



**AGENDA**  
**SPECIAL FINANCE COMMITTEE OF THE**  
**EL CAMINO HOSPITAL BOARD OF DIRECTORS**

**Wednesday, April 29, 2026 – 4:00 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: 932 5321 9995#**. **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.	<b>CALL TO ORDER / ROLL CALL</b>	Don Watters, Chair	Information	<b>4:00 pm</b>
2.	<b>POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Don Watters, Chair	Information	<b>4:00 pm</b>
3.	<b>PUBLIC COMMUNICATION</b> 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 Committee 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	<b>4:00 pm</b>
4.	<b>CONSENT CALENDAR</b> a. <a href="#">Approve Minutes of the Open Session of the Finance Committee Meeting (03/23/2026)</a> b. <a href="#">Approve Minutes of the Open Session of the Joint Finance-Investment Committee Meeting (03/23/2026)</a> c. <a href="#">Receive FY2027 Meeting Dates</a> d. <a href="#">Receive FY2026 FC Pacing Plan</a> e. <a href="#">Receive Progress Against FY2026 FC Goals</a>	Don Watters, Chair	<b>Motion Required</b>	<b>4:00 – 4:10</b>
5.	<b><a href="#">FY26 PERIOD 9 FINANCIAL REPORT</a></b>	Raju Iyer, CFO	Information	<b>4:10 – 4:20</b>

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	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
6.	<b>RECESS TO CLOSED SESSION</b>	Don Watters, Chair	<b>Motion Required</b>	<b>4:20 – 4:21</b>
7.	<b>LONG RANGE CAPITAL AND FINANCIAL PLAN</b>  <i>Health &amp; Safety Code Section 32106(b) for a report and discussion involving healthcare facility trade secrets regarding new services or programs.</i>	Raju Iyer, CFO	Discussion	<b>4:21 – 5:10</b>
8.	<b>FY27 BUDGET PREVIEW PART 1: KEY OPERATIONAL &amp; CAPITAL BUDGET ASSUMPTIONS / TARGETS</b>  <i>Health &amp; Safety Code Section 32106(b) for a report and discussion involving healthcare facility trade secrets regarding new services or programs.</i>	Raju Iyer, CFO	Discussion	<b>5:10 – 5:40</b>
9.	<b>LOS GATOS REDEVELOPMENT PROJECT UPDATE</b>  <i>Health &amp; Safety Code Section 32106(b) for a report and discussion involving healthcare facility trade secrets regarding new services or programs.</i>	Tracey Lewis-Taylor, COO Jeff Missad, VP of Facilities	Discussion	<b>5:40 – 5:50</b>
10.	<b>APPROVE MINUTES OF THE CLOSED SESSION OF THE FINANCE COMMITTEE</b> <ul style="list-style-type: none"> <li>a. 03/23/2026 – Regular Finance Committee Meeting</li> <li>b. 03/23/2026 – Joint Finance-Investment Committee Meeting</li> </ul> <i>Report involving Gov't Code Section 54957.2 for closed session minutes</i>	Don Watters, Chair	<b>Motion Required</b>	<b>5:50 – 5:55</b>
11.	<b>RECONVENE TO OPEN SESSION</b>	Don Watters, Chair	<b>Motion Required</b>	<b>5:55</b>
12.	<b>CLOSED SESSION REPORT OUT</b> To report any required disclosures regarding permissible actions taken during Closed Session.	Gabe Fernandez, Governance Services Coordinator	Information	<b>5:55 – 5:56</b>
13.	<b>CLOSING COMMENTS</b>	Don Watters, Chair	Information	<b>5:56 – 6:00</b>
14.	<b>ADJOURNMENT</b>	Don Watters, Chair	<b>Motion Required</b>	<b>6:00</b>

**Upcoming Meetings:** May 26, 2026



**Minutes of the Open Session of the  
Finance Committee Meeting  
Monday, March 23, 2026**

**El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040**

**FC Members Present**

**Don Watters, Chair**  
**Wayne Doiguchi**  
**Peter Fung, MD**  
**Christina Lai**  
**Cynthia Stewart**

**FC Members Absent**

**Bill Hooper**

**Staff Present**

**Raju Iyer**, Chief Financial Officer  
**Dan Woods**, Chief Executive Officer \*\*  
**Theresa Fuentes**, Chief Legal Officer  
**Mark Adams**, Chief Medical Officer  
**Jon Cowan**, Executive Director of Community Partnerships  
and Government Relations  
**Tracy Lewis Taylor**, Chief Operating Officer  
**Jeff Missad**, VP of Facilities  
**Michael Walsh**, Controller  
**Victor Cabrera**, Senior Director, Decision Support & Business  
Analytics  
**Mark Klein**, Chief Communications & Marketing Officer \*\*  
**Anne Yang**, Executive Director, Governance Services  
**Gabriel Fernandez**, Coordinator, Governance Services

