



El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

Summary of Financial Operations

Fiscal Year 2017 – Period 8
7/1/2016 to 2/28/2017

Dashboard - ECH combined as of February 28, 2017⁽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	236	245	268	245	262	241	236	244
Adjusted Discharges	22,206	22,342	22,499	22,980	22,992	1,692	1,915	1,824	14,699	15,320	15,346
Total Discharges	19,427	19,637	19,367	19,422	19,781	1,543	1,565	1,587	12,787	12,948	13,199
Inpatient Cases											
MS Discharges	12,883	13,114	13,344	13,359	13,499	1,058	1,106	1,083	8,706	8,906	9,003
Deliveries	5,140	5,067	4,717	4,664	4,810	376	356	386	3,128	3,109	3,208
BHS	857	901	806	924	901	67	68	73	623	616	607
Rehab	547	555	500	476	570	42	35	46	330	317	380
Outpatient											
ED	46,056	49,130	49,927	47,702	51,258	4,234	3,917	4,110	32,446	31,801	34,186
Procedural Cases											
OP Surg	6,444	6,479	6,053	6,552	6,427	436	546	515	4,082	4,368	4,287
Endo	2,492	2,520	2,322	2,150	2,479	167	184	199	1,534	1,433	1,653
Interventional	1,706	1,878	1,970	1,988	2,323	138	142	186	1,348	1,325	1,549
All Other	69,458	68,052	79,656	80,867	84,566	6,706	6,657	6,782	52,820	53,912	56,400
Financial Performance (\$000s)											
Net Revenues	721,123	746,645	772,020	804,790	789,585	57,800	63,665	63,167	499,606	536,527	518,133
Operating Expenses	669,680	689,631	743,044	731,293	764,828	60,668	61,657	61,515	490,791	487,529	502,106
Operating Income \$	70,305	78,120	52,613	99,343	49,817	-795	3,803	3,738	24,888	66,229	32,726
Operating Margin	9.5%	10.2%	6.6%	12.0%	6.1%	-1.3%	5.8%	5.7%	4.8%	12.0%	6.1%
EBITDA \$	125,254	128,002	108,554	152,823	109,890	4,046	8,192	8,809	60,294	101,882	71,030
EBITDA %	16.9%	16.7%	13.6%	18.4%	13.5%	6.8%	12.5%	13.5%	11.7%	18.4%	13.3%
IP Margin ¹	-3.2%	-3.9%	-8.7%	-6.9%	-6.1%	-15.9%	-15.4%	-6.1%	-11.6%	-6.9%	-6.1%
OP Margin ¹	25.2%	26.7%	26.7%	32.8%	26.4%	17.7%	29.0%	26.4%	25.0%	32.8%	26.4%
Payor Mix											
Medicare	44.6%	46.2%	46.6%	47.6%	46.4%	49.2%	51.2%	46.4%	45.4%	47.6%	46.4%
Medi-Cal	6.0%	6.6%	7.4%	7.3%	6.5%	7.2%	7.5%	6.5%	7.7%	7.3%	6.5%
Commercial IP	25.4%	24.2%	23.2%	22.5%	24.0%	22.2%	20.6%	24.0%	24.1%	22.5%	24.0%
Commercial OP	18.6%	18.7%	18.7%	20.1%	19.0%	19.1%	18.2%	19.0%	19.9%	20.1%	19.1%
Total Commercial	44.0%	42.9%	41.9%	42.6%	43.0%	41.3%	38.8%	43.0%	44.0%	42.6%	43.1%
Other	5.4%	4.3%	4.1%	2.5%	4.1%	2.3%	2.5%	4.1%	2.9%	2.5%	4.1%
Cost											
Employees	2,435.6	2,452.4	2,542.8	2,484.0	2,556.4	2,559.7	2,515.0	2,623.5	2,609.8	2,484.0	2,556.4
Hrs/APD	29.31	30.45	30.35	30.23	30.82	30.62	29.17	29.33	30.79	30.23	30.82
Balance Sheet											
Net Days in AR	50.9	43.6	53.7	49.0	48.0	53.7	49.0	48.0	53.7	49.0	48.0
Days Cash	382	401	361	408	266	361	408	266	361	408	266
Debt to Capitalization	12.6%	13.6%	13.8%	12.8%	17.3%	13.8%	12.8%	17.3%	13.8%	12.8%	17.3%
MADS	9.5	8.9	6.1	15.5	9.3	6.1	15.5	9.3	6.1	15.5	9.3
Affiliates - Net Income (\$000s)											
Hosp	118,906	94,787	43,043	143,102	67,032	(4,881)	8,479	4,467	(12,196)	95,401	38,557
Concern	1,862	1,202	1,823	1,504	2,604	215	274	257	1,588	1,003	1,697
ECSC	(5)	(41)	(282)	(90)	0	(4)	(6)	0	13	(60)	0
Foundation	3,264	710	982	3,068	(450)	14	371	(47)	(320)	2,046	(314)
SVMD	32	106	156	241	0	(1)	(30)	7	(13)	160	1,097

Inpatient Volume:

- February inpatient discharges exceed budget and PY; YTD discharge budget gap is 1.9%
- YTD General Medicine is higher than budget by 2.6%, as well as Cardiovascular by 2.3% and Spine Surgery 7.9%. Deliveries are down by 3.1% and rehab cases are also down by 16.7% due to total cost of care effort to reduce the lower acuity cases.

Outpatient Volume:

- Overall YTD outpatient volume is 5.3% below budget but higher than PY.
- Total ED visits including admission are flat with prior year even though OP ED cases are down.
- The OP Surgery is 1.9% higher than budget and 7% higher than last year.
- OP Oncology remains strong with 8.6% higher than budget.

