



El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

**Summary of Financial Operations
Fiscal Year 2019 – Period 4**

7/1/2018 to 10/31/2018

El Camino Hospital Board of Directors

Iftikhar Hussain, CFO

January 16, 2019

Financial Overview

Volume:

- YTD adjusted discharges are favorable to budget (152 cases or 1.4% favorable) driven by high outpatient volume. YTD IP volume remained below budget by 3.2% (205 cases) and below prior year by 5.6% (352 cases) due to late flu season and low deliveries.
- OP cases YTD favorable to budget (221 cases or 0.5%) and below prior year by 0.5% (261 cases). Higher volume primarily in HVI, Surgery, Imaging and Rehab Services.

Financial Performance:

- Net Patient Revenue was favorable to budget by 0.9% (\$2.8M) YTD and above prior year by 1.1% (\$3.3M). The consistent increase in OP volumes contributed to the overall positive revenue.
- YTD Operating Expense is favorable to budget by .07% (\$2.0M) and above prior year by 6.9% (\$17.4M). YTD favorability in Salaries & Wages was primarily due to flexing of labor reduction to volumes vacancies in support departments.
- Operating income was favorable to budget by 9.7% (\$3.0M) YTD and 31% (\$15.3M) below prior year.
- Investment income variance due to market decline

Cost:

- Prod FTEs were unfavorable to target by 2.5% in October and on target YTD.

Balance Sheet:

- Net days in AR was 46.6 which was 1.4 days favorable to budget.

Dashboard - ECH combined as of October 31, 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	244	230	237	(8)	236	225	231	(6)
Utilization MV	66%	64%	65%	-1%	65%	62%	64%	-2%
Utilization LG	31%	26%	29%	-3%	28%	27%	26%	1%
Utilization Combined	55%	52%	54%	-2%	53%	51%	52%	-1%
Total Discharges (Excl NNB)	1,726	1,648	1,689	(41)	6,695	6,326	6,549	(223)
Financial Perf.								
Total Operating Revenue	83,988	79,236	79,322	(86)	302,720	304,813	303,818	996
Operating Income \$	18,216	8,662	10,074	(1,413)	49,106	33,793	30,808	2,985
Operating Margin	21.7%	10.9%	12.7%	-1.8%	16.2%	11.1%	10.1%	0.9%
EBITDA %	27.1%	17.9%	18.8%	-0.9%	22.0%	17.2%	16.4%	0.8%
Payor Mix								
Medicare	46.7%	47.1%	46.7%	0.4%	46.1%	46.3%	46.5%	-0.2%
Medi-Cal	8.9%	7.9%	7.6%	0.3%	8.0%	8.1%	7.8%	0.3%
Total Commercial	42.1%	42.6%	42.8%	-0.2%	43.2%	43.1%	43.0%	0.1%
Other	2.2%	2.4%	2.8%	-0.4%	2.6%	2.6%	2.8%	-0.2%
Cost								
Total FTE	2,580.4	2,639.5	2,642.6	(3)	2,563.4	2,602.3	2,620.9	(19)
Productive Hrs/APD	30.2	31.0	32.0	(1)	30.7	31.2	32.5	(1)
Balance Sheet								
Net Days in AR	50.7	46.6	48.0	(1)	50.7	46.6	48.0	(1.4)
Days Cash	505	496	449	47	505	496	449	47
Affiliates - Net Income (\$000s)								
Hosp	25,595	(25,597)	10,531	(36,128)	73,211	15,854	32,634	(16,780)
Concern	178	98	176	(79)	902	873	280	593
ECSC	(9)	(2)	0	(2)	(16)	(14)	0	(14)
Foundation	214	(851)	227	(1,077)	724	106	582	(476)
SVMD	(54)	(11)	(36)	24	176	1,352	(250)	1,602