\*\*via teleconference

Agenda Item	Comments/Discussion	Approvals/ Action
<b>1. AGENDA ITEM 1: CALL TO ORDER/ ROLL CALL</b>	The meeting of the Finance Committee of El Camino Hospital (the "Committees") was called to order at 5:34 p.m. by Chair Don Watters. A verbal roll call was taken. Mr. Hooper was absent from the Finance Committee at the time of roll call. A quorum was present.	<b><i>The meeting was called to order at 5:34 p.m.</i></b>
<b>2. AGENDA ITEM 2: POTENTIAL CONFLICT OF INTEREST</b>	Chair Watters asked whether any Committee member had a conflict of interest regarding any item on the agenda. No conflicts were disclosed.	
<b>3. AGENDA ITEM 3: PUBLIC COMMUNICATION</b>	Chair Watters called for public comment on matters not listed on the agenda. No public comments were made, and no written correspondence was received.	
<b>4. AGENDA ITEM 4: CONSENT CALENDAR</b>	Chair Watters asked whether there were any items that the members wanted to discuss further. <b>Motion:</b> To approve the consent calendar items. <b>Movant:</b> Stewart <b>Second:</b> Lai <b>Ayes:</b> Doiguchi, Fung, Lai, Stewart, Watters <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Hooper <b>Recused:</b> None	
<b>5. AGENDA ITEM 5: FY26 PERIOD 8 FINANCIAL REPORT</b>	Mr. Iyer presented February month-end and YTD financials. Overall performance was favorable with strong YTD results ahead of budget across all major operating metrics. Revenue growth continues to be driven by outpatient activity. Mr. Iyer noted continued favorable expense	

	management with in labor productivity and premium time metrics. He also noted the continued shift to governmental payors as unfavorable for performance.	
<b>6. AGENDA ITEM 6: FY26 COMMUNITY BENEFIT GRANT PROGRAM UPDATE &amp; MIDYEAR GRANT PERFORMANCE UPDATE</b>	Mr. Cowan provided an update on the Community Benefit Grant Program, highlighting grantees acknowledgment of funds, use of social media, and signage to promote El Camino Health (ECH). He discussed analysis of opportunities among Los Gatos adults aged 65+, regional strategic sponsorships, and ECH's partnership in building a national fitness court. He also mentioned involvement with Girls on the Run Santa Clara County. The Committee member discussion focused on communication and collaboration with the foundation and marketing teams. Questions also focused on responsiveness of new grantee organizations. Mr. Cowan noted that while organizations are generally cooperative, newer partners face challenges in meeting data and reporting requirements due to market uncertainty, but efforts are being made to collect necessary information.	
<b>7. AGENDA ITEM 7: FY27 COMMITTEE PLANNING ITEMS</b>	Chair Watters asked the Committee if members had any comments about the items. He requested that the members review and provide feedback to staff on the FY27 proposed meeting dates. Ms. Yang noted that there will be an additional Committee meeting scheduled at the end of April 2026.  <b>Motion:</b> To approve FY27 Committee Planning items.  <b>Movant:</b> Stewart <b>Second:</b> Fung <b>Ayes:</b> Doiguchi, Fung, Lai, Stewart, Watters <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Hooper <b>Recused:</b> None	<b>FY27 Committee Planning Items Approved.</b>
<b>8. AGENDA ITEM 8: RECESS TO CLOSED SESSION</b>	<b>Motion:</b> To recess to closed session.  <b>Movant:</b> Stewart <b>Second:</b> Lai <b>Ayes:</b> Doiguchi, Fung, Lai, Stewart, Watters <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Hooper <b>Recused:</b> None	<b>Recessed to closed session at 5:46 p.m.</b>
<b>9. AGENDA ITEM 13-14: RECONVENE OPEN SESSION/ REPORT OUT</b>	Mr. Fernandez reported that the Finance Committee approved the closed session minutes from the prior meetings during the closed session.	<b>Reconvened to Open Session at 6:49 p.m.</b>
<b>10. AGENDA ITEM 15: COMMITTEE ANNOUNCEMENTS</b>	There were no additional comments from the Committees.	

