



AGENDA

SPECIAL FINANCE COMMITTEE OF THE EL CAMINO HOSPITAL BOARD OF DIRECTORS

Thursday, December 4, 2025 – 12:00 pm

El Camino Health | 2500 Grant Road Mountain View, CA 94040 | Sobrato Boardroom 1

THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION PORTION OF THE MEETING LIVE AT THE ADDRESS ABOVE OR VIA TELECONFERENCE AT: **1-669-900-9128, MEETING CODE: 938 8493 6598#**. **No participant code.**
Just press #

To watch the meeting, please visit: [Finance Committee Meeting Link](#)

Please note that the livestream is for meeting viewing only and there is a slight delay; to provide public comment, please use the phone number listed above.

NOTE: In the event that there are technical problems or disruptions that prevent remote public participation, the Chair has the discretion to continue the meeting without remote public participation options, provided that no Committee member is participating in the meeting via teleconference.

TIME ESTIMATES: Except where noted as TIME CERTAIN, listed times are estimates only and are subject to change at any time, including while the meeting is in progress. The Committee reserves the right to use more or less time on any item, to change the order of items and/or to continue items to another meeting. Particular items may be heard before or after the time estimated on the agenda. This may occur in order to best manage the time at a meeting.

A copy of the agenda for the Special Finance Committee Meeting will be posted and distributed at least twenty-four (24) hours prior to the meeting. In observance of the Americans with Disabilities Act, please notify us at **(650) 988-3218** prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
1.	CALL TO ORDER / ROLL CALL	Don Watters, Chair	Information	12:00 pm
2.	CONSIDER APPROVAL OF AB 2449 REQUEST	Don Watters, Chair	Possible Motion	12:00 pm
3.	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Don Watters, Chair	Information	12:00 pm
4.	PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons to address the Committee on any matter within the subject matter jurisdiction of the Committee that is not on this agenda. Speakers are limited to three (3) minutes each.</i> b. Written Correspondence <i>Comments may be submitted by mail to the Finance Committee of the El Camino Hospital Board of Directors at 2500 Grant Avenue, Mountain View, CA 94040. Written comments will be distributed to the Board as quickly as possible. Please note it may take up to 24 hours for documents to be posted on the agenda.</i>	Don Watters, Chair	Information	12:00 pm
5.	<u>ARTICLE OF INTEREST</u>	Carlos Bohorquez, CFO	Information	12:00 – 12:05
6.	<u>FY2026 PERIOD 4 FINANCIAL REPORT</u>	Carlos Bohorquez, CFO	Motion Required	12:05 – 12:10
7.	RECESS TO CLOSED SESSION	Don Watters, Chair	Motion Required	12:10 – 12:11

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	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
8.	CAPITAL REQUEST: LOS GATOS CAMPUS REDEVELOPMENT <i>Health and Safety Code Section 32106(b) – for a report and discussion involving healthcare facility trade secrets regarding new services or programs</i>	Carlos Bohorquez, CFO Tracey Lewis Taylor, COO	Discussion	12:11 – 1:18
9.	EXECUTIVE SESSION <i>Gov't Code Section 54957(b) for discussion and report on personnel performance matters – Senior Management.</i>	Don Watters, Chair	Discussion	1:18 – 1:23
10.	RECONVENE TO OPEN SESSION	Don Watters, Chair	Motion Required	1:23 – 1:24
11.	CLOSED SESSION REPORT OUT To report any required disclosures regarding permissible actions taken during Closed Session.	Gabe Fernandez, Governance Services Coordinator	Information	1:24 – 1:25
12.	<u>APPROVE CAPITAL REQUEST - LOS GATOS REDEVELOPMENT</u>	Don Watters, Chair	Motion Required	1:25 – 1:26
13.	CLOSING COMMENTS	Don Watters, Chair	Information	1:26 – 1:29
14.	ADJOURNMENT	Don Watters, Chair	Motion Required	1:30 pm

Upcoming Meetings: February 2, 2026, March 9, 2026 (Joint FC | IC), March 23, 2026, May 26, 2026



**EL CAMINO HOSPITAL BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING MEMO**

To: El Camino Hospital, Finance Committee
From: Carlos A. Bohorquez, Chief Financial Officer
Date: December 4, 2025
Subject: Article of Interest

Purpose:

To share with the Finance Committee (FC) relevant article(s) of interest related to current healthcare trends or issues which may impact El Camino Health.

