



El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

Summary of Financial Operations

Fiscal Year 2016 – Period 11
7/1/2015 to 5/31/2016

Dashboard - ECH combined as of May 31, 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	243	245	247	251	246	239	234	237
Adjusted Discharges	30,558	32,221	32,003	32,507	31,424	32,696	2,840	2,615	2,779	29,636	28,805	29,962
Inpatient Cases												
Total Discharges	18,231	19,220	18,567	19,081	18,640	19,262	1,654	1,578	1,636	17,470	17,087	17,663
Deliveries	4,600	5,227	5,155	5,060	4,686	5,193	412	387	444	4,621	4,296	4,762
BHS	899	851	844	872	796	850	81	67	72	795	730	778
Rehab	447	537	557	563	500	570	47	32	49	526	458	522
Outpatient												
ED	53,686	48,091	49,543	52,487	51,618	52,151	3,547	5,337	4,294	47,027	47,317	47,800
Procedural Cases												
OP Surg	5,318	5,838	6,385	6,474	6,357	6,676	577	476	582	5,883	5,534	6,111
Endo		2,400	2,635	2,829	2,689	2,825	208	194	237	2,577	2,241	2,587
Interventional		1,508	1,705	1,878	2,149	1,901	178	156	180	1,703	1,791	1,723
All Other	186,573	100,871	124,989	133,005	150,835	134,601	10,838	10,817	10,968	121,585	125,696	123,044
Financial Performance (\$000s)												
Net Revenues	629,585	686,327	721,123	746,645	762,388	743,754	67,577	69,230	61,651	677,388	698,855	677,845
Operating Expenses	576,354	632,353	669,680	689,631	738,404	715,481	60,558	64,060	60,498	629,571	677,510	655,385
Operating Income \$	67,276	69,126	70,305	78,120	45,601	50,138	9,060	6,821	2,841	66,765	41,162	41,110
Operating Margin	10.5%	9.9%	9.5%	10.2%	5.8%	6.5%	13.0%	9.6%	4.5%	9.6%	5.7%	5.9%
EBITDA \$	124,420	124,722	125,254	128,002	99,242	100,393	13,329	11,645	7,437	105,706	81,392	79,445
EBITDA %	19.3%	17.8%	16.9%	16.7%	12.7%	13.1%	19.1%	16.4%	11.7%	15.2%	11.3%	11.4%
IP Margin	0.4%	-1.1%	-3.2%	-4.5%	-9.7%	-1.0%	-4.0%	-7.9%	-1.0%	-3.8%	-9.7%	-1.0%
OP Margin	24.7%	25.9%	25.2%	28.1%	24.4%	25.0%	29.9%	12.7%	25.0%	26.8%	24.4%	25.0%
Payor Mix												
Medicare	46.2%	46.4%	44.7%	46.3%	46.0%	46.4%	44.6%	50.6%	46.4%	46.2%	46.6%	46.4%
Medi-Cal	5.3%	4.9%	6.0%	6.6%	7.4%	6.5%	5.9%	7.4%	6.5%	6.5%	7.3%	6.5%
Commercial	41.5%	42.2%	44.0%	42.8%	42.4%	43.0%	45.6%	38.6%	43.0%	43.0%	41.9%	43.0%
Other	7.0%	6.6%	5.4%	4.3%	4.1%	4.1%	3.9%	3.4%	4.1%	4.3%	4.2%	4.1%
Cost												
Employees	2,156.7	2,289.0	2,435.6	2,452.4	2,508.0	2,454.0	2,492.0	2,526.6	2,466.6	2,450.0	2,508.0	2,454.0
Hrs/APD	29.42	29.66	29.72	29.31	30.76	29.38	29.75	29.65	29.61	29.32	30.76	29.38
Balance Sheet												
Net Days in AR	48.1	47.8	50.9	43.6	52.7	48.0	44.7	52.7	48.0	44.7	52.7	48.0
Days Cash	321	350	382	401	355	262	392	355	262	392	355	262
Debt to Capitalization	15.8%	14.0%	12.6%	13.6%	14.1%	29.0%	15.0%	14.1%	29.0%	15.0%	14.1%	29.0%
MADS	7.2	8.0	9.5	8.9	5.4	1.2	9.5	5.4	1.2	9.5	5.4	1.2
Affiliates - Net Income (\$000s)												
Hosp	71,286	88,820	118,906	94,787	31,945	72,460	9,717	10,062	4,701	88,591	28,706	61,573
Concern	1,472	371	1,862	1,202	2,103	1,751	(29)	80	355	1,608	1,937	1,363
ECSC			(5)	(41)	(336)	0	(2)	1	0	(26)	(311)	0
Foundation	138	1,545	3,264	710	994	1,315	(121)	180	125	1,114	919	1,142
SVMD	(30)	(114)	32	106	109	0	(2)	(69)	0	113	85	0

Inpatient volume is 3.2% below budget for the year primarily due to lower surgeries and deliveries

Operating margin for May is favorable despite lower volume due to better charge capture and improved collection rate

Payor mix is unfavorable primarily due to lower deliveries

Productivity for the month is at budget. YTD productivity is unfavorable primarily due to EPIC EPIC go-live.

