

AGENDA
JOINT MEETING OF THE
EL CAMINO HOSPITAL BOARD OF DIRECTORS
AND THE FINANCE COMMITTEE

Monday, May 24, 2021 – 5:30pm
 El Camino Hospital | 2500 Grant Road Mountain View, CA 94040

PURSUANT TO STATE OF CALIFORNIA EXECUTIVE ORDER N-29-20 DATED MARCH 18, 2020, EL CAMINO HEALTH WILL NOT BE PROVIDING A PHYSICAL LOCATION FOR THIS MEETING. INSTEAD, THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION MEETING VIA TELECONFERENCE AT:

1-669-900-9128, MEETING CODE: 946-8241-0544#. No participant code. Just press #.

ECH BOARD MISSION: To heal, relieve suffering, and advance wellness as your publicly accountable health partner.

FINANCE COMMITTEE PURPOSE: To provide oversight, information sharing and financial reviews related to budgeting, capital budgeting, long-range financial planning and forecasting, and monthly financial reporting for the El Camino Hospital Board of Directors. In carrying out its review, advisory and oversight responsibilities, the Committee shall remain flexible in order to best define financial strategies that react to changing conditions.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
1. CALL TO ORDER/ROLL CALL	Lanhee Chen, Board Chair		5:30 – 5:31pm
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Lanhee Chen, Board Chair		information 5:31 – 5:32
3. PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	Lanhee Chen, Board Chair		information 5:32 -5:34
4. <u>FY22 OPERATING & CAPITAL BUDGET</u>	Dan Woods, CEO Carlos Bohorquez, CFO Jim Griffith, COO		motion required 5:34-6:14
5. ADJOURNMENT	Lanhee Chen, Board Chair	<i>public comment</i>	motion required 6:14 – 6:15pm

Upcoming Regular ECH Board Meetings: June 23, 2021

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
COMMITTEE MEETING MEMO**

To: Joint Meeting of ECH Board of Directors and Finance Committee
From: Carlos Bohorquez, Chief Financial Officer
Date: May 24, 2021
Subject: Review and Approval of FY2022 Operating and Capital Budget

Purpose:

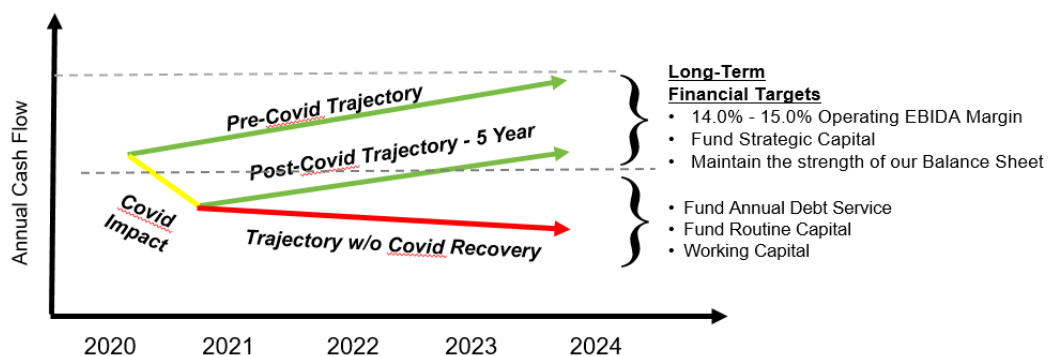
To approve the FY2022 Operating and Capital Budget.

Summary:

Budget FY2022 lays out a plan for the coming year that puts El Camino Health on a pathway toward recovery from the impact of the Covid-19 pandemic and achieves strong year-over-year growth. The plan includes the following:

1. Continues deployment of capital to support replacement the of clinical / IT equipment and fund facility and strategic needs of the organization
2. Supports organizational commitment to quality and patient satisfaction
3. Contains strategic service line development to optimize resource utilization and better serve the community
4. Maintains revenue cycle initiatives to ensure collections are consistent with expected reimbursement
5. Reflects continued management efforts to absorb inflation and drive efficiency throughout the organization
6. Incorporates workforce management strategies to drive targeted improvements in utilization of overtime / premium pay dollars and contract labor
7. Aligns the operating and capital budgets with our current year and long-term strategic plan initiatives

Covid-19 Impact to our Financial Trajectory



FY2022 Operating and Capital Budget Review and Approval
 May 24, 2021

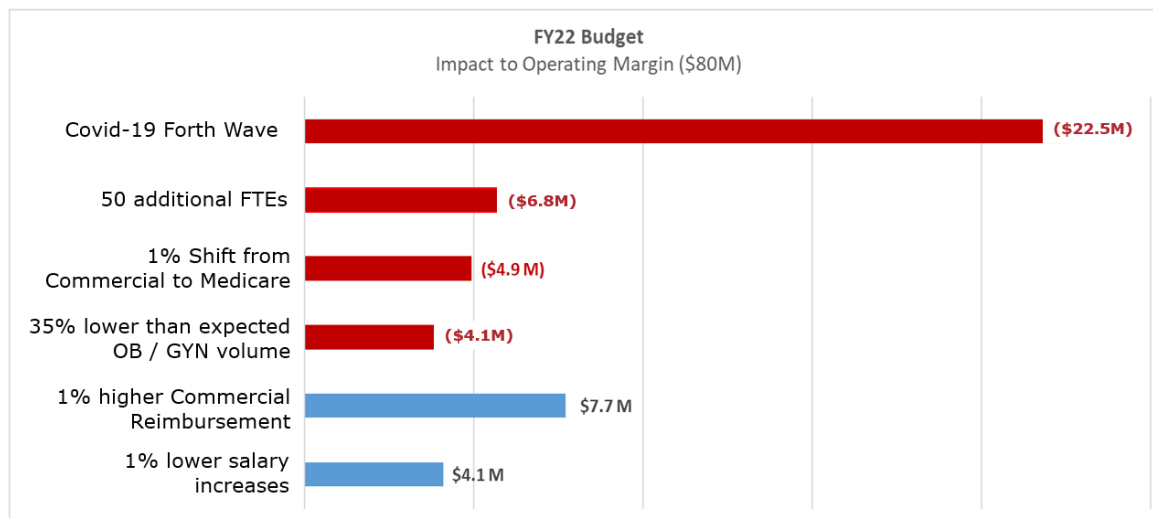
The following is the five year trajectory of the hospital operations compared to the proposed FY2022 budget:

	Actual				Annualized	Budget	
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	% Change
Revenue							
Charges	\$ 3,019,082,917	\$ 3,297,555,552	\$ 3,524,993,076	\$ 3,564,365,196	\$ 4,086,401,202	\$ 4,474,367,103	9.5%
Deductions	\$ 2,186,820,126	\$ 2,396,687,164	\$ 2,580,945,022	\$ 2,606,991,665	\$ 3,047,619,523	\$ 3,361,301,192	10.3%
Net Patient Revenue	\$ 832,189,308	\$ 900,868,388	\$ 944,048,054	\$ 957,373,531	\$ 1,038,781,679	\$ 1,113,065,911	7.2%
Other Operating Revenue	\$ 26,084,597	\$ 29,717,640	\$ 29,302,942	\$ 27,408,607	\$ 22,010,946	\$ 23,679,567	7.6%
Total Revenue	\$ 858,273,905	\$ 930,586,028	\$ 973,350,997	\$ 984,782,138	\$ 1,060,792,625	\$ 1,136,745,478	7.2%
Expense							
Salaries, Wages, and Benefits	\$ 446,084,705	\$ 465,264,794	\$ 499,813,080	\$ 516,964,416	\$ 563,744,115	\$ 603,837,900	7.1%
Supplies and Drugs	\$ 121,826,016	\$ 127,894,777	\$ 136,854,864	\$ 147,356,982	\$ 164,114,802	\$ 172,903,879	5.4%
All Other Expenses	\$ 128,625,967	\$ 137,590,220	\$ 142,871,900	\$ 159,538,533	\$ 150,204,410	\$ 163,536,982	8.9%
Depreciation	\$ 47,924,823	\$ 49,477,262	\$ 51,587,273	\$ 51,921,957	\$ 64,157,938	\$ 64,004,407	-0.2%
Interest Expense	\$ 1,709,428	\$ 5,227,159	\$ 4,239,805	\$ 9,449,117	\$ 17,055,078	\$ 16,852,306	-1.2%
Total Operating Expense	\$ 746,170,940	\$ 785,454,213	\$ 835,366,921	\$ 885,231,004	\$ 959,276,343	\$ 1,021,135,474	6.4%
Operating Margin	\$ 112,102,965	\$ 145,131,816	\$ 137,984,076	\$ 99,551,133	\$ 101,516,282	\$ 115,610,004	13.9%
Operating Margin %	13.1%	15.6%	14.2%	10.1%	9.6%	10.2%	0.6%
Operating EBIDA	\$ 161,737,216	\$ 199,836,237	\$ 193,811,153	\$ 160,922,207	\$ 182,729,298	\$ 196,466,717	7.5%
Operating EBIDA %	18.8%	21.5%	19.9%	16.3%	17.2%	17.3%	0.1%

The consolidated FY2022 budget yields continued financial recovery from the Covid-19 pandemic as evident by Operating Margin of 6.7% and Operating EBIDA Margin of 13.7%. Support for ECHMN for FY2022 is a not exceed total of \$33M.