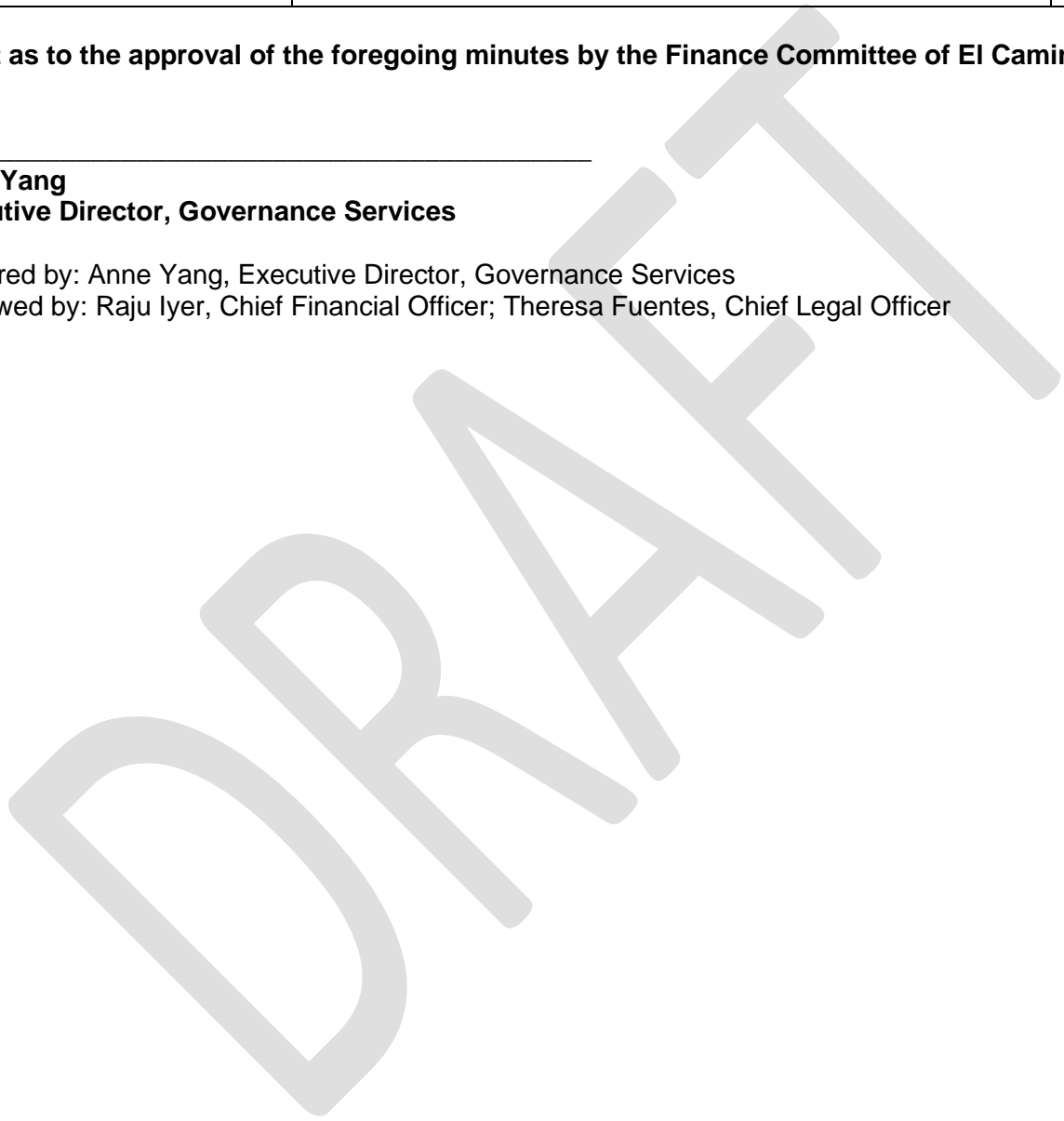
<p><b>11. AGENDA ITEM 16: ADJOURNMENT</b></p>	<p><b>Motion:</b> To adjourn at 6:50 pm. <b>Movant:</b> Stewart <b>Second:</b> Lai <b>Ayes:</b> Doiguchi, Fung, Lai, Stewart, Watters <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Hooper <b>Recused:</b> None</p>	<p><b>Meeting adjourned at 6:50 pm.</b></p>
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**Attest as to the approval of the foregoing minutes by the Finance Committee of El Camino Hospital:**

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**Anne Yang**  
**Executive Director, Governance Services**

Prepared by: Anne Yang, Executive Director, Governance Services  
Reviewed by: Raju Iyer, Chief Financial Officer; Theresa Fuentes, Chief Legal Officer





**Minutes of the Open Session of the  
Joint Finance and Investment Committees Meeting  
Monday, March 23, 2026  
El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040**

**FC Members Present**

**Don Watters, Chair**  
**Wayne Doiguchi**  
**Peter Fung, MD**  
**Christina Lai** (arrived at 4:04)  
**Cynthia Stewart**

**FC Members Absent**

**Bill Hooper**

**IC Members Present**

**Brooks Nelson, Chair**  
**Nicola Boone** (arrived at 4:07)  
**John Conover**  
**Robin Driscoll**  
**Ken Frier**  
**Peter Fung, MD**  
**John Zoglin**