AR days continue to improve after EPIC go-live

El Camino Hospital (\$000s) ⁽¹⁾

11 months ending 5/31/2016

PERIOD 11 FY 2015	PERIOD 11 FY 2016	PERIOD 11 Budget 2016	Variance Fav (Unfav)	Var%		YTD FY 2015	YTD FY 2016	YTD Budget 2016	Variance Fav (Unfav)	Var%
212,438	243,812	230,289	13,522	5.9%	\$000s					
(144,861)	(174,582)	(168,638)	(5,944)	1.0%	OPERATING REVENUE					
67,577	69,230	61,651	7,579	12.3%	Gross Revenue	2,347,408	2,520,630	2,488,452	32,178	1.3%
2,042	1,650	1,687	(37)	-2.2%	Deductions	(1,670,020)	(1,821,775)	(1,810,607)	(11,168)	0.6%
69,619	70,880	63,338	7,542	11.9%	Net Patient Revenue	677,388	698,855	677,845	21,010	3.1%
					Other Operating Revenue	18,948	19,816	18,650	1,166	6.3%
					Total Operating Revenue	696,336	718,671	696,496	22,176	3.2%
					OPERATING EXPENSE					
35,992	39,553	36,776	(2,778)	-7.6%	Salaries & Wages	376,846	397,620	395,166	(2,454)	-0.6%
9,151	10,866	9,567	(1,298)	-13.6%	Supplies	99,801	106,951	102,963	(3,987)	-3.9%
9,031	6,769	8,014	1,245	15.5%	Fees & Purchased Services	80,555	90,355	87,349	(3,006)	-3.4%
2,236	2,008	1,588	(420)	-26.4%	Other Operating Expense	25,005	32,510	22,458	(10,053)	-44.8%
451	617	448	(169)	-37.6%	Interest	6,462	5,575	4,930	(645)	-13.1%
3,697	4,247	4,105	(142)	-3.5%	Depreciation	40,901	44,498	42,520	(1,979)	-4.7%
60,558	64,060	60,498	(3,562)	-5.9%	Total Operating Expense	629,571	677,510	655,385	(22,124)	-3.4%
9,060	6,821	2,841	3,980	140.1%	Net Operating Income/(Loss)	66,765	41,162	41,110	51	0.1%
657	3,242	1,860	1,381	74.3%	Non Operating Income	21,827	(12,455)	20,462	(32,917)	-160.9%
9,717	10,062	4,701	5,361	114.1%	Net Income(Loss)	88,591	28,706	61,573	(32,866)	-53.4%
19.0%	16.5%	11.7%	4.8%		EBITDA	16.4%	12.7%	12.7%	0.0%	
13.0%	9.6%	4.5%	5.1%		Operating Margin	9.6%	5.7%	5.9%	-0.2%	
14.0%	14.2%	7.4%	6.8%		Net Margin	12.7%	4.0%	8.8%	-4.8%	

Supplies – higher than budget for both month and YTD. YTD variance due to pharmacy, structural heart valves, HVI and surgical medical supply expense.

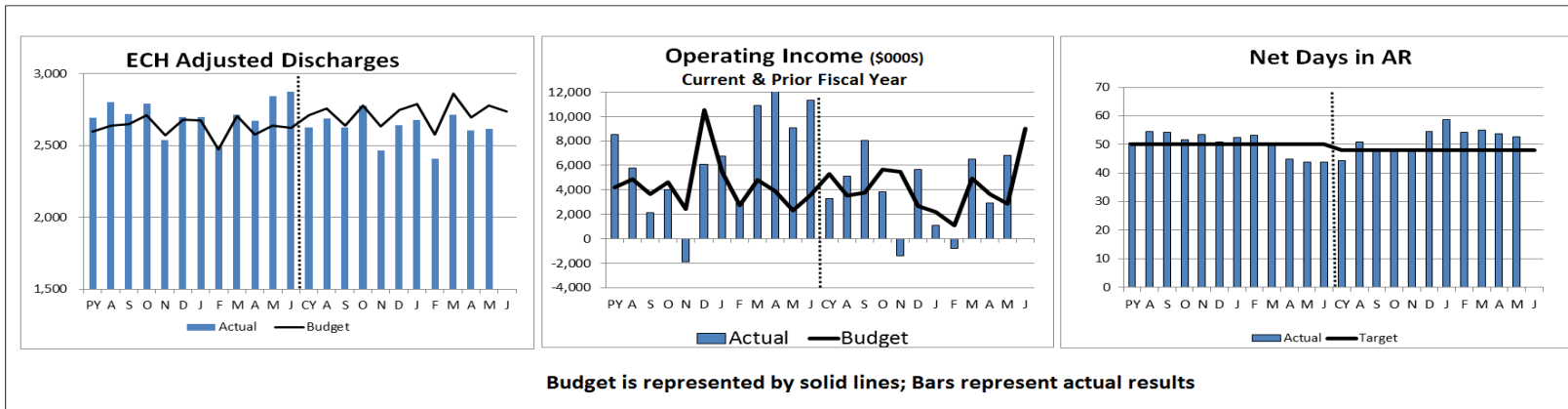
Fees and Purchased services – negative variance due to other consulting fees (Integrated Care consulting) and other purchased services expenses (IT Security – Protiviti, iCare, Oncology, and IT Tech services-Desktop User Support/ VDI Consultant)

Other operating expense – negative variance due to \$3.3 million higher EPIC related costs in labor/training and \$6.5 million in not achieving budget cost reduction targets in other expenses

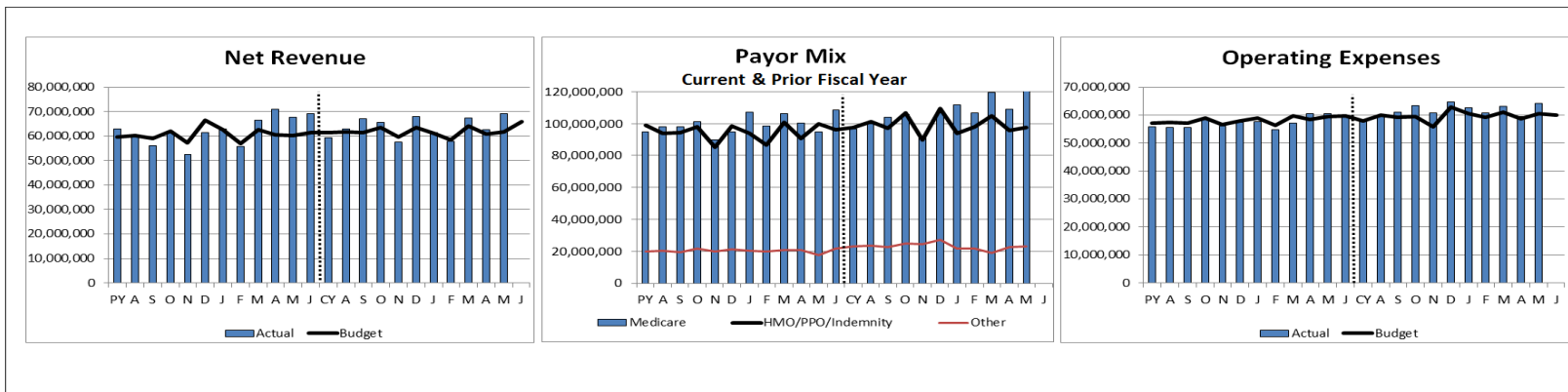
Depreciation - Depreciation is higher due to completion of the data center project and accelerated depreciation on the old hospital that will be demolished to build the iMOB.

