



El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

**Summary of Financial Operations
Fiscal Year 2019 – Period 5**

7/1/2018 to 11/30/2018

El Camino Hospital Board of Directors

Iftikhar Hussain, CFO

January 16, 2019

Financial Overview

Volume:

- YTD adjusted discharges are favorable to budget (165 cases or 1.2% favorable) driven by high outpatient volume. YTD IP volume remained below budget by 3.0% (251 cases) and below prior year by 5.2% (436 cases) due to lower flu cases (gen med) and MCH.
- OP cases YTD favorable to budget (613 cases or 1.0%) and prior year by 0.1% (39 cases). YTD favorability continue to be driven by HVI, Surgeries, Rehab and Imaging activity.

Financial Performance:

- Operating income is favorable to budget by 15.1% (\$6.2M) YTD and 30.2% (\$20.3M) below prior year.
- Net Patient Revenue is favorable to budget by 2.0% (\$7.3M) YTD and above prior year by 0.8% (\$2.8M) driven primarily from OP volumes.
- YTD Operating Expense is slightly favorable to budget 0.2% (\$700k). YTD Salaries & Wages YTD continues to stay positive due to flexing of labor reduction to volumes in prior months and vacancies in support areas. YTD, non labor expenses are unfavorable to budget by 0.39% (528K).

Payor Mix:

- Small decline in commercial mix due to lower MCH volume

Cost:

- Prod FTEs were favorable to target for November by 0.6% and on target YTD.

Balance Sheet:

- Net days in AR was 47.3 which was .7 days favorable to budget.

Dashboard - ECH combined as of November 30, 2018

	Month				YTD			
	PY	CY	Bud/Target	Variance CY vs Bud	PY	CY	Bud/Target	Variance CY vs Bud
Volume								
Licensed Beds	443	443	443	-	443	443	443	-
ADC	246	240	246	(6)	238	228	234	(6)
Utilization MV	67%	66%	67%	-1%	66%	63%	65%	-2%
Utilization LG	31%	29%	32%	-3%	29%	28%	28%	0%
Utilization Combined	56%	54%	56%	-1%	54%	51%	53%	-1%
Total Discharges (Excl NNB)	1,725	1,641	1,687	(46)	8,420	7,966	8,236	(270)
Financial Perf.								
Total Operating Revenue	83,180	82,576	78,104	4,473	385,900	387,389	381,921	5,468
Operating Income \$	18,081	13,116	9,935	3,181	67,187	46,909	40,744	6,166
Operating Margin	21.7%	15.9%	12.7%	3.2%	17.4%	12.1%	10.7%	1.4%
EBITDA %	27.4%	21.6%	18.9%	2.7%	23.2%	18.1%	16.9%	1.3%
Payor Mix								
Medicare	46.3%	49.3%	46.3%	3.0%	46.1%	46.9%	46.4%	0.5%
Medi-Cal	7.8%	7.9%	7.8%	0.1%	8.0%	8.0%	7.8%	0.2%
Total Commercial	43.4%	41.3%	43.3%	-2.1%	43.3%	42.7%	43.1%	-0.4%
Other	2.5%	1.6%	2.6%	-1.0%	2.6%	2.4%	2.7%	-0.3%
Cost								
Total FTE	2,566.2	2,672.1	2,672.9	(1)	2,564.0	2,616.0	2,631.1	(15)
Productive Hrs/APD	29.8	30.5	31.0	(1)	30.5	31.0	32.2	(1)
Balance Sheet								
Net Days in AR	50.7	47.3	48.0	(1)	50.7	47.3	48.0	(0.7)
Days Cash	505	494	449	45	505	494	449	45
Affiliates - Net Income (\$'000s)								
Hosp	27,017	13,785	10,392	3,394	100,227	29,639	43,026	(13,386)
Concern	43	41	97	(56)	945	913	377	537
ECSC	(2)	(11)	0	(11)	(18)	(25)	0	(25)
Foundation	493	660	172	487	1,216	765	754	11
SVMD	389	(656)	2	(658)	564	696	(248)	944