	Hospitals	ECHMN	Concern	Foundation	Consolidated Enterprise Total
Total Operating Revenue	1,136,745,478	45,449,449	9,599,175	-	1,191,794,102
Operating Expense	1,021,135,474	78,438,145	9,135,189	3,393,225	1,112,102,033
Operating Margin	115,610,004	(32,988,696)	463,986	(3,393,225)	79,692,069
Operating Margin (%)	10.2%	-72.6%	4.8%		6.7%
Operating EBIDA	196,466,717	(30,144,722)	644,858	(3,391,784)	163,575,070
Operating EBIDA (%)	17.3%	-66.3%	6.7%		13.7%

Management completed a sensitivity analysis based on identified risks and opportunities over the next 6-12 months:



FY2022 Operating and Capital Budget Review and Approval
May 24, 2021

List of Attachments:

PowerPoint presentation: FY2022 Operating and Capital Budget

Suggested Board Discussion Questions: N/A



El Camino Health

FY2022 Operating and Capital Budget

Hospital Board Meeting

Dan Woods, Chief Executive Officer

Carlos Bohorquez, Chief Financial Officer

Jim Griffith, Chief Operating Officer

May 24, 2021

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The purpose of this presentation is to provide the Board an overview of the key assumptions and final FY2022 budget

1. Introduction
2. Hospital: Volume Assumption Detail and Key Expense Category review
3. Hospital, ECHMN and Enterprise Income Statements and Sensitivity Analysis
4. FY2022 Budget: Capital Allocation
5. Summary and Proposed Motion
6. Appendix



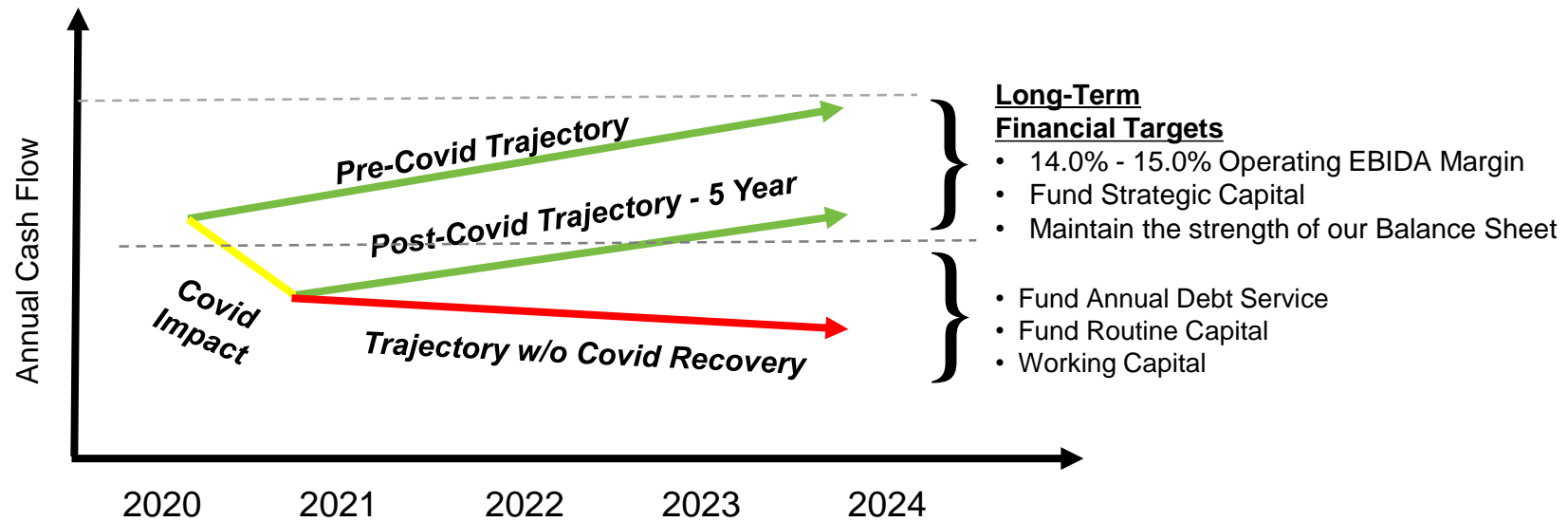
1. Introduction

Executive Summary – FY2022 Operating and Capital Budget

Budget FY2022 lays out a plan for the coming year that puts El Camino Health on a pathway toward recovery from the impact of the Covid-19 pandemic and achieves strong year-over-year growth. The plan includes the following:

1. Continues deployment of capital to support replacement the of clinical / IT equipment and fund facility and strategic needs of the organization
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7. Aligns the operating and capital budgets with our current year and long-term strategic plan initiatives

Covid-19 Impact to our Financial Trajectory



El Camino Health needs a stable financial trajectory in order to:

- Maintain local control and governance
- Investment in our workforce and support our commitment to quality & strong customer service
- Fund sufficient capital to meet the strategic needs of the organization
- Finish Mountain View redevelopment project and fund future facility projects



2. FY2022 Hospital Budget: Volume Assumption Detail & Key Expense Categories

FY2022 Budget Assumptions: SWB and Expense

Year-Over-Year Increases & Inflationary Assumptions

- Increase is based on changes in variable FTEs tied to YOY volume changes, required increases per our union contracts and additional FTEs approved to support quality and patient experience. Shortage of clinical FTEs is also contributor to YOY increases
- FY2022 budget assumes the absorption of a significant amount of industry inflation through inventory and utilization improvements
- El Camino Health will continue to optimize the purchasing power of our GPO network to support strategic supply management efforts

Healthcare Industry Inflation Comparison

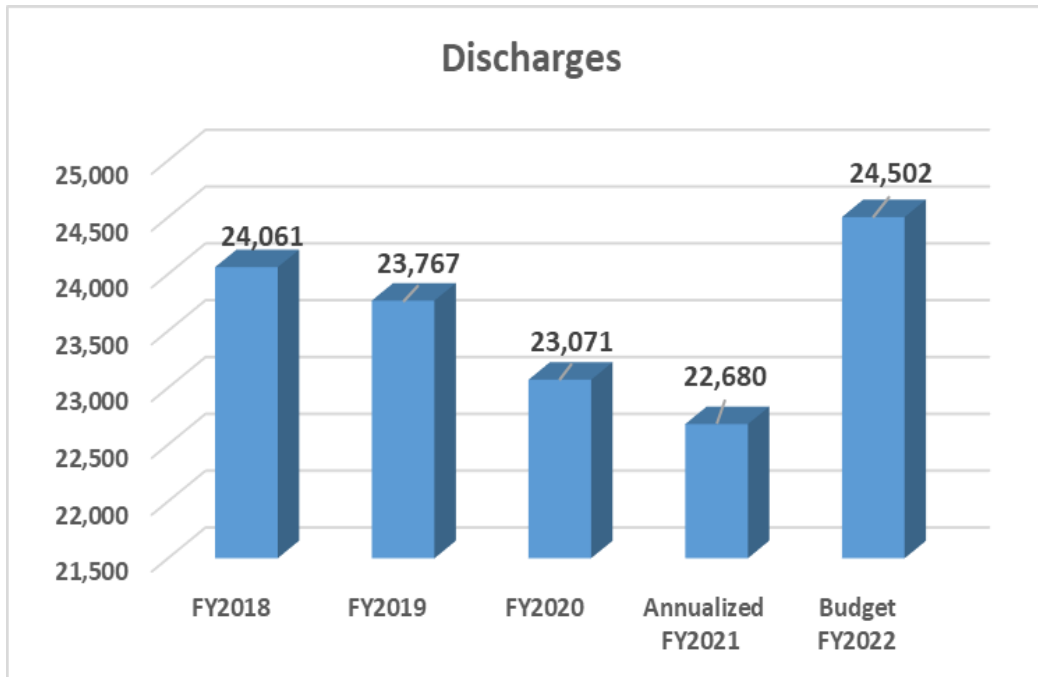
Category / Expense	FY2022 Budget	Industry Expectation
Salaries, Wages and Benefits	7.1%	4.0%-6.0%
Pharmaceuticals	4.5%	4.5%
All Other Supplied	3.5%	3.5%
Other Medical	3.0%	3.0%
All Other Expenses	2.5%	2.5%
All Other: Cleaning, Forms, Office, Uniforms	0-2.1%	0-2.1%