⁽¹⁾ Hospital entity only, excludes controlled affiliates

Monthly Financial Trends

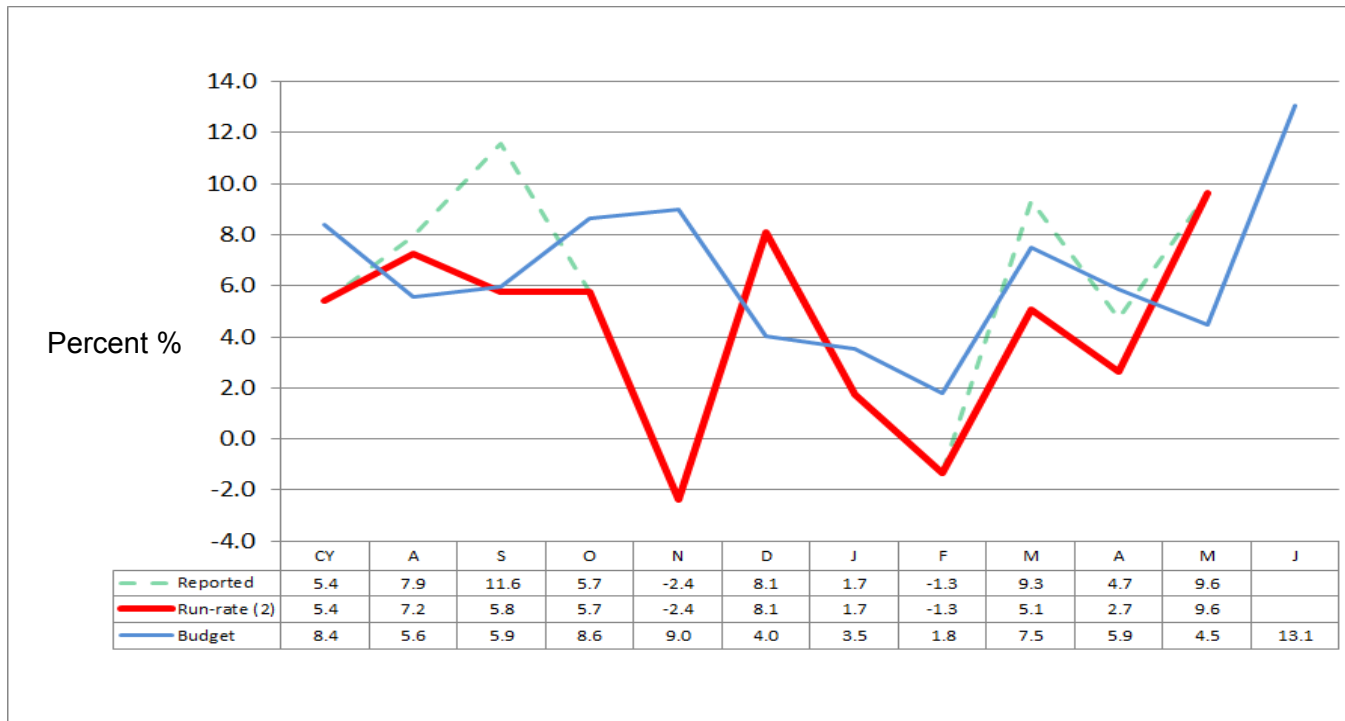


Volume is low mainly in deliveries and surgeries.
AR recovery continued in May



ECH Operating Margin %

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

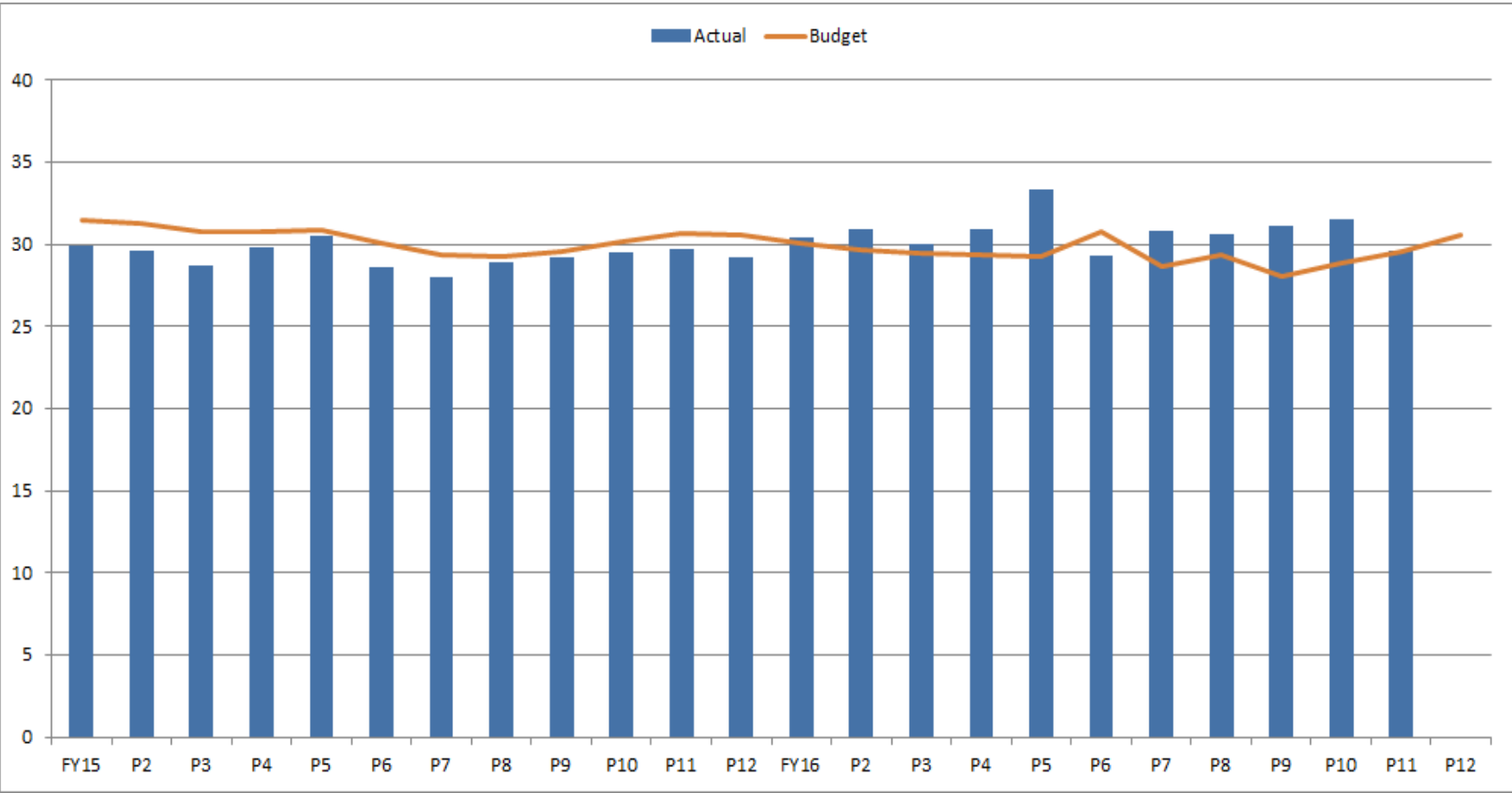


FY 2016 Actual Run Rate Adjustments (in thousands)

