



El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

**El Camino Hospital
& Affiliates**

Budget FY 2015
Annual Operating & Capital Plan

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Strategy

Phased Approach to Strategic Development

Optimize Health & Wellness

Quality & Service

Affordability

Continuum of Care

Innovation in Wellness

Achieve the Triple Aim: Quality, Service & Affordability

- Top Decile Quality**
 - Top Decile Core Measures
 - Reduce Complications & Mortality
- Top Quartile Service**
 - Value Based Purchasing
- Efficient Operations**
 - Reduce Variation in Practice
 - Lean Process Improvement
- Competitive Pricing**
 - Pricing within Market
 - Costs Aligned with Pricing

Moving Toward Continuum of Care

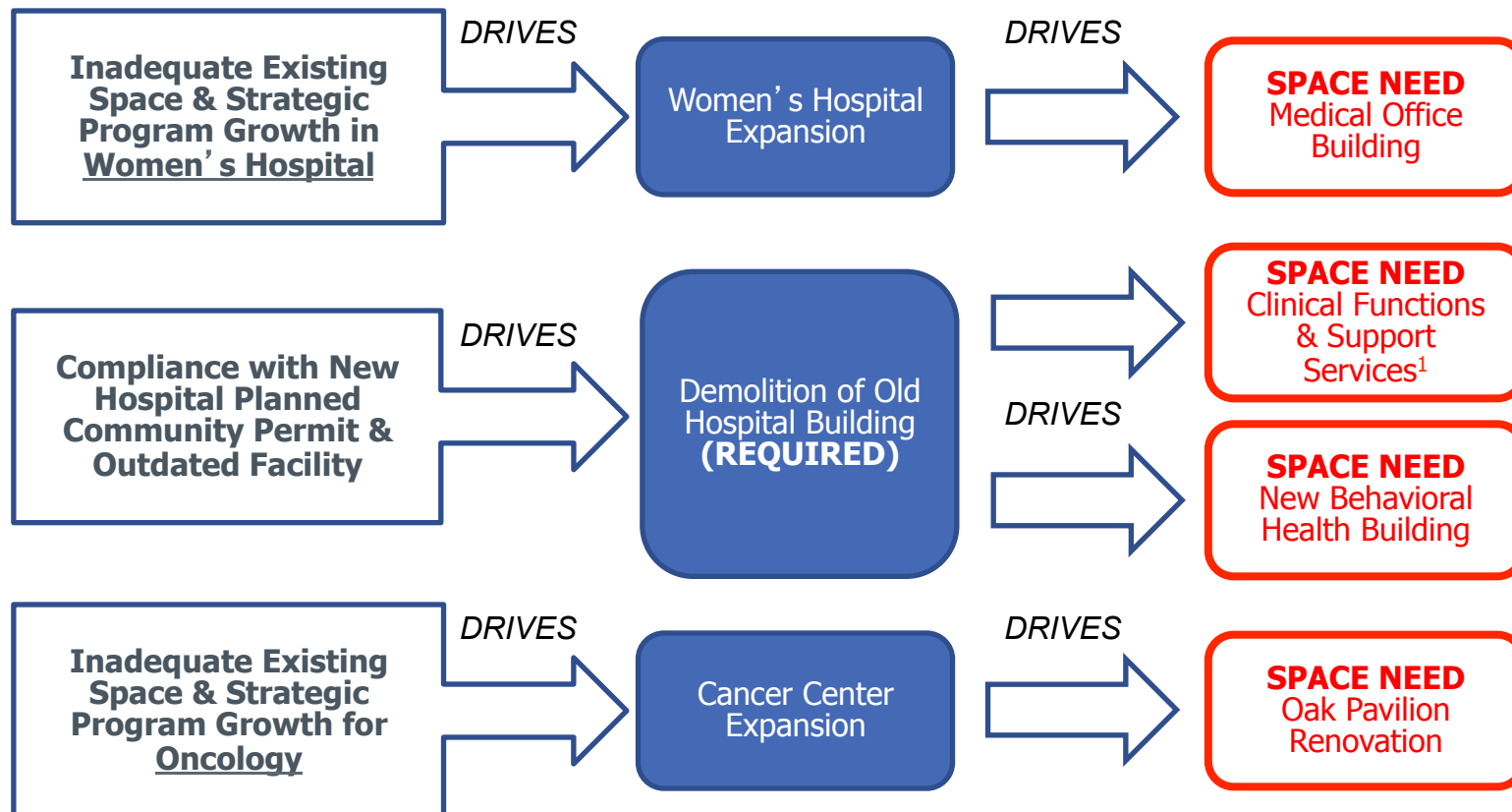
- Patient access to primary care & chronic disease management
- Coordinated Care Transitions
 - Employee Well-Being
- Business & Provider Alliances for Innovative Continuum of Care

Key Operational Objectives

	Quality / Patient Safety Leadership (Effective & Safe)*	Improve the Patient Experience (Patient-focused, equitable)*	Provide Affordable Care (Timely, Efficient)*
2014	Reduction in Preventable HARM (Falls, med errors HAPU) Transitions of Care-Decrease avoidable readmissions Evidenced Based Practice (core measures)	Meet the averaged performance for these 3 Service metrics <ul style="list-style-type: none"> - Improve Staff Communication - Improve Medication Communication - Improve Staff Responsiveness 	Cost Reduction \$4.6 million
2015	Reduction in Preventable HARM (PSI 90, HAC Falls HAPU) Transitions of Care-Decrease avoidable readmissions Mortality, Evidenced Based Practice (core measures)	Meet the averaged performance for these 3 Service metrics <ul style="list-style-type: none"> - Improve Staff Communication - Improve Medication Communication - Improve Staff Responsiveness - Additional HCAHPS Composites above 50th percentile 	Cost reduction \$10 million

Key Facility Planning Objectives

Mountain View Campus Plan



1. Services currently residing in Old Hospital Building include Clinical Functions (Outpatient Lab, Cardiac & Pulmonary Rehab, Endoscopy, Respiratory Therapy, EEG/EEG) and Support Services (HIMS, IT, Facilities Development & Engineering, EVS, Materials Management, Hospitalists, Misc. Offices)