Operating Income:

- Operating Income was ahead of budget by \$65k for the month and \$33.5M YTD.
- February results are at budget despite lower volume due to higher mix of surgical volume.
- Payor Mix slightly improved from January from 38.8% to 40.4%, but still under budget due to higher Medicare general medicine cases during flu season.
- Feb Unusual Items we include \$947k in Mcare settlement for FY16 and \$143K in RAC Release
- Net days in AR remained the same for February at 49 days.
- Total cash on hand is still at an all time high of 408 days in Feb.
- February results for MV and LG include a \$3 million correction to move net revenue to LG. No impact on combined net revenue

(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

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)		65,253	65,460		534,832	553,757	
Budgeted Hospital Operations FY2017			3,738	5.7%		32,726	6.1%
Net Revenue			207	0.3%		18,926	3.4%
*	Rev cycle improvements	(1,123)			12,608		
*	Medi-Cal Supplemental	240			1,366		
*	Mcare Settlement	947			1,264		
*	Prime Medi-Cal	0			3,510		
*	RAC Release	143			178		
Labor and Benefit Expense Change			(892)	-1.4%		8,902	1.6%
*	Improve Productivity & flexing down staffing during holidays	(892)			14,341		
*	Pay-for-Performance Bonus Accrual	0			(2,447)		
*	Repricing of PTO Bank	0			404		
*	Old employee WC settlement	0			(432)		
*	Ratification Bonus to PRN	0			(2,600)		
*	Severance Pay	0			(365)		
*	One time UH expense reduction	0			0		
Professional Fees & Purchased Services			275	0.4%		417	0.1%
*	Physician Fees	200			1,057		
*	Consulting Fee including LG Surgery Intrim Director, LG Rehab purchase service expense.	(69)			(1,484)		
*	Purchased Services mainly due to backfill for vacant IT positions	14			(2,181)		
*	Repairs and Maintenance Fees	130			3,024		
Supplies			(221)	-0.3%		2,940	0.5%
*	Drug Exp (due to higher Infusion Center volume; but offset by higher gross revenue)	(9)			(1,476)		
*	Medical Supplies	(250)			2,895		
*	Misc Net Supplies (Food/Volumes)	38			1,521		
Other Expenses			13	0.0%		(332)	-0.1%
*	Leases & Rental Fees (Rental Lease Costs)	42			(265)		
*	Utilities & Telephone (continue on routine PG&E accrual but no payment yet)	128			443		
*	Other G&A	(158)			(402)		
*	MD Income Guarantee forgiveness	0			(109)		
Depreciation & Interest			683	1.0%		2,651	0.5%
*	Depreciation (Ongoing depreciation on the Old 2nd & 3rd FI & GL improvement projects)	679			2,488		
*	Interest Expense	4			163		
Actual Hospital Operations FY2017			3,803	5.8%		66,229	12.0%

El Camino Hospital (\$000s)

8 month ending 2/28/2017

PERIOD 8 FY 2016	PERIOD 8 FY 2017	PERIOD 8 Budget 2017	Variance Fav (Unfav)	Var%		YTD FY 2016	YTD FY 2017	YTD Budget 2017	Variance Fav (Unfav)	Var%
					\$000s					
OPERATING REVENUE										
226,918	238,237	234,268	3,969	1.7%	Gross Revenue	1,805,926	1,957,450	1,921,399	36,051	1.9%
(169,118)	(174,572)	(171,101)	(3,471)	1.0%	Deductions	(1,306,320)	(1,420,923)	(1,403,266)	(17,658)	1.3%
57,800	63,665	63,167	498	0.8%	Net Patient Revenue	499,606	536,527	518,133	18,393	3.5%
2,073	1,795	2,086	(291)	-14.0%	Other Operating Revenue	16,073	17,231	16,698	533	3.2%
59,873	65,460	65,253	207	0.3%	Total Operating Revenue	515,679	553,757	534,832	18,926	3.5%
OPERATING EXPENSE										
35,733	37,928	37,036	(892)	-2.4%	Salaries & Wages	287,822	296,101	305,003	8,902	2.9%
9,063	9,777	9,556	(221)	-2.3%	Supplies	75,754	75,133	78,073	2,940	3.8%
8,225	7,485	7,760	275	3.5%	Fees & Purchased Services	65,415	62,144	62,561	417	0.7%
2,805	2,079	2,092	13	0.6%	Other Operating Expense	26,393	18,497	18,165	(332)	-1.8%
602	444	448	4	0.9%	Interest	3,746	3,423	3,586	163	4.5%
4,239	3,944	4,623	679	14.7%	Depreciation	31,661	32,230	34,718	2,488	7.2%
60,668	61,657	61,515	(142)	-0.2%	Total Operating Expense	490,791	487,529	502,106	14,577	2.9%
(795)	3,803	3,738	65	1.7%	Net Operating Income/(Loss)	24,888	66,229	32,726	33,503	102.4%
(4,086)	4,675	729	3,946	541.4%	Non Operating Income	(37,083)	29,173	5,831	23,341	400.3%
(4,881)	8,479	4,467	4,011	89.8%	Net Income(Loss)	(12,196)	95,401	38,557	56,844	147.4%
6.8%	12.5%	13.5%	-1.0%		EBITDA	11.7%	18.4%	13.3%	5.1%	
-1.3%	5.8%	5.7%	0.1%		Operating Margin	4.8%	12.0%	6.1%	5.8%	
-8.2%	13.0%	6.8%	6.1%		Net Margin	-2.4%	17.2%	7.2%	10.0%	