Articles of Interest:

Becker's Hospital Review; 'CMS Ups Hospital Outpatient Rates 2.6%, Expands Site-Neutral Payments in 2026: 14 notes', November 21, 2025.

Recommendation:

- None

List of Attachments:

- Article – Becker's Hospital Review

Suggested Finance Committee Discussion Questions:

- None

BECKER'S
HOSPITAL REVIEW

CMS ups hospital outpatient rates 2.6%, expands site-neutral payments in 2026: 14 notes

Laura Dyrda and Alan Condon

Friday, November 21, 2025

CMS on Nov. 21 finalized its [Hospital Outpatient Prospective Payment System and Ambulatory Surgical Center Payment System](#) rule for 2026, enacting reforms to boost price transparency and expand outpatient access.

Fourteen things to know:

Hospital outpatient departments

1. CMS is phasing out the inpatient-only list over a three-year period and expanding the ASC covered procedures list. The agency will remove 285 procedures, mostly musculoskeletal, from the inpatient-only list and add 289 procedures to the ASC covered list next year. The policy does allow Medicare to pay for procedures in the HOPD when clinically appropriate.

“We are strengthening Medicare’s foundation by protecting beneficiaries, eliminating fraud, and advancing medical innovation — all while maintaining strict provider accountability and responsible use of taxpayer funds,” CMS Administrator Mehmet Oz, MD, said. “These comprehensive reforms expand patient choice and establish the price transparency Americans need for confident healthcare decisions.”

2. CMS will continue its policy to exempt certain medical review activities related to the two-midnight policy for procedures removed from the inpatient only list throughout next year and into the future, until it’s determined the procedure is more common in ASCs than HOPDs for the Medicare population.
3. The agency also will raise outpatient payment rates by 2.6% in 2026 for hospitals that meet quality-reporting requirements. The increase reflects a 3.3% market basket update, offset by a 0.7 percentage-point productivity cut.
4. Next year, the hospital market basket update will be applied to ASC payment system rates and CMS will continue to study the migration of outpatient procedures. CMS

BECKER'S HOSPITAL REVIEW

initially updated the payment factor for five years beginning in the 2019 calendar year, but extended the observation period during the COVID-19 public health emergency.

5. CMS also will align payment rates for certain outpatient services delivered at hospital outpatient departments and off-campus facilities. The goal of the site-neutral payments is to avoid higher copays for patients based solely on care location.

“We continue to advance Medicare payment reform by advancing policies that help prevent services from unnecessarily being performed in hospitals when they can be safely provided in less intensive settings, streamlining hospital billing systems, and ensuring patients receive transparent, accurate pricing information,” said Chris Klomp, CMS deputy administrator and director of the Center for Medicare.

6. CMS will continue the two-tier payment system for intensive outpatient program services for mental illness or substance use disorder in HOPDs and community mental health centers. There will be one payment for days with three services per day and open for days with four or more services per day.
7. The agency projects the rule will save Medicare and beneficiaries \$11 billion over the next 10 years by reducing unnecessary services and aligning payments with care costs.

Price transparency

8. Hospitals will now be required to post actual, consumer-friendly prices — not estimates — in standardized formats. Noncompliance will result in civil monetary penalties.

“This final rule from CMS closes the loopholes hospitals exploit to hide real prices and advances President Trump’s demand for radical hospital price transparency,” HHS Secretary Robert F. Kennedy, Jr., said in a Nov. 21 news release.

9. Beginning Jan. 1, 2026, hospitals will be required to include the median, 10th percentile and 90th percentile allowed amounts in their machine-readable files. They must also include the count of allowed amounts when changes are based on percentages or algorithms. CMS said it will delay enforcement of these requirements until April 1, 2026.

