



El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

Summary of Financial Operations

Fiscal Year 2017 – Period 4
7/1/2016 to 10/31/2016

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

	Annual						Month			YTD		
	2013	2014	2015	2016	2017 Proj.	2017 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	240	238	246	242	233	245	229	230	236	233	230	237
Adjusted Discharges	22,379	22,206	22,342	22,499	22,376	22,992	2,014	1,911	1,922	7,720	7,459	7,705
Total Discharges	19,970	19,427	19,637	19,367	19,122	19,790	1,659	1,628	1,642	6,481	6,374	6,598
Inpatient Cases												
MS Discharges	13,349	12,883	13,114	13,344	12,966	13,499	1,134	1,107	1,120	4,406	4,322	4,500
Deliveries	5,235	5,140	5,067	4,717	4,866	4,810	406	414	399	1,609	1,622	1,604
BHS	861	857	901	806	777	910	70	67	76	284	259	303
Rehab	525	547	555	500	513	570	49	40	47	182	171	190
Outpatient												
ED	45,525	46,056	49,130	49,927	48,768	51,258	4,299	4,018	4,254	16,643	16,256	17,088
Procedural Cases												
OP Surg	5,911	6,444	6,479	6,053	6,288	6,427	567	555	533	2,168	2,096	2,143
Endo	2,242	2,492	2,520	2,322	2,094	2,479	222	177	206	845	698	827
Interventional	1,507	1,706	1,878	1,970	2,085	2,323	170	172	193	663	695	774
All Other	64,435	69,458	68,052	79,656	83,682	84,566	5,776	6,997	6,976	22,412	27,894	28,020
Financial Performance (\$000s)												
Net Revenues	686,327	721,123	746,645	772,020	812,071	789,585	65,439	72,600	66,147	254,655	270,690	258,379
Operating Expenses	632,353	669,680	689,631	743,044	721,487	764,828	63,277	63,059	62,548	242,123	240,496	248,423
Operating Income \$	69,126	70,305	78,120	52,613	112,021	49,817	3,838	11,243	5,684	20,295	37,340	18,288
Operating Margin	9.9%	9.5%	10.2%	6.6%	13.4%	6.1%	5.7%	15.1%	8.3%	7.7%	13.4%	6.9%
EBITDA \$	124,722	125,254	128,002	108,554	166,470	109,890	8,141	15,788	10,352	37,206	55,490	37,174
EBITDA %	17.8%	16.9%	16.7%	13.6%	20.0%	13.5%	12.1%	21.2%	15.2%	14.2%	20.0%	13.9%
IP Margin ¹	-1.1%	-3.2%	-4.5%	-6.6%	-6.9%	-6.1%	-12.3%	-3.8%	-6.1%	-10.0%	-6.9%	-6.1%
OP Margin ¹	25.9%	25.2%	28.1%	26.1%	33.4%	26.4%	25.7%	33.9%	26.4%	27.8%	33.4%	26.4%
Payor Mix												
Medicare	46.3%	44.6%	46.2%	46.6%	46.8%	46.4%	44.6%	46.3%	46.4%	45.0%	46.8%	46.4%
Medi-Cal	4.9%	6.0%	6.6%	7.4%	7.3%	6.5%	7.5%	8.4%	6.5%	7.7%	7.3%	6.5%
Commercial IP	25.3%	25.4%	24.2%	23.2%	22.8%	24.0%	23.8%	22.5%	24.0%	23.7%	22.8%	24.0%
Commercial OP	16.9%	18.6%	18.7%	18.7%	19.7%	19.0%	19.9%	19.8%	19.0%	19.6%	19.7%	19.9%
Total Commercial	42.2%	44.0%	42.9%	41.9%	42.5%	43.0%	43.7%	42.3%	43.0%	43.3%	42.5%	43.9%
Other	6.6%	5.4%	4.3%	4.1%	3.5%	4.1%	4.3%	3.1%	4.1%	4.1%	3.5%	4.1%
Cost												
Employees	2,289.0	2,435.6	2,452.4	2,542.8	2,472.8	2,513.0	2,580.9	2,480.2	2,498.4	2,528.5	2,472.8	2,513.0
Hrs/APD	29.72	29.31	30.45	30.35	30.66	31.05	30.97	31.29	30.87	30.57	30.66	31.05
Balance Sheet												
Net Days in AR	47.8	50.9	43.6	53.7	47.5	48.0	48.3	47.5	48.0	48.3	47.5	48.0
Days Cash	350	382	401	361	404	266	381	404	266	381	404	266
Debt to Capitalization	14.0%	12.6%	13.6%	13.8%	13.4%	17.3%	14.5%	13.4%	17.3%	14.5%	13.4%	17.3%
MADS	8.0	9.5	8.9	6.1	11.0	9.3	8.1	11.0	9.3	8.1	11.0	9.3
Affiliates - Net Income (\$000s)												
Hosp	88,820	118,906	94,787	43,043	45,745	67,032	20,198	4,807	6,413	8,382	45,745	21,204
Concern	371	1,862	1,202	1,823	480	2,604	159	104	207	909	480	796
ECSC	(317)	(5)	(41)	(282)	(50)	0	(6)	(7)	0	10	(50)	0
Foundation	1,545	3,264	710	982	524	(450)	733	(32)	76	114	524	(99)
SVMd	(114)	32	106	156	62	0	(2)	(38)	(1)	(7)	62	(7)

(1) Due to timing of month end costing, In Patient and Out Patient Operating Margin % for FYTD 2017 are one month in arrears

(2) Green - Equal to or better than budget

Yellow - Unfav vs budget by up to 5%

Red - Greater than 5% unfav variance from budget

Inpatient Volume:

- YTD October Inpatient discharges was 3.4% below budget.
- Deliveries were higher than budget by 3.7% for the month of October and higher than budget by 1.1% YTD.
- General Medicine is low due to mild winter and lower flu cases

Outpatient Volume:

- YTD OP Volume was below budget by 2.8%
- YTD October cases were below budget in the following service lines: 10.8% in General Medicine - endoscopy, 9.8% in Imaging Services - mammo
- YTD October cases were above budget in the following service lines: 46.3% in General Surgery, 14.4% in Heart and Vascular, 18.2% in Oncology, and 10.4% in Sleep Center.

Operation Income:

- Operating margin for October was \$5.6M favorable to budget, \$19.1M favorable year to date. Both revenues and expenses are favorable compared to budget.
- The favorable net revenue variance for October can be mainly attributed to IGT of \$6.5M.
- Total expenses for the month are lower than budget by approximately \$511K. Expenses are high in labor and benefits by \$1.8M primarily due to PRN ratification bonus of \$2.4M and severance pay negative variance of \$412K. This is offset by positive variances in supplies (+\$1.9M).

In October net days in A/R decreased hit the lowest level for the year and are ahead of target

Fiscal Year 2017 YTD (7/1/2016-10/31/2016) 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)				68,232	74,302		266,711	277,836	
Budgeted Hospital Operations FY2017					5,684	8.3%		18,288	6.9%
Net Revenue					6,070	8.2%		11,125	4.0%
	*	IP/OP volumes are slightly decreasing. Rev is at budget due to improvement in revenue cycle processes mainly reduced denials		(465)			4,590		
	*	Inter Govt Transfer (IGT)		6,535			6,535		
Labor and Benefit Expense Change					(1,766)	-2.4%		2,598	0.9%
	*	Flexing to meet volumes. Productive hours currently under budget by 0.4%		1,047			5,396		
	*	Ratification Bonus to PRN		(2,400)			(2,400)		
	*	Severance Pay		(412)			(398)		
Professional Fees & Purchased Services					(181)	-0.2%		1,142	0.4%
	*	Physician Fees		86			756		
	*	Admin and Consulting Fees (Clinical Documentation Improvement)		(198)			71		
	*	Purchased Services		(23)			(813)		
	*	Repairs and Maintenance Fees		(46)			1,128		
Supplies					1,874	2.5%		3,404	1.2%
	*	Drug Exp		162			(7)		
	*	Medical Supplies (Volumes)		1,391			2,285		
	*	Misc Net Supplies (Food/Volumes)		321			1,126		
Other Expenses					(562)	-0.8%		47	0.0%
	*	Leases & Rental Fees (Rental Lease Costs)		(152)			(47)		
	*	Utilities & Telephone		129			246		
	*	Other G&A - (County Property taxes)		(539)			(151)		
Depreciation & Interest					123	0.2%		736	0.3%
Actual Hospital Operations FY2017					11,243	15.1%		37,340	13.4%