		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	\$0
	Cost Reports Settlements	-\$49	-\$569	-\$616	\$0	\$0	\$0	\$0	\$0	\$0	-\$1,028	\$0	\$0
	IGT-Inter Government Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Employee Health Other Op Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,811	\$0	\$0
	Insurance Overpayment Released	\$0	\$0	-\$4,913	\$0	\$0	\$0	\$0	\$0	\$0	-\$2,102	\$0	\$0
	Total	-\$49	-\$569	-\$5,530	\$0	\$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	\$0
	Actuarial Exp for Workers Comp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,979	\$0	\$0	\$0
	Total	\$76	\$69	\$1,183	\$0	\$0	\$0	\$0	\$0	\$2,979	\$0	\$0	\$0

- No revenue/expense adjustments for May.

Worked Hours per Adjusted Patient Day



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

Summary of Financial Results

\$ in Thousands

	Period 11 - Month			Period 11 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Income (Loss) from Operations						
Mountain View	8,003	2,125	5,879	35,686	33,183	2,504
Los Gatos	(1,183)	716	(1,899)	5,475	7,927	(2,452)
Sub Total - El Camino Hospital, excl. Affiliates	6,821	2,841	3,980	41,162	41,110	51
Operating Margin %	9.6%	4.5%		5.7%	5.9%	
El Camino Hospital Non Operating Income						
Investments	3,585	2,298	1,288	(4,123)	25,274	(29,397)
Swap Adjustments	(50)	0	(50)	(2,174)	0	(2,174)
Community Benefit	(43)	(233)	190	(2,630)	(2,566)	(64)
Other	(251)	(204)	(46)	(3,528)	(2,245)	(1,282)
Sub Total - Non Operating Income	3,242	1,860	1,381	(12,455)	20,462	(32,917)
El Camino Hospital Net Income (Loss)	10,062	4,701	5,361	28,706	61,573	(32,866)
ECH Net Margin %	14.2%	7.4%		4.0%	8.8%	
Concern	80	355	(275)	1,937	1,363	574
ECSC	1	0	1	(311)	0	(311)
Foundation	180	125	55	919	1,142	(223)
Silicon Valley Medical Development	(69)	0	(69)	85	0	85
Net Income Hospital Affiliates	191	480	(289)	2,631	2,505	125
Total Net Income Hospital & Affiliates	10,253	5,181	5,072	31,337	64,078	(32,741)

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	17,470	17,087	(383)	-2.2%	300	(683)
Surgical Outpatient Cases (incl Litho)	5,883	5,533	(350)	-5.9%	290	(640)
Endo Outpatient procedures	2,577	2,241	(336)	-13.0%	0	(336)
Outpatient Interventional Cases	1,703	1,788	85	5.0%	10	75
Total Case Volume	27,633	26,649	(984)	-3.6%	600	(1,584)
NEW Physician Total		408	408			
Pre-existing Physician Total	27,633	26,241	(1,392)	-5.0%		
# 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	14,309	14,107	(202)
Surgical Outpatient Cases (incl Litho)	3,093	2,932	(161)
Endo Outpatient procedures	2,376	2,143	(233)
Outpatient Interventional Cases	1,683	1,769	86
Total Case Volume	21,461	20,951	(510)

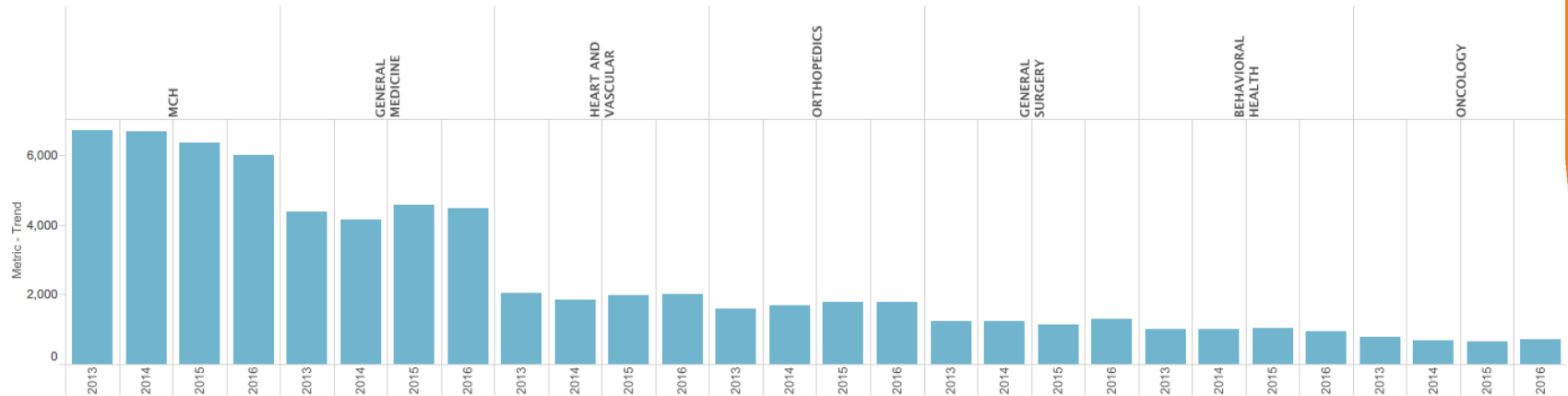
Los Gatos Campus			
	FY15 Year to Date	FY16 Year to Date	Change
Inpatient Discharges	3,161	2,980	(181)
Surgical Outpatient Cases (incl Litho)	2,790	2,601	(189)
Endo Outpatient procedures	201	98	(103)
Outpatient Interventional Cases	20	19	(1)
Total Case Volume	6,172	5,698	(474)