BECKER'S
HOSPITAL REVIEW

10. Hospitals must attest in their machine-readable files that the information provided is accurate, complete and current as of the date listed in the file. They must also include all payer-specific negotiated charges that can be expressed as a dollar amount and provide enough information for patients to calculate charges that cannot be directly expressed.
11. Hospitals will be required to include the name of their CEO, president or other leader who oversees the data encoding process to ensure accountability for the accuracy of the posted pricing data.
12. The agency is also mandating that hospitals encode their Type 2 [national provider identifiers](#) in machine-readable files to support comparison across healthcare datasets.
13. Hospitals that accept CMS' determination of noncompliance and waive their right to an administrative law judge hearing may receive a 35% reduction in civil monetary penalties. This is not available to hospitals that fail to publish a machine-readable file or consumer-friendly pricing tools.

CMS Star Ratings

14. Starting in 2026, hospitals in the lowest quartile for safety performance will be ineligible for a 5-star rating. In future years, these hospitals will be automatically downgraded to one star.



EL CAMINO HOSPITAL BOARD OF DIRECTORS FINANCE COMMITTEE MEETING MEMO

To: El Camino Hospital, Finance Committee
From: Carlos A. Bohorquez, Chief Financial Officer
Date: December 4, 2025
Subject: Financials: FY2026 - Period 4 (October 2025) & YTD FY2026 (as of 10/31/2025)

Purpose:

To provide the Finance Committee an overview of financial results for Period 4 (October 2025) and YTD FY2026 and approve financials.

Executive Summary – Period 4 (October 2025):

Patient activity / volumes remain consistent across the enterprise.

- **Average Daily Census:** 295 which is 24 / 7.5% unfavorable to budget and 22 / 7.0% lower than the same period last year.
- **Adjusted Discharges:** 4,023 which are 58 / 1.5% favorable to budget and 170 / 4.4% higher than the same period last year.
- **Emergency Room Visits:** 7,168 which are 596 / 9.1% favorable to budget and 523 / 7.9% lower than the same period last fiscal year.
- **Outpatient Visits / Procedures:** 15,207 which are 600 / 4.1% favorable to budget and 1,370 / 9.9% higher than the same period last fiscal year.

Financial performance for Period 4 was favorable to budget and consistent with the same period last fiscal year.

Total Operating Revenue (\$):	\$154.1M is unfavorable to budget by \$1.6M / 1.0% and \$4.9M / 3.3% higher than the same period last fiscal year.
Operating EBIDA (\$):	\$26.3M is favorable to budget by \$3.3M / 14.6% and \$4.3M / 19.6% higher than the same period last fiscal year.
Net Income (\$):	\$72.7M is favorable to budget by \$53.7M / 281.6% and \$71.8M / 7,738.4% higher than the same period last year.
Operating Margin (%):	11.4% (actual) vs. 8.9% (budget)
Operating EBIDA Margin (%):	17.1% (actual) vs. 14.7% (budget)
Net Days in A/R (days):	55.9 days are unfavorable to budget by 1.9 days / 3.6% and 2.9 days / 5.5% higher than the same period last year. Unfavorable days in A/R is attributed to a claims hold a large payor.

FY2026 – Period 4 (October 2025) & YTD FY2026 Financial Results
December 4, 2025

YTD FY2025 (as of 10/31/2025):

Patient activity / volumes remain consistent across the enterprise.

- **Average Daily Census:** 297 which is 9 / 2.9% unfavorable to budget and 7 / 2.2% lower than the same period last year.
- **Adjusted Discharges:** 15,674 which are 563 / 3.7% favorable to budget and 963 / 6.5% higher than the same period last year.
- **Emergency Room Visits:** 27,982 which are 1,660 / 6.3% favorable to budget and 1,823 / 7.0% higher than the same period last fiscal year.
- **Outpatient Visits / Procedures:** 57,588 which are 4,400 / 8.3% favorable to budget and 6,940 / 13.7% higher than the same period last fiscal year.

YTD FY2026 financial performance is favorable to budget and better versus the same period last fiscal year. Stable financial results are attributed to strong procedural & outpatient volumes, significant reductions in premium pay / contract labor, and revenue improvement initiatives.