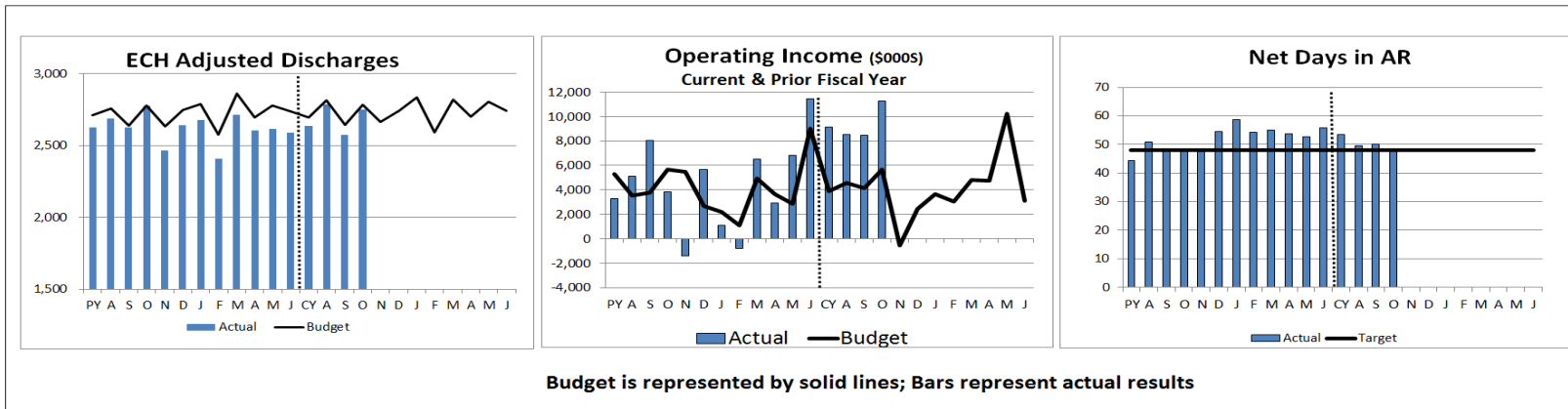
El Camino Hospital (\$000s) ⁽¹⁾

4 month ending 10/31/2016

PERIOD 4 FY 2016	PERIOD 4 FY 2017	PERIOD 4 Budget 2017	Variance Fav (Unfav)	Var%		YTD FY 2016	YTD FY 2017	YTD Budget 2017	Variance Fav (Unfav)	Var%
					\$000s					
					OPERATING REVENUE					
237,125	243,805	245,281	(1,477)	-0.6%	Gross Revenue	902,032	959,654	958,099	1,554	0.2%
(171,686)	(171,205)	(179,134)	7,929	1.0%	Deductions	(647,377)	(688,964)	(699,720)	10,756	-1.5%
65,439	72,600	66,147	6,452	9.8%	Net Patient Revenue	254,655	270,690	258,379	12,311	4.8%
1,676	1,702	2,085	(382)	-18.3%	Other Operating Revenue	7,764	7,145	8,332	(1,186)	-14.2%
67,115	74,302	68,232	6,070	8.9%	Total Operating Revenue	262,419	277,836	266,711	11,125	4.2%
					OPERATING EXPENSE					
35,761	39,353	37,588	(1,766)	-4.7%	Salaries & Wages	141,642	146,192	148,789	2,598	1.7%
9,673	8,442	10,316	1,874	18.2%	Supplies	38,818	36,040	39,444	3,404	8.6%
8,341	8,016	7,835	(181)	-2.3%	Fees & Purchased Services	30,912	30,674	31,817	1,142	3.6%
5,179	2,703	2,141	(562)	-26.2%	Other Operating Expense	13,771	9,440	9,487	47	0.5%
449	498	448	(50)	-11.1%	Interest	1,797	1,887	1,793	(94)	-5.2%
3,854	4,046	4,220	173	4.1%	Depreciation	15,163	16,263	17,093	830	4.9%
63,257	63,059	62,548	(511)	-0.8%	Total Operating Expense	242,103	240,496	248,423	7,927	3.2%
3,858	11,243	5,684	5,559	97.8%	Net Operating Income/(Loss)	20,316	37,340	18,288	19,052	104.2%
16,836	(6,436)	729	(7,165)	-983.0%	Non Operating Income	(11,438)	8,404	2,916	5,489	188.2%
20,694	4,807	6,413	(1,606)	-25.0%	Net Income(Loss)	8,878	45,745	21,204	24,541	115.7%
12.2%	21.2%	15.2%	6.1%		EBITDA	14.2%	20.0%	13.9%	6.0%	
5.7%	15.1%	8.3%	6.8%		Operating Margin	7.7%	13.4%	6.9%	6.6%	
30.8%	6.5%	9.4%	-2.9%		Net Margin	3.4%	16.5%	8.0%	8.5%	

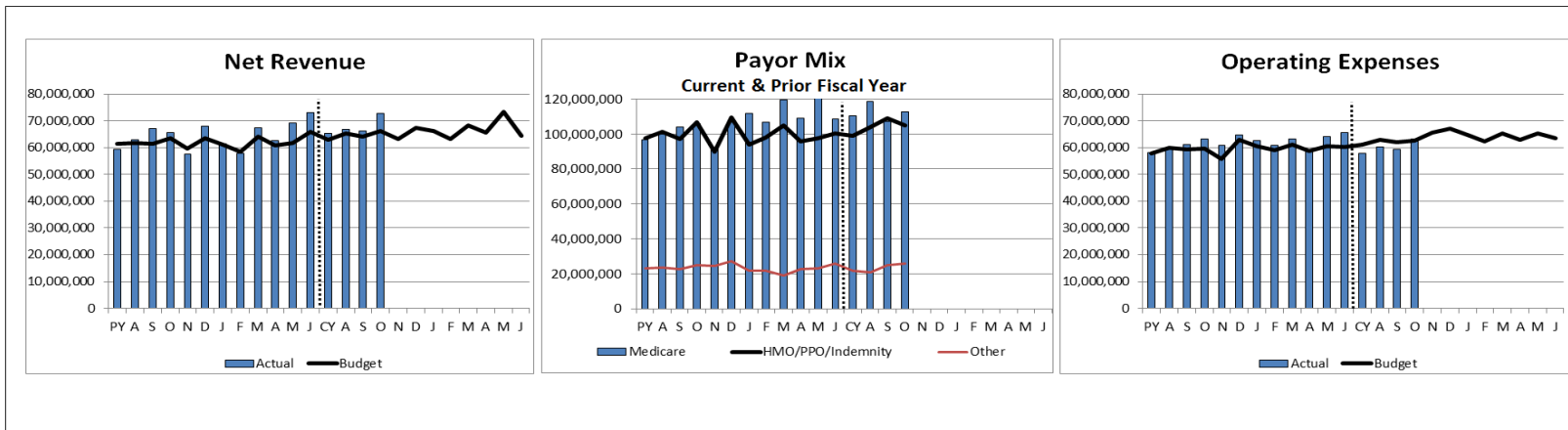
⁽¹⁾ Hospital entity only, excludes controlled affiliates

