



El Camino Hospital

THE HOSPITAL OF SILICON VALLEY

Summary of Financial Operations
Iftikhar Hussain, CFO

Fiscal Year 2017 – Period 2
7/1/2016 to 8/31/2016

* * *

Dashboard - ECH combined as of August 31, 2016⁽²⁾

	Annual						Month			YTD		
	2013	2014	2015	2016	2017	2017	PY	CY	Bud/Target	PY	CY	Bud/Target
					Proj.	Bud/Target						
Volume												
Licensed Beds	443	443	443	443	443	443	443	443	443	443	443	443
ADC	240	238	246	242	233	245	237	228	234	233	229	234
Adjusted Discharges	29,300	28,999	29,361	28,662	29,231	29,446	2,473	2,501	2,477	4,973	4,872	4,929
Total Discharges	24,099	23,368	23,757	23,022	22,974	23,420	2,006	1,949	1,952	3,893	3,829	3,915
Inpatient Cases												
MS Discharges	17,478	16,824	17,234	16,999	16,794	17,285	1,465	1,418	1,440	2,841	2,799	2,880
Deliveries	5,235	5,140	5,067	4,717	4,722	4,810	419	404	401	817	787	802
BHS	861	857	901	806	900	755	72	80	63	146	150	137
Rehab	525	547	555	500	558	570	50	47	48	89	93	96
Outpatient												
ED	45,525	46,056	49,130	48,661	49,794	51,253	4,104	4,249	4,271	8,203	8,299	8,542
Procedural Cases												
OP Surg	5,852	6,403	6,488	6,074	6,192	6,004	528	539	500	1,075	1,032	1,096
Endo	2,242	2,492	2,520	2,322	1,998	2,479	199	197	207	420	333	412
Interventional	1,709	1,917	2,144	2,227	2,136	2,049	163	168	171	336	356	342
All Other	64,352	69,339	67,831	80,673	83,820	85,255	5,678	7,375	7,105	11,220	13,970	14,208
Financial Performance (\$000s)												
Net Revenues	686,327	721,123	746,645	772,020	792,128	789,585	62,813	66,835	65,277	122,009	132,021	128,224
Operating Expenses	632,353	669,680	689,631	743,044	710,401	758,807	59,619	60,425	62,986	117,783	118,400	124,376
Operating Income \$	69,126	70,305	78,120	52,613	103,425	55,837	5,142	8,324	4,355	8,448	17,238	8,048
Operating Margin	9.9%	9.5%	10.2%	6.6%	12.7%	6.9%	7.9%	12.1%	6.5%	6.7%	12.7%	6.1%
EBITDA \$	124,722	125,254	128,002	108,554	159,540	115,910	9,430	13,031	9,251	16,858	26,590	17,858
EBITDA %	17.8%	16.9%	16.7%	13.6%	19.6%	14.2%	14.6%	19.0%	13.7%	13.4%	19.6%	13.5%
IP Margin ¹	-1.1%	-3.2%	-4.5%	-6.6%	-8.5%	-6.1%	-3.3%	-8.5%	-6.1%	-3.3%	-8.5%	-6.1%
OP Margin ¹	25.9%	25.2%	28.1%	26.1%	31.8%	26.4%	31.6%	31.8%	26.4%	31.6%	31.8%	26.4%
Payor Mix												
Medicare	46.3%	44.6%	46.2%	46.6%	44.5%	46.4%	44.5%	48.7%	46.4%	44.5%	48.2%	46.4%
Medi-Cal	4.9%	6.0%	6.6%	7.4%	8.0%	6.5%	7.9%	6.5%	6.5%	7.9%	6.8%	6.5%
Commercial IP	25.3%	25.4%	24.2%	23.2%	23.3%	24.0%	24.5%	21.9%	24.0%	23.9%	21.8%	24.0%
Commercial OP	16.9%	18.6%	18.7%	18.7%	20.1%	19.0%	19.3%	20.0%	19.0%	19.7%	19.9%	19.3%
Total Commercial	42.2%	44.0%	42.9%	41.9%	43.4%	43.0%	43.8%	41.9%	43.0%	43.6%	41.7%	43.2%
Other	6.6%	5.4%	4.3%	4.1%	4.1%	4.1%	3.9%	2.9%	4.1%	4.0%	3.3%	4.1%
Cost												
Employees	2,289.0	2,435.6	2,452.4	2,542.8	2,468.8	2,499.7	2,602.6	2,457.6	2,533.0	2,583.0	2,468.8	2,499.7
Hrs/APD	29.72	29.31	30.45	30.35	30.20	31.22	30.10	30.07	31.52	30.67	30.20	31.22
Balance Sheet												
Net Days in AR	47.8	50.9	43.6	53.7	49.6	48.0	50.9	49.6	48.0	50.9	49.6	48.0
Days Cash	350	382	401	361	410	266	393	410	266	393	410	266
Debt to Capitalization	14.0%	12.6%	13.6%	13.8%	13.5%	17.3%	13.7%	13.5%	17.3%	13.7%	13.5%	17.3%
MADS	8.0	9.5	8.9	6.1	11.3	9.3	7.4	11.3	9.3	7.4	11.3	9.3
Affiliates - Net Income (\$000s)												
Hosp	88,820	118,906	94,787	43,043	33,562	67,032	(11,891)	13,277	5,288	(7,320)	33,562	9,914
Concern	371	1,862	1,202	1,823	504	2,604	380	125	207	648	504	417
ECSC	(317)	(5)	(41)	(282)	(3)	0	18	(0)	0	19	(3)	0
Foundation	1,545	3,264	710	982	640	(450)	(580)	126	(48)	(311)	640	(90)
SVMD	(114)	32	106	156	143	0	(2)	(47)	(1)	(4)	143	(2)

Inpatient Volume:

- YTD August Inpatient discharges was 3.2% below budget
- # of Deliveries were lower than budget by 2.5%; and General Medicine was also posted a lower case volume for the month and YTD.
- However, General Surgery, Spine Surgery and HVI cases were above budget by 4-5%.

Outpatient Volume:

- Overall outpatient volume was close to budget.
- Areas with better than budget performance include OP BHS, OP HVI and OP Oncology (Infusion Center) & Sleep Center.
- ED, OP Surgeries, and ENDO cases all posted a lower budget volume YTD.

Operation Income:

- Operating margin for August was \$4M favorable to budget, \$9.2M favorable year to date. Both revenues and expenses are favorable compared to budget.
- The favorable Net Revenue variance is primarily due to improved rev cycle operations including reduction in denials, Blue Cross rate increase and improvement in charge capture.
- Expenses are low in labor by \$1.8M with improved in efficiency and non labor categories like purchase services and consulting fees.

In August, receivables decreased \$9.7M from July, as net days in A/R decreased to 49.6.

Fiscal Year 2017 YTD (7/1/2016-8/31/2016) Waterfall

		Month to Date (MTD)			Year to Date (YTD)		
		Detail	Net Income Impact	% Net Revenue	Detail	Net Income Impact	% Net Revenue
\$ in Thousands							
Net Revenue (FY2017 Budget/FY2017 Actual)		67,341	68,749		132,424	135,638	
Budgeted Hospital Operations FY2017			4,355	6.5%		8,048	6.1%
Net Revenue			1,408	2.0%		3,214	2.4%
* IP/OP volumes are either holding steady. Rev is higher than expected due to improvement in reve cycle processes mainly reduced denials		1,408					
Labor and Benefit Expense Change			1,826	2.7%		2,658	2.0%
* Flexing to meet volumes. Hours currently under budget by 3%		1,826			2,658		
Professional Fees & Purchased Services			292	0.4%		1,489	1.1%
* Budgeted Medical Director fees/Consultants		138			926		
* Repairs/Software		154			563		
Supplies			(54)	-0.1%		1,173	0.9%
* Drug Exp		(684)			(339)		
* Medical Supplies (Volumes)		119			790		
* Misc Net Supplies (Food/Volumes)		511			721		
Other Expenses			309	0.4%		199	0.1%
* Dues and Subscriptions		309			199		
Depreciation & Interest			189	0.3%		458	0.3%
Actual Hospital Operations FY2017			8,324	12.1%		17,238	12.7%