**IC Members Absent**

None

**Staff Present**

**Raju Iyer**, Chief Financial Officer  
**Dan Woods**, Chief Executive Officer \*\*  
**Theresa Fuentes**, Chief Legal Officer  
**Mark Klein**, Chief Communications & Marketing Officer \*\*  
**Tracy Lewis Taylor**, Chief Operating Officer  
**Michael Walsh**, Controller  
**Victor Cabrera**, Senior Director, Decision Support & Business Analytics  
**Pierre Zamorano**, Veloz Partners \*\*  
**Larry Witt**, Meketa \*\*  
**Jamie Hoffman**, Meketa \*\*  
**Anne Yang**, Executive Director, Governance Services\*\*  
**Gabriel Fernandez**, Coordinator, Governance Services

\*\*via teleconference

Agenda Item	Comments/Discussion	Approvals/ Action
<b>1. AGENDA ITEM 1: CALL TO ORDER/ ROLL CALL</b>	The joint meeting of the Finance and Investment Committees of El Camino Hospital (the “Committees”) was called to order at 4:03 p.m. by Finance Committee Chair Don Watters. A verbal roll call was taken. Mr. Hooper and Ms. Lai were absent from the Finance Committee at the time of roll call. Ms. Boone was absent from the Investment Committee at the time of roll call. A quorum for both Committees was present.	<b><i>The meeting was called to order at 4:03 p.m.</i></b>
<b>2. AGENDA ITEM 2: POTENTIAL CONFLICT OF INTEREST</b>	Chair Watters asked whether any Committee member had a conflict of interest regarding any item on the agenda. No conflicts were disclosed.	
<b>3. AGENDA ITEM 3: PUBLIC COMMUNICATION</b>	Chair Watters called for public comment on matters not listed on the agenda. No public comments were made, and no written correspondence was received.	
<b>4. AGENDA ITEM 4: RECESS TO CLOSED SESSION</b>	<b>Motion:</b> To recess to closed session at 4:06 p.m. <b>Movant:</b> Doiguchi <b>Second:</b> Stewart <b>Ayes:</b> Doiguchi, Fung, Lai, Stewart, Watters, Nelson, Conover, Driscoll, Frier, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Boone, Hooper <b>Recused:</b> None	<b><i>Recessed to closed session at 4:06 p.m.</i></b>

5. <b>AGENDA ITEM 7: RECONVENE OPEN SESSION/ REPORT OUT</b>	Mr. Fernandez reported that the Finance and Investment Committees did not take any reportable actions during the closed session	<b><i>Reconvened to Open Session at 5:06 pm</i></b>
6. <b>AGENDA ITEM 8: INVESTMENT UPDATE</b>	<p>Mr. Iyer and Mr. Witt provided the Investment Update to the Committees. Mr. Witt provided an executive summary of the current investment portfolios, noting that the total surplus portfolio is valued at just under 2 billion, and the cash balance plan is approximately 450 million. Mr. Witt reviewed target asset allocations and recommended that the Committees consider policy updates to ensure alignment with current market conditions and organizational objectives. He discussed recent portfolio management actions, including reallocating excess cash and terminating underperforming managers, with proceeds distributed among other strategies.</p> <p>Mr. Witt also addressed the comparative performance of large and smaller investment firms, noting that recent results have favored smaller and lower-middle-market firms, particularly in the current interest rate environment.</p> <p>The Committees discussed the ongoing evaluation of asset allocation policies and the importance of adapting investment strategies to respond to market developments.</p>	
7. <b>AGENDA ITEM 9: COMMITTEE ANNOUNCEMENTS</b>	There were no additional comments from the Committees.	
8. <b>AGENDA ITEM 10: ADJOURNMENT</b>	<p><b>Motion:</b> To adjourn at 5:19 pm.</p> <p><b>Movant:</b> Fung <b>Second:</b> Stewart <b>Ayes:</b> Boone, Doiguchi, Fung, Lai, Stewart, Watters, Nelson, Conover, Driscoll, Frier, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Hooper <b>Recused:</b> None</p>	<b><i>Meeting adjourned at 5:19 pm.</i></b>

**Attest as to the approval of the foregoing minutes by the Finance Committee of El Camino Hospital:**

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**Gabriel Fernandez**  
**Coordinator, Governance Services**

Prepared by: Gabriel Fernandez, Coordinator, Governance Services  
Reviewed by: Raju Iyer, Chief Financial Officer; Theresa Fuentes, Chief Legal Officer



**Finance Committee**  
**Revised FY2027 Meeting Dates**

RECOMMENDED FC DATES	CORRESPONDING HOSPITAL BOARD DATE
<b>Monday, August 10, 2026</b>	Wednesday, September 16, 2026
<b>Monday, November 9, 2026</b>	Wednesday, November 18, 2026
<b>Monday, February 8, 2027</b>	Wednesday, March 10, 2027
<del><b>Tuesday, March 23, 2027</b></del> <b>Monday, March 22, 2027 (Joint FC-IC)</b>	
<b>Monday, May 10, 2027</b>	Wednesday, June 16, 2027