Non Operating Items and Net Income by Affiliate

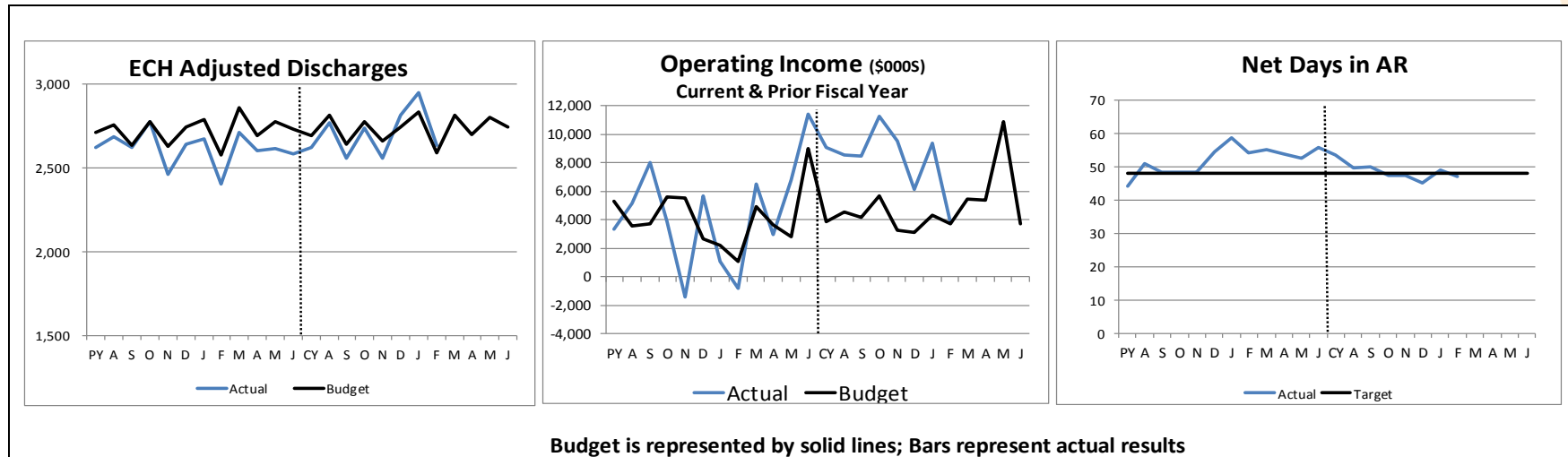
\$ in thousands

	Period 8 - Month			Period 8 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Income (Loss) from Operations						
Mountain View	862	3,024	(2,162)	61,929	25,252	36,678
Los Gatos	2,941	714	2,227	4,299	7,474	(3,175)
Sub Total - El Camino Hospital, excl. Affiliates	3,803	3,738	65	66,229	32,726	33,503
Operating Margin %	5.8%	5.7%		12.0%	6.1%	
El Camino Hospital Non Operating Income						
Investments	5,342	1,512	3,830	31,500	12,093	19,406
Swap Adjustments	(57)	0	(57)	3,342	0	3,342
Community Benefit	(653)	(283)	(369)	(2,769)	(2,267)	(502)
Other	43	(499)	542	(2,901)	(3,995)	1,095
Sub Total - Non Operating Income	4,675	729	3,946	29,173	5,831	23,341
El Camino Hospital Net Income (Loss)	8,479	4,467	4,011	95,401	38,557	56,844
ECH Net Margin %	13.0%	6.8%		17.2%	7.2%	
Concern	274	257	17	1,003	1,697	(694)
ECSC	(6)	0	(6)	(60)	0	(60)
Foundation	371	(47)	418	2,046	(314)	2,359
Silicon Valley Medical Development	(30)	7	(37)	160	(0)	161
Net Income Hospital Affiliates	609	217	392	3,149	1,382	1,766
Total Net Income Hospital & Affiliates	9,088	4,684	4,404	98,550	39,940	58,610

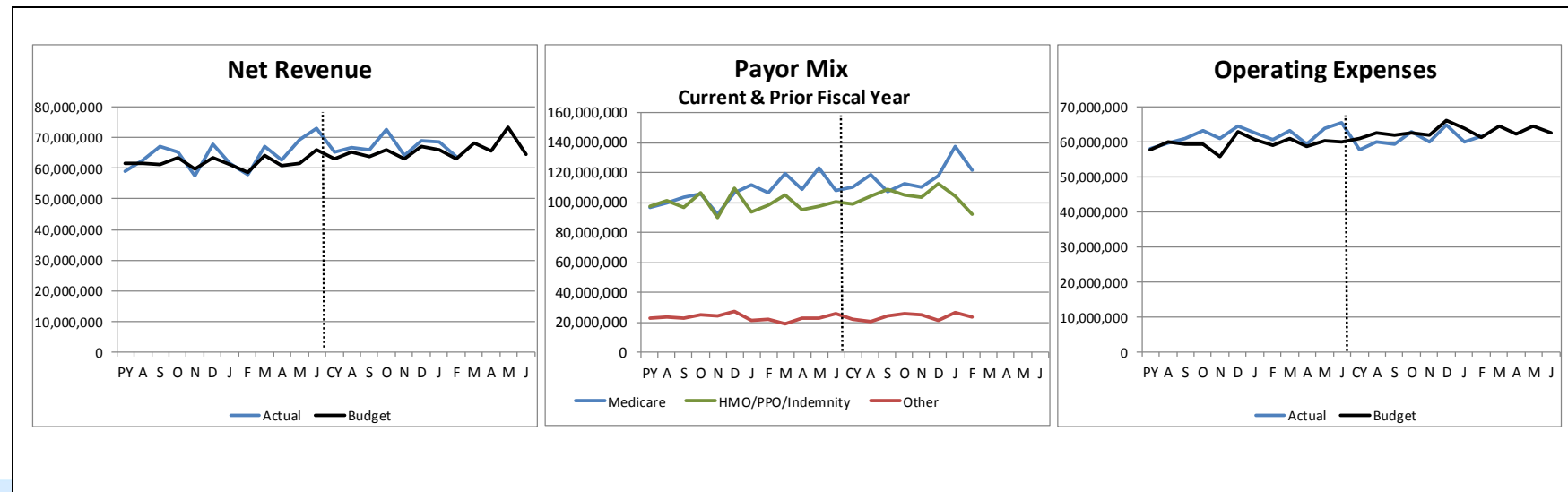
Swap gain due to rise in interest rates
Favorable variance in Other due to lower losses at SVMD

Higher Foundation income due to high unrestricted donations and investment income

