(5,637)	567	10.1%
(50.5%)	(74.1%)	(59.8%)	(14.3%)		Operating EBIDA Margin	(54.1%)	(67.4%)	(66.4%)	(1.0%)	
(57.0%)	(82.3%)	(66.2%)	(16.1%)		Operating Margin	(60.7%)	(75.6%)	(73.1%)	(2.5%)	
(57.0%)	(82.3%)	(66.2%)	(16.1%)		Net Margin	(60.7%)	(75.6%)	(73.1%)	(2.5%)	

Consolidated Balance Sheet (as of 08/31/2022)

(\$000s)

ASSETS

	August 31, 2022	Unaudited June 30, 2022
CURRENT ASSETS		
Cash	198,016	196,067
Short Term Investments	112,134	138,654
Patient Accounts Receivable, net	223,945	209,668
Other Accounts and Notes Receivable	15,417	9,927
Intercompany Receivables	11,069	13,998
Inventories and Prepaids	38,961	36,476
Total Current Assets	599,542	604,789
BOARD DESIGNATED ASSETS		
Foundation Board Designated	19,988	18,721
Plant & Equipment Fund	342,271	310,367
Women's Hospital Expansion	30,318	30,261
Operational Reserve Fund	182,907	182,907
Community Benefit Fund	14,033	18,299
Workers Compensation Reserve Fund	14,029	14,029
Postretirement Health/Life Reserve Fund	29,964	29,783
PTO Liability Fund	33,996	33,709
Malpractice Reserve Fund	1,909	1,906
Catastrophic Reserves Fund	26,657	24,668
Total Board Designated Assets	696,071	664,651
FUNDS HELD BY TRUSTEE	2	0
LONG TERM INVESTMENTS	492,592	499,483
CHARITABLE GIFT ANNUITY INVESTMENTS	961	940
INVESTMENTS IN AFFILIATES	29,374	30,376
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	1,875,559	1,872,501
Less: Accumulated Depreciation	(791,076)	(778,427)
Construction in Progress	103,555	96,603
Property, Plant & Equipment - Net	1,188,037	1,190,676
DEFERRED OUTFLOWS	19,374	19,474
RESTRICTED ASSETS	35,171	31,200
OTHER ASSETS	208,342	138,632
TOTAL ASSETS	3,269,467	3,180,222

LIABILITIES AND FUND BALANCE

	August 31, 2022	Unaudited June 30, 2022
CURRENT LIABILITIES		
Accounts Payable	45,114	51,286
Salaries and Related Liabilities	44,259	46,502
Accrued PTO	34,930	34,449
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	13,871	14,942
Intercompany Payables	8,398	13,489
Malpractice Reserves	2,096	2,096
Bonds Payable - Current	9,905	9,905
Bond Interest Payable	1,619	8,096
Other Liabilities	20,190	15,739
Total Current Liabilities	182,683	198,804
LONG TERM LIABILITIES		
Post Retirement Benefits	29,964	29,783
Worker's Comp Reserve	14,029	14,029
Other L/T Obligation (Asbestos)	26,726	5,073
Bond Payable	466,486	466,838
Total Long Term Liabilities	537,205	515,723
DEFERRED REVENUE-UNRESTRICTED	12,367	12,864
DEFERRED INFLOW OF RESOURCES	104,367	51,133
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	2,184,340	2,154,900
Board Designated	208,804	210,197
Restricted	39,700	36,601
Total Fund Bal & Capital Accts	2,432,844	2,401,698
TOTAL LIABILITIES AND FUND BALANCE	3,269,467	3,180,222