### FY26 Pacing Plan - Finance Committee

AGENDA ITEM	Q1			Q2			Q3			Q4		
	JUL	AUG 8/25	SEP	OCT	NOV 11/7	DEC	JAN	FEB 2/2	MAR 3/23	APR	MAY 5/26	JUN
<b>CONSENT CALENDAR ITEMS</b>												
Prior Meeting Minutes		✓			✓			✓	✓	✓	✓	
Period Financials		✓			✓			✓	✓	✓	✓	
Progress Against Goals		✓			✓			✓	✓	✓	✓	
Pacing Plan		✓			✓			✓	✓	✓	✓	
Article(s) of Interest		✓			✓			✓	✓	✓	✓	
<b>APPROVAL/RECOMMENDATION FOR BOARD APPROVAL ITEMS</b>												
Physician Contracts		✓			✓			✓	✓	✓	✓	
Prior FY Results		✓										
Next FY Community Benefit Grant Program											✓	
Next FY Committee Governance: Goals, Dates, Pacing Plan									✓		✓	
Next FY Organization Finance Goals									✓		✓	
<b>DISCUSSION ITEMS</b>												
Financial Report (Pre-Audit Year-End Results)		✓										
Financial Performance JVs/ Business Affiliates		✓										
Progress on Opportunities/ Risks					✓							
Medical Staff Development Plan (odd years)												
Impact of Strategic Initiatives/Market Share								✓		✓		
Foundation Strategic Update								✓				
ECHMN Financials*		✓			✓			✓			✓	
Community Benefit Grant Application Process					✓				✓			
Progress Against FY Strategic Plan								✓			✓	
Managed Care Update									✓			
Long-Range Financial Forecast ( <b>Joint FC / IC Meeting</b> )									March 23 Mtg	✓		
Next FY Budget and Preliminary Assumptions										✓		
Review FY Operational / Capital Budget for Recommendation to Board										✓	✓	
Summary Physician Financial Arrangements									✓			

\*Included in Quarterly Enterprise Financials



## FY2026 FINANCE COMMITTEE GOALS

### PURPOSE:

The purpose of the Finance Committee (the “Committee”) is to provide oversight, information sharing, and financial reviews related to budgeting, capital budgeting, long-range financial planning and forecasting, and monthly financial reporting for the El Camino Hospital (ECH) Hospital Board of Directors (“Board”). In carrying out its review, advisory, and oversight responsibilities, the Finance Committee shall remain flexible in order to best define financial strategies that react to changing conditions.

**STAFF:** Raju Iyer, Chief Financial Officer (Executive Sponsor)

The CFO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair’s consideration. Additional members of the Executive Team may participate in the meetings upon the recommendation of the Executive Sponsor and at the discretion of the Committee Chair.

GOALS	TIMELINE	METRICS	STATUS
1. Summary of Physician Financial Agreements	Q3	March 2026	Completed
2. Review Progress on Opportunities / Risks identified by Management for FY2025 and Managed Care Update	Q2, Q3	Progress on Opportunities / Risks (November 2025), Managed Care update (March 2026)	Completed Completed
3. Review Strategy, Goals and Performance of ECHMN, Joint Ventures / Business Affiliates, Impact of Strategic Initiatives on Market Share and progress on Implementation of 2027 Strategic Plan	Q1	Overview & Financial Performance JVs / Business Affiliates (August 2025)	Completed
	Q3	Progress on 2027 Strategic Plan (February 2026), Foundation – Strategic Update (February 2026)	Completed
	Q3	Impact of Strategic Initiatives – Market Share Update (February 2026), ECHMN (February 2026), Hospital Community Benefits Program (February 2026),	Completed
	Q4	Progress on 2027 Strategic Plan (May 2026)	In progress
4. Fiscal Year End Performance Review	Q1	FYE 2025 Review of Operating, Financial and Balance Sheet Performance and KPIs (August 2025)	Completed

**SUBMITTED BY:** Chair: Don Watters | Executive Sponsor: Raju Iyer, Chief Financial Officer

# MEMORANDUM

## Finance Committee | Summary of Financial Operations

**TO:** Finance Committee Members  
**FROM:** Finance Department  
**DATE:** April 24, 2026  
**RE:** YTD Financial Performance – FY2026 Period 9 (July 2025 – March 2026)

### Purpose

This memorandum provides the Finance Committee with a summary of the organization's year-to-date (YTD) financial performance through Period 9 (March 31, 2026) of Fiscal Year 2026. The attached presentation contains detailed financial schedules, KPI trend data, and rating agency benchmarks for committee review.

### YTD FY2026 Financial Highlights (July 2025 – March 2026)

#### Operating EBIDA

- Actual: \$211.4M (15.3% margin) vs. Budget: \$188.6M (13.9% margin) — \$22.8M / 12.1% favorable to budget.
- \$8.4M / 4.1% favorable to prior year.