Total Operating Revenue (\$):	\$599.9M is unfavorable to budget by \$2.0M / 0.3%, but \$41.7M / 7.5% higher than the same period last fiscal year.
Operating EBIDA (\$):	\$95.4M is favorable to budget by \$10.4M / 12.2% and \$16.9M / 21.6% higher than the same period last fiscal year.
Net Income (\$):	\$176.7M is favorable to budget by \$107.4M / 155.0% and \$73.7M / 71.5% higher than the same period last fiscal year. Favorable net income is attributed to unrealized gains on investment portfolio.
Operating Margin (%):	10.2% (actual) vs. 8.2% (budget)
Operating EBIDA Margin (%):	15.9% (actual) vs. 14.1% (budget)

Recommendation:

Recommend Finance Committee approve Period 4 & YTD FY2026 financials.

List of Attachments:

- Presentation: Period 4 & YTD FY2026 financials.

Suggested Finance Committee Discussion Questions:

- None



El Camino Health

Summary of Financial Operations

*Fiscal Year 2026 – Period 4
7/1/2025 to 10/31/2025*

• Results for Period 4:

- Net Patient Revenue was favorable to budget by \$4.5M / 3.0%
- Operating EBIDA Margin was favorable to budget by \$3.3M / 14.6%
- Gross revenue was favorable to budget by \$21.9M / 3.2%
 - Driven by:
 - Inpatient Charges: \$22.7M / 7.0% unfavorable to budget
 - Outpatient Charges: \$42.0M / 12.6% favorable to budget
 - Professional Charges: \$2.5M / 9.1% favorable to budget
- Cost Management
 - When adjusted for volume, overall operating expense is 8.1% lower than budget.
- Gross charges were favorable to budget by \$21.9M / 3.2% and \$68.0M / 10.6% higher than the same period last year
- Net patient revenue was favorable to budget by \$4.5M / 3.0% and \$11.1M / 7.7% higher than the same period last year
- Operating margin was favorable to budget by \$3.7M / 26.8% and \$3.8M / 28.2% higher than the same period last year
- Operating EBIDA was favorable to budget by \$3.3M / 14.6% and \$4.3M / 19.6% higher than the same period last year
- Net income was favorable to budget by \$53.7M / 281.6% and \$71.8M / 7,738.4% higher than same period last year.

Operational / Financial Results: Period 4 – October 2025 (as of 10/31/2025)

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(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Year over Year change	YoY % Change	Moody's	S&P	Fitch	Performance to Rating Agency Medians
Activity / Volume	ADC	294	318	(24)	(7.5%)	316	(22)	(7.0%)	---	---	---	---
	Adjusted Discharges	4,023	3,965	58	1.5%	3,854	170	4.4%	---	---	---	---
	OP Visits / OP Procedural Cases	15,207	14,607	600	4.1%	13,837	1,370	9.9%	---	---	---	---
	Percent Government (%)	57.7%	57.7%	(0.0%)	(0.0%)	57.0%	0.6%	1.1%	---	---	---	---
	Gross Charges (\$)	707,159	685,298	21,860	3.2%	639,133	68,025	10.6%	---	---	---	---
Operations	Cost Per CMI AD	19,967	21,724	(1,757)	(8.1%)	20,334	(367)	(1.8%)	---	---	---	---
	Net Days in A/R	55.9	54.0	1.9	3.5%	53.0	2.9	5.5%	47.5	49.7	47.8	
Financial Performance	Net Patient Revenue (\$)	154,530	150,044	4,486	3.0%	143,437	11,093	7.7%	363,045	669,435	---	
	Total Operating Revenue (\$)	154,098	155,715	(1,617)	(1.0%)	149,205	4,893	3.3%	428,467	697,582	368,408	
	Operating Margin (\$)	17,512	13,815	3,698	26.8%	13,664	3,848	28.2%	8,569	24,415	12,526	
	Operating EBIDA (\$)	26,303	22,960	3,343	14.6%	21,989	4,314	19.6%	24,851	56,504	31,315	
	Net Income (\$)	72,708	19,053	53,655	281.6%	928	71,780	7738.4%	23,566	54,411	20,631	
	Operating Margin (%)	11.4%	8.9%	2.5%	28.1%	9.2%	2.2%	24.1%	2.0%	3.5%	3.4%	
	Operating EBIDA (%)	17.1%	14.7%	2.3%	15.8%	14.7%	2.3%	15.8%	5.8%	8.1%	8.5%	
	DCOH (days)	330	275	55	20.0%	268	62	23.3%	258	315	311	

Moody's Medians: Not-for-profit and public healthcare annual report; August 2025. 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 2025. Dollar amounts have been adjusted to reflect monthly averages.
Fitch Ratings: U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios; July 2025. Dollar amounts have been adjusted to reflect monthly averages.

