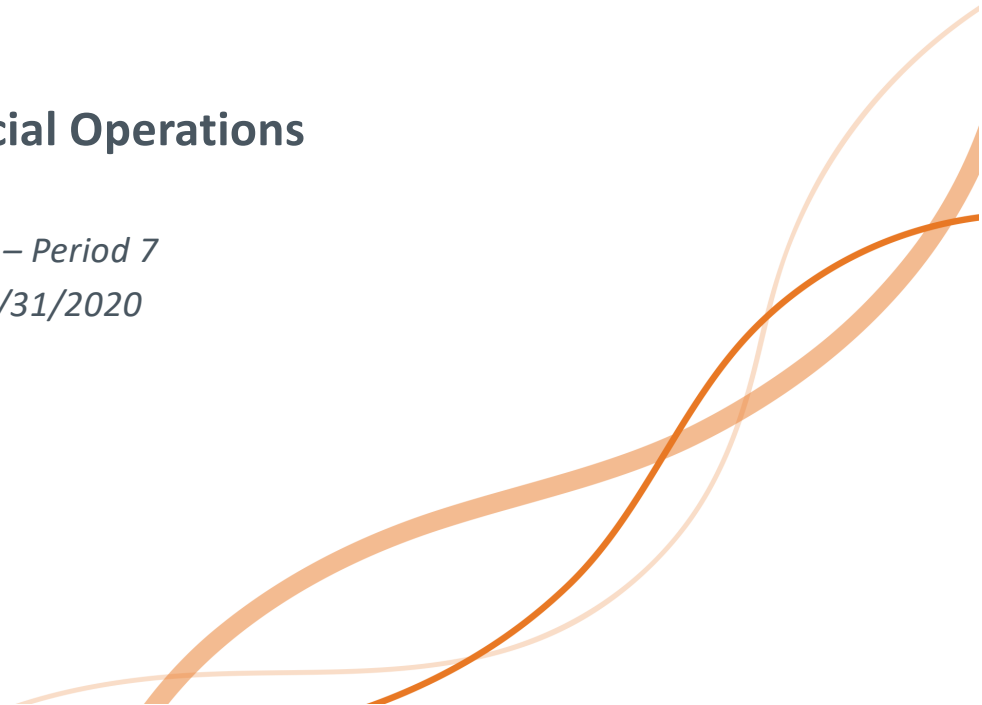




Summary of Financial Operations

*Fiscal Year 2020 – Period 7
7/1/2019 to 1/31/2020*





Financial Overview – January Year to Date

Financial Performance

- Strong outpatient volumes continue to drive year to date operating margin favorable variance, \$8.0M (17%). Despite the higher volumes, expenses continue to remain near budgeted levels
 - Patient Revenue favorable to budget by \$17.1M (3%)
 - Operating expense is near budget level
 - Supplies are higher than budget due to continued strong procedural volume growth
- Non Operating Income favorable variance due to favorable Investment performance

Hospital Volume

- Adjusted Discharges (AD) continues to be favorable to budget 1,580 ADs (8%) and favorable to prior year by 12%
 - Mountain View: Favorable to budget by 1,152 ADs (7%) and favorable to prior year by 10%
 - Infusion Volumes favorable to budget by 502 encounters (11%) - extended hours and increased productivity
 - Overall procedural volume favorable to budget by 716 cases (4%)
 - Los Gatos: Favorable to budget by 428 ADs (11%) and favorable to prior year by 21%
 - Excluding budgeted Infusion volumes, procedural volume favorable to budget by 382 cases (11%)
 - Orthopedics & Spine surgeries favorable to budget by 195 cases (32%) due to high producing ortho/spine surgeons)
 - General Surgery – Ophthalmology 92 cases
 - Endoscopy – 97 cases

Payor Mix

- Payor mix continues at budget year to date

Productivity

- Year to date FTEs are in line with targets



Financial Overview - January

Financial Performance

- Operating Margin favorable variance was \$2.5M (42%). Driven by:
 - Patient Revenue was favorable to budget \$5.0M (6%)
 - Operating Expense was unfavorable to budget by \$2.4M (3%)
- Non Operating Income continues to be favorable due to positive Investment results

Hospital Volume

- Adjusted Discharges (AD) continue to be favorable to budget for January 155 ADs (5%) and favorable to prior year by 12%
 - Mountain View: Favorable to budget by 145 ADs (5.7%) and favorable to prior year by 11%
 - Los Gatos: Favorable to budget by 10 ADs (2%) and favorable to prior year by 18%

Payor Mix

- Commercial payor mix is favorable to budget by 2% in January.

