



El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

Summary of Financial Operations

Fiscal Year 2017 – Period 6
7/1/2016 to 12/31/2016

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

	Annual					Month			YTD		
	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
ADC	238	246	242	271	245	226	238	236	232	231	237
Adjusted Discharges	22,206	22,342	22,499	26,913	22,992	1,869	2,074	1,952	10,982	11,214	11,592
Total Discharges	19,427	19,637	19,367	23,006	19,781	1,625	1,708	1,680	9,419	9,586	9,934
Financial Performance (\$000s)											
Net Revenues	721,123	746,645	772,020	808,071	789,585	68,083	68,996	67,253	380,271	404,036	388,749
Operating Expenses	669,680	689,631	743,044	731,382	764,828	64,550	65,037	66,309	367,631	365,691	376,659
Operating Income \$	70,305	78,120	52,613	106,157	49,817	5,769	6,169	3,109	24,567	53,078	24,648
Operating Margin	9.5%	10.2%	6.6%	12.7%	6.1%	8.2%	8.7%	4.5%	6.3%	12.7%	6.1%
EBITDA \$	125,254	128,002	108,554	159,830	109,890	10,333	10,346	7,668	50,492	79,915	52,731
EBITDA %	16.9%	16.7%	13.6%	19.1%	13.5%	14.7%	14.5%	11.0%	12.9%	19.1%	13.1%
IP Margin ¹	-3.2%	-4.5%	-6.6%	-9.3%	-6.1%	-15.9%	-8.7%	-6.1%	-11.6%	-9.3%	-6.1%
OP Margin ¹	25.2%	28.1%	26.1%	31.8%	26.4%	17.7%	31.0%	26.4%	25.0%	31.8%	26.4%
Payor Mix											
Medicare	44.6%	46.2%	46.6%	47.2%	46.4%	44.7%	46.8%	46.4%	44.9%	47.2%	46.4%
Medi-Cal	6.0%	6.6%	7.4%	7.1%	6.5%	7.9%	5.9%	6.5%	7.7%	7.1%	6.5%
Commercial IP	25.4%	24.2%	23.2%	22.6%	24.0%	23.4%	22.7%	24.0%	23.6%	22.6%	24.0%
Commercial OP	18.6%	18.7%	18.7%	20.2%	19.0%	18.6%	21.2%	19.0%	19.4%	20.2%	18.6%
Total Commercial	44.0%	42.9%	41.9%	42.8%	43.0%	42.1%	43.9%	43.0%	43.0%	42.8%	42.6%
Other	5.4%	4.3%	4.1%	3.4%	4.1%	5.3%	3.4%	4.1%	4.3%	3.4%	4.1%
Cost											
Employees	2,435.6	2,452.4	2,542.8	2,458.5	2,521.6	2,683.0	2,480.9	2,633.4	2,630.4	2,458.5	2,521.6
Hrs/APD	29.31	30.45	30.35	30.53	31.17	33.30	29.49	31.65	31.08	30.53	31.17
Balance Sheet											
Net Days in AR	50.9	43.6	53.7	45.2	48.0	48.5	45.2	48.0	48.5	45.2	48.0
Days Cash	382	401	361	406	266	376	406	266	376	406	266
Debt to Capitalization	12.6%	13.6%	13.8%	13.1%	17.3%	14.5%	13.1%	17.3%	14.5%	13.1%	17.3%
MADS	9.5	8.9	6.1	12.7	9.3	7.9	12.7	9.3	7.9	12.7	9.3
Affiliates - Net Income (\$000s)											
Hosp	118,906	94,787	43,043	131,063	67,032	(2,472)	11,338	3,838	5,910	65,531	29,022
Concern	1,862	1,202	1,823	952	2,604	(8)	247	206	1,115	476	1,221
ECSC	(5)	(41)	(282)	(105)	0	(5)	(1)	0	(16)	(52)	0
Foundation	3,264	710	982	3,056	(450)	(236)	644	(54)	(65)	1,528	(144)
SVMD	32	106	156	(19)	0	(2)	(41)	(1)	(10)	(10)	(6)

(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 Inpatient discharges are 1.8% higher than prior year but 3.5% below budget.
- Due to the late flu season, census exceed the budget in December with an ADC of 238 comparing to a budget of 236.
- General Medicine and Pulmonary Medicine cases reached the highest level YTD and almost double than last month.
- Other case volume increased includes Heart Failure, Stroke and Cardiac Valve Surgery in December.

Outpatient Volume:

- Overall YTD outpatient volume is flat with PY but 2.9% below budget.

Operating Income:

- Operating Income was ahead of budget by \$3.1M for the month and \$28M YTD . The main contributing factors to a strong financial in December include: 1) improvement in commercial payer mix. YTD payor mix is now ahead of target 2) improvement in charge capture; and 3) productivity improvement
- The improvement in clinical documentation and better managed in denials results a steady improvement in payer reimbursement after EPIC went live.

- Cash collection remain strong in December, resulting a 45.2 Net AR Days

* The FY2017 budget presented excludes 2016 bonds cost of issuance and interest expense since the issuance was delayed.

Budget Variances

\$ in Thousands	Month to Date (MTD)			Year to Date (YTD)		
	Detail	Net Income Impact	% Net Revenue	Detail	Net Income Impact	% Net Revenue
Net Revenue (FY2017 Budget/FY2017 Actual)						
	69,418	71,205		401,307	418,769	
Budgeted Hospital Operations FY2017		3,109	4.5%		24,648	6.1%
Net Revenue		1,788	2.5%		17,462	4.2%
* Rev cycle improvements	1,476			7,105		
* Medi-Cal Supplemental	312			312		
* Inter Govt Transfer (IGT)	0			6,535		
* Prime Medi-Cal	0			3,510		
Labor and Benefit Expense Change		1,426	2.0%		5,992	1.4%
* Productivity and lower volume	3,761			11,384		
* Pay-for-Performance Bonus Accrual	(2,400)			(2,400)		
* Repricing of PTO Bank	404			404		
* Old employee WC settlement	(432)			(432)		
* Ratification Bonus to PRN	93			(2,600)		
* Severance Pay	0			(365)		
Professional Fees & Purchased Services		(638)	-0.9%		287	0.1%
* Physician Fees	(210)			677		
* Consulting Fee including Premier for HPO, Mercer and COI expense.	(871)			(1,107)		
* Purchased Services mainly due to backfill for vacant IT positions	(367)			(1,848)		
* Repairs and Maintenance Fees	810			2,565		
Supplies		279	0.4%		3,332	0.8%
* Drug Exp (due to higher Infusion Center volume; but offset by higher gross revenue)	(175)			(1,130)		
* Medical Supplies	419			2,992		
* Misc Net Supplies (Food/Volumes)	35			1,470		
Other Expenses		(177)	-0.2%		110	0.0%
* Leases & Rental Fees (Rental Lease Costs)	19			(75)		
* Utilities & Telephone (continue on routine PG&E accrual but no payment yet)	11			310		
* Other G&A	(207)			(16)		
* MD Income Guarantee forgiveness	0			(109)		
Depreciation & Interest		382	0.5%		1,247	0.3%
* Depreciation (Ongoing depreciation on the Old 2nd & 3rd FI & GL improvement projects)	111			1,092		
* Interest Expense	271			155		
Actual Hospital Operations FY2017		6,169	8.7%		53,078	12.7%