Budget Variances

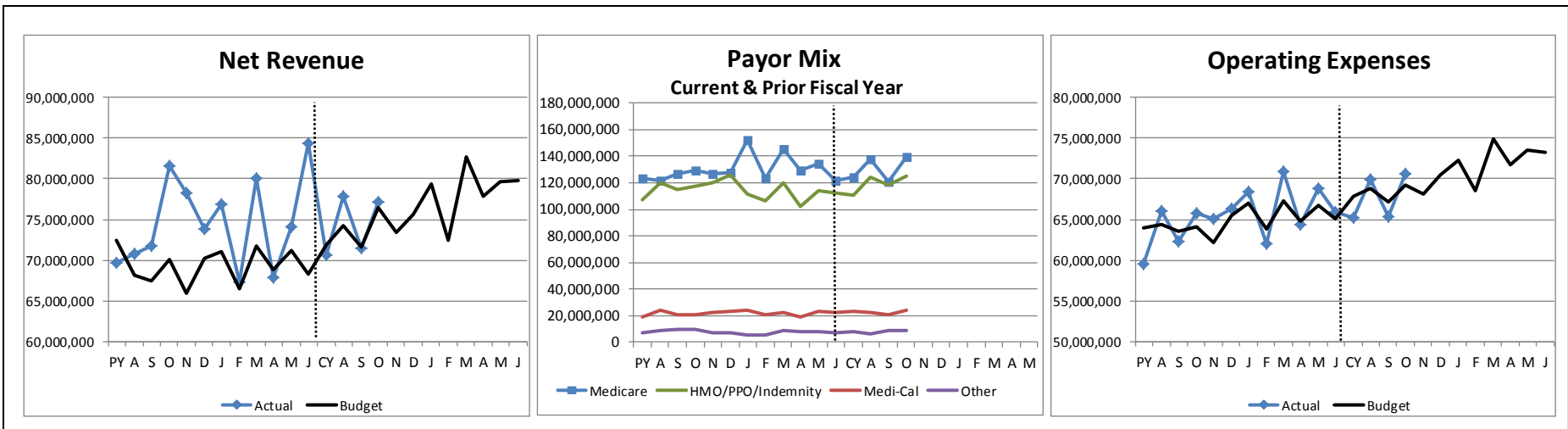
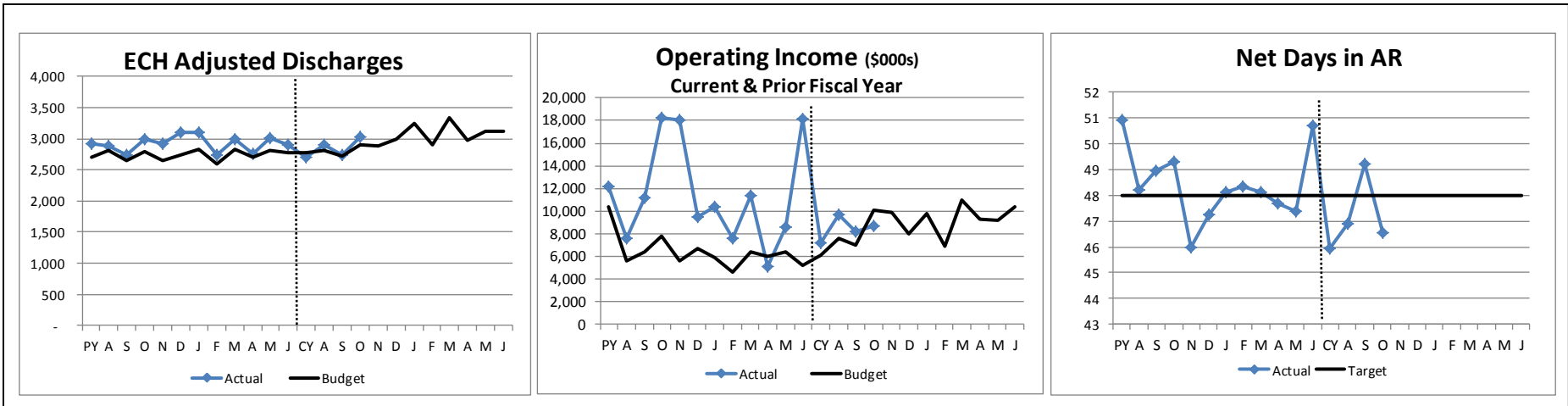
(in thousands; \$000s)	Year to Date (YTD)	
	Net Op Income	% Net Revenue
Budgeted Hospital Operations FY2019	30,808	10.1%
Net Revenue - IP volumes continue to be lower than expectation, however higher OP volumes are making up the difference.	996	0.3%
Labor and Benefit Expense Change - Flexing staff and vacancies in support departments.	1,745	0.6%
Professional Fees & Purchased Services - Significant IT Maintenance Fees partially offset by reduction in Administrative and Consulting Fees	(337)	-0.1%
Supplies - Medical and Non Medical Supplies are over budget, but savings in Drugs offset the variance	162	0.1%
Other Expenses	183	0.1%
Depreciation & Interest	236	0.1%
Actual Hospital Operations FY2019	33,793	11.1%

