



El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

Summary of Financial Operations

Fiscal Year 2016 – Period 10
7/1/2015 to 4/30/2016

Dashboard - ECH combined as of April 30, 2016

	Annual						Month			YTD		
	2012	2013	2014	2015	2016 Proj.	2016 Bud/Target	PY	CY	Bud/Target	PY	CY	Bud/Target
Volume												
Licensed Beds	443	443	443	443	443	443	443	443	443	443	443	443
ADC	220	240	238	246	242	245	255	238	252	242	237	241
Adjusted Discharges	30,558	32,221	32,003	32,507	31,429	32,696	2,671	2,598	2,694	26,798	26,190	27,183
Inpatient Cases												
Total Discharges	18,231	19,220	18,567	19,081	18,609	19,262	1,590	1,527	1,588	15,816	15,507	16,027
Deliveries	4,600	5,227	5,155	5,060	4,691	5,193	392	362	422	4,209	3,909	4,318
BHS	899	851	844	872	796	850	74	55	72	714	663	706
Rehab	447	537	557	563	511	570	50	45	48	479	426	473
Outpatient												
ED	53,686	48,091	49,543	52,487	50,376	52,151	4,565	4,296	4,349	43,480	41,980	43,506
Procedural Cases												
OP Surg	5,318	5,838	6,385	6,474	6,068	6,676	504	442	554	5,306	5,057	5,528
Endo		2,400	2,635	2,829	2,456	2,825	213	199	234	2,369	2,047	2,350
Interventional		1,508	1,705	1,878	1,945	1,901	145	168	147	1,525	1,621	1,543
All Other	186,573	100,871	124,989	133,005	139,766	134,601	11,379	12,753	11,516	110,747	116,472	112,076
Financial Performance (\$000s)												
Net Revenues	629,585	686,327	721,123	746,645	755,550	743,754	71,046	62,699	60,728	609,811	629,625	616,194
Operating Expenses	576,354	632,353	669,680	689,631	735,174	715,481	60,450	59,449	58,743	467,192	613,450	594,888
Operating Income \$	67,276	69,126	70,305	78,120	42,175	50,138	12,423	2,945	3,671	159,526	34,341	38,269
Op Margin	10.5%	9.9%	9.5%	10.2%	5.4%	6.5%	17.0%	4.7%	5.9%	25.5%	5.3%	6.0%
EBITDA \$	124,420	124,722	125,254	128,002	95,816	100,393	16,691	7,769	8,267	198,467	74,571	76,604
EBITDA %	19.3%	17.8%	16.9%	16.7%	12.3%	13.1%	22.9%	12.5%	13.2%	31.7%	11.5%	12.1%
IP Margin	0.4%	-1.1%	-3.2%	-4.5%	-8.1%	-1.0%	0.6%	-10.4%	-1.0%	-3.8%	-8.1%	-1.0%
OP Margin	24.7%	25.9%	25.2%	28.1%	26.9%	25.0%	31.2%	22.4%	25.0%	26.5%	26.9%	25.0%
Payor Mix												
Medicare	46.2%	46.4%	44.7%	46.3%	46.0%	46.4%	47.3%	48.0%	46.4%	42.7%	46.2%	46.4%
Medi-Cal	5.3%	4.9%	6.0%	6.6%	7.4%	6.5%	6.8%	6.3%	6.5%	6.6%	7.3%	6.5%
Commercial	41.5%	42.2%	44.0%	42.8%	42.4%	43.0%	41.7%	40.8%	43.0%	46.3%	42.3%	43.0%
Other	7.0%	6.6%	5.4%	4.3%	4.1%	4.1%	4.2%	4.9%	4.1%	4.4%	4.2%	4.1%
Cost												
Employees	2,156.7	2,289.0	2,435.6	2,452.4	2,544.0	2,450.2	2,492.0	2,512.7	2,453.7	2,446.0	2,544.0	2,450.2
Hrs/APD	29.42	29.66	29.72	29.31	30.88	29.36	29.49	31.18	30.17	29.28	30.88	29.36
Balance Sheet												
Net Days in AR	48.1	47.8	50.9	43.6	53.8	48.0	45.7	53.8	48.0	45.7	53.8	48.0
Days Cash	321	350	382	401	347	262	394	347	262	394	347	262
Debt to Capitalization	15.8%	14.0%	12.6%	13.6%	14.3%	29.0%	11.9%	14.3%	29.0%	11.9%	14.3%	29.0%
MADS	7.2	8.0	9.5	8.9	5.3	1.2	9.9	5.3	1.2	9.9	5.3	1.2
Affiliates - Net Income (\$000s)												
Hosp	71,286	88,820	118,906	94,787	23,284	72,460	18,002	8,679	5,531	78,875	18,644	56,872
Concern	1,472	371	1,862	1,202	2,169	1,751	253	393	376	1,637	1,858	1,008
ECSC			(5)	(41)	(368)	0	2	2	0	(24)	(312)	0
Foundation	138	1,545	3,264	710	636	1,315	264	369	5	1,235	739	1,017
SVMD	(30)	(114)	32	106	205	0	(2)	191	0	115	155	0

Inpatient volume is 2% below budget for the year primarily due lower deliveries

OP procedural volume is lower than prior year

Operating margin for March was \$727k budget due to low volume and higher than budget expenses

Payor mix is unfavorable primarily due to lower deliveries

Productivity has improved after EPIC go-live but remains unfavorable compared to budget.

AR days continue to improve after EPIC go-live

El Camino Hospital (\$000s) ⁽¹⁾

10 months ending 4/30/2016

PERIOD 10 FY 2015	PERIOD 10 FY 2016	PERIOD 10 Budget 2016	Variance Fav (Unfav)	Var%		YTD FY 2015	YTD FY 2016	YTD Budget 2016	Variance Fav (Unfav)	Var%
					\$000s					
					OPERATING REVENUE					
211,541	227,364	226,908	456	0.2%	Gross Revenue	2,134,971	2,276,819	2,258,163	18,656	0.8%
(140,495)	(164,665)	(166,180)	1,516	1.0%	Deductions	(1,525,160)	(1,647,193)	(1,641,969)	(5,225)	0.3%
71,046	62,699	60,728	1,972	3.2%	Net Patient Revenue	609,811	629,625	616,194	13,431	2.2%
1,827	(306)	1,686	(1,992)	-118.1%	Other Operating Revenue	16,907	18,166	16,963	1,203	7.1%
72,873	62,394	62,414	(20)	0.0%	Total Operating Revenue	626,718	647,791	633,157	14,634	2.3%
					OPERATING EXPENSE					
35,819	35,464	35,259	(206)	-0.6%	Salaries & Wages	340,854	358,067	358,391	324	0.1%
9,100	8,959	9,519	560	5.9%	Supplies	90,650	96,085	93,396	(2,689)	-2.9%
7,877	7,187	6,882	(305)	-4.4%	Fees & Purchased Services	63,678	73,497	69,359	(4,138)	-6.0%
3,378	2,859	2,521	(338)	-13.4%	Other Operating Expense	30,615	40,591	30,845	(9,746)	-31.6%
600	610	448	(162)	-36.1%	Interest	6,011	4,958	4,482	(476)	-10.6%
3,675	4,369	4,114	(255)	-6.2%	Depreciation	37,205	40,252	38,415	(1,836)	-4.8%
60,450	59,449	58,743	(707)	-1.2%	Total Operating Expense	569,013	613,450	594,888	(18,562)	-3.1%
12,423	2,945	3,671	(727)	-19.8%	Net Operating Income/(Loss)	57,705	34,341	38,269	(3,929)	-10.3%
5,579	5,734	1,860	3,874	208.3%	Non Operating Income	21,170	(15,697)	18,602	(34,299)	-184.4%
18,002	8,679	5,531	3,148	56.9%	Net Income(Loss)	78,875	18,644	56,872	(38,228)	-67.2%
					EBITDA	16.1%	12.3%	12.8%	-0.5%	
22.9%	12.7%	13.2%	-0.5%		Operating Margin	9.2%	5.3%	6.0%	-0.7%	
17.0%	4.7%	5.9%	-1.2%		Net Margin	12.6%	2.9%	9.0%	-6.1%	
24.7%	13.9%	8.9%	5.0%							

Supplies – lower than budget for the month. YTD variance due to pharmacy (Infusion) which is offset by revenues.