Inpatient & Outpatient Volume Statistics

Key Statistical Indicators

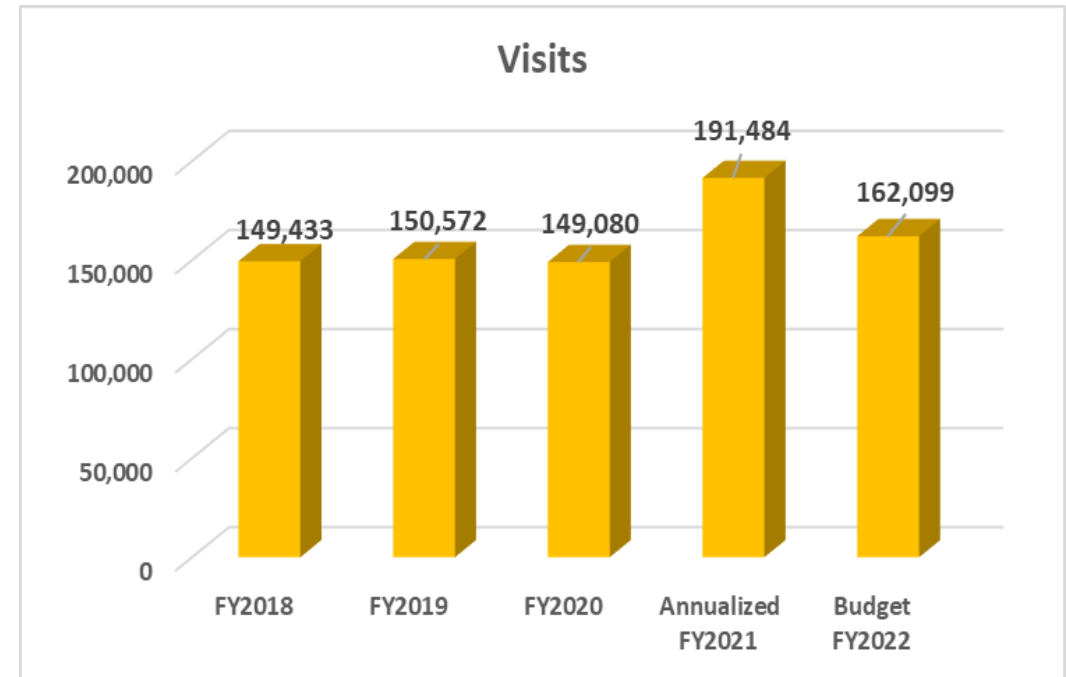
Inpatient Discharges

- Strategic initiatives and physician recruitment efforts are driving growth in MCH, GYN and Neurosciences
- Expansion of capacity at Taube is driving additional growth in the Behavioral Health



Outpatient Services

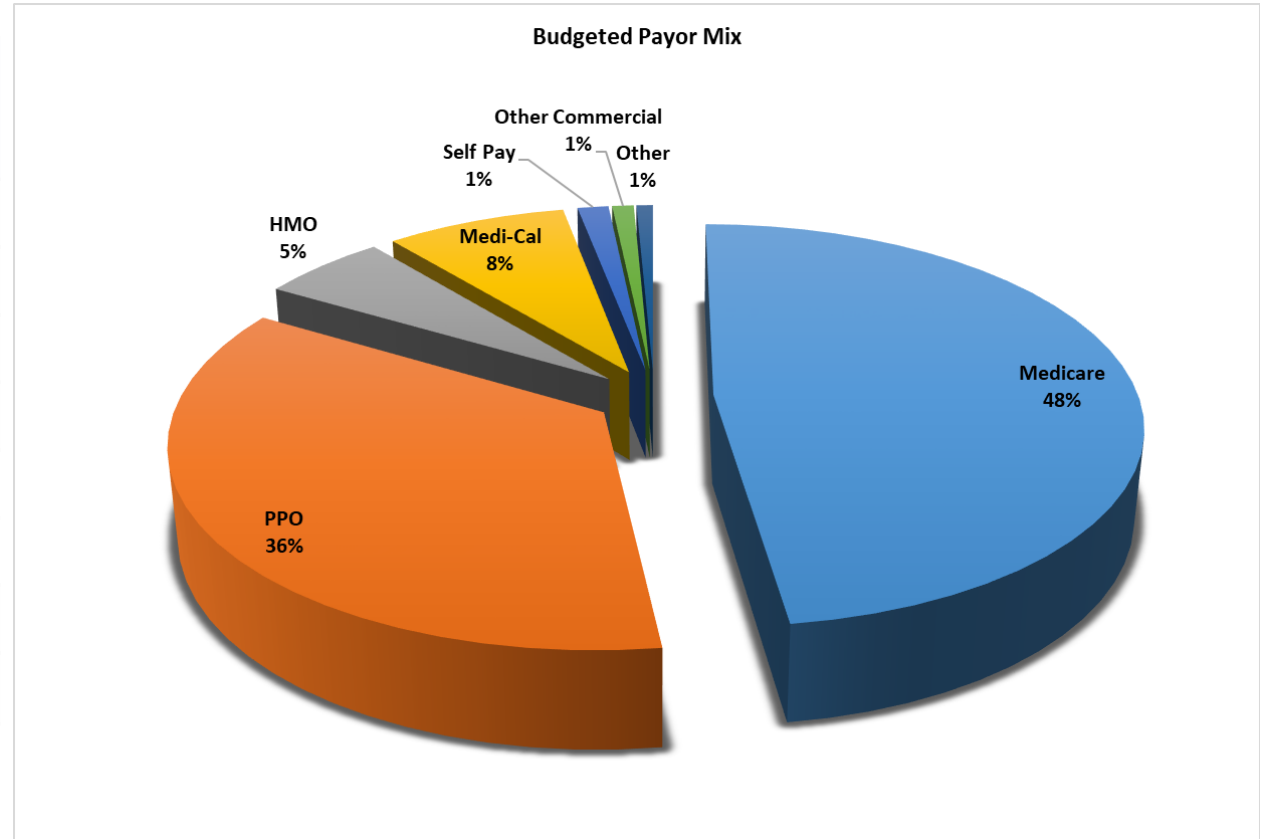
- Excluding the reduction in laboratory services, outpatient volume is projected to increase YOY by 3.7%, primarily driven by growth in MCH, GYN, Oncology and Neurosciences



FY2022 Budget: Gross Revenue by Payor Type

Key Revenue Considerations

Payor Category (\$000's)	Total Gross Charges
Medicare	\$2,142,055
PPO	\$1,591,282
HMO	\$248,363
Medi-Cal	\$356,479
Self Pay	\$61,189
Other Commercial	\$42,465
Other	\$32,512
Total	\$4,474,345



- Assumptions

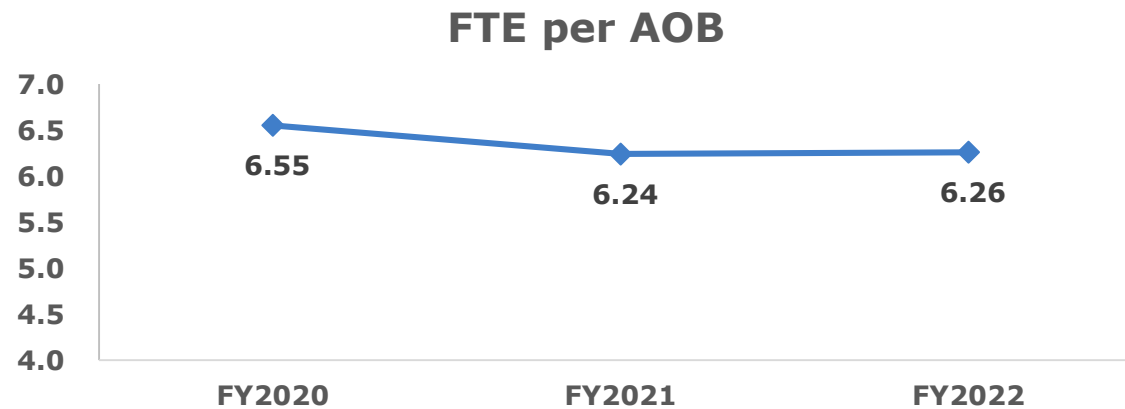
- 6.5% overall effective rate increase
- FY2021 bad debt and uncompensated care 0.2%; FY2022 Budget = 0.2%
- Medicare and PPO sources continue to be predominant