Monthly Financial Trends



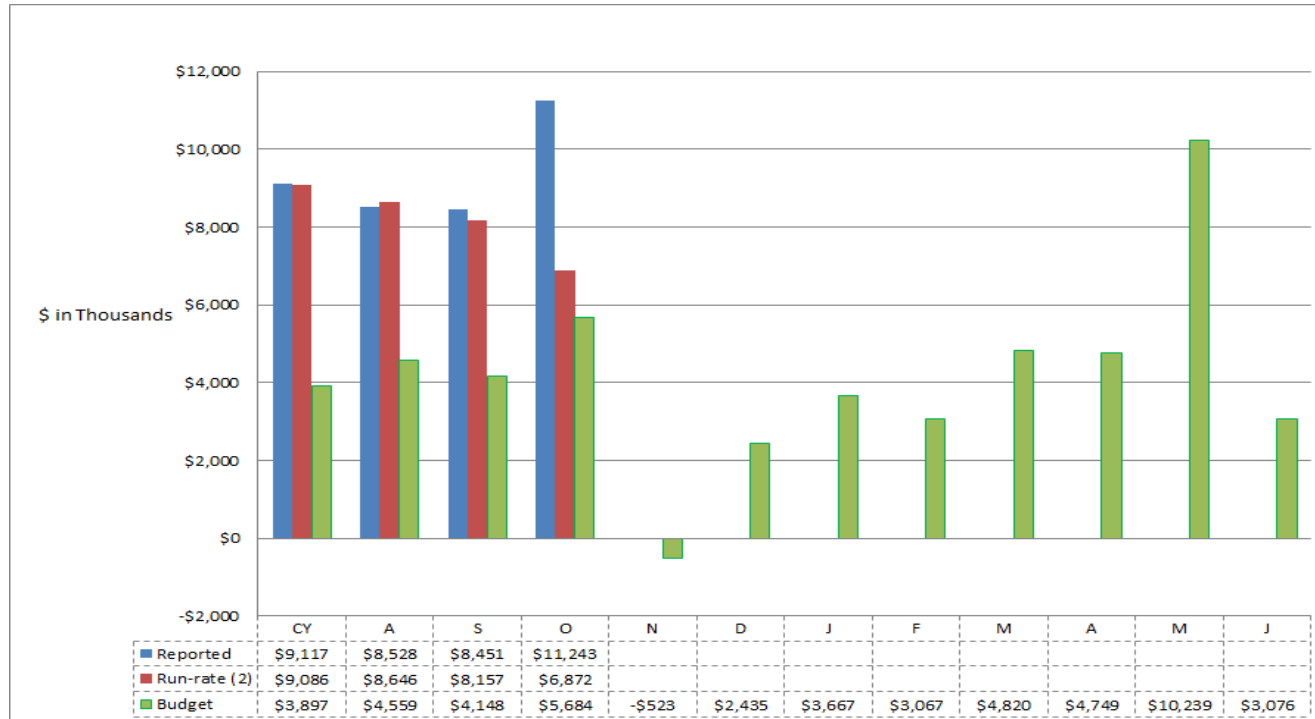
Volume is low mainly in surgeries, endoscopy cases, and mammography procedures.

AR days decreased 2.5 days from September to October.



ECH Operating Margin

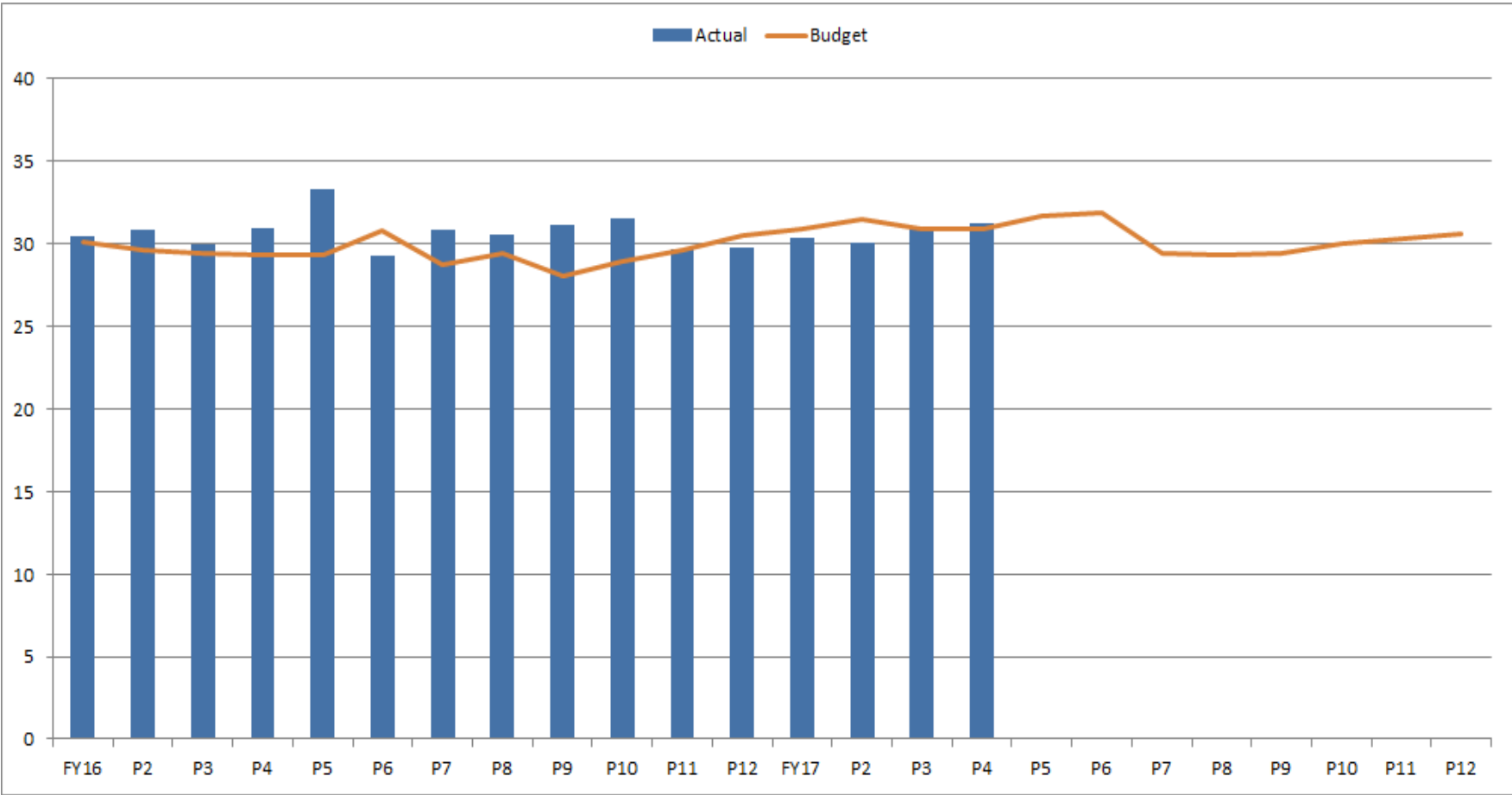
Run rate is booked operating income adjusted for material non-recurring transactions



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	-\$61	-\$145	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Mcare Settlmt/Appeal/Tent Settlmt/PIP	-\$100	\$158	-\$71	-\$67	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	IGT Supplemental	\$0	\$0	\$0	-\$6,535	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	-\$31	\$118	-\$295	-\$6,771	\$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
	Ratification Bonus	\$0	\$0	\$0	\$2,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$0	\$0	\$0	\$2,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Worked Hours per Adjusted Patient Day



Productivity has improved after EPIC go-live and is slightly higher than target in October.