FY 2015 Shared Executive Goals

Performance Category	Draft Shared Goals
Quality	<ul style="list-style-type: none"> • Patient safety attendant reduction while maintaining current fall rate • Lead improvements in quality and reduce patient harm • Execute patient experience plan • Reduce clinical variation in general medicine over prior year
Service	<ul style="list-style-type: none"> • Execute patient experience plan • Raise low performing departments over 50%
Affordability & Payer	<ul style="list-style-type: none"> • Enter into contracts which reward cost and quality • Make outpatient services more affordable to patients • Achieve targeted productivity and non-labor improvements on core hospital functions • Reduce base hospital expense by \$10 million
Post Acute	<ul style="list-style-type: none"> • Evaluate structure and processes to effectively manage patients post acute care
Physician Development	<ul style="list-style-type: none"> • Develop and execute a physician leadership development plan and a physician strategy within the senior center
PAMF Partnership	<ul style="list-style-type: none"> • Optimize PAMF strategic partnership
Epic	<ul style="list-style-type: none"> • Build team, design and sign off on software validation, meet milestone budgets • Maintain legacy clinical and operational IT systems during transition to EPIC • Successfully bring into production the new Slot Data Center
Workforce	<ul style="list-style-type: none"> • Develop workforce strategy plan • Implement a new performance management model
Clinical Program Development	<ul style="list-style-type: none"> • Develop facility plans to support clinical programs and support spaces at both Mountain View and Los Gatos campuses

FY2015 Organizational Goals

FY 2014 Organizational Goals
Regulatory Compliance •Joint Commission Accreditation
Financial Viability •Budgeted Operating Margin
Quality & Patient Safety •Rate of medical, surgical, critical care patient falls
Service •Averaged performance for CMS measured: Staff Communication, Medication Communication and Staff Responsiveness
Efficiency •Median minutes from Emergency Room to Admission to Nursing Unit
Continuum of Care •30 day Unplanned Readmission – Medicare patients
People •Employee participation rate in biometrics screening

FY 2015 Proposed Organizational Goals
Regulatory Compliance • Joint Commission Accreditation (maintain)
Financial Viability • Budgeted Operating Margin
Quality & Patient Safety • Rate of medical, surgical, critical care patient falls
Service • Averaged performance for CMS measured: Staff Communication, Medication Communication and Staff Responsiveness
Efficiency • Medical-Surgical lengths of stay Improvement
Continuum of Care • 30 day Unplanned Readmission (enterprise wide)
Epic Implementation • Validate EPIC foundation and complete system design

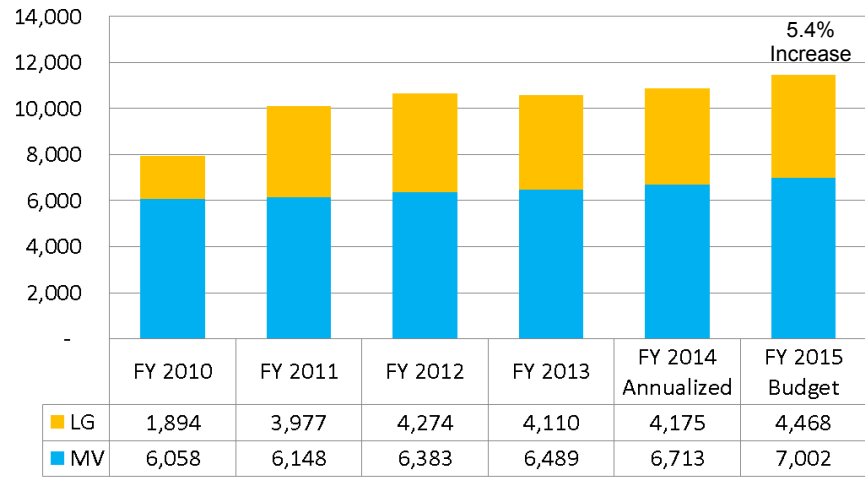
FY15 Operating Budget

Assumptions - Revenue

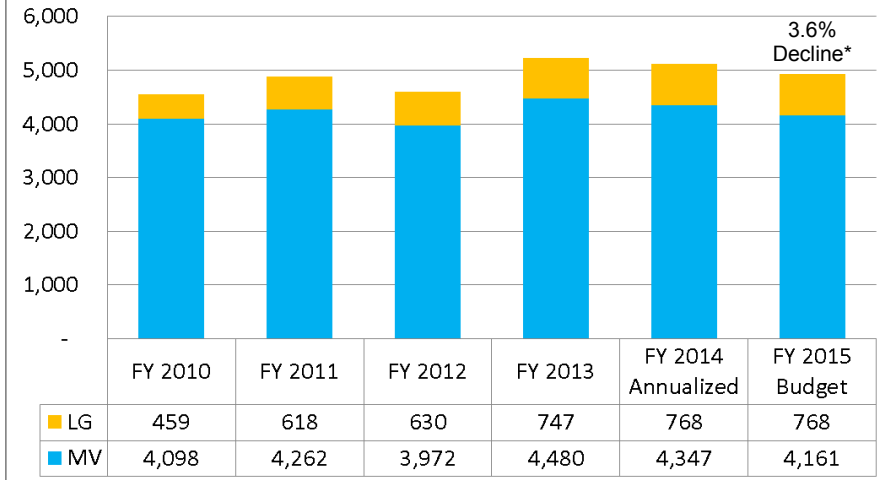
Category	Budget Assumption
Volume	Adjusted discharges increase of 1.3% <ul style="list-style-type: none">• Los Gatos stroke care, plastics, robotic surgery & rehabilitation• Mountain View neuro/electrophysiology, outpatient GYN surgery• Offset by closure of dialysis• Conservative assessment of delivery volume
Prices	Prices to increase 0.9% <ul style="list-style-type: none">• Change in supply pricing to reflect current market cost of items• Decrease in anesthesia/lithotripsy pricing to reflect market pricing• Increase in selected emergency/histology/transesophageal ultrasound to reflect market pricing
Reimbursement	<ul style="list-style-type: none">• Contracted rates projected based on the terms of individual contracts and assessment of the marketplace• Medicare sequestration continues• \$8 million for governmental supplemental payment, including Medicare Disproportionate Share, and Medi-Cal supplemental payments• Case Mix Index adjusted from 1.43 to 1.46 due to higher expected surgical volumes in spine, orthopedics and neuro-interventional