El Camino Hospital (\$000s)

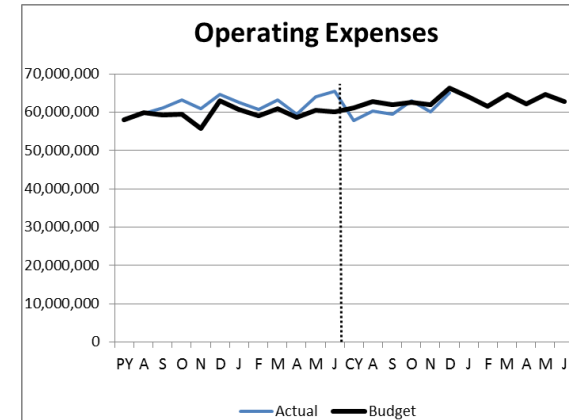
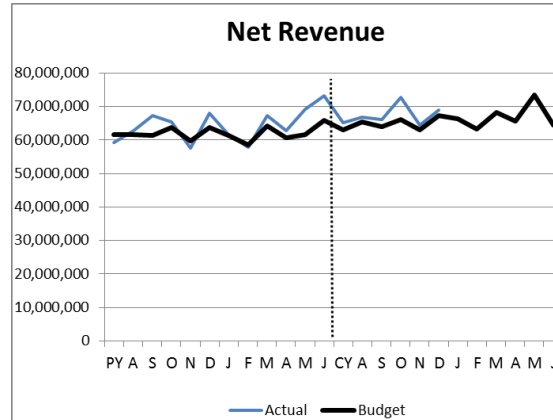
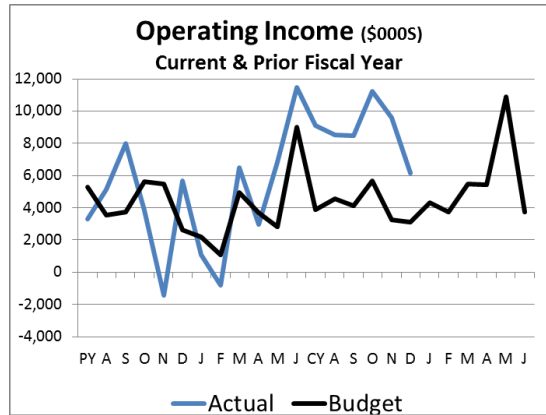
6 month ending 12/31/2016

PERIOD 6 FY 2016	PERIOD 6 FY 2017	PERIOD 6 Budget 2017	Variance Fav (Unfav)	Var%
243,321	252,128	249,399	2,729	1.1%
(175,237)	(183,132)	(182,146)	(986)	1.0%
68,083	68,996	67,253	1,743	2.6%
2,236	2,210	2,165	45	2.1%
70,320	71,205	69,418	1,788	2.6%
37,265	40,285	41,711	1,426	3.4%
9,966	9,730	10,009	279	2.8%
10,222	8,476	7,837	(638)	-8.1%
2,624	2,369	2,192	(177)	-8.1%
449	177	448	271	60.4%
4,115	4,000	4,111	111	2.7%
64,640	65,037	66,309	1,272	1.9%
5,680	6,169	3,109	3,060	98.4%
(4,869)	5,168	729	4,439	609.0%
811	11,336	3,838	7,499	195.4%
14.6%	14.5%	11.0%	3.5%	
8.1%	8.7%	4.5%	4.2%	
1.2%	15.9%	5.5%	10.4%	

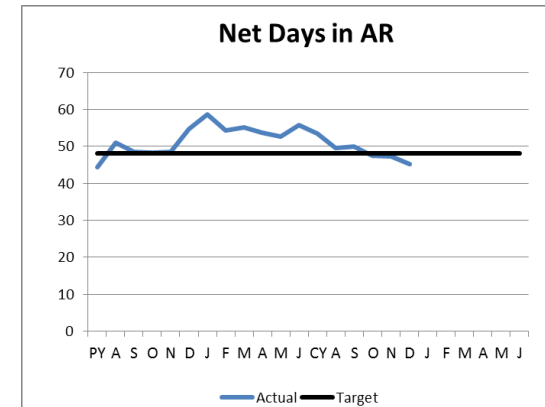
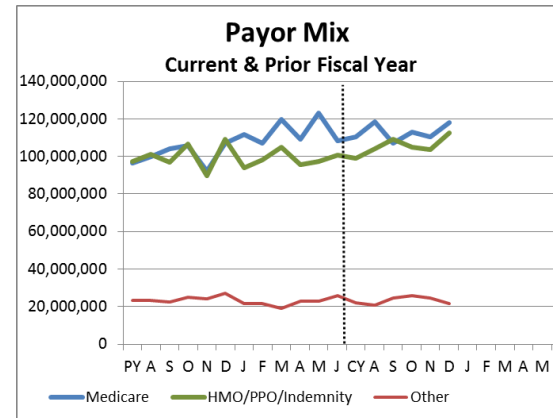
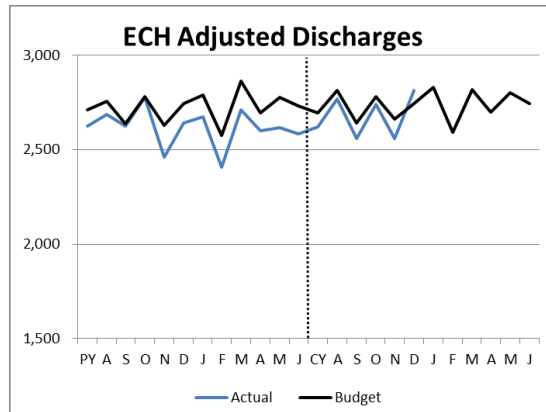
\$000s
OPERATING REVENUE
Gross Revenue
Deductions
Net Patient Revenue
Other Operating Revenue
Total Operating Revenue
OPERATING EXPENSE
Salaries & Wages
Supplies
Fees & Purchased Services
Other Operating Expense
Interest
Depreciation
Total Operating Expense
Net Operating Income/(Loss)
Non Operating Income
Net Income(Loss)
EBITDA
Operating Margin
Net Margin