El Camino Hospital (\$000s) ⁽¹⁾

2 month ending 8/31/2016

PERIOD 2 FY 2016	PERIOD 2 FY 2017	PERIOD 2 Budget 2017	Variance Fav (Unfav)	Var%
224,410	243,585	242,041	1,544	0.6%
(161,597)	(176,750)	(176,764)	14	1.0%
62,813	66,835	65,277	1,558	2.4%
1,948	1,914	2,064	(150)	-7.3%
64,761	68,749	67,341	1,408	2.1%
34,940	35,755	37,581	1,826	4.9%
9,867	9,838	9,783	(54)	-0.6%
7,336	7,463	7,755	292	3.8%
3,188	2,663	2,972	309	10.4%
450	612	602	(10)	-1.7%
3,838	4,094	4,293	199	4.6%
59,619	60,425	62,986	2,561	4.1%
5,142	8,324	4,355	3,969	91.1%
(17,034)	4,953	933	4,020	430.9%
(11,891)	13,277	5,288	7,989	151.1%
14.6%	19.0%	13.7%	5.2%	
7.9%	12.1%	6.5%	5.6%	
-18.4%	19.3%	7.9%	11.5%	

\$000s OPERATING REVENUE

Gross Revenue
Deductions
Net Patient Revenue
Other Operating Revenue
Total Operating Revenue

OPERATING EXPENSE

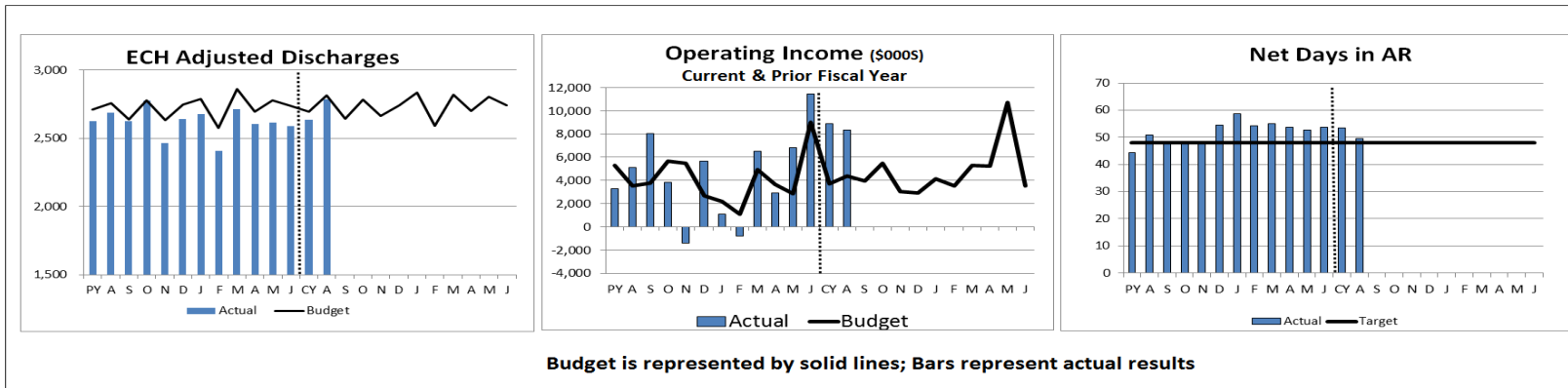
Salaries & Wages
Supplies
Fees & Purchased Services
Other Operating Expense
Interest
Depreciation
Total Operating Expense
Net Operating Income/(Loss)
Non Operating Income
Net Income(Loss)

EBITDA
Operating Margin
Net Margin

YTD FY 2016	YTD FY 2017	YTD Budget 2017	Variance Fav (Unfav)	Var%
441,375	474,847	475,459	(612)	-0.1%
(319,367)	(342,826)	(347,236)	4,410	-1.3%
122,009	132,021	128,224	3,798	3.0%
4,222	3,616	4,200	(584)	-13.9%
126,230	135,638	132,424	3,214	2.4%
70,053	71,269	73,927	2,658	3.6%
19,581	18,278	19,451	1,173	6.0%
14,677	14,461	15,950	1,489	9.3%
5,010	5,040	5,238	199	3.8%
900	1,229	1,204	(25)	-2.0%
7,560	8,124	8,606	482	5.6%
117,783	118,400	124,376	5,976	4.8%
8,448	17,238	8,048	9,190	114.2%
(15,768)	16,324	1,866	14,459	775.0%
(7,320)	33,562	9,914	23,648	238.5%
13.4%	19.6%	13.5%	6.1%	
6.7%	12.7%	6.1%	6.6%	
-5.8%	24.7%	7.5%	17.3%	

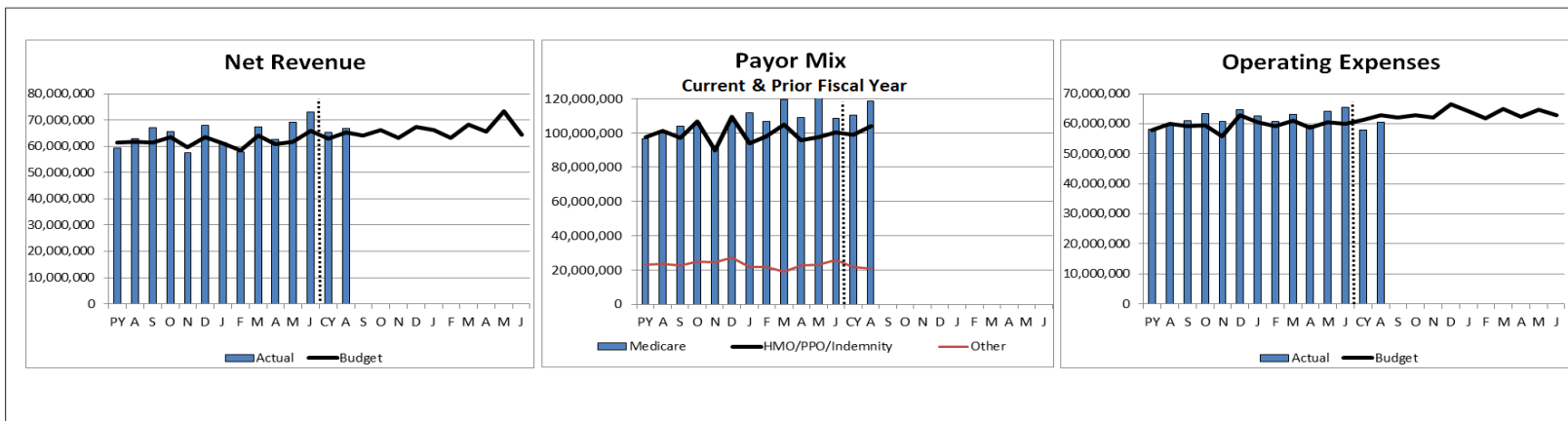
⁽¹⁾ Hospital entity only, excludes controlled affiliates