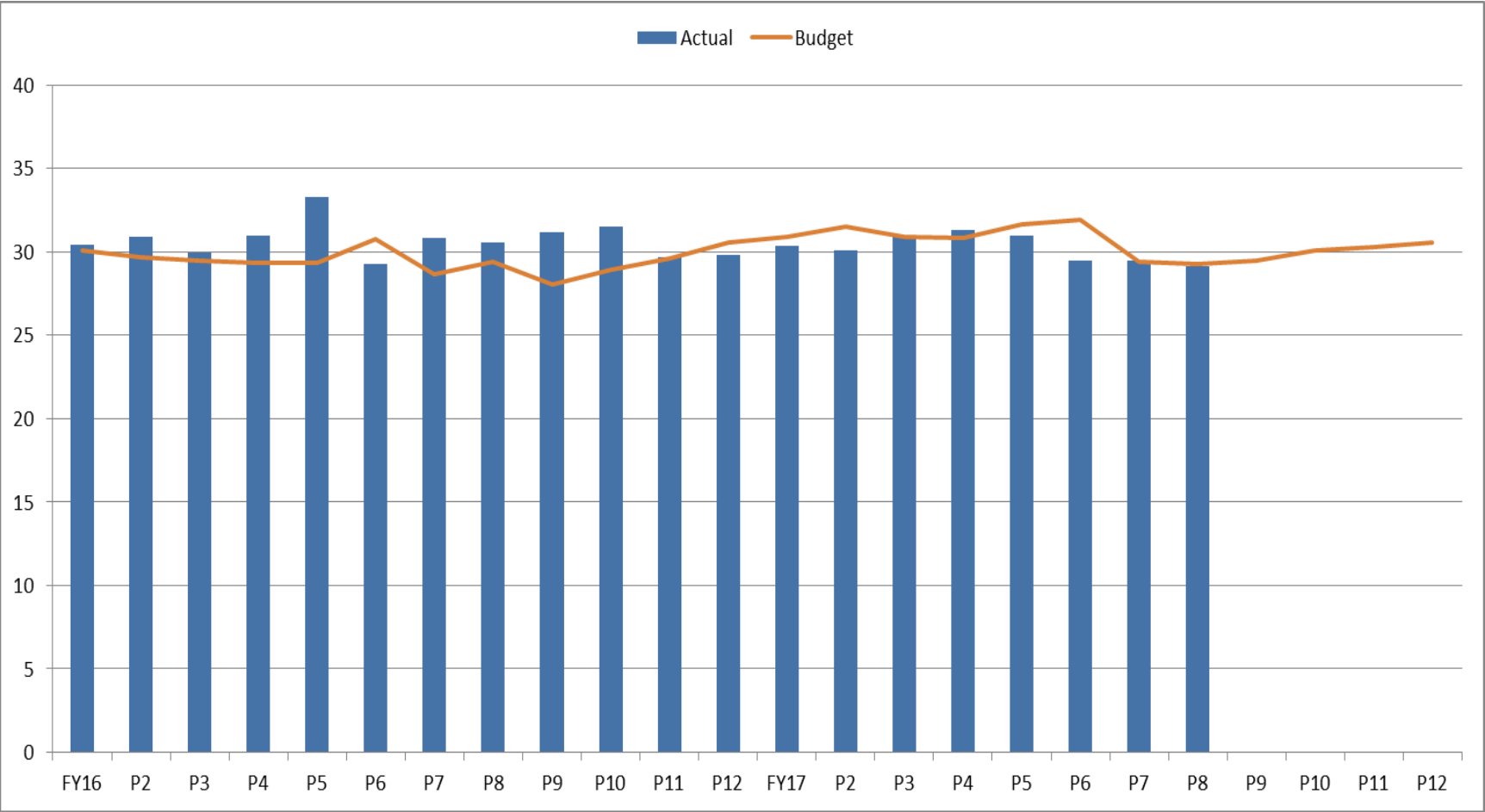
Monthly Financial Trends



February volume is lower than previous month, where January's volume spike was due to flu season. Operating expenses slightly higher than budgeted in February, but is \$14.5M under budget YTD