YTD FY 2016	YTD FY 2017	YTD Budget 2017	Variance Fav (Unfav)	Var%
1,351,701	1,450,379	1,441,546	8,833	0.6%
(971,430)	(1,046,343)	(1,052,797)	6,454	-0.6%
380,271	404,036	388,749	15,286	3.9%
11,927	14,734	12,558	2,176	17.3%
392,198	418,769	401,307	17,462	4.4%
213,315	222,254	228,246	5,992	2.6%
58,356	55,706	59,038	3,332	5.6%
48,676	46,896	47,183	287	0.6%
21,345	13,999	14,109	110	0.8%
2,695	2,534	2,689	155	5.8%
23,230	24,302	25,394	1,092	4.3%
367,616	365,691	376,659	10,968	2.9%
24,582	53,078	24,648	28,430	115.3%
(17,162)	12,451	4,374	8,078	184.7%
7,420	65,530	29,022	36,508	125.8%
12.9%	19.1%	13.1%	5.9%	
6.3%	12.7%	6.1%	6.5%	
1.9%	15.6%	7.2%	8.4%	

Monthly Financial Trends



December volume is strong due to flu season. YTD volume stable compared to PY but below budget.
AR days ahead of target
Commercial payor mix improved in December and is now ahead of target for the year.



Non Operating Items and Net Income by Affiliate

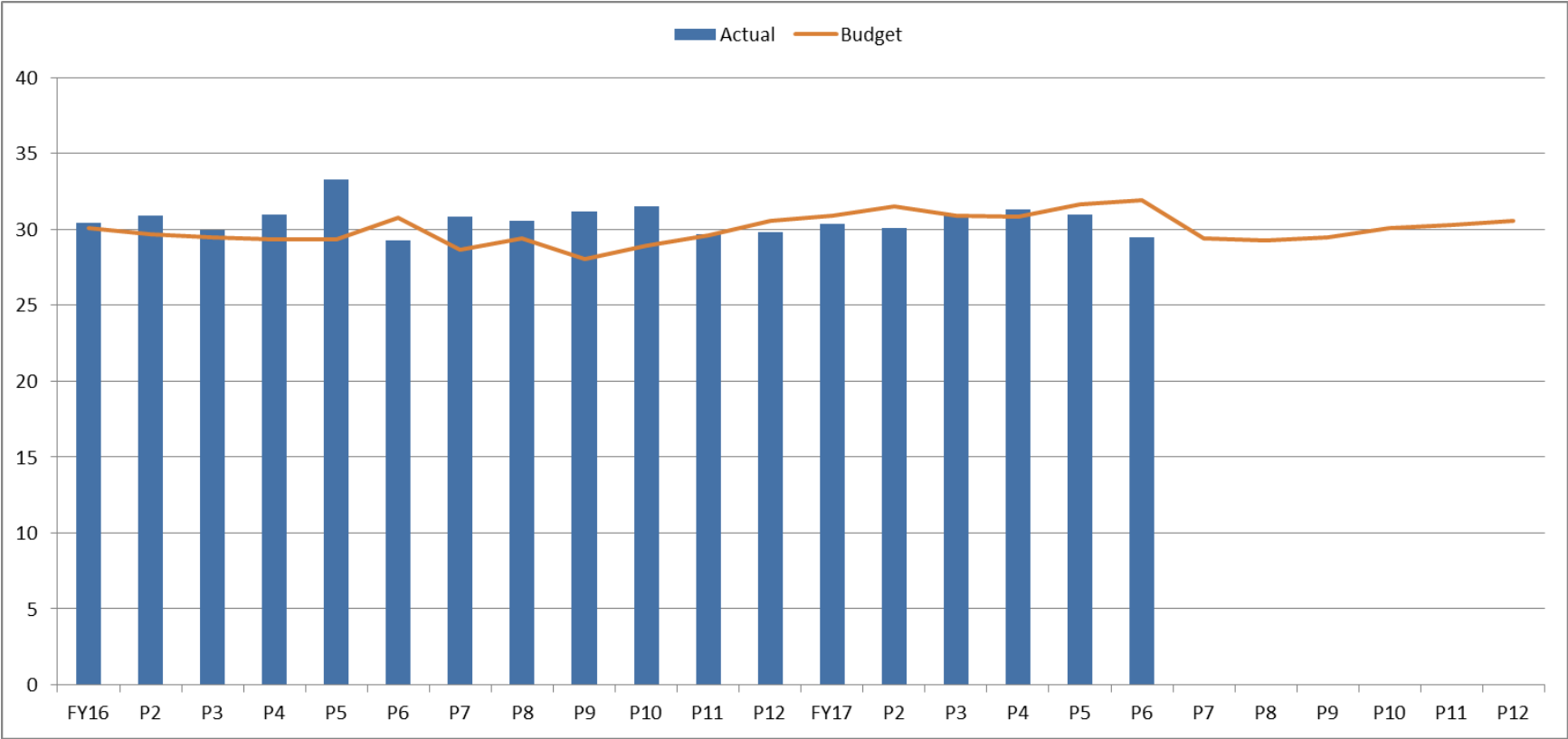
\$ in thousands

	Period 6 - Month			Period 6 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Income (Loss) from Operations						
Mountain View	5,970	2,162	3,808	50,638	18,643	31,995
Los Gatos	199	947	(748)	2,440	6,005	(3,565)
Sub Total - El Camino Hospital, excl. Affiliates	6,169	3,109	3,060	53,078	24,648	28,430
Operating Margin %	8.7%	4.5%		12.7%	6.1%	
El Camino Hospital Non Operating Income						
Investments	5,757	1,512	4,245	13,411	9,070	4,341
Swap Adjustments	354	0	354	3,434	0	3,434
Community Benefit	(110)	(283)	174	(2,054)	(1,700)	(354)
Other	(834)	(499)	(334)	(2,340)	(2,997)	657
Sub Total - Non Operating Income	5,168	729	4,439	12,451	4,374	8,078
El Camino Hospital Net Income (Loss)	11,336	3,838	7,499	65,530	29,022	36,508
ECH Net Margin %	15.9%	5.5%		15.6%	7.2%	
Concern	247	206	41	476	1,221	(745)
ECSC	(1)	0	(1)	(52)	0	(52)
Foundation	644	(54)	698	1,528	(144)	1,672
Silicon Valley Medical Development	(41)	(1)	(40)	(10)	(6)	(4)
Net Income Hospital Affiliates	75	229	(154)	1,093	920	173
Total Net Income Hospital & Affiliates	11,411	4,067	7,345	66,623	29,942	36,681