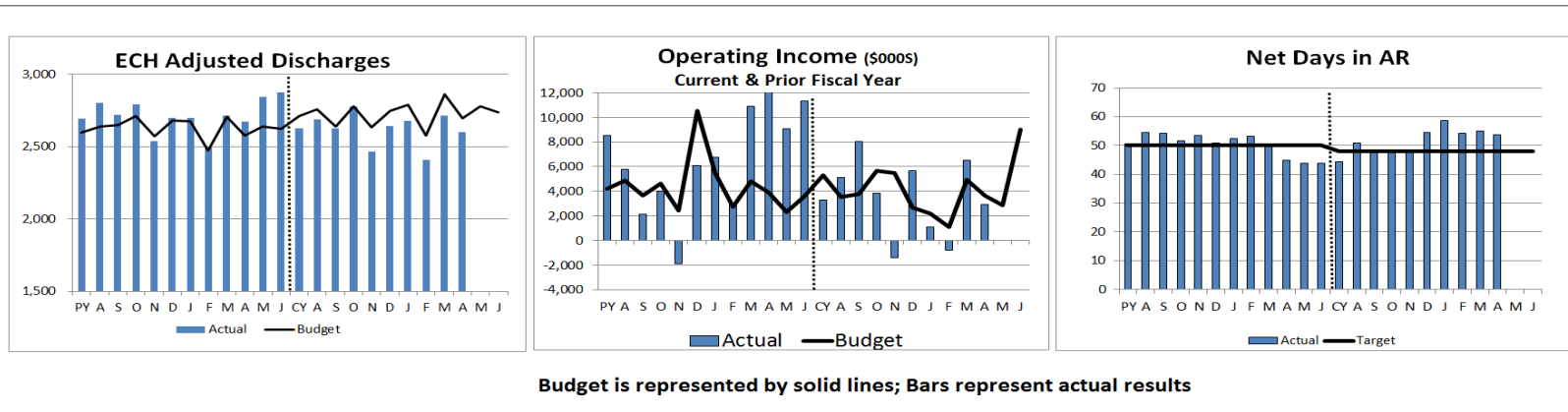
Fees and Purchased services – variance due to IT security, EPIC back-fill, HPO costs

Other operating expense – variance due to \$4 million higher EPIC go-live costs and \$6 million expense reduction target that was not achieved

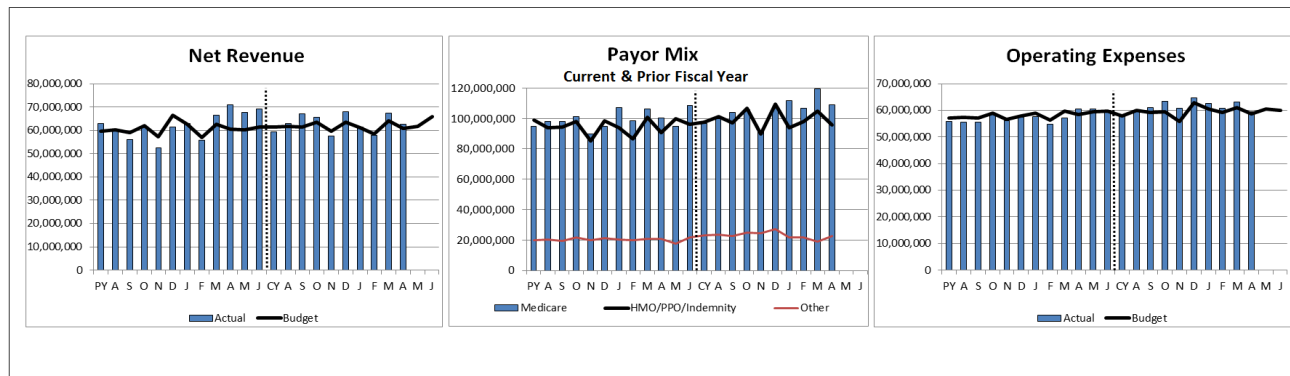
Depreciation - Depreciation is higher due to completion of the data center project and accelerated depreciation on the old hospital that will be demolished to build the iMOB.