Monthly Financial Trends



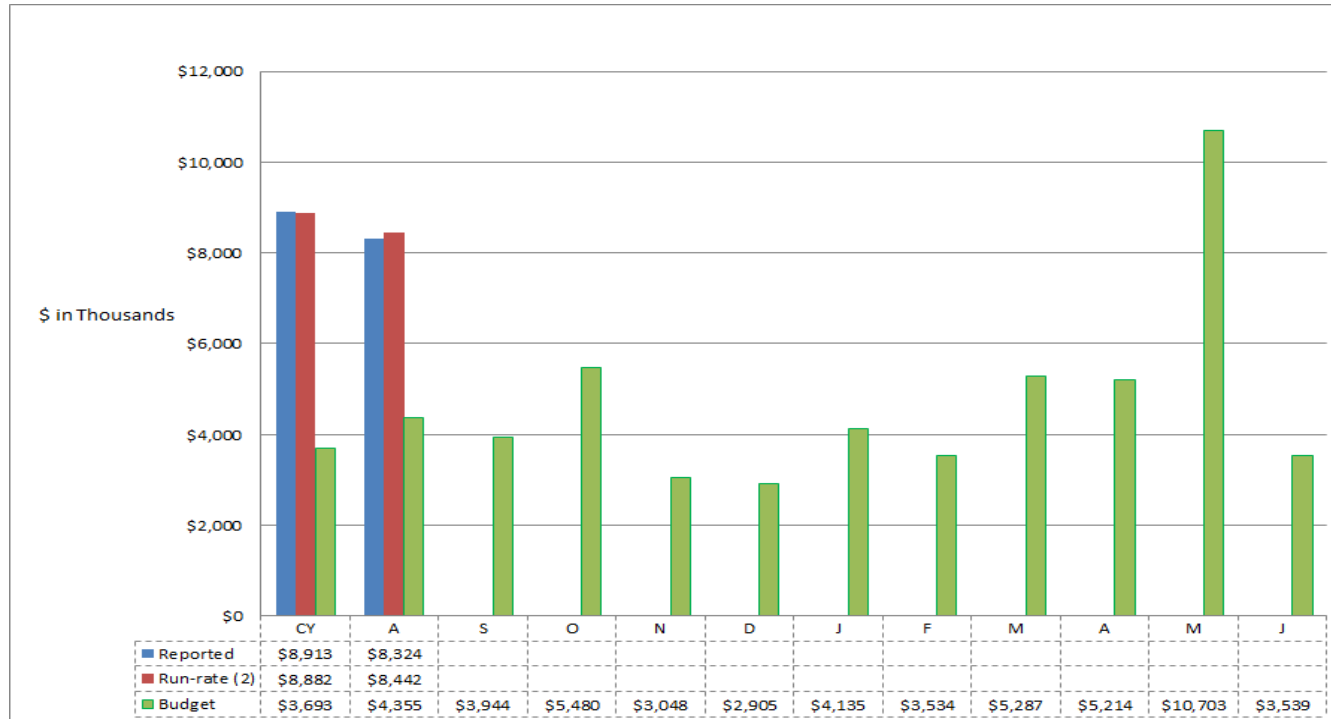
Volume is low mainly in surgeries.

AR days decreased 3.9 days from July to August.



ECH Operating Margin

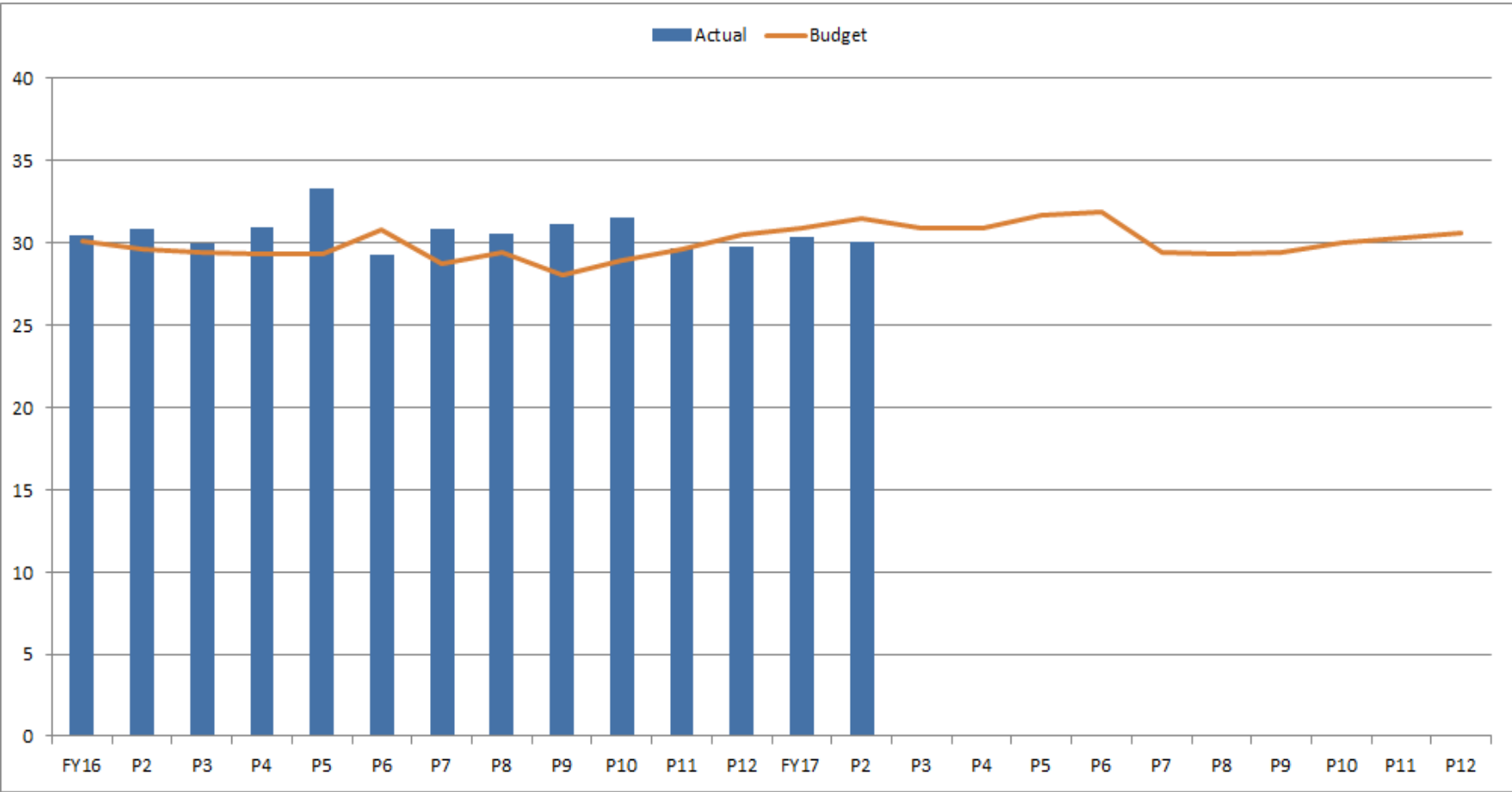
Run rate is booked operating income adjusted for material non-recurring transactions



FY 2017 Actual Run Rate Adjustments (in thousands)

		J	A	S	O	N	D	J	F	M	A	M	J
Revenue Adjustments	RAC Release	\$76	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Insurance Overpayment Release Spine	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Mcare Settlmt/ Appeal/Tent Settlmt/PIP	-\$100	\$158	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	-\$31	\$118	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expense Adjustments	Pay-For-Performance Bonus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Actuarial Exp for Workers Comp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Worked Hours per Adjusted Patient Day



Productivity has improved after EPIC go-live and is ahead of target in August .