Dashboard - as of January 31, 2020

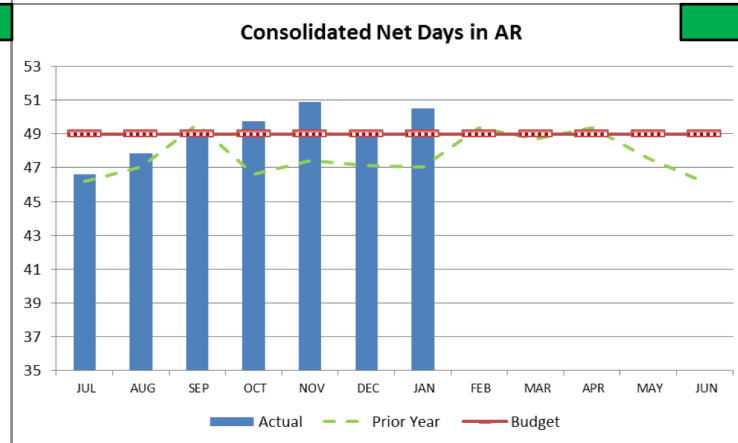
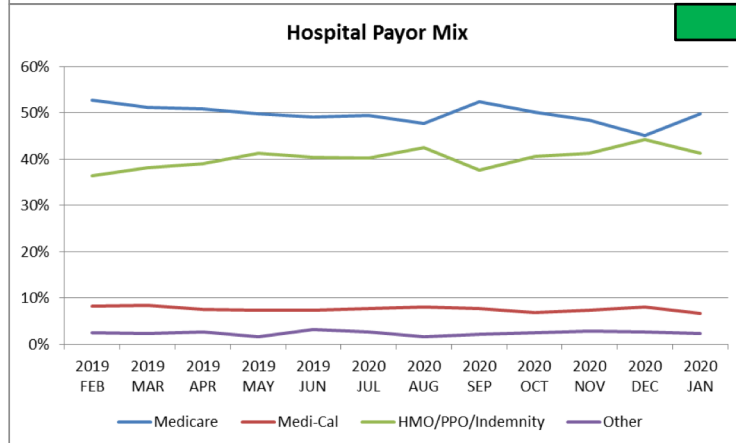
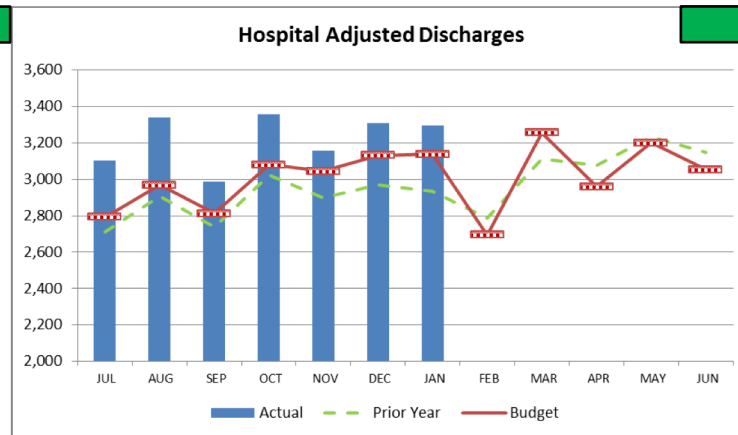
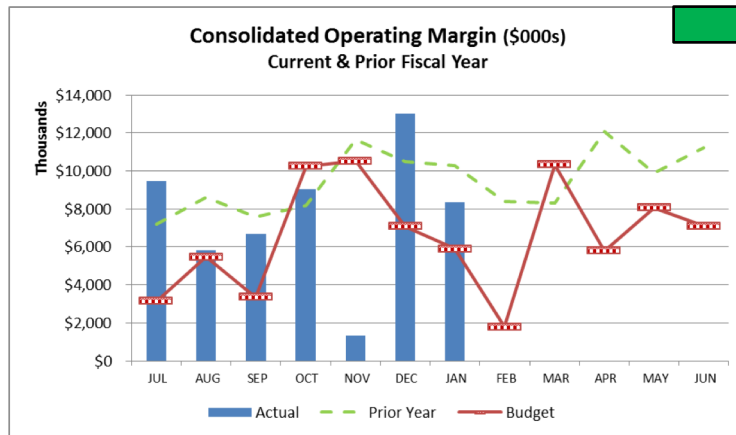
	Month				YTD			
	PY	CY	Bud/Target	Variance CY vs Bud	PY	CY	Bud/Target	Variance CY vs Bud
Consolidated Financial Perf.								
Total Operating Revenue	85,042	94,280	89,428	4,853	559,958	629,659	611,687	17,972
Operating Margin \$	10,275	8,362	5,891	2,471	63,956	53,657	45,696	7,961
Operating Margin %	12.1%	8.9%	6.6%	2.3%	11.4%	8.5%	7.5%	1.1%
EBIDA %	17.6%	15.9%	14.2%	1.7%	17.3%	13.8%	13.7%	0.2%
Hospital Volume								
Licensed Beds	443	443	443	-	443	443	443	-
ADC	259	264	252	12	234	237	238	(1)
Utilization MV	71%	74%	69%	5.6%	64%	65%	64%	0.5%
Utilization LG	32%	29%	33%	(3.7%)	29%	30%	32%	(2.0%)
Utilization Combined	59%	60%	57%	2.6%	53%	54%	54%	(0.3%)
Total Discharges (Excl NNB)	1,680	1,787	1,750	37	11,166	11,966	11,502	464
Hospital Payor Mix								
Medicare	53.0%	49.9%	48.9%	1.0%	47.7%	49.0%	48.4%	0.7%
Medi-Cal	8.3%	6.6%	8.5%	(1.9%)	8.1%	7.5%	8.0%	(0.6%)
Total Commercial	36.2%	41.3%	40.4%	0.9%	41.8%	41.1%	41.3%	(0.2%)
Other	2.5%	2.3%	2.2%	0.0%	2.4%	2.4%	2.3%	0.1%
Hospital Cost								
Total FTE	2,692.3	2,838.7	2,889.7	50.9	2,638.5	2,788.3	2,779.0	(9.3)
Productive Hrs/APD	29.5	28.9	31.0	2.0	30.7	30.9	31.9	0.9
Consolidated Balance Sheet								
Net Days in AR	47.1	50.5	49.0	(1.5)	47.1	50.5	49.0	(1.5)
Days Cash	498	460	435	25	498	460	435	25