⁽¹⁾ Hospital entity only, excludes controlled affiliates

Monthly Financial Trends

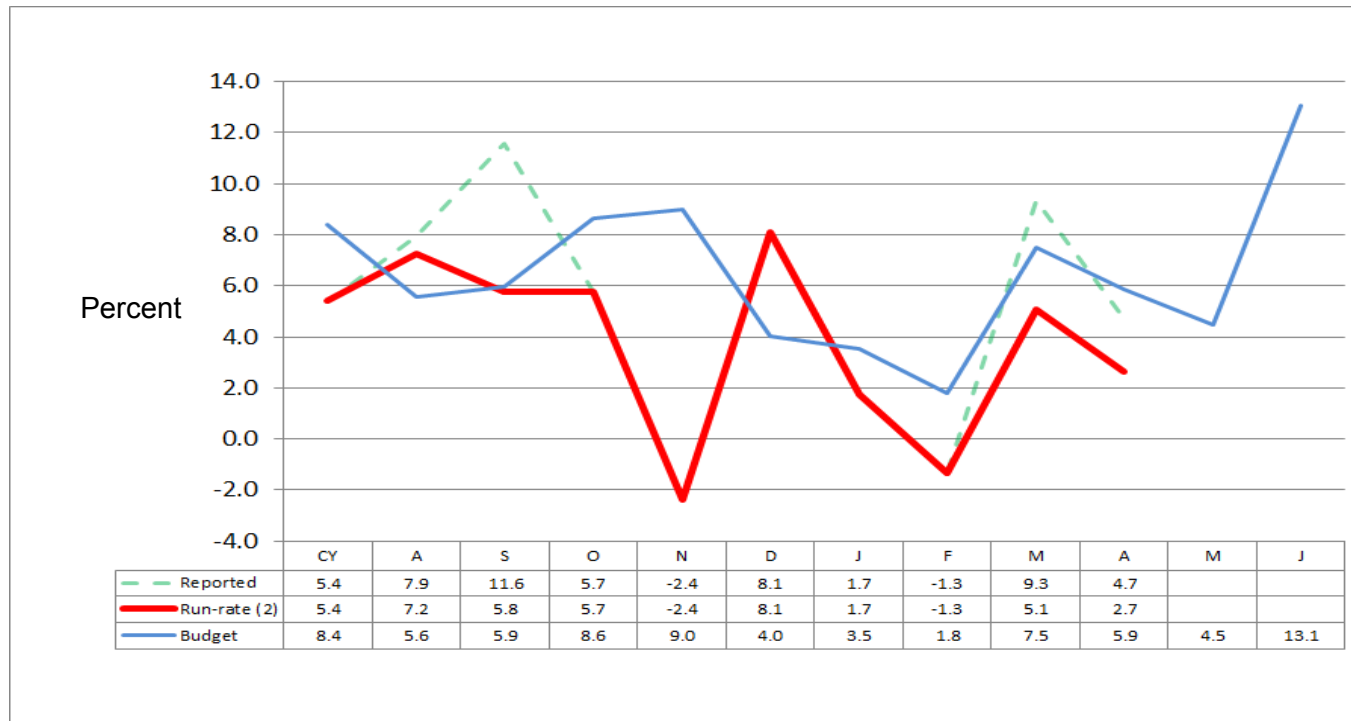


Volume is low mainly in deliveries.
AR recovery continued in April



ECH Operating Margin %

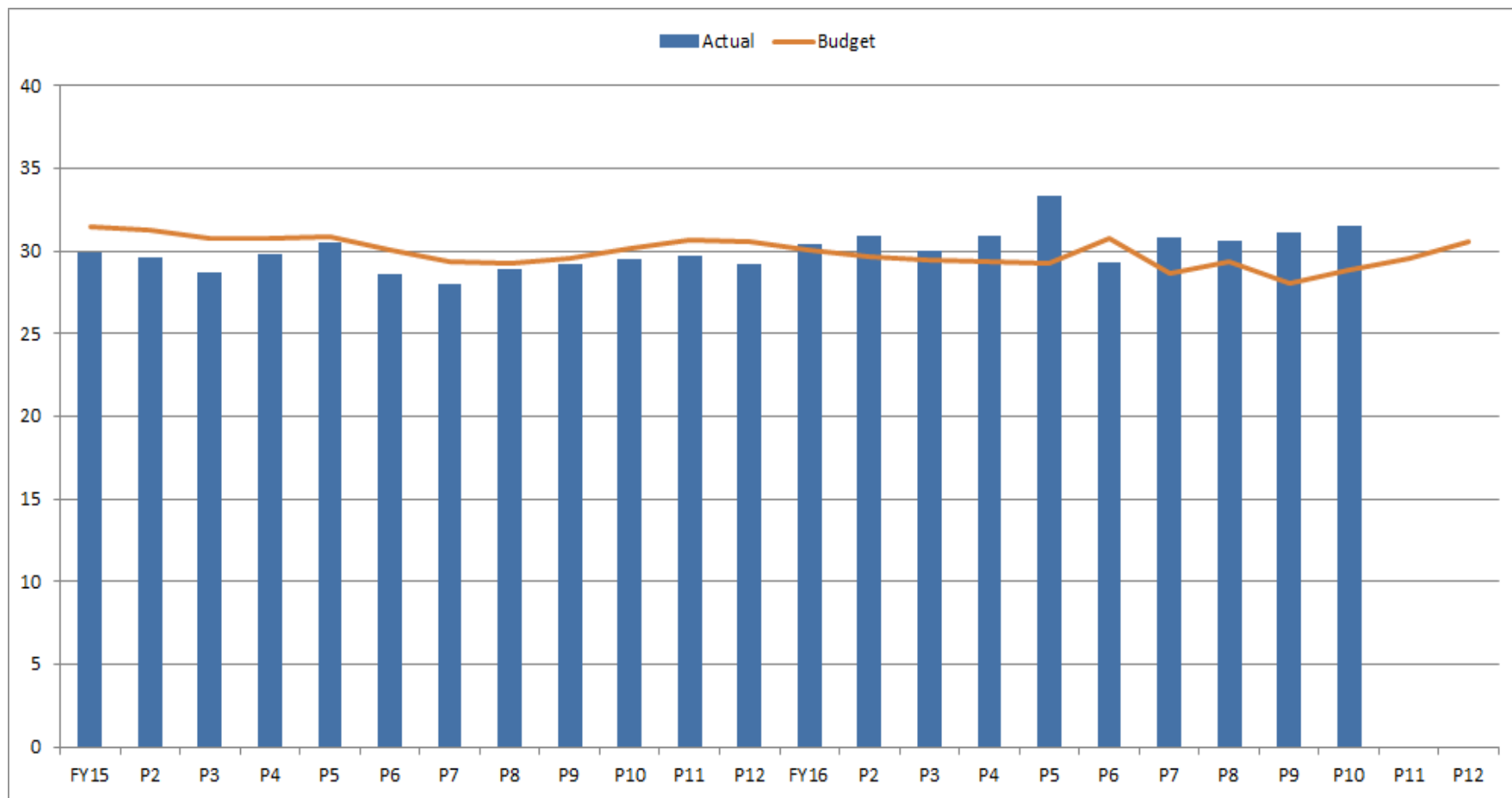
Run rate is booked operating income adjusted for material non-recurring transactions



FY 2016 Actual Run Rate Adjustments (in thousands)												
	J	A	S	O	N	D	J	F	M	A	M	J
Revenue Adjustments	RAC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Cost Reports Settlements	-\$49	-\$569	-\$616	\$0	\$0	\$0	\$0	\$0	-\$1,028	\$0	\$0
	IGT-Inter Government Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Employee Health Other Op Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,811	\$0	\$0
	Insurance Overpayment Released	\$0	\$0	-\$4,913	\$0	\$0	\$0	\$0	\$0	-\$2,102	\$0	\$0
	Total	-\$49	-\$569	-\$5,530	\$0	\$0	\$0	\$0	\$0	-\$1,320	\$0	\$0
Expense Adjustments	Pay-For-Performance Bonus	\$76	\$69	\$1,183	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Actuarial Exp for Workers Comp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,979	\$0	\$0	\$0
	Total	\$76	\$69	\$1,183	\$0	\$0	\$0	\$0	\$2,979	\$0	\$0	\$0

- Unusual items in April has a net favorable impact of \$1.3 million

Worked Hours per Adjusted Patient Day



Productivity has improved after EPIC go-live but remains unfavorable compared to budget .

Summary of Financial Results

\$ in Thousands

	Period 10 - Month			Period 10 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Income (Loss) from Operations						
Mountain View	1,192	2,816	(1,624)	27,683	31,058	(3,375)
Los Gatos	1,753	855	898	6,658	7,211	(554)
Sub Total - El Camino Hospital, excl. Affiliates	2,945	3,671	(727)	34,341	38,269	(3,929)
Operating Margin %	4.7%	5.9%		5.3%	6.0%	
El Camino Hospital Non Operating Income						
Investments	5,095	2,298	2,797	(7,708)	22,976	(30,684)
Swap Adjustments	190	0	190	(2,125)	0	(2,125)
Community Benefit	(46)	(233)	187	(2,586)	(2,333)	(254)
Other	496	(204)	700	(3,277)	(2,041)	(1,236)
Sub Total - Non Operating Income	5,734	1,860	3,874	(15,697)	18,602	(34,299)
El Camino Hospital Net Income (Loss)	8,679	5,531	3,148	18,644	56,872	(38,228)
ECH Net Margin %	13.9%	8.9%		2.9%	9.0%	
Concern	393	376	17	1,858	1,008	849
ECSC	2	0	2	(312)	0	(312)
Foundation	369	5	364	739	1,017	(278)
Silicon Valley Medical Development	191	0	191	155	0	155
Net Income Hospital Affiliates	954	381	574	2,440	2,025	415
Total Net Income Hospital & Affiliates	9,633	5,912	3,721	21,084	58,897	(37,813)

Actual to Budget Variance for hospital affiliates primarily due to drug, medical supplies, and EPIC labor/training expenses .

Tracking Smart Growth

COMBINED CAMPUS						Result Away from Goal
	FY15 Year to Date	FY16 Year to Date	Change	%	Annual Goal	
Inpatient Discharges	15,816	15,507	(309)	-2.0%	300	(609)
Surgical Outpatient Cases (incl Litho)	5,306	5,057	(249)	-4.7%	290	(539)
Endo Outpatient procedures	2,369	2,047	(322)	-13.6%	0	(322)
Outpatient Interventional Cases	1,525	1,621	96	6.3%	10	86
Total Case Volume	25,016	24,232	(784)	-3.1%	600	(1,384)
NEW Physician Total		362	362			
Pre-existing Physician Total	25,016	23,870	(1,146)	-4.6%		
# New Physicians*		8			15	

* New Physicians: MDs with 20% or more inpatient or procedural (above definition) cases (at least 10) and/or New PCP (OB, Internal Med, Fam Prac)

Mountain View Campus			
	FY15 Year to Date	FY16 Year to Date	Change
Inpatient Discharges	12,954	12,793	(161)
Surgical Outpatient Cases (incl Litho)	2,764	2,685	(79)
Endo Outpatient procedures	2,184	1,954	(230)
Outpatient Interventional Cases	1,506	1,607	101
Total Case Volume	19,408	19,039	(369)