Swap gain due to rise in interest rates
Favorable variance in Other due to lower losses at SVMD

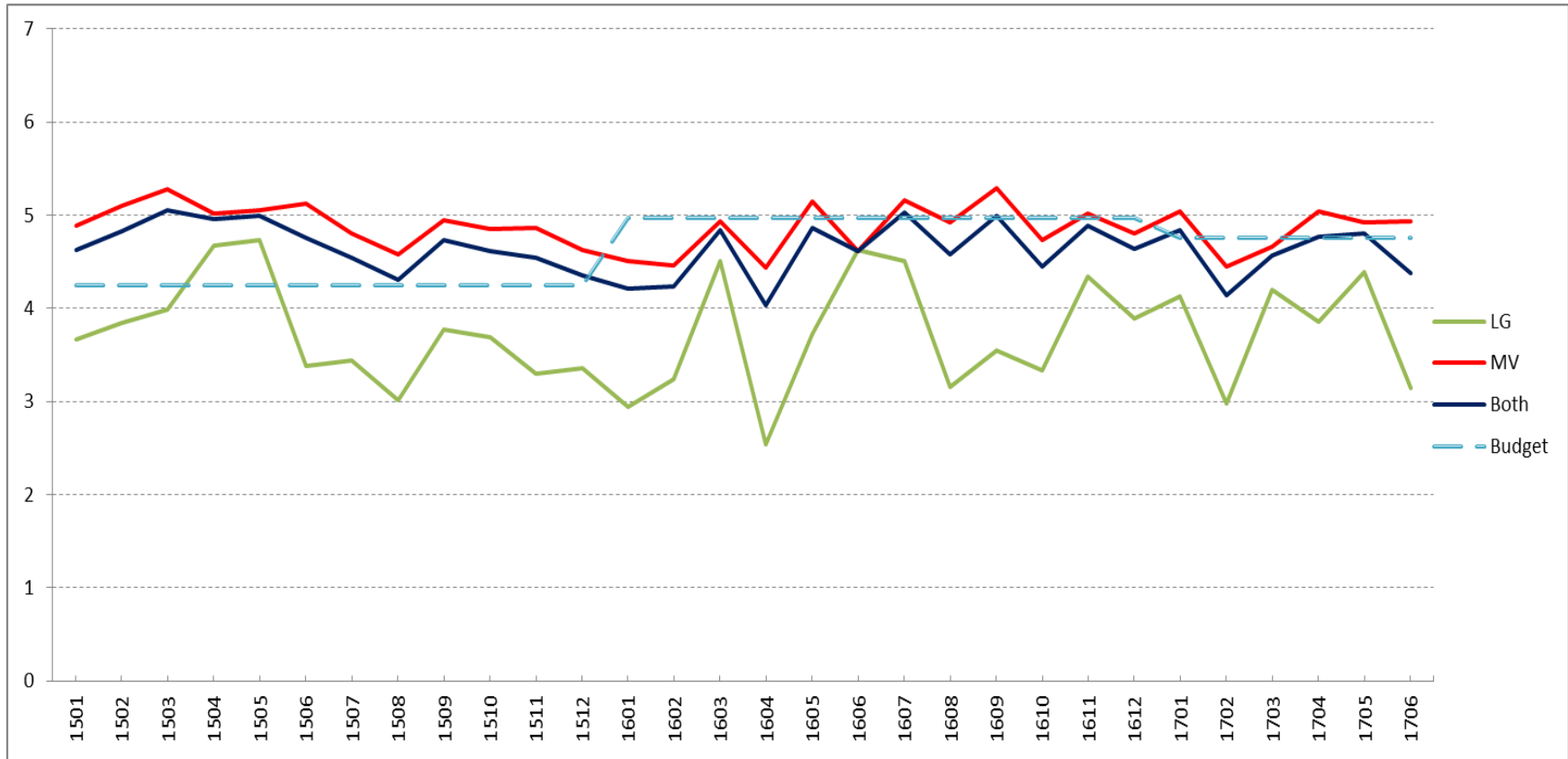
Higher Foundation income due to high unrestricted donations and investment income

Worked Hours per Adjusted Patient Day



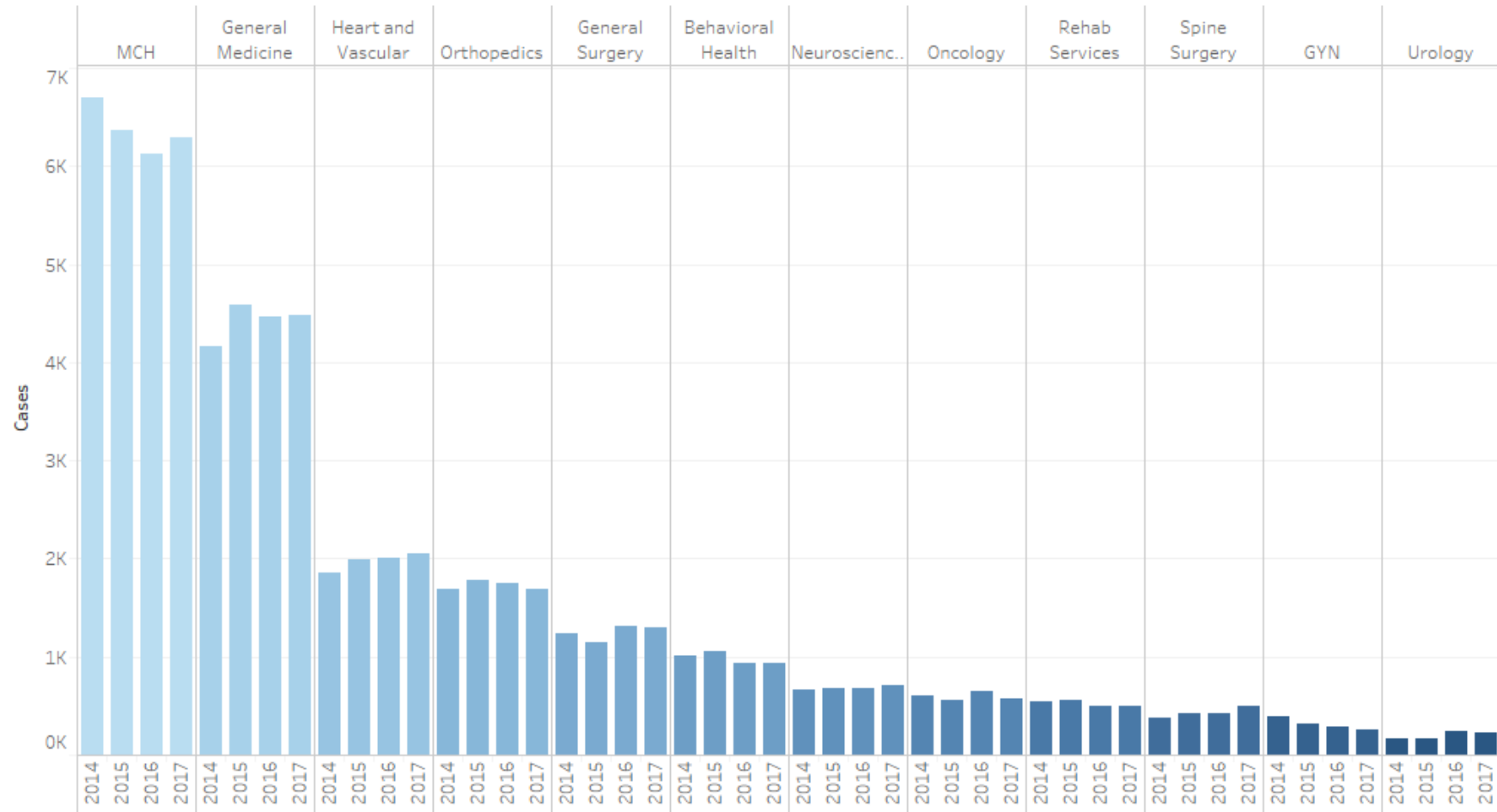
Productivity has improved after EPIC go-live and is favorable compared to budget.