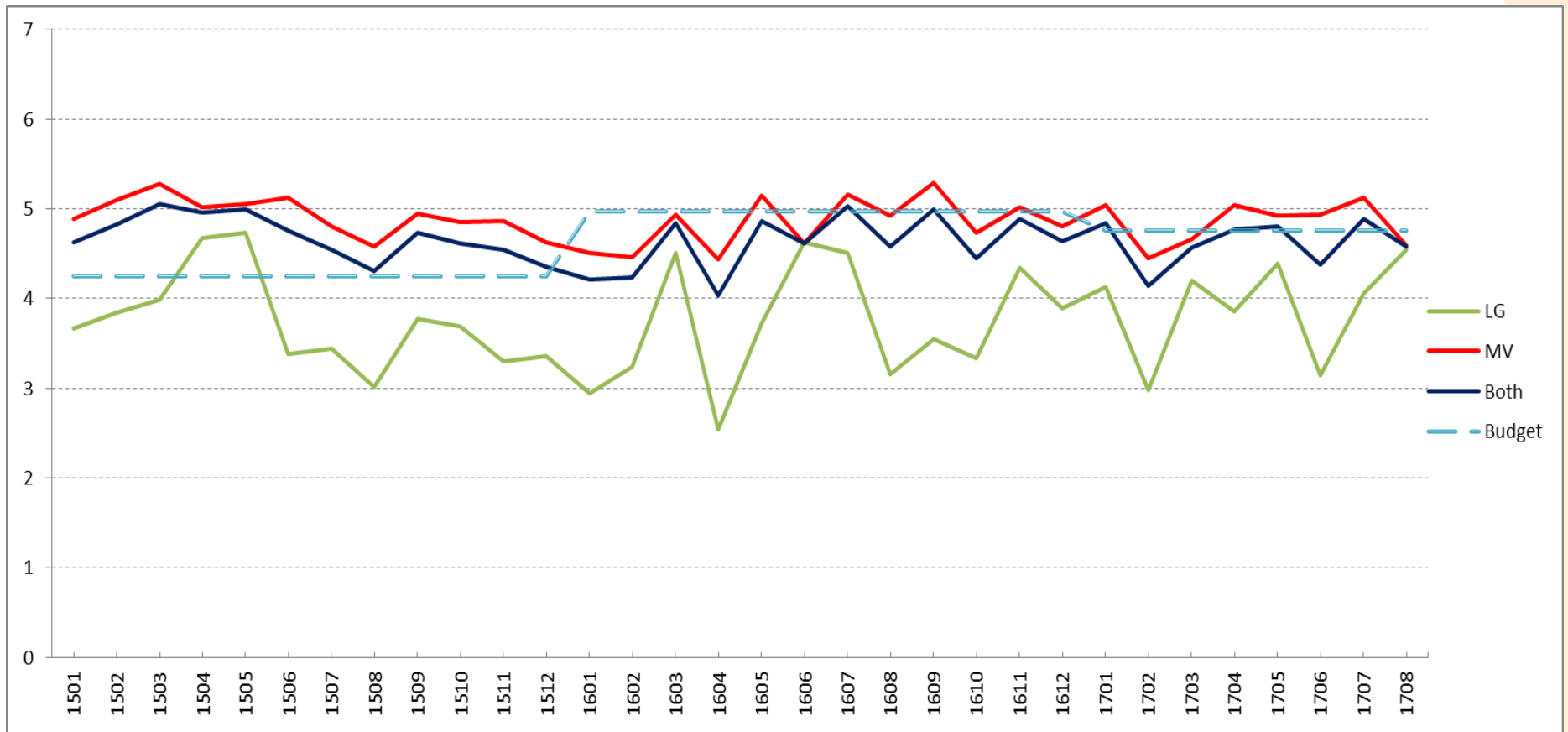


Worked Hours per Adjusted Patient Day



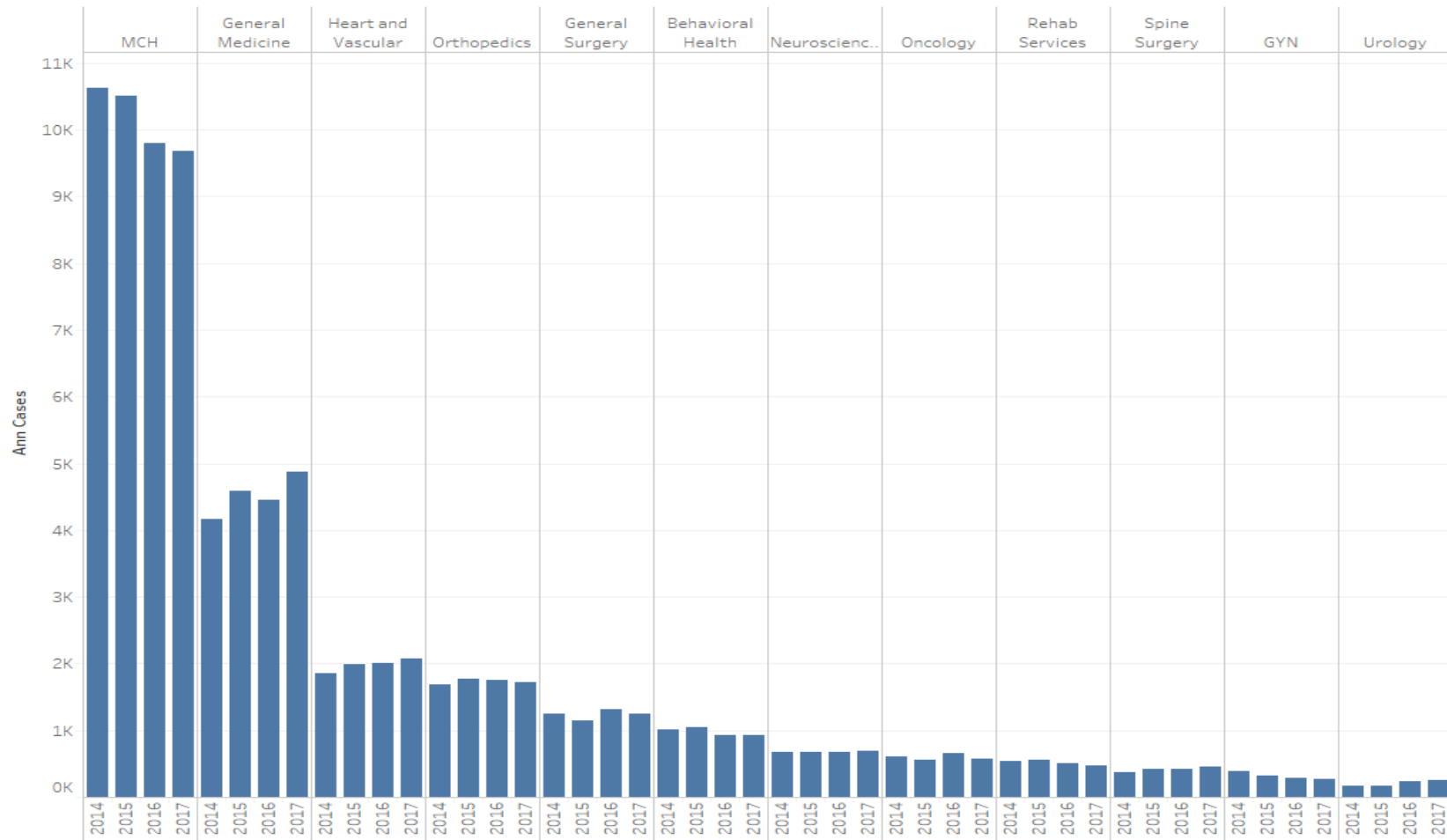
Productivity has improved after EPIC go-live and is favorable compared to budget.