El Camino Hospital (\$000s)

Period ending 10/31/2018

Period 4 FY 2018	Period 4 FY 2019	Period 4 Budget 2019	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
OPERATING REVENUE										
295,615	296,754	292,515	4,239	1.4%	Gross Revenue	1,092,564	1,121,165	1,133,099	(11,933)	(1.1%)
(214,025)	(219,552)	(216,063)	(3,488)	(1.6%)	Deductions	(798,819)	(824,108)	(838,831)	14,724	1.8%
81,589	77,203	76,452	751	1.0%	Net Patient Revenue	293,745	297,058	294,268	2,790	0.9%
2,398	2,034	2,870	(837)	(29.1%)	Other Operating Revenue	8,974	7,756	9,550	(1,794)	(18.8%)
83,988	79,236	79,322	(86)	(0.1%)	Total Operating Revenue	302,720	304,813	303,818	996	0.3%
OPERATING EXPENSE										
39,768	41,422	41,552	129	0.3%	Salaries & Wages	155,895	162,936	164,682	1,745	1.1%
10,295	11,171	11,635	464	4.0%	Supplies	39,327	43,730	43,892	162	0.4%
8,819	9,645	8,968	(677)	(7.5%)	Fees & Purchased Services	32,135	35,952	35,615	(337)	(0.9%)
2,327	2,824	2,243	(581)	(25.9%)	Other Operating Expense	8,840	9,712	9,895	183	1.8%
453	1,237	323	(914)	(282.6%)	Interest	1,502	1,690	1,294	(396)	(30.6%)
4,108	4,275	4,527	251	5.6%	Depreciation	15,914	17,000	17,632	632	3.6%
65,771	70,575	69,247	(1,327)	(1.9%)	Total Operating Expense	253,614	271,020	273,009	1,989	0.7%
18,216	8,662	10,074	(1,413)	(14.0%)	Net Operating Income/(Loss)	49,106	33,793	30,808	2,985	9.7%
7,379	(34,259)	456	(34,716)	(7606.0%)	Non Operating Income	24,105	(17,939)	1,826	(19,765)	(1082.6%)
25,595	(25,597)	10,531	(36,128)	(343.1%)	Net Income(Loss)	73,211	15,854	32,634	(16,780)	(51.4%)
27.1%	17.9%	18.8%	(0.9%)		EBITDA	22.0%	17.2%	16.4%	0.8%	
21.7%	10.9%	12.7%	(1.8%)		Operating Margin	16.2%	11.1%	10.1%	0.9%	
30.5%	-32.3%	13.3%	(45.6%)		Net Margin	24.2%	5.2%	10.7%	(5.5%)	

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			LIABILITIES AND FUND BALANCE		
	Audited			Audited	
	October 31, 2018	June 30, 2018		October 31, 2018	June 30, 2018
CURRENT ASSETS			CURRENT LIABILITIES		
Cash	106,706	118,992	(5) Accounts Payable	35,970	49,925
Short Term Investments	148,406	150,664	(6) Salaries and Related Liabilities	20,927	26,727
Patient Accounts Receivable, net	114,595	124,427	Accrued PTO	25,051	24,532
Other Accounts and Notes Receivable	2,597	3,402	Worker's Comp Reserve	2,300	2,300
Intercompany Receivables	1,481	2,090	Third Party Settlements	10,271	10,068
(1) Inventories and Prepays	80,781	75,594	Intercompany Payables	81	125
Total Current Assets	454,565	475,171	Malpractice Reserves	1,831	1,831
BOARD DESIGNATED ASSETS			Bonds Payable - Current	3,850	3,850
Plant & Equipment Fund	161,827	153,784	(7) Bond Interest Payable	8,266	12,975
(2) Women's Hospital Expansion	13,967	9,298	Other Liabilities	9,831	8,909
(3) Operational Reserve Fund	139,057	127,908	Total Current Liabilities	118,377	141,242
Community Benefit Fund	18,252	18,675	LONG TERM LIABILITIES		
Workers Compensation Reserve Fund	21,019	20,263	Post Retirement Benefits	29,412	29,212
Postretirement Health/Life Reserve Fund	29,412	29,212	Worker's Comp Reserve	18,719	17,963
PTO Liability Fund	25,051	24,532	Other L/T Obligation (Asbestos)	3,897	3,859
Malpractice Reserve Fund	1,831	1,831	Other L/T Liabilities (IT/Medl Leases)	-	-
Catastrophic Reserves Fund	18,367	18,322	Bond Payable	516,876	517,781
Total Board Designated Assets	428,783	403,826	Total Long Term Liabilities	568,905	568,815
(4) FUNDS HELD BY TRUSTEE	145,716	197,620	DEFERRED REVENUE-UNRESTRICTED	653	528
LONG TERM INVESTMENTS	339,844	345,684	DEFERRED INFLOW OF RESOURCES	22,835	22,835
INVESTMENTS IN AFFILIATES	33,875	32,412	FUND BALANCE/CAPITAL ACCOUNTS		
PROPERTY AND EQUIPMENT			Unrestricted	1,239,403	1,243,529
Fixed Assets at Cost	1,268,803	1,261,854	Board Designated	428,783	403,825
Less: Accumulated Depreciation	(594,610)	(577,959)	Restricted	0	0
Construction in Progress	281,004	220,991	(8) Total Fund Bal & Capital Accts	1,668,185	1,647,355
Property, Plant & Equipment - Net	955,197	904,886	TOTAL LIABILITIES AND FUND BALANCE	2,378,956	2,380,776
DEFERRED OUTFLOWS	20,977	21,177			
RESTRICTED ASSETS - CASH	0	0			
TOTAL ASSETS	2,378,956	2,380,776			