#### Operating Margin

- Actual: \$135.8M (9.8% margin) vs. Budget: \$110.1M (8.1% margin) — \$25.7M favorable to budget.
- \$9.8M / 7.5% favorable to the same period in the prior year.

#### Operating Expense

- \$1.3M / 1.0% unfavorable to budget in aggregate.
- When adjusted for volume, Operating Expense per CMI Adjusted Discharge is \$20,595 — 5.2% favorable to budget, reflecting effective cost management relative to patient acuity.

#### Net Margin

- YTD net margin is \$66.6M / 32.1% above the same period last year.

### Key Operating Drivers

#### Favorable Factors:

- Volume: Hospital activity 3.7% favorable to budget, driving positive revenue and labor variance.
- Labor Productivity: Continued favorability in productivity metrics and premium time (overtime/agency) management.
- Pharmaceuticals: Favorable results driven by utilization shifts, cost savings initiatives, and improved contracting.

#### Unfavorable Factors:

- Payor Mix: Gradual shift toward Governmental payors (Medicare/Medicaid) is exerting pressure on net revenue realization.

### Summary Assessment

Overall, YTD FY2026 financial performance remains strong. The organization is tracking meaningfully ahead of budget on both Operating EBIDA and Operating Margin, driven by volume growth across key service lines and disciplined expense management. The single-month softness

in Period 9 is primarily attributable to a timing difference in IGT receipts and does not reflect an underlying operational concern. The Finance Committee is encouraged to review the attached presentation for detailed schedules, monthly KPI trends, and comparisons to Moody's, S&P, and Fitch rating agency medians.



# El Camino Health

## Summary of Financial Operations

*Fiscal Year 2026 – Period 9  
7/1/2025 to 03/31/2026*

# Financial Overview: YTD FY2026 (as of 3/31/2026)

## Consolidated Financial Performance

- Operating EBIDA is \$211.4M / 15.3% compared to the budget of \$188.6M / 13.9% and \$8.4M / 4.1% above prior year.
- Operating margin is \$135.8M / 9.8% compared to the budget of \$110.1M / 8.1% and \$9.8M / 7.5% above prior year.
- Operating expense is \$1.3M / 1.0% unfavorable to budget.
  - When adjusted for volume levels, Operating Expense per CMI Adjusted Discharge is \$20,595 which is 5.2% favorable to budget.
    - **Note: Excludes depreciation and interest expense**
- Key operating drivers:
  - Year-over-year operating margin is \$9.8M / 7.5% above the same period last year:
  - Favorable:
    - Continued strength in Interventional Services (12.3% fav to prior year), Outpatient Surgical Services (8.5% fav to prior year), and Outpatient Endoscopy Services (11.0% fav to prior year).
    - Expense management – Continued favorability in Labor Productivity and Premium Time.
  - Unfavorable
    - Gradual shift to Governmental Payors
- Year-over-year net margin is \$66.6M / 32.1% higher than the same period last year.

# Operational / Financial Results: YTD FY2026 (as of 03/31/2026)

(\$ 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	307	311	(5)	(1.5%)	313	(6)	(2.0%)	---	---	---	---
	Adjusted Discharges	35,203	33,901	1,301	3.8%	33,346	1,857	5.6%	---	---	---	---
	OP Visits / OP Procedural Cases	127,184	116,606	10,578	9.1%	114,730	12,454	10.9%	---	---	---	---
	Percent Government (%)	59.2%	58.7%	0.5%	0.9%	59.4%	(0.2%)	(0.4%)	---	---	---	---
	Gross Charges (\$)	6,171,541	5,888,430	283,111	4.8%	5,461,945	709,595	13.0%	---	---	---	---
Operations	Cost Per CMI AD	20,595	21,724	(1,128)	(5.2%)	19,856	740	3.7%	---	---	---	---
	Net Days in A/R	49.3	54.0	(4.7)	(8.6%)	51.8	(2.4)	(4.7%)	47.5	47.4	47.8	
Financial Performance	Net Patient Revenue (\$)	1,332,398	1,303,076	29,323	2.3%	1,221,236	111,162	9.1%	3,267,406	6,024,914	---	
	Total Operating Revenue (\$)	1,381,826	1,358,537	23,288	1.7%	1,272,932	108,894	8.6%	3,856,206	6,278,235	3,315,675	
	<b>Operating Margin (\$)</b>	<b>135,811</b>	<b>110,136</b>	<b>25,676</b>	<b>23.3%</b>	<b>126,023</b>	<b>9,788</b>	<b>7.8%</b>	<b>77,124</b>	<b>219,738</b>	<b>112,733</b>	
	<b>Operating EBIDA (\$)</b>	<b>211,428</b>	<b>188,598</b>	<b>22,830</b>	<b>12.1%</b>	<b>203,036</b>	<b>8,391</b>	<b>4.1%</b>	<b>223,660</b>	<b>508,537</b>	<b>281,832</b>	
	Net Income (\$)	274,398	155,771	118,628	76.2%	207,780	66,618	32.1%	212,091	489,702	185,678	
	<b>Operating Margin (%)</b>	<b>9.8%</b>	<b>8.1%</b>	<b>1.7%</b>	<b>21.2%</b>	<b>9.9%</b>	<b>(0.1%)</b>	<b>(0.7%)</b>	<b>2.0%</b>	<b>3.5%</b>	<b>3.4%</b>	
	<b>Operating EBIDA (%)</b>	<b>15.3%</b>	<b>13.9%</b>	<b>1.4%</b>	<b>10.2%</b>	<b>16.0%</b>	<b>(0.6%)</b>	<b>(4.1%)</b>	<b>5.8%</b>	<b>8.1%</b>	<b>8.5%</b>	
	DCOH (days)	348	275	73	26.6%	281	67	23.7%	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.