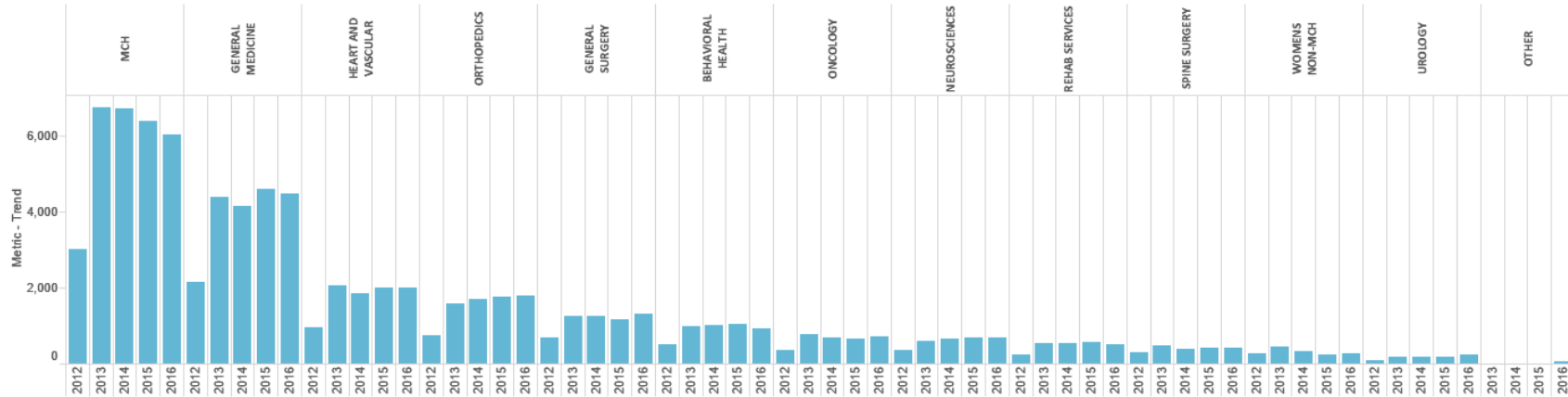
Los Gatos Campus			
	FY15 Year to Date	FY16 Year to Date	Change
Inpatient Discharges	2,862	2,714	(148)
Surgical Outpatient Cases (incl Litho)	2,542	2,372	(170)
Endo Outpatient procedures	185	93	(92)
Outpatient Interventional Cases	19	14	(5)
Total Case Volume	5,608	5,193	(415)

(1) Hospital entity only, excludes controlled affiliates

El Camino Hospital Volume Annual Trends FY 2016 is annualized

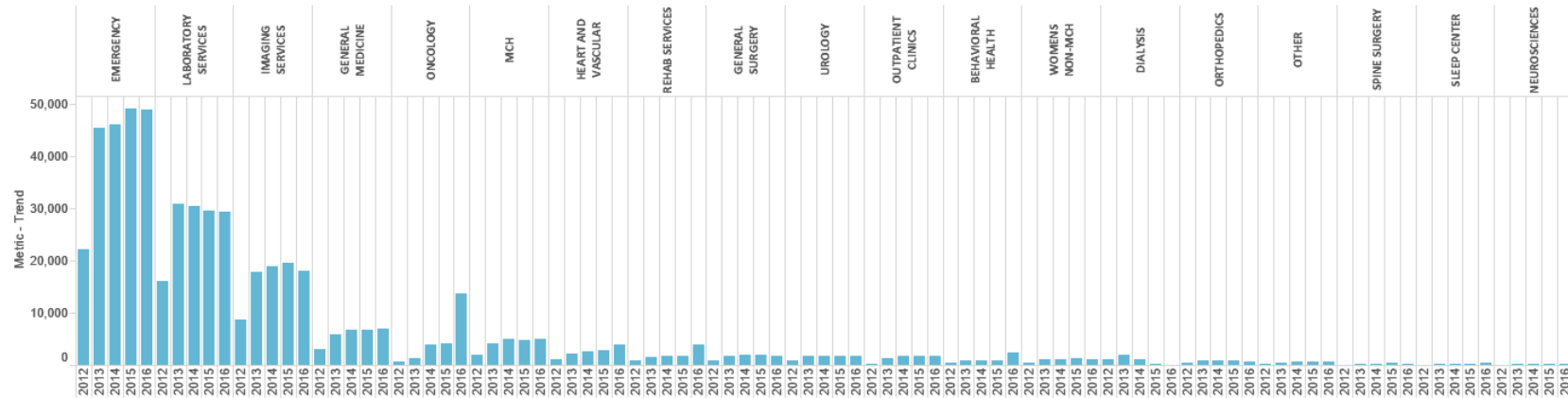
IP

Service Line Trend - clicking on a service line excludes all others. Clicking a second time removes the filter. Filters apply to all graphs below.



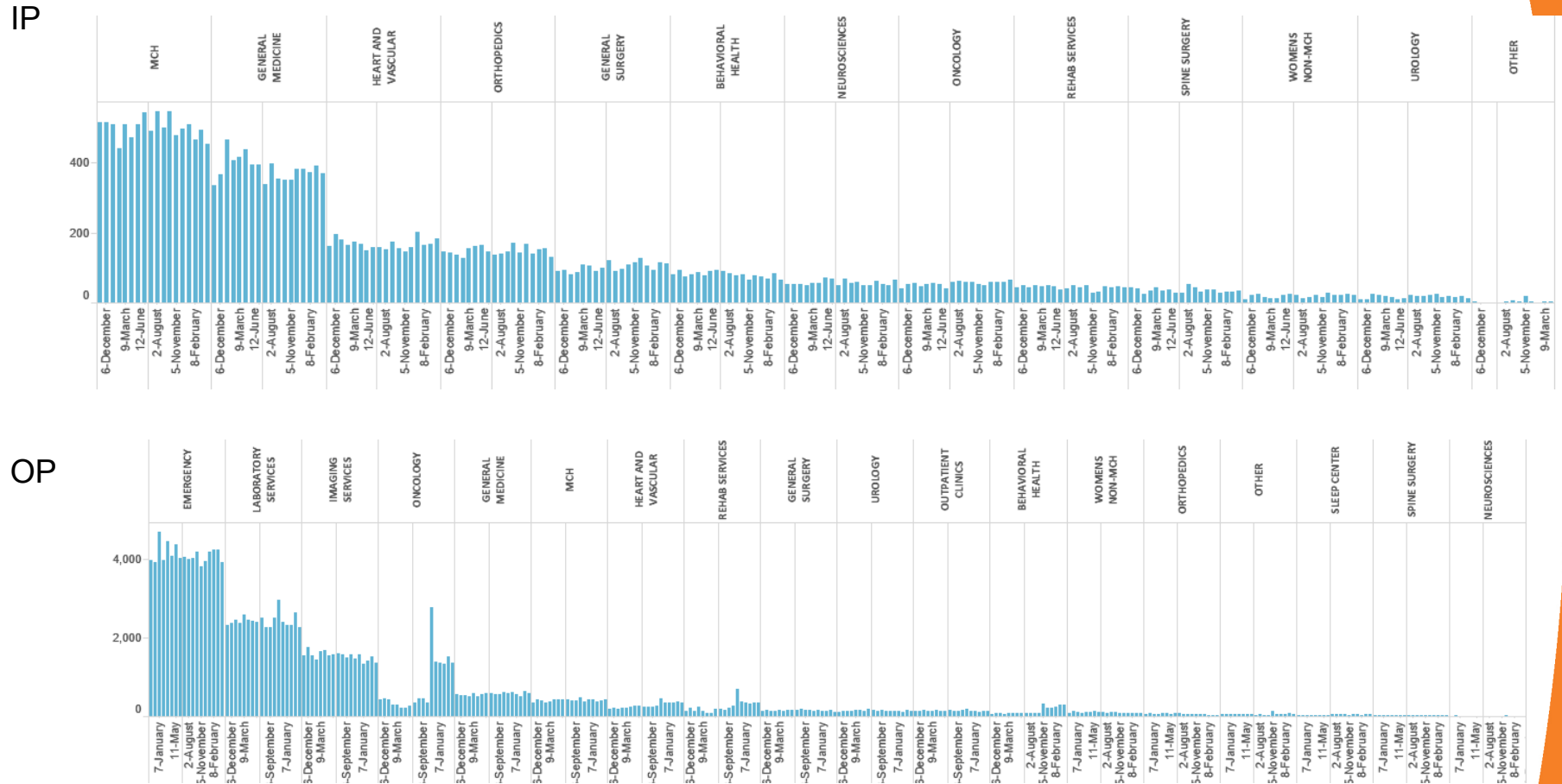
OP

Service Line Trend - clicking on a service line excludes all others. Clicking a second time removes the filter. Filters apply to all graphs below.