Summary of Financial Results

\$ in Thousands

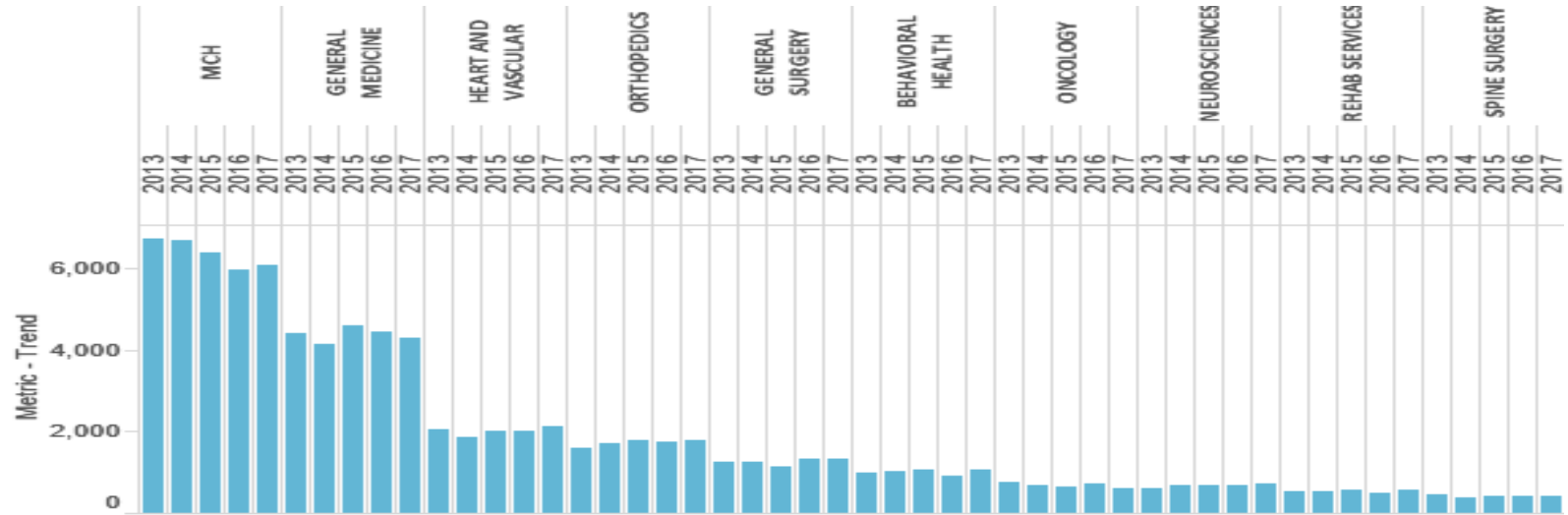
	Period 2 - Month			Period 2 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Income (Loss) from Operations						
Mountain View	7,589	3,421	4,168	15,306	6,098	9,209
Los Gatos	735	934	(199)	1,931	1,950	(19)
Sub Total - El Camino Hospital, excl. Affiliates	8,324	4,355	3,969	17,238	8,048	9,190
Operating Margin %	12.1%	6.5%		12.7%	6.1%	
El Camino Hospital Non Operating Income						
Investments	4,570	1,666	2,904	16,470	3,331	13,139
Swap Adjustments	182	0	182	(70)	0	(70)
Community Benefit	(189)	(283)	94	(320)	(567)	246
Other	390	(449)	839	244	(899)	1,143
Sub Total - Non Operating Income	4,953	933	4,020	16,324	1,866	14,459
El Camino Hospital Net Income (Loss)	13,277	5,288	7,989	33,562	9,914	23,648
ECH Net Margin %	19.3%	7.9%		24.7%	7.5%	
Concern	125	207	(82)	504	417	87
ECSC	0	0	0	(3)	0	(3)
Foundation	126	(48)	174	640	(90)	731
Silicon Valley Medical Development	(47)	(1)	(46)	143	(2)	145
Net Income Hospital Affiliates	204	158	46	1,284	324	960
Total Net Income Hospital & Affiliates	13,481	5,446	8,035	34,846	10,238	24,608

Favorable variance in other due to JV income mainly Pathways.

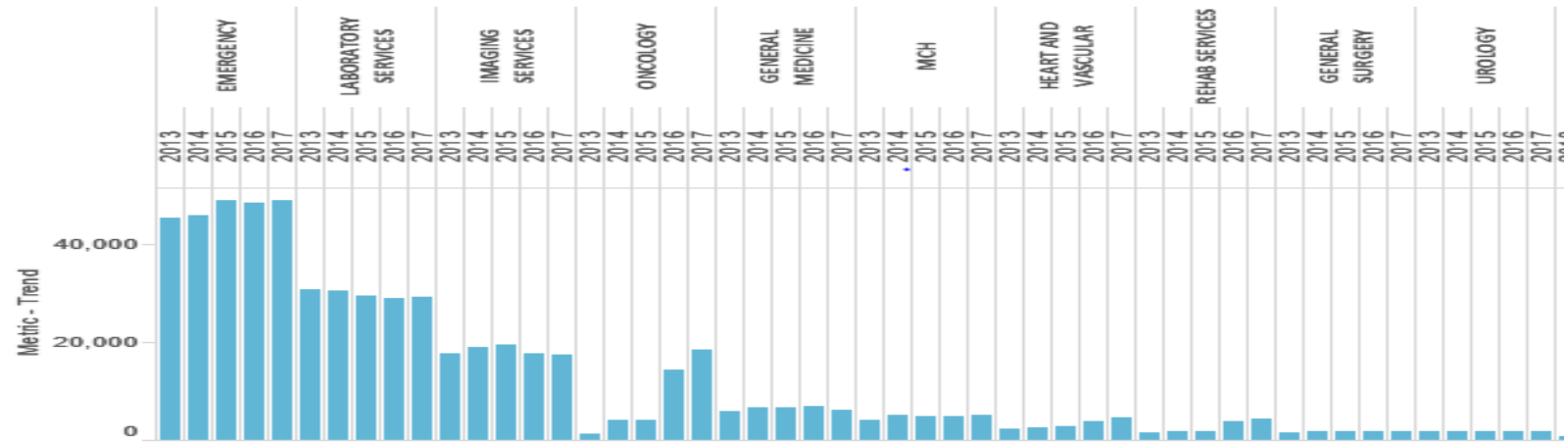
El Camino Hospital Volume Annual Trends

FY 2017 is annualized

IP



OP



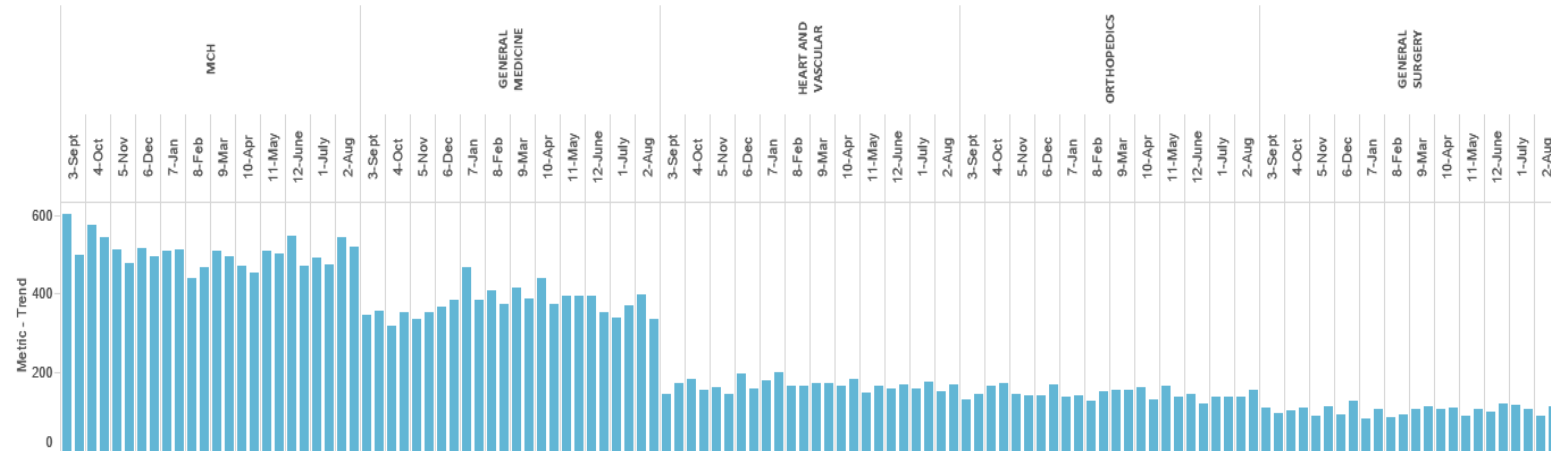
El Camino Hospital Volume Monthly Trends