(1) Hospital entity only, excludes controlled affiliates

El Camino Hospital Volume Annual Trends FY 2016 is annualized

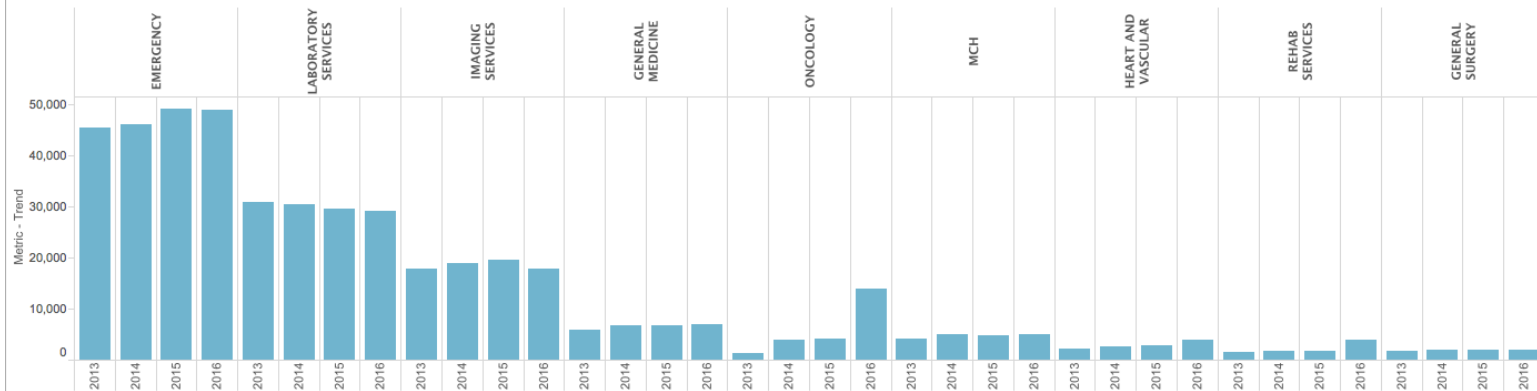
IP

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.

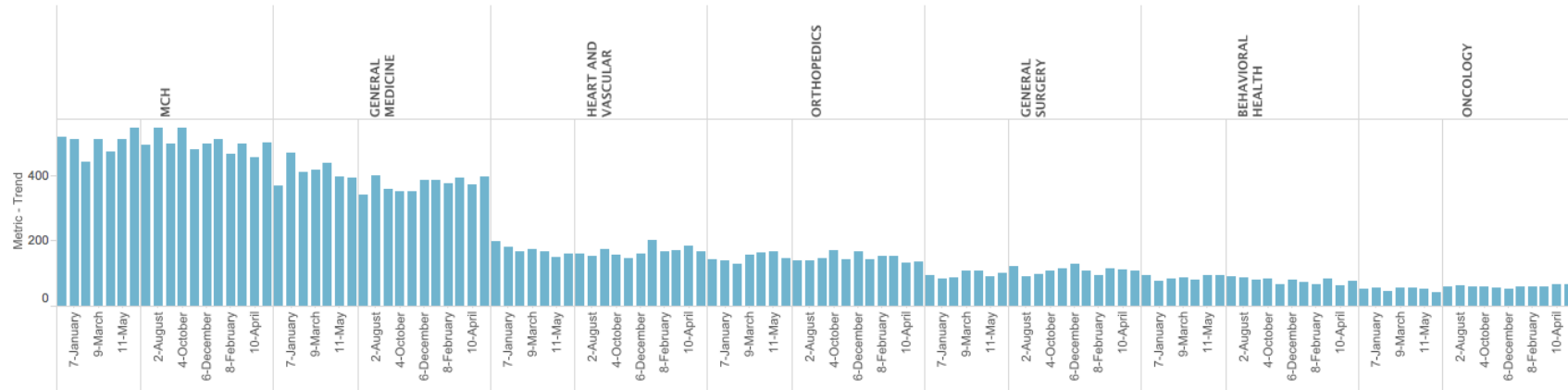


- IP declined in maternal child health service line – 2015 decline was NICU which recovered in 2016; the 2016 decline is in deliveries. Other service lines are stable
- OP – ED has grown due to ACO but plateaued in 2016. Oncology has grown but measure changed with EPIC and is not comparable to legacy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