October 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 the yearend accruals that were paid out in July and August.
- (5) 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.
- (6) Semi-annual bond payments of interest and principal were made on the 2015A and 2017 Bonds in August.
- (7) 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 10/31/2018

Period 4 FY 2018	Period 4 FY 2019	Period 4 Budget 2019	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
240,707	245,648	238,151	7,497	3.1%	OPERATING REVENUE					
(173,090)	(181,004)	(176,038)	(4,966)	(2.8%)	Gross Revenue	896,317	921,681	932,632	(10,951)	(1.2%)
67,618	64,644	62,113	2,531	4.1%	Deductions	(653,582)	(676,109)	(691,732)	15,623	2.3%
2,239	1,697	2,643	(946)	(35.8%)	Net Patient Revenue	242,735	245,572	240,900	4,672	1.9%
69,856	66,341	64,757	1,585	2.4%	Other Operating Revenue	8,332	6,646	8,638	(1,992)	(23.1%)
					Total Operating Revenue	251,067	252,218	249,538	2,680	1.1%
					OPERATING EXPENSE					
33,016	34,764	34,809	45	0.1%	Salaries & Wages	129,751	135,663	138,538	2,874	2.1%
8,169	9,152	9,387	235	2.5%	Supplies	31,814	35,370	35,823	453	1.3%
7,534	8,091	7,589	(502)	(6.6%)	Fees & Purchased Services	27,088	30,401	30,384	(18)	(0.1%)
794	897	726	(171)	(23.6%)	Other Operating Expense	2,707	3,242	3,686	445	12.1%
453	1,237	323	(914)	(282.6%)	Interest	1,502	1,690	1,294	(396)	(30.6%)
3,529	3,521	3,761	240	6.4%	Depreciation	13,852	14,024	14,699	675	4.6%
53,494	57,663	56,595	(1,067)	(1.9%)	Total Operating Expense	206,714	220,391	224,424	4,033	1.8%
16,363	8,679	8,161	517	6.3%	Net Operating Income/(Loss)	44,354	31,827	25,114	6,713	26.7%
7,379	(34,259)	456	(34,716)	(7606.0%)	Non Operating Income	24,149	(17,939)	1,826	(19,765)	#####
23,741	(25,580)	8,618	(34,198)	(396.8%)	Net Income(Loss)	68,503	13,888	26,940	(13,052)	(48.4%)
29.1%	20.3%	18.9%	1.3%		EBITDA	23.8%	18.8%	16.5%	2.4%	
23.4%	13.1%	12.6%	0.5%		Operating Margin	17.7%	12.6%	10.1%	2.6%	
34.0%	-38.6%	13.3%	(51.9%)		Net Margin	27.3%	5.5%	10.8%	(5.3%)	