Prior and Current Fiscal Years

Columns are in PY, CY Order

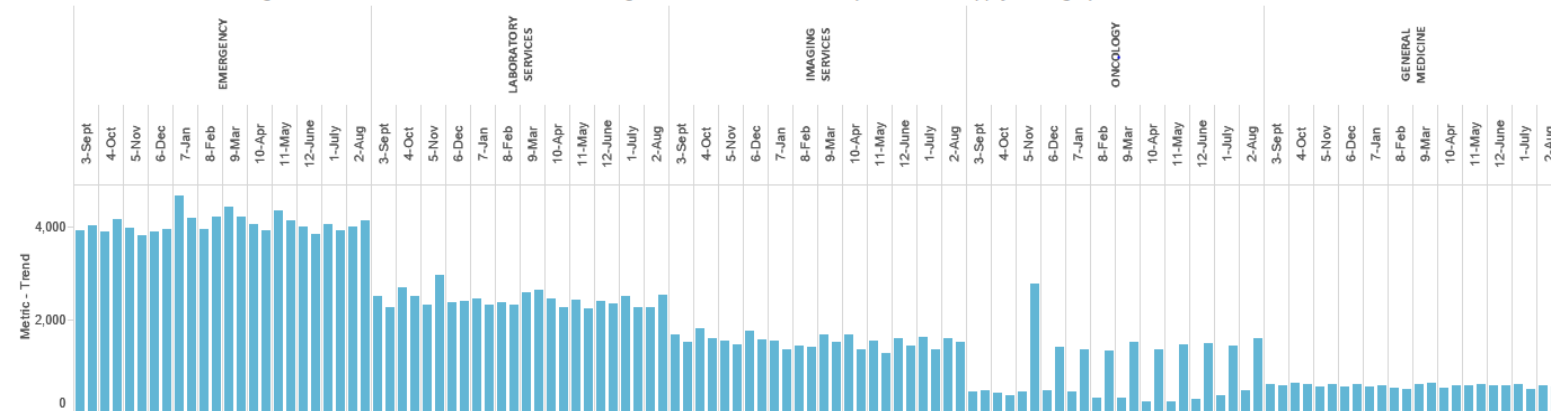
IP

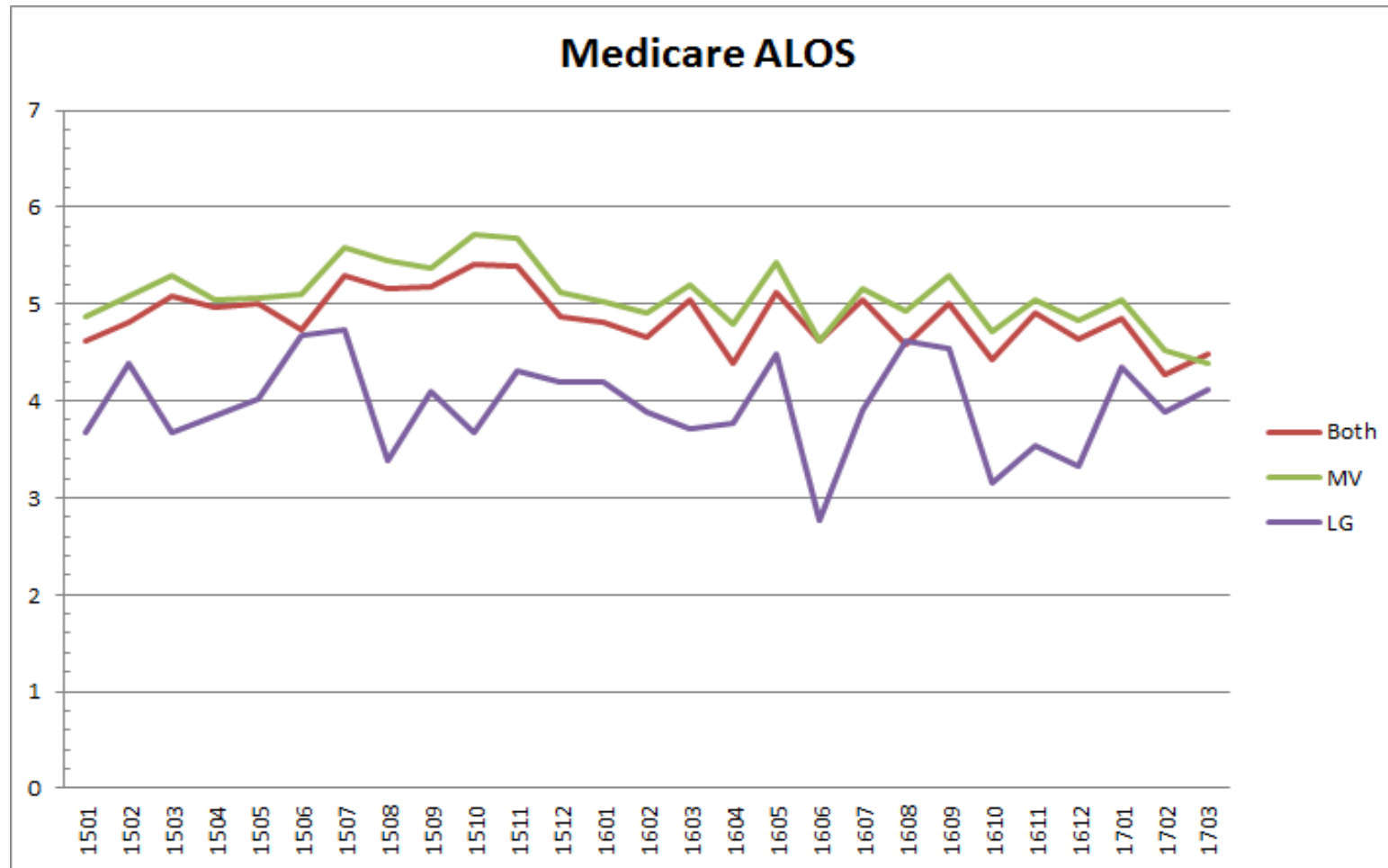
Service Line Trend - clicking on a service line excludes all others. Clicking a second time removes the filter. Filters apply to all graphs below.



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.





- Medicare: Due to DRG reimbursement, financial results usually improve with decreased LOS
- Trend shows improvement in ALOS

El Camino Hospital Investment Committee Scorecard

Updated Quarterly

June 30, 2016

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY16 Year-end Budget	Expectation Per Asset Allocation
Investment Performance		2Q 2016		Fiscal Year-to-date		Since Inception (annualized)			Mar 2014/2012
Surplus cash balance & op. cash (millions)		\$727.7	--	--	--	--	--	\$699.8	--
Surplus cash return		1.8%	1.4%	0.1%	0.5%	4.4%	4.4%	4.0%	5.0%
Cash balance plan balance (millions)		\$221.5	--	--	--	--	--	\$224.2	--
Cash balance plan return		1.7%	1.4%	-0.3%	0.4%	7.0%	6.4%	6.0%	6.7%
403(b) plan balance (millions) ¹		\$330.6	--	--	--	--	--	--	--
Risk vs. Return		3-year				Since Inception (annualized)			Mar 2014/2012
Surplus cash Sharpe ratio		0.90	0.93	--	--	1.00	0.98	--	0.66
Net of fee return		4.3%	4.4%	--	--	4.4%	4.4%	--	5.0%
Standard deviation		4.7%	4.7%	--	--	4.4%	4.4%	--	7.2%
Cash balance Sharpe ratio		0.97	0.93	--	--	1.14	1.09	--	0.54
Net of fee return		6.2%	5.7%	--	--	7.0%	6.4%	--	6.7%
Standard deviation		6.4%	6.1%	--	--	6.0%	5.8%	--	10.6%
Asset Allocation		2Q 2016							
Surplus cash absolute variances to target		4.9%	< 10%	--	--	--	--	--	--
Cash balance absolute variances to target		4.3%	< 10%	--	--	--	--	--	--
Manager Compliance		2Q 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 17 YTD Spent
CIP	EPIC Upgrade			6.1	0.0	0.0
	IT Hardware, Software, Equipment*			5.4	0.6	0.6
	Medical & Non Medical Equipment FY 16**			4.3	0.0	0.0
	Medical & Non Medical Equipment FY 17			10.3	1.7	1.7
	Facility Projects					
	1307 LG Upgrades	FY13	15.5	17.3	11.3	0.5
	1219 LG Spine OR	FY13	4.1	4.1	2.1	0.9
	1414 Integrated MOB	FY15	232.0	28.0	17.5	3.8
	1413 North Drive Parking Expansion	FY15	15.0	24.5	1.8	0.1
	1245 Behavioral Health Bldg	FY16	62.5	19.0	8.4	1.1
	1248 LG Imaging Phase II (CT & Gen Rad)	FY16	6.8	8.8	1.0	0.4
	1313/1224 LG Rehab HVAC System & Structural	FY16	3.7	3.7	2.7	0.9
	1502 Cabling & Wireless Upgrades	FY16	2.5	2.8	2.1	0.1
	1425 IMOB Preparation Project - Old Main	FY16	2.3	3.0	2.4	1.7
	1430 Women's Hospital Expansion	FY16	91.0	0.0	0.0	0.0
	1422 CUP Upgrade	FY16	4.0	1.5	1.1	0.1
	1503 Willow Pavilion Tomosynthesis	FY16	0.3	1.3	0.1	0.0
	1519/1314 LG Electrical Systems Upgrade	FY16	1.2	0.0	0.0	0.0
	1347 LG Central Sterile Upgrades	FY15	3.7	0.2	0.2	0.0
	1508 LG NICU 4 Bed Expansion	FY16	7.0	0.5	0.0	0.0
	1520 Facilities Planning Allowance	FY16	1.0	0.0	0.0	0.0
	All Other Projects under \$1M		16.2	38.8	34.1	0.5
			468.8	153.4	84.9	10.0
GRAND TOTAL				179.5		12.3