Notes: DCOH total includes cash, short-term and long-term investments.
OP Visits / Procedural Cases includes Covid Vaccinations / Testing.

Operational / Financial Results: YTD FY2026 (as of 10/31/2025)

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(\$ thousands)

		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Year over Year change	YoY % Change	Moody's	S&P	Fitch	Performance to Rating Agency Medians
									'Aa3'	'AA'	'AA'	
Activity / Volume	ADC	297	305	(9)	(2.9%)	303	(7)	(2.2%)	---	---	---	---
	Adjusted Discharges	15,674	15,111	563	3.7%	14,711	963	6.5%	---	---	---	---
	OP Visits / OP Procedural Cases	57,588	53,188	4,400	8.3%	50,648	6,940	13.7%	---	---	---	---
	Percent Government (%)	59.3%	58.4%	0.9%	1.5%	57.9%	1.4%	2.4%	---	---	---	---
	Gross Charges (\$)	2,723,659	2,596,381	127,278	4.9%	2,388,991	334,668	14.0%	---	---	---	---
Operations	Cost Per CMI AD	20,080	21,724	(1,643)	(7.6%)	20,372	(291)	(1.4%)	---	---	---	---
	Net Days in A/R	55.9	54.0	1.9	3.5%	53.0	2.9	5.5%	47.5	47.4	47.8	
Financial Performance	Net Patient Revenue (\$)	586,623	579,139	7,484	1.3%	535,422	51,201	9.6%	1,452,180	2,677,739	---	
	Total Operating Revenue (\$)	599,871	601,842	(1,971)	(0.3%)	558,177	41,694	7.5%	1,713,869	2,790,327	1,473,633	
	Operating Margin (\$)	61,132	49,373	11,759	23.8%	44,866	16,266	36.3%	34,277	97,661	50,104	
	Operating EBIDA (\$)	95,372	85,020	10,351	12.2%	78,448	16,924	21.6%	99,404	226,016	125,259	
	Net Income (\$)	176,661	69,271	107,390	155.0%	103,009	73,652	71.5%	94,263	217,645	82,523	
	Operating Margin (%)	10.2%	8.2%	2.0%	24.2%	8.0%	2.2%	26.8%	2.0%	3.5%	3.4%	
	Operating EBIDA (%)	15.9%	14.1%	1.8%	12.5%	14.1%	1.8%	13.1%	5.8%	8.1%	8.5%	
	DCOH (days)	330	275	55	20.0%	268	62	23.3%	258	315	311	

Moody's Medians: Not-for-profit and public healthcare annual report; August 2025. 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 2025. Dollar amounts have been adjusted to reflect monthly averages.

Fitch Ratings: U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios; July 2025. Dollar amounts have been adjusted to reflect monthly averages.

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

OP Visits / Procedural Cases includes Covid Vaccinations / Testing.