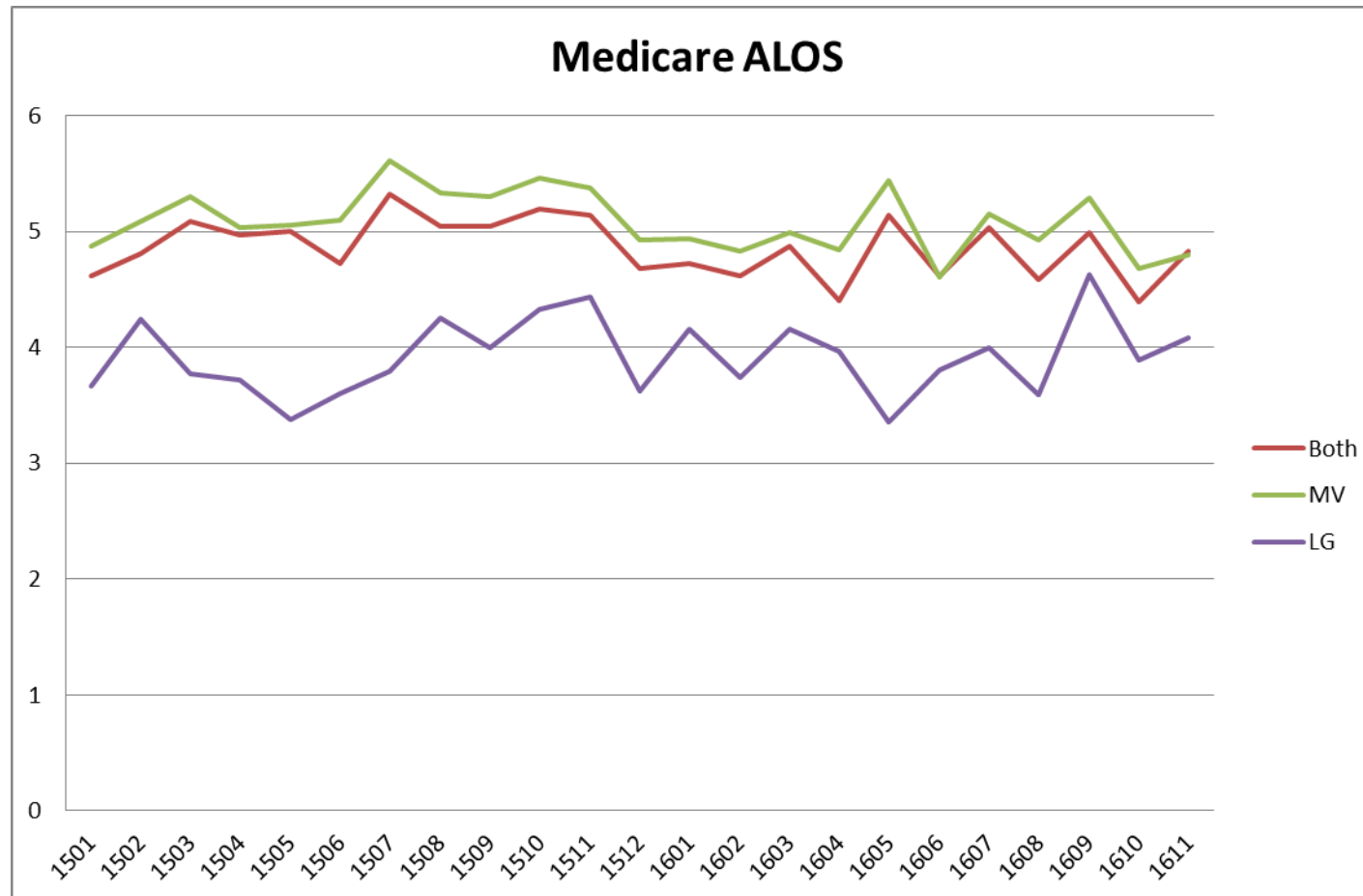


- IP declined in maternal child health service line – 2015 decline was NICU which recovered in 2016; the 2016 decline is in deliveries. Other service lines are stable
- OP – ED has grown due to ACO but plateaued in 2016. Oncology has grown but measure changed with EPIC and is not comparable to legacy count

El Camino Hospital Volume Monthly Trends Prior and Current Fiscal Years



- IP volume declined in deliveries but other service lines are stable
- OP – April shows a decline in ED. Oncology volume has grown but visit count in EPIC is not comparable to legacy count



- Medicare: Due to DRG reimbursement, financial results usually improve with decreased LOS

El Camino Hospital Investment Committee Scorecard

Updated Quarterly

March 31, 2016

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY16 Year-end Budget	Expectation Per Asset Allocation
Investment Performance		1Q 2016		Fiscal Year-to-date		Since Inception (annualized)			Mar 2014/2012
Surplus cash balance & op. cash (millions)		\$695.4	--	--	--	--	--	\$699.8	--
Surplus cash return		0.2%	0.9%	-1.8%	-0.9%	4.2%	4.3%	4.0%	5.0%
Cash balance plan balance (millions)		\$216.3	--	--	--	--	--	\$224.2	--
Cash balance plan return		-0.4%	1.0%	-2.1%	-1.0%	6.9%	6.4%	6.0%	6.7%
403(b) plan balance (millions)		\$314.8 ¹	--	--	--	--	--	--	--
Risk vs. Return		3-year				Since Inception (annualized)			Mar 2014/2012
Surplus cash Sharpe ratio		0.73	0.76	--	--	0.92	0.93	--	0.66
Net of fee return		3.5%	3.7%	--	--	4.2%	4.3%	--	5.0%
Standard deviation		4.7%	4.8%	--	--	4.5%	4.6%	--	7.2%
Cash balance Sharpe ratio		0.88	0.83	--	--	1.11	1.06	--	0.54
Net of fee return		5.7%	5.2%	--	--	6.9%	6.4%	--	6.7%
Standard deviation		6.5%	6.2%	--	--	6.2%	6.0%	--	10.6%
Asset Allocation		1Q 2016							
Surplus cash absolute variances to target		3.9%	< 10%	--	--	--	--	--	--
Cash balance absolute variances to target		3.0%	< 10%	--	--	--	--	--	--
Manager Compliance		1Q 2016							
Surplus cash manager flags		15	< 18	--	--	--	--	--	--
Cash balance plan manager flags		16	< 18	--	--	--	--	--	--

¹ Data as of 12/31/15 as 3/31/16 data was not yet available.