Medicare ALOS



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

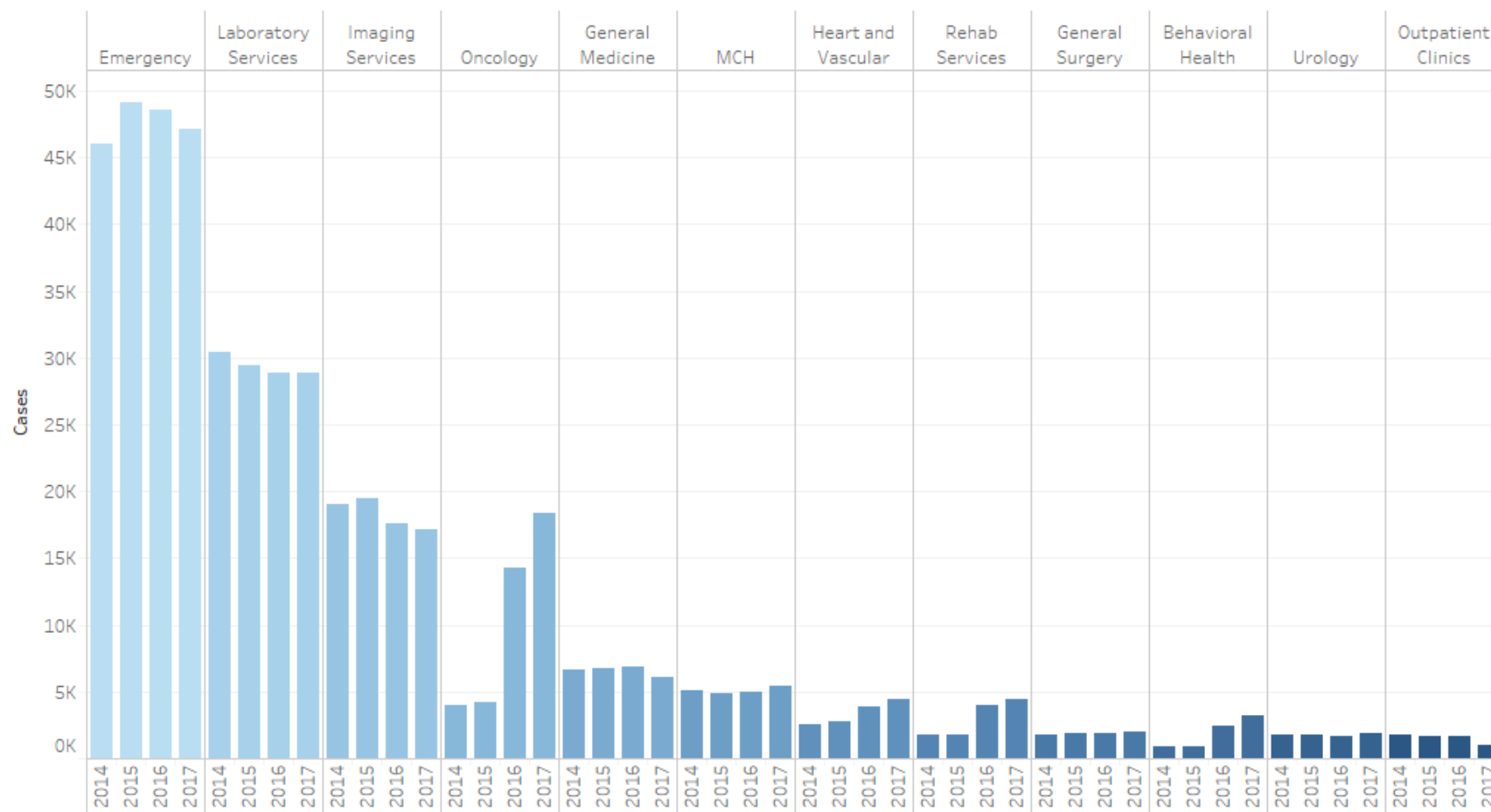
El Camino Hospital Volume Annual Trends – Inpatient FY 2017 is annualized



- Maternity volume recovering slightly in FY2017 with growth in Vaginal Deliveries in the 1st quarter. C-section volume has been mostly flat. Lower C-section rate is due to quality efforts by service line MDs
- IP Heart and Vascular volume has increased by 7.7% in FY2017 compared to the same period last FY. The increase is driven by service line MDs desire to build a regional program at ECH. Strong growth was achieved in the following Product Lines: Cardiac Surgery – CABG (22%), Medical – Heart Failure (22.5%), Medical Arrhythmia (25.8%), Structural Heart (25.4%)