Budget Variances

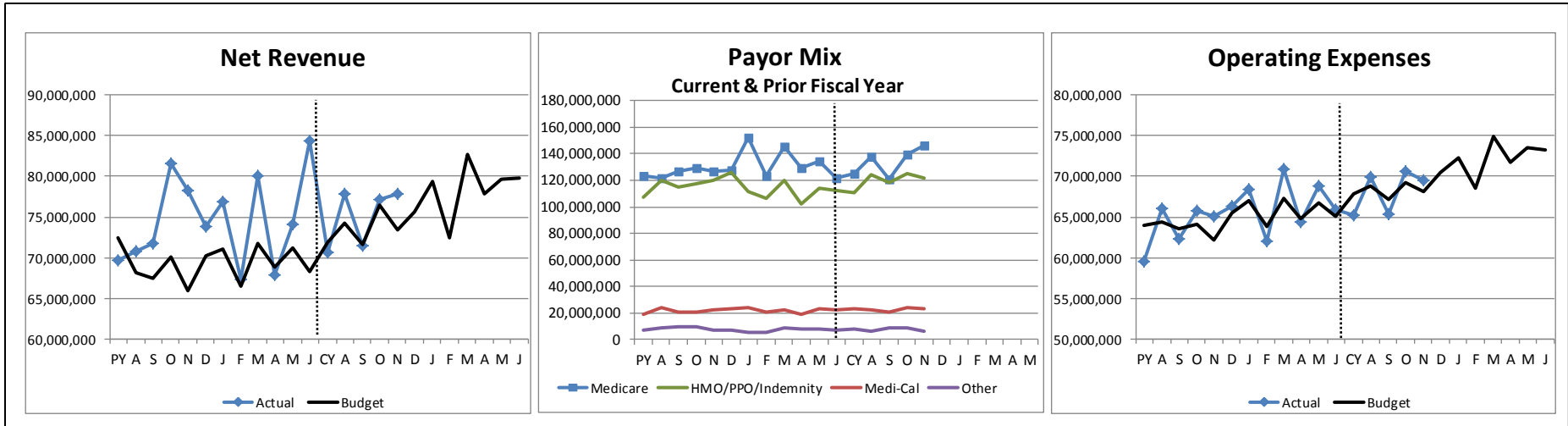
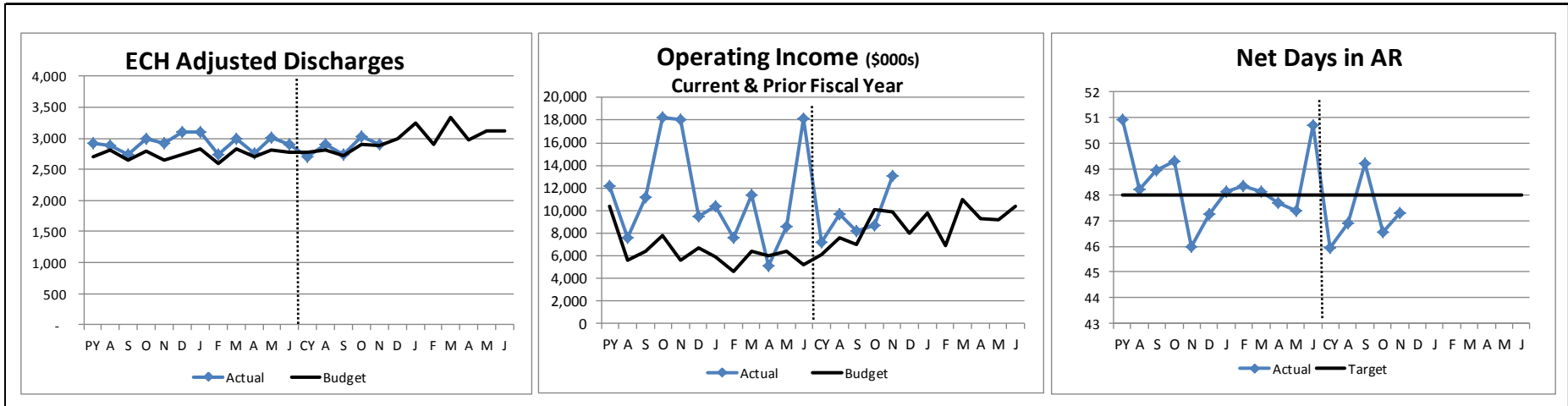
(in thousands; \$000s)	Net Op Income	% Net Revenue
Budgeted Hospital Operations FY2019	40,744	10.7%
Net Revenue - YTD IP days are behind budget by 2.5%. Both deliveries and IP surgeries are down over 5%. OP is up by 6.4% making total positive. OP surgeries up by 3.5%, Rehab up 8%, Psych 5%	5,468	1.4%
Labor and Benefit Expense Change - Flexing staff and vacancies in support departments. Offset with consulting services.	1,225	0.3%
Professional Fees & Purchased Services - JACHO readiness and consulting (in place of FTE) are the biggest drivers	(1,265)	-0.3%
Supplies - Medical and Non Medical Supplies are over budget, but savings in Drugs offset the variance	167	0.0%
Other Expenses	204	0.1%
Depreciation & Interest	366	0.1%
Actual Hospital Operations FY2019	46,909	12.1%

El Camino Hospital (\$000s)

Period ending 11/30/2018

Period 5 FY 2018	Period 5 FY 2019	Period 5 Budget 2019	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
278,325	297,755	286,592	11,163	3.9%	OPERATING REVENUE					
(199,994)	(219,929)	(213,232)	(6,696)	(3.1%)	Gross Revenue	1,370,889	1,418,920	1,419,691	(770)	(0.1%)
78,331	77,826	73,360	4,467	6.1%	Deductions	(998,813)	(1,044,036)	(1,052,064)	8,027	0.8%
4,849	4,750	4,744	6	0.1%	Net Patient Revenue	372,076	374,884	367,627	7,257	2.0%
83,180	82,576	78,104	4,473	5.7%	Other Operating Revenue	13,824	12,505	14,294	(1,788)	(12.5%)
					Total Operating Revenue	385,900	387,389	381,921	5,468	1.4%
					OPERATING EXPENSE					
38,238	41,275	40,755	(521)	(1.3%)	Salaries & Wages	194,133	204,212	205,437	1,225	0.6%
10,453	11,361	11,366	5	0.0%	Supplies	49,780	55,091	55,258	167	0.3%
9,147	9,592	8,664	(928)	(10.7%)	Fees & Purchased Services	41,282	45,544	44,280	(1,265)	(2.9%)
2,519	2,537	2,558	21	0.8%	Other Operating Expense	11,359	12,249	12,453	204	1.6%
647	438	323	(115)	(35.5%)	Interest	2,150	2,128	1,617	(511)	(31.6%)
4,095	4,257	4,502	245	5.4%	Depreciation	20,009	21,257	22,134	877	4.0%
65,099	69,460	68,168	(1,292)	(1.9%)	Total Operating Expense	318,713	340,480	341,177	697	0.2%
18,081	13,116	9,935	3,181	32.0%	Net Operating Income/(Loss)	67,187	46,909	40,744	6,166	15.1%
8,936	669	456	213	46.7%	Non Operating Income	33,041	(17,270)	2,282	(19,552)	(856.8%)
27,017	13,785	10,392	3,394	32.7%	Net Income(Loss)	100,227	29,639	43,026	(13,386)	(31.1%)
27.4%	21.6%	18.9%	2.7%		EBITDA	23.2%	18.1%	16.9%	1.3%	
21.7%	15.9%	12.7%	3.2%		Operating Margin	17.4%	12.1%	10.7%	1.4%	
32.5%	16.7%	13.3%	3.4%		Net Margin	26.0%	7.7%	11.3%	(3.6%)	