FY2022 Budget: Labor Analysis

Labor Analysis | FTEs

FY2022 Budgeted FTE Roll Forward	FTEs
FY2021 Paid FTEs (as of 3/31/2021)	2,818
Mid Year Additions	22
Volume Changes	98
Approved FY2022 FTE additions	27
Operational Efficiencies	(9)
FY2022 Paid FTE's	2,956

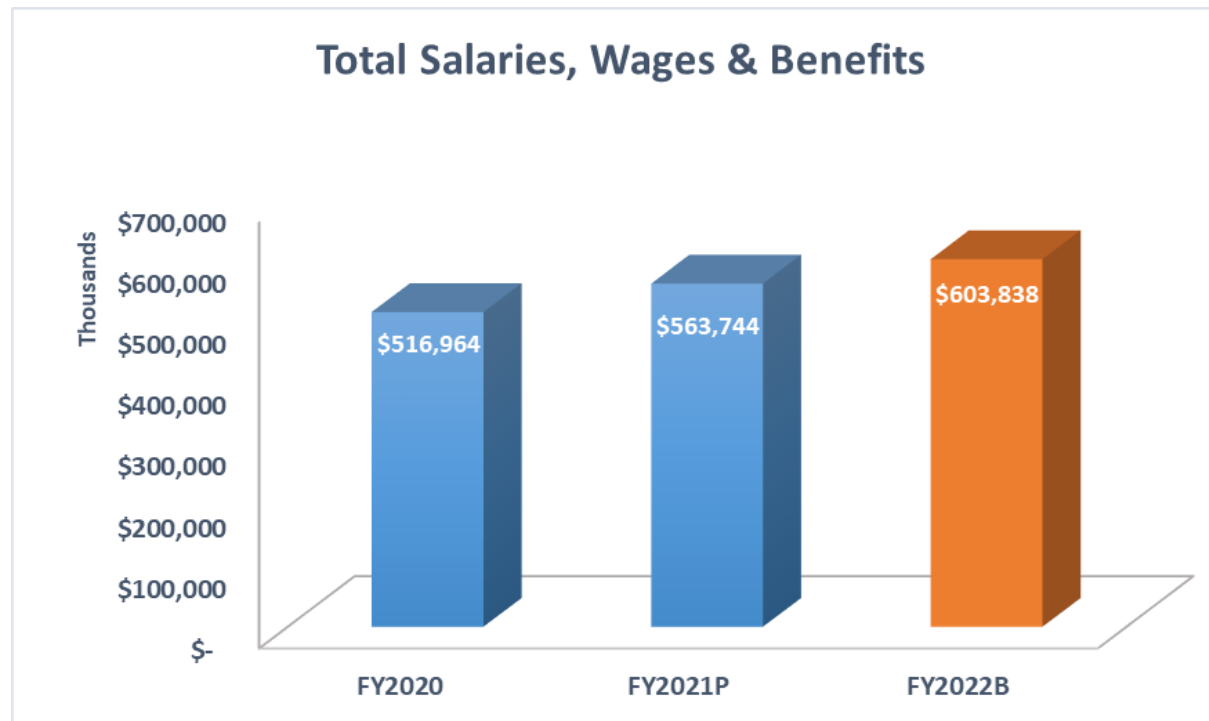
FTEs per AOB



FY2022 Budget: Labor Analysis

Labor Analysis | Salaries, Wages & Benefits

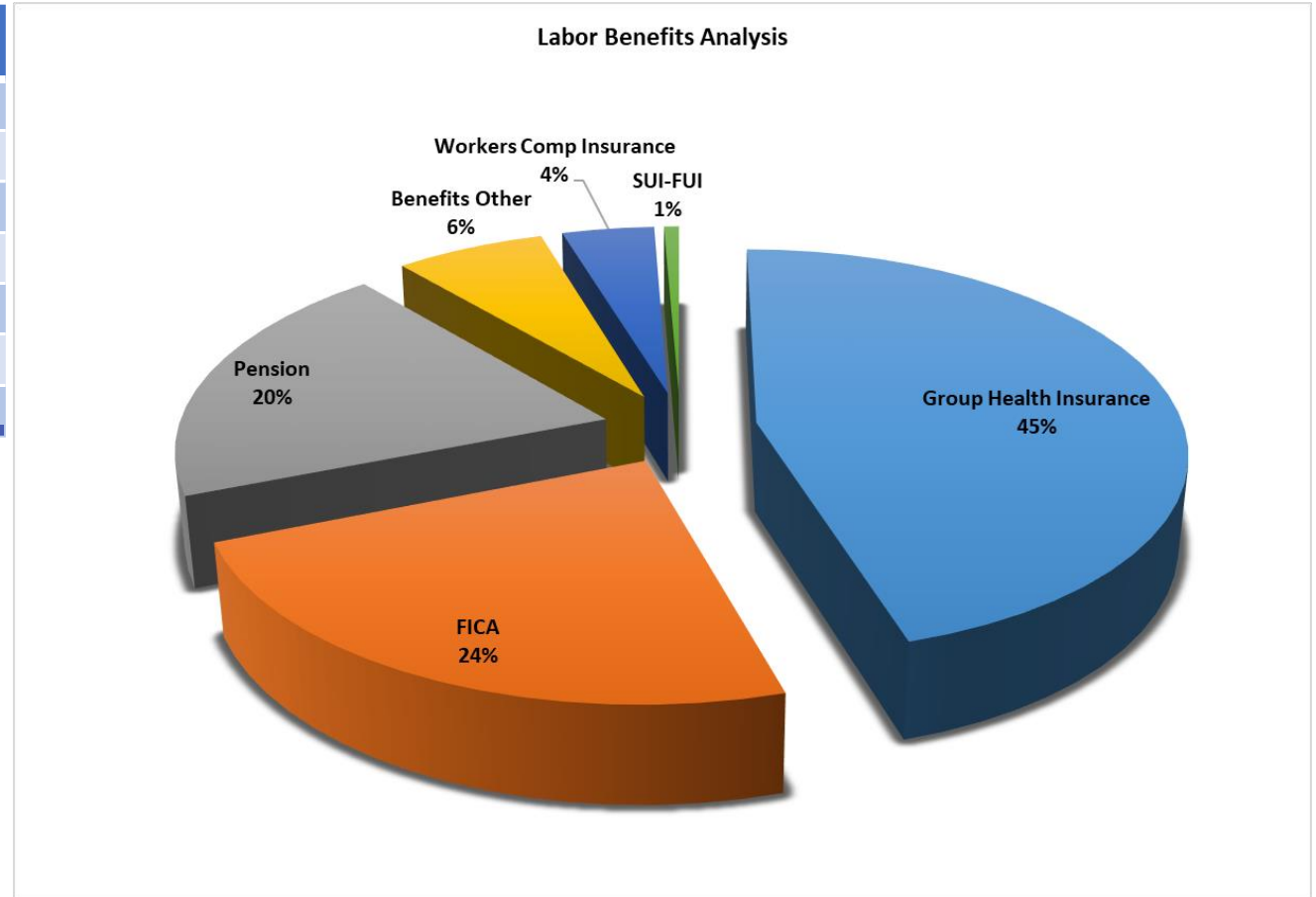
- FY2022 total Salaries, Wages, Contract Labor, and Benefits are increasing by \$40.1M, or 7.1%
- Salary and benefit increases are offset by significant declines in agency / registry, as well as improvements in premium pay expense over current year



FY2022 Budget: Labor Analysis

Labor Analysis | Benefits (excl. PTO)

Type of Benefit	% of Total Benefit
Group Health Insurance	45.4%
FICA	23.6%
Pension	19.8%
Benefits Other	6.5%
Workers Comp Insurance	4.0%
SUI-FUI	0.7%
Total Benefit Spend (\$'000's)	\$129,708