El Camino Hospital Volume Annual Trends – Outpatient

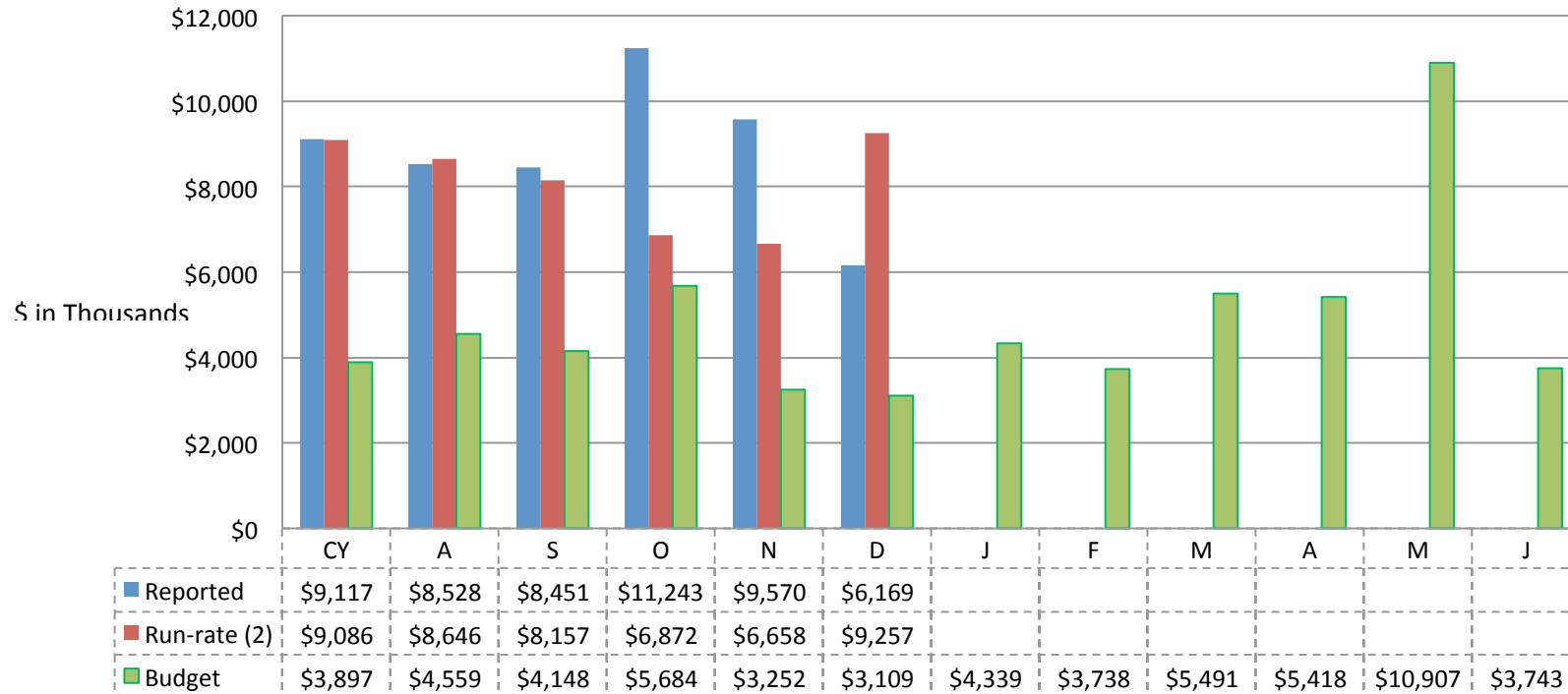
FY 2017 is annualized



- Emergency room encounters in FY2017 have declined by 2% compared to the same period last FY.
- Imaging Services volume declined mainly in Mamo but trend will reverse with implementation of Tomo technology
- Outpatient Oncology volume increase due to counting change with EPIC implementation. Actual growth is 2%.

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
	LPCH Adjstmt	-\$8	-\$41	-\$19	-\$25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Medi-Cal Supplemental	\$0	\$0	\$0	\$0	\$0	-\$312	\$0	\$0	\$0	\$0	\$0	\$0
	Tricare	\$0	\$0	-\$144	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	SVPMG Quarterly Payment	\$0	\$0	\$0	\$0	\$0	-\$199	\$0	\$0	\$0	\$0	\$0	\$0
	IGT Supplemental	\$0	\$0	\$0	-\$6,535	-\$3,510	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	-\$31	\$118	-\$295	-\$6,771	-\$3,510	-\$512	\$0	\$0	\$0	\$0	\$0	\$0
Expense Adjustments	Pay-For-Performance Bonus	\$0	\$0	\$0	\$0	\$0	\$2,400	\$0	\$0	\$0	\$0	\$0	\$0
	Ratification Bonus	\$0	\$0	\$0	\$2,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Inst & Minor Med Equipment	\$0	\$0	\$0	\$0	\$598	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Worker's Comp Settlement	\$0	\$0	\$0	\$0	\$0	\$700	\$0	\$0	\$0	\$0	\$0	\$0
	Other Purchased Services	\$0	\$0	\$0	\$0	\$0	\$500	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$0	\$0	\$0	\$2,400	\$598	\$3,600	\$0	\$0	\$0	\$0	\$0	\$0

El Camino Hospital Investment Committee Scorecard

December 31, 2016

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY17 Year-end Budget	Expectation Per Asset Allocation
Investment Performance		4Q 2016		Fiscal Year-to-date		4y 2m Since Inception (annualized)		May 2016	
Surplus cash balance & op. cash (millions)		\$801.9	–	–	–	–	–	\$657.2	–
Surplus cash return		0.0%	0.3%	2.9%	3.1%	4.6%	4.6%	4.0%	5.2%
Cash balance plan balance (millions)		\$227.9	–	–	–	–	–	\$220.6	–
Cash balance plan return		-0.2%	0.6%	3.4%	3.8%	7.0%	6.6%	6.0%	5.8%
403(b) plan balance (millions)		\$362.4	–	–	–	–	–	–	–
Risk vs. Return		3-year				4y 2m Since Inception (annualized)		May 2016	
Surplus cash Sharpe ratio		0.67	0.76	–	–	1.06	1.05	–	0.55
Net of fee return		3.1%	3.6%	–	–	4.6%	4.6%	–	5.2%
Standard deviation		4.5%	4.6%	–	–	4.3%	4.3%	–	8.6%
Cash balance Sharpe ratio		0.65	0.69	–	–	1.18	1.15	–	0.49
Net of fee return		3.8%	4.0%	–	–	7.0%	6.6%	–	5.8%
Standard deviation		6.0%	5.8%	–	–	5.8%	5.6%	–	10.7%
Asset Allocation		4Q 2016							
Surplus cash absolute variances to target		7.5%	< 10%	–	–	–	–	–	–
Cash balance absolute variances to target		5.7%	< 10%	–	–	–	–	–	–
Manager Compliance		4Q 2016							
Surplus cash manager flags		18	< 19 Green < 23 Yellow	–	–	–	–	–	–
Cash balance plan manager flags		21	< 20 Green < 25 Yellow	–	–	–	–	–	–

El Camino Hospital

Capital Spending (in millions)