Unfavorable Variance < 3.49%
Unfavorable Variance 3.50% - 6.49%
Unfavorable Variance > 6.50%

# FY2026 YTD P9: Factors driving favorable Operating EBIDA

(Dollars in Millions)

\$211M (actual) vs. \$189M (budget) = \$22M / 12% favorable to budget



- ❑ **Revenue:**
  - ❑ Rate: Higher OP activity vs budgeted resulted in 1.5% lower Revenue per Adjusted Discharge
  - ❑ Volume: Driven by 3.7% favorability to budget in hospital activity.
  
- ❑ **Labor:**
  - ❑ Rate: Rate per Adjusted Discharge 3.1% favorable to budget
  - ❑ Volume: Driven by 3.7% favorability to budget in hospital activity.
  
- ❑ **Pharmaceuticals:** Continued utilization shifts, cost savings initiatives, and improved contracting has produced favorable results.
  
- ❑ **Other:** Purchased Services, ECHMN and Repairs and Maintenance, Plant Operations and Facilities

# Operational / Financial Results: Period 9 – March 2026 (as of 03/31/2026)

(\$ 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'	
<b>Activity / Volume</b>	ADC	312	317	(5)	(1.6%)	314	(2)	(0.7%)	---	---	---	---
	Adjusted Discharges	4,294	3,866	428	11.1%	3,792	502	13.2%	---	---	---	---
	OP Visits / OP Procedural Cases	15,280	13,217	2,063	15.6%	13,742	1,538	11.2%	---	---	---	---
	Percent Government (%)	59.3%	59.2%	0.1%	0.2%	59.9%	(0.6%)	(1.1%)	---	---	---	---
	Gross Charges (\$)	757,871	690,866	67,006	9.7%	639,119	118,753	18.6%	---	---	---	---
<b>Operations</b>	Cost Per CMI AD	19,930	21,724	(1,793)	(8.3%)	21,868	(1,938)	(8.9%)	---	---	---	---
	Net Days in A/R	49.3	54.0	(4.7)	(8.6%)	51.8	(2.4)	(4.7%)	47.5	49.7	47.8	
<b>Financial Performance</b>	Net Patient Revenue (\$)	152,008	146,722	5,285	3.6%	140,266	11,741	8.4%	363,045	669,435	---	
	Total Operating Revenue (\$)	157,746	156,672	1,074	0.7%	146,041	11,705	8.0%	428,467	697,582	368,408	
	<b>Operating Margin (\$)</b>	<b>12,208</b>	<b>13,147</b>	<b>(940)</b>	<b>(7.1%)</b>	<b>12,078</b>	<b>130</b>	<b>1.1%</b>	<b>8,569</b>	<b>24,415</b>	<b>12,526</b>	
	<b>Operating EBIDA (\$)</b>	<b>20,226</b>	<b>21,511</b>	<b>(1,286)</b>	<b>(6.0%)</b>	<b>21,289</b>	<b>(1,064)</b>	<b>(5.0%)</b>	<b>24,851</b>	<b>56,504</b>	<b>31,315</b>	
	Net Income (\$)	(21,154)	18,685	(39,839)	(213.2%)	(9,120)	(12,034)	132.0%	23,566	54,411	20,631	
	<b>Operating Margin (%)</b>	<b>7.7%</b>	<b>8.4%</b>	<b>(0.7%)</b>	<b>(7.8%)</b>	<b>8.3%</b>	<b>(0.5%)</b>	<b>(6.4%)</b>	<b>2.0%</b>	<b>3.5%</b>	<b>3.4%</b>	
	<b>Operating EBIDA (%)</b>	<b>12.8%</b>	<b>13.7%</b>	<b>(0.9%)</b>	<b>(6.6%)</b>	<b>14.6%</b>	<b>(1.8%)</b>	<b>(12.0%)</b>	<b>5.8%</b>	<b>8.1%</b>	<b>8.5%</b>	
	DCOH (days)	348	275	73	26.6%	281	67	23.7%	258	315	311	