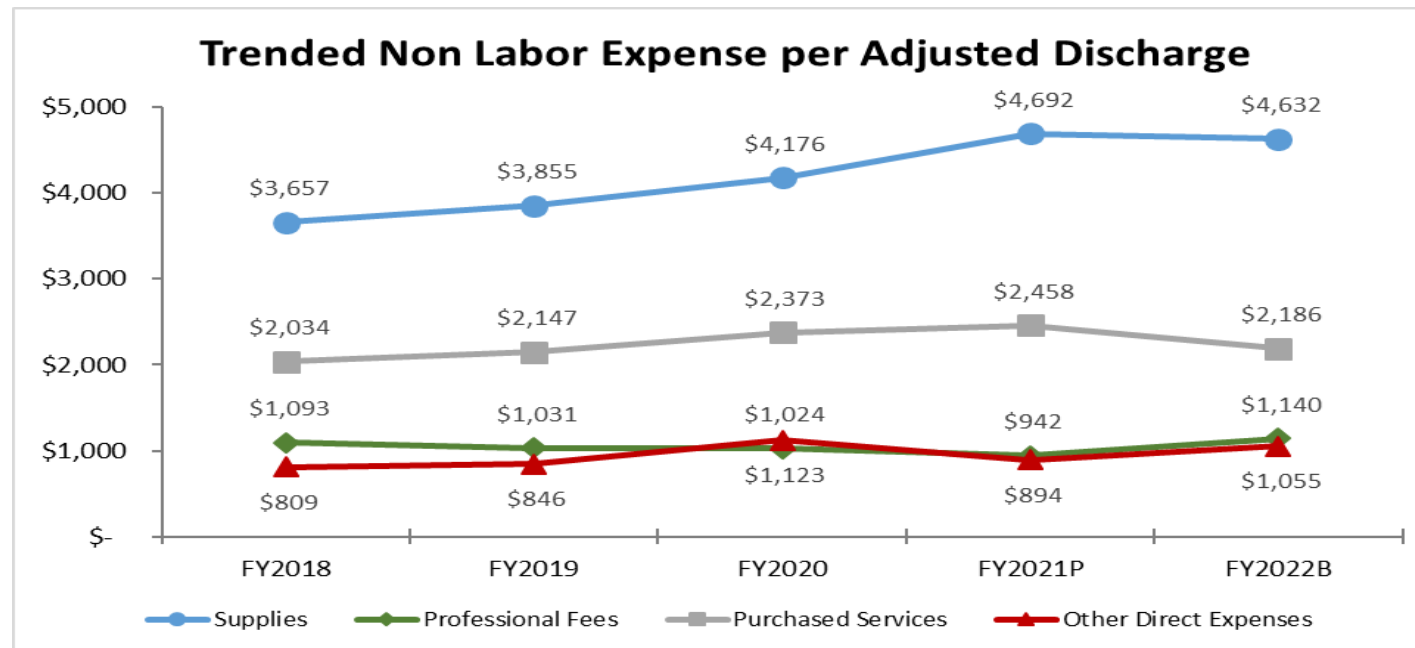
Significant Impacts

- Group Health Insurance premiums have increased by 7%, which is offset by savings from benefit management initiatives
- FICA, Pension, and Worker's Compensation are all increasing in proportion with salaries

FY2022 Budget: Non Labor Analysis

Non Labor Analysis | Summary

- FY2022 Non Labor expense is increasing \$21.8M, or 5.5%
- Overall Non labor expense is decreasing by (1.1%) on a per adjusted discharge basis, primarily driven a normalization of PPE and Lab related supply costs due to COVID-19 in FY2021
- Professional Fees increase driven by Legal and Recruiting relates expense

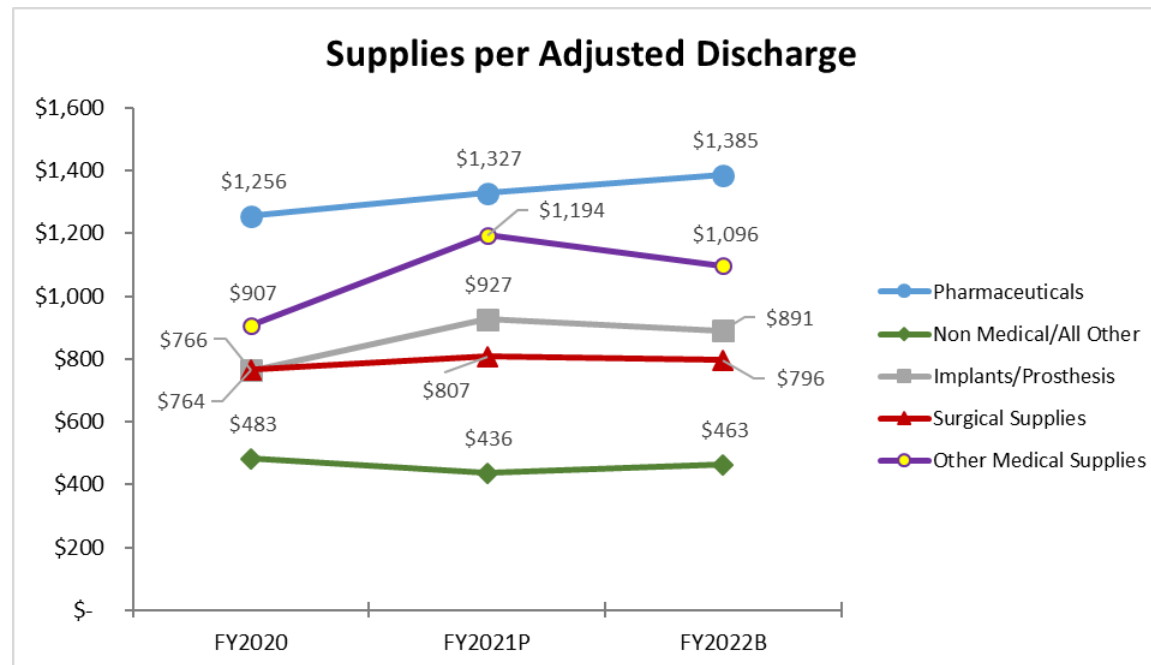


FY2022 Budget: Non Labor Analysis

Non Labor Analysis | Supplies

FY2022 Supply Roll Forward	Expense (\$'000's)
FY2021 Supply Expense (as of 3/31/2021)	164,115
Increase due to Volume and Utilization	3,393
Inflationary Increases	5,396
FY2022 Budgeted Supply Expense	172,904

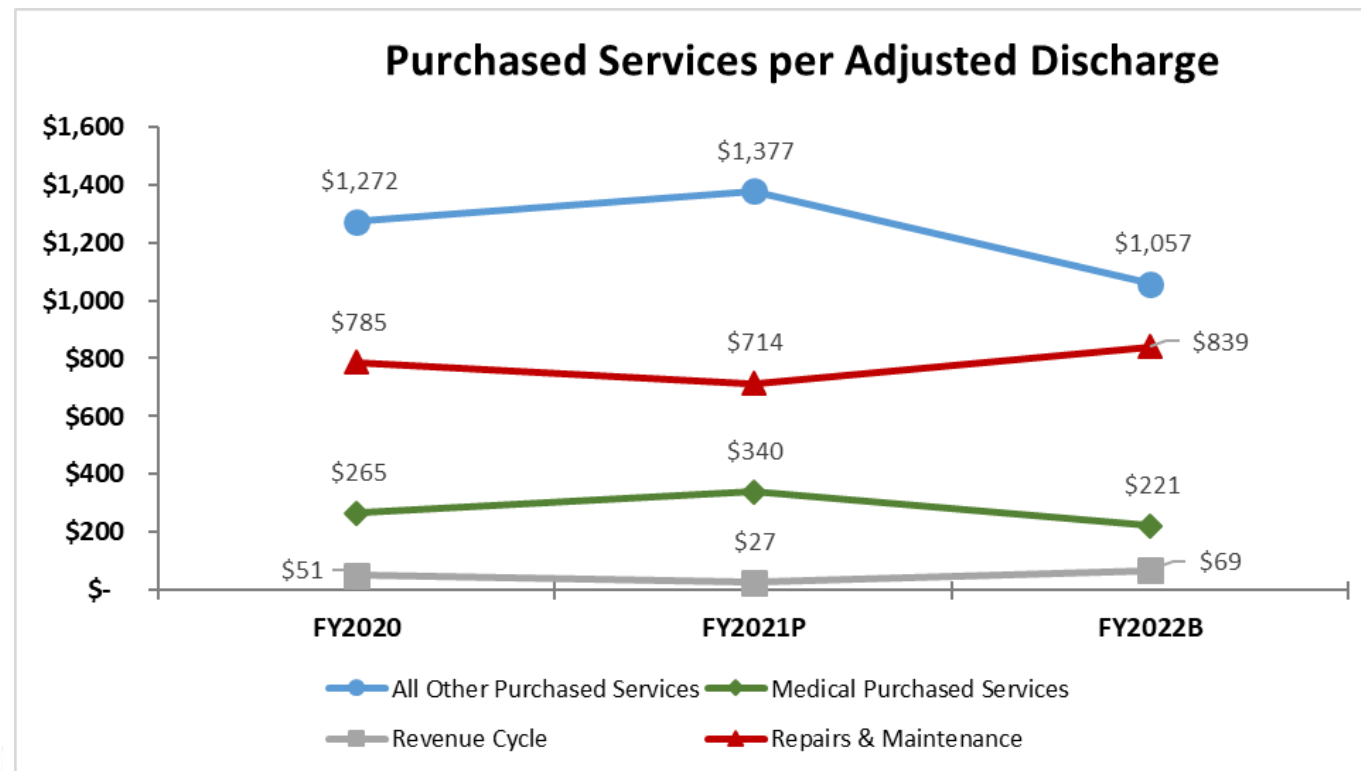
- Pharmaceutical increase driven primarily by projected inflation
- Other medical supplies decrease driven by high Covid-19 related costs not anticipated in FY2022
- Anticipated volume at MV is major driver in the \$3.4M volume & utilization increase.