Summary of Financial Results

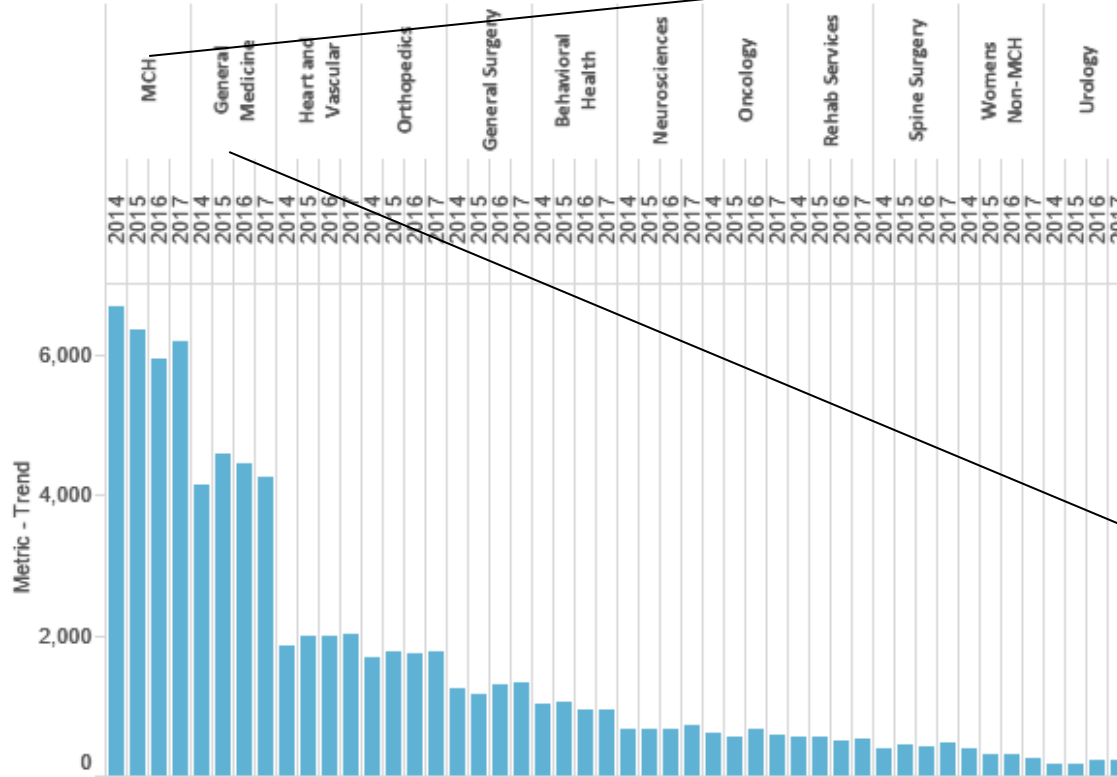
\$ in Thousands

	Period 4 - Month			Period 4 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Income (Loss) from Operations						
Mountain View	10,274	4,234	6,040	34,465	13,838	20,627
Los Gatos	970	1,450	(480)	2,875	4,450	(1,575)
Sub Total - El Camino Hospital, excl. Affiliates	11,243	5,684	5,559	37,340	18,288	19,052
Operating Margin %	15.1%	8.3%		13.4%	6.9%	
El Camino Hospital Non Operating Income						
Investments	(6,934)	1,512	(8,446)	9,737	6,047	3,690
Swap Adjustments	946	0	946	1,184	0	1,184
Community Benefit	(99)	(283)	184	(1,723)	(1,133)	(590)
Other	(349)	(499)	151	(792)	(1,998)	1,205
Sub Total - Non Operating Income	(6,436)	729	(7,165)	8,404	2,916	5,489
El Camino Hospital Net Income (Loss)	4,807	6,413	(1,606)	45,745	21,204	24,541
ECH Net Margin %	6.5%	9.4%		16.5%	8.0%	
Concern	18	207	(188)	483	796	(314)
ECSC	(7)	0	(7)	(50)	0	(50)
Foundation	(32)	76	(108)	524	(99)	622
Silicon Valley Medical Development	(38)	(1)	(37)	62	(7)	69
Net Income Hospital Affiliates	(59)	282	(341)	1,015	691	325
Total Net Income Hospital & Affiliates	4,748	6,695	(1,947)	46,760	21,895	24,865

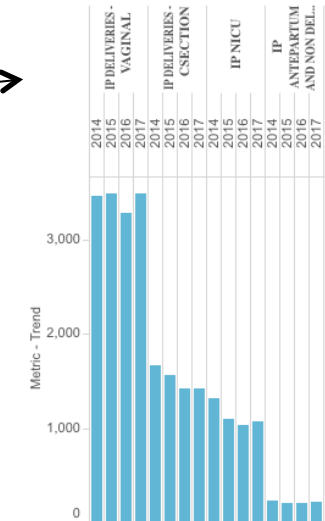
Favorable variance in other due to JV income mainly Pathways and lower loss on SVMD clinics.

El Camino Hospital Volume Annual Trends – Inpatient FY 2017 is annualized

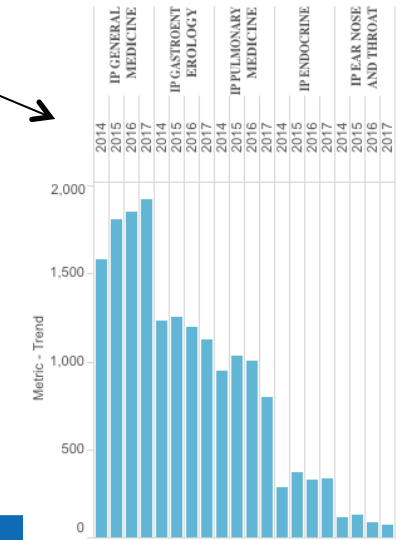
Service Line Trend - clicking on a service line excludes all others. Clicking a second time removes the filter. Filters apply to all graphs below.



Product line Trend



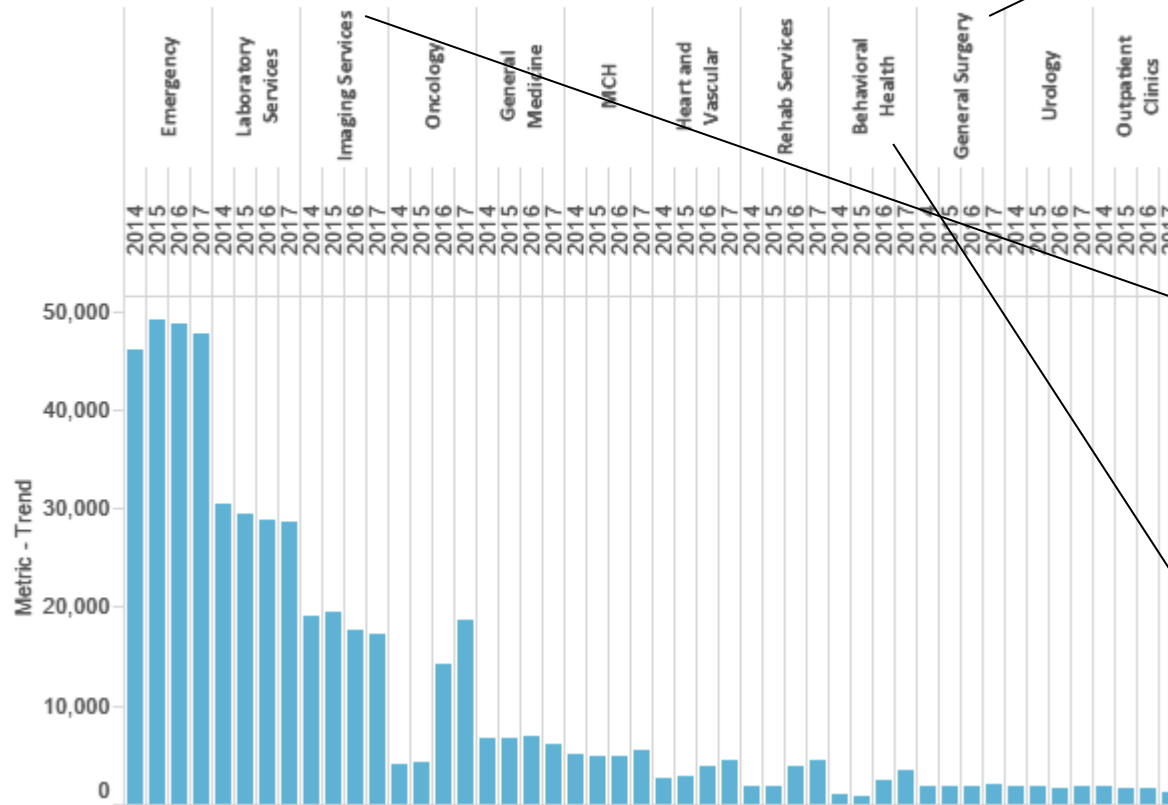
Product line Trend



- Maternity volume recovering in FY17 due to growth in vaginal deliveries
- General medicine lower due to lower flu cases
- Other service lines are stable

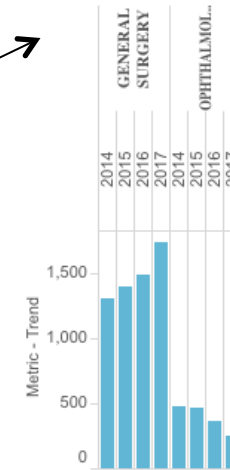
El Camino Hospital Volume Annual Trends – Outpatient FY 2017 is annualized

Service Line Trend - clicking on a service line excludes all others. Clicking a second time re below.