Monthly Financial Trends



El Camino Hospital Investment Committee Scorecard September 30, 2018

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY19 Year-end Budget	Expectation Per Asset Allocation
Investment Performance		3Q 2018		Fiscal Year-to-date		5y 11m Since Inception (annualized)			2018
Surplus cash balance*		\$994.7	--	--	--	--	--	\$886.6	--
Surplus cash return		2.3%	2.0%	2.3%	2.0%	5.8%	5.5%	3.2%	5.3%
Cash balance plan balance (millions)		\$274.7	--	--	--	--	--	\$276.9	--
Cash balance plan return		2.8%	2.5%	2.8%	2.5%	8.3%	7.4%	6.0%	5.7%
403(b) plan balance (millions)		\$481.7	--	--	--	--	--	--	--
Risk vs. Return		3-year				5y 11m Since Inception (annualized)			2018
Surplus cash Sharpe ratio		1.59	1.52	--	--	1.34	1.27	--	0.43
Net of fee return		7.5%	7.1%	--	--	5.8%	5.5%	--	5.3%
Standard deviation		4.1%	4.0%	--	--	4.0%	4.0%	--	6.7%
Cash balance Sharpe ratio		1.64	1.55	--	--	1.45	1.34	--	0.40
Net of fee return		9.4%	8.5%	--	--	8.3%	7.4%	--	5.7%
Standard deviation		5.1%	4.8%	--	--	5.3%	5.1%	--	8.1%
Asset Allocation		3Q 2018							
Surplus cash absolute variances to target		6.2%	< 10%	--	--	--	--	--	--
Cash balance absolute variances to target		6.2%	< 10%	--	--	--	--	--	--
Manager Compliance		3Q 2018							
Surplus cash manager flags		20	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		23	< 27 Green < 34 Yellow	--	--	--	--	--	--

*Excludes debt reserve funds (~\$160 mm), District assets (~\$31 mm), and balance sheet cash not in investable portfolio (~\$94 mm).

Includes Foundation (~\$28 mm) and Concern (~\$13 mm) assets. Budget adds back in current Foundation and Concern assets and backs out current debt reserve funds.



Balance Sheet (in thousands)

ASSETS		Audited		LIABILITIES AND FUND BALANCE	
	November 30, 2018	June 30, 2018		November 30, 2018	June 30, 2018
CURRENT ASSETS				CURRENT LIABILITIES	
Cash	110,546	118,992	(5) Accounts Payable	34,486	49,925
Short Term Investments	156,079	150,664	(6) Salaries and Related Liabilities	24,461	26,727
Patient Accounts Receivable, net	117,721	124,427	Accrued PTO	24,751	24,532
Other Accounts and Notes Receivable	5,645	3,402	Worker's Comp Reserve	2,300	2,300
Intercompany Receivables	2,616	2,090	Third Party Settlements	10,240	10,068
(1) Inventories and Prepays	79,490	75,594	Intercompany Payables	616	125
Total Current Assets	472,097	475,171	Malpractice Reserves	1,831	1,831
BOARD DESIGNATED ASSETS			Bonds Payable - Current	3,850	3,850
Plant & Equipment Fund	157,995	153,784	(7) Bond Interest Payable	9,692	12,975
(2) Women's Hospital Expansion	13,967	9,298	Other Liabilities	9,822	8,909
(3) Operational Reserve Fund	139,057	127,908	Total Current Liabilities	122,048	141,242
Community Benefit Fund	18,251	18,675	LONG TERM LIABILITIES		
Workers Compensation Reserve Fund	21,140	20,263	Post Retirement Benefits	29,462	29,212
Postretirement Health/Life Reserve Fund	29,462	29,212	Worker's Comp Reserve	18,840	17,963
PTO Liability Fund	24,751	24,532	Other L/T Obligation (Asbestos)	3,907	3,859
Malpractice Reserve Fund	1,831	1,831	Other L/T Liabilities (IT/Medl Leases)	-	-
Catastrophic Reserves Fund	19,254	18,322	Bond Payable	517,274	517,781
Total Board Designated Assets	425,709	403,826	Total Long Term Liabilities	569,484	568,815
(4) FUNDS HELD BY TRUSTEE	135,991	197,620	DEFERRED REVENUE-UNRESTRICTED	629	528
LONG TERM INVESTMENTS	337,873	345,684	DEFERRED INFLOW OF RESOURCES	22,835	22,835
INVESTMENTS IN AFFILIATES	32,571	32,412	FUND BALANCE/CAPITAL ACCOUNTS		
PROPERTY AND EQUIPMENT			Unrestricted	1,253,419	1,243,529
Fixed Assets at Cost	1,271,394	1,261,854	Board Designated	425,709	403,825
Less: Accumulated Depreciation	(598,867)	(577,959)	Restricted	0	0
Construction in Progress	296,430	220,991	(8) Total Fund Bal & Capital Accts	1,679,128	1,647,355
Property, Plant & Equipment - Net	968,957	904,886	TOTAL LIABILITIES AND FUND BALANCE	2,394,124	2,380,776
DEFERRED OUTFLOWS	20,927	21,177			
RESTRICTED ASSETS - CASH	0	0			
TOTAL ASSETS	2,394,124	2,380,776			

November 2018 El Camino Hospital Comparative Balance Sheet Variances and Footnotes

- (1) The increase is due to annual insurance premiums for D&O, Property and Auto that are paid in July and amortized throughout the fiscal year. Also a quarterly pension funding was paid.
- (2) The increase is due to the District making a transfer from its Capital Appropriation Fund in support of the upcoming renovation to the Women's Hospital.
- (3) The increase is due to annual resetting of the 60 day Operational Reserve based on the new FY2019 budget that has started.
- (4) Decrease is due to draws from the 2015A/2017 Bond Project funds for the on-going IMOB and BHS construction.
- (5) Decrease is due to the yearend accruals that were paid out in July and August.
- (6) Decrease is due a lesser number of days of payroll expenses and payroll taxes for October opposed to a full 14 day pay period that was needed for June 30.
- (7) Semi-annual bond payments of interest and principal were made on the 2015A and 2017 Bonds in August.
- (8) Increase in total Fund Balance is driven by y-t-d net income and that Capital Appropriate Fund transfer by District, discussed in item #2 above.