FY2022 Budget: Non Labor Analysis

Non Labor Analysis | Purchased Services

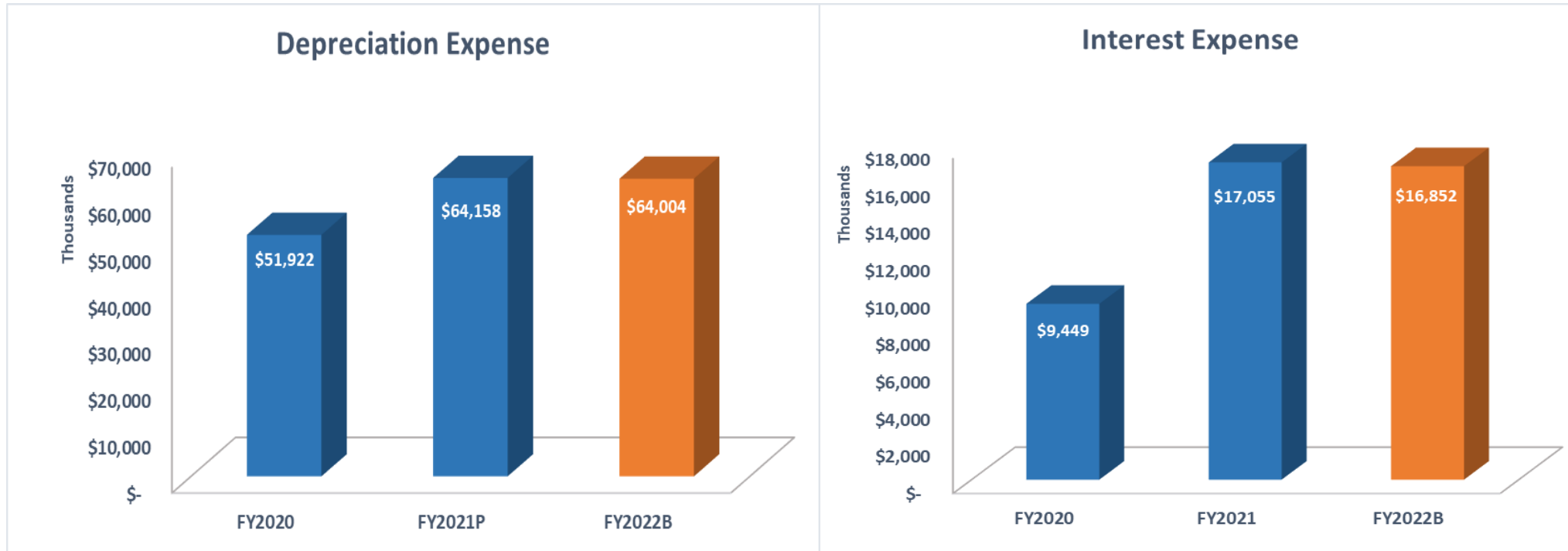
- Purchased Services (PS) decrease and Repairs & Maintenance (RM) increase primarily due to reallocation of expenses (approx. \$4M) from PS to RM for more accurate expense tracking
- Service contract increases driving Repairs & Maintenance (1.3M)



FY2022 Budget: Non-Operating Expenses

Depreciation and Interest Expense

- Significant increase in depreciation and interest expenses starting in FY2021 are associated with Sobrato and Taube Pavilion coming online





3. FY2022 Hospital, ECHMN and Enterprise Income Statement and Sensitivity Analysis

Hospital Division - FY2022 Operating Budget

	Actual				Annualized	Budget	
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	% Change
Revenue							
Charges	\$ 3,019,082,917	\$ 3,297,555,552	\$ 3,524,993,076	\$ 3,564,365,196	\$ 4,086,401,202	\$ 4,474,367,103	9.5%
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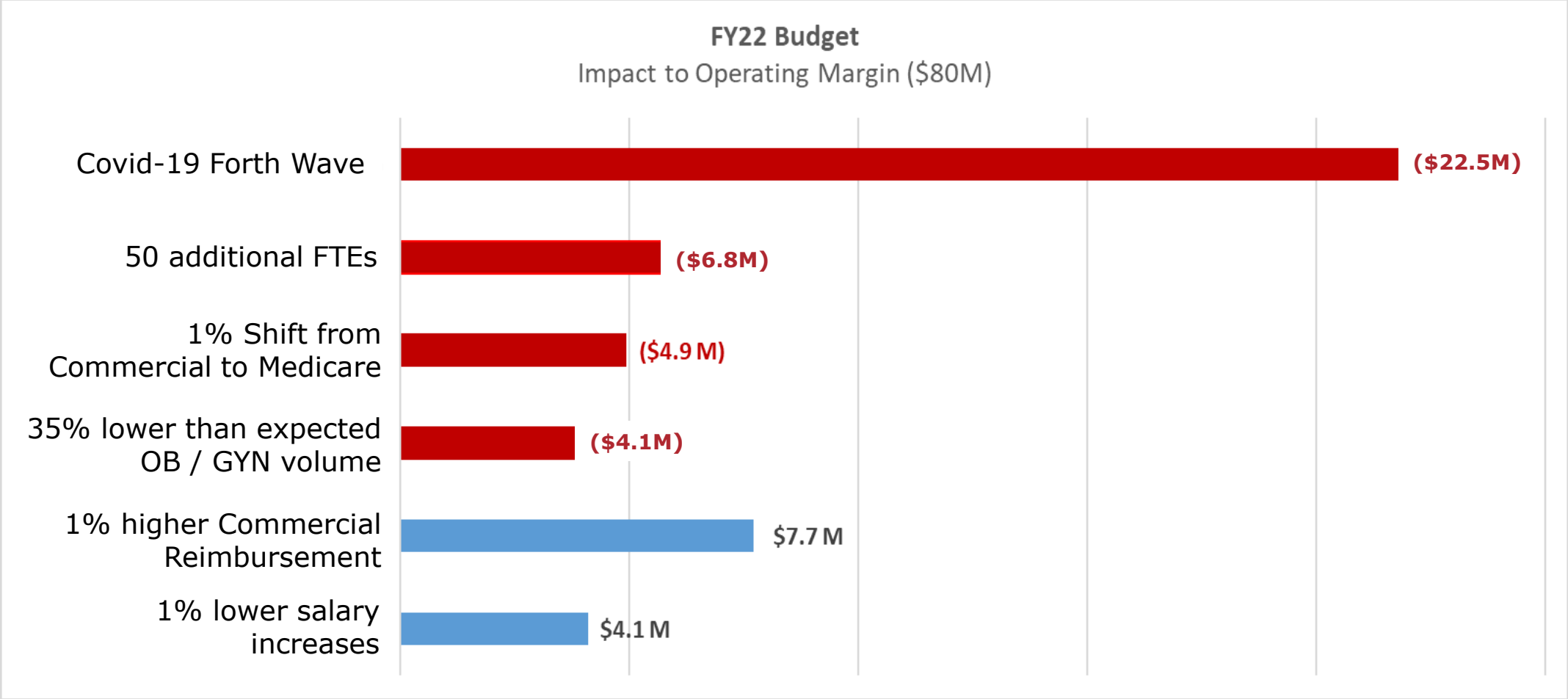
ECHMN - FY2022 Operating Budget