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

Period ending 10/31/2018

Period 4 FY 2018	Period 4 FY 2019	Period 4 Budget 2019	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
OPERATING REVENUE										
54,907	51,106	54,364	(3,258)	(6.0%)	Gross Revenue	196,247	199,485	200,467	(983)	(0.5%)
(40,936)	(38,548)	(40,025)	1,478	3.7%	Deductions	(145,236)	(147,999)	(147,099)	(899)	(0.6%)
13,972	12,558	14,338	(1,780)	(12.4%)	Net Patient Revenue	51,010	51,486	53,368	(1,882)	(3.5%)
160	337	227	110	48.4%	Other Operating Revenue	642	1,109	912	198	21.7%
14,131	12,895	14,565	(1,670)	(11.5%)	Total Operating Revenue	51,652	52,595	54,280	(1,684)	(3.1%)
OPERATING EXPENSE										
6,753	6,658	6,742	84	1.2%	Salaries & Wages	26,145	27,273	26,144	(1,129)	(4.3%)
2,127	2,019	2,247	228	10.2%	Supplies	7,514	8,360	8,069	(291)	(3.6%)
1,285	1,554	1,379	(175)	(12.7%)	Fees & Purchased Services	5,048	5,551	5,232	(319)	(6.1%)
1,533	1,927	1,517	(410)	(27.0%)	Other Operating Expense	6,133	6,470	6,208	(262)	(4.2%)
0	0	0	0	0.0%	Interest	0	0	0	0	0.0%
580	754	766	12	1.5%	Depreciation	2,061	2,976	2,933	(43)	(1.5%)
12,277	12,912	12,652	(260)	(2.1%)	Total Operating Expense	46,900	50,629	48,585	(2,044)	(4.2%)
1,854	(17)	1,913	(1,930)	(100.9%)	Net Operating Income/(Loss)	4,752	1,966	5,694	(3,728)	(65.5%)
0	0	0	0	0.0%	Non Operating Income	(45)	0	0	0	0.0%
1,854	(17)	1,913	(1,930)	(100.9%)	Net Income(Loss)	4,708	1,966	5,694	(3,728)	(65.5%)
17.2%	5.7%	18.4%	(12.7%)		EBITDA	13.2%	9.4%	15.9%	(6.5%)	
13.1%	-0.1%	13.1%	(13.3%)		Operating Margin	9.2%	3.7%	10.5%	(6.8%)	
13.1%	-0.1%	13.1%	(13.3%)		Net Margin	9.1%	3.7%	10.5%	(6.8%)	

Expense variances - YTD

- Salary variance due higher ED staffing and survey preparation
- High purchased services due to higher rehab volume and repairs and maintenance
- Other expense variance due to timing difference for property taxes.

Non Operating Items and Net Income by Affiliate

\$ in thousands

	Period 4 - Month			Period 4 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Income (Loss) from Operations						
Mountain View	8,679	8,161	517	31,827	25,114	6,713
Los Gatos	(17)	1,913	(1,930)	1,966	5,694	(3,728)
Sub Total - El Camino Hospital, excl. Affiliates	8,662	10,074	(1,413)	33,793	30,808	2,985
Operating Margin %	10.9%	12.7%		11.1%	10.1%	
El Camino Hospital Non Operating Income						
Investments ²	(33,832)	2,478	(36,310)	(12,565)	9,911	(22,476)
Swap Adjustments	274	(100)	374	677	(400)	1,077
Community Benefit	48	(300)	348	(2,573)	(1,200)	(1,373)
Pathways	(47)	0	(47)	(93)	0	(93)
Satellite Dialysis	185	(25)	210	187	(100)	287
Community Connect	0	(53)	53	0	(212)	212
SVMD Funding ¹	(533)	(1,219)	686	(2,345)	(4,876)	2,531
Other	(353)	(324)	(29)	(1,227)	(1,297)	70
Sub Total - Non Operating Income	(34,259)	456	(34,716)	(17,939)	1,826	(19,765)
El Camino Hospital Net Income (Loss)	(25,597)	10,531	(36,128)	15,854	32,634	(16,780)
ECH Net Margin %	-32.3%	13.3%		5.2%	10.7%	
Concern	98	176	(79)	873	280	593
ECSC	(2)	0	(2)	(14)	0	(14)
Foundation	(851)	227	(1,077)	106	582	(476)
Silicon Valley Medical Development	(11)	(36)	24	1,352	(250)	1,602
Net Income Hospital Affiliates	(766)	367	(1,134)	2,317	611	1,706
Total Net Income Hospital & Affiliates	(26,364)	10,898	(37,262)	18,171	33,245	(15,074)