El Camino Hospital Volume Monthly Trends Prior and Current Fiscal Years

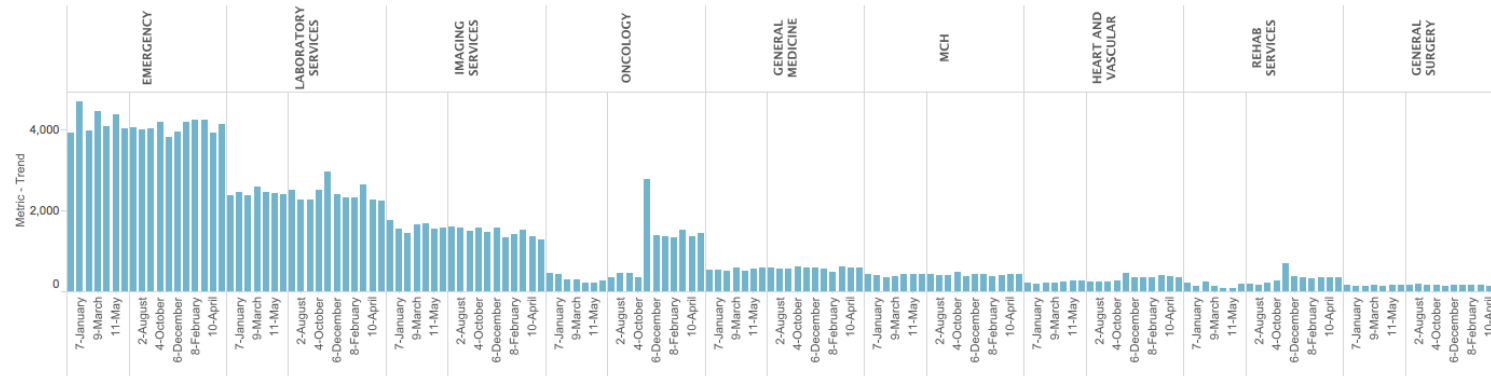
IP

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

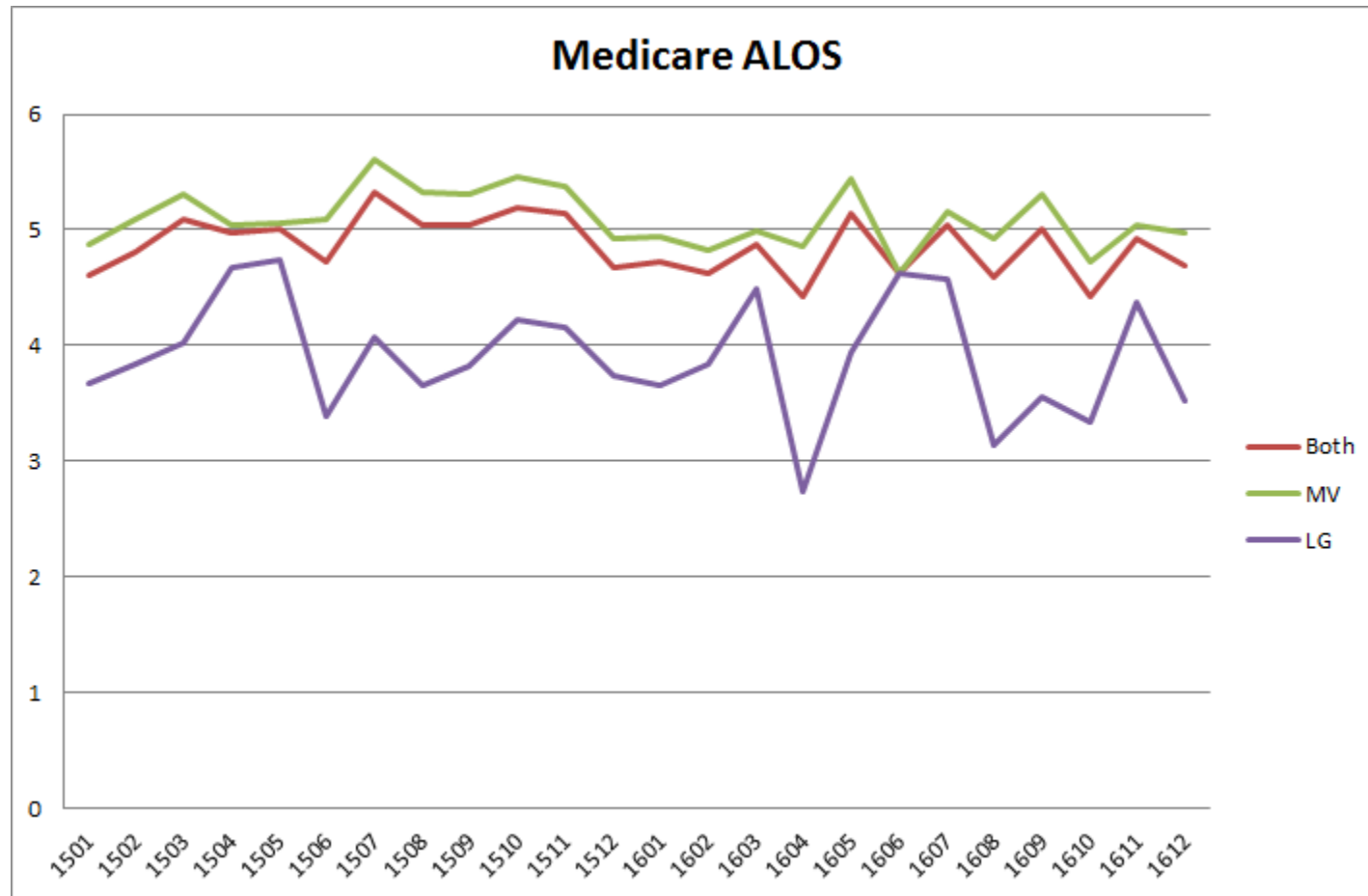


OP

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 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

March 31, 2016

Updated Quarterly

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)		\$330.6	--	--	--	--	--	--	--
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	--	--	--	--	--	--

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	57.0	23.7	20.8	2.9
	IT Hardware, Software, Equipment*			6.9		6.9	6.5	0.4
	Medical & Non Medical Equipment			16.5		14.7	14.3	0.4
	Facility Projects							
	1307 LG Upgrades	FY13	15.5	17.3	10.1	4.0	3.3	0.7
	1219 LG Spine OR	FY13	4.1	4.1	1.2	1.0	0.6	0.4
	1414 Integrated MOB	FY15	232.0	28.0	10.8	10.0	8.1	1.9
	1413 North Drive Parking Expansion	FY15	15.0	3.0	1.5	2.4	1.2	1.2
	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	8.8	0.0	1.0	0.0	1.0
	1313/1224 LG Rehab HVAC System & Structural	FY16	3.7	3.7	1.6	3.0	1.6	1.4
	1502 Cabling & Wireless Upgrades	FY16	2.5	2.8	1.3	2.4	1.3	1.1
	1425 IMOB Preparation Project - Old Main	FY16	2.3	3.0	0.7	1.2	0.7	0.5
	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
	1503 Willow Pavilion Tomosynthesis	FY16	0.3	1.3	0.1	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	40.2	35.5	5.1	1.4	3.7
			495.9	150.0	97.6	66.5	47.4	19.1
GRAND TOTAL				247.2		111.8	88.9	22.9
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

Balance Sheet (\$ Thousands)

ASSETS

	Audited	
	May 31, 2016	June 30, 2015
CURRENT ASSETS		
Cash	49,168	55,224
Short Term Investments	103,291	145,027
Patient Accounts Receivable, net	109,713	95,737
Other Accounts and Notes Receivable	3,063	2,378
Intercompany Receivables	1,349	1,595
Inventories and Prepaids	46,094	44,055
Total Current Assets	312,678	344,016
BOARD DESIGNATED ASSETS		
Plant & Equipment Fund	117,499	117,965
Operational Reserve Fund	100,196	100,196
Community Benefit Fund	12,260	2,085
Workers Compensation Reserve Fund	23,552	24,719
Postretirement Health/Life Reserve Fund	18,719	17,197
PTO Liability Fund	23,117	22,212
Malpractice Reserve Fund	1,800	1,800
Catastrophic Reserves Fund	14,218	14,150
Total Board Designated Assets	311,361	300,324
FUNDS HELD BY TRUSTEE	31,211	37,676
LONG TERM INVESTMENTS	205,899	207,290
INVESTMENTS IN AFFILIATES	31,241	31,808
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	1,177,313	1,077,951
Less: Accumulated Depreciation	(499,475)	(473,920)
Construction in Progress	43,469	82,506
Property, Plant & Equipment - Net	721,307	686,537
DEFERRED OUTFLOWS	24,668	25,218
RESTRICTED ASSETS - CASH	0	5
TOTAL ASSETS	1,638,366	1,632,874