Hospital Volumes

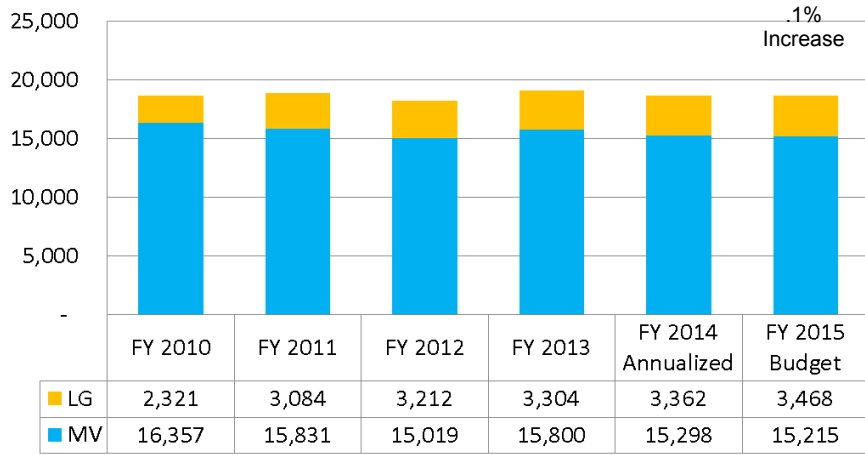
Total Surgical Cases IP & OP



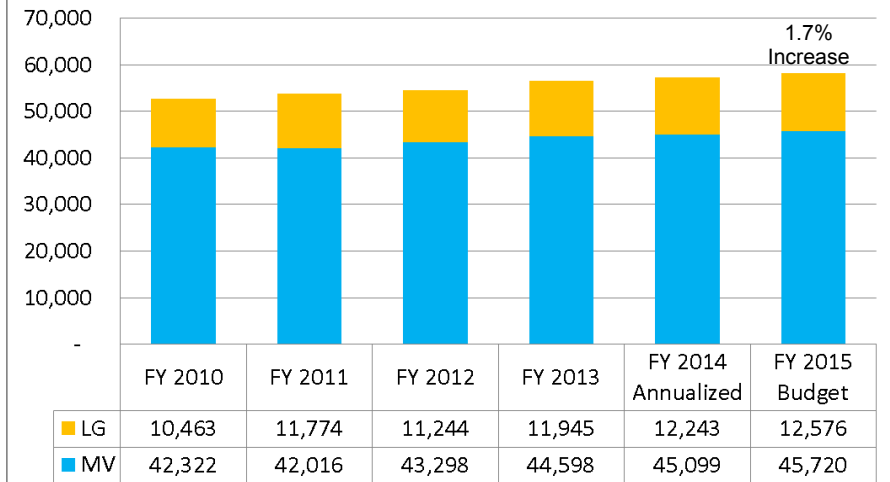
Total Deliveries



Total Discharges (excludes labor & delivery)



Emergency Room Visits



*Budgeted deliveries based on performance through January – current performance would result in 4,415 budgeted deliveries in Mountain View and 790 in Los Gatos

Assumptions – Operating Expenses

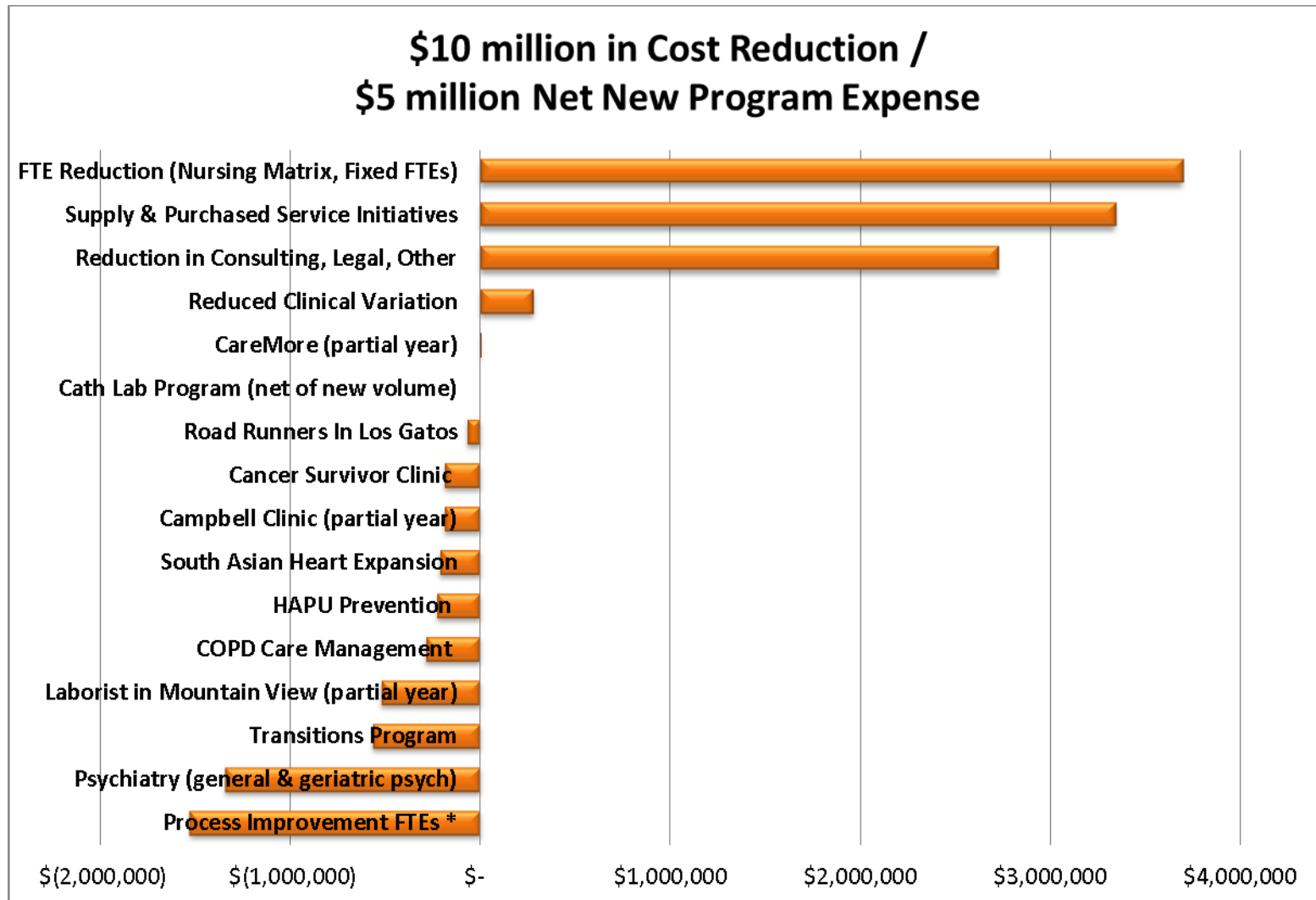
Category	Budget Assumption
Salaries	<ul style="list-style-type: none">• Tighter staffing ratios in nursing units• Increased FTEs for strategic initiatives and new volume• Decreased FTES for closure of dialysis services• Wage rates projected based on market adjustments, step increases and contractual agreements
Benefits	<ul style="list-style-type: none">• Health Benefits cost budgeted to increase by 8%• Pension expense budgeted at slight reduction based on actuarial projections
Supplies & Other	<ul style="list-style-type: none">• Supply and drug expenses adjusted for budgeted volume changes plus by a 2% inflation factor (lower than market)• G&A expenses budgeted based on current year expenditures, adjusted for non-recurring events• Adjustments made for new program and affordability initiatives
Interest	<ul style="list-style-type: none">• Interest expense based on existing debt
Depreciation	<ul style="list-style-type: none">• Depreciation was projected from current assets and anticipated capital spending