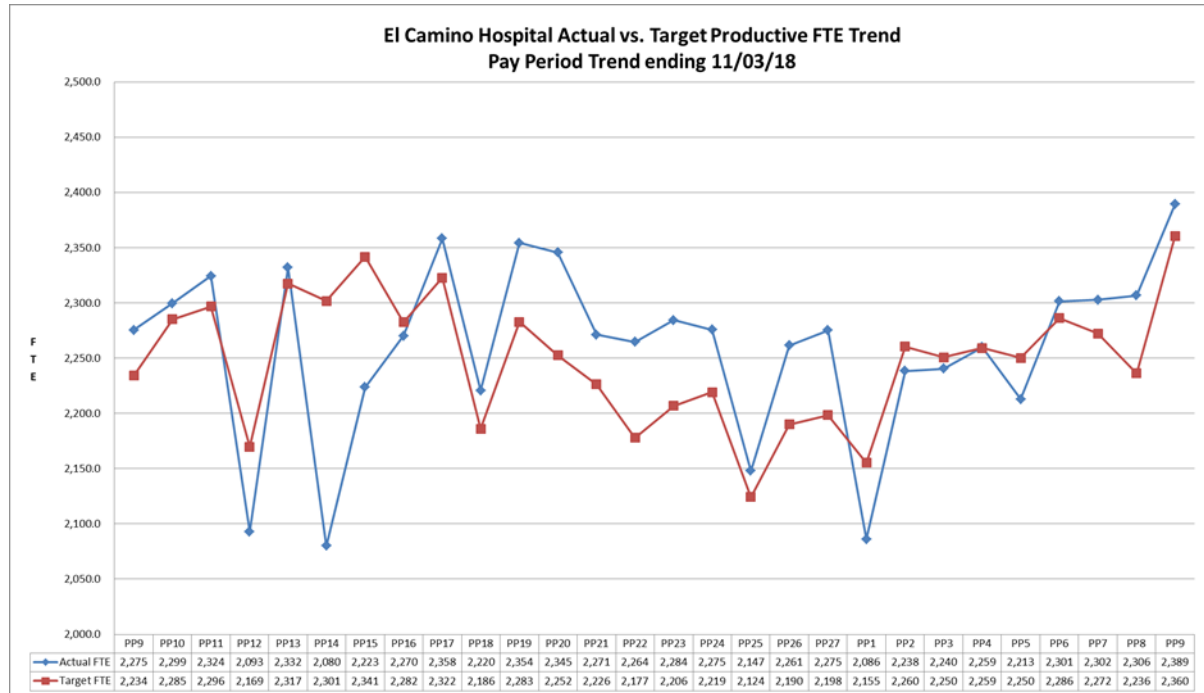
¹Favorable variances for SVMD and Community Connect are due to delayed implementation

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

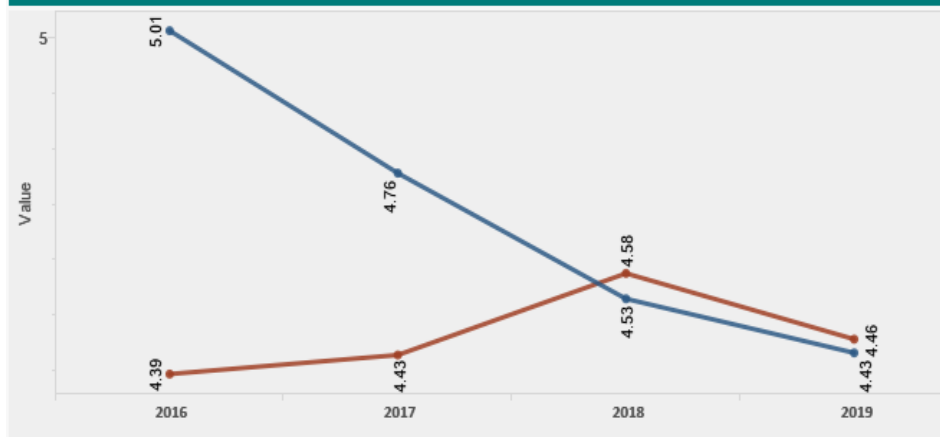
Productivity and Medicare Length of Stay

At or below FTE target for the first nine pay periods of the year.

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



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