Category	Detail	Approved	Total Estimated Cost of Project	Total Authorized	Spent from Inception	FY 17 Proj Spend	FY 17 YTD Spent
				Active			
CIP	EPIC Upgrade			6.1	2.0	6.1	2.0
IT Hardware, Software, Equipment*				5.4	0.3	5.4	0.3
Medical & Non Medical Equipment FY 16**				4.3	0.0	4.3	0.0
Medical & Non Medical Equipment FY 17				10.3	1.1	10.3	1.1
Facility Projects							
	1307 LG Upgrades	FY13	17.3	17.3	12.0	3.3	2.0
	1219 LG Spine OR	FY13	4.1	4.1	2.6	2.7	1.3
	1414 Integrated MOB	FY15	275.0	247.0	30.0	58.2	16.2
	1413 North Drive Parking Expansion	FY15	24.5	24.5	6.9	19.7	5.3
	1245 Behavioral Health Bldg	FY16	91.5	72.5	10.8	17.9	3.5
	1248 LG Imaging Phase II (CT & Gen Rad)	FY16	8.8	8.8	2.8	7.1	2.1
	1313/1224 LG Rehab HVAC System & Structural	FY16	3.7	3.7	3.0	1.6	1.2
	1502 Cabling & Wireless Upgrades	FY16	2.8	2.8	2.4	1.0	0.3
	1425 IMOB Preparation Project - Old Main	FY16	3.0	3.0	2.5	2.5	1.8
	1430 Women's Hospital Expansion	FY16	91.0	0.0	0.0	0.8	0.0
	1422 CUP Upgrade	FY16	9.0	7.5	1.5	4.0	0.5
	1503 Willow Pavilion Tomosynthesis	FY16	1.3	1.3	0.2	0.1	0.1
	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	0.2	0.2	0.2
	1520 Facilities Planning Allowance	FY16	0.6	0.0	0.0	0.5	0.0
New to FP 3	1525 New Main Lab Upgrades		1.6	0.4	0.3	2.6	0.3
New to FP 3	1515 ED Remodel Triage/Psych Observation	FY16	1.6	0.0	0.0	0.6	0.0
New to FP 3	Site Signage and Other Improvements		1.0	0.0	0.0	0.4	0.0
New to FP 3	IR Room #6 Development		2.6	0.0	0.0	0.2	0.0
New to FP 3	1602 JW House (Patient Family Residence)		2.5	0.0	0.0	0.0	0.0
New to FP 3	1507 LG IR Upgrades		1.1	0.0	0.0	0.2	0.0
New to FP 3	LG Building Infrastructure Upgrades		1.5	0.0	0.0	0.0	0.0
New to FP 3	1421 LG MOB Improvements (17)		5.0	0.9	0.7	0.2	0.1
	All Other Projects under \$1M		8.6	6.7	4.6	6.3	1.7
			569.9	401.2	80.7	132.7	36.7
GRAND TOTAL				427.3		158.8	40.2

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

El Camino Hospital

Capital Spending – Facility Projects (in millions)

Capital Facilities Projects		Budget & Spend Report			
	(\$ in ,000)	Approved	A - FY17 Budgeted (Board packet)	D - FY17 Projected Spent	Variance from Budget
Mountain View Campus Master Plan Projects					
1245	BHS Replacement	FY16	30,000	17,890	12,110
1413	North Dr Parking Structure Expansion	FY15	20,500	19,651	849
1414	Integrated Medical Office Building	FY15	101,500	58,230	43,270
1422	CUP Upgrades	FY16	5,000	4,025	975
1430	Womens Hosp Expansion	FY16	5,500	800	4,700
Sub-Total			162,500	100,596	61,904
Other Capital Facilities Projects (Active/Budgeted)					
					0
1501	Womens Hosp NPC Closeout ⁽¹⁾	FY16	327	595	(268)
1425	IMOB Preparation Project - Old Main		1,000	2,466	(1,466)
1502	Cabling and Wireless upgrades ⁽¹⁾	FY16	400	1,010	(610)
1525	New Main Lab Upgrades		1,200	2,575	(1,375)
1515	ED Remodel Triage / Psych Observation		1,400	600	800
1415	Signage & Wayfinding		300	425	(125)
1416	Digital Directories ⁽¹⁾	FY15	-	108	(108)
1503	Breast Imaging Tomography (Excludes \$1M Equip) ⁽¹⁾	FY16	300	1,228	(928)
1316	Willow Pavilion FA Sys and Equip Upgrades		800	100	700
1423	MV MOB TI Allowance ⁽¹⁾	FY16	-	419	(419)
	Facilities Planning Allowance		300	-	300
1523	MV Melchor Suite 309 TI's ⁽¹⁾	FY16	-	76	(76)
	Furniture Systems Inventory		250	250	0
	Site Signage & Other Improvements		200	100	100
	MV Equipment & Infrastructure Upgrades (17)		300	-	300
	IR Room #6 Development		500	200	300
1602	JW House (Patient Family Residence)		500	-	500
MV Capital Projects Sub-Total			7,777	10,153	(2,376)
					0
1219	LG Spine Room Expansion - OR 4	FY13	3,100	2,717	383
1313	LG Rehab HVAC Upgrades (CIP# 1313 / 1224)	FY15	400	1,643	(1,243)
1248	LG Imaging & Sterile Processing		7,250	7,128	122
1307	LG Upgrades - Major	FY13	7,300	3,266	4,034
1327	LG Rehab Building Upgrades		500	100	400
1346	LG Surgical Lights OR's 5,6 & 7 ⁽¹⁾	FY15	-	154	(154)
1347	LG Central Sterile Upgrades		-	40	(40)
1421	LG MOB Improvements		150	219	(69)
1507	LG IR Upgrades		800	-	800
1508	LG NICU 4 Bed Expansion		5,000	247	4,753
1600	LG 825 Pollard - Aspire Phase 2 ⁽¹⁾	FY16	-	500	(500)
	LG Building Infrastructure Improvements		1,200	-	1,200
	LG Facilities Planning		500	-	500
	LG MOB Improvements (17)		4,000	1,500	2,500
LG Capital Projects Sub-Total			30,200	17,515	12,685
					0
	Primary Care Clinic (TI's Only)		1,600	1,400	200
	Urgent Care Clinics (TI's Only)		2,400	-	2,400
Other Strategic Capital Project Sub-Total			4,000	1,400	2,600
					0
Grand Total Facilities Projects			204,477	129,664	74,813
(1) Approved Spending prior to FY17					

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

Balance Sheet (in thousands)