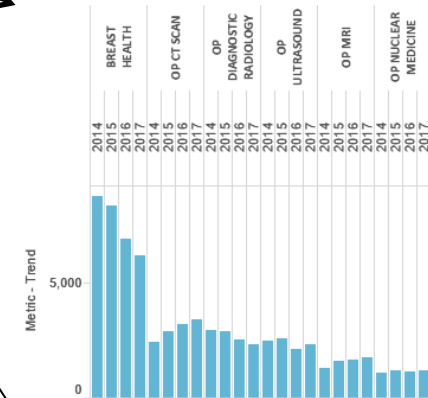


- Decline in imaging due to mamo – Tomo technology will reverse the decline
- Growth in general surgery and Behav Health

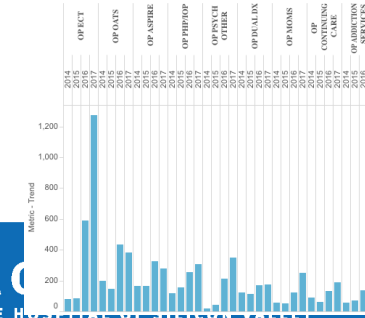
Sub Service Line Trend



Sub Service Line Trend



Product line Trend



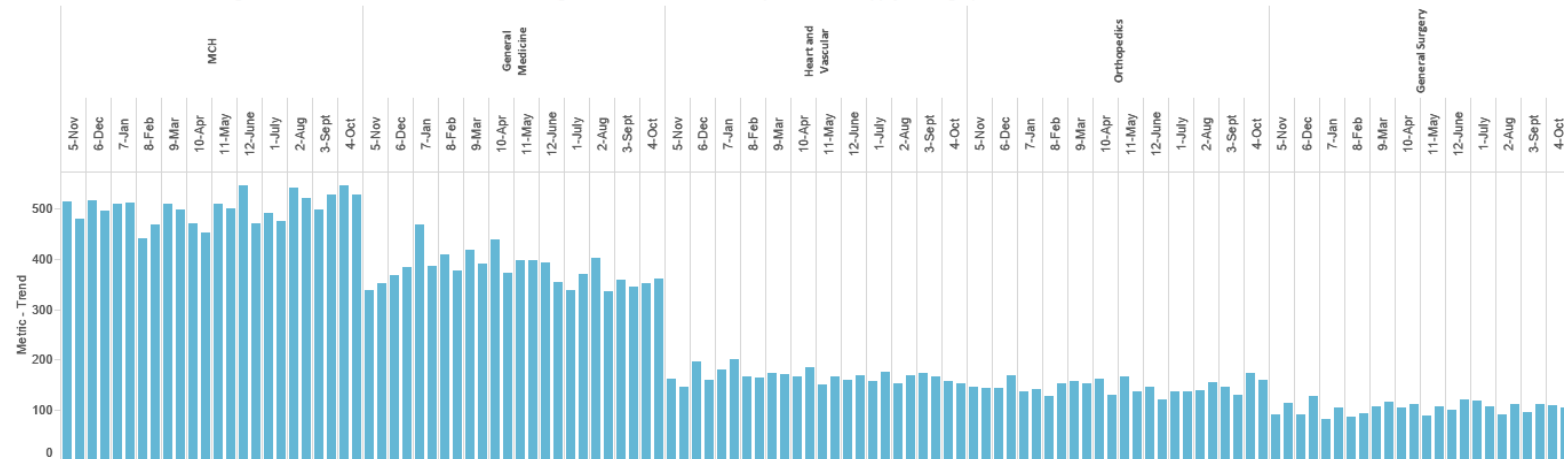
El Camino Hospital Volume Monthly Trends

Prior and Current Fiscal Years

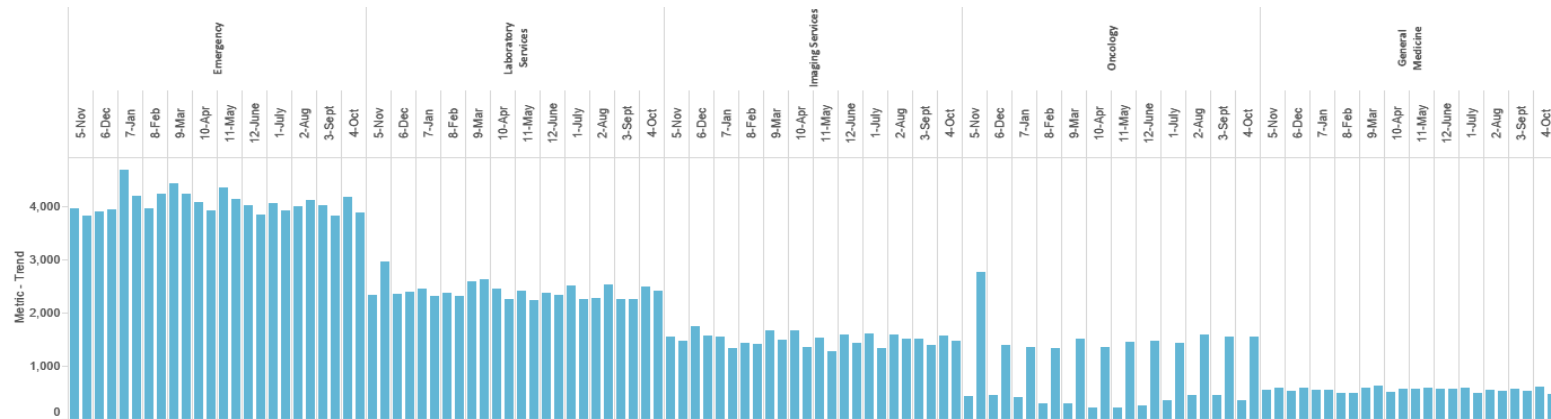
Columns are in PY, CY Order

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.