EL CAMINO HOSPITAL - BOARD DESIGNATED FUND DESCRIPTIONS/ HISTORY (1 OF 2)

- **Plant & Equipment Fund** – original established by the District Board in the early 1960’s to fund new capital expansion projects of building facilities or equipment (new or replacements). The funds came from the M&O property taxes being received and the funding depreciation expense at 100%. When at the end of 1992, the 501(c)(3) Hospital was performed by the District, the property tax receipts remained with the District. The newly formed Hospital entity continued on with funding depreciation expense, but did that funding at 130% of the depreciation expense to account for an expected replacement cost of current plant and property assets. It is to be noted that within this fund is an itemized amount of \$14 million for the Behavioral Health Service building replacement project. This amount came from the District’s Capital Appropriation Fund (excess Gann Limit property taxes) of the fiscal years of 2010 thru 2013 by various District board actions.
- **Women’s Hospital Expansion** – established June 2016 by the District authorizing the amounts accumulated in its Capital Appropriation Fund (excess Gann Limit property taxes) for the fiscal years of 2014 and 2015 to be allocated for the renovation of the Women’s Hospital upon the completion of Integrated Medical Office Building currently under construction. At the end of fiscal year 2018 another \$6.2 million was added to this fund.
- **Operational Reserve Fund** – originally established by the District in May 1992 to establish a fund equal to sixty (60) days of operational expenses (based on the current projected budget) and only be used in the event of a major business interruption event and/or cash flow.
- **Community Benefit Fund** – following in the footsteps of the District in 2008 of forming its Community Benefit Fund using Gann Limit tax receipts, the Hospital in 2010 after opening its campus outside of District boundaries in Los Gatos formed its own Community Benefit Fund to provide grants/sponsorships in Los Gatos and surrounding areas. The funds come from the Hospital reserving \$1.5M a year from its operations, the entity of CONCERN contributing 40% of its annual income each year (an amount it would have paid in corporate taxes if it wasn’t granted tax exempt status), that generates an amount of \$500,000 or more a year. \$15 million within this fund is a board designated endowment fund formed in 2015 with a \$10 million contribution, and added to at the end of the 2017 fiscal year end with another \$5 million contribution, to generate investment income to be used for grants and sponsorships, in fiscal year it generated over \$1.1 million of investment income for the program.

EL CAMINO HOSPITAL - BOARD DESIGNATED FUND DESCRIPTIONS/ HISTORY (2 OF 2)

- **Workers Compensation Reserve Fund** – as the Hospital is self-insured for its workers compensation program (since 1978) this fund was originally formed in early 2000's by management to reserve cash equal to the yearly actuarially determined Workers Compensation amount. The thought being if the business was to terminate for some reason this is the amount in cash that would be needed to pay out claims over the next few years.
- **Postretirement Health/Life Reserve Fund** – following the same formula as the Workers Compensation Reserve Fund this fund was formed in the early 2000's by management to reserve cash equal to the yearly actuarially determined amount to fund the Hospital's postretirement health and life insurance program. Note this program was frozen in 1995 for all new hires after that date. At the end of fiscal year 2018, GASB #75 was implemented that now represents the full actuarially determined liability.
- **PTO (Paid Time Off) Liability Fund** – originally formed in 1993 as the new 501(c)(3) Hospital began operations, management thought as a business requirement of this vested benefit program that monies should be set aside to extinguish this employee liability should such a circumstance arise. This balance is equal to the PTO Liability on the Balance Sheet.
- **Malpractice Reserve Fund** – originally established in 1989 by the then District's Finance Committee and continued by the Hospital. The amount is actuarially determined each year as part of the annual audit to fund potential claims less than \$50,000. Above \$50,000 our policy with the BETA Healthcare Group kicks in to a \$30 million limit per claim/\$40 million in the aggregate.
- **Catastrophic Loss Fund** – was established in 1999 by the Hospital Board to be a "self-insurance" reserve fund for potential non-major earthquake repairs. Initially funded by the District transferring \$5 million and has been added to by the last major payment from FEMA for the damage caused the Hospital by the October 1989 earthquake. It is to be noted that it took 10 years to receive final settlement from FEMA grants that totaled \$6.8 million that did mostly cover all the necessary repairs.