Change Drivers

Factor	% Net Revenue	\$ (millions)
Expected Operating Margin FY 2014	8.8%	\$ 63.50
Revenue from Volume & Price Changes, net of dialysis closure	1.1%	7.92
Revenue from Commercial & Government Payers Rate Changes	1.7%	12.70
Cost Reduction Initiatives	1.3%	10.04
Epic Operating Expense	-0.7%	(4.92)
Net Impact of New Programs & Process Improvement	-0.7%	(4.95)
Expense Inflation (salary, supplies, benefits)	-3.6%	(27.31)
Other	-0.5%	(3.96)
Expected Net Income FY 2015	7.1%	\$ 53.02

Dollars in millions
Totals may not agree due to rounding

Net Impact of New Programs & Process Improvement



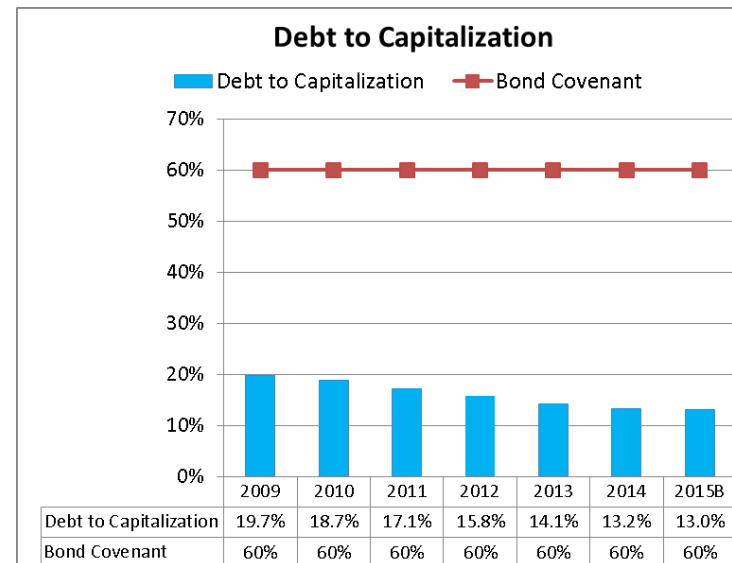
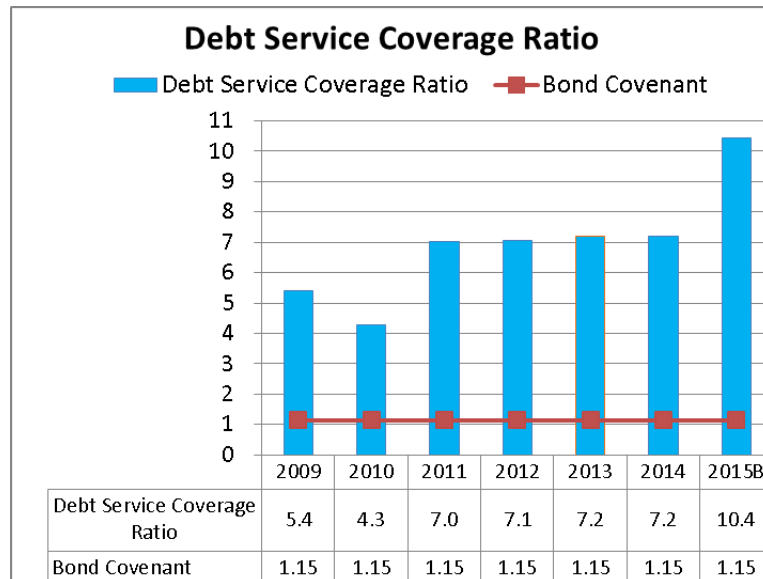
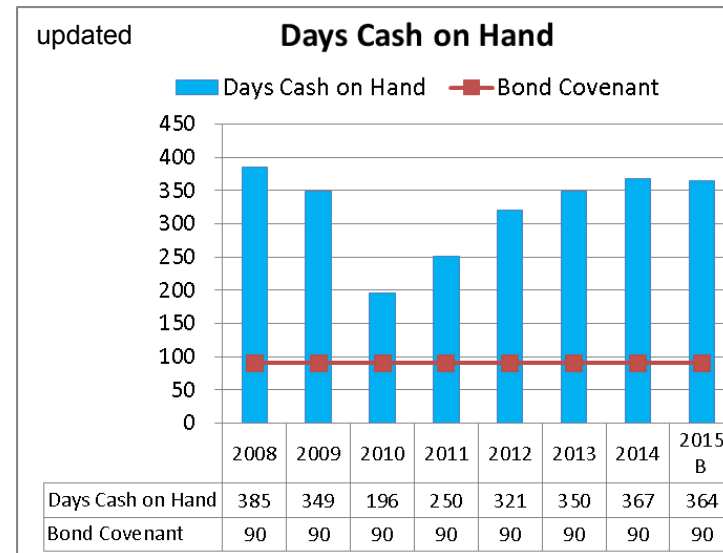
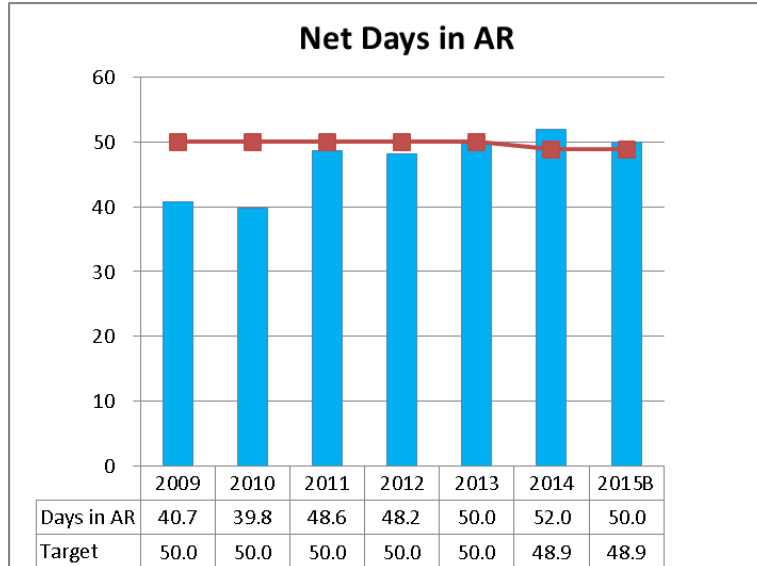
* Charge capture, IT Security, Risk Management, HIMs, Safety Specialist, Policy