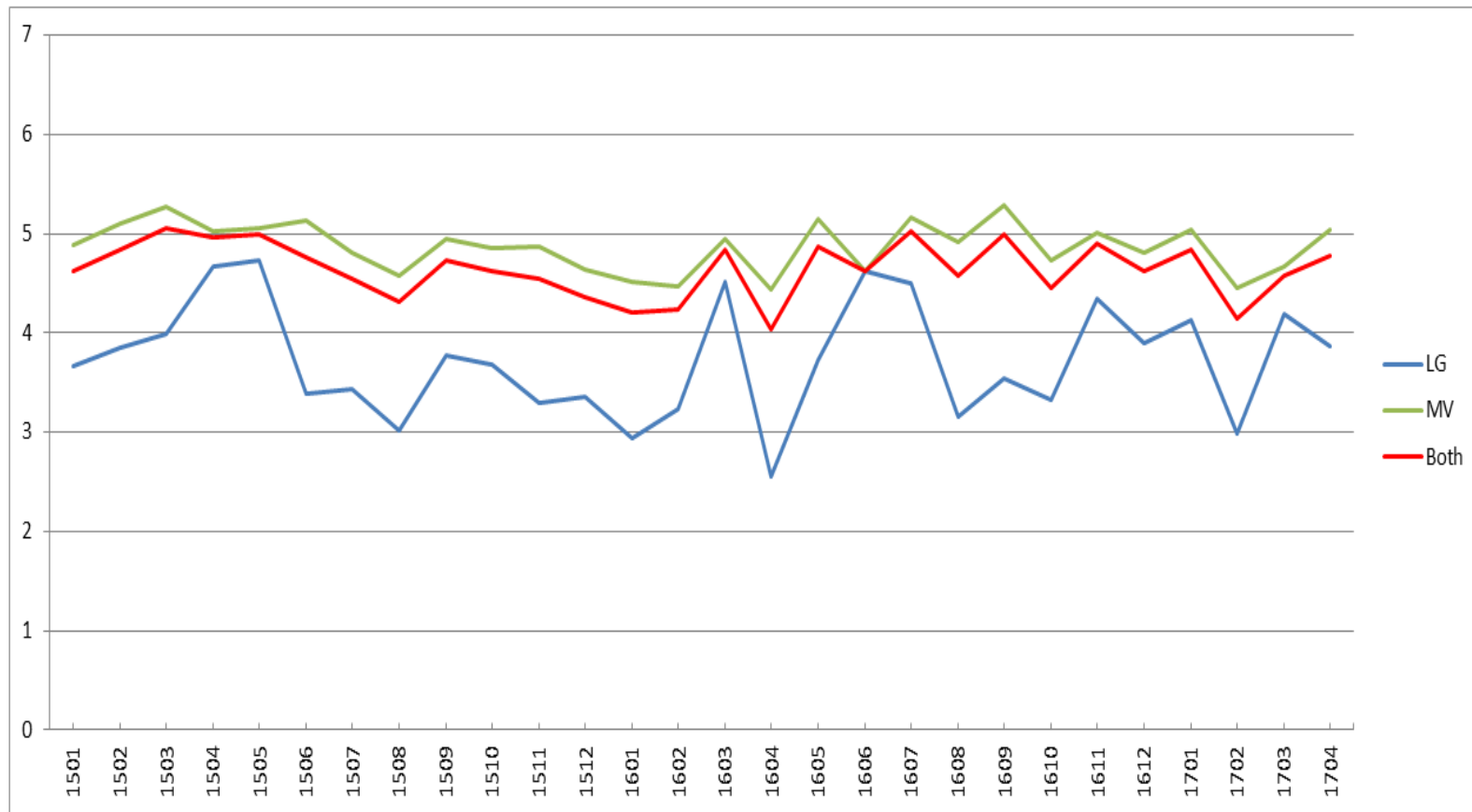


OP



Monthly volume consistent with annual trends describes on P 10 and P 11

Medicare ALOS



- Medicare margin improves with decreased LOS
- Trend shows improvement in ALOS

El Camino Hospital Investment Committee Scorecard

Updated Quarterly
September 30, 2016

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY17 Year-end Budget	Expectation Per Asset Allocation
Investment Performance		3Q 2016		Fiscal Year-to-date		Since Inception (annualized)		May 2016	
Surplus cash balance & op. cash (millions)		\$773.2	--	--	--	--	--	\$657.2	--
Surplus cash return		2.7%	2.8%	2.7%	2.8%	4.9%	4.8%	4.0%	5.2%
Cash balance plan balance (millions)		\$228.9	--	--	--	--	--	\$220.6	--
Cash balance plan return		3.5%	3.1%	3.5%	3.1%	7.5%	6.8%	6.0%	5.8%
403(b) plan balance (millions)		\$357.1	--	--	--	--	--	--	--
Risk vs. Return		3-year				Since Inception (annualized)		May 2016	
Surplus cash Sharpe ratio		0.89	0.95	--	--	1.10	1.09	--	0.55
Net of fee return		4.1%	4.4%	--	--	4.9%	4.8%	--	5.2%
Standard deviation		4.6%	4.6%	--	--	4.3%	4.4%	--	8.6%
Cash balance Sharpe ratio		0.91	0.91	--	--	1.24	1.18	--	0.49
Net of fee return		5.5%	5.3%	--	--	7.5%	6.8%	--	5.8%
Standard deviation		6.0%	5.8%	--	--	5.9%	5.7%	--	10.7%
Asset Allocation		3Q 2016							
Surplus cash absolute variances to target		6.2%	< 10%	--	--	--	--	--	--
Cash balance absolute variances to target		5.2%	< 10%	--	--	--	--	--	--
Manager Compliance		3Q 2016							
Surplus cash manager flags		13	< 18	--	--	--	--	--	--
Cash balance plan manager flags		12	< 18	--	--	--	--	--	--

El Camino Hospital

Capital Spending (in millions)

Category	Detail	Approved	Total Estimated Cost of Project	Total Authorized Active	Spent from Inception	FY 17 Proj Spend	FY 17 YTD Spent
CIP	EPIC Upgrade			6.1	2.0	6.1	2.0
IT Hardware, Software, Equipment*				5.4	1.0	5.4	1.0
Medical & Non Medical Equipment FY 16**				4.3	0.2	4.3	0.2
Medical & Non Medical Equipment FY 17				10.3	1.1	10.3	1.1
Facility Projects							
	1307 LG Upgrades	FY13	17.3	17.3	11.4	6.3	0.6
	1219 LG Spine OR	FY13	4.1	4.1	2.3	3.1	1.0
	1414 Integrated MOB	FY15	275.0	28.0	19.7	100.0	6.0
	1413 North Drive Parking Expansion	FY15	24.5	24.5	2.9	21.5	1.2
	1245 Behavioral Health Bldg	FY16	91.5	19.0	9.2	36.0	1.9
	1248 LG Imaging Phase II (CT & Gen Rad)	FY16	8.8	8.8	1.3	7.8	0.6
	1313/1224 LG Rehab HVAC System & Structural	FY16	3.7	3.7	2.7	1.0	1.0
	1502 Cabling & Wireless Upgrades	FY16	2.8	2.8	2.2	0.6	0.1
	1425 IMOB Preparation Project - Old Main	FY16	3.0	3.0	2.5	1.0	1.7
	1430 Women's Hospital Expansion	FY16	91.0	0.0	0.0	5.0	0.0
	1422 CUP Upgrade	FY16	9.0	1.5	1.1	5.0	0.1
	1503 Willow Pavilion Tomosynthesis	FY16	1.3	1.3	0.1	1.1	0.0
	1519/1314 LG Electrical Systems Upgrade	FY16	1.2	0.0	0.0	0.5	0.0
	1347 LG Central Sterile Upgrades	FY15	3.7	0.2	0.3	2.0	0.0
	1508 LG NICU 4 Bed Expansion	FY16	7.0	0.5	0.1	4.0	0.1
	1520 Facilities Planning Allowance	FY16	0.6	0.0	0.0	0.5	0.0
	1525 New Main Lab Upgrades		1.6	0.4	0.1	1.6	0.1
	1515 ED Remodel Triage/Psych Observation	FY16	1.6	0.0	0.0	0.6	0.0
	Site Signage and Other Improvements		1.0	0.0	0.0	0.2	0.0
	IR Room #6 Development		2.6	0.0	0.0	0.6	0.0
	1602 JW House (Patient Family Residence)		2.5	0.0	0.0	1.5	0.0
	1507 LG IR Upgrades		1.1	0.0	0.0	0.2	0.0
	LG Building Infrastructure Upgrades		1.5	0.0	0.0	1.5	0.0
	1421 LG MOB Improvements (17)		5.0	0.9	0.7	4.0	0.1
	All Other Projects under \$1M		8.6	7.2	4.4	6.3	1.2
			569.9	123.2	60.8	211.8	15.7
GRAND TOTAL				149.3		237.8	20.0

*Excluding EPIC

** Unspent Prior Year routine used as contingency

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

FY 17 Facility Project Request (in 000s)

	(Board Packet) Budgeted FY 17	(FY 17 Cashflow Projections) Projected FY 17*	Variance
Mountain View Campus Master Plan Projects			
1245 BHS Replacement	\$30,000	\$36,000	(\$6,000)
1413 North Dr. Parking Structure Expansion	\$20,500	\$21,500	(\$1,000)
1414 Integrated Medical Office Building	\$101,500	\$100,000	\$1,500
1422 CUP Upgrades	\$5,000	\$5,000	\$0
1430 Womens Hosp Expansion	\$5,500	\$5,000	\$500
Sub-Total Mountain View Campus Master Plan**	\$162,500	\$167,500	(\$5,000)
Mountain View Capital Projects			
1501 Womens Hosp NPC Closeout	\$327	\$527	(\$200)
1425 IMOB Preparation Project - Old Main	\$1,000	\$990	\$10
1502 Cabling and Wireless upgrades	\$400	\$600	(\$200)
1525 Histology Fume Hood Upgrades	\$1,200	\$1,570	(\$370)
1515 ED Remodel Triage/Psych Observation	\$1,400	\$600	\$800
1415 Signage & Wayfinding	\$300	\$500	(\$200)
1503 Breast Imaging Tomography	\$300	\$1,100	(\$800)
1316 Willow Pavilion FA Sys and Equip Upgrades	\$800	\$200	\$600
Furniture Systems Inventory	\$250	\$500	(\$250)
Site Signage & Other Improvements	\$200	\$200	\$0
MV Equipment & Infrastructure Upgrades	\$300	\$600	(\$300)
IR Room #6 Development	\$500	\$600	(\$100)
1602 JW House (Patient Family Residence)	\$500	\$1,500	(\$1,000)
Facilities Planning Allowance	<u>\$300</u>	<u>\$600</u>	<u>(\$300)</u>
Sub-Total Mountain View Projects	\$7,777	\$10,087	(\$2,310)
Los Gatos Capital Projects			
1219 LG Spine Room Expansion - OR 4	\$3,100	\$3,100	\$0
1313 LG Rehab HVAC Upgrades	\$400	\$1,000	(\$600)
1248 LG Imaging Phase II (CT & Gen Rad)	\$7,250	\$7,750	(\$500)
1307 LG Upgrades - Major	\$7,300	\$6,300	\$1,000
1327 LG Rehab Building Upgrades	\$500	\$655	(\$155)
1507 LG IR Upgrades	\$800	\$200	\$600
1508 LG NICU 4 Bed Expansion	\$5,000	\$4,000	\$1,000
LG Building Infrastructure Improvements	\$1,200	\$1,500	(\$300)
LG MOB Improvements (17)	\$4,000	\$4,000	\$0
LG Facilities Planning	\$500	\$500	\$0
1421 LG MOB Improvements	<u>\$150</u>	<u>\$638</u>	<u>(\$488)</u>
Sub-Total Los Gatos Projects	\$30,200	\$29,643	\$557
Other Strategic Capital Projects			
Primary Care Clinic (TI's Only)	\$1,600	\$1,600	\$0
Urgent Care Clinics (TI's Only)	\$2,400	\$2,400	\$0
Sub-Total Strategic Capital Projects	\$4,000	\$4,000	\$0
Grand Total Facilities Projects	\$204,477	\$211,230	(\$6,753)