Consolidated Statement of Operations (\$000s)

Period ending 01/31/2020

Period 7 FY 2019	Period 7 FY 2020	Period 7 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
305,591	346,412	327,742	18,670	5.7%	OPERATING REVENUE					
(223,495)	(256,441)	(242,797)	(13,644)	(5.6%)	Gross Revenue	2,013,959	2,277,920	2,228,664	49,257	2.2%
82,096	89,972	84,945	5,026	5.9%	Deductions	(1,478,409)	(1,680,375)	(1,648,245)	(32,130)	(1.9%)
2,946	4,309	4,482	(174)	(3.9%)	Net Patient Revenue	535,550	597,545	580,418	17,127	3.0%
85,042	94,280	89,428	4,853	5.4%	Other Operating Revenue	24,408	32,114	31,269	845	2.7%
					Total Operating Revenue	559,958	629,659	611,687	17,972	2.9%
					OPERATING EXPENSE					
44,771	48,046	47,798	(249)	(0.5%)	Salaries & Wages	295,498	323,325	323,984	659	0.2%
11,575	12,923	12,294	(629)	(5.1%)	Supplies	77,135	93,337	84,557	(8,779)	(10.4%)
11,074	14,682	13,132	(1,550)	(11.8%)	Fees & Purchased Services	72,381	99,004	91,522	(7,483)	(8.2%)
2,687	3,655	3,525	(129)	(3.7%)	Other Operating Expense	18,307	26,421	27,957	1,536	5.5%
269	1,552	1,428	(124)	(8.7%)	Interest	2,497	2,769	4,798	2,029	42.3%
4,392	5,059	5,359	300	5.6%	Depreciation	30,184	31,146	33,173	2,027	6.1%
74,767	85,918	83,537	(2,382)	(2.9%)	Total Operating Expense	496,002	576,003	565,992	(10,011)	(1.8%)
10,275	8,362	5,891	2,471	41.9%	Net Operating Margin	63,956	53,657	45,696	7,961	17.4%
					Non Operating Income					
23,190	4,510	3,300	1,210	36.7%	Net Margin	(7,713)	52,885	21,669	31,216	144.1%
33,466	12,872	9,191	3,680	40.0%		56,243	106,542	67,365	39,177	58.2%
17.6%	15.9%	14.2%	1.7%		EBITDA	17.3%	13.9%	13.7%	0.2%	
12.1%	8.9%	6.6%	2.3%		Operating Margin	11.4%	8.5%	7.5%	1.1%	
39.4%	13.7%	10.3%	3.4%		Net Margin	10.0%	16.9%	11.0%	5.9%	

Monthly Financial Trends



INVESTMENT SCORECARD AS OF DECEMBER 31, 2019

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY20 Budget	Expectation Per Asset Allocation
Investment Performance		4Q 2019		Fiscal Year-to-date		7y 2m Since Inception (annualized)		FY 2020	2019
Surplus cash balance*		\$1,087.8	--	--	--	--	--	--	--
Surplus cash return		3.9%	4.2%	4.8%	4.9%	5.9%	5.8%	4.0%	5.6%
Cash balance plan balance (millions)		\$293.8	--	--	--	--	--	--	--
Cash balance plan return		5.3%	5.1%	5.6%	5.7%	8.1%	7.4%	6.0%	6.0%
403(b) plan balance (millions)		\$548.4	--	--	--	--	--	--	--
Risk vs. Return		3-year		Fiscal Year-to-date		7y 2m Since Inception (annualized)		FY 2020	2019
Surplus cash Sharpe ratio		1.14	1.11	--	--	1.09	1.08	--	0.34
Net of fee return		7.8%	7.4%	--	--	5.9%	5.8%	--	5.6%
Standard deviation		5.2%	5.1%	--	--	4.7%	4.7%	--	8.7%
Cash balance Sharpe ratio		1.16	1.09	--	--	1.17	1.12	--	0.32
Net of fee return		9.6%	8.5%	--	--	8.1%	7.4%	--	6.0%
Standard deviation		6.6%	6.1%	--	--	6.2%	5.8%	--	10.3%
Asset Allocation		4Q 2019		Fiscal Year-to-date		7y 2m Since Inception (annualized)		FY 2020	2019
Surplus cash absolute variances to target		9.4%	< 10%	--	--	--	--	--	--
Cash balance absolute variances to target		7.4%	< 10%	--	--	--	--	--	--
Manager Compliance		4Q 2019		Fiscal Year-to-date		7y 2m Since Inception (annualized)		FY 2020	2019
Surplus cash manager flags		9	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		11	< 27 Green < 34 Yellow	--	--	--	--	--	--

*Excludes debt reserve funds (~\$53 mm), District assets (~\$38 mm), and balance sheet cash not in investable portfolio. Includes Foundation (~\$35 mm) and Concern (~\$13 mm) assets. Budget adds back in current Foundation and Concern assets and backs out current debt reserve funds.