Medicare ALOS



- ALOS decreased slightly in February due to short month.

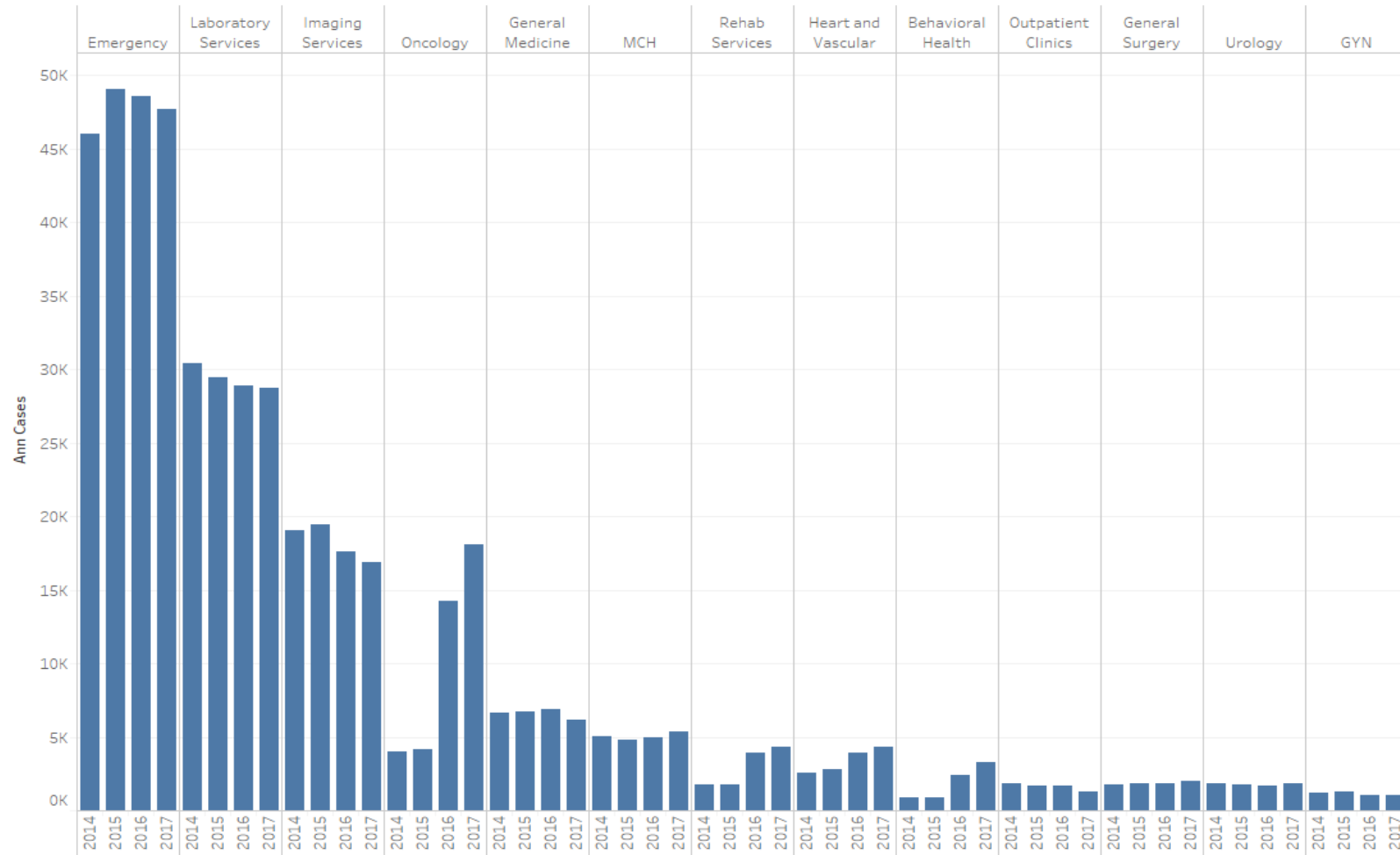
El Camino Hospital Volume Annual Trends – Inpatient FY 2017 is annualized



- General Medicine experienced a volume decrease from January to February
- MCH volume decreased in February with decreases in both vaginal & C-section deliveries