*FY 2017 Cashflow based on August 2016 Information

** Board Approved

El Camino Hospital⁽¹⁾

Balance Sheet (Thousands)

ASSETS			LIABILITIES AND FUND BALANCE		
		Audited			Audited
	October 31, 2016	June 30, 2016		October 31, 2016	June 30, 2016
CURRENT ASSETS			CURRENT LIABILITIES		
(1) Cash	91,189	59,169	(7) Accounts Payable	20,128	28,519
Short Term Investments	109,776	105,284	(8) Salaries and Related Liabilities	18,740	22,992
(2) Patient Accounts Receivable, net	101,164	120,960	Accrued PTO	22,935	22,984
Other Accounts and Notes Receivable	3,279	4,369	Worker's Comp Reserve	2,300	2,300
(3) Intercompany Receivables	1,296	2,200	Third Party Settlements	11,183	11,314
(4) Inventories and Prepaids	42,841	39,678	Intercompany Payables	80	105
Total Current Assets	349,544	331,660	Malpractice Reserves	1,936	1,936
			Bonds Payable - Current	3,635	3,635
BOARD DESIGNATED ASSETS			(9) Bond Interest Payable	3,621	5,459
Plant & Equipment Fund	122,151	119,650	Other Liabilities	6,993	10,478
(5) Women's Hospital Expansion	8,961	-	Total Current Liabilities	88,659	106,830
Operational Reserve Fund	100,196	100,196			
Community Benefit Fund	13,068	13,037	LONG TERM LIABILITIES		
Workers Compensation Reserve Fund	22,688	22,309	Post Retirement Benefits	18,797	18,256
Postretirement Health/Life Reserve Fund	18,797	18,256	Worker's Comp Reserve	20,388	20,009
PTO Liability Fund	22,935	22,984	Other L/T Obligation (Asbestos)	3,674	3,637
Malpractice Reserve Fund	1,800	1,800	Other L/T Liabilities (IT/Medl Leases)	-	-
Catastrophic Reserves Fund	14,696	14,125	Bond Payable	225,396	225,857
Total Board Designated Assets	325,293	312,358	Total Long Term Liabilities	268,255	267,759
(6) FUNDS HELD BY TRUSTEE	28,192	30,841			
LONG TERM INVESTMENTS	211,083	207,597	DEFERRED INFLOW OF RESOURCES	2,892	2,892
INVESTMENTS IN AFFILIATES	32,560	31,627	FUND BALANCE/CAPITAL ACCOUNTS		
PROPERTY AND EQUIPMENT			Unrestricted	1,022,090	985,583
Fixed Assets at Cost	1,177,292	1,171,372	Board Designated	325,293	312,358
Less: Accumulated Depreciation	(500,731)	(485,856)	Restricted	0	-
Construction in Progress	54,343	46,009	(10) Total Fund Bal & Capital Accts	1,347,382	1,297,941
Property, Plant & Equipment - Net	730,904	731,525	TOTAL LIABILITIES AND FUND BALANCE	1,707,188	1,675,422
DEFERRED OUTFLOWS	29,614	29,814			
RESTRICTED ASSETS - CASH	0	-			
TOTAL ASSETS	1,707,188	1,675,422			

⁽¹⁾ Hospital entity only, excludes controlled affiliates

El Camino Hospital Comparative Balance Sheet Variances and Footnotes ⁽¹⁾

- (1) The increase in cash is due allowing for immediate cash to be available for the recent significant construction projects that have started in MV campus.
- (2) The decrease is primarily due to the significant cash payments the Patient Accounts team has brought in during the four months, two months were in excess of \$70M where the projected budgeted was approximately \$63M per month.
- (3) The decrease is just a timing issue of intercompany payments from one quarter to another. Normally at a fiscal year end, they are higher due to the books being held open for a longer period of time in preparation for audit.
- (4) The increase is principally due to a quarterly pension contribution of \$2.6M.
- (5) A new item, the District allocated its FY 2014 and FY 2015 Capital Appropriation Funds in support of future renovations to the Women's Hospital when the IMOB is completed and those floors become for patient care.
- (6) The decrease is due to additional withdraws from the 2015A Project Fund for the renovations at the Los Gatos campus.
- (7) The decrease is due significant General Contractor payments being accrued at year end, that were subsequently relieved during the first quarter of fiscal year 2017.
- (8) The decrease is due to timing of the release of the bi-weekly payroll liabilities, at June 30 there were 12/14's accrual on the books, at October 31 it was down to 9/14's.
- (9) The decrease is due a semi-annual 2015A bond interest payment made August 1, 2016.
- (10) The increase is due to this fiscal year's P&L affect (\$37M from Operations and \$6M for Non-Operations – primarily due to unrealized investment gain), and the \$9M transfer from the District in support of the future Women's Hospital renovations.

⁽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	69,672	72,687	5,839	5,734	5,909	23,340	23,224	23,532
ADC	198	195	201	199	191	199	188	185	191	190	189	191
Adjusted Acute Discharges	18,804	18,465	18,455	18,721	18,815	18,879	1,694	1,622	1,579	6,338	6,272	6,330
Acute Discharges	11,206	10,718	10,825	11,105	10,872	11,082	950	924	920	3,648	3,624	3,695
Inpatient total												
MS Discharges	11,206	10,718	10,825	11,105	10,872	11,082	950	924	920	3,648	3,624	3,695
Deliveries	4,487	4,348	4,386	4,076	4,248	4,171	346	359	346	1,365	1,416	1,391
BHS	861	857	901	806	777	896	70	67	74	284	259	299
Rehab	0	0	0	0	0	0	0	0	0	0	0	0
OP total												
ED	34,920	35,447	38,443	39,005	38,313	40,212	3,392	3,198	3,337	13,030	12,771	13,405
OP Surg	2,808	3,273	3,402	3,189	3,426	3,447	320	306	286	1,134	1,142	1,149
Endo	1979	2,300	2,365	2,231	2,040	2,320	197	163	193	789	680	773
Interventional	1496	1,689	1,856	1,947	2,046	2,302	170	167	191	658	682	767
All Other	59,665	64,061	62,322	72,398	75,846	76,743	5,203	6,394	6,369	20,516	25,282	25,584
Financial Performance (\$000s)												
Net Revenues	557,533	589,420	603,788	632,800	672,844	640,625	53,766	60,366	53,356	206,159	224,281	208,948
Operating Expenses	516,892	550,736	562,790	607,214	588,804	625,093	51,980	51,623	50,988	197,474	196,268	202,589
Operating Income \$	55,324	56,518	59,684	46,918	103,395	38,016	3,263	10,274	4,234	15,599	34,465	13,838
Operating Margin	9.7%	9.3%	9.6%	7.2%	14.9%	5.7%	5.9%	16.6%	7.7%	7.3%	14.9%	6.4%
EBITDA \$	105,938	105,814	103,637	96,770	151,405	90,879	7,069	14,282	8,378	30,569	50,468	30,604
EBITDA %	18.5%	17.4%	16.6%	14.8%	21.9%	13.7%	12.8%	23.1%	15.2%	14.3%	21.9%	14.1%
Payor Mix												
Medicare	42.0%	44.0%	46.4%	46.2%	46.0%	45.0%	43.5%	44.7%	45.0%	44.2%	46.0%	45.0%
Medi-Cal	5.4%	6.5%	7.1%	7.9%	7.9%	8.3%	8.0%	9.5%	8.3%	8.4%	7.9%	8.3%
Commercial IP	28.6%	25.7%	24.2%	23.6%	23.3%	23.6%	24.7%	23.3%	23.6%	24.0%	23.3%	23.6%
Commercial OP	19.2%	18.9%	18.4%	18.6%	19.8%	19.1%	19.7%	20.3%	19.1%	19.5%	19.8%	19.1%
Total Commercial	47.8%	44.6%	42.6%	42.2%	43.1%	42.7%	44.4%	43.5%	42.7%	43.5%	43.1%	42.7%
Other	4.8%	4.9%	3.9%	3.7%	3.0%	4.0%	4.1%	2.4%	4.0%	3.9%	3.0%	4.0%
Cost												
Employees	1,901.0	2,027.6	2,029.9	2,163.0	2,055.1	2,123.0	2,170.7	2,058.3	2,078.9	2,103.8	2,055.1	2,090.6
Hrs/APD	29.58	30.16	29.60	30.97	31.02	31.87	31.18	31.79	31.72	31.01	31.02	31.87