El Camino Hospital & Affiliates

Consolidated Revenue and Expense Budget (\$ 000's)					
	El Camino Hospital	Concern	Foundation	SVMD	Total
Inpatient Revenue	\$ 1,509,789				\$ 1,509,789
Outpatient Revenue	1,026,343				1,026,343
Gross Patient Service Revenue	2,536,132	0	0	0	2,536,132
Deductions from Revenue	(1,806,491)				(1,806,491)
Net Patient Service Revenue	729,641	0	0	0	729,641
Other Operating Revenue	21,448	13,711	0	0	35,159
Total Net Revenue	751,088	13,711	0	0	764,800
Salaries	273,353	3,720	1,007	472	278,552
Employee Benefits	140,171	2,493	477	197	143,338
Supplies & Other Expenses	230,540	6,797	1,856	566	239,759
Interest	7,375	0	0	0	7,375
Depreciation/Amoritization	46,629	67	13	0	46,709
Total Expense	698,068	13,077	3,353	1,235	715,734
Operating Income	\$ 53,020	\$ 634	\$ (3,353)	\$ (1,235)	\$ 49,066
Non Operating Income	14,758	375	4,901	1,235	21,269
Total Net Income	\$67,778	\$1,010	\$1,547	(\$0)	\$70,335
Operating EBIDA	\$ 107,024	\$ 701	\$ (3,340)	\$ (1,235)	\$ 103,150
Operating Margin Percentage	7.1%	4.6%			6.4%

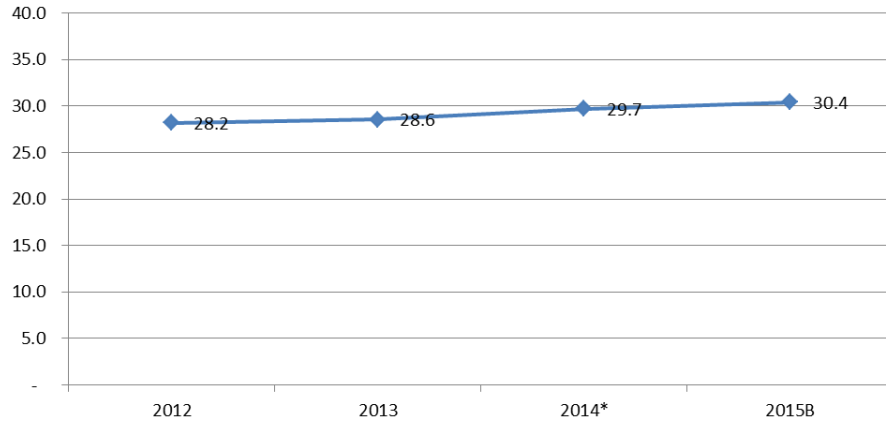
Dollars in thousands
Totals may not agree due to rounding

Financial Ratios Reflect Financial Strength

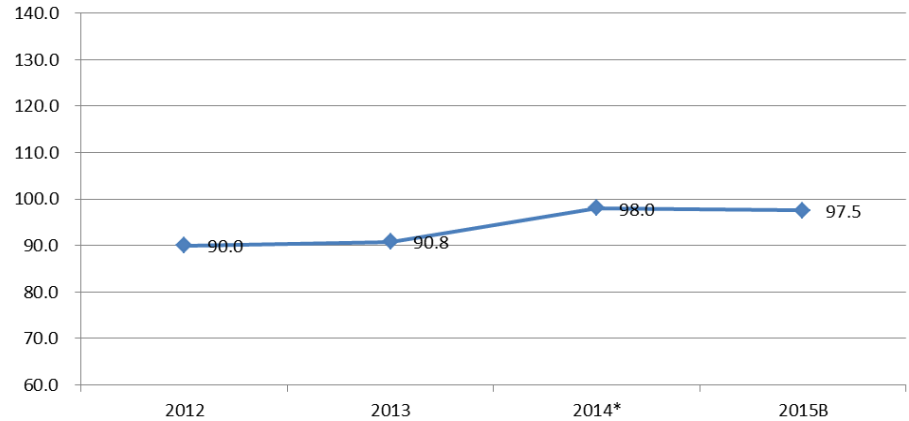


Staffing Indicators

Worked Hours per Adjusted Patient Day

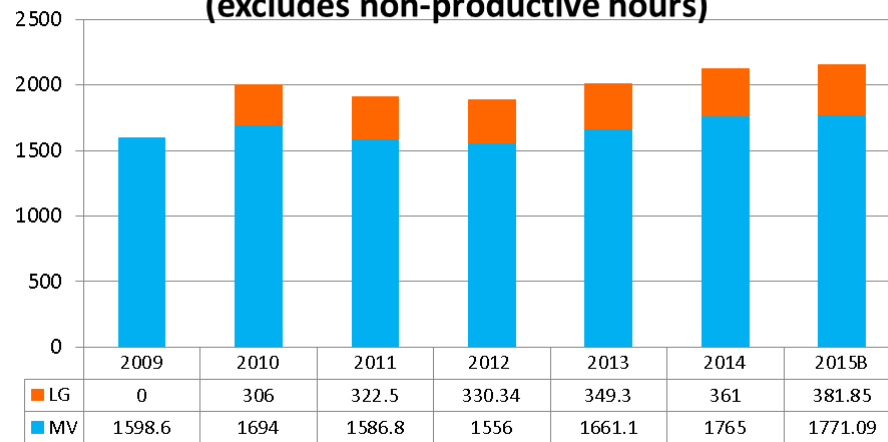


Worked Hours per Case Mix Adjusted Discharge



Worked FTEs

(excludes non-productive hours)



* FY14 projected from March YTD

Total Staffing Year to Year

Starting FTE (FY 2014 Actual)	2,484.0
Approved Open Positions from FY2014	22.6
FTE Adds for Volume Increase	23.1
Closure of Dialysis	(46.2)
Program Investments	
Charge Capture/Revenue Integrity	2.8 *
CareMore & Geriatric Psychiatry in Senior Health Center	3.9 *
Expansion of SouthAsian Heart	3.5 *
Road Runners at Los Gatos	1.0 *
Cancer Center Survivorship	4.0 *
COPD Care Management & ECH funding of Transitions Program	6.5
Risk Management (policy, IT Security, Patient Safety)	5.0
Pharmacy Workflow/Service Improvement	2.0
Ending FTEs (FY 2015 Budgeted)	2,512.1