Consolidated Balance Sheet

(in thousands)

ASSETS

	Audited	
	January 31, 2020	June 30, 2019
CURRENT ASSETS		
Cash	82,115	124,912
Short Term Investments	257,733	177,165
Patient Accounts Receivable, net	145,322	132,198
Other Accounts and Notes Receivable	6,200	5,058
Intercompany Receivables	40,724	8,549
Inventories and Prepaids	69,226	64,093
Total Current Assets	601,319	511,976
BOARD DESIGNATED ASSETS		
Foundation Board Designated	17,567	16,895
Plant & Equipment Fund	182,210	171,304
Women's Hospital Expansion	22,430	15,472
Operational Reserve Fund	148,917	139,057
Community Benefit Fund	18,729	18,260
Workers Compensation Reserve Fund	-	20,732
Postretirement Health/Life Reserve Fund	-	29,480
PTO Liability Fund	-	26,149
Malpractice Reserve Fund	1,838	1,831
Catastrophic Reserves Fund	20,605	19,678
Total Board Designated Assets	412,296	458,857
FUNDS HELD BY TRUSTEE	42,035	83,073
LONG TERM INVESTMENTS	403,319	375,729
CHARITABLE GIFT ANNUITY INVESTMENTS	573	602
INVESTMENTS IN AFFILIATES	35,442	38,532
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	1,334,954	1,692,693
Less: Accumulated Depreciation	(654,021)	(622,877)
Property, Plant & Equipment - Net	1,156,372	1,069,816
DEFERRED OUTFLOWS	33,451	33,876
RESTRICTED ASSETS	27,686	24,279
OTHER ASSETS	976	1,036
TOTAL ASSETS	2,713,469	2,597,775

LIABILITIES AND FUND BALANCE

	Audited	
	January 31, 2020	June 30, 2019
CURRENT LIABILITIES		
Accounts Payable	47,087	38,390
Salaries and Related Liabilities	10,190	30,296
Accrued PTO	25,294	26,502
Third Party Settlements	12,477	11,331
Intercompany Payables	41,627	8,464
Bonds Payable - Current	9,128	8,630
Bond Interest Payable	460	12,775
Other Liabilities	1,490	14,577
Total Current Liabilities	151,851	150,966
LONG TERM LIABILITIES		
Post Retirement Benefits	29,579	29,480
Worker's Comp Reserve	19,754	18,432
Other L/T Obligation (Asbestos)	4,044	3,975
Bond Payable	509,576	507,531
Total Long Term Liabilities	562,953	559,417
DEFERRED REVENUE-UNRESTRICTED	1,560	1,113
DEFERRED INFLOW OF RESOURCES	13,268	13,715
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	1,766,481	1,389,510
Board Designated	189,950	458,839
Restricted	27,405	24,215
Total Fund Bal & Capital Accts	1,983,837	1,872,563
TOTAL LIABILITIES AND FUND BALANCE	2,713,469	2,597,775



APPENDIX

Non Operating Items and Net Margin by Affiliate

\$ in thousands

	Period 7- Month			Period 7- FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Operating Margin						
Mountain View	9,968	6,561	3,407	65,498	54,242	11,255
Los Gatos	1,612	1,654	(42)	12,296	10,730	1,566
Sub Total - El Camino Hospital, excl. Affilates	11,579	8,215	3,364	77,793	64,973	12,821
Operating Margin %	13.0%	9.9%		13.0%	11.4%	
El Camino Hospital Non Operating Income						
Sub Total - Non Operating Income	5,156	2,860	2,296	48,257	18,610	29,648
El Camino Hospital Net Margin	16,736	11,076	5,660	126,051	83,582	42,469
ECH Net Margin %	18.7%	13.3%		21.1%	14.6%	
Concern	323	78	245	448	562	(113)
ECSC	(1)	0	(1)	(29)	2	(31)
Foundation	(1,056)	122	(1,179)	2,758	953	1,805
Silicon Valley Medical Development	(3,131)	(2,085)	(1,045)	(22,687)	(17,734)	(4,952)
Net Margin Hospital Affiliates	(3,864)	(1,885)	(1,980)	(19,509)	(16,217)	(3,292)
Total Net Margin Hospital & Affiliates	12,872	9,191	3,680	106,542	67,365	39,177