	Annualized		Budget	
	FY2021		FY2022	% Change
Revenue				
Charges	\$ 105,346,367		\$ 93,100,028	-11.6%
Deductions	\$ 70,490,419		\$ 58,485,972	-17.0%
Net Patient Revenue	\$ 34,855,948		\$ 34,614,056	-0.7%
Other Operating Revenue	\$ 14,628,795		\$ 10,835,393	-25.9%
Total Revenue	\$ 49,484,743		\$ 45,449,449	-8.2%
Expense				
Salaries, Wages, and Benefits	\$ 19,899,391		\$ 19,312,115	-3.0%
Supplies and Drugs	\$ 5,168,901		\$ 2,989,269	-42.2%
All Other Expenses	\$ 58,057,599		\$ 53,292,787	-8.2%
Depreciation	\$ 2,797,506		\$ 2,843,974	1.7%
Interest Expense	\$ -		\$ -	
Total Operating Expense	\$ 85,923,396		\$ 78,438,145	-8.7%
Operating Margin	\$ (36,438,653)		\$ (32,988,696)	-9.5%
Operating Margin %	-73.6%		-72.6%	1.1%
Operating EBIDA	\$ (33,641,148)		\$ (30,144,722)	-10.4%
Operating EBIDA %	-68.0%		-66.3%	1.7%

Consolidated Enterprise - FY2022 Operating Budget

	Hospitals	ECHMN	Concern	Foundation	Consolidated Enterprise Total
Total Operating Revenue	1,136,745,478	45,449,449	9,599,175	-	1,191,794,102
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FY2022 Budget – Sensitivity Analysis



4. FY2022 Budget: Capital Allocation

FY2022 Capital Capacity Analysis (\$000s)

- Our FY2022 total capital deployment should be in the range of \$86M - \$147M based on comparably rated organizations and preliminary FY2022 budget

Capital Capacity Analysis - FY2022 (\$000s)

Projected FYE 2021 Total Operating Revenue	\$	1,100,000
Projected - FY2022 Total Operating Revenue	\$	1,191,794
FY2022 Target Operating Margin		6.70%
Operating Income	\$	79,850
Depreciation Expense	\$	66,800
Operating Cash Flow	\$	146,650
District - Designated for Capital	\$	10,000
Principal - Revenue Bonds	\$	(9,430)
Cash Flow Available for Capital	\$	147,220

Moody's 'A' / 'AA' Median Annual Capital Expenditure Ratio

1.2X - 1.3X Depreciation Expense

Calculation: $\$66,800 \times 1.3 = \$85,800$

Source: Moody's Investors Service – Not-for-profit and Public Healthcare Report; September 19, 2020, Capital expenditure ratio medians.

Remaining FY2022 Capital Capacity (\$000s)

FY2022 Capital Capacity Range	
- 1.3x Depreciation	85,800
- Cash Flow Capital Capacity	147,220

A

B

Range of FY2022 capital capacity
\$86M-\$153M

Projects / Capital	Committed FY2022 Capital
Routine Capital / Equipment	20,000
Women's Hospital Expansion Project	40,000
CPW Relocation, MV Wireless Upgrade, Pyxis Replacement and Other	13,695
Total Committed FY2022 Capital	73,695

C

Already committed for FY2022

Remaining Available Capital for FY2022	
- 1.3x Depreciation	12,105
- Cash Flow Capital Capacity	73,525

A - C = D

B - C = E

Remaining capital capacity for
FY2022 is approximately ~\$79M

Approved FY2022 Routine Capital

- FY2022 capital budget includes \$20M towards the replacement / acquisition of clinical, IT and other equipment to support quality, patient satisfaction and growth throughout the organization

Request Name	Approved Amount
Workday Supply Chain Implementation	2,750,000
Gurney replacment enterprisewide	1,419,734
IS Baseline: Telecom - Baseline Replacement, Upgrade	1,330,000
Stealth 8 and ENT Fusion	1,309,146
IS Baseline: Network - Baseline Replacement & Maintenance	1,250,000
Critical Care Beds	1,091,393
IS Baseline: Server - Baseline Replacement & Maintenance	750,000
IS Baseline: Storage - Baseline Primary & Backup Storage	750,000
Phillips Monitoring Emergency Department	637,875
ECH Intranet Redesign	500,000
Philips: Intellivue MX700 Monitors and modules (16)	479,533
IS Baseline: Software Upgrades and Expansion	425,000
IS Baseline: Devices - Baseline Cart Replacement & Growth	400,000
Philips Clearvue 850 WHC System, C5-2+C9-4V + EV Holder	390,120
Servo U ventilators	311,531
Phillips Monitoring LG - Med Surg Ortho	232,517
Philips Earlyvue VS30 Vitals Monitor	206,444
Digital Engagement Platform	200,000
IS Security Program	200,000
Siemens Ultrasound IS-MV Cath Lab	185,000

Request Name	Approved Amount
Karl Storz Blue Light Cysto Tower	158,805
36 Bedside Earlyvue VS 30 Monitor	152,469
Hamilton T-1 Ventilator	152,328
Agility System	148,858
Manoscan System	133,973
Kimberly Salazar	130,500
GE US machine	128,770
HANA Table	124,981
Olympus Rigid Tower	123,711
Olympus P190 Bronchoscopes	102,846
Siemens DR detector	98,428
Phillips Monitoring LG - Nursery	93,361
Phillips Monitoring LG - Outpatient Surgery	87,388
Phillips Monitoring LG - NICU	81,577
Phillips Monitoring 3CW - Mother Baby	80,479
Recliners	53,039
Aethon TUG 2.5 Waste Carts	51,628
Items Below \$50K	685,045
Contingency	2,500,000



5. Summary and Proposed Motion

Summary

- Despite the continued impact of the Covid-19 pandemic, we have experience a strong recovery from the first wave of the pandemic
- We expect that despite high vaccination rates in our community, the impact of the pandemic will linger into FY2022
- Management has prepared a budget that reflects short-term tactics as well as strategic initiatives which will drive strong year-over-year growth and continued financial recovery
- The sensitivity analysis includes a number of identified risks over the next 6-12 months which may impact operations and financial results
- Additional Questions & Comments
- THANK YOU!!!

Proposed Motion

- To approve and adopt the Fiscal Year 2022 operating and capital budget as recommended by management

6. Appendix

FY2022 Budget – Mountain View

	Actual				Annualized	Budget	
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	% Change
Revenue							
Charges	\$ 2,477,932,392	\$ 2,705,504,177	\$ 2,891,810,103	\$ 2,885,560,842	\$ 3,207,488,787	\$ 3,563,110,494	11.1%
Deductions	\$ 1,789,651,753	\$ 1,961,700,405	\$ 2,112,915,044	\$ 2,101,798,927	\$ 2,383,521,868	\$ 2,679,626,732	12.4%
Net Patient Revenue	\$ 688,207,156	\$ 743,803,771	\$ 778,895,058	\$ 783,761,915	\$ 823,966,919	\$ 883,483,762	7.2%
Other Operating Revenue	\$ 24,079,636	\$ 27,189,693	\$ 25,424,177	\$ 23,207,252	\$ 17,936,575	\$ 20,426,957	13.9%
Total Revenue	\$ 712,286,791	\$ 770,993,464	\$ 804,319,236	\$ 806,969,167	\$ 841,903,494	\$ 903,910,719	7.4%
Yield	27.8%	27.5%	26.9%	27.2%	25.7%	24.8%	-0.9%
Expense							
Salaries, Wages, and Benefits	\$ 370,201,866	\$ 386,218,626	\$ 415,472,145	\$ 427,586,741	\$ 463,690,608	\$ 498,907,510	7.6%
Supplies and Drugs	\$ 99,717,169	\$ 104,209,802	\$ 112,144,446	\$ 120,546,803	\$ 127,807,152	\$ 135,368,405	5.9%
All Other Expenses	\$ 93,004,255	\$ 102,234,124	\$ 106,113,261	\$ 122,004,182	\$ 110,031,859	\$ 119,495,942	8.6%
Depreciation	\$ 41,801,094	\$ 41,959,233	\$ 42,256,161	\$ 42,055,201	\$ 53,317,233	\$ 52,878,740	-0.8%
Interest Expense	\$ 1,709,428	\$ 5,227,159	\$ 4,239,805	\$ 9,449,117	\$ 17,055,078	\$ 16,852,306	-1.2%
Total Operating Expense	\$ 606,433,812	\$ 639,848,944	\$ 680,225,818	\$ 721,642,043	\$ 771,901,930	\$ 823,502,903	6.7%
Operating Income	\$ 105,852,979	\$ 131,144,519	\$ 124,093,418	\$ 85,327,124	\$ 70,001,565	\$ 80,407,816	14.9%
Operating Margin %	14.9%	17.0%	15.4%	10.6%	8.3%	8.9%	0.6%
EBIDA	\$ 149,363,501	\$ 178,330,911	\$ 170,589,384	\$ 136,831,441	\$ 140,373,875	\$ 150,138,862	7.0%
EBIDA %	21.0%	23.1%	21.2%	17.0%	16.7%	16.6%	-0.1%