*Excluding EPIC

** Unspent Prior Year routine used as contingency

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

El Camino Hospital⁽¹⁾

Balance Sheet (Thousands)

ASSETS

	August 31, 2016	Unaudited June 30, 2016
CURRENT ASSETS		
Cash	77,840	59,169
Short Term Investments	111,969	105,284
Patient Accounts Receivable, net	105,506	116,059
Other Accounts and Notes Receivable	3,396	4,369
Intercompany Receivables	1,323	2,200
Inventories and Prepaids	41,770	43,278
Total Current Assets	341,804	330,359
BOARD DESIGNATED ASSETS		
Plant & Equipment Fund	122,219	119,650
Women's Hospital Expansion	8,961	-
Operational Reserve Fund	100,196	100,196
Community Benefit Fund	14,335	13,037
Workers Compensation Reserve Fund	22,348	22,309
Postretirement Health/Life Reserve Fund	18,527	18,256
PTO Liability Fund	22,533	22,984
Malpractice Reserve Fund	1,800	1,800
Catastrophic Reserves Fund	14,848	14,125
Total Board Designated Assets	325,767	312,358
FUNDS HELD BY TRUSTEE	30,883	30,841
LONG TERM INVESTMENTS	213,380	207,597
INVESTMENTS IN AFFILIATES	32,587	31,148
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	1,175,571	1,171,372
Less: Accumulated Depreciation	(493,619)	(485,856)
Construction in Progress	48,492	46,009
Property, Plant & Equipment - Net	730,444	731,525
DEFERRED OUTFLOWS	26,822	22,518
RESTRICTED ASSETS - CASH	0	0
TOTAL ASSETS	1,701,688	1,666,346

LIABILITIES AND FUND BALANCE

	August 31, 2016	Unaudited June 30, 2016
CURRENT LIABILITIES		
Accounts Payable	22,706	28,519
Salaries and Related Liabilities	25,586	22,992
Accrued PTO	22,533	22,984
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	13,522	11,314
Intercompany Payables	58	105
Malpractice Reserves	1,936	1,936
Bonds Payable - Current	3,635	3,635
Bond Interest Payable	2,734	5,459
Other Liabilities	2,256	2,684
Total Current Liabilities	97,265	101,929
LONG TERM LIABILITIES		
Post Retirement Benefits	18,527	18,256
Worker's Comp Reserve	20,048	20,009
Other L/T Obligation (Asbestos)	3,656	3,637
Other L/T Liabilities (IT/Medl Leases)	-	-
Bond Payable	226,649	226,580
Total Long Term Liabilities	268,880	268,482
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	1,009,776	983,577
Board Designated	325,767	312,358
Restricted	0	0
Total Fund Bal & Capital Accts	1,335,543	1,295,935
TOTAL LIABILITIES AND FUND BALANCE	1,701,688	1,666,346

⁽¹⁾ Hospital entity only, excludes controlled affiliates

APPENDIX

Dashboard - Mountain View

	Annual						Month			YTD		
	2013	2014	2015	2016	2017 Projection	2017 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	72,245	71,084	73,360	73,010	70,488	72,687	5,745	5,879	5,853	11,608	11,748	11,729
ADC	198	195	201	199	193	199	185	190	189	187	189	189
Adjusted Acute Discharges	24,366	23,864	24,275	23,759	26,936	24,505	2,151	2,305	2,064	4,326	4,489	4,103
Acute Discharges	14,521	13,852	14,239	14,093	15,516	14,381	1,264	1,308	1,198	2,520	2,586	2,396
Inpatient total												
Acute	14,521	13,852	14,239	14,093	14,034	14,381	1,264	1,174	1,198	2,520	2,339	2,396
Deliveries	4,701	4,550	4,573	4,260	4,338	4,393	370	380	366	722	723	732
BHS	861	857	901	806	900	755	72	80	63	146	150	137
Rehab	0	0	0	0	0	0	0	0	0	0	0	0
OP total												
ED	34,920	35,447	38,443	37,739	39,102	40,208	3,190	3,328	3,351	6,407	6,517	6,702
OP Surg	2,837	3,299	3,428	3,207	3,420	3,447	265	292	287	548	570	574
Endo	1979	2,300	2,365	2,231	1,986	2,320	189	196	193	396	331	386
Interventional	1698	1,900	2,122	2,203	2,094	2,006	160	161	167	332	349	334
All Other	59,478	63,862	62,072	73,407	75,666	77,032	5,256	6,679	6,419	10,315	12,611	12,838
Financial Performance (\$000s)												
Net Revenues	557,533	589,420	603,788	632,800	651,098	640,625	49,762	55,198	52,817	98,224	108,516	103,726
Operating Expenses	516,892	550,736	562,790	607,214	578,909	619,072	48,188	49,350	51,254	95,426	96,485	101,412
Operating Income \$	55,324	56,518	59,684	46,918	91,839	44,036	3,306	7,589	3,421	6,614	15,306	6,098
Operating Margin	9.7%	9.3%	9.6%	7.2%	13.7%	6.6%	6.4%	13.3%	6.3%	6.5%	13.7%	5.7%
EBITDA \$	105,938	105,814	103,637	96,770	141,490	96,900	7,096	11,759	7,781	14,076	23,582	14,836
EBITDA %	18.5%	17.4%	16.6%	14.8%	21.1%	14.6%	13.8%	20.7%	14.2%	13.8%	21.1%	13.8%
IP Margin												
OP Margin												
Payor Mix												
Medicare	42.0%	44.0%	46.4%	46.2%	47.1%	45.0%	44.1%	47.5%	45.0%	44.0%	47.1%	45.0%
Medi-Cal	5.4%	6.5%	7.1%	7.9%	7.3%	8.3%	8.7%	7.0%	8.3%	8.7%	7.3%	8.3%
Commercial IP	28.6%	25.7%	24.2%	23.6%	22.6%	23.6%	24.2%	23.2%	23.6%	23.9%	22.6%	23.6%
Commercial OP	19.2%	18.9%	18.4%	18.6%	19.8%	19.1%	19.2%	19.8%	19.1%	19.6%	19.8%	19.1%
Total Commercial	47.8%	44.6%	42.6%	42.2%	42.4%	42.7%	43.4%	43.0%	42.7%	43.4%	42.4%	42.7%
Other	4.8%	4.9%	3.9%	3.7%	3.2%	4.0%	3.8%	2.5%	4.0%	3.9%	3.2%	4.0%
Cost												
Employees	1,901.0	2,027.6	2,029.9	2,163.0	2,054.6	2,123.0	2,160.1	2,047.6	2,105.6	2,151.8	2,054.6	2,079.3
Hrs/APD	29.58	30.16	29.60	30.97	30.49	32.07	32.05	30.18	32.35	31.46	30.49	32.07