* FTE expense offset all or partially by new program revenue

Capital Budget

Capital Committed

FY2014 Actual Commitments & FY2015 Budgeted Capital	FY2014	FY2015 Budget
Facility Improvements	\$21.92	\$41.19
IT Hardware, Software, Equipment (excluding EPIC)	5.28	10.52
Medical & Non-Medical Equipment	4.15	13.71
Land & Building Purchases	22.1	0
EPIC Installation*	77.7	0
Subtotal Authorized Capital	\$131.15	\$65.42
Spent	\$62.10	

* Epic installation estimated spending schedule:

FY14:	\$ 7.5m
FY15:	\$39.0m
FY16:	\$30.0m
FY17-FY19:	\$ 1.2m

FY 2014 Facilities Projects Detail

Facility	Capital Project Description	Budgeted In FY 14	Committed In FY 14	Comments
1 -Mountain View	MSB Planning	3,000,000	0	Moved to FY 15
1 -Mountain View	2500 Hospital Drive Roof Replacements	80,000	150,000	Substructure Damage Added \$
1 -Mountain View	New Main OR Electrical Upgrades	160,000	200,000	
1 -Mountain View	Women's MOB TI Upgrades	200,000	129,000	
1 -Mountain View	Melchor Cancer Center Expansion	390,000	50,000	Planning Only
1 -Mountain View	205 South Drive TI	600,000	492,770	
1 -Mountain View	I.R. HD Video System Infrastructure	80,000	0	Moved to FY 15
1 -Mountain View	Willow Fire Alarm Replacement	360,000	0	Moved to FY 15
1 -Mountain View	Willow Utilities Conversion	600,000	0	Moved to FY 15
1 -Mountain View	Contingency for Equipment Support Infrastructure	400,000	0	With Actual Equip. Purchase
1 -Mountain View	New Main ED TV's	100,450	104,500	
1 -Mountain View	2500 Hospital Dr. # 11	0	156,200	Tenant TI's
1 -Mountain View	New Main Admin Exit Fix	0	140,104	Regulatory Compliance
1 -Mountain View	BHS 2nd Funding Request	0	6,000,000	Previously Planned in FY 15
1 -Mountain View	Cancer Center to Oak Pavilion Expansion	0	5,900,000	New Plan
Subtotal Mountain View Campus Projects			13,322,574	
11 - Los Gatos	LG IDF & Network Cable Upgrades	150,000	113,368	
11 - Los Gatos	LG TV & TV System Upgrade	260,000	250,000	
11 - Los Gatos	Ortho Entrance Canopy	410,000	487,129	
11 - Los Gatos	Rehab Building Upgrades	600,000	110,000	Planning Only Moved to FY 15
11 - Los Gatos	LG Finish Upgrades Phase II	4,000,000	6,000,000	OSHPD Requirements Added
11 - Los Gatos	LG Imaging Master Plan Phase II - CT/Nuc Med	4,000,000	400,000	Planning Only Moved to FY 15
11 - Los Gatos	LG Rehab HVAC System Replacement	1,200,000	235,000	Planning Only Moved to FY 15
11 - Los Gatos	LG OR 2 into 1 Conversion	2,600,000	410,000	Planning Only Moved to FY 15
11 - Los Gatos	LG Electrical Systems Upgrade	1,000,000	0	Moved to FY 15
11 - Los Gatos	LG OR Lights 5, 6, 7	300,000	95,000	Planning Only Moved to FY 15
11 - Los Gatos	LG Lab HVAC	0	248,683	Emergency Replacement
11 - Los Gatos	LG Central Sterile	0	245,000	Planning Only Moved to FY 15
Subtotal Los Gatos Campus Projects			8,594,180	
Enterprise	Campbell PCMH	4,300,000		Moved to FY 15
Total All Projects		24,790,450	21,916,754	

FY 2015 Capital Request Overview

Major Facilities & IT Capital	40,068,905	}	View 1
Routine Capital Equipment & Projects	25,354,897		
Total	65,423,802		
Capital by Campus		}	View 2
Mountain View	34,034,109		
Los Gatos	19,782,112		
Enterprise	11,607,581		
Total	65,423,802		
Capital by Type		}	View 3
Facility Improvements	41,194,605		
IT, Hardware, Software, Equipment	10,518,524		
Medical & Non-Medical Equipment	13,710,674		
Total	65,423,802		

FY 2015 Major Facilities & IT Requested Capital > \$1m Updated

Facility	Type of Capital	Project Description	Estimated Cost
MV	Facilities	Parking Structure (380 cars)	11,650,000
MV	Facilities	MV Integrated MOB	3,000,000
MV	Facilities	Wound Care Center	1,446,125
MV	Facilities	TUG Robots	1,200,000
LG	Facilities	LG Imaging Phase II (CT Replacement)	4,500,000
LG	Facilities	LG OR 2 into 1 Conversion	3,400,000
LG	Facilities	LG MOB Improvements	1,000,000
LG	Facilities	LG Rehab HVAC System Replacement	1,750,000
LG	Facilities	LG Central Sterile	1,322,780
LG	Facilities	LG Electrical Systems Upgrade	1,200,000
ENT	Facilities	Campbell Clinic	4,300,000
ENT	IT Software/Hardware	PACS System Replacement	2,000,000
ENT	IT Software/Hardware	New: Slot Data Center Migration (Professional Services & Staff)	1,800,000
ENT	Facilities	Facilities Project Planning	1,500,000
		Major Project Capital	40,068,905