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

Period ending 1/31/2020

Period 7 FY 2019	Period 7 FY 2020	Period 7 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
251,909	276,262	258,398	17,865	6.9%	Gross Revenue	1,650,846	1,810,370	1,759,910	50,460	2.9%
(184,993)	(203,698)	(192,665)	(11,033)	(5.7%)	Deductions	(1,211,795)	(1,333,059)	(1,308,917)	(24,143)	(1.8%)
66,916	72,564	65,732	6,832	10.4%	Net Patient Revenue	439,052	477,311	450,993	26,317	5.8%
1,474	1,446	1,782	(336)	(18.9%)	Other Operating Revenue	14,382	13,085	14,215	(1,129)	(7.9%)
68,390	74,011	67,515	6,496	9.6%	Total Operating Revenue	453,433	490,396	465,208	25,188	5.4%
					OPERATING EXPENSE					
36,833	38,210	37,951	(258)	(0.7%)	Salaries & Wages	242,520	255,812	256,024	212	0.1%
9,590	10,154	9,362	(791)	(8.5%)	Supplies	62,457	74,439	65,095	(9,345)	(14.4%)
6,737	7,467	5,790	(1,676)	(29.0%)	Fees & Purchased Services	44,433	48,067	40,950	(7,117)	(17.4%)
2,113	2,434	2,086	(348)	(16.7%)	Other Operating Expense	14,737	18,600	18,072	(529)	(2.9%)
269	1,554	1,428	(125)	(8.8%)	Interest	2,497	2,769	4,798	2,029	42.3%
3,533	4,226	4,336	110	2.5%	Depreciation	24,568	25,211	26,028	817	3.1%
59,076	64,043	60,953	(3,090)	(5.1%)	Total Operating Expense	391,213	424,898	410,965	(13,933)	(3.4%)
9,314	9,968	6,561	3,407	51.9%	Net Operating Margin	62,221	65,498	54,242	11,255	20.7%
20,772	5,156	2,860	2,296	80.3%	Non Operating Income	(17,243)	48,257	18,610	29,648	159.3%
30,086	15,124	9,422	5,702	60.5%	Net Margin	44,977	113,755	72,852	40,903	56.1%
					EBITDA	19.7%	19.1%	18.3%	0.8%	
19.2%	21.3%	18.3%	3.0%		Operating Margin	13.7%	13.4%	11.7%	1.7%	
13.6%	13.5%	9.7%	3.7%		Net Margin	9.9%	23.2%	15.7%	7.5%	
44.0%	20.4%	14.0%	6.5%							

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

Period ending 1/31/2020

Period 7 FY 2019	Period 7 FY 2020	Period 7 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
52,391	61,662	59,936	1,726	2.9%	Gross Revenue	357,528	416,269	406,150	10,119	2.5%
(37,595)	(46,773)	(44,417)	(2,356)	(5.3%)	Deductions	(262,961)	(311,192)	(301,203)	(9,989)	(3.3%)
14,796	14,889	15,520	(631)	(4.1%)	Net Patient Revenue	94,567	105,077	104,947	131	0.1%
349	374	272	102	37.5%	Other Operating Revenue	2,027	2,686	1,899	787	41.4%
15,145	15,264	15,792	(529)	(3.3%)	Total Operating Revenue	96,594	107,763	106,845	918	0.9%
					OPERATING EXPENSE					
7,213	7,598	7,642	44	0.6%	Salaries & Wages	48,567	52,495	51,499	(996)	(1.9%)
1,946	2,418	2,531	113	4.5%	Supplies	14,290	15,901	16,662	762	4.6%
2,741	2,572	2,749	177	6.5%	Fees & Purchased Services	18,666	19,173	19,193	20	0.1%
264	285	388	104	26.7%	Other Operating Expense	2,179	2,341	2,945	603	20.5%
0	0	0	0	0.0%	Interest	0	0	0	0	0.0%
805	780	828	49	5.9%	Depreciation	5,293	5,557	5,816	259	4.5%
12,969	13,652	14,138	486	3.4%	Total Operating Expense	88,995	95,467	96,115	648	0.7%
2,176	1,612	1,654	(42)	(2.6%)	Net Operating Margin	7,599	12,296	10,730	1,566	14.6%
0	0	0	0	0.0%	Non Operating Income	0	0	0	0	0.0%
2,176	1,612	1,654	(42)	(2.6%)	Net Margin	7,599	12,296	10,730	1,566	14.6%
19.7%	15.7%	15.7%	(0.1%)		EBITDA	13.3%	16.6%	15.5%	1.1%	
14.4%	10.6%	10.5%	0.1%		Operating Margin	7.9%	11.4%	10.0%	1.4%	
14.4%	10.6%	10.5%	0.1%		Net Margin	7.9%	11.4%	10.0%	1.4%	