APPENDIX

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

Period ending 11/30/2018

Period 5 FY 2018	Period 5 FY 2019	Period 5 Budget 2019	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
OPERATING REVENUE										
225,175	245,512	233,633	11,879	5.1%	Gross Revenue	1,121,492	1,167,193	1,166,265	928	0.1%
(160,793)	(181,191)	(174,238)	(6,953)	(4.0%)	Deductions	(814,375)	(857,300)	(865,970)	8,670	1.0%
64,382	64,321	59,395	4,926	8.3%	Net Patient Revenue	307,117	309,893	300,295	9,598	3.2%
4,681	4,460	4,506	(46)	(1.0%)	Other Operating Revenue	13,013	11,106	13,144	(2,038)	(15.5%)
69,063	68,781	63,901	4,880	7.6%	Total Operating Revenue	320,130	320,999	313,439	7,560	2.4%
OPERATING EXPENSE										
31,787	34,528	34,053	(475)	(1.4%)	Salaries & Wages	161,538	170,191	172,591	2,400	1.4%
8,357	9,392	9,286	(107)	(1.1%)	Supplies	40,171	44,763	45,109	346	0.8%
7,667	8,068	7,248	(820)	(11.3%)	Fees & Purchased Services	34,754	38,469	37,632	(838)	(2.2%)
534	1,095	973	(122)	(12.6%)	Other Operating Expense	3,241	4,337	4,659	322	6.9%
647	438	323	(115)	(35.5%)	Interest	2,150	2,128	1,617	(511)	(31.6%)
3,516	3,508	3,742	234	6.3%	Depreciation	17,369	17,532	18,441	910	4.9%
52,509	57,030	55,625	(1,404)	(2.5%)	Total Operating Expense	259,222	277,420	280,049	2,629	0.9%
16,554	11,752	8,276	3,476	42.0%	Net Operating Income/(Loss)	60,908	43,579	33,390	10,189	30.5%
8,936	669	456	213	46.7%	Non Operating Income	33,085	(17,270)	2,282	(19,552)	(856.8%)
25,489	12,421	8,732	3,689	42.2%	Net Income(Loss)	93,993	26,309	35,672	(9,363)	(26.2%)
30.0%	22.8%	19.3%	3.5%		EBITDA	25.1%	19.7%	17.1%	2.6%	
24.0%	17.1%	13.0%	4.1%		Operating Margin	19.0%	13.6%	10.7%	2.9%	
36.9%	18.1%	13.7%	4.4%		Net Margin	29.4%	8.2%	11.4%	(3.2%)	

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

Period ending 11/30/2018

Period 5 FY 2018	Period 5 FY 2019	Period 5 Budget 2019	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
OPERATING REVENUE										
53,150	52,243	52,959	(716)	(1.4%)	Gross Revenue	249,397	251,728	253,426	(1,699)	(0.7%)
(39,201)	(38,738)	(38,995)	257	0.7%	Deductions	(184,438)	(186,736)	(186,094)	(643)	(0.3%)
13,949	13,505	13,965	(459)	(3.3%)	Net Patient Revenue	64,959	64,991	67,332	(2,341)	(3.5%)
169	290	238	52	21.8%	Other Operating Revenue	811	1,399	1,149	250	21.7%
14,117	13,795	14,202	(407)	(2.9%)	Total Operating Revenue	65,770	66,390	68,482	(2,092)	(3.1%)
OPERATING EXPENSE										
6,451	6,747	6,701	(46)	(0.7%)	Salaries & Wages	32,595	34,021	32,846	(1,175)	(3.6%)
2,095	1,968	2,080	112	5.4%	Supplies	9,609	10,328	10,149	(179)	(1.8%)
1,480	1,524	1,416	(107)	(7.6%)	Fees & Purchased Services	6,528	7,075	6,648	(427)	(6.4%)
1,985	1,442	1,585	143	9.0%	Other Operating Expense	8,118	7,912	7,793	(119)	(1.5%)
0	0	0	0	0.0%	Interest	0	0	0	0	0.0%
579	749	760	11	1.4%	Depreciation	2,640	3,725	3,692	(32)	(0.9%)
12,590	12,430	12,543	112	0.9%	Total Operating Expense	59,490	63,060	61,128	(1,932)	(3.2%)
1,527	1,364	1,660	(295)	(17.8%)	Net Operating Income/(Loss)	6,279	3,330	7,354	(4,024)	(54.7%)
0	0	0	0	0.0%	Non Operating Income	(45)	0	0	0	0.0%
1,527	1,364	1,660	(295)	(17.8%)	Net Income(Loss)	6,235	3,330	7,354	(4,024)	(54.7%)
14.9%	15.3%	17.0%	(1.7%)		EBITDA	13.6%	10.6%	16.1%	(5.5%)	
10.8%	9.9%	11.7%	(1.8%)		Operating Margin	9.5%	5.0%	10.7%	(5.7%)	
10.8%	9.9%	11.7%	(1.8%)		Net Margin	9.5%	5.0%	10.7%	(5.7%)	

Non Operating Items and Net Income by Affiliate

\$ in thousands

	Period 5 - Month			Period 5 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Income (Loss) from Operations						
Mountain View	11,752	8,276	3,476	43,579	33,390	10,189
Los Gatos	1,364	1,660	(295)	3,330	7,354	(4,024)
Sub Total - El Camino Hospital, excl. Affiliates	13,116	9,935	3,181	46,909	40,744	6,166
Operating Margin %	15.9%	12.7%		12.1%	10.7%	
El Camino Hospital Non Operating Income						
Investments ²	2,738	2,478	260	(9,827)	12,389	(22,216)
Swap Adjustments	(446)	(100)	(346)	231	(500)	731
Community Benefit	42	(300)	342	(2,531)	(1,500)	(1,031)
Pathways	(1,109)	0	(1,109)	(1,203)	0	(1,203)
Satellite Dialysis	18	(25)	43	204	(125)	329
Community Connect	0	(53)	53	0	(265)	265
SVMD Funding ¹	(511)	(1,219)	708	(2,856)	(6,095)	3,239
Other	(61)	(324)	263	(1,288)	(1,621)	333
Sub Total - Non Operating Income	669	456	213	(17,270)	2,282	(19,552)
El Camino Hospital Net Income (Loss)	13,785	10,392	3,394	29,639	43,026	(13,386)
ECH Net Margin %	16.7%	13.3%		7.7%	11.3%	
Concern	41	97	(56)	913	377	537
ECSC	(11)	0	(11)	(25)	0	(25)
Foundation	660	172	487	765	754	11
Silicon Valley Medical Development	(656)	2	(658)	696	(248)	944
Net Income Hospital Affiliates	33	271	(239)	2,349	882	1,467
Total Net Income Hospital & Affiliates	13,818	10,663	3,155	31,989	43,908	(11,919)