Appendix I

Listing of Capital Items over \$250 Thousand

2015 Capital Budget: Requested Facility Improvements over \$250 Thousand

Type of Capital	Capital Project Description	Estimated Capital Cost FY2015 (\$ 000's)	updated Capital Purchase Goal
Facilities	Parking Structure (380 cars)	\$ 11,650	Quality/Safety
Facilities	LG Imaging Phase II (CT Replacement)	\$ 4,500	Quality/Safety
Facilities	Campbell Clinic	\$ 4,300	Strategic Initiative
Facilities	LG OR 2 into 1 Conversion	\$ 3,400	Quality/Safety
Facilities	MV Integrated MOB	\$ 3,000	Strategic Initiative
Facilities	LG Rehab HVAC System Replacement	\$ 1,750	Quality/Safety
Facilities	Wound Care Center	\$ 1,446	Strategic Initiative
Facilities	LG Central Sterile	\$ 1,323	Quality/Safety
Facilities	LG Electrical Systems Upgrade	\$ 1,200	Quality/Safety
Facilities	TUG Robots	\$ 1,200	Quality/Safety
Facilities	LG MOB Improvements	\$ 1,000	Quality/Safety
Facilities	Facilities Project Planning	\$ 1,000	Quality/Safety
Facilities	LG Rehab Building Upgrades	\$ 800	Quality/Safety
Facilities	LG Distributed Antenna System	\$ 750	Quality/Safety
Facilities	Willow Utilities Systems Upgrades	\$ 750	Quality/Safety
Facilities	LG Rehab Building Upgrades II	\$ 737	Quality/Safety
Facilities	LG OR Lighting Replacements	\$ 499	Quality/Safety
Facilities	Contingency for Equipment Support Infrastructure	\$ 480	Quality/Safety
Facilities	Willow Fire Alarm System Replacement	\$ 360	Quality/Safety
Facilities	MV Signage Upgrades	\$ 350	Quality/Safety

All dollar amounts in thousands

Capital list updated to remove facility projects to be approved in June

2015 Capital Budget: Requested Information Technology over \$250 Thousand

Capital Project Description	Estimated Capital Cost FY2015 (\$ 000's)	Capital Purchase Goal
PACS System Replacement	\$ 2,000	Quality/Safety
New: Slot Data Center Migration (Professional Services & Staff)	\$ 1,800	Strategic Initiative
Security: Forensics and eDiscovery (FY14 Carry-Over)	\$ 400	Quality/Safety
Security: IM Filtering (FY14 Carry-Over)	\$ 380	Quality/Safety
IS: RTLS Asset Tracking & Inventory Control System/or Texting Security System (prioritization to occur Fall)	\$ 300	Expense Control
Security: Incident Management (FY14 Carry-Over)	\$ 300	Security
Security: Encryption Key Management (FY14 Carry-Over)	\$ 280	Baseline
IS Baseline: RIS v10 Upgrade	\$ 270	Baseline
IS Baseline: Software and Hardware Interface Engine Replacement:	\$ 250	Baseline
IS Baseline: Software Upgrades: Existing Software	\$ 250	Baseline
IS Baseline: McKesson STAR Suite Upgrade	\$ 250	Baseline
IS Baseline: Network - Baseline Replacement & Maintenance Parts	\$ 675	Baseline
IS Baseline: Server - Baseline Replacement & Maintenance Parts	\$ 565	Baseline
IS Baseline: Storage - Baseline Primary & Backup Storage Growth	\$ 395	Baseline

All dollar amounts in thousands

2015 Capital Budget: Requested Equipment over \$250 Thousand

Capital Project Description	Estimated Capital Cost FY2015 (\$ 000's)	Capital Purchase Goal
Lattice Specimen Collection System	\$ 336	Quality/Safety
EP Support Equipment	\$ 733	Strategic Initiative
Telemetry Monitoring Upgrade Project	\$ 546	Quality/Safety
Telemetry Monitoring Upgrade Project	\$ 546	Quality/Safety
Philips IR Upgrade	\$ 400	Quality/Safety
Endo Scopes	\$ 261	Quality/Safety

All dollar amounts in thousands

Appendix II

Income Statements

El Camino Hospital

El Camino Hospital (\$ in thousands)					
	FY 2013 Actual updated	FY 2014 Projection	FY 2015 Budget	Change Favorable/ (Unfavorable)	% Change
Revenues					
Inpatient Revenue	\$ 1,468,939	\$ 1,459,504	\$ 1,509,789	\$ 50,285	3.4%
Outpatient Revenue	993,619	1,031,418	1,026,343	(5,075)	-0.5%
Gross Patient Service Revenue	2,462,558	2,490,921	2,536,132	45,211	1.8%
Deductions from Revenue	(1,776,230)	(1,781,901)	(1,806,491)	(24,590)	
Net Patient Service Revenue	686,327	709,020	729,641	20,621	2.9%
Other Operating Revenue	15,152	18,180	21,448	3,268	18.0%
Total Net Revenue	701,479	727,200	751,088	23,889	3.3%
Expenses					
Salaries	240,456	259,491	273,353	(13,862)	-5.3%
Employee Benefits	125,550	136,489	140,171	(3,682)	-2.7%
Supplies & Other Expenses	210,751	215,502	230,540	(15,038)	-7.0%
Interest	7,757	7,465	7,375	90	1.2%
Depreciation/Amoritzation	47,839	47,730	46,629	1,101	2.3%
Total Expense	632,353	666,677	698,068	(31,391)	-4.7%
Operating Income	\$ 69,126	\$ 60,523	\$ 53,020	\$ (7,503)	-12.4%
Non Operating Income	19,694	32,812	14,758	(18,054)	-55.0%
Total Net Income	\$ 88,820	\$ 93,335	\$ 67,778	\$ (25,557)	-27.4%
<i>Operating EBIDA</i>	124,722	115,717	107,024	(8,693)	-7.5%
<i>Operating Margin Percentage</i>	9.9%	8.3%	7.1%		
KEY HOSPITAL INDICATORS					
Hospital Discharges, excl normal newborns	19,220	18,660	18,773	113	0.6%
Total Hospital Patient Days	87,539	86,950	87,963	1,013	1.2%
Acute Length of Stay	4.55	4.66	4.69	0.03	0.6%
Hospital Average Daily Census	240	238	241	3	1.2%

CONCERN: EAP

CONCERN (\$ in thousands)					
	FY 2013 Actual	FY 2014 Projection	FY 2015 Budget	Change Favorable/ (Unfavorable)	% Change
Revenues					
Other Operating Revenue	\$ 12,880	\$ 13,177	\$ 13,711	\$ 534	4%
Total Net Revenue	12,880	13,177	13,711	534	4%
Expenses					
Salaries	3,485	3,481	3,720	(239)	0%
Employee Benefits	1,908	2,180	2,493	(313)	0%
Supplies & Other Expenses	5,546	6,150	6,797	(647)	-11%
Interest	0	0	0	0	0%
Depreciation/Amoritization	74	69	67	2	3%
Total Expense	11,013	11,879	13,077	(1,197)	-10%
Operating Income	\$ 1,867	\$ 1,297	\$ 634	\$ (663)	-51%
Non Operating Income	(1,496)	288	375	87	30%
Total Net Income	\$ 371	\$ 1,586	\$ 1,010	\$ (576)	-36%
<i>Operating EBIDA</i>	<i>\$ 1,941</i>	<i>\$ 1,366</i>	<i>\$ 701</i>	<i>\$ (665)</i>	<i>-49%</i>
<i>Operating Margin Percentage</i>	<i>14.5%</i>	<i>9.8%</i>	<i>4.6%</i>		