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

	FY2025												FY2026				YTD FY2026	Rolling 16 Monthly Average
	Period 1 Jul-24	Period 2 Aug-24	Period 3 Sep-24	Period 4 Oct-24	Period 5 Nov-24	Period 6 Dec-24	Period 7 Jan-25	Period 8 Feb-25	Period 9 Mar-25	Period 10 Apr-25	Period 11 May-25	Period 12 Jun-25	Period 1 Jul-25	Period 2 Aug-25	Period 3 Sep-25	Period 4 Oct-25		
Operating Revenues:																		
Gross Revenue	561,898	598,024	589,936	639,133	593,049	637,395	627,446	575,945	639,119	609,693	628,681	604,598	670,367	658,540	687,593	707,159	2,723,659	626,786
Deductions from Revenue	(433,421)	(464,376)	(460,076)	(495,696)	(458,191)	(494,401)	(490,046)	(445,650)	(498,852)	(471,982)	(486,779)	(464,112)	(529,220)	(514,001)	(541,186)	(552,629)	(2,137,036)	(487,539)
Net Patient Revenue	128,476	133,648	129,860	143,437	134,858	142,994	137,401	130,295	140,266	137,712	141,903	140,486	141,147	144,539	146,407	154,530	586,623	139,247
Other Operating Revenue	5,535	5,431	6,021	5,767	5,292	5,617	6,483	5,773	5,775	12,973	6,665	6,815	6,355	4,659	2,666	(432)	13,248	5,712
Total Operating Revenue	134,012	139,079	135,881	149,205	140,151	148,611	143,884	136,068	146,041	150,685	148,568	147,301	147,502	149,198	149,073	154,098	599,871	144,960
Operating Expenses:																		
Salaries, Wages and Benefits	73,626	72,460	72,704	76,003	70,785	70,604	73,937	68,724	75,957	73,851	71,683	68,219	80,924	80,572	72,602	78,175	312,273	73,802
Supplies	17,400	19,341	18,783	20,815	18,011	19,805	18,546	19,105	19,767	24,311	20,369	22,050	18,876	19,052	20,595	23,130	81,652	19,997
Fees & Purchased Services	20,187	22,785	21,431	25,187	21,563	19,741	23,528	21,983	27,055	25,126	24,974	28,699	23,991	22,751	23,109	24,196	94,047	23,519
Other Operating Expenses	3,995	4,660	5,143	5,210	4,932	6,432	3,215	4,503	1,973	3,115	8,107	17,338	4,913	5,199	4,122	2,294	16,528	5,322
Interest	1,457	1,483	1,472	1,475	1,493	1,460	1,454	1,429	1,393	1,403	1,369	2,022	1,189	1,740	1,696	1,724	6,349	1,516
Depreciation	6,991	6,956	6,899	6,850	6,908	6,817	7,480	7,181	7,818	6,782	7,005	7,007	6,797	6,940	7,088	7,066	27,891	7,037
Total Operating Expenses	123,655	127,683	126,432	135,540	123,692	124,858	128,160	122,924	133,964	134,589	133,507	145,336	136,691	136,252	129,211	136,585	538,739	131,192
Operating Margin	10,357	11,396	9,449	13,664	16,459	23,753	15,724	13,144	12,078	16,096	15,061	1,965	10,812	12,946	19,862	17,512	61,132	13,767
Non-Operating Income	20,398	26,050	24,430	(12,737)	19,665	(5,482)	14,633	15,996	(21,198)	(2,958)	18,251	63,482	15,042	11,204	34,088	55,196	115,529	17,254
Net Margin	30,755	37,446	33,880	928	36,124	18,271	30,357	29,139	(9,120)	13,138	33,312	65,448	25,854	24,150	53,949	72,708	176,661	31,021
Operating EBIDA	18,804	19,834	17,820	21,989	24,860	32,029	24,657	21,753	21,289	24,281	23,435	10,995	18,798	21,625	28,645	26,303	95,372	22,320
Operating Margin (%)	7.7%	8.2%	7.0%	9.2%	11.7%	16.0%	10.9%	9.7%	8.3%	10.7%	10.1%	1.3%	7.3%	8.7%	13.3%	11.4%	10.2%	9.5%
Operating EBIDA Margin (%)	14.0%	14.3%	13.1%	14.7%	17.7%	21.6%	17.1%	16.0%	14.6%	16.1%	15.8%	7.5%	12.7%	14.5%	19.2%	17.1%	15.9%	15.4%

Consolidated Balance Sheet (as of 10/31/2025)

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(\$000s)