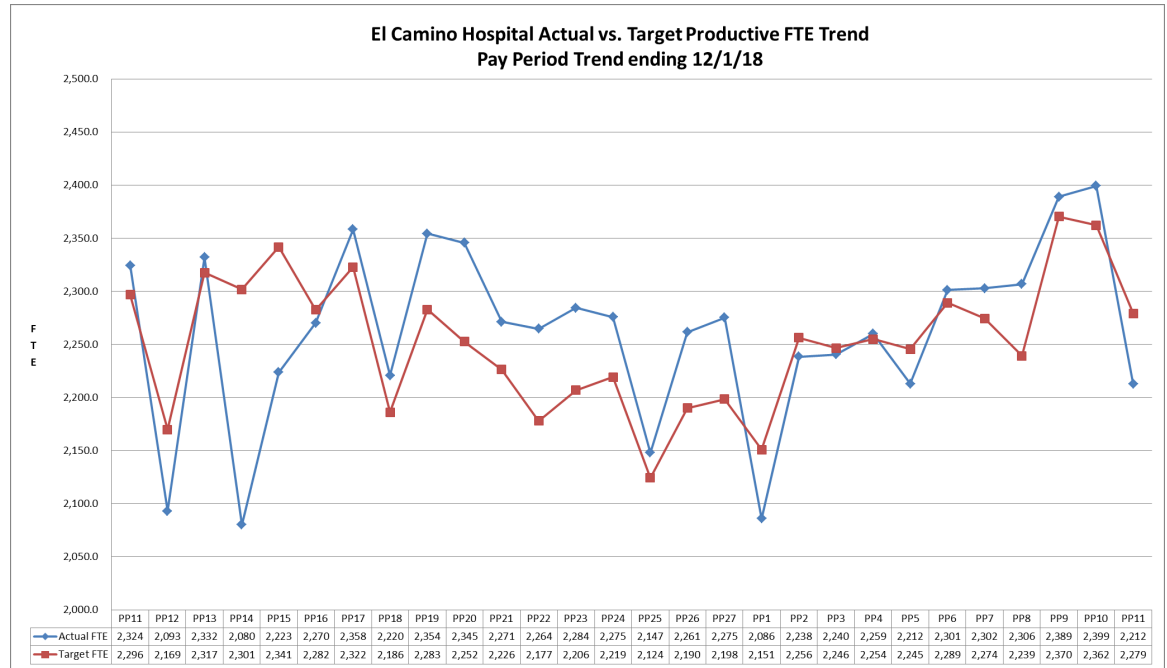
¹Favorable variances for SVMD and Community Connect are due to delayed implementation

²Equity markets experienced a massive selloff during October, a small portion of which has been recouped so far in November

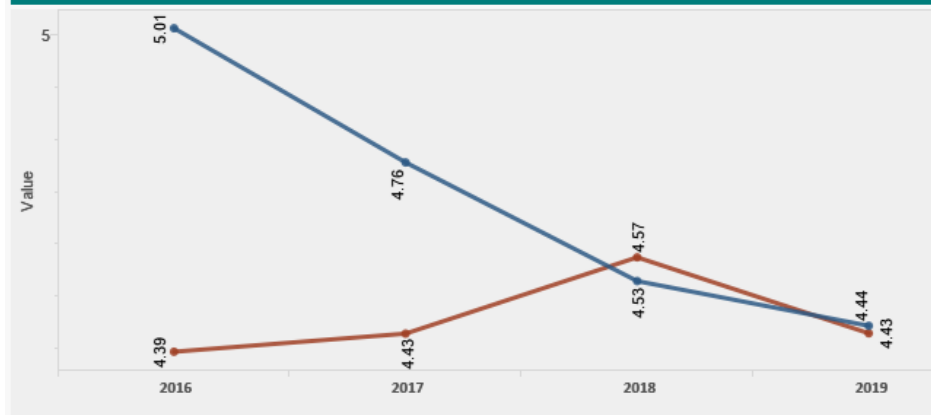
Productivity and Medicare Length of Stay

At or below FTE target for the first six pay periods of the year. Uptick end of Sept due to mandatory training for all employees. YTD we are on budget (adjusted for volume)

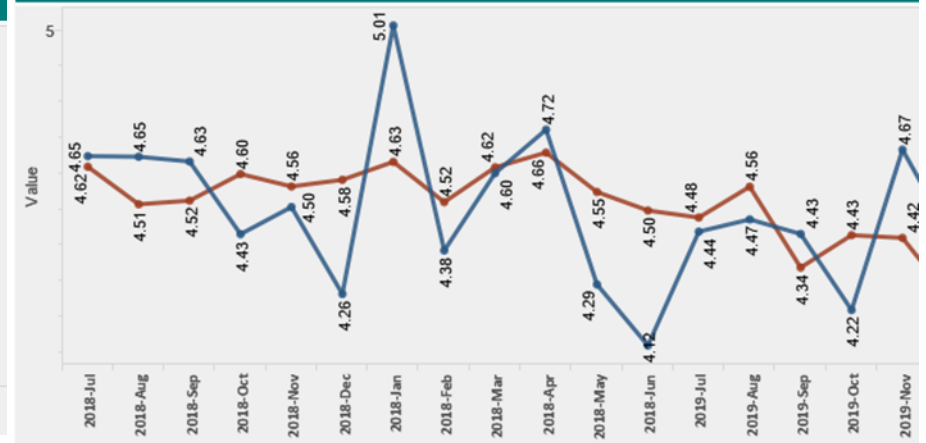
ALOS vs Milliman well-managed benchmark. Trend shows steady improvement with FY 2019 below benchmark (blue). Increase in benchmark beginning in FY 2017 due to Clinical Documentation Improvement (CDI)