El Camino Hospital Foundation

FOUNDATION (\$ in thousands)					
	FY 2013 Actual	FY 2014 Projection	FY 2015 Budget	Change Favorable/ (Unfavorable)	% Change
Revenues					
Other Operating Revenue	\$ 54	\$ 0	\$ 0	\$ 0	0%
Total Net Revenue	54	0	0	0	0%
Expenses					
Salaries	1,027	993	1,007	(13)	0%
Employee Benefits	412	473	477	(4)	0%
Supplies & Other Expenses	1,816	1,747	1,856	(109)	-6%
Interest	0	0	0	0	0%
Depreciation/Amoritzation	13	13	13	(0)	0%
Total Expense	3,267	3,227	3,353	(127)	-4%
Operating Income	\$ (3,213)	\$ (3,227)	\$ (3,353)	\$ (127)	4%
Non Operating Income	4,758	4,800	4,901	101	2%
Total Net Income	\$ 1,545	\$ 1,573	\$ 1,547	\$ (26)	-2%
<i>Operating EBIDA</i>	<i>\$ (3,200)</i>	<i>\$ (3,214)</i>	<i>\$ (3,340)</i>	<i>\$ (127)</i>	<i>4%</i>

Silicon Valley Medical Development

SVMD (\$ in thousands)					
	FY 2013 Actual	FY 2014 Projection	FY 2015 Budget	Change Favorable/ (Unfavorable)	% Change
Revenues					
Other Operating Revenue	\$ 0	\$ 0	\$ 0	\$ 0	0%
Total Net Revenue	0	0	0	0	0%
Expenses					
Salaries	477	525	472	53	0%
Employee Benefits	257	194	197	(3)	0%
Supplies & Other Expenses	252	231	566	(334)	-145%
Interest	-	-	-	-	0%
Depreciation/Amoritzation	-	-	-	-	0%
Total Expense	986	951	1,235	(284)	-30%
Operating Income	\$ (986)	\$ (951)	\$ (1,235)	\$ (284)	-30%
Non Operating Income	986	951	1,235	284	30%
Total Net Income	\$ 0	\$ (0)	\$ 0	\$ (0)	
<i>Operating EBIDA</i>	<i>\$ (986)</i>	<i>\$ (951)</i>	<i>\$ (1,235)</i>	<i>\$ (284)</i>	<i>-30%</i>

El Camino Hospital & Affiliates

El Camino Hospital & Affiliates (\$ in thousands)					
	FY 2013 Actual	FY 2014 Projection	FY 2015 Budget	Change Favorable/ (Unfavorable)	% Change
Revenues					
Inpatient Revenue	\$ 1,198,011	\$ 1,459,504	\$ 1,509,789	\$ 50,285	3.4%
Outpatient Revenue	\$ 812,261	\$ 1,031,418	1,026,343	(5,075)	-0.5%
Gross Patient Service Revenue	2,010,272	2,490,921	2,536,132	45,211	1.8%
Deductions from Revenue	(1,323,945)	(1,781,901)	(1,806,491)	(24,590)	
Net Patient Service Revenue	686,327	709,020	729,641	20,621	2.9%
Other Operating Revenue	28,170	31,442	35,159	3,717	11.8%
Total Net Revenue	714,497	740,462	764,800	24,338	3.3%
Expenses					
Salaries	245,444	264,490	278,552	(14,062)	-5.3%
Employee Benefits	128,126	139,336	143,338	(4,002)	-2.9%
Supplies & Other Expenses	218,365	223,631	239,759	(16,128)	-7.2%
Interest	7,757	7,465	7,375	90	1.2%
Depreciation/Amoritization	47,927	47,812	46,709	1,103	2.3%
Total Expense	647,619	682,734	715,734	(32,999)	-4.8%
Operating Income	\$ 66,877	\$ 57,728	\$ 49,066	\$ (8,662)	-15.0%
Non Operating Income	23,942	38,851	21,269	(17,582)	-45.3%
Total Net Income	\$ 90,820	\$ 96,579	\$ 70,335	\$ (26,244)	-27.2%
<i>Operating EBIDA</i>	122,561	113,005	103,150	(9,854)	-8.7%
<i>Operating Margin Percentage</i>	9.4%	7.8%	6.4%		

El Camino Hospital & Affiliates

Consolidated Revenue and Expense Budget (\$ 000's)					
	El Camino Hospital	Concern	Foundation	SVMD	Total
Inpatient Revenue	\$ 1,509,789				\$ 1,509,789
Outpatient Revenue	1,026,343				1,026,343
Gross Patient Service Revenue	2,536,132	0	0	0	2,536,132
Deductions from Revenue	(1,806,491)				(1,806,491)
Net Patient Service Revenue	729,641	0	0	0	729,641
Other Operating Revenue	21,448	13,711	0	0	35,159
Total Net Revenue	751,088	13,711	0	0	764,800
Salaries	273,353	3,720	1,007	472	278,552
Employee Benefits	140,171	2,493	477	197	143,338
Supplies & Other Expenses	230,540	6,797	1,856	566	239,759
Interest	7,375	0	0	0	7,375
Depreciation/Amoritization	46,629	67	13	0	46,709
Total Expense	698,068	13,077	3,353	1,235	715,734
Operating Income	\$ 53,020	\$ 634	\$ (3,353)	\$ (1,235)	\$ 49,066
Non Operating Income	14,758	375	4,901	1,235	21,269
Total Net Income	\$67,778	\$1,010	\$1,547	(\$0)	\$70,335
Operating EBIDA	\$ 107,024	\$ 701	\$ (3,340)	\$ (1,235)	\$ 103,150
Operating Margin Percentage	7.1%	4.6%			6.4%

Appendix III

Cash Flow

Cash remains strong despite capital expenditures

updated

Hospital only, in millions	Est FY14	Proj FY15
Net income	\$93.34	\$67.78
Depreciation/interest	55.19	54.00
Cash flow	148.53	121.78
Capital expenditures	62.10	92.69
Debt service	15.60	12.00
Pension funding (over expense)	2.00	2.00
Working capital (incr. in A/R, etc)	5.00	7.00
Uses of cash	84.70	113.69
Net cash flow	63.83	8.09
Beginning cash balance	559.80	623.63
Ending cash balance	623.63	631.72