FY2022 Budget – Los Gatos

	Actual				Annualized	Budget	
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	% Change
Revenue							
Charges	\$ 541,150,526	\$ 592,051,376	\$ 633,182,973	\$ 678,804,354	\$ 878,912,415	\$ 911,256,609	3.7%
Deductions	\$ 397,168,373	\$ 434,986,759	\$ 468,029,978	\$ 505,192,738	\$ 664,097,655	\$ 681,674,460	2.6%
Net Patient Revenue	\$ 143,982,153	\$ 157,064,617	\$ 165,152,996	\$ 173,611,616	\$ 214,814,760	\$ 229,582,149	6.9%
Other Operating Revenue	\$ 2,004,961	\$ 2,527,948	\$ 3,878,765	\$ 4,201,355	\$ 4,074,371	\$ 3,252,610	-20.2%
Total Revenue	\$ 145,987,113	\$ 159,592,565	\$ 169,031,761	\$ 177,812,971	\$ 218,889,131	\$ 232,834,759	6.4%
Yield	26.6%	26.5%	26.1%	25.6%	24.4%	25.2%	0.8%
Expense							
Salaries, Wages, and Benefits	\$ 75,882,839	\$ 79,046,168	\$ 84,340,935	\$ 89,377,675	\$ 100,053,507	\$ 104,930,389	4.9%
Supplies and Drugs	\$ 22,108,848	\$ 23,684,975	\$ 24,710,418	\$ 26,810,179	\$ 36,307,650	\$ 37,535,474	3.4%
All Other Expenses	\$ 35,621,712	\$ 35,356,096	\$ 36,758,638	\$ 37,534,351	\$ 40,172,550	\$ 44,041,040	9.6%
Depreciation	\$ 6,123,729	\$ 7,518,029	\$ 9,331,112	\$ 9,866,756	\$ 10,840,706	\$ 11,125,668	2.6%
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Operating Expense	\$ 139,737,127	\$ 145,605,268	\$ 155,141,103	\$ 163,588,961	\$ 187,374,414	\$ 197,632,571	5.5%
Operating Income	\$ 6,249,986	\$ 13,987,297	\$ 13,890,658	\$ 14,224,010	\$ 31,514,718	\$ 35,202,188	11.7%
Operating Margin %	4.3%	8.8%	8.2%	8.0%	14.4%	15.1%	0.7%
EBIDA	\$ 12,373,715	\$ 21,505,325	\$ 23,221,769	\$ 24,090,766	\$ 42,355,423	\$ 46,327,856	9.4%
EBIDA %	8.5%	13.5%	13.7%	13.5%	19.4%	19.9%	0.5%

FY2022 Budget – ECHMN

	Actual				Annualized	Budget	
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	% Change
Revenue							
Charges	\$ 1,324,973	\$ 559,730	\$ 27,087,586	\$ 83,958,328	\$ 105,346,367	\$ 93,100,028	-11.6%
Deductions	\$ 941,053	\$ 404,844	\$ 19,314,934	\$ 58,635,695	\$ 70,490,419	\$ 58,485,972	-17.0%
Net Patient Revenue	\$ 383,921	\$ 154,886	\$ 7,772,652	\$ 25,322,633	\$ 34,855,948	\$ 34,614,056	-0.7%
Other Operating Revenue	\$ -	\$ 47,284	\$ 5,297,131	\$ 19,849,921	\$ 14,628,795	\$ 10,835,393	-25.9%
Total Revenue	\$ 383,921	\$ 202,170	\$ 13,069,783	\$ 45,172,554	\$ 49,484,743	\$ 45,449,449	-8.2%
Yield	29.0%	27.7%	28.7%	30.2%	33.1%	37.2%	4.1%
Expense							
Salaries, Wages, and Benefits	\$ 400,368	\$ 768,130	\$ 6,100,213	\$ 19,966,847	\$ 19,899,391	\$ 19,312,115	-3.0%
Supplies and Drugs	\$ 19,473	\$ 95,762	\$ 1,560,945	\$ 5,012,723	\$ 5,168,901	\$ 2,989,269	-42.2%
All Other Expenses	\$ 502,665	\$ 2,985,098	\$ 27,068,605	\$ 58,528,209	\$ 58,057,599	\$ 53,292,787	-8.2%
Depreciation	\$ 2,065	\$ 185,658	\$ 555,016	\$ 2,019,830	\$ 2,797,506	\$ 2,843,974	1.7%
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Operating Expense	\$ 924,571	\$ 4,034,648	\$ 35,284,778	\$ 85,527,609	\$ 85,923,396	\$ 78,438,145	-8.7%
Operating Income	\$ (540,650)	\$ (3,832,478)	\$ (22,214,994)	\$ (40,355,055)	\$ (36,438,653)	\$ (32,988,696)	-9.5%
Operating Margin %	-140.8%	-1895.7%	-170.0%	-89.3%	-73.6%	-72.6%	1.1%
EBIDA	\$ (538,586)	\$ (3,646,820)	\$ (21,659,979)	\$ (38,335,224)	\$ (33,641,148)	\$ (30,144,722)	-10.4%
EBIDA %	-140.3%	-1803.8%	-165.7%	-84.9%	-68.0%	-66.3%	1.7%

FY2022 Budget – Concern

	Actual				Annualized	Budget	
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	% Change
Revenue							
Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Deductions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net Patient Revenue	\$ 40,013	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Operating Revenue	\$ 16,825,052	\$ 15,295,322	\$ 12,425,889	\$ 8,534,096	\$ 9,556,681	\$ 9,599,175	0.4%
Total Revenue	\$ 16,865,065	\$ 15,295,322	\$ 12,425,889	\$ 8,534,096	\$ 9,556,681	\$ 9,599,175	0.4%
Yield							0.0%
Expense							
Salaries, Wages, and Benefits	\$ 5,308,632	\$ 5,278,000	\$ 4,315,389	\$ 4,048,694	\$ 3,514,459	\$ 3,898,513	10.9%
Supplies and Drugs	\$ 74,622	\$ 58,935	\$ 58,941	\$ 40,490	\$ 23,712	\$ 37,832	59.5%
All Other Expenses	\$ 9,949,713	\$ 8,968,821	\$ 7,135,964	\$ 4,420,262	\$ 5,684,140	\$ 5,017,972	-11.7%
Depreciation	\$ 29,617	\$ 35,413	\$ 25,441	\$ 26,424	\$ 140,872	\$ 180,872	28.4%
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Operating Expense	\$ 15,362,584	\$ 14,341,170	\$ 11,535,734	\$ 8,535,870	\$ 9,363,183	\$ 9,135,189	-2.4%
Operating Income	\$ 1,502,481	\$ 954,152	\$ 890,154	\$ (1,775)	\$ 193,497	\$ 463,986	139.8%
Operating Margin %	8.9%	6.2%	7.2%	0.0%	2.0%	4.8%	2.8%
EBIDA	\$ 1,532,099	\$ 989,565	\$ 915,595	\$ 24,650	\$ 334,370	\$ 644,858	92.9%
EBIDA %	9.1%	6.5%	7.4%	0.3%	3.5%	6.7%	3.2%

FY2022 Budget – Foundation

	Actual				Annualized	Budget	
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	% Change
Revenue							
Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Deductions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net Patient Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Yield							
Expense							
Salaries, Wages, and Benefits	\$ 1,570,419	\$ 1,436,670	\$ 1,411,019	\$ 1,438,269	\$ 1,662,862	\$ 1,917,772	15.3%
Supplies and Drugs	\$ 60,233	\$ 57,340	\$ 79,892	\$ 80,061	\$ 108,289	\$ 84,130	-22.3%
All Other Expenses	\$ 1,333,190	\$ 944,122	\$ 966,261	\$ 571,552	\$ 329,436	\$ 1,389,882	321.9%
Depreciation	\$ 13,316	\$ 13,316	\$ 13,316	\$ 13,315	\$ 13,315	\$ 1,442	-89.2%
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Operating Expense	\$ 2,977,159	\$ 2,451,448	\$ 2,470,488	\$ 2,103,198	\$ 2,113,902	\$ 3,393,225	60.5%
Operating Income	\$ (2,977,159)	\$ (2,451,448)	\$ (2,470,488)	\$ (2,103,198)	\$ (2,113,902)	\$ (3,393,225)	60.5%
Operating Margin %							
EBIDA	\$ (2,963,843)	\$ (2,438,132)	\$ (2,457,171)	\$ (2,089,883)	\$ (2,100,587)	\$ (3,391,784)	61.5%