ASSETS

	October 31, 2025	Unaudited June 30, 2025
CURRENT ASSETS		
Cash	383,758	407,140
Short Term Investments	114,712	98,926
Patient Accounts Receivable, net	270,602	240,895
Other Accounts and Notes Receivable	23,948	23,615
Intercompany Receivables	23,425	23,136
Inventories and Prepaids	52,158	54,047
Total Current Assets	868,603	847,759
BOARD DESIGNATED ASSETS		
Foundation Board Designated	18,816	18,467
Plant & Equipment Fund	541,377	541,377
Women's Hospital Expansion	59,999	45,895
Operational Reserve Fund	210,693	210,693
Community Benefit Fund	17,209	17,476
Workers Compensation Reserve Fund	12,374	13,086
Postretirement Health/Life Reserve Fund	19,813	23,009
PTO Liability Fund	45,526	41,558
Malpractice Reserve Fund	1,713	1,713
Catastrophic Reserves Fund	44,394	41,019
Total Board Designated Assets	971,914	954,294
FUNDS HELD BY TRUSTEE	-	-
LONG TERM INVESTMENTS	839,347	753,548
CHARITABLE GIFT ANNUITY INVESTMENTS	1,312	1,279
INVESTMENTS IN AFFILIATES	53,226	51,293
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	2,125,454	2,067,886
Less: Accumulated Depreciation	(987,720)	(959,828)
Construction in Progress	245,002	228,708
Property, Plant & Equipment - Net	1,382,736	1,336,766
DEFERRED OUTFLOWS	40,918	41,289
RESTRICTED ASSETS	38,861	50,154
OTHER ASSETS	223,179	204,109
TOTAL ASSETS	4,420,096	4,240,492

LIABILITIES AND FUND BALANCE

	October 31, 2025	Unaudited June 30, 2025
CURRENT LIABILITIES		
Accounts Payable	66,562	77,103
Salaries and Related Liabilities	27,138	39,837
Accrued PTO	76,248	71,612
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	9,775	8,509
Intercompany Payables	18,858	18,745
Malpractice Reserves	1,713	1,713
Bonds Payable - Current	15,615	15,615
Bond Interest Payable	5,186	5,651
Other Liabilities	21,449	17,992
Total Current Liabilities	244,844	259,076
LONG TERM LIABILITIES		
Post Retirement Benefits	19,813	22,028
Worker's Comp Reserve	12,374	12,374
Other L/T Obligation (Asbestos)	25,920	25,939
Bond Payable	525,729	524,470
Total Long Term Liabilities	583,836	584,811
DEFERRED REVENUE-UNRESTRICTED	1,390	1,538
DEFERRED INFLOW OF RESOURCES	84,679	84,379
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	3,201,660	3,020,914
Minority Interest	-	-
Board Designated	236,798	225,482
Restricted	66,889	64,292
Total Fund Bal & Capital Accts	3,505,348	3,310,689
TOTAL LIABILITIES AND FUND BALANCE	4,420,096	4,240,492



EL CAMINO HOSPITAL BOARD OF DIRECTORS FINANCE COMMITTEE MEETING MEMO

To: El Camino Hospital, Finance Committee
From: Carlos Bohorquez, CFO
 Tracey Lewis Taylor, COO
 A. J. Reall, VP Strategy
 Jeff Missad, VP FD&RE
Date: December 4, 2025
Subject: Los Gatos Redevelopment Update & Funding Request

Recommendation:

To recommend Board approval for capital funding of an additional \$19.7 million for the initial development of plans for the replacement hospital on the Los Gatos campus. This amount is in addition to the \$5 million in funding that was previously approved by the Board on November 12, 2025, for a total of \$24.7 million.

Summary:

Situation: The strategic development of the Los Gatos Campus Redevelopment Plan has been programmed and evaluated. In order to proceed with development plans, the project requires additional design efforts to refine the project cost budget and develop a project plan that can be entitled by the Town of Los Gatos. Funding is required to advance the next phases in the process.

On November 12, 2025, the Board approved \$5 million in funding and authorized the CEO to enter into design services agreements sufficient to initiate the design process for the replacement hospital in Los Gatos. Management is now seeking an additional \$19.7, for a total of \$24.7 million in funding to continue with design development, create a more accurate cost estimate, and move forward with the entitlements process with the Town of Los Gatos.

1. Authority: The Finance Committee is required to make recommendations to the Board regarding expenditures greater than \$5 million.
2. Outcomes: The outcome of this effort will advance the design work, produce a more accurate cost estimate for the project along with a more definitive project description.