ASSETS			LIABILITIES AND FUND BALANCE		
		Audited			Audited
	December 31, 2016	June 30, 2016		December 31, 2016	June 30, 2016
CURRENT ASSETS					
(1) Cash	100,961	59,169	(7) Accounts Payable	19,817	28,519
Short Term Investments	113,489	105,284	(8) Salaries and Related Liabilities	28,759	22,992
(2) Patient Accounts Receivable, net	101,259	120,960	Accrued PTO	21,609	22,984
Other Accounts and Notes Receivable	3,353	4,369	Worker's Comp Reserve	2,300	2,300
(3) Intercompany Receivables	1,296	2,200	Third Party Settlements	11,153	11,314
(4) Inventories and Prepaids	43,230	39,678	Intercompany Payables	219	105
Total Current Assets	363,588	331,660	Malpractice Reserves	1,969	1,936
BOARD DESIGNATED ASSETS					
Plant & Equipment Fund	121,003	119,650	Bonds Payable - Current	3,635	3,635
(5) Women's Hospital Expansion	9,298	-	(9) Bond Interest Payable	4,508	5,459
Operational Reserve Fund	100,196	100,196	Other Liabilities	8,451	10,478
Community Benefit Fund	12,890	13,037	Total Current Liabilities	99,528	106,830
Workers Compensation Reserve Fund	22,979	22,309	LONG TERM LIABILITIES		
Postretirement Health/Life Reserve Fund	19,068	18,256	Post Retirement Benefits	19,068	18,256
PTO Liability Fund	21,609	22,984	Worker's Comp Reserve	20,679	20,009
Malpractice Reserve Fund	1,800	1,800	Other L/T Obligation (Asbestos)	3,692	3,637
Catastrophic Reserves Fund	15,837	14,125	Other L/T Liabilities (IT/Medl Leases)	-	-
Total Board Designated Assets	324,679	312,358	Bond Payable	223,145	225,857
(6) FUNDS HELD BY TRUSTEE	28,238	30,841	Total Long Term Liabilities	266,584	267,759
LONG TERM INVESTMENTS	214,297	207,597	DEFERRED INFLOW OF RESOURCES		
INVESTMENTS IN AFFILIATES	31,828	31,627		2,892	2,892
PROPERTY AND EQUIPMENT					
Fixed Assets at Cost	1,180,435	1,171,372	FUND BALANCE/CAPITAL ACCOUNTS		
Less: Accumulated Depreciation	(508,511)	(485,856)	Unrestricted	1,043,372	985,583
Construction in Progress	72,988	46,009	Board Designated	324,679	312,358
Property, Plant & Equipment - Net	744,913	731,525	Restricted	0	-
DEFERRED OUTFLOWS					
	29,514	29,814	(10) Total Fund Bal & Capital Accts	1,368,051	1,297,941
RESTRICTED ASSETS - CASH	0	-	TOTAL LIABILITIES AND FUND BALANCE		
TOTAL ASSETS	1,737,056	1,675,422		1,737,056	1,675,422

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

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

6 months ending 12/31/2016

PERIOD 6 FY 2016	PERIOD 6 FY 2017	PERIOD 6 Budget 2017	Variance Fav (Unfav)	Var%
197,489	204,773	202,929	1,844	0.9%
(139,263)	(148,486)	(148,509)	22	0.0%
58,226	56,287	54,421	1,866	3.4%
2,044	1,972	1,950	21	1.1%
60,270	58,259	56,371	1,888	3.3%
31,166	32,941	34,738	1,797	5.2%
8,285	7,828	8,186	358	4.4%
8,953	7,003	6,590	(413)	-6.3%
1,167	854	633	(222)	-35.0%
449	177	448	271	60.4%
3,619	3,485	3,615	129	3.6%
53,637	52,289	54,209	1,920	3.5%
6,633	5,970	2,162	3,808	176.1%
(4,869)	5,168	729	4,439	609.0%
1,764	11,137	2,891	8,246	285.2%
15.7%	14.4%	8.8%	5.6%	
11.0%	10.2%	3.8%	6.4%	
2.9%	19.1%	5.1%	14.0%	

\$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%
1,100,090	1,192,540	1,172,962	19,578	1.7%
(797,708)	(857,971)	(858,382)	411	0.0%
302,382	334,569	314,580	19,988	6.4%
10,682	13,629	11,270	2,359	20.9%
313,064	348,198	325,851	22,347	6.9%
177,614	184,981	189,916	4,935	2.6%
47,830	45,899	48,315	2,415	5.0%
40,634	38,904	39,653	749	1.9%
11,753	4,113	4,354	241	5.5%
2,695	2,534	2,689	155	5.8%
20,246	21,127	22,281	1,153	5.2%
300,771	297,559	307,208	9,648	3.1%
12,293	50,638	18,643	31,995	171.6%
(17,162)	12,462	4,374	8,088	184.9%
(4,869)	63,100	23,017	40,083	174.1%
8.9%	19.2%	11.1%	8.1%	
3.9%	14.5%	5.7%	8.8%	
-1.6%	18.1%	7.1%	11.1%	

EBITDA
Operating Margin
Net Margin

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

6 months ending 12/31/2016

PERIOD 6 FY 2016	PERIOD 6 FY 2017	PERIOD 6 Budget 2017	Variance Fav (Unfav)	Var%
45,832	47,355	46,470	885	1.9%
(35,974)	(34,646)	(33,637)	(1,009)	3.0%
9,857	12,709	12,832	(124)	-1.0%
193	238	214	24	11.1%
10,050	12,947	13,047	(100)	-0.8%
6,099	7,343	6,973	(371)	-5.3%
1,681	1,902	1,823	(78)	-4.3%
1,269	1,473	1,248	(225)	-18.1%
1,457	1,515	1,560	45	2.9%
0	0	0	0	0.0%
496	514	497	(18)	-3.6%
11,003	12,748	12,100	(648)	-5.4%
(953)	199	947	(748)	-79.0%
0	0	0	0	0.0%
(953)	199	947	(748)	-79.0%
7.9%	15.2%	20.6%	-5.5%	
-9.5%	1.5%	7.3%	-5.7%	
-9.5%	1.5%	7.3%	-5.7%	

\$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%
251,611	257,839	268,584	(10,745)	-4.0%
(173,722)	(188,372)	(194,415)	6,043	-3.1%
77,890	69,467	74,169	(4,702)	-6.3%
1,244	1,105	1,288	(183)	-14.2%
79,134	70,572	75,457	(4,885)	-6.5%
35,701	37,273	38,330	1,057	2.8%
10,526	9,807	10,724	917	8.5%
8,042	7,992	7,530	(462)	-6.1%
9,592	9,885	9,755	(131)	-1.3%
0	0	0	0	0.0%
2,984	3,175	3,113	(61)	-2.0%
66,845	68,132	69,451	1,320	1.9%
12,289	2,440	6,005	(3,565)	-59.4%
0	(10)	0	(10)	0.0%
12,289	2,430	6,005	(3,575)	-59.5%
28.8%	18.6%	22.0%	-3.4%	
15.5%	3.5%	8.0%	-4.5%	
15.5%	3.4%	8.0%	-4.5%	