Dashboard - Los Gatos

	Annual						Month			YTD		
	2013	2014	2015	2016	2017 Projection	2017 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	42	43	45	43	40	46	52	38	45	46	40	45
Adjusted Acute Discharges	4,544	4,737	4,778	4,599	4,507	4,942	449	392	414	917	751	826
Acute Discharges	2,722	2,742	2,813	2,726	2,556	2,904	275	221	242	479	426	484
Inpatient total												
Acute	2,722	2,742	2,813	2,726	2,556	2,904	275	221	242	479	426	484
Deliveries	771	823	700	656	588	662	76	47	55	129	98	110
BHS	0	0	0	0	0	0	0	0	0	0	0	0
Rehab	525	547	555	500	558	570	50	47	48	89	93	96
OP total												
ED	10,605	10,609	10,687	10,922	10,692	11,045	914	921	920	1,796	1,782	1,840
OP Surg	3,015	3,104	3,060	2,867	2,772	2,557	263	247	213	527	462	522
Endo	263	192	155	91	12	159	10	1	13	24	2	26
Interventional	11	17	22	24	42	43	3	7	4	4	7	8
All Other	4,874	5,477	5,759	7,266	8,154	8,223	422	696	685	905	1,359	1,370
Financial Performance (\$000s)												
Net Revenues	128,794	131,702	142,858	139,221	141,030	148,960	13,051	11,637	12,460	23,784	23,505	24,498
Operating Expenses	115,461	118,944	126,841	135,830	131,492	139,735	11,431	11,075	11,732	22,357	21,915	22,964
Operating Income \$	13,802	13,787	18,436	5,695	11,586	11,801	1,837	735	934	1,834	1,931	1,950
Operating Margin	10.7%	10.4%	12.7%	4.0%	8.1%	7.8%	13.8%	6.2%	7.4%	7.6%	8.1%	7.8%
EBITDA \$	18,784	19,440	24,365	11,784	18,050	19,011	2,334	1,272	1,469	2,782	3,008	3,022
EBITDA %	14.5%	14.6%	16.8%	8.3%	12.6%	12.5%	17.6%	10.8%	11.6%	11.5%	12.6%	12.1%
IP Margin												
OP Margin												
Payor Mix												
Medicare	45.5%	44.0%	46.1%	48.2%	53.6%	47.5%	45.8%	54.1%	47.5%	46.6%	53.6%	47.5%
Medi-Cal	2.9%	3.5%	4.3%	5.1%	4.0%	4.7%	4.6%	4.5%	4.7%	4.8%	4.0%	4.7%
Commercial IP	25.3%	25.9%	23.8%	21.4%	17.9%	22.2%	25.7%	15.5%	22.2%	24.1%	17.9%	22.2%
Commercial OP	17.0%	19.1%	20.0%	19.4%	20.6%	20.2%	19.6%	21.2%	20.2%	20.2%	20.6%	20.2%
Total Commercial	42.3%	45.0%	43.8%	40.8%	38.5%	42.4%	45.3%	36.6%	42.4%	44.4%	38.5%	42.4%
Other	9.3%	7.5%	5.8%	5.9%	3.9%	5.5%	4.5%	4.7%	5.5%	4.3%	3.9%	5.5%
Cost												
Employees	388.0	408.1	422.6	421.8	414.2	420.4	442.5	410.0	427.4	431.3	414.2	420.4
Hrs/APD	29.13	27.65	28.00	29.34	28.84	27.66	26.50	29.54	28.01	27.44	28.84	27.66

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

2 month ending 8/31/2016

PERIOD 2 FY 2016	PERIOD 2 FY 2017	PERIOD 2 Budget 2017	Variance Fav (Unfav)	Var%		YTD FY 2016	YTD FY 2017	YTD Budget 2017	Variance Fav (Unfav)	Var%
					\$000s					
					OPERATING REVENUE					
179,873	202,034	196,921	5,112	2.6%	Gross Revenue	358,892	395,665	386,747	8,918	2.3%
(130,110)	(146,835)	(144,104)	(2,731)	1.9%	Deductions	(260,668)	(287,148)	(283,021)	(4,127)	1.5%
49,762	55,198	52,817	2,381	4.5%	Net Patient Revenue	98,224	108,516	103,726	4,791	4.6%
1,731	1,741	1,858	(117)	-6.3%	Other Operating Revenue	3,815	3,275	3,784	(509)	-13.5%
51,493	56,939	54,675	2,264	4.1%	Total Operating Revenue	102,040	111,791	107,510	4,282	4.0%
					OPERATING EXPENSE					
28,774	29,865	31,239	1,374	4.4%	Salaries & Wages	57,947	59,405	61,495	2,090	3.4%
7,944	8,235	8,003	(232)	-2.9%	Supplies	16,034	15,316	15,934	618	3.9%
6,024	6,034	6,509	475	7.3%	Fees & Purchased Services	12,023	11,686	13,396	1,710	12.8%
1,655	1,045	1,143	98	8.5%	Other Operating Expense	1,959	1,803	1,849	46	2.5%
450	612	602	(10)	-1.7%	Interest	900	1,229	1,204	(25)	-2.0%
3,340	3,558	3,758	200	5.3%	Depreciation	6,562	7,046	7,534	488	6.5%
48,188	49,350	51,254	1,904	3.7%	Total Operating Expense	95,426	96,485	101,412	4,927	4.9%
3,306	7,589	3,421	4,168	121.8%	Net Operating Income/(Loss)	6,614	15,306	6,098	9,209	151.0%
(17,034)	4,963	933	4,030	432.1%	Non Operating Income	(15,768)	16,335	1,866	14,469	775.5%
(13,728)	12,553	4,354	8,198	188.3%	Net Income(Loss)	(9,154)	31,641	7,964	23,678	297.3%
11.4%	18.5%	11.9%	6.5%		EBITDA	11.3%	18.9%	11.5%	7.4%	
6.4%	13.3%	6.3%	7.1%		Operating Margin	6.5%	13.7%	5.7%	8.0%	
-26.7%	22.0%	8.0%	14.1%		Net Margin	-9.0%	28.3%	7.4%	20.9%	

⁽¹⁾ Hospital only, excludes controlled affiliates

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

2 month ending 8/31/2016

PERIOD 2 FY 2016	PERIOD 2 FY 2017	PERIOD 2 Budget 2017	Variance Fav (Unfav)	Var%		YTD FY 2016	YTD FY 2017	YTD Budget 2017	Variance Fav (Unfav)	Var%
					\$000s					
					OPERATING REVENUE					
44,537	41,551	45,120	(3,568)	-7.9%	Gross Revenue	82,483	79,183	88,712	(9,530)	-10.7%
(31,486)	(29,915)	(32,660)	2,745	-8.4%	Deductions	(58,699)	(55,678)	(64,215)	8,537	-13.3%
13,051	11,637	12,460	(823)	-6.6%	Net Patient Revenue	23,784	23,505	24,498	(993)	-4.1%
217	173	206	(33)	-16.0%	Other Operating Revenue	407	341	416	(75)	-18.0%
13,268	11,810	12,666	(856)	-6.8%	Total Operating Revenue	24,191	23,846	24,914	(1,068)	-4.3%
					OPERATING EXPENSE					
6,166	5,890	6,342	452	7.1%	Salaries & Wages	12,106	11,864	12,432	568	4.6%
1,923	1,602	1,780	178	10.0%	Supplies	3,548	2,962	3,517	555	15.8%
1,312	1,428	1,245	(183)	-14.7%	Fees & Purchased Services	2,654	2,775	2,554	(221)	-8.7%
1,533	1,617	1,829	212	11.6%	Other Operating Expense	3,051	3,237	3,389	152	4.5%
0	0	0	0	0.0%	Interest	0	0	0	0	0.0%
498	537	535	(1)	-0.2%	Depreciation	998	1,077	1,072	(5)	-0.5%
11,431	11,075	11,732	657	5.6%	Total Operating Expense	22,357	21,915	22,964	1,049	4.6%
1,837	735	934	(199)	-21.3%	Net Operating Income/(Loss)	1,834	1,931	1,950	(19)	-1.0%
0	(10)	0	(10)	0.0%	Non Operating Income	0	(10)	0	(10)	0.0%
1,837	724	934	(209)	-22.4%	Net Income(Loss)	1,834	1,921	1,950	(30)	-1.5%
					EBITDA	22.0%	23.1%	22.2%	0.9%	
27.0%	21.4%	21.5%	-0.1%		Operating Margin	7.6%	8.1%	7.8%	0.3%	
13.8%	6.2%	7.4%	-1.2%		Net Margin	7.6%	8.1%	7.8%	0.2%	
13.8%	6.1%	7.4%	-1.2%							