El Camino Hospital Volume Annual Trends – Outpatient

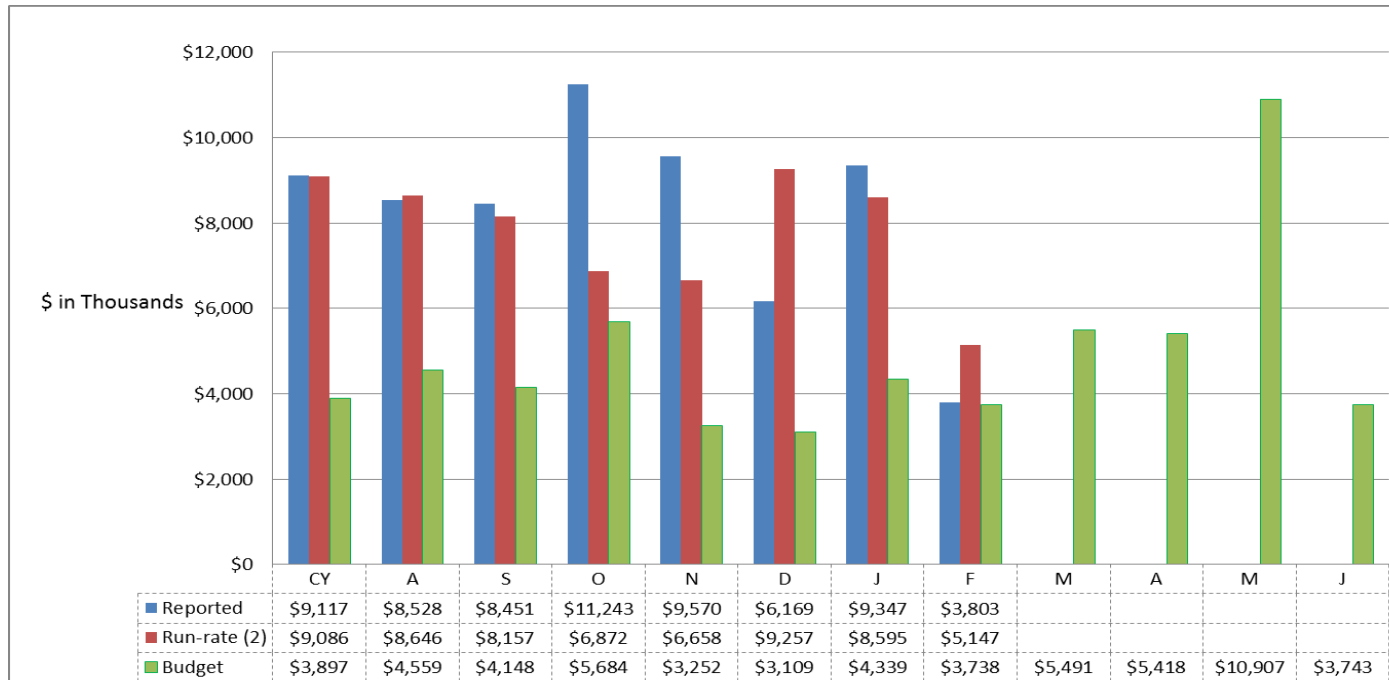
FY 2017 is annualized



- General Surgery is 90.9% favorable budget for February, budgeted 55 cases where actual is 105.

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	-\$112	-\$143	\$0	\$0	\$0	\$0
	Insurance Overpayment Release Spine	-\$335	\$0	-\$61	-\$145	-\$36	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Mcare Settltmt/Appeal/Tent Settltmt/PIP	-\$100	\$158	-\$74	-\$67	-\$67	-\$100	-\$67	-\$947	\$0	\$0	\$0	\$0
	LPCH Adjstmt	-\$8	-\$41	-\$19	-\$25	-\$12	-\$9	-\$19	-\$14	\$0	\$0	\$0	\$0
	BPCI Settlement	\$0	\$0	\$0	\$0	\$0	\$0	\$2,167	\$0	\$0	\$0	\$0	\$0
	Medi-Cal Supplemental	\$0	\$0	\$0	\$0	\$0	-\$312	-\$814.29	-\$240	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	IGT Supplemental	\$0	\$0	\$0	-\$6,535	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	-\$366	\$118	-\$299	-\$6,771	-\$115	-\$421	\$1,155	-\$1,344	\$0	\$0	\$0	\$0
Expense Adjustments	Pay-For-Performance Bonus	\$0	\$0	\$0	\$0	\$0	\$2,400	\$403	\$401	\$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	\$403	\$401	\$0	\$0	\$0	\$0

Medicare data excludes Medicare HOs

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 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	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	8.1	3.1
	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	1.2	0.1
	1519/1314 LG Electrical Systems Upgrade	FY16	1.2	0.0	0.0	0.0	0.0
	1347 LG Central Sterile Upgrades	FY15	3.7	0.2	0.3	0.4	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	0.0	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	0.1	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	0.0	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	1.7	0.1
	All Other Projects under \$1M		8.6	6.7	4.6	4.1	1.7
			569.9	401.2	80.7	131.0	37.7
GRAND TOTAL				427.3		157.0	41.1

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

El Camino Hospital

Capital Spending – Facility Projects (in millions)

	(\$ 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)
1520	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	8,100	(850)
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)
1519	LG Electrical Systems Upgrade	FY16			
	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	18,487	11,713
					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	130,636	73,841

⁽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

		Audited
	February 28, 2017	June 30, 2016
CURRENT ASSETS		
(1) Cash	93,700	59,169
Short Term Investments	122,486	105,284
(2) Patient Accounts Receivable, net	105,816	120,960
Other Accounts and Notes Receivable	2,122	4,369
(3) Intercompany Receivables	1,493	2,200
(4) Inventories and Prepaids	44,277	39,678
Total Current Assets	369,894	331,660
BOARD DESIGNATED ASSETS		
Plant & Equipment Fund	123,178	119,650
(5) Women's Hospital Expansion	9,298	-
Operational Reserve Fund	100,196	100,196
Community Benefit Fund	12,189	13,037
Workers Compensation Reserve Fund	23,258	22,309
Postretirement Health/Life Reserve Fund	19,339	18,256
PTO Liability Fund	22,054	22,984
Malpractice Reserve Fund	1,800	1,800
Catastrophic Reserves Fund	16,185	14,125
Total Board Designated Assets	327,497	312,358
(6) FUNDS HELD BY TRUSTEE	25,415	30,841
LONG TERM INVESTMENTS	222,582	207,597
INVESTMENTS IN AFFILIATES	32,412	31,627
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	1,182,056	1,171,372
Less: Accumulated Depreciation	(516,439)	(485,856)
Construction in Progress	88,453	46,009
Property, Plant & Equipment - Net	754,070	731,525
DEFERRED OUTFLOWS	29,414	29,814
RESTRICTED ASSETS - CASH	0	-
TOTAL ASSETS	1,761,284	1,675,422

LIABILITIES AND FUND BALANCE

		Audited
	February 28, 2017	June 30, 2016
CURRENT LIABILITIES		
(7) Accounts Payable	21,863	28,519
Salaries and Related Liabilities	23,447	22,992
Accrued PTO	22,054	22,984
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	13,110	11,314
Intercompany Payables	53	105
Malpractice Reserves	1,936	1,936
Bonds Payable - Current	3,735	3,635
(8) Bond Interest Payable	1,783	5,459
Other Liabilities	8,171	10,478
Total Current Liabilities	95,560	106,830
LONG TERM LIABILITIES		
Post Retirement Benefits	19,339	18,256
Worker's Comp Reserve	20,958	20,009
Other L/T Obligation (Asbestos)	3,710	3,637
Other L/T Liabilities (IT/Medl Leases)	-	-
Bond Payable	219,502	225,857
Total Long Term Liabilities	263,509	267,759
DEFERRED INFLOW OF RESOURCES	2,892	2,892
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	1,071,826	985,583
Board Designated	327,497	312,358
Restricted	0	-
(9) Total Fund Bal & Capital Accts	1,399,323	1,297,941
TOTAL LIABILITIES AND FUND BALANCE	1,761,284	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 eight 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 two quarterly pension contributions of \$2.6M each since July 1, 2016.
- (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 a semi-annual 2015A bond interest payment made in January, 2017.
- (9) The increase is due to this fiscal year's P&L affect (\$67M from Operations and \$30M for Non-Operations – primarily due to unrealized investment gain), and the 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)