LIABILITIES AND FUND BALANCE

	Audited	
	May 31, 2016	June 30, 2015
CURRENT LIABILITIES		
Accounts Payable (1)	23,456	30,142
Salaries and Related Liabilities	14,639	20,812
Accrued PTO	23,117	22,212
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	11,141	20,253
Intercompany Payables	65	108
Malpractice Reserves	2,125	1,800
Bonds Payable - Current	3,635	5,475
Bond Interest Payable	2,527	1,711
Other Liabilities	3,574	3,111
Total Current Liabilities	86,580	107,925
LONG TERM LIABILITIES		
Post Retirement Benefits	18,719	17,197
Worker's Comp Reserve	21,252	22,419
Other L/T Obligation (Asbestos)	3,628	3,531
Other L/T Liabilities (IT/Medl Leases)	-	7,102
Bond Payable	227,387	222,446
Total Long Term Liabilities	270,986	272,696
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	969,438	951,924
Board Designated	311,361	300,324
Restricted	0	5
Total Fund Bal & Capital Accts	1,280,799	1,252,254
TOTAL LIABILITIES AND FUND BALANCE	1,638,366	1,632,874

(1) PYE AP included SLOT related construction retention and invoices

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	443.28											
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	73,148	73,061	6,290	6,576	6,167	67,607	67,053	67,195
ADC	181	198	195	201	200	200	203	212	199	202	200	200
Adjusted Acute Discharges	25,420	26,640	26,147	26,627	25,937	26,705	2,329	2,171	2,269	24,284	23,777	24,472
Acute Discharges	15,019	15,876	15,177	15,619	15,389	15,756	1,355	1,314	1,338	14,309	14,107	14,448
Inpatient total												
Acute	15,019	15,876	15,177	15,619	15,389	15,756	1,355	1,314	1,338	14,309	14,107	14,448
Deliveries	3,973	4,480	4,364	4,383	4,058	4,488	363	326	384	4,011	3,720	4,117
BHS	899	851	844	872	796	850	81	67	72	795	730	778
Rehab	0	0	0	0	0	0	0	0	0	0	0	0
OP total												
ED	42,537	37,256	38,502	41,301	40,216	41,187	2,771	4,174	3,391	37,015	36,865	37,751
OP Surg	2,309	2,818	3,278	3,407	3,520	3,600	329	247	314	3,093	2,933	3,296
Endo	1942	2,104	2,405	2,606	2,572	2,607	192	189	219	2,376	2,143	2,388
Interventional		1,497	1,688	1,856	2,123	1,878	177	154	179	1,683	1,769	1,703
All Other	174,541	86,692	109,275	115,671	133,163	117,059	9,369	9,490	9,481	105,796	110,969	107,066
Financial Performance (\$000s)										513869.393		
Net Revenues	507,128	557,533	589,420	603,788	623,589	602,989	56,827	58,848	49,718	550,065	571,624	548,763
Operating Expenses	470,713	516,892	550,736	562,790	603,277	580,982	49,533	52,319	49,089	513,869	553,630	532,125
Operating Income \$	49,994	55,324	56,518	59,684	39,613	41,574	9,085	8,003	2,125	52,946	35,686	33,183
Operating Margin	9.6%	9.7%	9.3%	9.6%	6.2%	6.7%	15.5%	13.3%	4.1%	9.3%	6.1%	5.9%
EBITDA \$	100,790	105,938	105,814	103,637	87,219	87,252	12,863	12,305	6,154	87,463	71,391	66,940
EBITDA %	19.4%	18.5%	17.4%	16.6%	13.6%	14.0%	21.9%	20.4%	12.0%	15.4%	12.1%	11.8%
Payor Mix												
Medicare	41.4%	42.0%	44.0%	42.6%	46.3%	46.4%	44.9%	50.6%	46.4%	46.3%	46.3%	46.4%
Medi-Cal	6.0%	5.4%	6.5%	7.1%	7.8%	7.0%	6.3%	7.7%	7.0%	7.0%	7.8%	7.0%
Commercial	47.7%	47.8%	44.6%	46.4%	42.2%	42.9%	45.1%	38.8%	42.9%	42.8%	42.2%	42.9%
Other	4.9%	4.8%	4.9%	3.9%	3.7%	3.7%	3.7%	2.9%	3.7%	3.9%	3.7%	3.7%
Cost												
Employees	1,793.0	1,901.0	2,027.6	2,029.9	2,169.1	2,031.3	2,059.9	2,110.0	2,047.6	2,028.0	2,123.2	2,031.3
Hrs/APD	29.28	29.58	30.16	29.60	30.99	29.83	29.75	29.93	30.18	29.60	30.99	29.83

Dashboard - Los Gatos

	Annual						Month			YTD		
	2012	2013	2014	2015	2016 Projection	2016 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	45	39	47	37	35	37
Adjusted Acute Discharges	5,178	5,582	5,856	5,880	5,486	5,992	511	445	510	5,352	5,028	5,490
Acute Discharges	3,212	3,344	3,390	3,462	3,251	3,506	299	264	298	3,161	2,980	3,215
Inpatient total												
Acute	3,212	3,344	3,390	3,462	3,251	3,506	299	264	298	3,161	2,980	3,215
Deliveries	627	747	791	677	628	705	49	61	60	610	576	645
BHS	0	0	0	0	0	0	0	0	0	0	0	0
Rehab	447	537	557	563	500	570	47	32	49	526	458	522
OP total												
ED	11,149	10,835	11,041	11,186	11,402	10,964	776	1,163	903	10,012	10,452	10,049
OP Surg	3,009	3,020	3,107	3,067	2,837	3,076	248	229	268	2,790	2,601	2,815
Endo	433	296	230	223	118	218	16	5	18	201	98	199
Interventional		11	17	22	26	22	1	2	1	20	22	20
All Other	12,032	14,179	15,714	17,334	17,672	17,542	1,469	1,327	1,487	15,789	14,727	15,978
Financial Performance (\$000s)												
Net Revenues	122,457	128,794	131,702	142,858	138,798	140,765	10,750	10,382	11,933	127,323	127,232	129,082
Operating Expenses	105,641	115,461	118,944	126,841	135,126	134,499	11,026	11,740	11,408	115,702	123,880	123,261
Operating Income \$	17,282	13,802	13,787	18,436	5,988	8,563	-25	-1,183	716	13,819	5,475	7,927
Op Margin	14.1%	10.7%	10.4%	12.7%	4.2%	6.0%	-0.2%	-11.2%	5.9%	10.7%	4.2%	6.0%
EBITDA \$	23,630	18,784	19,440	24,365	12,023	13,141	465	-661	1,283	18,243	10,001	12,505
EBITDA %	19.2%	14.5%	14.6%	16.8%	8.5%	9.2%	4.2%	-6.3%	10.6%	14.1%	7.7%	9.5%
Payor Mix												
Medicare	44.7%	45.5%	44.0%	43.8%	48.2%	43.1%	43.5%	50.3%	43.1%	45.8%	48.2%	43.1%
Medi-Cal	3.0%	2.9%	3.5%	4.3%	4.9%	3.0%	4.4%	6.3%	3.0%	4.3%	4.9%	3.0%
Commercial	43.3%	42.3%	45.0%	46.1%	40.7%	45.3%	47.6%	37.6%	45.3%	43.8%	40.7%	45.3%
Other	9.0%	9.3%	7.5%	5.8%	6.2%	8.6%	4.5%	5.8%	8.6%	6.1%	6.2%	8.6%
Cost												
Employees	363.8	388.0	408.1	422.6	421.2	420.4	432.5	416.6	419.1	422.2	421.2	420.4
Hrs/APD	30.10	29.13	27.65	28.00	29.69	27.45	29.75	28.31	27.18	28.07	29.69	27.45