⁽¹⁾ Hospital only, excludes affiliates

El Camino Hospital Capital Spending (in thousands) FY 2012 – FY 2016

Category	2012	2013	2014	2015	2016
IT Hardware/Software Equipment	7,289	8,019	2,788	4,660	6,483
Medical/Non Medical Equipment	11,203	10,284	12,891	13,340	11,846
Non CIP Land, Land I, BLDG, Additions	7,311	0	22,292	0	30,274

Facilities Projects CIP

0101 - Hosp Replace	313	0	0	0	0
0317 - Melchor TI's	117	0	0	0	0
0701 - Cyberknife	0	0	0	0	0
0704 - 1 South Upgrade	2	0	0	0	0
0802 - Willow Pavillion Upgrades	0	0	0	0	0
0805 - Women's Hospital Finishes	0	0	0	0	0
0809 - Hosp Renovations	0	0	0	0	0
0815 - Orc Pav Water Heater	0	0	0	0	0
0816 - Hospital Signage	0	0	0	0	0
0904 - LG Facilities Upgrade	41	2	0	0	0
0907 - LG Imaging Masterplan	162	244	774	1,402	17
1000 - LG Rehab Building	0	0	0	0	0
1104 - New Main CDU TV's	0	0	0	0	0
9900 - Unassigned Costs	279	734	470	3,717	0
0803 - Park Pav Foundation	270	0	0	0	0
1005 - LG OR Light Upgrd	108	14	0	0	0
1101 - Melchor Pavilion - Genomics	0	0	0	0	0
1102 - LG Joint Hotel	657	0	0	0	0
1106 - SHC Project	2,245	0	0	0	0
1108 - Cooling Towers	932	450	0	0	0
1115 - Womens Hosp TI's	50	0	0	0	0
1118 - Park Pav Roto Care	119	0	0	0	0
1120 - BHS Out Patient TI's	472	66	0	0	0
1122 - LG Sleep Studies	147	7	0	0	0
1129 - Old Main Card Rehab	400	9	0	0	0
0817 - Womens Hosp Upgrds	1,242	645	1	0	0
0906 - Slot Build-Out	0	1,003	1,576	15,101	1,251
1107 - Boiler Replacement	49	0	0	0	0
1109 - New Main Upgrades	589	423	393	2	0
1111 - Mom/Baby Overflow	267	212	29	0	0
1129 - Cardic Rehab Improv	0	0	0	0	0
1132 - Pheumatic Tube Prj	78	0	0	0	0
1204 - Elevator Upgrades	24	25	30	0	0
1210 - Los Gatos VOIP	1	147	89	0	0
0800 - Womens L&D Expansion	129	2,104	1,531	269	0
1116 - LG Ortho Pavillion	44	177	24	21	0
1124 - LG Rehab BLDG	11	49	458	0	0
1128 - LG Boiler Replacement	3	0	0	0	0
1131 - MV Equipment Replace	190	216	0	0	0
1135 - Park Pavilion HVAC	47	0	0	0	0
1208 - Willow Pav. High Risk	0	110	0	0	0
1213 - LG Sterilizers	0	102	0	0	0
1225 - Rehab BLDG Roofing	0	7	241	4	0
1227 - New Main eICU	0	96	21	0	0
1230 - Fog Shop	0	339	80	0	0
1247 - LG Infant Security	0	134	0	0	0
1307 - LG Upgrades	0	376	2,979	3,282	3,511
1308 - LG Infrastructure	0	0	114	0	0
1313 - LG Rehab HVAC System/Structural	0	0	0	0	1,597
1315 - 205 So. Drive TI's	0	0	500	2	0
0908 - NPCR3 Seismic Upgrds	554	1,302	1,224	1,328	240

Category	2012	2013	2014	2015	2016
Facilities Projects CIP cont.					
1125 - Will Pav Fire Sprinkler	9	57	39	0	0
1211 - SIS Monitor Install	0	215	0	0	0
1216 - New Main Process Imp Office	0	19	1	16	0
1217 - MV Campus MEP Upgrades FY13	0	0	181	274	28
1219 - LG Spine OR	0	0	214	323	633
1221 - LG Kitchen Refrig	0	0	85	0	0
1224 - Rehab Bldg HVAC Upgrades	0	11	202	81	14
1245 - Behavioral Health Bldg Replace	0	0	1,257	3,775	1,389
1248 - LG - CT Upgrades	0	0	26	345	197
1249 - LG Mobile Imaging	0	0	146	0	0
1301 - Desktop Virtual	0	0	13	0	0
1304 - Rehab Wander Mgmt	0	0	87	0	0
1310 - Melchor Cancer Center Expansion	0	0	44	13	0
1318 - Women's Hospital TI	0	0	48	48	29
1327 - Rehab Building Upgrades	0	0	0	15	20
1320 - 2500 Hosp Dr Roofing	0	0	75	81	0
1328 - LG Ortho Canopy FY14	0	0	255	209	0
1340 - New Main ED Exam Room TVs	0	0	8	193	0
1341 - New Main Admin	0	0	32	103	0
1344 - New Main AV Upgrd	0	0	243	0	0
1345 - LG Lab HVAC	0	0	112	0	0
1346 - LG OR 5, 6, and 7 Lights Replace	0	0	0	285	53
1347 - LG Central Sterile Upgrades	0	0	0	181	43
1400 - Oak Pav Cancer Center	0	0	0	5,208	666
1403 - Hosp Drive BLDG 11 TI's	0	0	86	103	0
1404 - Park Pav HVAC	0	0	64	7	0
1405 - 1-South Accessibility Upgrades	0	0	0	0	168
1408 - New Main Accessibility Upgrades	0	0	0	7	46
1413 - North Drive Parking Structure Exp	0	0	0	167	1,266
1414 - Integrated MOB	0	0	0	2,009	8,875
1415 - Signage & Wayfinding	0	0	0	0	106
1416 - MV Campus Digital Directories	0	0	0	0	34
1421 - LG MOB Improvements	0	0	0	198	65
1422 - CUP Upgrade	0	0	0	0	896
1423 - MV MOB TI Allowance	0	0	0	0	588
1425 - IMOB Preparation Project - Old Mai	0	0	0	0	711
1429 - 2500 Hospital Dr Bldg 8 TI	0	0	0	101	0
1432 - 205 South Dr BHS TI	0	0	0	8	15
1501 - Women's Hospital NPC Comp	0	0	0	4	0
1502 - Cabling & Wireless Upgrades	0	0	0	0	1,261
1503 -Williow Pavilion Tomosynthesis	0	0	0	0	53
1504 - Equipment Support Infrastructure	0	0	0	61	311
1523 - Melchor Pavilion Suite 309 TI	0	0	0	0	10
1526 - CONCERN TI	0	0	0	0	37
1550 - Land Acquisition	0	0	0	0	24,007
Subtotal Facilities Projects CIP	9,553	9,294	13,753	38,940	48,136
Grand Total	35,357	27,598	51,723	56,940	96,739
Forecast at Beginning of year	47,138	70,503	70,037	65,420	114,025