El Camino Hospital

Capital Spending (in millions)

Category	Detail	Approved	Total Estimated Cost of Project	Total Authorized Active	Spent from Inception	FY 16 Proj Spend**	FY 16 YTD Spent	FY 16 Remaining
CIP	EPIC Installation			73.8	56.8	23.7	20.6	3.1
	IT Hardware, Software, Equipment*			6.9		6.9	6.5	0.4
	Medical & Non Medical Equipment			16.5		14.7	13.5	1.2
	Facility Projects							
	1307 LG Upgrades	FY13	15.5	13.0	9.9	4.0	3.1	0.9
	1219 LG Spine OR	FY13	4.1	4.1	0.9	1.0	0.4	0.6
	1414 Integrated MOB	FY15	232.0	28.0	10.5	10.0	7.9	2.1
	1413 North Drive Parking Expansion	FY15	15.0	3.0	1.4	2.4	1.1	1.3
	1245 Behavioral Health Bldg	FY16	62.5	9.0	6.8	4.5	1.4	3.1
	1248 LG Imaging Phase II (CT & Gen Rad)	FY16	6.8	0.0	0.0	1.0	0.0	1.0
	1313/1224 LG Rehab HVAC System & Structural	FY16	3.7	3.7	1.1	3.0	1.1	1.9
	1502 Cabling & Wireless Upgrades	FY16	2.5	2.8	1.2	2.4	1.2	1.2
	1425 IMOB Preparation Project - Old Main	FY16	2.3	1.0	0.0	1.2	0.0	1.2
	1430 Women's Hospital Expansion	FY16	91.0	0.0	0.0	1.0	0.0	1.0
	1422 CUP Upgrade	FY16	4.0	1.5	0.9	0.8	0.8	0.0
	Willow Pavilion FA Sys and Equip Upgrades	FY16	0.3	1.3	0.0	0.0	0.0	0.0
	1519/1314 LG Electrical Systems Upgrade	FY16	1.2	0.0	0.0	0.5	0.0	0.5
	1347 LG Central Sterile Upgrades	FY15	3.7	0.2	0.2	2.0	0.0	2.0
	1508 LG NICU 4 Bed Expansion	FY16	7.0	0.0	0.0	0.5	0.0	0.5
	1520 Facilities Planning Allowance	FY16	1.0	0.0	0.0	0.0	0.0	0.0
	Land Acquisition Approved in 12/15	FY16	27.1	27.1	27.1	27.1	27.1	0.0
	All Other Projects under \$1M		16.2	40.7	35.4	5.1	3.5	1.6
			495.9	135.4	95.5	66.5	47.5	19.0
GRAND TOTAL				232.6		111.8	88.1	23.7
	Forecast at start of fiscal year					125.8		

2016 projected spend includes items to be presented for approval during the fiscal year

El Camino Hospital⁽¹⁾

Balance Sheet (\$ Thousands)

ASSETS

	April 30, 2016	Audited June 30, 2015
CURRENT ASSETS		
Cash	35,498	55,224
Short Term Investments	101,479	145,027
Patient Accounts Receivable, net	106,151	95,737
Other Accounts and Notes Receivable	3,187	2,378
Intercompany Receivables	1,120	1,595
Inventories and Prepaids	46,715	44,055
Total Current Assets	294,150	344,016
BOARD DESIGNATED ASSETS		
Plant & Equipment Fund	117,114	117,965
Operational Reserve Fund	100,196	100,196
Community Benefit Fund	12,264	2,085
Workers Compensation Reserve Fund	23,552	24,719
Postretirement Health/Life Reserve Fund	18,580	17,197
PTO Liability Fund	23,713	22,212
Malpractice Reserve Fund	1,800	1,800
Catastrophic Reserves Fund	14,072	14,150
Total Board Designated Assets	311,291	300,324
FUNDS HELD BY TRUSTEE	31,187	37,676
LONG TERM INVESTMENTS	204,106	207,290
INVESTMENTS IN AFFILIATES	30,977	31,808
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	1,176,834	1,077,951
Less: Accumulated Depreciation	(495,274)	(473,920)
Construction in Progress	40,763	82,506
Property, Plant & Equipment - Net	722,323	686,537
DEFERRED OUTFLOWS	24,718	25,218
RESTRICTED ASSETS - CASH	0	5
TOTAL ASSETS	1,618,752	1,632,874

LIABILITIES AND FUND BALANCE

	April 30, 2016	Audited June 30, 2015
CURRENT LIABILITIES		
Accounts Payable	21,567	30,142
Salaries and Related Liabilities	7,581	20,812
Accrued PTO	23,713	22,212
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	11,168	20,253
Intercompany Payables	74	108
Malpractice Reserves	1,800	1,800
Bonds Payable - Current	3,635	5,475
Bond Interest Payable	2,044	1,711
Other Liabilities	3,343	3,111
Total Current Liabilities	77,225	107,925
LONG TERM LIABILITIES		
Post Retirement Benefits	18,580	17,197
Worker's Comp Reserve	21,252	22,419
Other L/T Obligation (Asbestos)	3,620	3,531
Other L/T Liabilities (IT/Medl Leases)	-	7,102
Bond Payable	227,337	222,446
Total Long Term Liabilities	270,789	272,696
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	959,446	951,924
Board Designated	311,291	300,324
Restricted	0	5
Total Fund Bal & Capital Accts	1,270,737	1,252,254
TOTAL LIABILITIES AND FUND BALANCE	1,618,752	1,632,874

⁽¹⁾ Hospital entity only, excludes controlled affiliates

APPENDIX

Dashboard - Mountain View

	Annual						Month			YTD		
	2012	2013	2014	2015	2016 Projection	2016 Bud/Target	PY	CY	Bud/Target	PY	CY	Bud/Target
Volume												
Licensed Beds	300	300	300	300	300	300	300	300	300	300	300	300
Acute Patient Days	65,989	72,245	71,084	73,360	72,572	73,061	6,271	5,927	6,089	61,317	60,477	61,028
ADC	181	198	195	201	199	200	209	198	203	202	198	200
Adjusted Acute Discharges	25,420	26,640	26,147	26,627	25,933	26,705	2,183	2,169	2,201	21,957	21,610	22,203
Acute Discharges	15,019	15,876	15,177	15,619	15,352	15,756	1,302	1,275	1,299	12,954	12,793	13,110
Inpatient total												
Acute	15,019	15,876	15,177	15,619	15,352	15,756	1,302	1,275	1,299	12,954	12,793	13,110
Deliveries	3,973	4,480	4,364	4,383	4,073	4,488	343	331	365	3,648	3,394	3,733
BHS	899	851	844	872	796	850	74	55	72	714	663	706
Rehab	0	0	0	0	0	0	0	0	0	0	0	0
OP total												
ED	42,537	37,256	38,502	41,301	39,229	41,187	3,506	3,319	3,435	34,244	32,691	34,360
OP Surg	2,309	2,818	3,278	3,407	3,222	3,600	271	233	299	2,764	2,685	2,981
Endo	1942	2,104	2,405	2,606	2,345	2,607	194	198	216	2,184	1,954	2,169
Interventional		1,497	1,688	1,856	1,928	1,878	143	167	145	1,506	1,607	1,524
All Other	174,541	86,692	109,275	115,671	123,746	117,059	9,949	11,448	10,068	96,427	103,122	97,584
Financial Performance (\$000s)												
Net Revenues	507,128	557,533	589,420	603,788	615,331	602,989	58,388	50,443	49,035	493,238	512,776	499,045
Operating Expenses	470,713	516,892	550,736	562,790	600,387	580,982	50,035	48,793	47,714	362,515	501,310	483,035
Operating Income \$	49,994	55,324	56,518	59,684	34,405	41,574	9,995	1,192	2,816	145,682	27,683	31,058
Op Margin	9.6%	9.7%	9.3%	9.6%	5.4%	6.7%	16.7%	2.4%	5.6%	28.7%	5.2%	6.0%
EBITDA \$	100,790	105,938	105,814	103,637	82,011	87,252	13,773	5,494	6,846	180,199	63,388	64,815
EBITDA %	19.4%	18.5%	17.4%	16.6%	12.9%	14.0%	22.9%	11.0%	13.5%	35.5%	12.0%	12.6%
Payor Mix												
Medicare	41.4%	42.0%	44.0%	42.6%	45.8%	46.4%	46.4%	47.6%	46.4%	42.6%	45.8%	46.4%
Medi-Cal	6.0%	5.4%	6.5%	7.1%	7.8%	7.0%	7.3%	6.4%	7.0%	7.1%	7.8%	7.0%
Commercial	47.7%	47.8%	44.6%	46.4%	42.6%	42.9%	42.2%	42.2%	42.9%	46.4%	42.6%	42.9%
Other	4.9%	4.8%	4.9%	3.9%	3.8%	3.7%	4.1%	3.8%	3.7%	3.9%	3.8%	3.7%
Cost												
Employees	1,793.0	1,901.0	2,027.6	2,029.9	2,174.8	2,029.7	2,067.2	2,101.6	2,038.4	2,024.8	2,124.5	2029.68
Hrs/APD	29.28	29.58	30.16	29.60	31.10	29.79	29.85	29.06	29.42	29.58	31.10	29.79