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

11 months ending 5/31/2016

PERIOD 11 FY 2015	PERIOD 11 FY 2016	PERIOD 11 Budget 2016	Variance Fav (Unfav)	Var%		YTD FY 2015	YTD FY 2016	YTD Budget 2016	Variance Fav (Unfav)	Var%
					\$000s					
					OPERATING REVENUE					
173,694	203,708	188,650	15,059	8.0%	Gross Revenue	1,917,769	2,070,126	2,039,542	30,584	1.5%
(116,867)	(144,860)	(138,931)	(5,929)	4.3%	Deductions	(1,367,704)	(1,498,502)	(1,490,779)	(7,724)	0.5%
56,827	58,848	49,718	9,130	18.4%	Net Patient Revenue	550,065	571,624	548,763	22,861	4.2%
1,791	1,475	1,496	(21)	-1.4%	Other Operating Revenue	16,750	17,693	16,545	1,148	6.9%
58,618	60,323	51,214	9,109	17.8%	Total Operating Revenue	566,816	589,316	565,308	24,009	4.2%
					OPERATING EXPENSE					
29,691	33,014	30,665	(2,349)	-7.7%	Salaries & Wages	312,199	330,989	328,965	(2,024)	-0.6%
7,543	8,899	7,812	(1,087)	-13.9%	Supplies	81,094	87,366	83,891	(3,475)	-4.1%
7,589	5,550	6,684	1,134	17.0%	Fees & Purchased Services	66,604	75,502	72,553	(2,949)	-4.1%
1,061	517	(60)	(577)	962.3%	Other Operating Expense	12,027	15,271	4,973	(10,298)	-207.1%
451	617	448	(169)	-37.6%	Interest	6,462	5,575	4,930	(645)	-13.1%
3,197	3,723	3,541	(182)	-5.1%	Depreciation	35,483	38,926	36,812	(2,114)	-5.7%
49,533	52,319	49,089	(3,230)	-6.6%	Total Operating Expense	513,869	553,630	532,125	(21,505)	-4.0%
9,085	8,003	2,125	5,879	276.7%	Net Operating Income/(Loss)	52,946	35,686	33,183	2,504	7.5%
657	3,242	1,860	1,381	74.3%	Non Operating Income	21,827	(12,429)	20,462	(32,891)	-160.7%
9,742	11,245	3,985	7,260	182.2%	Net Income(Loss)	74,773	23,257	53,645	(30,388)	-56.6%
20.2%	18.4%	9.5%	8.9%		EBITDA	15.0%	11.3%	10.8%	0.5%	
15.5%	13.3%	4.1%	9.1%		Operating Margin	9.3%	6.1%	5.9%	0.2%	
16.6%	18.6%	7.8%	10.9%		Net Margin	13.2%	3.9%	9.5%	-5.5%	

⁽¹⁾ Hospital entity only, excludes controlled affiliates

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

Results from Operations vs. Prior Year

11 months ending 5/31/2016

PERIOD 11 FY 2015	PERIOD 11 FY 2016	PERIOD 11 Budget 2016	Variance Fav (Unfav)	Var%		YTD FY 2015	YTD FY 2016	YTD Budget 2016	Variance Fav (Unfav)	Var%
					\$000s					
					OPERATING REVENUE					
38,743	40,103	41,640	(1,536)	-3.7%	Gross Revenue	429,639	450,504	448,910	1,594	0.4%
(27,994)	(29,722)	(29,707)	(15)	0.0%	Deductions	(302,317)	(323,273)	(319,828)	(3,445)	1.1%
10,750	10,382	11,933	(1,551)	-13.0%	Net Patient Revenue	127,323	127,232	129,082	(1,851)	-1.4%
251	176	192	(16)	-8.2%	Other Operating Revenue	2,198	2,124	2,106	18	0.8%
11,001	10,558	12,124	(1,567)	-12.9%	Total Operating Revenue	129,521	129,355	131,188	(1,833)	-1.4%
					OPERATING EXPENSE					
6,301	6,540	6,111	(429)	-7.0%	Salaries & Wages	64,647	66,631	66,201	(430)	-0.6%
1,608	1,967	1,755	(211)	-12.0%	Supplies	18,707	19,584	19,072	(512)	-2.7%
1,442	1,219	1,330	111	8.3%	Fees & Purchased Services	13,952	14,853	14,795	(58)	-0.4%
1,175	1,490	1,648	158	9.6%	Other Operating Expense	12,977	17,240	17,485	245	1.4%
0	0	0	0	0.0%	Interest	0	0	0	0	0.0%
500	524	563	39	7.0%	Depreciation	5,418	5,572	5,708	135	2.4%
11,026	11,740	11,408	(332)	-2.9%	Total Operating Expense	115,702	123,880	123,261	(619)	-0.5%
(25)	(1,183)	716	(1,899)	-265.1%	Net Operating Income/(Loss)	13,819	5,475	7,927	(2,452)	-30.9%
0	0	0	0	0.0%	Non Operating Income	0	(26)	0	(26)	0.0%
(25)	(1,183)	716	(1,899)	-265.1%	Net Income(Loss)	13,819	5,449	7,927	(2,478)	-31.3%
12.3%	5.6%	20.9%	-15.3%		EBITDA	22.3%	19.2%	20.9%	-1.7%	
-0.2%	-11.2%	5.9%	-17.1%		Operating Margin	10.7%	4.2%	6.0%	-1.8%	
-0.2%	-11.2%	5.9%	-17.1%		Net Margin	10.7%	4.2%	6.0%	-1.8%	

⁽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