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	42	46	41	45	45	43	42	45
Adjusted Acute Discharges	3,578	3,740	3,888	3,778	3,567	4,113	321	295	342	1,380	1,189	1,375
Acute Discharges	2,143	2,165	2,289	2,239	2,094	2,417	184	183	200	758	698	805
Inpatient total												
MS Discharges	2,143	2,165	2,289	2,239	2,094	2,417	184	183	200	758	698	805
Deliveries	748	792	681	641	618	639	60	55	53	244	206	213
BHS	0	0	0	0	0	14	0	0	1	0	0	5
Rehab	525	547	555	500	513	570	49	40	47	182	171	190
OP total												
ED	10,605	10,609	10,687	10,922	10,455	11,046	907	820	917	3,613	3,485	3,682
OP Surg	3,103	3,171	3,077	2,864	2,862	2,980	247	249	247	1,034	954	994
Endo	263	192	155	91	54	159	25	14	13	56	18	53
Interventional	11	17	22	23	39	21	0	5	2	5	13	7
All Other	4,770	5,397	5,730	7,258	7,836	7,823	573	603	606	1,896	2,612	2,436
Financial Performance (\$000s)												
Net Revenues	128,794	131,702	142,858	139,221	139,227	148,960	11,673	12,233	12,791	48,496	46,409	49,431
Operating Expenses	115,461	118,944	126,841	135,830	132,683	139,735	11,298	11,436	11,560	44,649	44,228	45,833
Operating Income \$	13,802	13,787	18,436	5,695	8,626	11,801	575	970	1,450	4,697	2,875	4,450
Operating Margin	10.7%	10.4%	12.7%	4.0%	6.1%	7.8%	4.8%	7.8%	11.1%	9.5%	6.1%	8.9%
EBITDA \$	18,784	19,440	24,365	11,784	15,064	19,011	1,071	1,506	1,974	6,636	5,021	6,570
EBITDA %	14.5%	14.6%	16.8%	8.3%	10.7%	12.5%	9.0%	12.1%	15.2%	13.4%	10.7%	13.1%
IP Margin												
OP Margin												
Payor Mix												
Medicare	45.5%	44.0%	46.1%	48.2%	50.2%	47.5%	49.5%	53.2%	47.5%	48.4%	50.2%	47.5%
Medi-Cal	2.9%	3.5%	4.3%	5.1%	4.5%	4.7%	5.1%	3.9%	4.7%	4.6%	4.5%	4.7%
Commercial IP	25.3%	25.9%	23.8%	21.4%	20.3%	22.2%	19.6%	19.2%	22.2%	22.2%	20.3%	22.2%
Commercial OP	17.0%	19.1%	20.0%	19.4%	19.5%	20.2%	20.7%	17.7%	20.2%	20.1%	19.5%	20.2%
Total Commercial	42.3%	45.0%	43.8%	40.8%	39.8%	42.4%	40.3%	36.9%	42.4%	42.2%	39.8%	42.4%
Other	9.3%	7.5%	5.8%	5.9%	5.6%	5.5%	5.1%	6.1%	5.5%	4.8%	5.6%	5.5%
Cost												
Employees	388.0	408.1	422.6	421.8	417.7	422.4	410.2	421.9	419.5	424.7	417.7	422.4
Hrs/APD	29.13	27.65	28.00	29.34	28.99	27.58	29.97	29.09	27.30	28.66	28.99	27.58

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

4 months ending 10/31/2016

PERIOD 4 FY 2016	PERIOD 4 FY 2017	PERIOD 4 Budget 2017	Variance Fav (Unfav)	Var%		YTD FY 2016	YTD FY 2017	YTD Budget 2017	Variance Fav (Unfav)	Var%
					\$000s					
					OPERATING REVENUE					
194,824	197,826	198,961	(1,136)	-0.6%	Gross Revenue	736,350	792,043	779,095	12,947	1.7%
(141,058)	(137,459)	(145,605)	8,146	-5.6%	Deductions	(530,190)	(567,762)	(570,147)	2,386	-0.4%
53,766	60,366	53,356	7,010	13.1%	Net Patient Revenue	206,159	224,281	208,948	15,333	7.3%
1,476	1,530	1,866	(336)	-18.0%	Other Operating Revenue	6,914	6,452	7,479	(1,028)	-13.7%
55,242	61,896	55,222	6,674	12.1%	Total Operating Revenue	213,073	230,733	216,427	14,306	6.6%
					OPERATING EXPENSE					
29,954	33,188	31,269	(1,918)	-6.1%	Salaries & Wages	117,682	122,188	123,800	1,611	1.3%
7,938	7,086	8,429	1,342	15.9%	Supplies	31,908	30,018	32,303	2,285	7.1%
6,864	6,634	6,565	(69)	-1.1%	Fees & Purchased Services	25,389	25,330	26,738	1,407	5.3%
3,396	706	581	(125)	-21.5%	Other Operating Expense	7,503	2,727	2,983	255	8.6%
449	498	448	(50)	-11.1%	Interest	1,797	1,887	1,793	(94)	-5.2%
3,358	3,510	3,696	186	5.0%	Depreciation	13,173	14,117	14,973	856	5.7%
51,959	51,623	50,988	(635)	-1.2%	Total Operating Expense	197,454	196,268	202,589	6,322	3.1%
3,283	10,274	4,234	6,040	142.6%	Net Operating Income/(Loss)	15,619	34,465	13,838	20,627	149.1%
16,836	(6,436)	729	(7,165)	-983.0%	Non Operating Income	(11,438)	8,415	2,916	5,499	188.6%
20,119	3,837	4,963	(1,126)	-22.7%	Net Income(Loss)	4,182	42,880	16,754	26,126	155.9%
10.6%	21.1%	12.9%	8.1%		EBITDA	12.0%	19.7%	11.8%	7.9%	
5.9%	16.6%	7.7%	8.9%		Operating Margin	7.3%	14.9%	6.4%	8.5%	
36.4%	6.2%	9.0%	-2.8%		Net Margin	2.0%	18.6%	7.7%	10.8%	

⁽¹⁾ Hospital only, excludes controlled affiliates

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

4 months ending 10/31/2016

PERIOD 4 FY 2016	PERIOD 4 FY 2017	PERIOD 4 Budget 2017	Variance Fav (Unfav)	Var%
42,300	45,979	46,320	(341)	-0.7%
(30,628)	(33,746)	(33,529)	(217)	0.6%
11,673	12,233	12,791	(558)	-4.4%
200	172	219	(46)	-21.2%
11,873	12,406	13,010	(604)	-4.6%
5,807	6,166	6,318	152	2.4%
1,734	1,355	1,888	532	28.2%
1,477	1,382	1,270	(112)	-8.8%
1,783	1,997	1,560	(437)	-28.0%
0	0	0	0	0.0%
496	536	524	(13)	-2.4%
11,298	11,436	11,560	124	1.1%
575	970	1,450	(480)	-33.1%
0	0	0	0	0.0%
575	970	1,450	(480)	-33.1%
19.6%	22.2%	24.8%	-2.6%	
4.8%	7.8%	11.1%	-3.3%	
4.8%	7.8%	11.1%	-3.3%	

\$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)

YTD FY 2016	YTD FY 2017	YTD Budget 2017	Variance Fav (Unfav)	Var%
165,682	167,611	179,004	(11,393)	-6.4%
(117,186)	(121,202)	(129,573)	8,371	-6.5%
48,496	46,409	49,431	(3,022)	-6.1%
850	694	852	(158)	-18.6%
49,346	47,103	50,284	(3,181)	-6.3%
23,959	24,003	24,990	986	3.9%
6,910	6,021	7,140	1,119	15.7%
5,523	5,344	5,079	(265)	-5.2%
6,268	6,713	6,505	(208)	-3.2%
0	0	0	0	0.0%
1,990	2,146	2,120	(27)	-1.3%
44,649	44,228	45,833	1,606	3.5%
4,697	2,875	4,450	(1,575)	-35.4%
0	(10)	0	(10)	0.0%
4,697	2,865	4,450	(1,585)	-35.6%
23.7%	21.3%	23.0%	-1.7%	
9.5%	6.1%	8.9%	-2.7%	
9.5%	6.1%	8.9%	-2.8%	

⁽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