Dashboard - Los Gatos

	Annual						Month			YTD		
	2012	2013	2014	2015	2016	2016 Projection Bud/Target	PY	CY	Bud/Target	PY	CY	Bud/Target
Volume												
Licensed Beds	143	143	143	143	143	143	143	143	143	143	143	143
ADC	39	42	43	45	43	45	46	40	49	41	38	41
Adjusted Acute Discharges	5,178	5,582	5,856	5,880	5,496	5,992	487	428	494	4,842	4,580	4,980
Acute Discharges	3,212	3,344	3,390	3,462	3,257	3,506	288	252	289	2,862	2,714	2,917
Inpatient total												
Acute	3,212	3,344	3,390	3,462	3,257	3,506	288	252	289	2,862	2,714	2,917
Deliveries	627	747	791	677	618	705	49	31	57	561	515	585
BHS	0	0	0	0	0	0	0	0	0	0	0	0
Rehab	447	537	557	563	511	570	50	45	48	479	426	473
OP total												
ED	11,149	10,835	11,041	11,186	11,147	10,964	1,059	977	914	9,236	9,289	9,146
OP Surg	3,009	3,020	3,107	3,067	2,846	3,076	233	209	255	2,542	2,372	2,547
Endo	433	296	230	223	112	218	19	1	18	185	93	181
Interventional		11	17	22	17	22	2	1	2	19	14	19
All Other	12,032	14,179	15,714	17,334	16,020	17,542	1,430	1,305	1,447	14,320	13,350	14,492
Financial Performance (\$000s)												
Net Revenues	122,457	128,794	131,702	142,858	140,220	140,765	12,658	12,257	11,693	116,573	116,850	117,149
Operating Expenses	105,641	115,461	118,944	126,841	134,786	134,499	10,414	10,657	11,029	104,676	112,140	111,852
Operating Income \$	17,282	13,802	13,787	18,436	7,771	8,563	2,428	1,753	855	13,844	6,658	7,211
Op Margin	14.1%	10.7%	10.4%	12.7%	5.5%	6.0%	18.9%	14.1%	7.2%	11.7%	5.6%	6.1%
EBITDA \$	23,630	18,784	19,440	24,365	13,805	13,141	2,918	2,275	1,422	18,268	11,183	11,789
EBITDA %	19.2%	14.5%	14.6%	16.8%	9.7%	9.2%	22.7%	18.3%	12.0%	15.4%	9.4%	9.9%
Payor Mix												
Medicare	44.7%	45.5%	44.0%	43.8%	48.0%	43.1%	51.4%	49.8%	43.1%	43.5%	48.0%	43.1%
Medi-Cal	3.0%	2.9%	3.5%	4.3%	4.7%	3.0%	4.7%	5.8%	3.0%	4.3%	4.7%	3.0%
Commercial	43.3%	42.3%	45.0%	46.1%	41.0%	45.3%	39.3%	34.1%	45.3%	46.0%	41.0%	45.3%
Other	9.0%	9.3%	7.5%	5.8%	6.2%	8.6%	4.6%	10.3%	8.6%	6.2%	6.2%	8.6%
Cost												
Employees	363.8	388.0	408.1	422.6	421.7	420.6	424.8	411.1	415.3	421.2	421.7	420.6
Hrs/APD	30.10	29.13	27.65	28.00	29.84	27.47	27.88	32.31	26.68	27.91	29.84	27.47

El Camino Hospital – Mountain View (\$000s)⁽¹⁾

10 months ending 4/30/2016

PERIOD 10 FY 2015	PERIOD 10 FY 2016	PERIOD 10 Budget 2016	Variance Fav (Unfav)	Var%		YTD FY 2015	YTD FY 2016	YTD Budget 2016	Variance Fav (Unfav)	Var%
					\$000s					
					OPERATING REVENUE					
172,199	189,207	186,047	3,161	1.7%	Gross Revenue	1,744,075	1,866,418	1,850,892	15,525	0.8%
(113,811)	(138,765)	(137,011)	(1,753)	1.3%	Deductions	(1,250,837)	(1,353,642)	(1,351,847)	(1,795)	0.1%
58,388	50,443	49,035	1,408	2.9%	Net Patient Revenue	493,238	512,776	499,045	13,731	2.8%
1,643	(459)	1,495	(1,953)	-130.7%	Other Operating Revenue	14,960	16,218	15,049	1,169	7.8%
60,031	49,984	50,530	(546)	-1.1%	Total Operating Revenue	508,198	528,994	514,094	14,900	2.9%
					OPERATING EXPENSE					
29,828	29,646	29,427	(219)	-0.7%	Salaries & Wages	282,508	297,976	298,301	325	0.1%
7,553	7,465	7,767	302	3.9%	Supplies	73,551	78,467	76,079	(2,388)	-3.1%
6,613	5,947	5,507	(440)	-8.0%	Fees & Purchased Services	51,095	60,157	55,664	(4,493)	-8.1%
2,260	1,279	1,017	(262)	-25.7%	Other Operating Expense	18,885	24,549	15,239	(9,310)	-61.1%
600	610	448	(162)	-36.1%	Interest	6,011	4,958	4,482	(476)	-10.6%
3,181	3,846	3,548	(299)	-8.4%	Depreciation	32,286	35,203	33,271	(1,932)	-5.8%
50,035	48,793	47,714	(1,079)	-2.3%	Total Operating Expense	464,337	501,310	483,035	(18,275)	-3.8%
9,995	1,192	2,816	(1,624)	-57.7%	Net Operating Income/(Loss)	43,861	27,683	31,058	(3,375)	-10.9%
5,579	5,734	1,860	3,874	208.3%	Non Operating Income	21,170	(15,671)	18,602	(34,273)	-184.2%
15,574	6,926	4,676	2,250	48.1%	Net Income(Loss)	65,031	12,012	49,660	(37,648)	-75.8%
21.5%	8.8%	11.0%	-2.2%		EBITDA	14.4%	10.5%	11.0%	-0.5%	
16.7%	2.4%	5.6%	-3.2%		Operating Margin	8.6%	5.2%	6.0%	-0.8%	
25.9%	13.9%	9.3%	4.6%		Net Margin	12.8%	2.3%	9.7%	-7.4%	

⁽¹⁾ Hospital entity only, excludes controlled affiliates

El Camino Hospital – Los Gatos(\$000s) ⁽¹⁾

Results from Operations vs. Prior Year

10 months ending 4/30/2016

PERIOD 10 FY 2015	PERIOD 10 FY 2016	PERIOD 10 Budget 2016	Variance Fav (Unfav)	Var%
39,342	38,157	40,862	(2,705)	-6.6%
(26,684)	(25,900)	(29,169)	3,269	-11.2%
12,658	12,257	11,693	564	4.8%
184	153	191	(38)	-20.1%
12,842	12,409	11,884	526	4.4%
5,991	5,818	5,831	13	0.2%
1,547	1,495	1,752	257	14.7%
1,264	1,241	1,375	134	9.8%
1,118	1,581	1,504	(76)	-5.1%
0	0	0	0	0.0%
494	523	566	44	7.7%
10,414	10,657	11,029	372	3.4%
2,428	1,753	855	898	105.0%
0	0	0	0	0.0%
2,428	1,753	855	898	105.0%
29.6%	28.4%	22.5%	5.9%	
18.9%	14.1%	7.2%	6.9%	
18.9%	14.1%	7.2%	6.9%	