AVERAGE LENGTH OF STAY TREND BY MONTH/YEAR



AVERAGE LENGTH OF STAY TREND BY MONTH/YEAR



El Camino Hospital Volume Annual Trends

		ANNUAL TREND						FY19 Bud vs FY18		MONTH					YEAR				
		2014	2015	2016	2017	2018	2019(b)	Cases	Percent	PY	CY	Bud	Bud Var	PY Var	PY	CY	Bud	Bud Var	PY Var
IP	Behavioral Health	1,012	1,052	928	924	1,098	1,062	-36	-3.2%	101	92	95	-3	-9	459	470	433	37	11
	General Medicine & ...	4,165	4,592	4,459	4,961	5,286	5,325	39	0.7%	433	403	406	-3	-30	2,101	1,925	1,964	-39	-176
	General Surgery	1,243	1,150	1,311	1,318	1,305	1,344	39	3.0%	108	113	112	1	5	536	585	555	30	49
	GYN	390	313	293	270	243	255	12	4.9%	15	18	12	6	3	103	90	91	-1	-13
	Heart and Vascular	1,859	1,998	2,001	2,203	2,372	2,445	73	3.1%	188	197	182	15	9	955	880	927	-47	-75
	MCH	6,695	6,371	5,953	5,822	5,719	5,764	45	0.8%	500	458	484	-26	-42	2,458	2,266	2,378	-112	-192
	Neurosciences	667	672	677	688	870	907	37	4.3%	61	65	66	-1	4	355	329	398	-69	-26
	Oncology	606	564	652	594	633	726	93	14.7%	58	52	60	-8	-6	270	291	274	17	21
	Orthopedics	1,695	1,773	1,746	1,690	1,705	1,819	114	6.7%	164	141	171	-30	-23	729	699	752	-53	-30
	Rehab Services	547	555	500	461	441	436	-5	-1.1%	46	47	46	1	1	174	209	174	35	35
	Spine Surgery	377	429	417	474	375	465	90	24.0%	38	28	40	-12	-10	186	132	195	-63	-54
	Urology	172	169	234	257	254	274	20	7.9%	15	30	15	15	15	101	115	101	14	14
	Total	19,428	19,638	19,171	19,662	20,301	20,823	522	2.6%	1,727	1,644	1,689	-45	-83	8,427	7,991	8,242	-251	-436
OP	Behavioral Health	911	886	2,395	3,262	3,152	3,417	265	8.4%	260	259	245	14	-1	1,391	1,156	1,335	-179	-235
	Dialysis	1,060	154	7			0					0					0		
	Emergency	46,005	49,077	48,576	48,615	49,417	49,122	-295	-0.6%	3,752	3,756	3,687	69	4	19,677	19,339	19,349	-10	-338
	General Medicine & ...	6,633	6,634	7,198	7,083	7,295	7,457	162	2.2%	579	657	544	113	78	3,027	3,249	3,031	218	222
	General Surgery	1,840	1,854	1,798	1,843	2,006	2,068	62	3.1%	165	170	165	5	5	796	831	794	37	35
	GYN	1,221	1,308	1,018	1,080	1,097	1,171	74	6.7%	115	131	112	19	16	476	574	466	108	98
	Heart and Vascular	2,575	2,719	3,811	4,371	4,366	4,410	44	1.0%	361	402	369	33	41	1,776	1,959	1,827	132	183
	Imaging Services	19,549	20,077	17,801	17,244	18,508	18,744	236	1.3%	1,570	1,655	1,552	103	85	7,767	8,147	7,613	534	380
	Laboratory Services	30,595	29,710	29,028	29,137	28,562	29,071	509	1.8%	2,363	2,283	2,364	-81	-80	12,034	11,636	11,985	-349	-398
	MCH	5,038	4,830	5,092	5,582	5,645	5,928	283	5.0%	461	448	462	-14	-13	2,401	2,261	2,381	-120	-140
	Neurosciences	110	61	127	125	114	155	41	36.0%	8	8	14	-6	0	52	30	67	-37	-22
	Oncology	4,002	4,174	14,306	18,578	19,275	22,037	2,762	14.3%	1,655	1,813	1,701	112	158	8,045	8,293	8,265	28	248
	Orthopedics	866	776	584	616	642	714	72	11.2%	49	50	56	-6	1	258	284	297	-13	26
	Outpatient Clinics	1,817	1,706	1,681	1,304	1,890	1,517	-373	-19.7%	178	154	141	13	-24	983	744	646	98	-239
	Rehab Services	1,732	1,747	3,951	4,518	4,928	4,900	-28	-0.6%	383	432	382	50	49	2,023	2,211	2,011	200	188
	Sleep Center	160	223	499	368	211	300	89	42.2%	13	26	25	1	13	63	103	121	-18	40
	Spine Surgery	325	401	309	324	310	326	16	5.2%	25	23	24	-1	-2	135	123	133	-10	-12
Urology	1,758	1,773	1,740	1,898	2,052	2,058	6	0.3%	188	177	190	-13	-11	850	845	859	-14	-5	
Total	126,197	128,110	139,921	145,948	149,470	153,395	3,925	2.6%	12,125	12,444	12,033	412	319	61,754	61,785	61,180	605	31	

Capital Spend Trend & FY 19 Budget

Capital Spending (in 000's)	Actual FY2016	Actual FY2017	Actual FY2018	Budget 2019
EPIC	20,798	2,755	1,114	-
IT Hardware / Software Equipment	6,483	2,659	1,108	19,732
Medical / Non Medical Equipment*	17,133	9,556	15,780	11,206
Non CIP Land, Land I , BLDG, Additions	4,189	-	2,070	-
Facilities	48,137	82,953	137,364	279,450
GRAND TOTAL	96,740	97,923	157,435	310,388
*Includes 2 robot purchases in FY2017				