8 months ending 2/28/2017

PERIOD 8 FY 2016	PERIOD 8 FY 2017	PERIOD 8 Budget 2017	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2016	YTD FY 2017	YTD Budget 2017	Variance Fav (Unfav)	Var%
OPERATING REVENUE										
187,826	192,985	191,376	1,609	0.8%	Gross Revenue	1,475,112	1,606,267	1,565,280	40,987	2.6%
(139,774)	(144,092)	(140,053)	(4,039)	2.9%	Deductions	(1,067,728)	(1,164,557)	(1,145,488)	(19,070)	1.7%
48,052	48,893	51,323	(2,430)	-4.7%	Net Patient Revenue	407,384	441,710	419,792	21,918	5.2%
1,885	1,612	1,872	(260)	-13.9%	Other Operating Revenue	14,461	15,905	14,981	924	6.2%
49,937	50,504	53,194	(2,690)	-5.1%	Total Operating Revenue	421,845	457,614	434,773	22,841	5.3%
OPERATING EXPENSE										
29,867	31,383	30,860	(522)	-1.7%	Salaries & Wages	239,630	246,200	253,895	7,695	3.0%
7,431	7,687	7,807	120	1.5%	Supplies	61,662	61,107	63,893	2,786	4.4%
6,953	6,017	6,565	548	8.4%	Fees & Purchased Services	54,764	51,299	52,613	1,314	2.5%
1,263	655	545	(110)	-20.1%	Other Operating Expense	13,732	5,590	5,304	(286)	-5.4%
602	444	448	4	0.9%	Interest	3,746	3,423	3,586	163	4.5%
3,717	3,457	3,944	488	12.4%	Depreciation	27,657	28,066	30,231	2,165	7.2%
49,834	49,642	50,170	528	1.1%	Total Operating Expense	401,191	395,685	409,521	13,837	3.4%
104	862	3,024	(2,162)	-71.5%	Net Operating Income/(Loss)	20,654	61,929	25,252	36,678	145.2%
(4,086)	4,675	729	3,946	541.4%	Non Operating Income	(37,057)	29,183	5,831	23,352	400.5%
(3,983)	5,537	3,753	1,784	47.5%	Net Income(Loss)	(16,403)	91,113	31,083	60,030	193.1%
8.9%	9.4%	13.9%	-4.5%		EBITDA	8.9%	20.4%	13.6%	6.8%	
0.2%	1.7%	5.7%	-4.0%		Operating Margin	4.9%	13.5%	5.8%	7.7%	
-8.0%	11.0%	7.1%	3.9%		Net Margin	-3.9%	19.9%	7.1%	12.8%	

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

8 months ending 2/28/2017

PERIOD 8 FY 2016	PERIOD 8 FY 2017	PERIOD 8 Budget 2017	Variance Fav (Unfav)	Var%		YTD FY 2016	YTD FY 2017	YTD Budget 2017	Variance Fav (Unfav)	Var%
					\$000s					
OPERATING REVENUE										
39,093	45,253	42,893	2,360	5.5%	Gross Revenue	330,814	351,183	356,119	(4,936)	-1.4%
(29,344)	(30,480)	(31,048)	568	-1.8%	Deductions	(238,592)	(256,366)	(257,778)	1,412	-0.5%
9,748	14,773	11,845	2,928	24.7%	Net Patient Revenue	92,222	94,817	98,341	(3,524)	-3.6%
188	183	214	(31)	-14.4%	Other Operating Revenue	1,611	1,326	1,717	(391)	-22.8%
9,936	14,956	12,059	2,897	24.0%	Total Operating Revenue	93,834	96,143	100,059	(3,916)	-3.9%
OPERATING EXPENSE										
5,866	6,545	6,176	(369)	-6.0%	Salaries & Wages	48,192	49,901	51,108	1,207	2.4%
1,632	2,090	1,749	(341)	-19.5%	Supplies	14,093	14,026	14,180	154	1.1%
1,273	1,468	1,195	(274)	-22.9%	Fees & Purchased Services	10,651	10,845	9,948	(897)	-9.0%
1,542	1,424	1,547	123	7.9%	Other Operating Expense	12,661	12,907	12,861	(46)	-0.4%
0	0	0	0	0.0%	Interest	0	0	0	0	0.0%
522	487	678	191	28.2%	Depreciation	4,004	4,165	4,487	323	7.2%
10,834	12,015	11,345	(670)	-5.9%	Total Operating Expense	89,600	91,844	92,584	740	0.8%
(898)	2,941	714	2,227	311.9%	Net Operating Income/(Loss)	4,233	4,299	7,474	(3,175)	-42.5%
0	0	0	0	0.0%	Non Operating Income	(26)	(10)	0	(10)	0.0%
(898)	2,941	714	2,227	311.9%	Net Income(Loss)	4,207	4,289	7,474	(3,186)	-42.6%
8.78%	22.9%	11.5%	-2.1%		EBITDA	8.8% 	8.8% 	12.0%	-3.2%	
-9.0%	19.7%	5.9%	13.7%		Operating Margin	4.5%	4.5%	7.5%	-3.0%	
-9.0%	19.7%	5.9%	13.7%		Net Margin	4.5%	4.5%	7.5%	-3.0%	