\$000s	YTD FY 2015	YTD FY 2016	YTD Budget 2016	Variance Fav (Unfav)	Var%
OPERATING REVENUE					
Gross Revenue	390,896	410,401	407,271	3,130	0.8%
Deductions	(274,323)	(293,551)	(290,121)	(3,430)	1.2%
Net Patient Revenue	116,573	116,850	117,149	(300)	-0.3%
Other Operating Revenue	1,947	1,948	1,914	33	1.7%
Total Operating Revenue	118,520	118,797	119,064	(266)	-0.2%
OPERATING EXPENSE					
Salaries & Wages	58,346	60,091	60,090	(1)	0.0%
Supplies	17,099	17,618	17,317	(301)	-1.7%
Fees & Purchased Services	12,583	13,341	13,695	354	2.6%
Other Operating Expense	11,730	16,042	15,606	(436)	-2.8%
Interest	0	0	0	0	0.0%
Depreciation	4,918	5,048	5,144	96	1.9%
Total Operating Expense	104,676	112,140	111,852	(287)	-0.3%
Net Operating Income/(Loss)	13,844	6,658	7,211	(554)	-7.7%
Non Operating Income	0	(26)	0	(26)	0.0%
Net Income(Loss)	13,844	6,632	7,211	(580)	-8.0%
EBITDA	23.2%	20.4%	20.9%	-0.5%	
Operating Margin	11.7%	5.6%	6.1%	-0.5%	
Net Margin	11.7%	5.6%	6.1%	-0.5%	

⁽¹⁾ Hospital entity only, excludes controlled affiliates

El Camino Hospital Capital Spending (in thousands) FY 2011 – FY 2015

Category	2011	2012	2013	2014	2015
IT Hardware/Software Equipment	3,544	7,289	8,019	2,788	4,660
Medical/Non Medical Equipment	6,632	11,203	10,284	12,891	13,340
Non CIP Land, Land I, BLDG, Additions	2,518	7,311	0	22,292	0

Facilities Projects CIP

0101 - Hosp Replace	232	313	0	0	0
0317 - Melchor TI's	925	117	0	0	0
0701 - Cyberknife	735	0	0	0	0
0704 - 1 South Upgrade	0	2	0	0	0
0802 - Willow Pavillion Upgrades	7	0	0	0	0
0805 - Women's Hospital Finishes	51	0	0	0	0
0809 - Hosp Renovations	262	0	0	0	0
0815 - Orc Pav Water Heater	29	0	0	0	0
0816 - Hospital Signage	41	0	0	0	0
0904 - LG Facilities Upgrade	254	41	2	0	0
0907 - LG Imaging Masterplan	0	162	244	774	1,402
1000 - LG Rehab Building	258	0	0	0	0
1104 - New Main CDU TV's	124	0	0	0	0
9900 - Unassigned Costs	921	279	734	470	3,717
0803 - Park Pav Foundation	207	270	0	0	0
1005 - LG OR Light Upgrd	89	108	14	0	0
1101 - Melchor Pavillion - Genomics	15	0	0	0	0
1102 - LG Joint Hotel	359	657	0	0	0
1106 - SHC Project	0	2,245	0	0	0
1108 - Cooling Towers	4	932	450	0	0
1115 - Womens Hosp TI's	0	50	0	0	0
1118 - Park Pav Roto Care	0	119	0	0	0
1120 - BHS Out Patient TI's	0	472	66	0	0
1122 - LG Sleep Studies	0	147	7	0	0
1129 - Old Main Card Rehab	0	400	9	0	0
0817 - Womens Hosp Upgrds	132	1,242	645	1	0
0906 - Slot Build-Out	0	0	1,003	1,576	15,101
1107 - Boiler Replacement	0	49	0	0	0
1109 - New Main Upgrades	0	589	423	393	2
1111 - Mom/Baby Overflow	0	267	212	29	0
1129 - Cardiac Rehab Improv	0	0	0	0	0
1132 - Pheumatic Tube Prj	0	78	0	0	0
1204 - Elevator Upgrades	0	24	25	30	0
1210 - Los Gatos VOIP	0	1	147	89	0
0800 - Womens L&D Expansion	27	129	2,104	1,531	269
1116 - LG Ortho Pavillion	0	44	177	24	21
1124 - LG Rehab BLDG	0	11	49	458	0
1128 - LG Boiler Replacement	0	3	0	0	0
1131 - MV Equipment Replace	0	190	216	0	0
1135 - Park Pavillion HVAC	0	47	0	0	0
1208 - Willow Pav. High Risk	0	0	110	0	0
1213 - LG Sterilizers	0	0	102	0	0
1225 - Rehab BLDG Roofing	0	0	7	241	4
1227 - New Main eICU	0	0	96	21	0
1230 - Fog Shop	0	0	339	80	0
1247 - LG Infant Security	0	0	134	0	0
1307 - LG Upgrades	0	0	376	2,979	3,282
1308 - LG Infrastructure	0	0	0	114	0
1315 - 205 So. Drive TI's	0	0	0	500	2
0908 - NPCR3 Seismic Upgrds	0	554	1,302	1,224	1,328

Category	2011	2012	2013	2014	2015
Facilities Projects CIP cont.					
1125 - Will Pav Fire Sprinkler	0	9	57	39	0
1211 - SIS Monitor Install	0	0	215	0	0
1216 - New Main Process Imp Office	0	0	19	1	16
1217 - MV Campus MEP Upgrades FY13	0	0	0	181	274
1219 - LG Spine OR	0	0	0	214	323
1221 - LG Kitchen Refrig	0	0	0	85	0
1224 - Rehab Bldg HVAC Upgrades	0	0	11	202	81
1245 - Behavioral Health Bldg Replace	0	0	0	1,257	3,775
1248 - LG - CT Upgrades	0	0	0	26	345
1249 - LG Mobile Imaging	0	0	0	146	0
1301 - Desktop Virtual	0	0	0	13	0
1304 - Rehab Wander Mgmt	0	0	0	87	0
1310 - Melchor Cancer Center Expansior	0	0	0	44	13
1318 - Women's Hospital TI	0	0	0	48	48
1327 - Rehab Building Upgrades	0	0	0	0	15
1320 - 2500 Hosp Dr Roofing	0	0	0	75	81
1328 - LG Ortho Canopy FY14	0	0	0	255	209
1340 - New Main ED Exam Room TVs	0	0	0	8	193
1341 - New Main Admin	0	0	0	32	103
1344 - New Main AV Upgrd	0	0	0	243	0
1345 - LG Lab HVAC	0	0	0	112	0
1346 - LG OR 5, 6, and 7 Lights Replace	0	0	0	0	285
1347 - LG Central Sterile Upgrades	0	0	0	0	181
1400 - Oak Pav Cancer Center	0	0	0	0	5,208
1403 - Hosp Drive BLDG 11 TI's	0	0	0	86	103
1404 - Park Pav HVAC	0	0	0	64	7
1408 - New Main Accessibility Upgrades	0	0	0	0	7
1413 - North Drive Parking Structure Exp	0	0	0	0	167
1414 - Integrated MOB	0	0	0	0	2,009
1421 - LG MOB Improvements	0	0	0	0	198
1429 - 2500 Hospital Dr Bldg 8 TI	0	0	0	0	101
1432 - 205 South Dr BHS TI	0	0	0	0	8
1501 - Women's Hospital NPC Comp	0	0	0	0	4
1504 - Equipment Support Infrastructure	0	0	0	0	61
Subtotal Facilities Projects CIP	4,674	9,553	9,294	13,753	38,940
Grand Total	17,368	35,357	27,598	51,723	56,940
Forecast at Beginning of year		47,138	49,399	47,300	65,420