El Camino Hospital Capital Spending (in thousands) FY 2014 – FY 2018

Category	2014	2015	2016	2017	2018	Category	2014	2015	2016	2017	2018
EPIC	6,838	29,849	20,798	2,755	1,114	Facilities Projects CIP cont.					
IT Hardware/Software Equipment	2,788	4,660	6,483	2,659	1,108	1415 - Signage & Wayfinding	-	-	106	58	136
Medical/Non Medical Equipment	12,891	13,340	17,133	9,556	15,780	1416 - MV Campus Digital Directories	-	-	34	23	95
Non CIP Land, Land I, BLDG, Additions	22,292	-	4,189	-	2,070	1423 - MV MOB TI Allowance	-	-	588	369	-
Facilities Projects CIP						1425 - IMOB Preparation Project - Old Main	-	-	711	1,860	215
Mountain View Campus Master Plan Projects						1429 - 2500 Hospital Dr Bldg 8 TI	-	101	-	-	-
1245 - Behavioral Health Bldg Replace	1,257	3,775	1,389	10,323	28,676	1430 - Women's Hospital Expansion	-	-	-	464	2,763
1413 - North Drive Parking Structure Exp	-	167	1,266	18,120	4,670	1432 - 205 South Dr BHS TI	-	8	15	-	52
1414 - Integrated MOB	-	2,009	8,875	32,805	75,319	1501 - Women's Hospital NPC Comp	-	4	-	223	320
1422 - CUP Upgrade	-	-	896	1,245	5,428	1502 - Cabling & Wireless Upgrades	-	-	1,261	367	984
Sub-Total Mountain View Campus Master Plan	1,257	5,950	12,426	62,493	114,093	1503 - Willow Pavillion Tomosynthesis	-	-	53	257	31
Mountain View Capital Projects						1504 - Equipment Support Infrastructure	-	61	311	-	60
9900 - Unassigned Costs	470	3,717	-	-	-	1523 - Melchor Pavillion Suite 309 TI	-	-	10	59	392
0906 - Slot Build-Out	1,576	15,101	1,251	294	-	1525 - New Main Lab Upgrades	-	-	-	464	1,739
1109 - New Main Upgrades	393	2	-	-	-	1526 - CONCERN TI	-	-	37	99	10
1111 - Mom/Baby Overflow	29	-	-	-	-	Sub-Total Mountain View Projects	7,219	26,744	5,588	5,535	7,948
1204 - Elevator Upgrades	30	-	-	-	-	Los Gatos Capital Projects					
0800 - Womens L&D Expansion	1,531	269	-	-	-	0904 - LG Facilities Upgrade	-	-	-	-	-
1225 - Rehab BLDG Roofing	241	4	-	-	-	0907 - LG Imaging Masterplan	774	1,402	17	-	-
1227 - New Main eICU	21	-	-	-	-	1210 - Los Gatos VOIP	89	-	-	-	-
1230 - Fog Shop	80	-	-	-	-	1116 - LG Ortho Pavillion	24	21	-	-	-
1315 - 205 So. Drive TI's	500	2	-	-	-	1124 - LG Rehab BLDG	458	-	-	-	-
0908 - NPCR3 Seismic Upgrds	1,224	1,328	240	342	961	1307 - LG Upgrades	2,979	3,282	3,511	3,081	4,551
1125 - Will Pav Fire Sprinkler	39	-	-	-	-	1308 - LG Infrastructure	114	-	-	-	-
1216 - New Main Process Imp Office	1	16	-	-	-	1313 - LG Rehab HVAC System/Structural	-	-	1,597	1,904	550
1217 - MV Campus MEP Upgrades FY13	181	274	28	-	-	1219 - LG Spine OR	214	323	633	2,163	447
1224 - Rehab Bldg HVAC Upgrades	202	81	14	6	-	1221 - LG Kitchen Refrig	85	-	-	-	-
1301 - Desktop Virtual	13	-	-	-	-	1248 - LG - CT Upgrades	26	345	197	6,669	1,673
1304 - Rehab Wander Mgmt	87	-	-	-	-	1249 - LG Mobile Imaging	146	-	-	-	-
1310 - Melchor Cancer Center Expansion	44	13	-	-	-	1328 - LG Ortho Canopy FY14	255	209	-	-	-
1318 - Women's Hospital TI	48	48	29	2	-	1345 - LG Lab HVAC	112	-	-	-	-
1327 - Rehab Building Upgrades	-	15	20	-	22	1346 - LG OR 5, 6, and 7 Lights Replace	-	285	53	22	127
1320 - 2500 Hosp Dr Roofing	75	81	-	-	-	1347 - LG Central Sterile Upgrades	-	181	43	66	-
1340 - New Main ED Exam Room TVs	8	193	-	-	-	1421 - LG MOB Improvements	-	198	65	303	356
1341 - New Main Admin	32	103	-	-	-	1508 - LG NICU 4 Bed Expansion	-	-	-	207	-
1344 - New Main AV Upgrd	243	-	-	-	-	1600 - 825 Pollard - Aspire Phase II	-	-	-	80	10
1400 - Oak Pav Cancer Center	-	5,208	666	52	156	1603 - LG MOB Improvements	-	-	-	285	4,593
1403 - Hosp Drive BLDG 11 TI's	86	103	-	-	-	Sub-Total Los Gatos Projects	5,276	6,246	6,116	14,780	12,306
1404 - Park Pav HVAC	64	7	-	-	-	1550 - Land Acquisition	-	-	24,007	-	-
1405 - 1 - South Accessibility Upgrades	-	-	168	95	-	1701 - 828 S Winchester Clinic TI	-	-	-	145	3,018
1408 - New Main Accessibility Upgrades	-	7	46	501	12	Sub-Total Other Strategic Projects	-	-	24,007	145	3,018
						Subtotal Facilities Projects CIP	13,753	38,940	48,137	82,953	137,364
						Grand Total	58,561	86,789	96,740	97,923	157,435