Silicon Valley Medical Development (\$000s)

Period ending 1/31/2020

Period 7 FY 2019	Period 7 FY 2020	Period 7 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
1,292	8,488	9,408	(920)	(9.8%)	Gross Revenue	5,584	51,281	62,604	(11,323)	(18.1%)
(908)	(5,970)	(5,715)	(255)	(4.5%)	Deductions	(3,653)	(36,124)	(38,125)	2,001	5.2%
384	2,518	3,693	(1,175)	(31.8%)	Net Patient Revenue	1,931	15,157	24,478	(9,321)	(38.1%)
4	1,815	1,665	149	9.0%	Other Operating Revenue	39	11,390	9,820	1,570	16.0%
388	4,333	5,359	(1,026)	(19.1%)	Total Operating Revenue	1,970	26,547	34,298	(7,751)	(22.6%)
					OPERATING EXPENSE					
206	1,826	1,674	(152)	(9.1%)	Salaries & Wages	858	11,863	12,820	957	7.5%
35	350	388	38	9.8%	Supplies	303	2,916	2,713	(204)	(7.5%)
1,034	4,300	4,209	(92)	(2.2%)	Fees & Purchased Services	5,238	29,117	28,745	(372)	(1.3%)
234	936	980	44	4.5%	Other Operating Expense	906	4,976	6,443	1,467	22.8%
0	(1)	0	1	0.0%	Interest	0	0	0	0	0.0%
51	52	193	141	73.2%	Depreciation	299	362	1,312	950	72.4%
1,560	7,463	7,444	(19)	(0.3%)	Total Operating Expense	7,604	49,234	52,033	2,799	5.4%
(1,172)	(3,131)	(2,085)	(1,045)	50.1%	Net Operating Margin	(5,634)	(22,687)	(17,734)	(4,952)	27.9%
1,000	0	0	0	0.0%	Non Operating Income	6,810	0	0	0	0.0%
(172)	(3,131)	(2,085)	(1,045)	50.1%	Net Margin	1,176	(22,687)	(17,734)	(4,952)	27.9%
-289.1%	-71.1%	-35.3%	(35.8%)		EBITDA	-270.7%	-84.1%	-47.9%	(36.2%)	
-302.3%	-72.3%	-38.9%	(33.3%)		Operating Margin	-285.9%	-85.5%	-51.7%	(33.8%)	
-44.4%	-72.3%	-38.9%	(33.3%)		Net Margin	59.7%	-85.5%	-51.7%	(33.8%)	

ECH Hospital Operating Margin

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



FY 2020 Actual Run Rate Adjustments (in thousands) - FAV / <UNFAV>											
Revenue Adjustments		J	A	S	O	N	D	J			YTD
Mcare Settltm/Appeal/Tent Settltm/PIP		129	129	210	137	129	194	129			1,059
RAC Release		-	-	(746)	-	-	-	-			(746)
PRIME Incentive		-	-	-	-	-	1,944	-			1,944
Various Adjustments under \$250k		9	4	5	18	6	8	12			62
Total		138	133	(531)	155	136	2,146	141			2,318