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

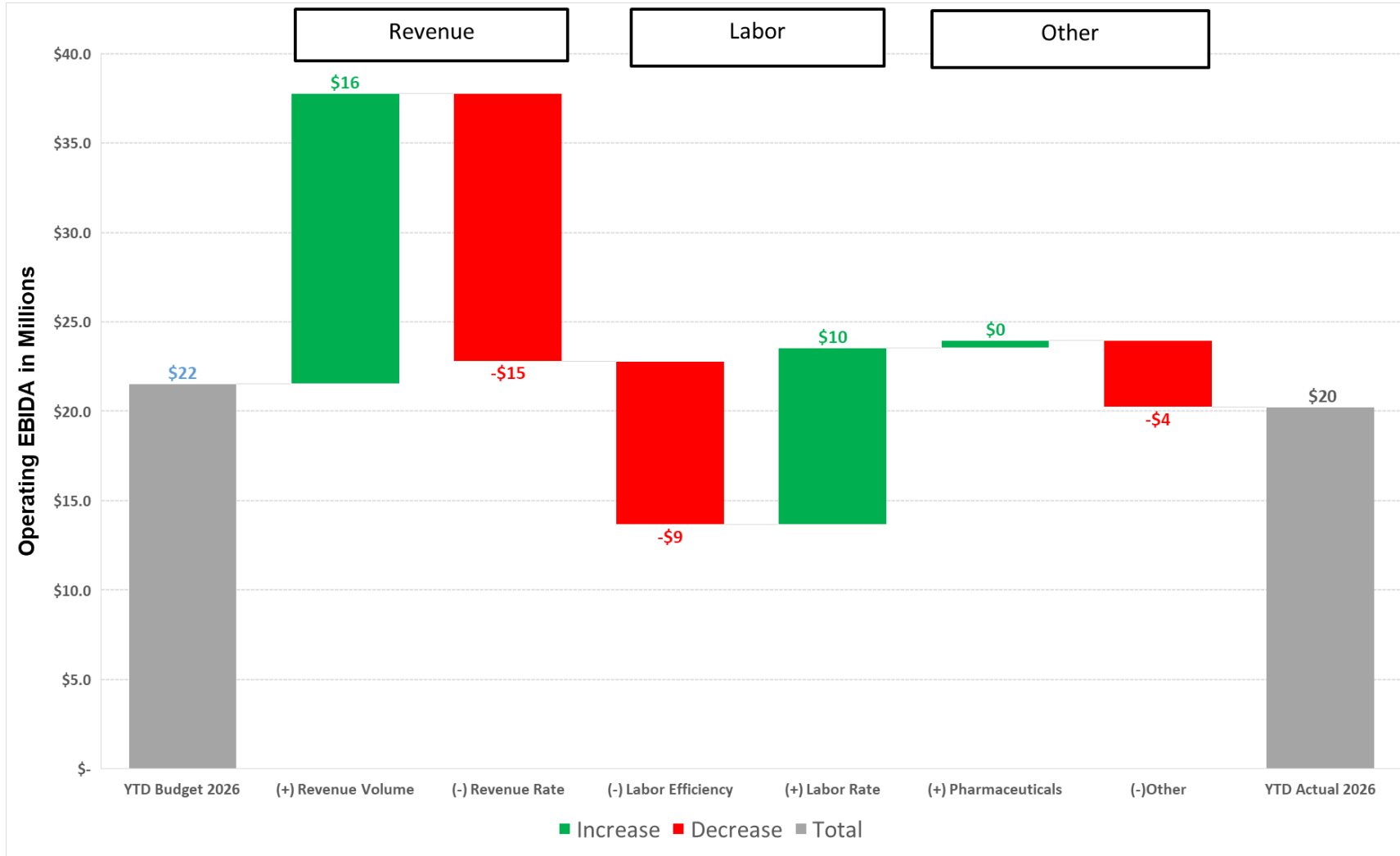
OP Visits / Procedural Cases includes Covid Vaccinations / Testing.

Unfavorable Variance < 3.49%
Unfavorable Variance 3.50% - 6.49%
Unfavorable Variance > 6.50%

# FY2026 P9: Factors driving unfavorable Operating EBIDA

(Dollars in Millions)

\$20M (actual) vs. \$22M (budget) = -\$2M / -6% favorable to budget



- ❑ **Revenue:**
  - ❑ Rate: OP activity significantly favorable in Mar.
  - ❑ Rate: \$4M IGT budgeted in March, but not received
  - ❑ Volume impact: Mar hospital activity 10% higher than budget
  
- ❑ **Labor:**
  - ❑ Rate: Rate per Adjusted Discharge 12% favorable to budget
  - ❑ Volume: Mar hospital activity 10% higher than budget

# APPENDIX

# YTD FY2026 Financial KPIs – Monthly Trends

